

**Written Statement of Richard Fordyce, Administrator
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**Before the House Committee on Agriculture
Subcommittee on Conservation and Forestry
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Chairwoman Spanberger, Ranking Member LaMalfa, and distinguished members of the Committee, I am honored to be with you this morning. Today's hearing marks my first occasion to appear before this Subcommittee, and the Committee as a whole, since my appointment as Farm Service Agency (FSA) Administrator. I thank you for the opportunity to testify and share how FSA is helping farmers and ranchers to promote, build, and sustain family farms in support of a market-oriented, economically and environmentally sound American agriculture delivering an abundant, safe, and affordable food and fiber supply while sustaining quality agricultural communities.

Like Secretary Perdue, I am an unapologetic advocate for American agriculture. Farmers, ranchers, and foresters are the backbone of America. Shouldering the tremendous responsibility of feeding a rapidly growing nation and world, their critical work also provides economic stability across the countryside — supporting rural economies and creating jobs in local communities. Their stewardship and careful management of these vital landscapes builds resilient local economies with profitable farms and ranches, clean air and water, healthy food, and abundant wildlife.

The Farm Service Agency serves America's farmers, ranchers, and agricultural partners through the delivery of effective, efficient agricultural programs. The agency offers farmers a strong

safety net through the administration of farm commodity and disaster programs while conserving natural resources and providing credit to agricultural producers who are unable to receive private, commercial credit with special emphasis on beginning, underserved and women farmers and ranchers.

The conservation programs, which FSA and the Natural Resources Conservation Service (NRCS) administer, are effective tools for farmers, ranchers, and land stewards to manage the land and conserve natural resources. As a farmer myself, I truly understand the benefits these agencies and tools provide to producers across the country in finding the best solutions to meet our conservation and business goals. Today, I'll talk about FSA conservation programs and the benefits they are providing for the American people.

CRP Benefits Stretch Far and Wide

Created by the 1985 Farm Bill, the Conservation Reserve Program (CRP) is one of the USDA's largest conservation programs. CRP is a voluntary program. The program recognizes that the benefits from a farmer placing environmentally sensitive cropland into conservation uses are realized not just by the farm but also by all people. Land placed in CRP contributes to cleaner water, provides habitat for valued wildlife, generates pollination services, helps to reduce downstream flood damage, and restores aquifers. In doing so, CRP supports wildlife populations and natural landscapes, and spurs hunting, fishing, recreation, tourism, and other economic activity across rural America.

What separates CRP from the Department's other conservation programs are the annual rental

payments in addition to the more traditional cost share assistance provided to program participants for installing conservation practices. Throughout the 10 to 15-year CRP contract, CRP participants receive annual rental payments based on their offer to retire marginal cropland from production and restore it to conservation covers comprised of either grasses or trees, and associated forbs, legumes, and other plants.

In general, farmers and ranchers are willing to voluntarily install conservation practices when and where practicable so long as doing so does not adversely impact their ability to make a living off the land.

Since 1985, CRP has made a vital impact on our landscapes:

- More than 8 billion tons of soils have been prevented from eroding.
- More than 170,000 stream miles are protected with CRP riparian and grass buffers. In New York state, these buffers are protecting the city of New York's water supply.
- On fields enrolled in CRP, nitrogen and phosphorus losses are reduced an average of 95 percent and 85 percent, respectively.
- In 2017, nitrogen and phosphorus releases to the environment were reduced by an estimated 521 million pounds and 103 million pounds, respectively.
- Sediment loss reductions were an estimated 192 million tons in 2017.

CRP also helps farmers and ranchers in rural America create wildlife habitat for both game and non-game wildlife species, helps protect threatened and endangered species, and even helps

prevent candidate species from being listed.

- The U. S. Fish and Wildlife Service (USFWS) identified the CRP as having contributed to restoration of grassland habitats, positively influencing Lesser prairie chicken abundance and distributions.
- A USFWS analysis credited CRP with increasing Prairie Pothole duck populations by 2 million ducks per year between 1992 and 2004. A second analysis found that between 2007 and 2011, habitat on CRP land contributed approximately 1.5 million ducks annually.

The benefits from CRP, along with those reaped from NRCS conservation programs, positively impact not only producers' lands, but also their neighbors, their watersheds, and ultimately the entire U.S. population and beyond.

Current State of CRP

CRP allows USDA to contract with landowners so that environmentally sensitive land can be devoted to generating conservation benefits. Participants establish long-term, resource-conserving cover and, in return, FSA, which administers CRP on behalf of the Commodity Credit Corporation, provides participants with annual rental payments and other assistance. FSA administers CRP with technical support from NRCS, state forestry agencies, local soil and water conservation districts, and other non-federal technical service providers.

Currently, 22.4 million acres are enrolled in CRP contracts, including 13.5 million acres under General sign-up enrollment authority, 8 million acres under Continuous sign-up enrollment authority, and 900,000 acres under the Grasslands sign-up enrollment authority. Twenty-four million acres of enrollment were authorized under the 2014 Farm Bill.

Producers have been able to enroll in CRP in multiple ways: General sign-ups, Continuous sign-up and Grassland enrollments. General sign-up is a competitive process where land is ranked using an Environmental Benefits Index (EBI). General sign-ups occur periodically, not necessarily every year. The last General sign-up occurred in the spring of 2016.

CRP Continuous sign-ups occur on a continuous basis throughout the year and do not have a distinct sign-up period. Unlike General sign-ups, there is no bidding and ranking; the land is enrolled automatically if it meets the eligibility criteria. Continuous signups target specific practices such as riparian and grass buffer strips along streams and wetland restorations, as well as specific habitat types of wildlife. Under the CRP Conservation Reserve Enhancement Program (CREP), which utilizes continuous sign-up, FSA partners with states to address high priority local and regional conservation issues.

CRP Grasslands signups occur on a continuous basis with periodic rankings and selection. Under this signup type, landowners and operators protect grassland, including rangeland and pastureland, and certain other lands, while maintaining the areas as grazing lands. The statutory enrollment cap is 2 million acres, which counts against the overall CRP acreage cap.

The Transition Incentives Program (TIP) encourages landowners to sell or lease long-term to beginning, socially disadvantaged, and veteran farmers and ranchers willing to implement sustainable practices or transition to organic production by providing two years of additional payments for expiring CRP-enrolled land. About \$22 million of TIP funding was obligated under the 2014 Farm Bill, helping an estimated 1,519 eligible new producers.

CRP contracts on 1.6 million acres (combined general and continuous) are set to expire on September 30, 2019. Although enrollment is currently suspended as we evaluate and respond to changes to the program required by the 2018 Farm Bill, FSA will be sending out letters to producers, who have CRP acres expiring this year, later this month.

CRP and 2018 Farm Bill

The passage of the 2018 Farm Bill brings some new opportunities for CRP. One of the most noticeable changes is a gradually increased enrollment cap from 24 million acres in FY 2019 to 27 million acres in FY 2023, of which at least 8.6 million acres will be targeted for continuous practices and 2 million allocated for CRP grasslands. Additionally, the 2018 Farm Bill directs water quality practices to be prioritized, aiming for at least 40 percent of continuous CRP acres to be in practices under the Clean Lakes, Estuaries, and Rivers (CLEAR) initiative.

Two new pilot programs were also added to CRP: CLEAR 30 and the Soil Health and Income Protection Pilot Program (SHIPP). The CLEAR 30 CRP pilot program will allow producers to reenroll CRP CLEAR water quality practices for up to 30 years. SHIPP will offer short term (three to five year) contracts to landowners to remove the least productive land from their

operation.

Other additions to CRP include expanded opportunities for haying, grazing, and other management tools, cost-share for fencing and other water distribution practices, and the opportunity for certain land that was under a 15-year CRP contract that expired in 2017 or 2018 to reenroll.

FSA continues to look for ways to help new and beginning farmers gain entry into farming—whether through outreach or other means. The 2018 Farm Bill provided \$50 million for TIP through FY2023, up from the \$33 million provided in the 2014 Farm Bill.

Since the start of CRP, rental rates have been set to follow the market. FSA currently uses data from the National Agricultural Statistics Service cash rents survey, adjusted for soil types, to set CRP annual payment rates. Rates are updated periodically, and under the new Farm Bill will be updated annually. The 2018 Farm Bill reinforced FSA's process for setting rates, reaffirming the need for alternative rates in certain cases and adding a proration of those rates by signup. The 2018 Farm Bill also added requirements to publish rates on the web and offer an opportunity for congressional briefings prior to publication of the rates. USDA continues to strive for CRP rates to follow the market while meeting Congressional intent for conservation of the land.

Currently, FSA is evaluating all the changes made to the CRP by the 2018 Farm Bill and is working to implement those changes as quickly as possible. The language and structural changes to the CRP statute are extensive, including adding the new targets for enrollment, codifying

language on mid-contract management and haying and grazing, specifying incentives, prorating annual rental rates while allowing for alternatives, codifying Conservation Reserve Enhancement Program (CREP) administration specifically for the first time, adding the two pilot programs, and adding reporting requirements. Where administrative decisions are needed, we are ensuring all our decisions are facts-based and data-driven, with a decision-making mindset that is customer-focused.

Emergency Assistance through non-Title II Conservation Programs

First authorized in 1978, the Emergency Conservation Program (ECP) is of great importance to farmers and ranchers across the nation after a disaster. Within the last year alone, we have seen fires across the western states and our prairies, hurricanes pummel the Southeast, volcanic eruptions in Hawaii, extreme drought in the Texas Panhandle, and just last month, historic snowfall and flooding across the Northern Plains and Midwest. Even with the best planning, the impacts from these disasters will take years, in many cases, for full recovery.

ECP provides funding and technical assistance for farmers and ranchers to restore farmland damaged by natural disasters and for emergency water conservation measures in severe droughts. FSA allocated more than \$226 million in ECP cost-share and technical assistance funds to 37 states in FY 2018 for farmland rehabilitation across the nation resulting from disasters.

As natural disasters happen, we stand ready to provide ECP funding, within our available resources, to farmers and ranchers in those states to restore livestock fences and conservation structures, remove flood debris, and rehabilitate farmland. So far, FSA has allowed for the

streamlining of signup at the local county offices by authorizing waivers of on-site visits to farms and ranches where needed. County offices are currently conducting signups in a variety of counties across the nation.

Under the Emergency Forest Restoration Program (EFRP), FSA provides payments to eligible owners of nonindustrial private forest land to carry out emergency measures to restore land damaged by a natural disaster. Using EFRP, FSA provided targeted funding in FY2018 for forest rehabilitation to owners of non-industrial private forest land across the nation resulting from disasters such as western wildfires and drought, southeast hurricanes, and tornados. FSA allocated over \$13 million in EFRP cost-share and technical assistance funds to 10 states in FY2018.

Enhanced Service through Closer Interaction with NRCS

Building on a long history of working closely with NRCS on programs like CRP and ECP, FSA is very much focused on continuing to strengthen our existing relationship with NRCS and the Risk Management Agency (RMA) in the new Farm Production and Conservation (FPAC) mission area. With nearly 3,000 offices across communities nationwide, our employees continue to provide the information, tools, and delivery systems necessary for producers — in every state and territory — to conserve, maintain, and improve their natural resources. Together, we look forward to enhancing the service provided to our farming and ranching customers.

Our conservation programs, along with those of NRCS, are part of the tremendous toolkit that FPAC, and USDA as a whole, provides to the original American land stewards, U.S. farmers and ranchers, to support their agricultural operations.

Thank you for allowing me the opportunity to provide FSA's perspective on the role our conservation programs aid in delivering on Secretary Perdue's four guiding principles: to maximize the ability of American agriculture to create jobs, sell foods and fiber, and feed and clothe the world; to prioritize customer service for the taxpayers; to ensure that our food supply is safe and secure; and through the support of programs and assistance like those described today, to maintain good stewardship of the natural resources that provide us with our miraculous bounty.

Madam Chairwoman this concludes my statement. I will be happy to answer your questions and those of the other Subcommittee Members.