

Good Morning, I am Olin Sims, President Elect of the National Association of Conservation Districts (NACD) and a rancher from McFadden, Wyoming. On my family operation, the Sims Cattle Company in the Rock Creek Valley, we run a 700 cow/calf operation on 22,000 acres of deeded, private, state and federal leases in southern Wyoming. The ranch retains ownership of all calves and feeds to finish in Nebraska.

Across the United States, nearly 3000 conservation districts -- almost one in every county -- are helping local people to conserve land, water, forests, wildlife and related natural resources. We share a single mission: to coordinate assistance from all available sources -- public and private, local, state and federal -- in an effort to develop locally driven solutions to natural resource concerns. More than 17,000 volunteers serve in elected or appointed positions on conservation districts' governing boards. Working directly with more than 2.3 million cooperating land managers nationwide, their efforts touch more than 778 million acres of private land. NACD believes that every acre counts in the adoption of a conservation practice. We work with landowners across the country, urban, rural, row crop farmers, ranchers and specialty crop producers in the plains and on the coast, so we know that no one program, practice, or policy will work for everyone. We support voluntary, incentive based programs that provide a range of options, providing both financial and technical assistance to guide landowners in the adoption of conservation practices, improving soil, air and water quality providing habitat and enhanced land management.

Among other things, conservation districts help:

- ? implement farm conservation practices to keep soil in the fields and out of waterways;
- ? conserve and restore wetlands, which purify water and provide habitat for birds, fish and numerous other animals.
- ? protect groundwater resources;
- ? plant trees and other land cover to hold soil in place, clean the air, provide cover for wildlife and beautify neighborhoods;
- ? help developers and homeowners manage the land in an environmentally sensitive manner; and
- ? reach out to communities and schools to teach the value of natural resources and encourage conservation efforts.

The 2002 Farm Bill impacted producers across the country, but in my area, the conservation programs are the farm bill. My access to farm bill programs and assistance has been limited to conservation programs, and I am happy to have had the opportunity to participate in some of the programs offered from this important legislation. We implement environmental stewardship practices such as intensive rotational grazing, integrated weed control, fertilizer application, introducing new varieties of grasses and windrowed hay management for energy savings. I have primarily participated in the Environmental Quality Incentives Program (EQIP) program for cost share practices resulting in improved range conditions documented through a stringent range monitoring program. Several of the practices adopted relate to stockwater pipelines, stock tanks and storage tanks along with cross fencing to develop grazing cells we use in our high intensity - short duration grazing program. I have also utilized the Agricultural Management

Assistance (AMA) program to assist with the adoption of conservation practices, but the availability of funds for this program has been sporadic.

We are currently working with the Wyoming Game and Fish Department to use livestock grazing as a land treatment for elk habitat enhancement on a nearby Wildlife Habitat Unit.

I talked with other producers to gain a broader understanding of the implementation of additional conservation programs, specifically in Wyoming, but also in talking with my fellow board members at NACD. I learned is that frequently a producer is thinking about one program, but ends up with another. This can be due to a lack of sufficient funding, wrong geographic area, or inability to qualify. I have seen this with the implementation of the Conservation Security Program (CSP) in Wyoming. CSP was not available in my watershed, but in talking with Districts in the two Wyoming watersheds where the program was available, increased participation in other conservation programs was observed. A producer intended to apply for CSP but may not have qualified, or may have missed the deadlines and then took advantage of other programs, such as EQIP. By enrolling in other programs, the producer may put himself in a better position to qualify for CSP should it be offered again. The agency motto for CSP is "reward the best and motivate the rest." This is an example of motivating the rest. Producers are taking a look at the impacts their own operations have on the landscape. They are also looking to conservation to assist them in improving those operations.

The 2002 Farm Bill authorized increases in conservation funding that by 2007 will be double those of the last decade. About two-thirds of the new funds authorized in 2002 target programs emphasizing conservation on working lands that are still used for crop production and grazing, as opposed to conservation spending prior to 2002, in which the bulk of conservation spending was directed toward land retirement programs. According to USDA's Economic Research Service (ERS), conservation programs for working lands will rise from less than 15 percent of federal expenditures on agricultural conservation over the past 15 years to about half of the total conservation spending by 2007. The use of the term "working lands" is defined differently by groups, so to clarify; NACD defines working lands as those lands in economic production of food, feed or fiber. We believe that a producer must have an economically viable farming operation to be able to make an investment in conservation practices on their operation. Conservation districts support the increased emphasis on conservation spending for private working lands and hope these trends continue. While NACD supports maintaining land retirement programs such as the CRP and WRP, keeping our remaining cropland in production while funding conservation practices on that land may be a more cost-effective and environmentally viable option for existing working lands.

A recent ERS report assessing the 2002 Census data reports that of the 2.3 billion acres in the U.S., agriculture land comprises 52% and grassland, pasture & range comprise two thirds of those agricultural lands. Urban and rural residential acreage in the U.S. is increasing with rural residential increasing 29% from 1997 to 2002. Over the same period, cropland decreased by 3 percent and grassland increased one percent. These numbers demonstrate the continued changing landscape that Conservation Districts are serving. We see greater pressure on the rural/urban interface as cities and suburbs continue to grow, creating new and different resource problems and new landowners/mangers. As residents move out of the city to that rural

residential area, they may not have an understanding of which conservation practices or habitat is appropriate for their land - or even that their management style is causing an environmental problem. The rural/urban interface, forestry, public lands and grassland management are all areas that have not fully benefited from the 2002 Farm Bill conservation programs.

The comments we are providing to you today are based on our work at the local level as part of the USDA program delivery system. We are talking with the landowners and those using the program, providing education, outreach and working to focus programs on the local resource needs, whether it is water quality, soil erosion or endangered species habitat management or other local priorities. Our goal is to provide you with the "real world" perspective of how the programs are working across the country.

As with any program, we have heard that the implementation of each of the 2002 conservation programs varies from state to state. Not all programs impact each region of the country in the same way - some are just not options for producers in a specific state, so we must continue to focus on a menu of options for conservation assistance. Local priorities should be integrated into conservation programs. No conservation program can be successfully implemented from a national level and participation in work groups at the local level best direct program implementation to the greatest resource need in the community.

USDA conservation program implementation utilizes Local work groups to assist in targeting funds and programs to address local resource needs and priorities. Local work groups, convened by conservation by conservation districts and comprised of federal, state, county, tribal and local government representatives coordinate local program delivery. Participants could include FSA county committee member, cooperative extension agents and state/local/tribal officials. The work groups establishes program delivery priorities and can recommend eligible conservation practices, and recommend cost share levels and payment rates. The local work group is utilized to aid in the implementation of several conservation programs. As with most of our comments here today, utilization of this method of local input for implementation of the programs as required by the Farm Bill varies from state to state.

NACD was pleased with the overall funding commitment provided and conservation program options in the 2002 Farm Bill, but is concerned with alterations to the funding of the programs since the passage of the 2002 bill. Program authorization levels have been repeatedly reduced through the appropriations process, administrative program limitations, and budget reconciliation. We agree that during times of increasing budget deficits, all programs are subject to reductions, but must also stress those alterations of the programs from their original design in the 2002 Farm Bill impacts the intended results of conservation programs. I would also like to mention the devastating disasters that impacted much of the southern United States from Florida to Texas last year through repeated hurricanes, as well as other parts of the country that suffered from natural disasters. Although we may not personally feel the impact that agricultural producers felt in those areas, we know that federal assistance is critical to their recovery. Frequently, federal assistance comes from redirecting existing program funding and staff and several states have felt the shift of conservation resources. These funding and personnel shifts made at the national level further complicate program delivery. NACD would hope that a better system could be developed to provide emergency aid and disaster assistance

without redirection of these resources.

Conservation programs provide benefits to the landowners and the general public through increased soil quality, air and water quality and improved habitat. Increased adoption of conservation practices through the 2002 Farm Bill Conservation programs resulted in improved nutrient management with decreased nutrient and sediment runoff, increased pesticide management, and increased wildlife habitat benefiting both duck and wild turkey populations. Notable results from the adoption of conservation practices include a reduction in soil erosion and increasing wetland acres. Last month USDA released soil erosion numbers highlighting a 43 percent decrease in soil erosion on cultivated and non-cultivated cropland between 1982 and 2003. Farm bill conservation programs have also increased the restoration of wetlands across the country and we are now marking net gains in agricultural wetland acres. Programs have protected farmland from development and protected wetland areas through easement programs.

Conservation financial assistance provided through the Farm Bill programs is an important component in achieving agricultural sustainability both economically and environmentally. But Mr. Chairman, let me assure you that every time you hear NACD members talk about the Farm Bill we will talk about conservation technical assistance. Technical assistance allows NRCS offices at the local level to work with Districts, landowners and state and local agencies to address local resource concerns. Technical assistance is utilized to work with landowners on conservation plans from design, layout and implementation, helping landowners understand highly erodible land and necessary compliance for participation in farm bill commodity programs. Technical assistance is also used for evaluation and maintenance of conservation practices. Once a conservation practice is installed, it must be maintained to ensure we continue to see the benefits of the practice. Funding for technical assistance allows NRCS employees to meet face to face with landowners, visit their operation and help them design strategies to the resource needs of their individual agricultural operation. Through these discussions, a comprehensive conservation plan can be developed and then financial assistance programs such as EQIP, CRP or any other program in the conservation "tool box" can be utilized to help meet the goals of the conservation plans.

Technical assistance has been a key component in working with livestock producers to understand the EPA AFO/CAFO regulations. District staff and NRCS personnel helped to conduct workshops and demonstration projects so producers could see first hand the changes that needed to be made to avoid enforcement actions under the Clean Water Act. Some producers went on to seek EQIP assistance to make these changes, some producers just needed to know what was required and made the improvements on their own.

Conservation technical assistance is also used to assist local watershed planning groups to address impaired water bodies - working to provide these groups with the technical information they need to determine locally how best to address water quality issues.

Technical assistance is necessary to help producers to install and maintain complex conservation practices on the landscape. The technical assistance from NRCS field staff, along with the resources conservation districts and state conservation agencies provides is critical to the success of conservation in the United States. The bottom line is that producers need quality technical assistance to maximize the effectiveness of the financial assistance they receive. Even

without financial help, many producers still rely on technical help to ensure that they are putting quality practices on the land. But it's the combination of the two that makes America's conservation delivery system efficient and effective.

A concern that we hear from many of our local conservation districts is focusing conservation technical assistance only for specific Farm Bill programs therefore not providing general technical assistance. NACD understands the need to fully implement each of the farm bill conservation programs, which we support, but feel that conservation technical assistance at the local level should not strictly be tied to a farm bill program. Districts across the country engage landowners that may not seek federal cost-share programs or financial assistance, but would like technical assistance. Whether they are limited by acreage, size of operation, or have sufficient funds to make capital conservation investments without federal cost-share or program dollars, local offices must be able to serve all landowners. We acknowledge that there is a backlog of contract implementation through federal farm bill conservation program where contracts are approved but need technical assistance for complete implementation. This backlog should be addressed, but not at the loss of providing more general technical assistance. We cannot lose the ability to provide this critical technical assistance to meet the needs of local landowners.

In 2004, Congress passed legislation to ensure that each conservation program provide technical assistance for implementation of the specific program. This legislation specifically corrected the technical assistance funding problems associated with CRP and WRP and was very important to fully implementing these programs. Availability of technical assistance is a limiting factor in program delivery and without adequate funding, knowledgeable staff and committed local partners, the full benefits of conservation programs and practice adoption cannot be realized.

The EQIP program has been widely successful across the country. Even with the substantial increase in funding provided in the 2002 Farm Bill, the demand exceeds the available dollars. The input from the local level is instrumental in making this program successful. Local work groups are utilized in setting priorities and allowing for targeting the program to local conservation needs. We hear that in many states there is a backlog of EQIP projects that have been approved but not yet implemented and feel it is crucial to have the personnel on the ground to administer these programs.

The Conservation Innovation Grants have been utilized to encourage new technology and creative conservation practices, and several of our Districts have applied for these grants. One example from Georgia is the Flint River Soil and Water Conservation District's project on Flint River irrigation water and crop management technology integration. This project received \$252,000 in fiscal year 2005. This project is to enhance irrigation scheduling through the use of handheld computer devices that can be used in the field.

NACD was a strong advocate for an incentive based conservation program and supported the Conservation Security Program in the 2002 Farm Bill. In the development of the program, creation of regulations, and actual implementation, the program changed significantly from our original concept. We hoped for a program that was easy for producers across the country to

understand, resulting in graduated support for increasing adoption of conservation practices. Unfortunately, the result was an extremely targeted program with complex implementation. The reaction to the CSP program across the country is mixed. Some states have been very successful in implementation. Local districts relate that those who can access and participate in the program, like the program, but those who do not have access feel at a disadvantage. We also hear that the program is too complicated - both with general understanding of program design and application complexity by the producer, coupled with limited watershed-based availability and lack of additional on the ground assistance needed to implement the program. There needs to be a greater effort at education of producers and others about the program. The continued funding changes and the availability of the program have complicated the implementation and underscore a need for further education.

In Iowa, NRCS, with the assistance of conservation districts, conducted state wide producer pre-signup meetings once the CSP program was finalized. They followed up with additional meetings in key watersheds where the program was likely to be offered. Now producers across the state are asking, "Why can't we all apply?" These early education efforts introduced producers to the program, explained the operation and resulted in the success of the program today.

The Conservation Reserve Program was long thought of as the main conservation program of the Farm Bill. In 2002 the conservation program options expanded, but CRP remained a focal point of the conservation portion of the Farm Bill. As this committee knows, many of those long term contracts under CRP are expiring over the next few years. Between 2007 and 2010, the contracts on 28.5 million acres will expire. USDA has started the reenrollment process with higher offers for the most environmentally sensitive lands, a process that NACD supports. However, NACD members across the country are not uniform in their views on CRP. In the South, our members believe there should not be a general re-signup for CRP. With significant resources dedicated to the CRP program and land retirement, NACD believes overall conservation funding should be balanced between working lands and land retirement programs.

The CRP program and its components - the Conservation Reserve Enhancement Program (CREP), the Farmable Wetlands Program and the continuous sign-up have been popular across the country. NACD believes that targeting CRP to the most environmentally sensitive lands should be the focus of the program. The CREP program has been tremendously successful in partnering federal and state funding in a targeted area for greater conservation benefits. Twenty eight states have entered into at least one, if not several CREP agreements with the Farm Service Agency.

The most recent CREP agreement was in Colorado where USDA signed two CREP agreements earlier this year. The Republican River CREP focuses on conserving irrigation water use in the basin on 30,000 acres. The CREP is expected to restore riparian habitat and wetlands, reduce soil erosion and reduce the application of agricultural chemicals. The High Plains CREP focuses on increasing populations of pheasants and ground-nesting birds on 30,000 acres. Federal assistance is \$72.7 million and state assistance is \$18.9 million over a 15 year period.

Nine years ago, the first CREP agreement was signed in Maryland to protect the Chesapeake

Bay from nutrient loading and enrolled 72,000 acres. Maryland updated that agreement last year for an additional 100,000 acres. The next agreement was signed in 1998 in Minnesota addressing water quality and wildlife on the Minnesota River. Minnesota signed its second CREP agreement in 2005. The CREP program continues to be successful from its beginning in 1997 to the present day and our local districts look forward to working with new CREP projects in the future.

The Grasslands Reserve Program has been very successful; however it has been limited by funding. The funding available from the 2002 Farm Bill (\$254 million) has been fully utilized prior to reaching the acreage cap of 2 million acres, making the program unavailable for 2006 and 2007. The GRP program is just another excellent program that helps maintain open spaces around growing communities and helps keep our working lands from being developed at a higher rate. Keeping working lands in production, whether it's in crop production, grazing or timber is important to our local communities and economies.

NACD worked to provide recommendations on the Technical Service Provider initiative (an initiative that we would like to be more successful than its current operation). We believe the TSP initiative has been hampered by issues of liability and reimbursement rates. The liability surrounding a private entity vs. the federal government providing assistance has resulted in high liability insurance costs and therefore higher rates charged by TSPs to cover the additional insurance costs. The reimbursement rates provided by NRCS do not seem to be adequate to cover costs which have limited the utilization of TSPs. There is a growing amount of technical assistance that is needed to increase program participation and address backlog and the TSPs, including Districts, can help, but the initiative needs to be refined to be successful in addressing the demand for assistance.

The Wetlands Reserve Program (WRP) has contributed to re-establishing or maintaining wetlands in traditional agricultural areas, resulting in no net loss of agricultural wetlands. This trend reverses years of wetlands loss due to agriculture production and puts us on the path to net gains in wetlands across the country. Wetlands are important for wildlife habitat and WRP is supported by farmers and wildlife organizations across the country. The program is oversubscribed with high demand in the South, Midwest and California.

The Farmland and Ranchland Protection Program has been very successful in maintaining farmland production in the areas of the rural/urban interface currently threatened by development. This program is broadly supported and has protected over 400,000 acres of farmland (approved and pending easements). The program builds on many state operated programs, and work of local and non-governmental organizations that purchase easements to maintain farmland in agricultural production. FRPP leverages federal dollars by partnering federal funding with existing funds at the state and local level. Another critical program that helps to keep our farms and ranches intact across America. One of the most successful state programs is in Pennsylvania where the state purchases easement to protect farmland from development through the Purchase of Agriculture Conservation Easement (PACE) program. The PACE program has preserved 300,000 acres of farmland.

The Wildlife Habitat Incentives Program, working with landowners through cost-share increase wildlife habitat with priorities on threatened and endangered species habitat. We have

heard support for this program from areas that can be considered "non traditional" agriculture, including municipalities and areas in the urban/rural interface. This program provides a unique focus habitat restoration, and broadens the scope of Farm Bill conservation programs to address increasing pressures on farmers and ranchers from the Endangered Species Act.

NRCS works with local watershed sponsors on watershed projects as authorized under P.L. 83-566 and P.L. 78-534. In the 2002 Farm Bill, mandatory funding was provided and appropriation authorized to carryout small watershed rehabilitation projects. The issue of the current condition of the dams constructed over the last fifty years under the watershed program is a matter of great concern. Many of the 11,000 plus dams that NRCS assisted in building throughout the United States, no longer meet current dam safety standards. This situation exists largely as a result of development and land use changes both up and downstream. Structures originally built to protect farm land now receive increasing run off from upstream while protecting homes and lives rather than simply cropland downstream. There is a serious need to upgrade these dams to current standards immediately. Critical funding for rehabilitation efforts that was secured in the Farm Bill has not been provided. These dams across the country are in need of repair and rehabilitation to ensure flood control protection. Watershed projects nationwide not only provide flood control protection, but have resulted in over 9 million acres of wildlife habitat, over 200,000 acres of wetlands (created or enhanced), over 25,000 miles of enhanced stream corridors and reduced sedimentation nearly 50 million tons per year.

There are a few areas that NACD believes are not being fully addressed by the conservation programs of the 2002 Farm bill. Conservation districts not only work on that 52 percent of land in the US that is in agriculture production, but most all land in the US falls within a conservation district, and we must focus our resources on all of these lands. In the West we hear from our members about more integration of conservation programs on Federal lands. While this may pose jurisdictional issues, we believe there could be additional conservation gains on this land through coordinated efforts with Federal land management agencies. Forestry issues have also not fully been addressed through conservation programs, with limited funding for the Forestry Land Enhancement Program. More and more districts are concerned with the lack of conservation assistance for private forested lands and see opportunities for conservation benefits. Across the country, the landscape is changing as urban areas spread further into what have traditionally been rural or agricultural lands. The increase of the "ranchette" or small farming operation on the outskirts of town, as well as increased land development creates demands on the rural/urban interface applicability of Farm Bill conservation programs and general technical assistance. These areas are frequently more demanding in terms of working with a landowner that is not knowledgeable about conservation practices and appropriate utilization of their land. Coordination with other federal agencies for conservation on federal lands, forestry and the rural/urban interface are areas that have not fully benefited from the 2002 bill.

Conservation Districts work to identify local resource concerns, help prioritize funding and the focus of projects to have the greatest conservation and environmental benefit in the local community, benefits that are provided both to the landowner and the public. Everyone benefits from cleaner water, air and improved wildlife habitat and water management. We seek to coordinate the efforts of local, state and federal government programs and educate landowners

and the public about the opportunities and benefits of Farm Bill Conservation programs. But more can always be done. Conservation Districts across the country have a strong conservation ethic and are committed to making these programs successful on our farms, in our community and for our environment.

The 2002 Farm Bill was a hallmark for conservation in this country--it offers a sound mix of programs and resources to build upon for the future. While it heralded a tremendous leap forward, there are still many who remain untouched by its potential. Conservation districts believe that every acre counts from a conservation perspective and that the Farm Bill needs to bring its conservation benefits to all producers and all agricultural lands. It doesn't matter whether it's EQIP or CSP, WRP or CRP, on-the ground results are what counts and making sure we have the vehicles to get those results in 2007 will be the principal measure of our success.