

Testimony of Zach Ducheneaux
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Introduction

Chair Stabenow, Ranking Member Boozman, and distinguished members of the Committee, it is an honor and privilege to appear before you today. To those who I have not yet had the pleasure of meeting, my name is Zach Ducheneaux, and since February of 2021, I have served as the Administrator of the U.S. Department of Agriculture's, Farm Service Agency (FSA). Prior to starting this job, I was a third-generation rancher on my family's ranch on the Cheyenne River Sioux Reservation.

I appreciated the opportunity to speak with many of you just a few weeks ago at this Committee's Farm Bill hearing on Commodity Programs, Crop Insurance, and Credit. I am grateful to have the opportunity to visit with you today to share how FSA's vision to strengthen and expand access to our conservation programs can improve producers' economic viability while giving them better tools to invest in the long-term well-being of their land and natural resources.

The Conservation Division at the Farm Service Agency oversees several programs that protect our drinking water, reduce soil erosion, preserve wildlife habitat, restore forests and wetlands, and improve soil health for future generations. Key FSA conservation programs also support producers whose operations are damaged by natural disasters.

I have always appreciated FSA's commitment to voluntary, producer-led, working lands conservation, and I am committed to maintaining those pillars of our conservation programs. At the same time, FSA has a unique opportunity to expand and improve these programs to bring in new and diverse partners and better empower our producers to tackle the climate crisis and build more resilience into their operations. The changes FSA has made and the changes we continue to pursue are focused on giving producers more opportunities to invest in the long-term health of their land and natural resources.

In my testimony today, I'd like to highlight some of our conservation programs, along with some of the updates and improvements our Administration has implemented over the past two years.

Farm Bill Program Implementation

The Conservation Reserve Program (CRP) is one of the largest private lands conservation programs in the United States. Through CRP, the FSA pays producers a yearly rental payment in exchange for removing environmentally sensitive land from agricultural production and planting species that will improve environmental quality. The long-term goal of the program is to reward producers who re-establish valuable land cover, which in turn helps improve soil health and water quality, prevents soil erosion, and reduces the loss of wildlife habitat. Contracts for land enrolled in CRP are typically from 10 to 15 years in length.

There are several ways agricultural producers and landowners can participate in CRP, including through our General Signup, our Grassland CRP, and our Continuous CRP. Last year, FSA accepted more than two million acres through the General Signup, more than 3.1 million acres through the Grassland Signup, and more than 877,000 acres through the Continuous CRP

Signup, resulting in about 5.1 million acres entering the program, surpassing the 3.9 million acres that exited the program.

The 2018 Farm Bill established a rising acreage cap for CRP, setting the cap at 25 million acres in 2021, 25.5 million acres in 2022, and 27 million acres in 2023. Despite Congress' work to raise these enrollment targets in the Farm Bill, in 2021, FSA faced decreasing enrollment due to a variety of factors. At the direction of Secretary Vilsack, FSA has prioritized increasing access to CRP and strengthening the climate benefits of the program through several changes, which have now put the program on an upward trajectory and helped bring participation into closer alignment with the caps established by Congress.

To increase producer interest and enrollment, FSA adjusted soil rental rates where data supported such an adjustment, increased payments for practice incentives, and increased payments for water quality practices. We also added a Climate-Smart Practice Incentive for CRP general and continuous signups to better leverage this program for positive climate outcomes, including carbon sequestration. Climate-Smart CRP practice incentives involve the establishment of trees and permanent grasses, the development of wildlife habitat, and wetland restoration. The Climate-Smart Practice Incentive is an annual payment based on the benefits of each practice type.

Additionally, we established a grassland CRP minimum rental rate. The grassland CRP program helps landowners and operators protect grassland, including rangeland, pastureland, and certain other lands, while maintaining the areas as working grazing lands. FSA updated the grassland CRP signup in fiscal year 2022 to establish a minimum rental rate of \$13 per acre that increased rental rates in 1,047 counties across the country. FSA also established National Grassland Priority Zones – the Greater Yellowstone Migration Corridor and Dust Bowl Zone –

that aim to increase enrollment of grasslands in migratory corridors and environmentally sensitive areas. In 2022, FSA expanded the Greater Yellowstone Wildlife Migration Corridor Priority Zone to include seven additional counties across Montana, Wyoming, and Idaho, to help protect the big-game animal migration corridor associated with Wyoming elk, mule deer, and antelope.

FSA's improvements to Grassland CRP have yielded rapid results. Last year's Grassland CRP signup was the highest Grassland signup ever. That record-breaking signup and continued growth in Grassland CRP demonstrates that conservation priorities and agricultural productivity not only have the capacity to coexist, but also complement and enhance one another. Additionally, as part of FSA's Justice40 efforts, underserved producers and landowners, including beginning farmers and military veterans, were able to receive 10 additional ranking points to enhance their Grassland CRP offers. FSA accepted offers of more than 1.9 million acres from more than 5,000 underserved producers, about 87 percent of those who submitted applications. This year, FSA will be providing limited resource producers 20 additional points to enhance their offers. These ranking point incentives will continue helping small-scale operators and landowners find an entry way into the program.

Haying and grazing of CRP acres enrolled under General and Continuous CRP is authorized under certain conditions to improve the quality and performance of the CRP cover or to provide emergency relief to livestock producers due to certain natural disasters. There are two types of haying and grazing authorizations: emergency and non-emergency. Emergency haying and grazing of CRP acres may be authorized by FSA to provide relief to livestock producers in areas affected by severe drought or other natural disasters. During the 2022 program year, 1,633 counties became eligible for CRP emergency haying and grazing.

Through CRP, producers can also enroll land in FSA's Farmable Wetlands Program (FWP). FWP is designed to restore previously farmed wetlands and wetland buffers to improve both vegetation and water flow. FWP is a voluntary program to restore up to one million acres of farmable wetlands and associated buffers. Participants must agree to restore the wetlands, establish plant cover, and to not use enrolled land for commercial purposes. Plant cover may include plants that are partially submerged or specific types of trees. FSA runs the program through CRP with assistance from other government agencies and local conservation groups.

Additionally, FSA announced efforts to enhance natural resource benefits through CRP by moving State Acres for Wildlife Enhancement (SAFE) practices back to the continuous CRP signup. Producers can enroll year-round under continuous signup and be eligible for additional incentives. FSA also made Highly Erodible Land Initiative (HELI) practices available in both the general and continuous signups.

Notably, we also saw benefits from the expansion of both the Soil Health and Income Protection Program (SHIPP), which was a pilot program FSA implemented in 2021, and the Clean Lakes, Estuaries and Rivers initiative (CLEAR30), another pilot that has now expanded from twelve states in the Great Lakes and Chesapeake Bay watershed to all States and territories, allowing producers nationwide to enroll in 30-year CRP contracts for water quality practices.

FSA also continues to invest in its CRP Monitoring, Assessment, and Evaluation (MAE) program. Recently, FSA has kickstarted much-needed work to evaluate and quantify conservation benefits of its programs to inform program design and implementation. In 2022, FSA dedicated significant resources toward measuring and monitoring the climate impacts of conservation practices. In a series of multi-partner projects that involve minority serving institutions, FSA is enlisting a cadre of skilled technical experts in a field-scale measurement,

monitoring, and reporting initiative to quantify carbon sequestered and GHG gases reduced on land enrolled in CRP. In addition to these field-scale measurement projects, FSA has also invested substantial MAE resources in partnerships with organizations serving underserved producers to better understand how targeted outreach and engagement can help these producers better access and benefit from CRP. For example, MAE resources are supporting a mixed methods study led by the University of Georgia and a variety of partners, including the Southwest Georgia Project, the Eastern Band of Cherokee Indians, the Sustainable Forestry and Land Retention Program, Florida A&M University, Alcorn State University, Alabama A&M University, and other and other minority-serving organizations. This study is focused on understanding existing barriers to entry into the CRP program for underserved producers and landowners and will assess strategies to increase these landowners' participation..

The last component of CRP that I'll highlight is the Conservation Reserve Enhancement Program (CREP). CREP is a partnership program that targets specific significant conservation concerns in particular geographies, and federal resources are supplemented with non-federal resources to address those concerns. In exchange for removing environmentally sensitive land from production and establishing resource-conserving plant species, farmers and ranchers are paid an annual rental payment along with other federal and non-federal incentives, as applicable per each CREP agreement. Participation is voluntary, and the contract period is typically 10-15 years.

Through CREP, for the first time ever, three Tribal Nations are partnering with USDA to help conserve, maintain, and improve grassland productivity, reduce soil erosion, and enhance wildlife habitat. The Cheyenne River, Oglala, and Rosebud Sioux Tribes have entered into CREP agreements with FSA to enroll eligible grassland, pastureland, and other agricultural lands within

the boundaries of their reservations in this conservation program. The CREP agreements authorize enrollment of up to 1.5 million acres by the Cheyenne River Sioux Tribe, up to 1 million acres by the Oglala Sioux Tribe, and up to 600,000 acres by the Rosebud Sioux Tribe. These CREP agreements reflect the priorities and goals of USDA to broaden the scope and reach of its voluntary, incentive-based conservation programs to engage underserved communities. Looking ahead, FSA is focused on continuing to explore innovative CREP agreements with States, Tribes, and non-governmental organizations to build new partnerships, particularly in underserved communities.

USDA has made significant improvements to CREP to reduce barriers and make the program more accessible to a broad range of producers and new types of partners. In direct response to feedback from State agencies, Tribes, non-profits and other groups, USDA has updated CREP's rule regarding matching fund requirements, and invested in additional staff to work directly with partners for streamlined, partner-driven conservation efforts. A December 6, 2019, rule required that 50% of matching funds from partners be in the form of direct payments, which made it more difficult for many groups to participate as partners in CREP. With the December 13, 2021, rule change, partners can now provide their negotiated level of matching funds in the form of cash, in-kind contributions, or technical assistance. This change allows for greater flexibility and opportunity for additional partners to participate in the program.

The rule also updated policy to now provide a full annual rental payment to producers who are impacted by State, Tribal or local laws, ordinances and regulations that require a resource conserving or environmental protection measure. The previous rule reduced the rental payment made to producers who were affected by such laws.

For landowners with expiring CRP contracts, the 2018 Farm Bill authorized \$50 million for fiscal years 2019 through 2023 for the Transition Incentives Program (TIP). The program offers assistance for landowners and operators, as well as opportunities for beginning and socially disadvantaged farmers and ranchers. It provides landowners or operators with two additional annual rental payments on land enrolled in expiring CRP contracts, on the condition they sell or rent this land to a beginning farmer or rancher or to a underserved producer. Up to two additional annual CRP payments can be obtained through TIP. New landowners or renters must return the land to production using sustainable grazing or farming methods.

Next, I'll discuss FSA's Emergency Conservation Program (ECP). This program provides funding and assistance to help farmers and ranchers repair conservation structures, recover damaged farmland, and install methods for water conservation following natural disasters, including chronic disasters like severe drought.

In response to the 2021 drought, FSA expanded its policies to allow financial assistance to livestock producers for portable pumps used to temporarily pump water from available sources. This allowed producers to continue grazing activities when water sources were not safely accessible by the livestock. In fiscal year 2022, FSA allocated a total of \$171.5 million in ECP funds to assist producers in response to weather-related disasters, and has \$172 million available to provide assistance to aid producers in recovering from natural disasters.

In response to fires in 2022, FSA updated its regulations to begin allowing producers who lease Federally-owned or managed lands, including tribal trust land, as well as State land, the opportunity to participate in ECP. FSA has now made advance payments available—up to 25% of the cost—for all ECP practices before the restoration is carried out, an option that was previously only available for fence repair or replacement.

FSA also administers the Emergency Forest Restoration Program (EFRP). This program assists owners of non-industrial private forests to restore forest health damaged by natural disasters. In fiscal year 2022, FSA allocated a total of \$44.5 million in EFRP funds to assist forest landowners in response to weather-related disasters, and has \$215 million available to provide assistance to aid producers in recovering from natural disasters.

Recently, Congress authorized FSA to pay 100% of the ECP and EFRP cost for damage associated with the Hermit's Peak/Calf Canyon Fire in New Mexico. ECP and EFRP cost-share assistance is typically capped at 75%. The flexibilities provided by Congress are helping provide critical assistance to producers as they work to rebuild their operations and infrastructure in the continued wake of these disasters.

Following widespread damage occurring due to disasters, FSA has expedited the process for completing environmental assessment of practices and restoration activities that will not result in ground disturbance, or disturbance "above the plow-line." By streamlining the environmental compliance process for farm and forest land restoration, while maintaining the integrity of these critical process, FSA has been able approve applications for assistance in a more timely manner.

Lastly, along with its partner, the National Rural Water Association, FSA also administers the Grassroots Source Water Protection Program. Acting through local organizations (rural water authorities), this partnership helps prevent pollution of surface and ground water used as the primary source of drinking water by rural residents. Technicians from rural water authorities work with FSA and county office staff and with specialists from the USDA's Natural Resources Conservation Service (NRCS) to implement projects. In the 2022 program year, 114 source water plans with management activities were implemented in the source water areas and

12,380 hours of on-site source water-related technical assistance was provided. These recent source water plans provide protection measures for 426 public drinking water sources (393 wells and 33 surface water intakes). In FY 2022 and FY 2023, aspects of the Grassroots Source Water Protection Program were implemented in all states.

In addition to these programs, FSA continues to work with participants in administering a variety of Farm Bill conservation programs that have sunset. Even when an authorization shifts, the job of supporting farmers with long-term contracts remains for FSA and county office employees to maintain the investments made at the farm, ranch and forest level for the life of the participant contract.

Conclusion

Agricultural producers are the original conservationists, and conservation is an integral part of the work we do at FSA. We are focused on weaving conservation values into the DNA of all our programs, old and new, so that as our agricultural communities face more frequent and intense climate-induced disasters, we are better prepared to provide both relief and economic opportunity for continued conservation. I am grateful for the leadership and expertise of FSA's Conservation Division, and our staff in Headquarters and across the country working hard every day to make these programs work for the producer. We value the tools and authorities that this Committee has provided FSA so that we can better serve every farmer, rancher, and forest owner. We look forward to supporting the efforts of the Committee as they craft a new Farm Bill and I welcome your questions.

Thank you.