

Testimony of Terry J. Cosby
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U.S. Department of Agriculture
before the
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Subcommittee on Conservation and Forestry
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Chair Spanberger, Ranking Member LaMalfa, and Members of the Subcommittee, thank you for the opportunity to appear before you today to provide an update on USDA Natural Resources Conservation Service's (NRCS) farm bill conservation programs. I appreciate the ongoing support and leadership this Subcommittee has provided for voluntary, private lands conservation and the improvement of our soil, water, air, and other natural resources as authorized under the 2018 Farm Bill and under our other authorities. The last two years of the pandemic have been extremely challenging with unprecedented pressures on our staff and customers, directly influencing the way we operate at the field level. At the same time, our staff and agricultural producers across the country have needed to respond to devastating extreme weather events, including tornados, drought, wildfires, and flooding. Producers are on the frontlines of the climate crisis, and we know that our farm bill programs and the technical assistance that our staff provides can play a critical role in supporting farmers and ranchers in their efforts to not only build more resilient operations but also to sequester carbon and reduce greenhouse gas emissions. In the face of these challenges, the entire NRCS team, from field staff to our National leadership team, has demonstrated innovation and dedication to ensure conservation services are delivered to our customers. Our team has continued to provide financial and technical assistance, working closely with our partners across the country to get

conservation on the ground and implement innovative solutions to address natural resource concerns. As we will discuss today, addressing the climate crisis and advancing equity are both core components of how NRCS is delivering conservation assistance and serving our customers.

COVID Challenges and Solutions

COVID-19 continues to have an impact on our operations, as we work to prioritize the safety of our staff and customers. We make changes to field office staffing levels based on local COVID-19 caseload numbers, which are monitored daily, and we are working closely with our pandemic coordinator to follow Centers for Disease Control and Prevention guidance and adjust Service Center staffing levels when a county is above our safety threshold of 10 cases per 10,000 residents per day.

Our operations at USDA Service Centers must be conducted in a safe manner, and therefore we focus heavily on protecting both employees and customers through proper physical distancing, mask wearing, and cleaning. Critically important is the fact that we have not stopped providing services to our producers -- we have continued to serve producers, through phone, email, and online tools, such as Teams, Box and OneSpan to enable collaboration and sharing/signing of documents. We value highly the in-person work that we do with our customers, and we look forward to when we can resume at 100% capacity. In the meantime, our staff continue to step up to the challenge to ensure we can rely on a combination of in-person support and virtual engagements to meet our customers' needs.

Farm Bill Program Implementation

In the face of pandemic challenges, NRCS staff continue to successfully implement the programs and authorities provided under the 2018 Farm Bill, as well as offer innovative administrative improvements that respond to the needs and challenges of our customers across the country. Program delivery in 2021 demonstrates the continued delivery of our core farm bill conservation programs:

- Environmental Quality Incentives Program (EQIP): In fiscal year (FY) 2021, we enrolled 34,054 EQIP contracts, providing nearly \$1.26 billion on 343 million acres. Additionally, through newly offered EQIP Conservation Incentive Contracts option, piloted in FY 2021 in 4 states, we enrolled 528 contracts providing \$48 million in conservation assistance.
- Conservation Stewardship Program (CSP): In FY 2021, through CSP Classic, we enrolled 4,495 CSP contracts providing over \$311 million on 5.8 million acres. Additionally, we renewed 2,709 CSP contracts on 3.8 million acres. Also under CSP, in FY 2021, we enrolled 1,428 contracts on 104,140 acres in the CSP Grassland Conservation Initiative.
- Regional Conservation Partnership Program (RCPP): In FY 2021, NRCS announced new partnership projects under the RCPP Classic and Alternative Funding Arrangement (AFA) components. This included \$330 million for 85 RCPP Classic awards, and \$75 million for 15 AFA projects. There are currently 336 active RCPP projects that have more than 2,000 partners delivering conservation in all 50 states, Puerto Rico, and the U.S. Virgin Islands.
- Agricultural Conservation Easement Program (ACEP): During FY 2021, \$230,490,000 was obligated to enroll 361 new ACEP easements totaling 197,734 acres that will help

landowners protect, restore, and enhance wetlands or protect working farms and ranches. This includes \$102,903,110 in Agricultural Land Easements (ALE) and \$127,586,890 in Wetlands Reserve Easements (WRE). In FY 2021, we closed on 396 ACEP easements totaling over 145,000 acres. Additionally, we invested \$11 million in five Wetland Reserve Enhancement Partnership projects to enable conservation partners to assist NRCS with acquiring and restoring private wetlands.

- Conservation Innovation Grants (CIG): In FY 2021, we awarded \$40 million to conservation partners for 37 new projects under the CIG program. These projects support widespread adoption and evaluation of innovative conservation approaches in partnership with producers. The Soil Health Demonstration Trial component of CIG focuses exclusively on conservation practices implementation and systems that improve soil health.
- Conservation Reserve Program (CRP): In FY 2021, NRCS provided conservation planning and technical assistance on approximately 4.8 million acres for a total of 58,800 new CRP contracts across the nation. Technical assistance includes, but is not limited to, field visits to verify practice eligibility on the landscape, conservation planning, CRP practice survey and design, practice installation, operation and maintenance of practices and practice management. NRCS provides technical assistance for emergency use of CRP acres, such as haying and grazing. NRCS is also working with the Farm Service Agency and selected partners to support CRP Monitoring, Assessment and Evaluation projects.
- Conservation Compliance: In FY 2021, NRCS completed over 39,000 highly erodible land determinations and over 21,000 certified wetland determinations. NRCS also completed approximately 22,000 compliance status reviews in 2021.

In addition to these overall program enrollments and project awards from the past year, we have made several recent announcements regarding improvements to our existing conservation programs, and there are several further opportunities that we plan to roll out in FY 2022:

Funding Allocations and Opportunities

We made several improvements to ensure the timely allocation of farm bill funds to the States and to provide added transparency regarding the sign-up and enrollment process. States received FY 2022 advisory allocations on October 1st, well before what has been provided in years past. This ensured States have the time they need to set sign-up dates and work with their customers on accessing the financial or technical assistance that is right for them. Additionally, in order to provide added transparency for producers and partners across the country, we launched a new webpage that houses all of the program sign-up dates. While producers can apply year-round for NRCS conservation programs, the new Program Application Ranking Dates webpage allows partners and producers to stay up-to-date on timelines relevant for their state or region, all the while maintaining the locally-led conservation process.

Targeted Climate EQIP Investments

USDA is engaged in a whole-of-government effort to combat the climate crisis, and over the past year NRCS has announced several targeted initiatives through EQIP to advance this priority. These opportunities include targeted EQIP funds for climate-smart practices in FY 2021, an 11-state EQIP cover crop pilot in FY 2022, and deployment of a nationwide EQIP Conservation Incentive Contracts program in FY 2022. The cover crop pilot, the sign up for

which is still ongoing, will provide nearly \$40 million in funding for targeted cover crop adoption, in addition to funding available through our other conservation programs, enabling states to offer a streamlined enrollment process and bring new producers in the door. These targeted efforts enable us to deploy streamlined implementation approaches and address high priority resource concerns and climate-smart agriculture and forestry objectives. We will continue to build on this commitment within EQIP and across all of our programs and services.

Response to High Material Costs

Based on feedback from producers and our staff across the country, we were able to adjust payment rates for higher costs for certain materials since the prices for materials such as lumber, steel, PVC, and concrete have increased dramatically as a result of supply chain disruptions. These Coronavirus Agricultural Relief Payments (CARPs) were made available for participants with EQIP contracts who had implemented practices affected by these higher materials prices. In particular, we conducted an economic analysis and identified those practices most likely to be affected by these price increases. This increased financial assistance was made available for practices completed in calendar year 2021, and we have extended CARP availability for practices completed by March 31, 2022, recognizing continued supply chain disruptions.

New CSP Flexibilities to Support Streamlined Renewals

We also looked to improve access to CSP, based on feedback from producers and field staff. To support continued conservation efforts, we waived the CSP provision that had previously imposed a 2-year ineligibility for participants to reapply, following an unsuccessful

renewal application. States are currently unable to fund all of the renewal requests that they receive given a limited availability of funds. Producers who are unable to renew at the end of their initial contract period, due to the limited availability of funds but no fault of their own, are now able to immediately reapply, rather than waiting a 2-year ineligibility period. The CSP regulation provides the Chief with the flexibility to waive this provision, and so we made the change to respond to the feedback from States and from producers across the country. This streamlines our conservation delivery process and also supports producers who wish to continue to build upon their existing conservation efforts.

Conservation Practice Standard Updates

We continue to update our conservation practice standards to reflect the latest science to protect and enhance resource concerns. Since January 2021, we released 28 conservation practice standard updates; 12 standards were updated and are being prepared for release; 24 standards have been reviewed and are ready for public review with a Federal Register posting; and 7 are still under internal review. As part of the continued review of the development and implementation of our conservation practice standards, we are working to modify standards and data collection to capture climate-smart agriculture and forestry benefits.

Regional Conservation Partnership Program (RCPP) FY 2022 Funding Opportunities

In mid- January we released the National Funding Opportunities (NFOs) for RCPP Classic and RCPP Alternative Funding Arrangements for FY 2022. These NFOs reflected feedback from partners as well as State Conservationists to improve flexibility and accessibility of the program. We also released the two NFOs simultaneously to ensure that partners were able

to assess the RCPP option best suited for their potential project. We will continue to improve implementation, including updates to the online portal and working to streamline reporting requirements.

Joint Chiefs' Landscape Restoration Partnership

In another demonstration of critical partnership across the Department and with communities across the country, NRCS and the Forest Service recently announced the investment of more than \$48 million through the Joint Chiefs' Landscape Restoration Partnership. These projects mitigate wildfire risk, improve water quality, and restore healthy forest ecosystems on public and private lands. Last month funding was announced for 41 projects, including \$15.3 million for 17 new projects and \$33 million to complete work on 24 projects previously selected in 2020 and 2021. Through the Joint Chiefs projects, the Forest Service and NRCS are working hand-in-hand with agricultural producers, forest landowners, and National Forest System lands to improve forest health using available farm bill conservation programs and other authorities. We're thankful to Congress for formally authorizing the Joint Chiefs program in the Bipartisan Infrastructure Law, ensuring its longevity into the future.

Evaluating Conservation Outcomes

We have made significant progress developing the tools and processes to measure and evaluate conservation outcomes associated with farm bill program implementation. This is especially important as it relates to soil carbon sequestration and greenhouse gas emissions reduction. We are moving forward with a new Conservation Evaluation and Monitoring Activities (CEMA) Program for Soil Carbon Stock Monitoring, allowing this measurement

activity to be fully implemented within our planning process. The CEMA-Soil Carbon Stock Monitoring will collect empirical data using standardized protocols and will filter into a broader soil health monitoring effort, coordinated across USDA. Empirical data will increase science-based planning by helping calibrate estimated site conditions across the country when using COMET-Planner as part of the NRCS planning process. Further, NRCS quantifies the ongoing benefits of Nitrogen Management, Livestock and Manure Management, Rice Water Management, and many other voluntary conservation practices. NRCS scientists quantify the annual climate benefits of conservation practice delivery, working to integrate these quantified benefits into USDA reporting and the National Inventory of Greenhouse Gas Emissions and Sinks.

Staffing Updates

Expanding our staffing capacity remains a top priority as we work to support the delivery of conservation assistance through our farm bill conservation programs. In FY 2021 we used Direct Hire Authority (DHA) to bring on 1,141 new employees and have made significant progress in on-boarding these positions. Throughout this process we are implementing a hiring strategy to continue to improve the diversity of employees within the agency, with nearly half of the positions filled contributing to improving our overall diversity, while maintaining our level of scientific excellence. This hiring effort included increasing American Indian/Alaska Native females by 5%, Black or African American females by 12.5%, and Hispanic or Latino females by 5%. We are again pursuing DHA for FY 2022 and FY 2023, which will continue to support our overarching staffing goals as well as implementation of key priorities and initiatives. We are working closely with our States to identify the positions that are most critical for DHA and

moving forward with robust training for both staff and partners. Currently we are at 10,361 staff directly employed by the Agency and 2,465 staff employed through partners to support the implementation of our conservation work.

Equity and Outreach

The values of equity and inclusion continue to be vital components in all we do in providing conservation assistance at NRCS. We are working to ensure that the programs we support and the investments we make are available to everyone, including producers and communities that have previously been unable to access assistance and faced discrimination. We have taken several recent steps to expand our capacity to do this work – through partnerships, staffing, and program improvements. First, on January 10th we announced awarding \$50 million in conservation cooperative agreements to expand access to conservation assistance among underserved producers to increase the adoption of climate-smart agriculture and forestry practices, address local natural resource concerns, and build and strengthen local food systems. These 118 Equity Conservation Cooperative Agreements will fund two-year projects to expand the delivery of conservation assistance to farmers who are new to farming, low income, socially disadvantaged or military veterans. These agreements will support USDA's broader effort to address climate change and equitable access to programs. Additionally, I have directed all of our States to ensure that they have an Outreach Coordinator position in place. These positions will play a critical role in coordinating and supporting the dissemination of our equity and outreach strategy in the field. We are also working across the Department to advance Justice40 – a whole-of-government approach to ensure 40 percent of the overall benefits of certain Federal investments support disadvantaged communities. Part of this work is closely evaluating and

improving our farm bill conservation programs to address barriers to access for historically underserved producers.

Urban Agriculture

As we work to expand access to NRCS programs and services, that effort includes ensuring support is available for producers in urban areas as well. NRCS houses the Office of Urban Agriculture and Innovative Production (OUAIP), which was established through the 2018 Farm Bill. While the office is located within NRCS, it is coordinated as a Department-wide effort to leverage tools and services that support agriculture in urban communities. The office received \$5 million in funding in the FY 2020 Further Consolidated Appropriations Act and \$7 million in the FY 2021 Omnibus and COVID Relief and Response Act. The President's FY 2022 Budget Request includes \$9.5 million for OUAIP and \$1.6 million for the Farm Service Agency to administer an Urban Agriculture County Committees Pilot. To date, approximately \$11 million in grants and cooperative agreements have been awarded through the OUAIP to strengthen existing programs and create new projects in the focus areas of food access, community gardens, urban farms and controlled environmental agriculture, and food waste reduction. NRCS will continue to work with our partner agencies across the Department as well as staff and partners across the country to further invest in urban agriculture.

Build Back Better

As illustrated through these updates, the Agency continues to utilize our existing programs and funding to ensure that farmers across the country have the tools they need to respond to the climate crisis. That being said, our programs remain oversubscribed, with demand

for climate-smart agriculture practices and programs well exceeding available funding. The Build Back Better Act would make a historic investment in our voluntary conservation programs that support farmers, ranchers, and forestland owners to continue leading the way in addressing the climate crisis. Farmers have long demonstrated leadership in environmental stewardship with strategies that provide benefits for the farm, the environment, and the public. The critical investments proposed in the bill would help meet the demand from the farming community for conservation support and enable producers to realize the full potential of climate benefits from agriculture. The additional investments in EQIP, CSP, RCPP, ACEP, Conservation Technical Assistance (CTA), and measurement and evaluation would target investments to the most effective conservation activities to address the climate crisis, and NRCS is well positioned to quickly deliver these programs to producers across the country, including outreach to historically underserved producers and those who have previously been unable to access our programs and support. We look forward to working with Congress as the work on Build Back Better legislation continues.

Disaster Relief and Prevention

Finally, NRCS continues to play an important role in responding to emergencies, including wildfires, hurricane, tornadoes, flooding, and other disasters. In FY 2021, we entered into 170 agreements with local sponsors to implement Emergency Watershed Protection (EWP) measures, and \$237 million of EWP funds were obligated. Responses to 63 watershed emergencies were initiated in FY 2021, including: Hurricanes Zeta, Elsa, and Ida; western wildfires in Arizona, Utah, and California; and major winter and spring flooding events across the southeast. NRCS also plays an important role in disaster prevention. In FY 2021, we

obligated \$166M in Watershed Protection and Flood Prevention Operations (WFPO) Program funding to 65 projects in 23 states to address new and backlog projects that help restore and protect watersheds. NRCS also allocated \$31.5M in Watershed Rehab funding to help local sponsors in the assessment, planning, design, and construction of 152 projects (42 assessments; 56 planning; 20 designs; and 34 construction) in 22 states. Recognizing the significant role that these programs play in preventing disasters, I appreciate the further investment that Congress made through the Infrastructure Investments Jobs Act (IIJA) for our watershed programs. These additional investments, on top of the mandatory and discretionary funds previously provided, will deliver much needed assistance for communities across the country. We are working with our States and local sponsors to identify project requests, ensuring targeting assistance for underserved communities and climate related disasters.

I appreciate the opportunity to come before the Subcommittee today to provide an update on NRCS's farm bill conservation programs. We have made significant progress implementing and improving these programs under the authorities provided to USDA. NRCS will continue to utilize these programs to protect and enhance natural resources, support producers across the country, and advance key priorities related to climate change and equity. We know that farmers, ranchers, foresters, and landowners are on the frontlines of the climate crisis and NRCS stands ready to continue to support the implementation of conservation solutions that respond to the severity of the crisis. As we continue to build on current investments, I also look forward to working with Congress to continue to advance these shared priorities and will continue to work with you as you begin the process of crafting the 2023 Farm Bill. I appreciate Congress's continued support for NRCS and our work to invest in voluntary conservation on working lands. Thank you for the opportunity to submit written testimony.