



# Food, Conservation & Energy Act of 2008

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## 2002 FARM BILL HIGHLIGHTS

- Over 250 million acres brought under conservation contract or easement
- Over 2.7 million conservation practices planned or applied through EQIP, AMA, WHIP, and CSP





# 2008 Farm Bill Highlights

(Became Law on June 18, 2008)

- Increases funding authorization for conservation programs (~ \$4.2 billion increase)
- Focuses on agricultural and forestry working lands
- Grants new authorities
- Expands outreach opportunities





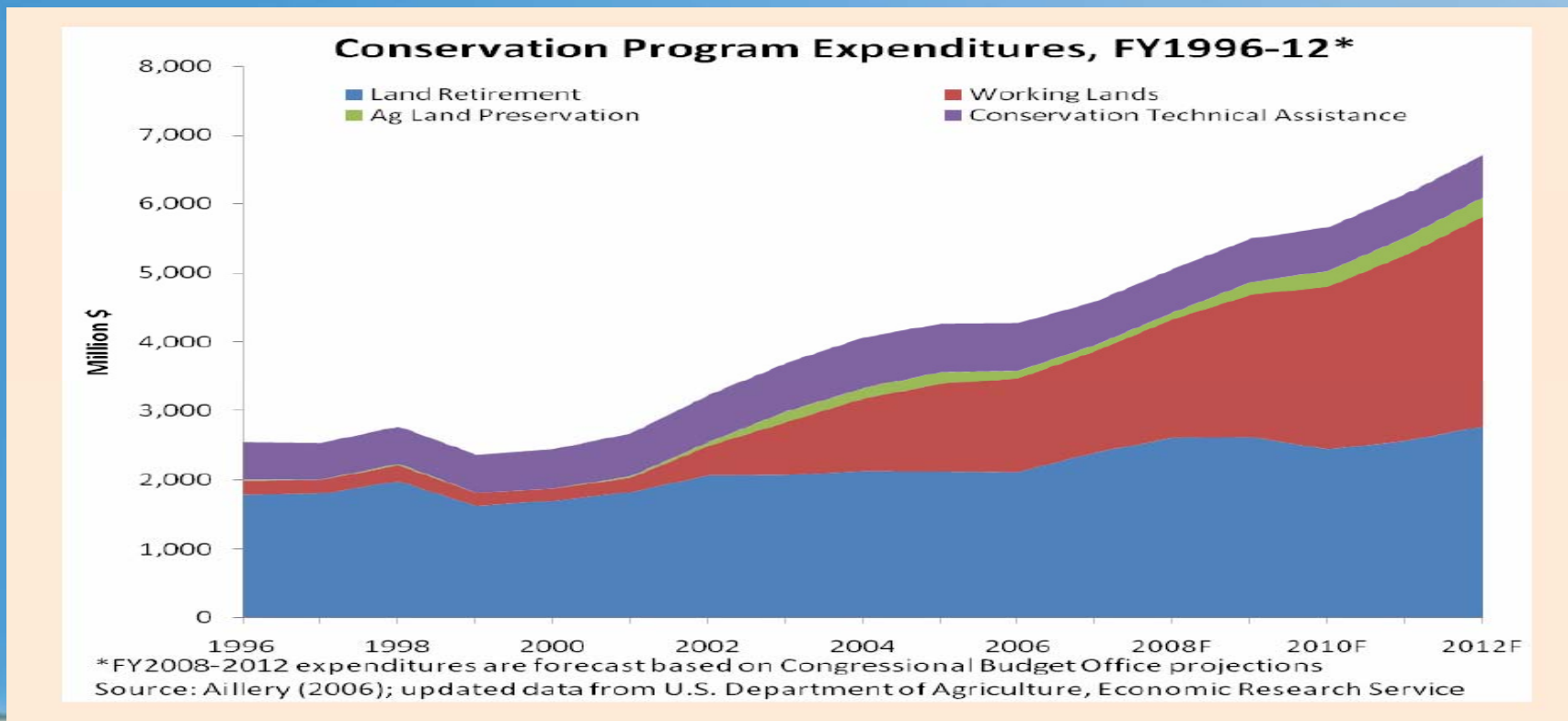
# Conservation in the 2008 Farm Bill

- Working Lands Conservation Programs
  - Environmental Quality Incentives Program
    - Agricultural Water Enhancement Program
    - Conservation Innovation Grants
  - Wildlife Habitat Incentives Program
  - Agricultural Management Assistance Program
  - Conservation Security Program
  - Conservation Stewardship Program
  - Cooperative Conservation Partnership Initiative
- Conservation Easement Programs
  - Farm and Ranch Lands Protection Program
  - Grassland Reserve Program
  - Healthy Forests Reserve Program
  - Conservation Reserve Program
  - Wetlands Reserve Program





# Actual and Forecast Conservation Program Expenditures: FY 1996-2012





## Hold the presses....(Authorized Funding Does Not Always Equal Appropriated or Apportioned Funding)

- From FY's 2002 through 2007, funding for NRCS conservation programs was \$2.23 billion dollars below authorized levels.
- In FY2007, the NRCS conservation programs were limited to 71.7% of their authorized funding levels.





## FY 2007 as an example of funding limits:

|             | Farm Bill Authorized | Congress Allowed |
|-------------|----------------------|------------------|
| <b>WRP</b>  | 250,000 acres        | 144,776 acres    |
| <b>CSP</b>  | \$373 million        | \$259 million    |
| <b>EQIP</b> | \$1.27 billion       | \$1.017 billion  |
| <b>GSWC</b> | \$60 million         | \$51 million     |
| <b>WHIP</b> | \$85 million         | \$43 million     |
| <b>FRPP</b> | \$97 million         | \$50 million     |
| <b>AMA</b>  | \$14 million         | \$6 million      |



# Environmental Quality Incentives Program (EQIP)

- Increases budget authority above current law by \$3.5 billion
- Reaffirms conservation work on nonindustrial private forest lands
- Expanded to include energy conservation benefits associated with conservation practices

| EQIP Authorized Funding (billion \$) |      |      |      |      |
|--------------------------------------|------|------|------|------|
| 2008                                 | 2009 | 2010 | 2011 | 2012 |
| 1.20                                 | 1.34 | 1.45 | 1.58 | 1.75 |





## EQIP (continued)

- For socially disadvantaged and beginning farmers or ranchers:
  - Up to 90 percent cost share, or at least 25 percent above the otherwise applicable rate
  - Advance payments to cover up to 30% of the cost of materials to install conservation improvements



# EQIP - Conservation Activity Plans

- Financial assistance available to develop conservation activity plans that focus on specific conservation needs
- Eligible conservation activity plans under consideration for FY 2009:
  - Comprehensive Nutrient Management Plan
  - Forest Stewardship Plan
  - Grazing Management Plan
  - Integrated Pest Management Plan
  - Irrigation Water Management Plan
- Links EQIP, conservation planning policy, and FOTG



## EQIP (continued)

- Agricultural Water Enhancement Program (AWEP)
  - Replaces Ground and Surface Water Conservation Program
  - Assist farmers and ranchers to implement practices for agricultural water quality and water conservation enhancement activities
  - Payment Limits
    - AGI waiver, if necessary to fulfill the objectives of the program
- Conservation Innovation Grants (CIG) – Regular
  - Emphasis on transfer of innovative technologies and approaches and increased participation of specialty crop producers
- Conservation Innovation Grants (CIG) – Air Quality
  - \$37.5 million per year to assist producers address air quality

| Authorized Funding (million \$)      |      |      |      |      |
|--------------------------------------|------|------|------|------|
| Program                              | 2009 | 2010 | 2011 | 2012 |
| AWEP (in addition to EQIP)           | 73   | 73   | 74   | 60   |
| CIG – Air (Funding included in EQIP) | 37.5 | 37.5 | 37.5 | 37.5 |



## Wildlife Habitat Incentives Program (WHIP)

- Eligibility Changes
  - limited to private agricultural land, nonindustrial private forestland (NIPF), and tribal lands
- Added emphasis on nonindustrial private forestland

| WHIP Authorized Funding (million \$) |      |      |      |      |
|--------------------------------------|------|------|------|------|
| 2008                                 | 2009 | 2010 | 2011 | 2012 |
| 85                                   | 85   | 85   | 85   | 85   |



# Agricultural Management Assistance (AMA) Program

- AMA is expanded to include Hawaii
- Specifies funding split between NRCS (50%), AMS (10%), and RMA (40%)



| AMA Authorized Funding (million \$, NRCS portion) |      |      |      |      |
|---|------|------|------|------|
| 2008  | 2009 | 2010 | 2011 | 2012 |
| 15  | 15   | 15   | 15   | 15   |



# Conservation Stewardship Program (CStP)

- National delivery with ranking
- Emphasis on new enhancements
- 5-year contracts (not 5 or 10 year contracts)
- No more tiers (I, II, and III)



## CStP (continued)

- Adds emphasis on nonindustrial private forest land (up to 10% nationally)
- Acres will be allocated based on eligible acres in a state
- Applicants must account for stewardship activities covering their entire agricultural operation

| <b>CStP Authorized Acres (million acres)</b> |             |             |             |
|--|-------------|-------------|-------------|
| <b>2009</b>                                  | <b>2010</b> | <b>2011</b> | <b>2012</b> |
| 12.769                                       | 12.769      | 12.769      | 12.769      |



# Wetlands Reserve Program (WRP)

- Enrollment Changes
  - Governments not eligible
  - Ownership change within 7 years—not eligible
- Easement Valuation Changes
  - Before and after appraisal not required
  - Market survey in lieu of individual appraisals allowed

## **WRP Authorized Acres**

Capped at 3,041,200 acres (766,200 new acres)





# Grasslands Reserve Program (GRP)

- Enrollment Changes
  - Priority to expiring CRP; NTE 10% of GRP Enrollment
- Easement Valuation Changes
  - Similar to WRP, but must deduct grazing value
- Opportunity for eligible entities to cooperate with NRCS to purchase easements
- Easements – 60% of total funding
- Rental Agreements – 40% of total funding



**GRP Authorized Acres**  
1.220 million NEW acres (2009-2017)



# Farm and Ranch Lands Protection Program (FRPP)

- Enrollment Changes
  - Purpose changed to protection of agricultural land, including forest land in agricultural landscape
- Easement Valuation Changes
  - Entity choice, within confines of industry-approved method of appraisal subject to approval by the Secretary
- Other Program Changes
  - Establishes certification opportunity for eligible entities
  - Changes the minimum entity contribution to 25 percent of the easement acquisition price rather than 25 percent of the appraised fair market value
  - Allows the entity to designate the terms and conditions of its deed subject to approval by the Secretary

| FRPP Authorized Funding (million \$) |      |      |      |      |
|--------------------------------------|------|------|------|------|
| 2008                                 | 2009 | 2010 | 2011 | 2012 |
| 97                                   | 121  | 150  | 175  | 200  |



## Healthy Forest Reserve Program (HFRP)

- Enrollment Changes
  - Acreage cap removed
- Easements
  - Permanent easements available instead of 99 year maximum
- Funds Available
  - Easements - 60% of total funding
  - Restoration Agreements - 40% of total funding
- Enrollment
  - 30 year contracts available for acreage owned by Indian Tribes

| HRPP Authorized Funding (million \$) |      |      |      |      |
|--------------------------------------|------|------|------|------|
| 2008                                 | 2009 | 2010 | 2011 | 2012 |
| 2.0                                  | 9.7  | 9.7  | 9.7  | 9.7  |



# Programs Reauthorized

- Small Watershed Rehabilitation Program
  - Reauthorized through 2012
  - Authorizes \$100 million in mandatory funding in 2009 to be available until expended
- Great Lakes Basin Program for Soil Erosion and Sediment Control
- Conservation of Private Grazing Land
- Resource Conservation & Development Program





# Cross-Cutting Issues

- Enhanced opportunities for Partnership Action on a Geographic/Watershed Scale
- Regional Equity – Changes and Impacts
- State Technical Committees
- Historically Underserved Participants





# Enhanced Opportunities for Partnership Action on a Geographic/Watershed Scale

- Chesapeake Bay Watershed Program - Provides additional new resources for the Chesapeake Bay Region
  - The funds are utilized through existing Farm Bill conservation programs and are available until expended
  - FY09: \$23 million - FY10: \$43 million - FY11: \$72 million - FY12: \$50 million
  - Special consideration and evaluation of applications in the Susquehanna, Shenandoah, Potomac, and Patuxent River Basins
  - Public listening session held on July 14th in Annapolis, Maryland



# Enhanced Opportunities for Partnership Action on a Geographic/Watershed Scale

- Cooperative Conservation Partnership Initiative (CCPI) to allow partners to help identify conservation areas/issues
  - Directs 6 percent of funds or acres in EQIP, WHIP, and CStP for targeted conservation activities and acres
  - Projects will be selected through a competitive process of applications submitted by partners
  - Projects will be implemented through existing program authorities and procedures, including producer contracts
  - Funds and acres are directed at the State level (90 percent) and nationally (10 percent)



## Enhanced Opportunities for Partnership Action on a Geographic/Watershed Scale

- Agricultural Water Enhancement Program (AWEP)
  - Provides option for partnership agreements on a regional basis
  - Offers EQIP financial and technical assistance to assist farmers and ranchers implement conservation practices for agricultural water conservation and water quality enhancement activities
  - Contracts may be entered into directly with producers to carry out agricultural water enhancement activities, or
  - Contracts may be entered into directly with producers identified through partnership agreements developed with entities to carry out agricultural water enhancement activities on a regional basis





# Regional Equity – Changes and Impacts

- Not a new provision (2002 Farm Bill)
- Expanded the programs affected and now includes:
  - EQIP, WHIP, AWEP, GRP, FRPP, CStP, Open Fields, and Chesapeake Bay
- Increases the funding trigger for a state from \$12 million to \$15 million
- Considers respective demand in each program in each state
- Unused funds may be redistributed after April 1<sup>st</sup> of each fiscal year



# State Technical Committees

- Extended FACA exemptions to Local Working Groups
- Reduced the required invitee list to:
  - NRCS, FSA, Forest Service, National Institute of Food and Agriculture, State fish and wildlife agency, State forester or equivalent state official, State water resources agency, State department of agriculture, State association of soil and water conservation districts, agricultural producers, owners of nonindustrial private forestland, non profit organizations, and agribusiness
- Requires the publication of Standard Operating Procedures for the Committee



# Historically Underserved Participants





# Historically Underserved Participants

- Applicable to EQIP, CStP, WHIP, AMA, & AWEP
- Includes –
  - Socially Disadvantaged Farmer/Rancher
  - Beginning Farmer/Rancher
  - Limited Resource Producer
  - Indian Tribes
- Socially Disadvantaged and Beginning Farmers and Ranchers, and Limited Resource Producers
  - Common definitions within programs and across agencies
- Payment rates + 25%, not to exceed 90%
- Advance up to 30% for EQIP
- **5% funding set-aside for each group in EQIP**
- **5% acreage set-aside for each group in CSP**



# Rulemaking Timeframe and Actions

- NRCS currently has 3 regulations published and is seeking public comments: AMA, State Technical Committees, Healthy Forest Reserve Program
- NRCS currently has 11 regulations and notices under review at multiple levels of the Executive Branch
  - EQIP, WHIP, AWEP, CStP, CCPI, CIG, FRPP, WRP, GRP, TSP, and Regional Equity
- Rules will include a request for public comment
- Program manuals updated to reflect statute and rule changes





# Purpose of Rulemaking

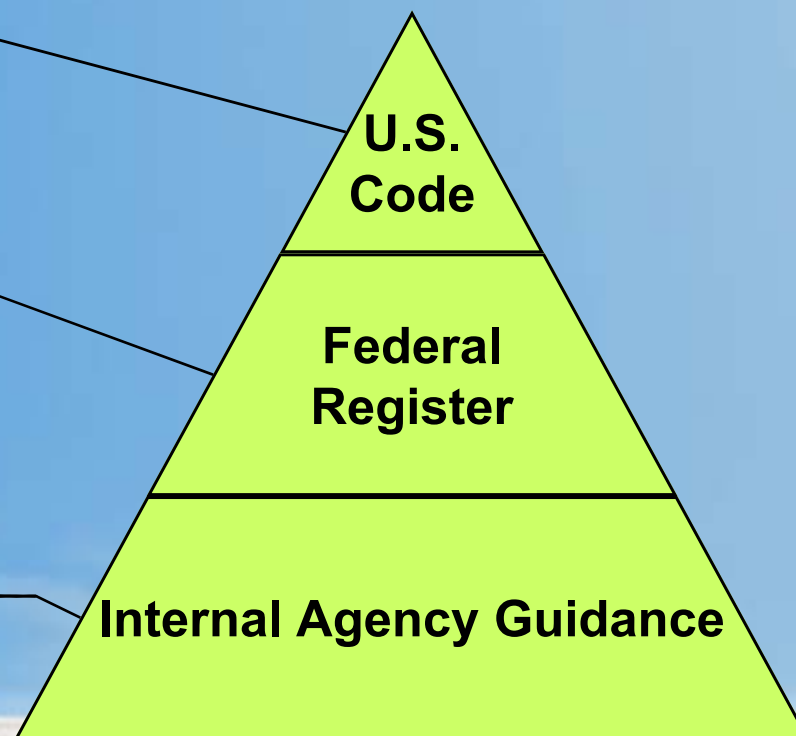
- Program regulations carry the weight of law and are binding upon both the Agency and the public
- Why is program rulemaking conducted?
  - Statute grants flexibility for interpretation
  - Statute is insufficient in detail to implement
  - Clarification of statutory provision is needed
  - Additional technical information is needed



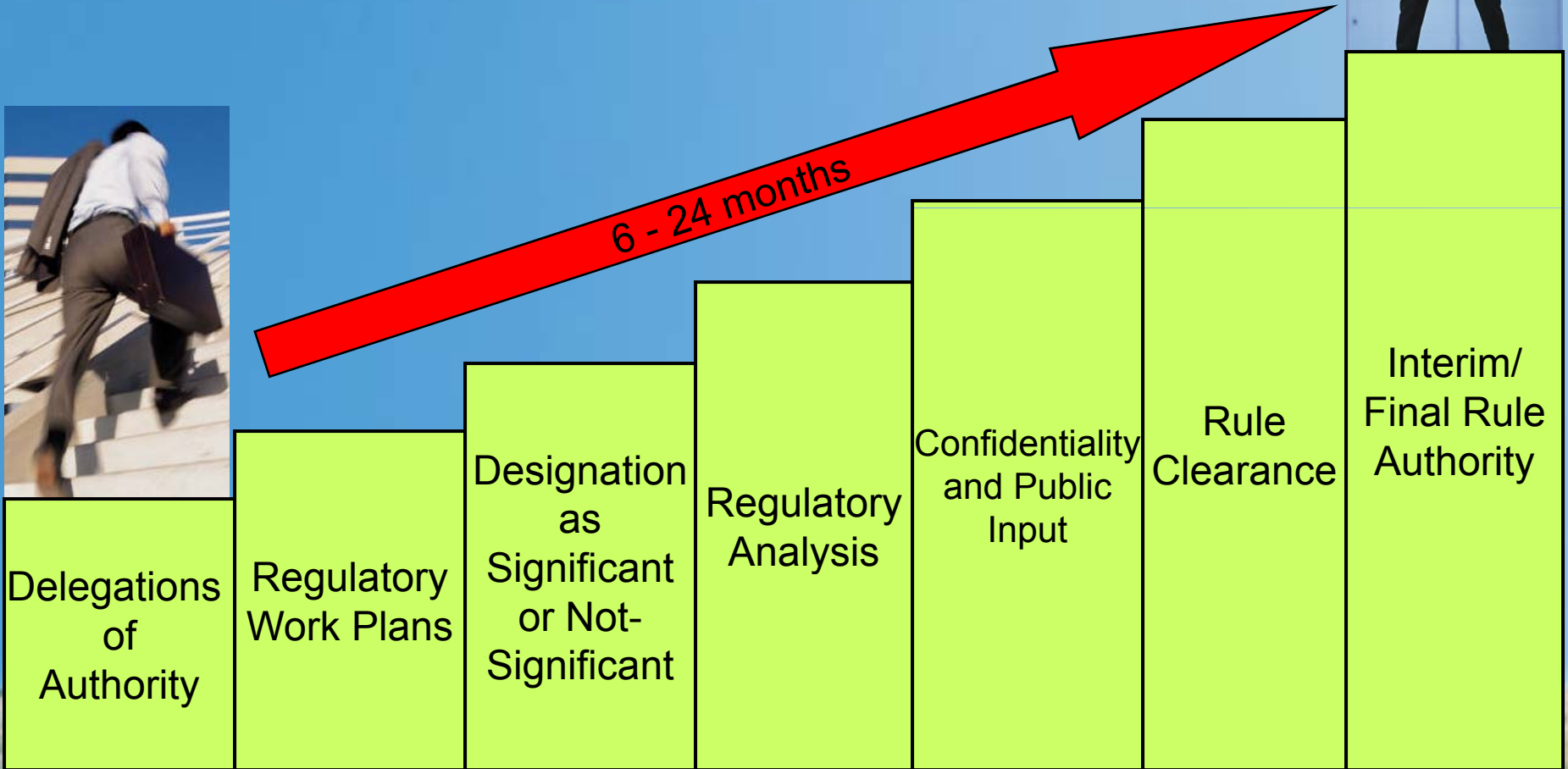
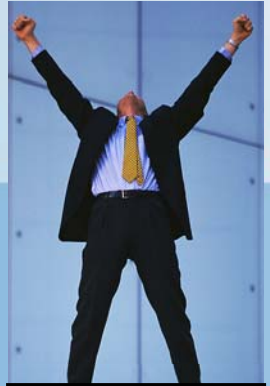


# Rulemaking and Policy Products

- Statute and Manager's Report
- Preamble
- Rule
- Supporting Analysis
  - Civil Rights Impact Analysis
  - Benefit/Cost Analysis
  - Environmental Assessment
- Agency program policy
- Agency program procedures



# Rulemaking Process







## Public Comments - Rulemaking

- Receiving public comment letters prior to the official comment period; comments serve as input for rules
- Will receive official public comments following the publication of rules in the Federal Register
  - These comments must be officially responded to in the Final Rule
  - Made part of the administrative record and publically available
- Encourage public participation in writing through the public comment process
  - Mail, Fax, Email, or
  - [www.regulations.gov](http://www.regulations.gov)





## Websites for Posting of Rules

- All rules and notices on the NRCS Farm Bill website:  
<http://www.nrcs.usda.gov/programs/farmbill/2008/index.html>
- All regulations and electronic comments are posted on:  
<http://www.regulations.gov/search/index.jsp>
- Standard Publications under the Federal Register:  
<http://www.gpoaccess.gov/fr/index.html>