

**Natural Resources and Environment  
Statement of Harris Sherman, Under Secretary  
Before the Subcommittee on Agriculture, Rural Development,  
Food and Drug Administration, and Related Agencies**

Mr. Chairman and distinguished members of this Subcommittee, I am pleased to appear before you today to discuss the Administration's priorities for the Natural Resources Conservation Service (NRCS) and the 2013 Budget and program proposals.

The voluntary, incentive-based conservation work of the agency is as important now as it has ever been. When the Secretary of Agriculture testified before this Subcommittee in February, he emphasized the Administration's commitment to conservation and the benefits of these programs to creating economic opportunities, healthy landscapes, and a strong and resilient agriculture.

**THE 2013 BUDGET PROPOSAL**

The President's 2013 Budget proposes \$3.9 billion for the Natural Resources Conservation Service (NRCS) working lands and other conservation programs. The budget will increase the record number of acres of working land in conservation programs, rewarding farmers, ranchers and growers for cleaning our air and water, preserving soil and wildlife habitat. The budget request proposes investments to leverage technical assistance funds through agreements with traditional partners, such as conservation districts, as well as with non-profit organizations and state and local agencies.

As part of the President's Plan for Economic Growth and Deficit Reduction the budget proposes a reduction in authorized levels for the Environmental Quality Incentives Program, which is expected to save \$1 billion over 10 years. We also propose to allow the collection of fees to cover some of the costs of conservation planning assistance, which is estimated to collect \$22 million in 2013 and could reduce appropriation needs in future years.

The 2013 Budget reflects difficult choices the Administration is making to control spending while strategically investing in conservation programs and initiatives that will build on the best science, encourage innovation, and gain efficiencies in delivering critical services to America's farmers, ranchers, and forestland owners.

### **BUILDING ON THE BEST SCIENCE**

NRCS' success is rooted in the natural resource assessments, inventories, and technology that help put conservation solutions on the ground. Through the 2002 Farm Bill, Congress emphasized that USDA should be able to report on the benefits of conservation practices. In response, USDA initiated the Conservation Effects Assessment Project (CEAP) in 2003 to develop a scientific understanding and method for estimating the environmental effects of conservation practices on agricultural landscapes at national, regional, and watershed scales. CEAP is built on partnerships and working collaborations involving Federal agencies inside and outside of USDA, land-grant universities, state agencies, and nonprofit organizations.

The first CEAP assessment of the effects of conservation practices on cultivated cropland was released in 2010 (Upper Mississippi River Basin), and followed in 2011 by three additional reports (Chesapeake Bay Region, Great Lakes Region, and Ohio-Tennessee Basin). Common to all of these studies is that they document the strides that farmers have made in reducing sediment and nutrient losses from cropland, while also highlighting opportunities for conservation efforts to deliver greater benefits for farmers and ranchers, their communities, and the Nation as a whole.

These CEAP reports empirically illustrate that conservation is delivering intended benefits. Beyond describing conservation successes and continued areas for improvement, CEAP will be supporting our programs and policies, and helping to lay the foundation for improved program effectiveness.

## **ENCOURAGING INNOVATION**

Over the past several years, NRCS has established new approaches to delivering conservation assistance through targeted geographic- and species-focused initiatives addressing some of our nation's most critical natural resource issues. The agency has pioneered efforts, working with state partners, to assist in developing regulatory certainty for farmers, ranchers, and forest landowners based on their voluntary conservation actions.

Landscape-scale initiatives are a perfect example of how conservation programs can respond to critical natural resource issues by merging science and program delivery, and targeting practices and geography to make a real difference on the landscape. Over the past few years, NRCS has

initiated 15 landscape initiatives, focusing on a variety of regionally important resource issues from wildlife species such as the Greater Sage Grouse and Lesser Prairie Chicken to water quality in the Mississippi River Basin, Great Lakes, and Chesapeake Bay, and iconic landscapes such as the New England forests and North Central wetlands.

The Greater Sage Grouse Initiative focused in 11 western states, has been in place for nearly 2 years. Through that effort, USDA worked with the Fish and Wildlife Service to establish a certainty process to protect this iconic western bird, a candidate species for listing under the Endangered Species Act, while also preserving the ranching heritage that underpins the economy and the social fabric of the region. In 2010 and 2011, over 400 producers enrolled 1.7 million acres of land in conservation efforts to improve and protect habitat that is essential to the grouse and essential to the viability of ranching. The combination of conservation easements that protect large and intact working ranches and conservation measures that improve habitat are expected to yield population increases over time. For example, grazing systems implemented on 1.3 million acres are increasing hiding cover for nesting birds, which is expected to increase Greater Sage Grouse populations by 8 to 10 percent. Participating farmers and ranchers are provided certainty that they can continue to conduct these conservation practices, such as prescribed grazing, even if the bird is eventually listed under the Endangered Species Act; and the proactive efforts of farmers and ranchers are critical in precluding the need to list.

This approach is now being duplicated in five States where NRCS and its conservation partners are helping farmers and ranchers enhance, restore and protect habitat for the Lesser Prairie Chicken. This grassland-nesting upland bird is found in mixed grass, sand-sage and shinnery oak

prairies of western Kansas, southeast Colorado, northwest Oklahoma, the Texas panhandle, and eastern New Mexico. Once widely distributed, the Lesser Prairie Chicken has experienced a 92 percent reduction in population since European settlement. As with the Greater Sage Grouse, many of the conservation practices that promote healthy grazing lands are also productive for this reclusive bird as well as other wildlife.

Certainty can take many different forms; from the “safe harbor” approach that has long been used for the protection of threatened and endangered species to newer models seeking to address water quality objectives. With our partners, USDA has been exploring opportunities to apply the concept successfully to improving water quality.

The United States has made great strides in improving water quality; however, “nonpoint” source pollution remains a significant challenge that requires policy attention and thoughtful new approaches. The President’s Budget builds upon the collaborative process already underway among Federal partners to demonstrate substantial improvements in water quality from conservation programs by ensuring that USDA’s key investments through Farm Bill conservation programs and related efforts are appropriately leveraged by other Federal programs.

In January 2012, the Secretary signed a Memorandum of Understanding with the U.S. Environmental Protection Agency and the State of Minnesota to support the State’s development of a new program designed to increase the voluntary adoption of conservation practices that protect local rivers, streams and other waters. Through this partnership, producers who undertake a substantial level of conservation activities to reduce nutrient run-off and erosion will receive

assurance from the State that their farms will meet Minnesota's water quality standards and goals during the life of the agreement. Establishment of this program will protect water resources by providing assurances and incentives to participating farmers that their good deeds – their strong commitment to conservation – will be recognized. Farmers will know the rules of the game while the state, EPA and the public will know that this program will lead to cleaner water. With similar examples from around the country, such as Michigan, Louisiana, and more recently Virginia, there is every reason to be confident that the Minnesota effort will be a success.

Environmental markets provide another promising tool for encouraging innovation and investment in conservation, improving accountability, reducing costs of restoration, and expanding economic opportunities. The 2008 Farm Bill provided direction to USDA to lead an interagency effort to explore opportunities for farmers, ranchers, and forest landowners to participate in environmental markets. USDA is facilitating work on market-based approaches in water quality, habitat, wetland, stream and shoreline restoration, marine markets and other applications. For example, USDA has formed an Environmental Markets Team to coordinate among Federal agencies, States and stakeholders in the development of water quality trading programs in the Chesapeake Bay watershed. In January 2012, USDA announced an effort to enhance the effectiveness of water quality credit trading by providing up to \$10 million in Conservation Innovation Grants (CIG) for projects to help states and other partners develop robust and meaningful markets, with up to \$5 million focused on water quality credit trading in the Chesapeake Bay watershed.

Through CIG, NRCS is also supporting local organizations in their efforts to pilot credit trading projects to achieve other locally important objectives. For example, in 2011, The Freshwater Trust in Oregon was awarded a CIG to demonstrate environmental market tools to benefit rural communities and farmers. The example starts with a temperature total maximum daily load (TMDL) in rural Oregon. The CIG project partners were able to finalize a first of its kind water quality trading program for a small utility that will help the utility meet the TMDL requirements and bring \$10 million in new conservation funding to establish and improve riparian areas on working agricultural lands in the next 10 years. These conservation efforts cost significantly less than gray infrastructure and generate multiple environmental benefits such as improving habitat for birds and other species, reducing carbon in the atmosphere, stabilizing banks to control sediment and reducing runoff from agriculture and roads. Long-term, water quality trading programs could steer millions of dollars in compliance investment to producers, making conservation a more profitable component of productive farms, forests and ranches.

### **STREAMLINING CONSERVATION DELIVERY**

The President's 2013 Budget proposal makes clear that while a strong commitment to conservation exists, we will need to find more efficient and effective ways to meet our customers' needs. NRCS is committed to managing effectively in this budget climate.

Consistent with the USDA Blueprint for Stronger Service, NRCS is taking a holistic look at its entire organization to identify opportunities to excel as a 21st century organization that can thrive through changing budgetary climates and ultimately put more conservation on the ground.

On January 9, 2012, the Secretary announced that NRCS would be closing 24 of its soil survey offices in 21 states. The purpose is to sharpen the focus of core mission areas of the National Cooperative Soil Survey Program and enhance organizational excellence by finding ways to become more efficient, effective, and scalable to adapt to changing budgets. This was not an easy decision to make; however, the plan will achieve better results for NRCS customers and create greater efficiencies for American taxpayers.

Through its Conservation Delivery Streamlining Initiative, NRCS is redesigning its business model and processes and identifying integrated IT solutions to make participation in USDA's conservation programs easier for customers and the delivery of programs less complex for employees. In February of this year, NRCS piloted two new tools designed around this streamlined approach:

(1) The Conservation Desktop will remove some administrative burden so that planners can spend more time in the field working with our clients. We estimate that this will eventually allow field staff to spend as much as 75 percent of their time in the field with clients.

(2) The web-based Client Gateway will allow our customers to work with NRCS at their convenience 24/7, to apply for programs; start the process of checking their eligibility; evaluate plan alternatives, view plans, maps, and contracts for their farm; and eventually sign many documents. We estimate that this could save our clients over 750,000 hours annually in travel time and document management tasks. The Client Gateway will eliminate the need for a client to visit our offices to do business with NRCS.



Nationwide release of these two tools is planned for the end of 2012, while nationwide rollout of Mobile Planning technology is expected in late 2013. Mobile Planning will mean that our conservationists will have access to all the data and tools they need while in the field with the client. By eliminating duplicate data entry and extra trips, NRCS will significantly enhance the timeliness of program delivery, and create the equivalent of 1,200 additional staff years in field assistance to customers.

## **CONCLUSION**

Mr. Chairman, I believe that the President's 2013 Budget for NRCS includes a thoughtful balance of deficit reduction measures and sound investments in private lands conservation. It will stimulate and encourage partnerships that will leverage the Federal investment in conservation, while stimulating the development of new tools and approaches. The budget enables NRCS to continue fulfilling its historic commitment to providing assistance to farmers, ranchers and forest landowners. In addition, NRCS will continue to explore new approaches to fully take the agency and private lands conservation into the 21<sup>st</sup> century.

Thank you for the opportunity to be here today to discuss the President's 2013 Budget for NRCS. I would be happy to respond to any questions from the Subcommittee Members.