

Natural Resources and Environment
Statement of Harris Sherman, Under Secretary
Before the Subcommittee on Agriculture, Rural Development, Food and Drug
Administration, and Related Agencies

Mr. Chairman and Members of the Subcommittee, I am pleased to appear before you today to present the fiscal year (FY) 2012 budget and program proposals for the Natural Resources Conservation Service (NRCS) of the Department of Agriculture. I appreciate the ongoing support of the Chairman and members of this Subcommittee for voluntary, private lands conservation and the protection of soil, water and other natural resources.

As NRCS reflects on the celebration of its 75th anniversary during FY 2010, it is clear that the voluntary incentive based conservation work of the agency is as important now as it ever has been. When the Secretary of Agriculture testified before this Subcommittee in March, he emphasized the Administration's commitment to investing in innovation and job creation while at the same time taking serious steps to reduce the deficit and reform government for the 21st century. The FY 2012 budget we are proposing for NRCS highlights both of these goals—we propose difficult cuts to programs the Secretary and I care about, while simultaneously making strategic investments in programs and initiatives that we feel will better position NRCS to be a leader in 21st century conservation.

Investments in Strategic Watershed Action Teams (SWATs), the Conservation Delivery Streamlining Initiative (CDSI), and the Conservation Effects Assessment Project (CEAP) will help NRCS accomplish its conservation objectives more efficiently with better science. These efforts are already providing NRCS with tools and information to improve service to its customers and to improve the agency's ability to target its funding where it will maximize conservation outcomes.

Building on Recent Success

Over the past two years, NRCS has established new approaches to delivering conservation assistance - for example, through targeted geographic- and species-focused initiatives addressing some of our nation's most critical natural resource issues. The agency has also pioneered efforts, working with federal and state partners, to provide regulatory certainty to farmers, ranchers and forest landowners based on the voluntary conservation actions undertaken on their operations. Mindful of its 75 years of historical achievement and commitment to its customers, NRCS has undertaken these innovative approaches while maintaining the core delivery system of technical and financial assistance that can help in the long-term growth of rural America.

In FY 2010, NRCS helped farmers, ranchers, and other customers install practices on 14 million acres of cropland. Of this area, over 13 million acres or 90 percent was treated to improve soil quality. In a single calendar year, NRCS enrolled 25 million acres into the Conservation Stewardship Program and had a record year for Wetlands Reserve Program (WRP) enrollments, signing up 272,000 acres. Included in this figure is one of the largest, contiguous WRP easements in the program's history, 26,000 acres along Fisheating Creek in the Northern Everglades Ecosystem.

Assessing the State of the Nation's Private Lands

Beyond its more visible role of providing technical and financial assistance to producers throughout the country, NRCS' history is rooted in the resource assessments and inventories that provide the baseline information and data that help prioritize our work.

In FY 2010, NRCS released the 2007 National Resources Inventory, providing updated information on the status, condition, and trends of land, soil, water, and related resources on the Nation's non-Federal lands. The survey findings show that since 1982, American farmers have reduced erosion rates by 43 percent. The inventory also shows about 40 million acres of land were newly developed and removed from the rural land base between 1982 and 2007, bringing the total to about 111 million acres, a 56 percent increase. This means that more than one-third of all land that has ever been developed in the lower 48 states was developed during the last quarter century. Of particular concern is the approximately 12 million acres of prime farmland that was developed between 1982 and 2007. Cropland acreage declined about 15 percent. About half of this reduction is accounted for by enrollments of environmentally sensitive cropland in USDA's Conservation Reserve Program, which NRCS helps to implement.

Since 2003, NRCS has used the National Resources Inventory as a basis for a state-of-the-art effort, the Conservation Effects Assessment Project (CEAP), designed to estimate the effects of conservation practices on the landscape. In FY 2010, USDA released the results of the first nationwide assessment of the effects of conservation practices on cropland in the Upper Mississippi River Basin, prepared as part of the CEAP. CEAP combines comprehensive farmer surveys and detailed soils information with edge-of-field and in-stream modeling to produce state-of-the-art reports on the estimated effects that conservation is having on cropland. The Upper Mississippi report showed that producers have made significant strides in limiting erosion

and reducing nitrogen and phosphorus runoff, though nitrogen runoff and leaching remain our biggest concerns. The report's conclusions also highlight that suites of practices designed to work in concert with each other have greater impact than practices used in isolation. Most importantly, the report reinforces the notion that we get a bigger return on investments in conservation when we target treatments to critical acres—rather than across all acreage equally. The return can be as much as three to five times greater.

NRCS released the second CEAP cropland report, this one on the Chesapeake Bay watershed, in March 2011. In many ways, its findings echoed those in the Upper Mississippi CEAP report, though the report showed that the inherent natural resource challenges facing producers in the Bay watershed are much greater than those in the Upper Mississippi watershed. For example, more land with steeper slopes and greater annual rainfall provides greater challenges to Bay watershed producers to limit nutrient and sediment runoff.

Beyond describing the conservation successes and continued areas for improvement for the agricultural sector, CEAP has the potential to be a key tool supporting our programs and policies moving forward. We are just beginning to incorporate CEAP findings into agency standards, program approaches and delivery, and policies, and I am excited for what the future holds for NRCS and CEAP.

Addressing Critical Needs

One way CEAP will help us in the future is through improved targeting of technical and financial assistance in key landscapes. NRCS currently has nine landscape initiatives that complement our broad dissemination of technical and financial assistance to producers throughout the nation. In most of the initiatives, we are leveraging our technical and financial resources with those of our partners to tackle our greatest natural resource challenges. Through these

initiatives, NRCS is focusing on geographic areas such as the Chesapeake Bay, California Bay-Delta, and Mississippi River Basin, or on critical plant and animal species such as longleaf pine and lesser prairie chicken. I will now go into some detail about the Sage-Grouse Initiative (SGI) to provide the Subcommittee with a better idea of how our initiatives are changing the way NRCS approaches private lands conservation.

For a very long time, ranchers in the Western U.S. have been concerned about the potential for sage-grouse to be listed as a threatened or endangered species. A sage-grouse listing could have a significant impact on agricultural operations and energy development, among other economic sectors. NRCS, seeing an opportunity to make a difference across a broad swath of 11 western states, established the SGI.

The SGI is an excellent example of how NRCS is aggressively pursuing what Secretary Vilsack calls an “all lands” approach to landscape-scale conservation. Through SGI, NRCS focuses conservation delivery within habitat core areas to help maintain large and intact grazing lands. NRCS identified practices that can be implemented through the Environmental Quality Incentives Program, the Wildlife Habitat Incentive Program, the Grassland Reserve program and the Farm and Ranch Lands Protection Program to increase and protect grouse habitat and populations on 640,000 acres in the 11 western states. In FY 2010, NRCS contracted with 223 ranching operations for a total \$18.5 million in financial assistance to remove sage-grouse threats and help sustain working ranches.

This new conservation approach enables NRCS to prioritize assistance to ensure that the best conservation practices are implemented in the right landscapes to expect a positive sage-grouse population-level response. Primary conservation practices implemented include sustainable grazing systems to improve hiding cover for birds, marking or moving “high risk”

fences near breeding sites to reduce bird collisions and removal of encroached conifer to allow re-colonization of otherwise suitable sage-grouse habitat.

In FY 2010, NRCS and its partners implemented enhanced grazing systems on 1,000 square miles of large and intact sagebrush to increase hiding cover for nesting birds. This is significant because scientific research tells us that a modest increase in residual grass cover increases nest success by 8-10 percent. NRCS also marked or removed 180 miles of high-risk fencing near breeding sites that has prevented and estimated 800 to 1,000 mortalities through fence collisions in just the first year. These prevented deaths are equivalent to the combined male sage-grouse populations of Alberta, Saskatchewan, North and South Dakota, Oregon, and Washington.

This initiative also presented an opportunity for NRCS and its Federal partners to enter into a landmark agreement that provides regulatory certainty to ranchers who take actions to improve sage-grouse habitat on their land. In early 2010, the U.S. Fish and Wildlife Service (FWS) determined sage-grouse to be a “candidate” species under the Endangered Species Act (ESA), which means that the bird’s population is at risk and could face extinction if positive actions are not taken. NRCS and FWS, in record time, negotiated a first-of-its kind regional agreement that provides “certainty” to ranchers in the event that the sage-grouse is listed as threatened or endangered under ESA. Participating landowners now have assurance that, if they make investments in conserving sage-grouse habitat today, they will be able to continue ranching on their land in the future in the event the sage-grouse is listed.

The SGI demonstrates how NRCS is changing and adapting its practices in the 21st Century, quickly responding to critical natural resource issues, merging science and program delivery in

new ways, and targeting both practices and geography to make a proactive difference on the landscape.

America's Great Outdoors

Our work on sage-grouse is an excellent example of the type of conservation action encouraged by the Administration's America's Great Outdoors initiative. In February, the President announced the America's Great Outdoors plan for developing a 21st Century conservation and recreation agenda. This plan describes how federal agencies plan to work in partnership with landowners, conservation groups, states and others to conserve our working lands and our public lands and to reconnect Americans – especially our nation's youth – with opportunities to stay active. One priority called for in the report is to conserve rural working farms, ranches and forests through various means including: large-scale conservation partnership projects that provide economic incentives and technical assistance to landowners; a significant acceleration of conservation on working farms, ranch and forest lands; and increased financial incentives for land stewardship for farmers, ranchers, forest landowners, and tribes. The President's 2012 Budget supports these actions through various conservation programs and technical assistance.

President's Fiscal Year 2012 Budget

The FY 2012 budget includes a total of \$4.5 billion for NRCS and other conservation programs. The proposed budget prioritizes limited resources to ensure the Agency is positioned to meet the needs of America's farmers and ranchers. Additionally, the budget emphasizes protecting water quality by providing funding across a range of conservation programs to support the installation of High Impact Targeted (HIT) practices designed to improve water quality in priority

watersheds. Chief Dave White will review the President's 2012 budget request in greater detail during his testimony.

The proposal funds discretionary programs at \$899 million, an 11 percent reduction from FY 2010. As the Secretary stated before the Subcommittee in March, difficult choices had to be made to reduce the deficit while continuing to grow the economy. In this regard, funding was eliminated for the watershed programs, Grazing Land Conservation Initiative and Resource Conservation and Development. NRCS supports the goals of these programs, but the same goals can be achieved through other USDA programs, and partner investments, or are the responsibility of local project sponsors. For example, many of the goals of the Grazing Land Conservation Initiative are being met through the Environmental Quality Incentives Program, the Wildlife Habitat Incentives Program and the Grassland Reserve Program.

The budget proposal also reflects the need to continue to improve program efficiency and to take other actions to streamline and reduce administrative costs. It supports the strategic investments made over the past several years in business process improvements including: Strategic Watershed Action Teams; Conservation Delivery Streamlining Initiative; Common Computing Environment; and Conservation Effects Assessment Project.

The proposal funds mandatory programs at \$3.6 billion and an additional \$124 million for technical assistance through the Conservation Reserve Program. These funding levels reflect an overall increased investment in conservation program spending.

With these resources, NRCS will be well equipped to continue assisting farmers, ranchers, and forest landowners to plan and install conservation measures on their operations to address their individual resource concerns. And, with continued investments in the landscape initiatives,

NRCS and its partners can continue making measurable gains in tackling regional- and national-scale conservation goals.

Conclusion

Mr. Chairman, I believe that the President's FY 2012 Budget for NRCS includes a thoughtful balance of deficit reduction measures and sound investments in private lands conservation. The budget enables NRCS to continue fulfilling its historic commitment to providing assistance to farmers, ranchers and forest landowners. In addition, NRCS will continue to explore new approaches to fully take the agency and private lands conservation into the 21st century.

I thank members of the Subcommittee for the opportunity to appear, and would be happy to respond to any questions that Members might have.