

# CRS Report for Congress

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## **Agriculture Conservation Programs: A Scorecard**

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# Agriculture Conservation Programs: A Scorecard

## Summary

The Natural Resources Conservation Service and the Farm Service Agency in the U.S. Department of Agriculture currently administer 20 programs and subprograms that are directly or indirectly available to assist producers and landowners who wish to practice conservation on agricultural lands. The number, scope, and overall funding of these programs have all grown with each recent farm bill. This growth can cause confusion over which problems and conditions each program addresses, and specific program characteristics and performance, especially for those who are less familiar with this conservation effort. The programs are:

- Agricultural Management Assistance Program
- Conservation Operations; Technical Assistance (CTA)
- Conservation Reserve Program (CRP)
- CRP — Conservation Reserve Enhancement Program (CREP)
- CRP — Farmable Wetlands Program
- Conservation Security Program
- Emergency Conservation Program
- Emergency Watershed Program
- Environmental Quality Incentive Program (EQIP)
- EQIP — Innovative Grants
- EQIP — Ground and Surface Water Conservation
- EQIP — Klamath River Basin
- Farmland Protection Program
- Grasslands Reserve Program
- Resource Conservation and Development Program
- Watershed and Flood Prevention Operations
- Watershed Rehabilitation Program
- Watershed Surveys and Planning
- Wetland Reserve Program
- Wildlife Habitat Incentive Program

This tabular presentation provides basic information introducing each of the programs. The information about each program includes:

- brief program description;
- national participation levels;
- states with the greatest participation;
- participation priorities specified in law;
- FY2005 estimated spending;
- FY2006 Administration budget request;
- authorization expiration date;
- backlog or other measures of continuing interest;
- major amendments in the 2002 farm bill; and
- statutory authority.

This report will be updated periodically.

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# Agriculture Conservation Programs: A Scorecard

## Introduction

The Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA) in the U.S. Department of Agriculture currently administer 20 programs and subprograms that directly or indirectly provide technical and financial assistance to producers and landowners who wish to practice conservation on agricultural lands.<sup>1</sup> With each recent farm bill, enacted in 1985, 1990, 1996, and 2002, Congress has responded to the potential adverse effects of agricultural activities on the physical landscape by increasing the number, scope, and overall funding of conservation programs. One result of this growth is that these programs attract much more attention from groups and individuals that had not necessarily had an interest in conservation policy. A related result is confusion over which problems and conditions each program addresses and specific program characteristics and performance, especially for those less familiar with this agriculture conservation effort. These people often ask questions about which programs may be used to respond to a specific resource problem, why several programs appear to address a single problem, or which agency administers a program.

All of the USDA conservation programs are voluntary. USDA provides technical and cost share assistance to attract interest and encourage participation. These programs protect soil, water, wildlife, and other natural resources on agricultural lands to limit environmental impacts of production activities both on and off the farm, while maintaining or improving production of food and fiber. Some of these programs center on improving or restoring resources that have been degraded, while others create conditions that will limit degradation in the future. Of the 20 programs, 16 are administered by NRCS and four are administered by FSA. However, both agencies, as well as other agencies, mostly in USDA, work closely to implement many of them.

All of these programs, with the exception of the Conservation Security Program (CSP), respond to existing resource problems. Some of them address these problems

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<sup>1</sup> The number of programs can be determined in several different ways, as two of the larger ones, the Conservation Reserve and the Environmental Quality Reserve Programs have several subprograms, some created in legislation and others created by administrative action. This report is limited to subprograms created by Congress. In addition to these 20 programs, Congress has authorized a large number of other small (in terms of spending levels) discretionary programs, usually with a specific geographic focus (examples from the 2002 farm bill include the Great Lakes and the Delmarva Peninsula), and programs that have never been funded or implemented (examples include the Environmental Easement Program and the Office of Agriculture Environmental Quality). These programs are not identified or presented in this report.

by paying landowners to retire land from production for multi-year periods, using easements and long term agreements. Many programs also have a particular resource focus, such as cropland, wetlands, or grasslands, or focus on a specific physical condition, such as floods or drought. Others address problems by assisting producers to install conservation practices that are designed to maintain or improve resource conditions in ways that enhance the environmental and economic performance of a farm. These practices may be structural (involving construction, such as a terrace or an animal waste management facility), land management (such as contour farming or nutrient management), or vegetative (such as filter strips or tree planting). The CSP is different because it pays producers to maintain conservation practices that are already in place and provides financial incentives and technical assistance to expand on these efforts.

The Conservation Reserve Program (CRP) and the Environmental Quality Incentives Program (EQIP) each include subprograms enacted by Congress (as well as other initiatives based on administrative actions). For the CRP, those subprograms are the Conservation Reserve Enhancement Program (CREP) and the Farmable Wetlands Program. Acreage enrolled in both of these subprograms is considered to be within the CRP, and therefore counts against the current overall program enrollment cap of 39.2 million acres. The three EQIP subprograms address development of innovative approaches to conservation, surface and groundwater conservation, and water use challenges in the Klamath River basin. The innovative grants subprogram is funded using a portion of the overall annual funding authorized for EQIP, while the water conservation and Klamath River subprograms have specified funding levels that are treated as being in addition to EQIP funding.

This report provides basic information about each program using a consistent format, primarily drawn from agency budget presentations and websites. This information should help respond to basic questions and resolve many common sources of confusion about the purposes of the program, program participation and policy topics. Further information about all of these programs can be found on the NRCS website at [<http://www.nrcs.usda.gov/programs/>] and on the “conservation programs” page of the FSA website at [<http://www.fsa.usda.gov>]; in the agency budget notes, published in late January or early February each year; and in written responses to questions published later each year in hearing records of the House and Senate Agriculture Appropriations Subcommittee.

Both NRCS and FSA post extensive information on most programs on their websites in several formats, including basic descriptions, questions and answers, and charts, tables, and maps. Website information appears to be designed for both program participants and others who want to learn more about the programs. The agency budget notes, released with the Administration funding requests, provide more detailed information about program activities and accomplishments during the past year, and anticipated adjustments to program administration or implementation in the next year. While the programs are listed alphabetically in this report, they are listed by size in the table below, based on USDA’s estimated spending levels in 2005, to convey a sense of their relative magnitude. The estimated total for these 20 conservation programs in FY2005 is \$5.062 billion.

<b>Program</b>	<b>FY05 Est. Spending (in millions)</b>	<b>Program</b>	<b>FY05 Est. Spending (in millions)</b>
1. Conservation Reserve Program (CRP)	\$1,937	11. EQIP — Ground and Surface Water Conservation Program	\$51
2. Environmental Quality Incentives Program (EQIP)	\$1,017	12. Resource Conservation & Development Program	\$51
3. Conservation Operations; Technical Assistance	\$697	13. Wildlife Habitat Incentive Program	\$47
4. Wetland Reserve Program	\$275	14. Watershed Rehabilitation Program	\$27
5. Emergency Watershed Program	\$250	15. EQIP — Innovative Grants Program	\$14
6. Conservation Security Program	\$202	16. Agricultural Management Assistance Program	\$14
7. Emergency Conservation Program	\$150	17. EQIP — Klamath River Basin	\$8
8. Grasslands Reserve Program	\$128	18. Water Surveys and Planning	\$7
9. Farmland Protection Program	\$112	19. CRP — Conservation Reserve Enhancement Program	Unspecified subset of CRP
10. Watershed and Flood Prevention Operations	\$75	20. CRP — Farmable Wetlands Program	Unspecified subset of CRP

A majority of the programs, 14, are mandatory spending, funded through USDA's Commodity Credit Corporation. Congress authorizes mandatory programs at specified funding levels each year (or acreage enrollment levels for the Conservation Reserve, Wetlands Reserve, and Grasslands Reserve Programs). They are funded at these levels unless Congress limits funding to a lower amount through the appropriations or legislative process (or puts a ceiling on acreage that can be enrolled). Discretionary programs are funded each year through the annual appropriations process. In recent years, Congress generally has made more significant adjustments (almost always reductions) in funding for discretionary programs than for mandatory programs from year to year.

If one is interested in learning more about how to apply to participate any of these programs, a good place to start is the local NRCS or FSA county offices, which are usually co-located. For more general information about the programs over a larger area, such as program priorities within a state, one should contact the state office of the agency. Contact information at the state level for both agencies can be found on the agency websites, at the addresses identified above.

## Programs

### Agricultural Management Assistance Program

<b>Program description</b>	This mandatory program, administered by the NRCS, provides cost-sharing assistance under contracts of 3 to 10 years to producers in 15 specified states where participation in the federal crop insurance program has been historically low. Producers use this assistance to construct or improve water management and irrigation structures, plant trees, control soil erosion, practice integrated pest management, practice organic farming, develop value-added processing, and enter into futures, hedging, or options contracts to reduce production, price or revenue risk.
<b>National participation</b>	Not applicable. Eligible states are: CT, DE, MD, MA, ME, NV, NH, NJ, NY, PA, RI, UT, VT, WV, and WY.
<b>Leading states</b>	In FY04, 304 of the 723 active contracts were in NY. A total of \$10.2 million was spent; of this total, \$1.6 million was spent in WY, \$1.5 million in NY, and \$1.5 million in PA, according to the FY06 budget notes.
<b>Participation priorities</b>	Uses listed in law (see program description), but no priorities are specified.
<b>FY2005 spending (est.)</b>	\$14.0 million (authorized at \$20 million, with spending by NRCS limited to \$14 million, and the remainder going to the Risk Management Agency and the Agriculture Marketing Service).
<b>FY2006 Administration request</b>	\$0 (authorized at \$20 million).
<b>Authorization expires</b>	Permanent authorization (\$10 million annually after FY07).
<b>Backlog/interest</b>	The FY06 budget notes identify 809 pending applications (400 in NY) to enroll more than 66.5 million acres at a cost of \$17.2 million.
<b>Major 2002 farm bill amendments</b>	Designated 15 eligible states; authorized funding of \$20 million annually from FY03 through FY07, and \$10 million in subsequent years.
<b>Statutory authority</b>	Authorized in the Agricultural Risk Protection Act of 2000, title I, §133 (PL106-224) as §524(b) of the Federal Crop Insurance Act; amended by §2501 of the Farm Security and Rural Investment Act of 2002 (PL107-171). (7 U.S.C. 1524).

### Conservation Operations (CO) — Technical Assistance (CTA)

<b>Program description</b>	TA is a discretionary NRCS program. It is more than 80% of all spending in the CO account, and funds technical support to provide conservation planning and implementation assistance through field staff placed in almost all counties. This assistance is provided to producers and land owners who voluntarily apply natural resource conservation systems, consisting of one or more practices, on private and other non-federal lands. (Other components of CO are: the Grazing Lands Conservation Initiative, soil surveys, snow surveys, and plant material centers.)
<b>National participation</b>	TA was \$718.4 million and 7,017 staff years in FY04, according to the FY06 budget notes. (Total CO funding was \$848.0 million and 8,169 staff years.)
<b>Leading states</b>	No data published for the TA subset in FY04, but for total CO funding, TX received \$47.0 million, IA received \$29.7 million, and MO received \$24.1 million in FY04.

<b>Participation priorities</b>	None specified in law. The NRCS program description in the FY06 budget notes, states, in part, "The natural resource conservation systems help control erosion, improve water, soil, and air quality, protect farmlands and other land uses that support wildlife habitat, and cultivate partnerships among federal, state and local entities to implementing conservation measures." NRCS announced in a 2/15/05 press release that national priorities in 05 are to help producers to "comply more easily with environmental regulatory burdens" and to be consistent with the national priorities already established for the EQIP.
<b>FY2005 spending (est.)</b>	\$697 million.
<b>FY2006 Administration request</b>	\$626 million.
<b>Authorization expires</b>	Permanent authorization, no amount specified.
<b>Backlog/interest</b>	None specified.
<b>Major 2002 farm bill amendments</b>	No direct changes. However, other provisions affect this program, including retaining a cap on total funding for technical assistance provided through mandatory programs, and allowing NRCS to approve qualified individuals and entities, referred to as third parties, to provide some types of technical assistance.
<b>Statutory authority</b>	Authorized in the Soil Conservation and Domestic Allotment Act, as amended (P.L. 74-46). (16 U.S.C. 590a-g, 16 U.S.C. 590q)

### Conservation Reserve Program (CRP)

<b>Program description</b>	The CRP is a mandatory program administered by FSA, assisted by NRCS, that provides annual rental payments, usually over 10 years, to producers to replace crops on highly erodible and environmentally sensitive land with long-term resource conserving plantings. Bids to enroll land are solicited during a limited time period, then compared using an Environmental Benefits Index (EBI). Those with the highest EBI scores are accepted. Imbedded in the CRP are several small and more focused programs that bypass the general bidding process, some established in law and others established administratively, to address specific resource topics, including more concentrated resource problems in a portion of a state, protection of small isolated agricultural wetlands, and improvement of habitat for upland game birds. All lands that qualify for these subprograms are automatically accepted.
<b>National participation</b>	686,971 active contracts on 402,287 farms are currently enrolling more than 34.8 million acres, according to FSA's April, 2005 monthly program summary.
<b>Leading states</b>	In terms of acres, the leading states are TX (3.96 million acres), MT (3.40 million acres), and ND (3.34 million acres). In terms of contracts, the leading states are IA (95,355 contracts), IL (69,388 contracts), and MN (50,058 contracts).
<b>Participation priorities</b>	None specified in law from among the many types of eligible land that are identified. Priorities established by FSA using an EBI which rates 5 factors (erosion, water quality, wildlife, air quality, and enduring benefits) plus cost when deciding which bids will be accepted. The EBI has been modified from signup to signup. States may ask the Secretary to designate conservation priority areas in watersheds. Chesapeake Bay, Great Lakes, and Long Island Sound are specified as possibilities because of "special environmental sensitivity."
<b>FY2005 spending (est.)</b>	\$1.937 billion (based on the estimated number of acres that will be enrolled).
<b>FY2006 Administration request</b>	\$2.021 billion (based on the estimated number of acres that will be enrolled).



<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	In the last general signup (8/30/04 - 9/24/04), FSA accepted 19,732 offers to enroll 1.19 million acres from 26,080 offers to enroll 1.67 million acres, according to data posted on the FSA website, visited 5/12/05.
<b>Major 2002 farm bill amendments</b>	Raised enrollment ceiling from 36.4 million acres to 39.2 million acres; liberalized economic uses of enrolled lands; required that eligible land must have been planted 4 of the 6 years preceding enactment.
<b>Statutory authority</b>	Authorized in §1231-§1235 of the Food Security Act of 1985 (P.L.99-198); amended by §2101 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3831-3835a)

### CRP — Conservation Reserve Enhancement Program (CREP)

<b>Program description</b>	This subprogram of the CRP is a mandatory program administered by the FSA, assisted by NRCS, that partners with states at their request. States propose substate areas, such as a watershed, where environmental or resource concerns are more concentrated and can be addressed by enrolling up to 100,000 acres. States contribute 20% of the funding so that larger payments can be made, thereby encouraging greater participation.
<b>National participation</b>	41,332 contracts on 27,582 farms have enrolling a total of 650,845 acres, according to FSA's April, 2005 monthly program summary.
<b>Leading states</b>	Currently, 26 states participate, with more than 130,000 acres enrolled in PA, almost 110,000 acres enrolled in IL, and 83,000 acres in MN. The most contracts are in PA (6,800), followed by IL (5,411), and MD (5,041). CREP proposals are pending from 7 additional states, according to a map on the FSA website, visited on 4/22/05.
<b>Participation priorities</b>	None specified beyond those that apply to the general CRP (see entry above).
<b>FY2005 spending (est.)</b>	Unspecified acreage subset of CRP.
<b>FY2006 Administration request</b>	Unspecified acreage subset of CRP.
<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	Not applicable since any eligible land can be enrolled at any time; participation has been much higher in some states than in others, but that is due, reportedly, to how the program is promoted.
<b>Major 2002 farm bill amendments</b>	None.
<b>Statutory authority</b>	Authorized in §1231 of the Food Security Act of 1985 (P.L.99-198); amended by §2101 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3831)

## CRP — Farmable Wetlands Program

<b>Program description</b>	This 1 million acre subprogram of the CRP is a mandatory program administered by the FSA, assisted by NRCS, to enroll small isolated agricultural wetlands. Eligible wetlands must be smaller than 10 acres, with a maximum of 5 acres eligible for payments. Eligible lands include wetlands that were cropped 3 of the preceding 10 years, and buffers sufficient to protect them, on which the hydrology will be restored and a vegetative cover established.
<b>National participation</b>	8,246 contracts on 6,695 farms have enrolled a total of 127,528 acres, according to FSA's April, 2005 monthly program summary.
<b>Leading states</b>	In terms of acres, the leading states are IA (60,632 acres), MN (28,229 acres), and SD (21,011 acres). The largest number of contracts are in IA (3,700), followed by MN (2,067) and SD (1,342).
<b>Participation priorities</b>	None specified in law.
<b>FY2005 spending (est.)</b>	Unspecified acreage subset of CRP.
<b>FY2006 Administration request</b>	Unspecified acreage subset of CRP.
<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	Not applicable since any eligible land can be enrolled at any time; participation has been much higher in some states than in others, but that is due, reportedly, to how the program is promoted.
<b>Major 2002 farm bill amendments</b>	Increase overall size from 500,000 acres in 6 specified states to 1 million acre national program, with no more than 100,000 acres in a state; in accepting contracts, "ensure, to the maximum extent practicable, an equitable balance among the conservation purposes of soil erosion, water quality, and wildlife habitat."
<b>Statutory authority</b>	Authorized in Title XI of Agriculture and Related Agency appropriations, 2001 (P.L. 106-387) as §1231 of the Food Security Act of 1985 (P.L.99-198); amended by §2101 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3831)

## Conservation Security Program (CSP)

<b>Program description</b>	This mandatory funded program administered by NRCS provides financial and technical assistance for improvements in conserving environmental resources on farmland that meets soil and water quality criteria standards of NRCS. CSP supports producers who are already implementing and maintaining substantial conservation systems to protect soil, water, air, and wildlife, or who will adopt more sustainable systems as part of the program. The maximum annual assistance through CSP increases with each of 3 progressive tiers of participation, each requiring greater conservation. Only producers in specified watersheds can participate each year. CSP was initially implemented in 18 watersheds in FY04, and the FY05 sign-up, which closed 5/27/05, encompasses 220 watersheds.
<b>National participation</b>	2,188 contracts on 1.88 million acres in 18 watersheds for FY04. For FY05, 220 watersheds are eligible (185 million acres), according to data on the NRCS website, visited on 5/13/05. The 18 watersheds eligible in FY04 are included in the 220 watersheds in FY05.
<b>Leading watersheds (states)</b>	The largest number of contracts (281) and enrolled acres (152,388) are in the Blue Earth Watershed (IA and MN). The largest total payment (\$5.173 million) is in the Umatilla Watershed (OR).

<b>Participation priorities</b>	None specified in law. NRCS gives a priority to watersheds where agricultural runoff is a major source of pollution.
<b>FY2005 spending (est.)</b>	Spending limited to \$202 million. (Current law limits total CSP spending to \$6.037 billion between FY05 and FY14.)
<b>FY2006 Administration request</b>	\$274 million.
<b>Authorization expires</b>	FY2007. Contracts may expire as late as 2013.
<b>Backlog/interest</b>	18 watersheds in portions of 22 states were eligible in FY04. Watersheds in the Southwest and New England were largely excluded, as were the major agricultural states of Florida and California. All working farmland is eligible regardless of crop grown. An interim rule establishes a "contract limit," capping the total payments to not more than 15% of local land rental rates multiplied by the number of acres enrolled for Tier I, 25% for Tier II, and 40% for Tier III. This contract limitation could lessen participation by smaller acreage farms and farms and ranches of any size with very low rental rates.
<b>Major 2002 farm bill amendments</b>	Program initially authorized in Farm Security and Rural Investment Act of 2002.
<b>Statutory authority</b>	Authorized in §2001 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1238-§1238C of the Food Security Act of 1985 (P.L.99-198). (16 U.S.C. 3833-3838c)

## Emergency Conservation Program

<b>Program description</b>	This discretionary program, administered by FSA, with technical assistance provided by NRCS, provides emergency funding and technical assistance to producers to rehabilitate farmland damaged by natural disasters (hurricanes, floods, wind, and erosion are examples) by activities such as removing debris, and implementing emergency water conservation measures in response to severe droughts.
<b>National participation</b>	From FY00 through FY04, \$242 million was appropriated in emergency supplemental appropriations legislation, ranging from a high of more than \$91 million in FY00 to a low of more than \$22 million in FY04. Funds went to 34 states in FY04. Amounts are often earmarked to specific locations.
<b>Leading states</b>	In FY04, CA received \$8.1 million, NC received \$7.0 million, and KY received \$7.0 million, according to the FY06 budget notes. (Spending responds to the distribution of natural disasters, and changes greatly from year to year.)
<b>Participation priorities</b>	None specified in law.
<b>FY2005 spending (est.)</b>	\$150 million. (Since this program is almost always funded in emergency supplemental appropriations legislation in response to specific natural disasters that have occurred, additional funding is possible before 9/30/05.)
<b>FY2006 Administration request</b>	\$0.
<b>Authorization expires</b>	Permanent authorization.
<b>Backlog/interest</b>	Not applicable.
<b>Major 2002 farm bill amendments</b>	None.

<b>Statutory authority</b>	Authorized in the Emergency Conservation Measures (P.L. 85-88); amended by §401 of the Agriculture Credit Act of 1978 (P.L. 95-334). (16 U.S.C. 2201-2204)
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## Emergency Watershed Program

<b>Program description</b>	This discretionary program, administered by NRCS, provides technical and financial assistance to reduce hazards to life and property in watersheds that have been damaged by natural disasters. Assistance includes disaster cleanup and recovery activities, and purchasing easements in floodplains that will benefit natural resources such as wetlands, while reducing the risk of exposure to future natural disasters.
<b>National participation</b>	Appropriations have averaged \$120 million annually in recent years. In FY05, \$250 million has been appropriated to date.
<b>Leading states</b>	In FY05 to date, FL has received \$120 million, NC received \$65 million, and TN received \$11 million, according to the FY06 budget notes. (Spending responds to the distribution of natural disasters, and changes greatly from year to year.)
<b>Participation priorities</b>	None specified in law.
<b>FY2005 spending (est.)</b>	Two supplementals have appropriated a total of \$354.5 million. (Since this program is almost always funded in emergency supplemental appropriations legislation in response to specific natural disasters that have occurred, additional funding is possible before 9/30/05.)
<b>FY2006 Administration request</b>	\$0.
<b>Authorization expires</b>	Permanent authorization.
<b>Backlog/interest</b>	Not applicable.
<b>Major 2002 farm bill amendments</b>	None.
<b>Statutory authority</b>	Authorized in the Emergency Conservation Measures (P.L. 85-88); amended by §402 - §403 of the Agriculture Credit Act of 1978 (P.L. 95-334). (16 U.S.C. 2202-2204)

## Environmental Quality Incentive Program (EQIP)

<b>Program description</b>	This mandatory program, administered by NRCS, provides cost share payments to producers and land owners to plan and install structural, vegetative, and land management practices on eligible lands to alleviate conservation problems, with 60% of the funds targeted to livestock producers. EQIP is to be administered in an environmentally-beneficial and cost-effective manner.
<b>National participation</b>	In FY04, EQIP allocated \$908.23 million for 46,413 contracts, according to data on the NRCS website, visited 5/19/05.
<b>Leading states</b>	In FY04, the most contracts were signed in TX (6,625), followed by MS (2,796) and OK (1,975). The largest allocation was paid to TX (\$78.6 million), followed by CA (\$57.0 million) and CO (\$36.9 million).

<b>Participation priorities</b>	The law states that applications that encourage cost-effective conservation practices or address national conservation priorities are to be given greater consideration. Also, in determining the amount and rate of incentive payments, practices that promote residue, nutrient, pest, invasive species or air quality management may be accorded “great significance.”
<b>FY2005 spending (est.)</b>	Spending limited to \$1.017 billion (\$1.20 billion authorized).
<b>FY2006 Administration request</b>	\$1.0 billion for programs (\$1.20 billion authorized).
<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	In FY2004, 47,510 contracts were accepted and the remaining 135,394 applications went unfunded. The total eliminated cost to eliminate this backlog would be \$2.204 billion. The most unfunded contracts were submitted in TX (18,121), followed by AR (9,403). In terms of cost, the largest amount was AR (\$190 million), followed by TX (\$162 million), according to information in the FY06 budget notes.
<b>Major 2002 farm bill amendments</b>	Specified that the goals of EQIP are to “promote agricultural production and environmental quality as compatible goals, and to optimize environmental benefits...”; allowed cost sharing with large confined livestock operations for waste management facilities (which had previously been prohibited); limited payments to a total of \$450,000; authorized competitive innovative matching grants; allocated 60% of funding each year to practices related to livestock production.
<b>Statutory authority</b>	Authorized in subtitle D of Title III (§331-336) of the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127) as §1240-§1240I of the 1985 Food Security Act (P.L.97-198); amended by §2301 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3839aa - 3839aa90)

## EQIP — Innovative Grants

<b>Program description</b>	This mandatory program, administered by NRCS, awards competitive grants to state and local agencies, non-governmental organizations, tribes, and individuals to implement conservation projects. Examples of eligible projects identified in the 2002 farm bill include “market systems for pollution reduction” and “innovative conservation practices, including the storing of carbon in the soil.” FY04 was the first year of implementation.
<b>National participation</b>	In FY04, 41 projects in 29 states were awarded a total of \$14.3 million, according to the FY06 budget notes. Awards for FY05 will be announced in June, according to the NRCS website, visited 5/09/05.
<b>Leading states</b>	Not applicable.
<b>Participation priorities</b>	None specified in law.
<b>FY2005 spending (est.)</b>	Unspecified subset of EQIP. In FY05, up to \$15 million is available nationally, up to \$5 million is available for the Chesapeake Bay watershed, and an unspecified amount is available for state competitions in 12 pilot states and the Pacific Basin, according to the NRCS website, visited 5/09/05.
<b>FY2006 Administration request</b>	Unspecified subset of EQIP.
<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	None identified.

<b>Major 2002 farm bill amendments</b>	Program initially authorized in the Farm Security and Rural Investment Act of 2002.
<b>Statutory authority</b>	Authorized in §2301 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1240H of the 1985 Food Security Act (P.L. 97-198). (16 U.S.C. 3839aa8)

## EQIP — Ground and Surface Water Conservation

<b>Program description</b>	This mandatory program, administered by NRCS, funds contracts with producers to improve irrigation and water use efficiency on irrigated cropland, and reduce water consumption on agricultural operations in areas severely affected by drought. This program is available only for conservation measures that “results in a net savings in groundwater or surface water resources in the agricultural operation...”
<b>National participation</b>	Not applicable. A total of 32 states located either over the high plains aquifer or severely impacted by drought received funds to implement EQIP contracts to “improve irrigation and water use efficiency on currently irrigated cropland.”
<b>Leading states</b>	No information available.
<b>Participation priorities</b>	None specified in law.
<b>FY2005 spending (est.)</b>	Spending limited to \$51 million (\$60 million authorized, to be in addition to overall EQIP funding).
<b>FY2006 Administration request</b>	\$60 million (\$60 million authorized).
<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	None identified.
<b>Major 2002 farm bill amendments</b>	Program initially authorized in Farm Security and Rural Investment Act of 2002.
<b>Statutory authority</b>	Authorized in §2301 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1240I of the 1985 Food Security Act (P.L. 97-198). (16 U.S.C. 3839aa9)

## EQIP — Klamath River Basin

<b>Program description</b>	This mandatory program, administered by NRCS, focuses on improving the efficiency of water use associated with agriculture in the Klamath River basin of OR and CA.
<b>National participation</b>	Not applicable as program operates only in portions of OR and CA.
<b>Leading states</b>	In FY04, CA received \$8.7 million and OR received \$9.5 million. These funds were used to complete irrigation management plans on 30,288 acres and to apply conservation practices on 6,331 acres, according to the FY06 budget notes for EQIP.
<b>Participation priorities</b>	None specified in law.
<b>FY2005 spending (est.)</b>	\$8.1 million (a total of \$50 million authorized, to be taken in addition to overall EQIP funding, and “to be made available as soon as practicable”).

<b>FY2006 Administration request</b>	\$8.1 million (a total of \$50 million authorized).
<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	None identified.
<b>Major 2002 farm bill amendments</b>	Program initially authorized in the Farm Security and Rural Investment Act of 2002.
<b>Statutory authority</b>	Authorized in §2301 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1240I of the 1985 Food Security Act (P.L. 97-198). (16 U.S.C. 3839aa9)

## Farmland Protection Program

<b>Program description</b>	This mandatory program, administered by NRCS and called the Farm and Ranch Lands Protection Program by NRCS, provides funds to state, tribal, and local governments, and non-governmental organizations to help them purchase conservation easements from willing sellers to limit conversion of farmland to nonagricultural uses.
<b>National participation</b>	From the program's inception in 1996 through FY04, \$265 million was spent to acquire 870 easements on 177,817 acres, with an additional 959 easements on 209,621 acres pending, according to the FY06 budget notes. (The length of time from when a land owner first offers to sell an easement to when it is recorded with the deed to the land can be considerable.)
<b>Leading states</b>	The largest amount has been spent in MD (\$17.7 million), followed by PA (\$15.8 million), and NJ (\$15.5 million). The most easements have been acquired in VT (111), followed by MD (103) and PA (91). The largest number of acres acquired under easement are in VT (27,911 acres), followed by PA (16,204 acres) and MD (15,586).
<b>Participation priorities</b>	None specified in law.
<b>FY2005 spending (est.)</b>	\$112 million (\$125 million authorized).
<b>FY2006 Administration request</b>	\$83.5 million (\$100 million authorized).
<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	The FY2006 budget request states that "The demand for the program has exceeded available funds by approximately 300 percent." During the 2004 signup, 216 applications with a total cost of \$101 million to enroll 48,488 acres went unfunded. States with the most unfunded requests were SC (59), followed by KY (36). The greatest cost of unfunded applications was SC (\$27 million), followed by MD (\$18 million). The largest number of acres were in SC (13,104), followed by NV (8,804 acres).
<b>Major 2002 farm bill amendments</b>	Expanded the list of eligible lands to include cropland, rangeland, grassland, pastureland, incidental forest land, and archeological and historic sites; expanded eligibility to include Indian tribes and qualified non-profit organizations.
<b>Statutory authority</b>	Authorized in §388 of the Federal Agriculture Improvement and Reform Act of 1996 as §1238H-§1238J of the 1985 Food Security Act (P.L. 97-198); amended by §2503 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) (16 U.S.C. 3838i)

## Grasslands Reserve Program

<b>Program description</b>	This mandatory program, jointly administered by NRCS and FSA, and working with USDA's Forest Service, uses long-term rental agreements and easements to help land owners and producers restore and protect grasslands while maintaining them in a condition suitable for grazing using common management practices.
<b>National participation</b>	In FY04, 904 rental agreements enrolling 177,298 acres and 151 easements enrolling 106,076 acres were approved, according to the FY06 budget notes.
<b>Leading states</b>	In FY04, the most applications were approved in MO (126), followed by OH (96) and TN (84). The most acres were approved in TX (53,452 acres), followed by OK (20,009 acres) and NM (16,676 acres).
<b>Participation priorities</b>	None identified in law.
<b>FY2005 spending (est.)</b>	Spending limited to \$128.4 million (a total of 2 million acres and \$254 million through FY07).
<b>FY2006 Administration request</b>	\$0. (All authorized funds, a total of \$254 million, are anticipated to have been spent by the end of FY2005.)
<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	In FY04, 10,122 applications were submitted to enroll 6.5 million acres; 1,055 applications enrolling 283,000 acres were accepted, leaving a backlog of unfunded applications that totals more than \$1.1 billion, according to the FY06 budget notes.
<b>Major 2002 farm bill amendments</b>	Program initially authorized in the Farm Security and Rural Investment Act of 2002.
<b>Statutory authority</b>	Authorized in §2401 of the of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1238N-§1238Q of the 1985 Food Security Act (P.L. 97-198). (16 U.S.C. 3838n - 3838q)

## Resource Conservation and Development Program

<b>Program description</b>	This discretionary program, administered by NRCS, provides support in the form of NRCS staff coordinators, to authorized multi-county areas. Coordinators assists state and local units of government and non-profits to develop and carry out programs to conserve and improve natural resources and the use of land, and improve conditions in rural America.
<b>National participation</b>	375 authorized areas encompass approximately 2,675 counties, more than 80% of the national total, according to the FY06 budget notes.
<b>Leading states</b>	Not applicable.
<b>Participation priorities</b>	None specified in law.
<b>FY2005 spending (est.)</b>	\$51.2 million.
<b>FY2006 Administration request</b>	\$25.6 million. (Administration proposes to halt coordinator support funding to areas that have already received funds under this program for more than 20 years.)
<b>Authorization expires</b>	Permanent authorization of "such sums as are necessary."
<b>Backlog/interest</b>	NRCS has yet to act on 28 pending applications encompassing 154 counties, according to the FY06 budget notes.



<b>Major 2002 farm bill amendments</b>	Permanently reauthorized program, and amended it in its entirety, making numerous, mostly minor or technical amendments.
<b>Statutory authority</b>	Enacted in §31 and §32 of the Bankhead-Jones Farm Tenant Act (P.L. 89-796); Amended in its entirety in §2504 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3451 - 3459)

## Watershed and Flood Prevention Operations

<b>Program description</b>	This discretionary program, administered by NRCS, combines two separate authorizations under which more than 11,000 structures have been built in more than 1,500 active and completed projects. The P.L. 534 Flood Prevention Operations Program authorizes 11 projects, while the P.L. 566 Small Watershed Operations Program authorizes watershed projects generally. Projects may be authorized for any of 8 purposes; almost all projects have flood control as an authorized purpose. Under P.L.566, NRCS provides technical and financial assistance to plan and install projects on private lands, in cooperation with local sponsors, states, and other public agencies. The small watershed project costs are shared with local partners. Projects are limited to a maximum size, including 25,000 acre feet of total capacity and 250,000 acres in extent. Projects above a specified size require congressional committee authorization.
<b>National participation</b>	A total of 430 projects are active or completed under P.L. 534, and 1,671 are active or completed under P.L. 566. These projects encompass more than 148 million acres, according to the FY06 budget notes.
<b>Leading states</b>	The greatest number of active and completed projects are in IA (179 projects encompassing 3.2 million acres), followed by TX (170 projects encompassing 23.3 million acres) and MS (166 projects encompassing 8.7 million acres).
<b>Participation priorities</b>	None specified in law.
<b>FY2005 spending (est.)</b>	\$74.95 million.
<b>FY2006 Administration request</b>	\$0.
<b>Authorization expires</b>	Permanent authorization, no amount specified.
<b>Backlog/interest</b>	NRCS identifies a total of \$1.888 billion in unfunded federal commitments for authorized projects; the greatest value of unfunded commitments are in TX (\$440 million) and MS (\$245 million), according to the FY06 budget notes.
<b>Major 2002 farm bill amendments</b>	None.
<b>Statutory authority</b>	Enacted in the Flood Control Act of 1944 (P.L. 534), as amended, and the Watershed Protection and Flood Prevention Act (P.L.83-566), as amended. (33 U.S.C. 701b-1 and 16 U.S.C. 1000, <i>et. seq.</i> )

## Watershed Rehabilitation Program

<b>Program description</b>	This program, with funding authorized through both discretionary and mandatory funds and administered by NRCS, provides technical and financial assistance for planning, design, and implementation to rehabilitate aging watershed dam projects (including upgrading or removing dams) to communities to address health and safety concerns. Small watershed project dams have a 50-year design life, and 264 reached or exceeded that time span by the end of 2004. By the end of 2014, this number will exceed 3,800, according to the FY06 budget notes.
<b>National participation</b>	As of January, 2005, 132 projects have been funded in 21 states; 38 of these projects have been completed, according to the FY06 budget notes.
<b>Leading states</b>	The greatest number of projects are in OK (26), MS (18), and TX (15); The most completed projects are in WI (10), MS (9), and OH (7).
<b>Participation priorities</b>	None specified in law. The Secretary is directed to develop a system for ranking rehabilitation requests.
<b>FY2005 spending (est.)</b>	\$27.3 million in discretionary funding and \$0 in mandatory funding (\$65 million in discretionary funding and \$55 million in mandatory funding authorized).
<b>FY2006 Administration request</b>	\$15.1 in discretionary funding and \$0 in mandatory funding (\$75 million in discretionary funding and \$60 million in mandatory funding authorized).
<b>Authorization expires</b>	Mandatory funding, September 30, 2008; discretionary funding, September 30, 2007.
<b>Backlog/interest</b>	In FY05, funds were requested for 123 projects in 21 states, but only 87 of those projects could be funded.
<b>Major 2002 farm bill amendments</b>	Authorized both mandatory and discretionary funding levels each year; made funding "no year" funding (meaning that discretionary funding is available until spent, rather than until the end of the fiscal year for which it is appropriated, and mandatory funding that is limited in the annual appropriations process is counted as savings each year until it is made available).
<b>Statutory authority</b>	Enacted in §313 of the Grain Standards and Warehouse Improvement Act of 2000 (P.L. 106-472) as §14 of the Watershed Protection and Flood Prevention Act; as amended by §2505 of the Farm Security and Rural Investment Act of 2002. (16 U.S.C. 1012)

## Watershed Surveys and Planning

<b>Program description</b>	This discretionary program, administered by NRCS, funds investigations and surveys of river basins as the basis for developing coordinated water resource programs in upstream watersheds. Plans address ways to respond to water quality, flooding, water and land management, and sedimentation problems, and are prepared in cooperation with federal, state and local agencies.
<b>National participation</b>	In FY04, funds were provided in 39 states, according to the FY06 budget notes.
<b>Leading states</b>	In FY04, the greatest spending was in national headquarters (\$892,000), followed by RI (\$587,000) and WY (\$423,000).
<b>Participation priorities</b>	None specified in law. Agency priorities are stated in general terms and basically restate the major missions of NRCS (erosion control and fish and wildlife concerns, for example).
<b>FY2005 spending (est.)</b>	\$7.026 million.

<b>FY2006 Administration request</b>	\$5.141 million.
<b>Authorization expires</b>	Permanent authorization, no amount specified.
<b>Backlog/interest</b>	None specified.
<b>Major 2002 farm bill amendments</b>	None.
<b>Statutory authority</b>	Enacted in §6 of the Watershed Protection and Flood Prevention Act (P.L.83-566), as amended. (16 U.S.C. 1006-1009)

## Wetlands Reserve Program

<b>Program description</b>	This mandatory program, administered by NRCS, funds purchase of long-term agreements and easements (30 year and permanent) to assist land owners in protecting and restoring wetlands. It provides technical and financial assistance, and emphasizes restoration to original natural conditions where possible.
<b>National participation</b>	Through 2004, 1.63 million acres had been enrolled, with easements perfected on 1.17 million acres. In 2004, more than 189,000 acres were enrolled, at a cost of \$240.9 million, according to the FY06 budget notes.
<b>Leading states</b>	In 2004, 31,718 acres were enrolled in AR, 15,822 acres were enrolled in LA, and 11,936 acres were enrolled in FL. In 2004, \$20.4 million was spent in AR, \$19.1 million in IL, and \$16.3 million in MO, according to the NRCS website, visited 5/19/05.
<b>Participation priorities</b>	Priority given to permanent easements over shorter terms, and to easements that provide greater benefits in “protecting and enhancing habitat for migratory birds and other wildlife.”
<b>FY2005 spending (est.)</b>	Enrollment limited to 154,500 acres, which will cost an estimated \$274.5 million. Authorized to enroll 250,000 acres annually with no annual spending limit specified (measured in calendar years).
<b>FY2006 Administration request</b>	Projected enrollment of 200,000 acres would cost an estimated \$321.1 million. Authorized to enroll 250,000 acres annually with no annual spending limit specified (measured in calendar years).
<b>Authorization expires</b>	December 31, 2007.
<b>Backlog/interest</b>	In FY02, 3,173 unfunded easement applications would have enrolled 536,000 acres at an estimated cost of \$622 million. The most applications were from AR (357), followed by MN (331). The most land was in FL (79,000 acres), followed by AR (76,000 acres). The cost of the easements was greatest in FL (\$90 million), followed by AR (\$ 63 million), according to the FY06 budget notes.
<b>Major 2002 farm bill amendments</b>	Increased enrollment ceiling from 1.075 million acres to 2.275 million acres in total, and 250,000 acres annually, “to the maximum extent practicable.”
<b>Statutory authority</b>	Enacted in §1438 of the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624) as §1237 - §1237F of the 1985 Food Security Act (P.L.198); amended by §2201-2204 of the Farm Security and Rural Investment Act of 2002. (16 U.S.C. 3837 - 3837c)

## Wildlife Habitat Incentive Program

<b>Program description</b>	This mandatory program, administered by NRCS, provides technical and financial assistance to eligible participants to develop upland and wetland wildlife, threatened and endangered species, fish and other types of wetland habitat in an environmentally beneficial and cost effective manner.
<b>National participation</b>	Through FY04, more than 2.8 million acres have been enrolled through 17,500 contracts. In FY04, more than \$27.9 million was spent to enroll 425,000 acres through more than 3,000 agreements, according to the NRCS website, visited 5/20/05.
<b>Greatest participation</b>	In FY04, the largest number of contracts were in MS (262), followed by KS (152), and KY (142). The largest numbers of enrolled acres were in UT (111,720 acres), TX (30,319 acres), and OK (27,707 acres). The greatest spending was in CA (\$1.231 million), followed by AR (\$1.129 million), and RI (\$1.029 million).
<b>Participation priorities</b>	None specified, although the law calls for dealing with "regional issues of concern" where possible.
<b>FY2005 spending (est.)</b>	Spending limited to \$47 million (\$85 million authorized).
<b>FY2006 spending (prop.)</b>	\$60 million (\$85 million authorized).
<b>Authorization expires</b>	September 30, 2007.
<b>Backlog/interest</b>	In FY2004, WHIP had 3,033 unfunded applications at a total cost of \$10.7 million. AR had the most unfunded applications (218), followed by IA (187). AK had the highest cost for these applications (\$2.1 million), followed by RI (\$814,000), according to the NRCS website, visited 5/20/05.
<b>Major 2002 farm bill amendments</b>	Required consideration of regional wildlife issues; authorized pilot program using up to 15% of funds to enroll land in contracts of at least 15 years.
<b>Statutory authority</b>	Enacted in §387 of the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127) as §1240N of the 1985 Food Security Act (P.L. 99-198); amended by §2502 of the Farm Security and Rural Investment Act 2002 (P.L. 107-171). (16 U.S.C. 3839bb-1)