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on Appropriations

**Natural Resources Conservation Service**  
**Statement by Jason Weller, Chief**  
**Before the Subcommittee on Agriculture, Rural Development,**  
**Food and Drug Administration, and Related Agencies**  
**February 26, 2016**

Mr. Chairman, Ranking Member, and distinguished members of the Subcommittee, thank you for the opportunity to appear before you today to discuss the fiscal year (FY) 2017 budget request for the Natural Resources Conservation Service (NRCS). The ongoing support of this Subcommittee for voluntary private lands conservation is making a difference for our Nation's farms, ranches, and private forests. Before providing the Subcommittee details of the proposed NRCS budget, I would like to share some of the agency's major accomplishments and examples of how conservation programs are demonstrating that we can sustain highly productive agriculture while making progress in protecting and improving the Nation's natural resources.

**Voluntary Conservation Works**

Conservation on private lands works. Consider the NRCS Working Lands for Wildlife (WLFW) partnership and the unprecedented voluntary collaboration over the past 6 years to restore public and private rangeland and young forests on private land. In part because of these voluntary efforts, the U.S. Fish and Wildlife Service has either delisted or taken off the candidate list six species since September 2014 – determining that these populations were now healthy enough that they did not warrant Federal protections under the Endangered Species Act (ESA). WLFW has benefits beyond the immediate effects on wildlife. By participating in WLFW, land managers gain greater predictability under the ESA and may continue their agricultural conservation actions even if the species is later listed.

Cleaner, more abundant water for farmers, ranchers, their communities, and wildlife is possible when the right conservation practices are in the right places. Through the Mississippi River

Basin Healthy Watersheds Initiative (MRBI), NRCS has invested significantly in high-priority water quality projects and delivered on the ground benefits. For example, as a result of MRBI conservation efforts, Arkansas was able to remove two stream segments from the State's Clean Water Act 303(d) impairment designation. In 2014, Oklahoma removed nine more streams from its 303(d) list as a result of Farm Bill tools and worked with partners, farmers, ranchers and other landowners. Oklahoma now ranks second in the nation for EPA-recognized water quality success stories.

From 2012 to 2014, NRCS co-invested more than \$1.5 billion to partner with nearly 2,000 producers to install measures to conserve water and build resilience of their operations to deal with the acute drought. In the region overlying the Ogallala Aquifer in the Central Plains, these water conservation practices conserved an estimated 1.5 million acre-feet of groundwater over 4 years, or enough water to provide annual water needs for about 3.3 million households. In 2015, NRCS targeted an additional \$21 million to the western States experiencing extreme (D3) or exceptional (D4) drought to help producers conserve water and build resilience in their operations.

If the widespread drought has shown us anything, it is the value of crop resilience through good soil health management. Using Farm Bill programs, NRCS has been accelerating adoption of soil health practices and helping producers build resilience in their production systems. In 2015, NRCS assisted producers to apply Soil Health Management Systems on nearly 500,000 acres, up 6 percent from 2014. Healthy soil with more organic matter is more protected from erosion and better able to hold on to water. Every 1 percent increase in organic matter can store up to 25,000 gallons of water per acre and provide up to 30 pounds of available nitrogen per acre. These benefits lead to greater resiliency to adverse conditions but also boost yields. For example, a national survey of farmers documented an increase in yields of nine percent for corn following cover crops and 10 percent for soybeans after cover crops.

Producers are also using Farm Bill programs to improve air quality. Since 2010, NRCS has invested nearly \$200 million to help producers apply on-farm conservation measures on over 825 thousand acres to address air quality resource concerns, reducing emissions from particulate

matter to ozone precursors. For example, in the San Joaquin Valley, NRCS has co-invested with farmers and ranchers to replace more than 2,100 aging diesel engines used for agricultural purposes with low exhaust emitting engines. The result is an offset of the equivalent of the emissions from more than one million cars; and agriculture achieved its air quality improvement target nearly three years ahead of the schedule mandated by California's State Implementation Plan. To further leverage partnerships for air quality gains, NRCS has awarded over \$18.5 million through Conservation Innovation Grants to 38 partner projects to stimulate new approaches to address agricultural air quality concerns.

### **Mission Delivery Highlights**

In FY 2015, NRCS provided technical assistance to over 95,000 customers to address natural resource objectives on almost 45 million acres of farm, ranch, and forest land. Many customers begin their relationship with NRCS through requests for technical assistance that result in the development of conservation plans that serve as a platform for action. The Conservation Technical Assistance (CTA) Program is the backbone for conservation planning and the Agency's conservation delivery system. Conservation planning is a proven, science-based process to support land managers' decision-making on conservation systems that will meet their natural resource and economic objectives.

To give you a picture of the scope of the CTA Program, allow me to highlight a few of our FY 2015 accomplishments. Through CTA, we assisted producers with designing conservation plans to address multiple conservation objectives which often provide other important co-benefits for other resources concerns. Included in these plans were conservation practices covering:

- 18 million acres to improve water quality;
- 13.1 million acres to improve grazing and forest land;
- 6.3 million acres to improve wildlife habitat;
- 6 million acres to improve soil quality; and,
- 464 thousand acres to improve water use efficiency and reduce costs to the producer.

NRCS conservationists work with State and local partners, as well as private organizations, to deliver conservation technical and financial assistance. In FY 2015, these non-Federal partners contributed an estimated \$94 million in in-kind goods and services along with nearly \$116 million in financial assistance to address local resource concerns that support our goal of getting conservation on the ground.

Since the enactment of the Agricultural Act of 2014 (Farm Bill), NRCS has quickly and effectively implemented the new authorities and embraced the streamlined program delivery. A few highlights include:

- In FY 2015, producers addressed their conservation needs on over 9.9 million acres with assistance from the Environmental Quality Incentives Program (EQIP); over \$861 million was obligated in nearly 33,000 contracts to support this conservation work. This work supported projects in resource-based initiatives, such as air quality, on-farm energy conservation, migratory bird habitat, and the Mississippi River Basin and production oriented initiatives such as organic production, and seasonal high tunnels.
- The 2014 Farm Bill consolidated existing easement programs into the Agricultural Conservation Easement Program (ACEP). In FY 2015, \$332 million in funding was used to enroll an estimated 116,596 acres of farmland, grasslands, and wetlands through 490 new ACEP easements (138 Agricultural Land Easements parcels, 68,895 acres and 209 Wetlands Reserve Easement , 46,338 acres); and 4 Healthy Forests Reserve Program, 1,363 acres. These easements will help preserve important agricultural lands and agricultural viability and create and protect habitat for migratory birds and other important species.
- Since the Conservation Stewardship Program (CSP) started in 2009, the program has become a major force for conservation, and it continues to inspire conservation action to enhance America's natural resources. With the FY 2015 sign up enrollment of about 7 million acres, the total acreage of lands now enrolled in CSP exceeds 67 million acres, about the size of Iowa and Indiana, combined. In FY 2015, 55 percent of the 2010 contracts were renewed for another five year term extending and exceeding the conservation benefits gained from the initial contracts.

- Created by the 2014 Farm Bill, the Regional Conservation Partnership Program (RCPP) is a partner-driven, locally led conservation approach. Now in its second year, RCPP has demonstrated high demand, with over 2,000 partners leading nearly 200 projects nationwide. All told, in the first two years of the program, NRCS will have invested about \$500 million while another \$900 million is being brought in by partners to address locally defined, nationally significant natural resource issues.

These critical Farm Bill tools used together and in partnership with producers, forest landowners, and other public and private partners are making major gains in addressing locally and regionally identified priorities, for example:

- Since 2010, the MRBI has quadrupled the investment in water quality projects in the Mississippi River Basin. NRCS models show that targeting water quality conservation in the right places with the right practices is an effective means to achieve cleaner water for community water supply, wildlife, and recreation. In 2015, NRCS announced a \$100 million investment for priority watersheds to support the Nutrient Reduction Strategy that each state has developed as part of its commitment to the Hypoxia Task Force.
- Since 2010, NRCS has been working through the StrikeForce for Rural Growth and Opportunity initiative to assist farmers and ranchers in communities that face persistent poverty. NRCS and other USDA agencies are focusing assistance and outreach in over 970 counties, parishes, boroughs, and census areas, and Indian reservations in 26 States to jump start collaboration and investment in these communities. In FY 2015 alone, NRCS invested \$318 million in partnership with producers to help their operations be more economically successful and environmentally sustainable.
- In FY 2015, NRCS and the U.S. Forest Service invested \$37 million in 28 projects across 25 States through the Chiefs' Joint Landscape Restoration Partnership to help mitigate wildfire threats to communities and landowners, protect water quality, and supply and improve wildlife habitat for at-risk species. This multi-year partnership between NRCS and the U.S. Forest Service is working to improve the health and resiliency of forest ecosystems where public and private lands meet across the nation. Progress will continue in FY 2016 with \$33 million to support ongoing projects and \$7 million for 11 new

projects in 12 States, leveraging an additional \$11 million in private investment from partners.

- In 2015, NRCS invested \$20.5 million in 45 Conservation Innovation Grants (CIG), leveraging over \$20 million in non-Federal matching funds. Many of these projects use a systems approach to solving water quality problems such as reducing nitrogen and phosphorus in Western Lake Erie Basin and the Mississippi River Basin.

### **Improving Mission Support**

One of the best ways we can ensure that high-quality conservation assistance is available to farmers and ranchers is to strengthen NRCS's business operations and administrative capabilities. NRCS is undertaking a number of key management initiatives related to agency and program administration.

### **Conservation Delivery Streamlining**

The Conservation Delivery Streamlining Initiative (CDSI) will enable NRCS and its partners to develop better conservation plans and improve service to customers. CDSI's three integrated components – the Client Gateway, Conservation Desktop, and Mobile Planning Tool will:

- enable high-quality, science-based conservation planning,
- simplify conservation for clients and NRCS employees, and
- streamline business processes.

In FY 2015, NRCS successfully deployed the first component of CDSI, the Conservation Client Gateway (CCG), a web-based internet portal that allows customers to review conservation plans and program contracts, sign documents, apply for programs, request assistance, schedule appointments with NRCS, and track financial payments – all online and without having to travel to a field office, 24 hours a day, and seven days a week. The user base has steadily grown to include NRCS clients in all 50 States and will continue to increase with the expansion to include business entities in 2016. Full implementation of CDSI will allow the Agency to redirect over 1,500 staff years to providing direct technical assistance to clients.

### **Improving Financial Processes**

Since 2002, the scope of NRCS's conservation programs has experienced significant growth. While we have dramatically increased the resources for conservation in this country, we also need to have robust accounting and documentation procedures in place to manage public funds responsibly.

Over the past several years, NRCS has made significant improvements such as enhancing the agency's internal controls over financial resources, reducing potential information technology security risks, and strengthening the reporting of its financial obligations. In FY 2015, independent auditors completed the required audit and issued the related report with a disclaimer of opinion. Auditors have noted improvements in NRCS's financial management and have reduced the number of material weaknesses from the original seven to three. Revenue and billings, which was a material weakness in 2013 and a significant deficiency in 2014, was no longer an audit exception in 2015.

We are committed to having a best-in-class financial management operation. NRCS has refocused its audit remediation efforts to look at root causes, conduct data analysis, and work collaboratively with the Department, the Farm Service Agency, and internal NRCS offices. This effort has identified key areas for improvement and ensures corrective actions have the maximum effect achievable. The Agency's goal is to obtain a qualified opinion no later than FY 2016 with a clean opinion to follow shortly thereafter.

### **Fiscal Year 2017 Budget**

The President's 2017 NRCS budget proposal focuses on supporting NRCS's technical operations while delivering its new and reauthorized programs to the Nation's farmers, ranchers, and forest landowners. The request proposes a total of \$860.4 million in discretionary funding and \$3.87 billion in new mandatory funding in FY 2017. The President's Budget is a reflection of the Administration's commitment to and emphasis on voluntary and locally-led conservation that addresses high priority resource concerns. The budget proposal includes efforts to gain actionable data and information on key factors affecting producer adoption, implementation, and

maintenance of conservation plans and associated practices, and their contribution to cost effective achievement of environmental benefits while also taking steps to better deliver conservation assistance to our customers.

As stated above, the budget requests \$860.4 million for discretionary programs, including the following:

- An increase of \$8 million for Conservation Technical Assistance, Soil Survey (\$80.8 million), Snow Survey (\$9.4 million), and Plant Materials Centers (\$9.5 million) for pay cost increases;
- An increase of \$10.6 million in Conservation Technical Assistance for conservation planning;
- An increase of \$1.5 million for place-based activities; and
- A total of \$37.8 million for CDSI which fully supports development in FY 2017.

The budget also requests \$3.8 billion for mandatory programs, including the following:

- \$1.65 billion in new funding for EQIP, the full authorized level for the program;
- 10 million in new acres available for enrollment in the Conservation Stewardship Program, which is the full authorized level; and
- An increase of \$80.6 million over FY 2016 for the Agricultural Conservation Easement Program.

## **Conclusion**

Mr. Chairman and members of the Subcommittee, thank you for the opportunity to appear before you today. Conservation continues to be a solid investment in our Nation's future. These conservation programs and activities supported by Congress and the Administration have demonstrated success in helping farmers, ranchers, and private forest owners achieve their production and operational goals in balance with natural resource objectives, which provide benefits for rural communities and the nation as a whole. The President's FY 2017 Budget reflects and continues that commitment, while recognizing the need to focus limited resources on critical conservation issues and to streamline and modernize operations. I would be happy to respond to any questions at this time.