

**Statement by
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Mr. Chairman and members of the Subcommittee, I appreciate this opportunity to provide information on the Farm Service Agency's (FSA's) implementation of the conservation programs of the Agricultural Act of 2014 (the 2014 Farm Bill).

CRP and the Road to 24 Million Acres

The Conservation Reserve Program (CRP) first appeared in the 1985 Farm Bill and is one of USDA's largest conservation programs. CRP allows USDA to contract with landowners so that environmentally sensitive land is not farmed or ranched, but instead used for conservation benefits. Participants establish long-term, resource-conserving cover and, in return, FSA can provide participants with annual rental payments, incentive payments, and cost-share assistance. Contract duration is between 10 and 15 years. CRP improves water quality, reduces soil erosion, and restores habitat for ducks, pheasants, turkey, quail, deer and other wildlife. In doing so, CRP spurs hunting, fishing, recreation, tourism, and other economic development across rural America.

Currently, 24.3 million acres are enrolled in CRP contracts, including 18.1 million acres under general sign-up enrollment authority and 6.2 million acres under continuous sign-up enrollment authority. CRP general sign-up is a competitive process conducted on a periodic basis. The last general sign-up occurred in the spring of 2013. CRP continuous sign-up occurs on a continuous basis throughout the year and does not involve a discrete sign-up period. CRP contracts on 1.9 million acres (combined general and continuous) are set to expire on September 30, 2015.

The 2014 Farm Bill reduces the cap on overall CRP enrollment authority incrementally from 32 million acres to 24 million acres starting in fiscal year 2017. As a result of the enrollment cap and expected increase in demand for CRP due to lower commodity prices, we expect general enrollments to become more competitive in the future and the environmental benefits achieved per acre of CRP will potentially increase. We will also continue to pursue continuous enrollments to target the most environmentally-sensitive acreage to help address national, regional, state, and local resource concerns.

To mark the 30th anniversary of CRP, Secretary Vilsack announced an effort on May 29 to target the most valuable conservation land by increasing acreage allocations under certain continuous

wetland and wildlife initiatives by 800,000 acres. This increase was offset by a combination of cost savings and efficiencies and includes 300,000 acres for duck nesting habitat (doubling the available acres); 100,000 for wetland restoration initiatives; and an added 400,000 acres for State Acres for Wildlife Enhancement (SAFE). In addition, the Secretary also announced that the next CRP general signup offer period will begin on December 1, 2015, and extend through February 26, 2016. We will enroll sufficient CRP acreage to closely meet as possible, but not exceed, the statutory acreage limits set in the 2014 Farm Bill.

Program participants with contracts expiring September 30, 2015, and less than 15 years in duration, have the option of a one-year extension. Those with continuous sign-up contracts are eligible to re-enroll in CRP.

FSA is proud of the vital impact that CRP has had on the landscape. Since its inception, we estimate that CRP has prevented more than 8 billion tons of soil from eroding and reduced nitrogen and phosphorous runoff by 95 percent and 85 percent, respectively, on enrolled lands. In addition, CRP has sequestered an estimated 43 million tons of greenhouse gases annually, which is equal to taking 8 million cars off the road.

Future CRP Actions and Activity in 2014

In addition to reducing the CRP acreage cap, the 2014 Farm Bill made other changes to the program. For example, it mandated that non-easement functions of the repealed Grassland Reserve Program be carried out under CRP, with enrollment of up to 2 million acres authorized. These enrollments count against the statutory CRP acreage cap. In addition, the 2014 Farm Bill mandates changes to routine, prescribed, and emergency grazing, managed harvesting frequency, tree thinning payments, and other provisions. Our rulemaking to implement those changes is well underway, as is the process to complete the National Environmental Policy Act requirements.

Some 2014 Farm Bill provisions could be implemented without regulatory changes and these provisions were implemented early in the summer of 2014. For example, continuous sign-up was re-started on June 9, 2014 after ceasing on September 30, 2013, when enrollment authority ended. Since sign-up re-started, roughly 600,000 new continuous sign-up acres have been enrolled.

Similarly, the Transition Incentives Program (TIP) was also re-started on June 9, 2014, which provides two additional years of payments for retired farmers and ranchers who transition expiring CRP acres to socially disadvantaged, veteran, or beginning farmers and ranchers who make conservation and land improvements, begin the certification process under the Organic Foods Production Act of 1990, or return the land to sustainable grazing or crop production. TIP

was first introduced by the 2008 Farm Bill, and the \$25 million funding provided in the 2008 Farm Bill was completely expended. The 2014 Farm Bill increased TIP funding, providing up to \$33 million through 2018. For 2014 CRP contract expirations, nearly \$9 million of TIP funding was obligated.

The 2014 Farm Bill also allows termination of a CRP contract during fiscal year 2015, if the contract has been in effect for a minimum of five years and certain other conditions are met. Preliminary data indicate contracts associated with only about 90,000 CRP acres have been terminated to date in fiscal year 2015.

Emergency Assistance through non-Title II Conservation Programs

Given the increasing incidence of serious natural disasters, the Emergency Conservation Program (ECP) is of heightened importance. This program, which was first enacted in the Agricultural Credit Act of 1978, provides emergency funding and technical assistance to farmers and ranchers to rehabilitate farmland damaged by natural disasters and for implementing emergency water conservation measures during periods of severe drought. FSA has allocated \$6 million over the past year to California farmers and ranchers to enhance livestock water supplies. With recent flooding in Texas and Oklahoma, 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.

2014 Farm Bill Conservation Compliance Provisions

The 2014 Farm Bill re-established the link between Highly Erodible Land and Wetland Conservation provisions and crop insurance subsidies. To be eligible for premium subsidy for the 2016 Federal Crop Insurance Corporation reinsurance year (which runs from July 1, 2015 to June 30, 2016), producers purchasing crop insurance were required to file form AD-1026, “Highly Erodible Land Conservation (HELCS) and Wetland Conservation (WC) Certification” with their local FSA office by June 1, 2015. This form is already required for participants in most FSA and Natural Resources Conservation Service (NRCS) programs, so an AD-1026 will already be on file for these producers.

Producers who are most likely to need to file an AD-1026 for the first time are specialty crop farmers who may not participate in other USDA programs. To reach these and other producers, FSA, NRCS, and the Risk Management Agency (RMA) have worked closely over the past several months on a coordinated outreach effort. We’ve deployed a variety of informational documents and online resources including news releases, fact sheets, frequently asked questions, and brochures to help farmers understand what they need to do. We have also coordinated with groups that helped us reach affected producers, and conducted informational meetings and

training sessions for nearly 6,000 stakeholders across the country.

FSA could not implement our conservation programs without the extremely valuable assistance provided by our inter-agency and non-Federal partners. NRCS and the Forest Service, as well as non-Federal providers, have for many years provided technical assistance associated with CRP implementation. Since 1985, we have worked closely with NRCS to implement conservation compliance provisions. The 2014 Farm Bill has intensified our interaction with RMA, particularly in areas of data-sharing to run FSA's farm programs, and we look forward to seamless interaction regarding conservation compliance implementation as well.

This concludes my testimony. I am happy to answer any questions you may have.