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**Testimony of Mr. Lee McDaniel**

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House Agriculture Subcommittee on Conservation and Forestry  
Public Hearing on The Next Farm Bill: Conservation Policy

Good morning, Chairman Lucas, Ranking Member Fudge, and members of the Subcommittee. Thank you for the opportunity to testify this morning as you gather input from stakeholders on how conservation policy in the Agricultural Act of 2014 is performing and what improvements Congress should make in the next farm bill.

I am Lee McDaniel, Past-President of the National Association of Conservation Districts (NACD), and I currently operate a corn, soybean, and alfalfa hay farm in Darlington, Maryland. I have been involved with conservation districts since 1997 when I first served on my local district board. On my own land, I implement a variety of conservation practices, including grassed and wooded buffers, grassed waterways, strip cropping, and no-till farming.

NACD represents America's 3,000 conservation districts and the 17,000 men and women who serve on their governing boards, as well as their respective state and territory associations. Conservation districts are local units of government established under state law to carry out natural resource management programs at the local level. Conservation districts work with cooperating landowners and operators in all fifty states as well as the territories to help manage and protect land and water resources on private working lands and many public lands in the United States.

The origins of agricultural conservation date back to the Dust Bowl and even before with the efforts of Hugh Hammond Bennett, the father of U.S. soil conservation. Sadly, it took the devastating effects of the Dust Bowl to spur a real change in policy. As a part of this policy landscape shift, the Standard State Soil Conservation Districts Law was signed in 1937, authorizing farmers to organize local soil and water conservation districts. These new districts gave local farmers a voice in federal programs and is widely acknowledged as one of the key reasons for the success of private lands conservation.

Today, our nation's conservation delivery system reaches into virtually every community with technical and financial assistance that is targeted to local resource concerns. The voluntary-incentive based model that this local input supports has and continues to work to ensure our nation's natural resources are protected. Part of the voluntary conservation model's purpose is to help producers comply with local, state, and national regulatory requirements. However, voluntary conservation can take this purpose one step further by helping avoid the need for these regulations altogether. The general public expects clean air and water, healthy soils and abundant wildlife habitat. The federal government has a better chance at achieving these goals, not by

adding additional requirements and regulations, but by encouraging landowners to implement good conservation practices on their land.

Conservation districts are vital to conservation in this country. Working with partners at USDA, they provide on-the-ground conservation planning along with technical and scientific assistance to implement conservation practices tailored to the landowner's management goals.

Conservation districts are also unique since they are directly involved in the Local Working Group process which informs NRCS about what the greatest resource concerns are at the local level. Local working groups are required to *"provide recommendations to USDA on local and state natural resource priorities and criteria for conservation activities and program."* It also is the responsibility of the local conservation district to assemble the Local Working Groups, chair the group's meetings, identify the conservation needs of the area and ensure that NRCS is notified of the group's recommendations. Keeping the Local Working Groups as a critical component of conservation decisions at NRCS is an important priority for NACD.

As NACD began its farm bill evaluation process last year, we created a Farm Bill Task Force to guide our policy priorities. We first created a farm bill survey to seek input and opinion from our members on the last farm bill, what programs were working or needed improvements and where they wanted NACD to focus. Based upon the over 500 responses we received, the Task Force developed a set of principles that was officially adopted by NACD's Board of Directors at our annual meeting earlier this month.

These principles focus on items like local input and the need for investments in farm bill conservation programs. While not directly authorized under the Farm Bill, all of the programs discussed in my testimony would not be as successful without the technical and scientific expertise provided through Conservation Technical Assistance (CTA). Through the CTA program, landowners work with local conservation professionals, including conservation district employees, to develop individual conservation plans ensuring producers know that they are implementing the best conservation practices to meet their individual land's resource needs and that taxpayers are getting the most out of their investment.

An additional principle is to simplify the delivery of conservation programs. Landowners who are interested in participating in NRCS cost-share programs face federal reporting requirements that can be time consuming and hard to navigate which ultimately acts as a barrier to implementing conservation practices on the ground. Current law requires them to obtain a Data Universal Numbering System (DUNS) number and annually register with the federal government's System for Award Management (SAM). NACD does not believe farmers and ranchers attempting to do the right thing by putting conservation practices on the ground were the intended recipient of this regulation and thankfully Congresswoman Kuster and Congressman Crawford introduced legislation two weeks ago to fix this problem and would encourage the committee to ensure its passage or inclusion in the farm bill.

Successful implementation of on-the-ground conservation is dependent on proper investment through the farm bill conservation title. The financial and technical assistance that farm bill dollars provide are the lifeblood of the voluntary conservation model. Without this valuable funding, we would see less uptake of conservation practices and in turn we would see fewer

conservation benefits. In these difficult financial times for farmers and ranchers, it is unrealistic to think they will take on costly conservation practices with fewer financial incentives and less technical assistance.

The Agricultural Act of 2014 consolidated conservation programs from 23 to 13 and reduced conservation spending by almost \$6 billion over 10 years, including sequestration. Let's examine that number on a programmatic level. Funding for the Environmental Quality Incentives Program (EQIP), by far the most popular conservation program, had its authorized funding level reduced by an average of \$250 million for the first four years of this farm bill, a devastating cut when added to the yearly reductions in the appropriations process. The Conservation Reserve Program (CRP), a program which was first authorized in its current form in 1985, had its acreage cap reduced to 24 million acres, a reduction of 25%. The Agricultural Conservation Easement Program (ACEP) will only have an annual baseline of \$250 million in fiscal year 18 (FY18) and beyond, a cut over 60% from pre-2013 levels. The Conservation Stewardship Program (CSP), the largest conservation program by acreage, was reduced by over 2 million acres per year.

While regulatory reform is something many farmers and ranchers want to see, the general public's desire for clean air and water, healthy soils and abundant wildlife will not wane. That is why it is even more important to "double down" on farm bill conservation funding since one of the purposes of these programs is not only to comply with regulations but help avoid the need for them altogether. While NACD and the larger conservation community understood the budgetary constraints that Congress had to deal with while writing the last farm bill, the cuts to the conservation title were significant.

Since reauthorization, conservation programs like CSP and EQIP are regularly cut further through the appropriations process known as Changes in Mandatory Program Spending (CHIMPs). In FY14-16, mandatory farm bill conservation spending was reduced by nearly a billion dollars through the appropriations process alone. The bottom line is farm bill conservation title funding was cut in the last farm bill by 10% and it continues to be cut annually in the appropriations process. Demands on the landscape and our natural resources are greater than ever, so we recommend that Congress seriously look at not only maintaining funding for the conservation title but we strongly recommend increasing it.

One of the new programs created in the Agricultural Act of 2014, was the Regional Conservation Partnership Program (RCPP). This new program, which combined four regionally-based programs into one larger program, was created to further the conservation, restoration, and sustainable use of soil, water, and wildlife and was designed to help producers meet, or even avoid the need for, natural resource regulations. This program helps bring together new partners and leverage federal funds for large-scale conservation projects.

Conservation districts, and their close working relationships with landowners, have been natural partners in many of these projects. In fact, in December when NRCS announced the list of 88 projects which were receiving funding through their third funding round, conservation districts and their state associations were the lead on 25 funded projects and were supporting partners in many more. Altogether, the \$225 million in funding that was available during the most recent

funding round will be leveraged with an additional \$500 million from the private sector successfully proving that this public-private partnership can work.

As with all new programs, RCPP, needs to be thoroughly evaluated during this process. As previously mentioned, the locally-led aspect of the conservation delivery system is crucial to ensuring that farm bill conservation programs, including the four programs which contribute funding to RCPP, are being focused to meet the greatest resource concerns in that area. Unfortunately, RCPP does not always fully take into account the local conservation priorities established by the locally-led process and these priorities may not be considered in the development or funding of RCPP projects. Greater emphasis on state and local coordination and consultation local conservation districts is needed to ensure that these programs are indeed addressing the greatest resource concerns.

Another program I wanted to mention during my testimony is the Small Watershed Rehabilitation Program. In the 1940's and 1950's, Congress passed laws which led to the construction of almost 12,000 small watershed dams, many times led by the local conservation district in the area. These dams represent critical infrastructure in many communities and provide approximately \$2 billion in benefits from improved water quality and erosion control. Yet with the original dams approaching 70 years old, these aging dams now also present public health, safety, and environmental concerns. Under Chairman Lucas' leadership, the Agricultural Act of 2014 provided mandatory funding of \$250 million to ensure necessary investments in these infrastructure projects. The Watershed Rehab program, and the underlying Watershed Protection and Flood Prevention Act, continue to be a priority for the many conservation districts who stepped up to lead these projects.

While there are a multitude of other issues which will undoubtedly be discussed during this hearing, the bottom line is that our nation's conservation districts and the locally-led conservation delivery system continue to be effective in communities all across the nation. However, for it continue to thrive, Congress must provide robust funding and continue the tradition of a locally-led conservation system. We cannot let our nation's investment in farm bill conservation programs continue to erode. As this committee begins reauthorizing the next farm bill, NACD along with our nation's 3000 conservation districts and the 17,000 supervisors on their local boards stand ready to provide our insights and expertise in crafting legislation that will continue to provide the ability for landowners to conserve our nation's soil, water, wildlife and air.



## **National Association of Conservation Districts**

### **NACD Principles for the 2018 Farm Bill**

#### **Principle 1 – The Locally-Led, Voluntary Incentive-Based Conservation Model Works**

NACD strongly believes in the locally-led, voluntary, incentive-based model for addressing natural resource concerns; not a one-size fits all regulatory scheme. Farm Bill conservation programs should be locally-led and resource driven with sufficient flexibility to direct funding to local priorities and concerns. Program priorities should be tailored to the natural resource needs of the states and local areas. Local Conservation District Boards, Local Working Groups, and State Technical Committees should help identify local needs to maximize conservation benefits.

#### **Principle 2 –No Further Cuts to Conservation Title Funding in the Farm Bill**

Strong mandatory funding levels authorized in the Farm Bill are fundamental to not only putting conservation on the ground, but for dealing with, and ultimately avoiding, the need for environmental regulations. The Conservation Title (Title II) took a 10% cut in funding in the Agricultural Act of 2014, and continues to be cut annually during the appropriations process. Every dollar cut from mandatory conservation programs leads directly to less conservation on the ground and only increases the natural resources concerns and the probability of regulatory hassles. Each Farm Bill conservation program plays a significant role in addressing natural resource concerns. From the importance of the Environmental Quality Incentives Program (EQIP), to the Small Watershed Rehabilitation Program, robust mandatory funding is critical. NACD believes, at a minimum, no further cuts should occur in the next farm bill to the Conservation Title, and if funds are available, to increase its funding.

#### **Principle 3 – Commitment to Working Lands**

Landscapes across the nation vary in their resource concerns, and Farm Bill conservation programs must continue to meet the specialized needs of the agricultural producers who work these lands. Given the projected increase in the world's population, programs must provide assistance to implement or maintain conservation practices on working lands that produce much needed food, fiber, and fuel while at the same time protecting our natural resources.

#### **Principle 4 – Technical Assistance and Conservation Planning are the Bedrock of the Conservation Model**

Technical Assistance and conservation planning is a critical tool and first step in evaluating a producer's resource needs. NRCS, along with conservation districts, helps agricultural producers plan and apply conservation practices on the land. They develop conservation plans; plan, design, lay out, and install conservation practices; and inspect completed practices for certification. Conservation Technical

Assistance is vital to ensuring producers know that they are putting the best conservation practices on their ground to meet their individual land's resource needs.

### **Principle 5 – Agricultural Operations Need to be Economically Viable**

In order for the locally led, voluntary, incentive-based model to be successful, NACD believes agricultural operations need to have a strong safety net, robust marketing opportunities, and supportive farm policy. Without viable agricultural operations, districts will not be able to help install conservation practices on the ground. The Farm Bill must work for each facet of the nation's diverse agriculture industry.

### **Principle 6 – Farm Bill Education and Outreach is Necessary**

NACD believes conservation education is a necessary tool to drive more conservation adoption. If producers are not aware of the tools available to them, then the adoption of conservation practices will suffer. This is especially the case with beginning, socially disadvantaged, and limited resource farmers. NACD supports a dedicated funding stream within Title II to advance conservation adoption and outreach.

### **Principle 7 – Streamline and Simplify Conservation Programs/Application Process While Reducing Administrative Burdens**

Conservation programs and the application process should both be simple and easy to understand. Administrative burdens that disincentivize program participation should be eliminated. Just one example of this is the SAM/DUNS reporting requirements that NRCS program participants must comply with. This only complicates the conservation delivery system by taking time away from NRCS staff and producers, but can actually prevent producers with the greatest resource needs from applying.

### **Principle 8 – Forestry**

NACD supports a forestry title that addresses the unique complexities of forestry on non-industrial, private forest land and the effective management of federal and state forest lands. NACD encourages an expansion in the ability to provide technical assistance and outreach to non-industrial private forest owners, especially landowners not currently engaged in conservation or managing their lands. NACD supports addressing issues identified by state forest resource assessments and strategies as well as state wildlife action plans and continue to provide the ability to make regular updates to these state-level efforts.

### **Principle 9 – New Approaches and New Technologies**

Working lands conservation is not a static term, but is constantly changing and adapting as the introduction of new technologies and partners occur. The Farm Bill should reflect this and ensure they are addressed. This includes addressing the natural resource concerns presented by urban agriculture as well as the recent increase in drone technologies and the adoption of precision agriculture.