

The Conservation Security Program and Wildlife

Testimony of Duane Hovorka on behalf of the National Wildlife Federation Sustainable Agriculture Coalition and Izaak Walton League of America before the U.S. Senate Committee on Agriculture, Nutrition and Forestry

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Good morning! My name is Duane Hovorka, from Elmwood, Nebraska. I am the Farm Bill Outreach Coordinator for National Wildlife Action, and I'm here today representing the National Wildlife Federation, Sustainable Agriculture Coalition, and Izaak Walton League of America.

The National Wildlife Federation (NWF) was founded in 1936 as the national voice of state and local conservation groups, and has since emerged as the nation's foremost grassroots conservation organization. NWF has a long history of work to help establish, expand and improve Farm Bill conservation programs. The Sustainable Agriculture Coalition (SAC) is an alliance of grassroots farm, rural, and conservation organizations from across the country that together advocate for federal policies and programs supporting the long term economic and environmental sustainability of agriculture, natural resources and rural communities. For 85 years, the Izaak Walton League of America has supported strong federal conservation policies on private lands, especially agricultural lands, to protect America's hunting, fishing, and outdoor heritage. These three organizations have collaborated many times, including in the development in the late 1980s of what was to become the farm bill's Wetlands Reserve Program.

My background is in public policy. For the past ten years, I have provided public policy and organizational consulting services to wildlife and agricultural organizations, including the National Wildlife Federation, Midwest Sustainable Agriculture Working Group, Center for Rural Affairs, Kansas Rural Center, Nebraska Sustainable Agriculture Society, and Nebraska Wildlife Federation (where I served as executive director). That experience followed four years as an aide in the Nebraska Legislature, and 11 years in corporate government affairs.

I serve on the USDA Natural Resources Conservation Service State Technical Committee for Nebraska, and the University of Nebraska Lincoln Center for Grassland Studies Advisory Board, and am active in the Nebraska Farm Bill Conservation Coalition. I have been involved in the analysis and development of Farm Bill proposals dating back to the 1990 Farm Bill. Over the past year, I have coordinated a project sponsored by the Sustainable Agriculture Coalition, National Wildlife Federation, and Izaak Walton League of America, to better understand the USDA Conservation Security Program and its benefits for fish and wildlife. Congress enacted the Conservation Security Program in the 2002 Farm Bill to reward farmers and ranchers for providing a wide variety of natural resource and environmental benefits to society, including wildlife. Like other organizations, we have been asking: just what are we buying with Conservation Security Program contracts? How much is the program benefiting wildlife and wildlife habitat?

Background on the Report

To begin to answer those questions, I interviewed a variety of people, including state fish and wildlife agency employees, non-profit wildlife and agricultural organizations, local US Department of Agriculture employees, and others. I focused on the insight of people who had on-the-ground experience with the Conservation Security Program in their state.

The USDA also provided us with more detailed information than was previously available about contracts that resulted from the 2006 Conservation Security Program signup. Included was information about payments for specific enhancement practices that appear to us to provide either wildlife habitat benefits, or that reduce pesticide use in ways that should benefit some wildlife.

Our analysis focused on Enhancement Payments provided under the program, because as USDA has implemented the program, those Enhancement Payments represent about four-fifths of all Conservation Security Program payments to farmers. Using the USDA's list of national and state enhancement practices, we sorted those into (1) practices that appear to provide substantial wildlife habitat benefits; (2) practices that would reduce pesticide use and thus benefit some wildlife; and (3) practices that primarily address other resources and do not appear to provide substantial wildlife benefits.

I would note that there are no "bright lines" between these three categories. We used our best professional judgment, using a fairly conservative screen, to highlight the practices that appear to provide substantial wildlife benefits. Working from the list we provided, USDA provided us with summary information from the 2006 Conservation Security Program signup, on the enhancement practices funded in our case study states. We analyzed that data, and that work is reflected in the state case studies that are included in the report that resulted from this work.

We provided Committee Members with a copy of that report, *Hidden Treasures: The Conservation Security Program and Wildlife*, and we are also releasing it publicly today. The report is now available online at <http://www.msawg.org/pdf/CSPWildlifeReport.pdf> or at <http://iwla.org/index.php?id=21>.

Key Findings

Here are the key findings of our report:

First, the Conservation Security Program does provide substantial benefits for wildlife. Based on our analysis of the data provided by USDA, it appears that roughly one-half of all Conservation Security Program payments resulting from the 2006 signup are for practices that either provide wildlife habitat benefits, or will reduce pesticide use in ways that should benefit some wildlife.

About 20 percent of program payments are for base payments and maintenance payments, which we are not able to link to specific wildlife-friendly practices, but that are an important part of the package of payments that entice farmers and ranchers to sign up for the program. The remaining payments, roughly 30 percent of all CSP payments, pay for enhancement practices that do not appear to provide substantial benefits for wildlife. Note that the wildlife benefits come through a variety of practices. In the case study watersheds we looked at, about 16% of projected CSP contract payments were for designated Habitat Management practices. The additional wildlife benefits we identified in these contracts came through grazing

management, nutrient management, and pesticide reduction practices that also provide benefits for wildlife.

Second, Conservation Security Program benefits for wildlife vary considerably from state to state. In Missouri, 88 percent of CSP payments from 2006 contracts are for practices that either provide wildlife habitat benefits, or reduce pesticide use in ways that benefit wildlife. Most of those wildlife-beneficial practices in Missouri were provided through incentives for improved grazing management. California (87 percent) and Minnesota (85 percent) had similarly high proportions with respect to practices that benefit wildlife.

However, there was considerable variation from case study to case study (see table). Of the states we examined, Nebraska had the smallest proportion, with 26 percent of payments resulting from 2006 contracts providing either wildlife habitat benefits, or providing pesticide reductions that should benefit some wildlife. A cursory look at information from other states indicates that some states appear to be even lower.

Case Study Wildlife Habitat Pesticide Reduction Total

Missouri	73 %	15 %	88 %
California	38 %	49 %	87 %
Minnesota	57 %	28 %	85 %
Texas	67 %	13 %	80 %
Georgia	16 %	42 %	58 %
Chesapeake Bay	32 %	15 %	47 %
Nebraska	17 %	9 %	26 %

Third, the Conservation Security Program could provide even greater wildlife benefits. The considerable variation in our case studies makes it clear that there is considerable potential to boost the wildlife benefits of the program, especially in the states that ranked relatively low in the proportion of wildlife-friendly practices funded. In addition, nearly everyone we spoke with offered suggestions for changes --either in the law itself or in USDA implementation of the program --they believed would help increase the wildlife benefits provided by the program.

Recommendations from the Report

We offer eight recommendations in the report that, taken together, would substantially boost the wildlife benefits provided by the program, and improve the program overall. Three of those recommendations are actions that Congress can and should take to improve the Conservation Security Program as it writes the 2007 Farm Bill, four are recommendations that USDA can and should implement at an administrative level, and the final recommendation is for both the Department and Congress.

The recommendations for Congress are:

1. Congress should substantially increase Conservation Security Program funding so that farmers and ranchers on a nationwide basis have timely enrollment opportunities.

Three years into the program, signups have been held in just 12 percent of America's watersheds. Applicants in eligible watersheds are increasingly being turned away from the program. In 2006, USDA reports that just 51 percent of eligible applicants were awarded a CSP contract. Right now, CSP participants who enrolled in 2005 and have proposed to

undertake major new conservation efforts through the contract modification process are awaiting the outcome of the long-term continuing resolution being debated by the new Congress. If the continuing resolution makes an adjustment and follows the President's proposal and the Senate bill, those new practices will go into effect. Otherwise, those farmers will have the opportunity snatched away from them.

Between the multi-year caps placed on CSP in the budget reconciliation bill and the annual funding caps imposed on the program in past annual spending bills, Congress has reduced funding for the Conservation Security Program by \$4.3 billion from the funding levels that would have been available under the terms of the 2002 Farm Bill. Under current conditions, it will take over a generation until the program reaches all watersheds. Simply put, a program which provides enrollment opportunities but once in a generation is not a viable program. Congress should remove the caps, restore the funding, and allow the program to proceed as intended by the 2002 Farm Bill.

2. Congress should direct USDA to provide cost-share for new practices under the Conservation Security Program and to do so at the same rate as provided by other USDA programs.

As we note in the report, USDA is authorized to provide cost-share to install new practices under the current law, but in most cases USDA has chosen not to use that authority. Where it has offered cost-share (to contract holders seeking to upgrade their contracts), USDA has typically offered lower cost-share rates than it does for the same practice through other programs.

By providing cost-share to applicants for the installation of new practices (e.g., planting buffer strips or installing fences for rotational grazing systems), and providing appropriate annual maintenance payments for those practices (e.g., controlled burning of buffer strips, and maintaining fences), we believe USDA could increase the number of new wildlife-friendly practices installed, while providing payments that more fairly reflect both the farmer's cost and the value of the practice for the public.

3. Congress should require that all Conservation Security Program Tier II and Tier III contracts address wildlife habitat as a resource of concern, and the emphasis on wildlife should be increased in Tier I contracts.

Currently, participants are only required to address wildlife concerns in Tier III contracts, where they must address every natural resource of concern on their farm. While many farmers choose to address wildlife habitat in Tier II contracts, they are not required to do so for Tier I or Tier II contracts.

USDA has determined that every Conservation Security Program contract will address soil conservation and water quality, because of the nation-wide interest and concern about those two resources. We believe that the national interest in wildlife resources, and the challenges faced in recovering populations of state and federally protected species, makes it important that USDA increase the focus of the program on wildlife. That could be done by requiring that all Tier II contracts address wildlife, and by having USDA put more emphasis on wildlife benefits

in Tier I contracts.

With these important changes, we believe the Conservation Security Program as enacted in the 2002 Farm Bill could and should play an even bigger role in the future, in ensuring high quality wildlife habitat and bountiful fish and wildlife populations on America's privately owned farms and ranches.

The recommendations for USDA are:

1. USDA should expand the number and variety of wildlife conservation practices available in each watershed, and should continue to define new wildlife-related practices, including practices that address high priority fish and wildlife species.

In implementing the program, USDA restricted the number of enhancement practices that state conservationists could offer in a watershed. The number and variety of wildlife-friendly practices that were offered were very limited, especially in areas where wildlife habitat was not deemed to be a priority. State wildlife officials told us USDA sometimes failed to offer the most appropriate wildlife habitat practice in some areas. USDA should offer a wider selection of wildlife-friendly practices in each watershed, and should work with wildlife agencies to ensure the most appropriate practices are offered.

USDA has also been working to increase the number of wildlife habitat practices that are included in its Field Office Technical Guide, which serves as the menu of practices available under the Conservation Security Program and all other farm bill conservation programs. USDA should continue to work with wildlife agencies to expand the selection of wildlife practices, especially those that could benefit state and federally protected species or that meet needs identified in state Wildlife Action Plans and Fish Habitat Action Plans.

2. USDA should provide for the involvement of wildlife agencies and organizations with landowners contemplating CSP enrollment early in the CSP application process.

Wildlife management is unfamiliar territory for many farmers and ranchers, and for most USDA field office staff. State wildlife agencies and organizations have stepped forward in many states to help farmers and ranchers weigh their alternatives and understand the benefits of different wildlife practices. However, in an effort to streamline the signup process USDA told field offices that no on-farm visits would occur before or during the 2006 Conservation Security Program signup. That decision should be reversed, and USDA should instead encourage its field staff and wildlife agencies and organizations to help landowners early in the application process, when many critical decisions are made.

3. USDA should continue to review of CSP enhancement payment rates to ensure both that farmers and ranchers are adequately rewarded for their wildlife conservation efforts, and that taxpayers are being asked to provide only fair compensation, not excessive payments.

We heard multiple reports of USDA payment rates for enhancement practices that far exceeded, or fell well short of, a farmer's cost or the benefits to society of a particular practice. In many cases, these problems were corrected in subsequent sign-ups. USDA should continue the review and revision of the payment rates for practices. Providing cost-share and maintenance

payments, where they are more appropriate for a practice (as recommended above), could also help solve some of those problems. In some cases, USDA has revised payment rates for new contracts, but left open the option to farmers upgrading CSP contracts to obtain the higher (previous) payment rates. Revised payment rates should apply to all new CSP contracts or practices added to existing contracts.

4. USDA should ensure that all NRCS State Conservationists establish Conservation Security Program standards and resource criteria for wildlife that provide a consistently high level of wildlife benefits.

USDA has responded to the Government Accountability Office report that questioned wide variations in wildlife criteria between states, especially in the initial sign-up in 2004, by reviewing state-level wildlife resource criteria and issuing additional guidance to state conservationists. That appears to have helped resolve some of the problems identified in the 2004 sign-up with respect to enrollees obtaining Tier III contracts with only minimal attention to wildlife resource concerns. Our contacts expressed continued concern about this issue, however, and we believe USDA will need to continue to monitor results and adjust its policies as needed.

The recommendation for both USDA and Congress is:

USDA, working with organization and state agency partners, should establish a scientifically valid and robust monitoring and evaluation initiative to measure actual outcomes of the conservation practices it funds, and Congress should adequately and enthusiastically fund such an initiative.

In most cases, in other conservation programs as well as the Conservation Security Program, USDA continues to measure progress in acres, feet, and dollars, and is only beginning to refocus on the actual outcomes desired like improvements in water quality, or increases in wildlife populations. Congress provided for on-farm monitoring and evaluation payments, and USDA should encourage on-farm monitoring and evaluation as an enhancement practice to gain valuable information about the results of the program in real-world situations. The Land Stewardship Project has developed and tested an on-farm tool-kit that could serve as one model for how that could be accomplished.¹

USDA also needs better program-level data on the actual impact of the various practices it funds with respect to wildlife and other natural resources. Better monitoring and evaluation would help USDA focus its funding on strategies with the highest return in conservation benefits, and would help Congress make better decisions as well. USDA, working with organizational and agency partners, should establish a robust monitoring and evaluation program that measures actual

A Guide to the Art & Science of On-Farm Monitoring: The Monitoring Tool Kit. On the Web at www.landstewardshipproject.org/resources-pubs.html.

outcomes of the conservation practices it funds, using scientifically valid methods. Congress should recognize the long-term importance of this endeavor and fund it adequately as part of the total farm bill conservation program implementation cost much in the same way it does for technical assistance currently.

Conclusion

We believe, based on our analysis of USDA data and our interviews with people throughout the country, that the Conservation Security Program already provides substantial benefits for wildlife. However, we are clearly missing opportunities to provide even more benefits. With the eight recommendations above, we believe the wildlife and other benefits provided by the Conservation Security Program would substantially increase. All three organizations I am representing today strongly support the CSP and urge you to greatly increase its funding base and to help make the program work even better for wildlife and for all other resource concerns.

Thank you for the opportunity to appear before you today. I would be happy to try to answer any questions you may have.