

CRS Report for Congress

Agriculture Conservation Programs: A Scorecard

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Summary

The Natural Resources Conservation Service and the Farm Service Agency in the U.S. Department of Agriculture currently administer 20 programs and subprograms that are directly or indirectly available to assist producers and landowners who wish to practice conservation on agricultural lands. The number, scope, and overall funding of these programs have all grown with each recent farm bill. This growth can cause confusion over which problems and conditions each program addresses, and specific program characteristics and performance. Policy responses to this proliferation of programs are likely to be examined in the anticipated farm bill debate. The programs are:

- Agricultural Management Assistance Program
- Conservation Operations; Technical Assistance (CTA)
- Conservation Reserve Program (CRP)
- CRP — Conservation Reserve Enhancement Program (CREP)
- CRP — Farmable Wetlands Program
- Conservation Security Program
- Emergency Conservation Program
- Emergency Watershed Program
- Environmental Quality Incentive Program (EQIP)
- EQIP — Innovative Grants
- EQIP — Ground and Surface Water Conservation
- EQIP — Klamath River Basin
- Farmland Protection Program
- Grasslands Reserve Program
- Resource Conservation and Development Program
- Watershed and Flood Prevention Operations
- Watershed Rehabilitation Program
- Watershed Surveys and Planning
- Wetland Reserve Program
- Wildlife Habitat Incentive Program

This tabular presentation provides basic information introducing each of the programs. The information about each program includes:

- brief program description;
- national participation levels;
- states with the greatest participation;
- participation priorities specified in law;
- FY2005 estimated spending;
- FY2006 Administration budget request;
- authorization expiration date;
- backlog or other measures of continuing interest;
- major amendments in the 2002 farm bill; and
- statutory authority.

This report will be updated periodically.

Contents

Introduction	1
Conservation Programs	4
Agricultural Management Assistance Program	4
Conservation Operations (CO) — Technical Assistance (CTA)	4
Conservation Reserve Program (CRP)	5
CRP — Conservation Reserve Enhancement Program (CREP)	6
CRP — Farmable Wetlands Program	7
Conservation Security Program (CSP)	7
Emergency Conservation Program	8
Emergency Watershed Program	9
Environmental Quality Incentive Program (EQIP)	9
EQIP — Innovative Grants	10
EQIP — Ground and Surface Water Conservation	11
EQIP — Klamath River Basin	11
Farmland Protection Program	12
Grasslands Reserve Program	13
Resource Conservation and Development Program	13
Watershed and Flood Prevention Operations	14
Watershed Rehabilitation Program	15
Watershed Surveys and Planning	15
Wetlands Reserve Program	16
Wildlife Habitat Incentive Program	17

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Introduction

The Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA) in the U.S. Department of Agriculture currently administer 20 programs and subprograms that directly or indirectly provide technical and financial assistance to producers and landowners who wish to practice conservation on agricultural lands.¹ With each recent farm bill, enacted in 1985, 1990, 1996, and 2002, Congress has responded to the potential adverse effects of agricultural activities on the physical landscape by increasing the number, scope, and overall funding of conservation programs. Reorganizing these programs to reduce the total number by combining similar programs is one topic that many believe Congress will address in the upcoming farm bill debate.

One result of the growth since 1985 is that these programs attract attention from groups and individuals that had not necessarily had an interest in conservation policy, and may be confused about which problems and conditions each program addresses and specific program characteristics and performance. These people often ask questions about which programs may be used to respond to a specific resource problem, why several programs appear to address a single problem, or which agency administers a program.

Participation in all USDA conservation programs is voluntary. USDA provides technical and cost share assistance to attract interest and encourage participation. These programs protect soil, water, wildlife, and other natural resources on agricultural lands to limit environmental impacts of production activities both on and off the farm, while maintaining or improving production of food and fiber. Some of these programs center on improving or restoring resources that have been degraded, while others create conditions that will limit degradation in the future. Of the 20 programs, 16 are administered by NRCS and four are administered by FSA. However, both agencies, as well as other agencies, mostly in USDA, work closely to implement many of them.

¹ The number of programs can be determined in several different ways, as two of the larger ones, the Conservation Reserve and the Environmental Quality Reserve Programs have several subprograms, some created in legislation and others created by administrative action. This report is limited to subprograms created by Congress. In addition to these 20 programs, Congress has authorized a large number of other small (in terms of spending levels) discretionary programs, usually with a specific geographic focus (examples from the 2002 farm bill include the Great Lakes and the Delmarva Peninsula), and programs that have never been funded or implemented (examples include the Environmental Easement Program and the Office of Agriculture Environmental Quality). These programs are not identified or presented in this report.

All of these programs, with the exception of the Conservation Security Program (CSP), respond to existing resource problems. Some of them address these problems by paying landowners to retire land from production for multi-year periods, using easements and long term agreements. Many programs also have a particular resource focus, such as cropland, wetlands, or grasslands, or focus on a specific physical condition, such as floods or drought. Others address problems by assisting producers to install conservation practices that are designed to maintain or improve resource conditions in ways that enhance the environmental and economic performance of a farm. These practices may be structural (involving construction, such as a terrace or an animal waste management facility), land management (such as contour farming or nutrient management), or vegetative (such as filter strips or tree planting). The CSP is different because it pays producers to maintain conservation practices that are already in place and provides financial incentives and technical assistance to expand on their conservation efforts.

The Conservation Reserve Program (CRP) and the Environmental Quality Incentives Program (EQIP) each include subprograms enacted by Congress (as well as other initiatives based on administrative actions). For the CRP, those subprograms are the Conservation Reserve Enhancement Program (CREP), the Farmable Wetlands Program, and the new Emergency Forestry Conservation Reserve Program (FSA is starting to implement this program, enacted in December 2005 in P.L. 109-148; it is not included in this report). Acreage enrolled in these subprograms is considered to be within the CRP, and therefore counts against the current overall program enrollment cap of 39.2 million acres. The three EQIP subprograms address development of innovative approaches to conservation, surface and groundwater conservation, and water use challenges in the Klamath River basin. The innovative grants subprogram is funded using a portion of the overall annual funding authorized for EQIP, while the water conservation and Klamath River subprograms have specified funding levels that are treated as being in addition to EQIP funding.

This report provides basic information, primarily drawn from agency budget presentations and websites, about each program using a consistent format. This information should help respond to basic questions and resolve many common sources of confusion about the purposes of the program, program participation and policy topics. Further information about all of these programs can be found on the NRCS website at [<http://www.nrcs.usda.gov/programs/>] and on the “conservation programs” page of the FSA website at [<http://www.fsa.usda.gov>]; and in written responses to questions published later each year in hearing records of the House and Senate Agriculture Appropriations Subcommittee.

Both NRCS and FSA post extensive information on most programs on their websites in several formats, including basic descriptions, questions and answers, and charts, tables, and maps that show participation and other characteristics. Website information appears to be designed for both program participants and others who want to learn more about the programs. The appropriations records provide more detailed information about program activities and accomplishments during the past year, and anticipated adjustments to program administration or implementation in the next year. While the programs are listed alphabetically in this report, they are listed by size in the table below, based on USDA’s estimated spending levels in 2006, to convey a sense of their relative magnitude. The estimated total for these 20 conservation programs in FY2006 is \$5.084 billion.

Program	FY2006 Est. Spending (in millions)	Program	FY2006 Est. Spending (in millions)
1. Conservation Reserve Program (CRP)	\$1,993	11. EQIP — Ground and Surface Water Conservation Program	\$51
2. Environmental Quality Incentives Program (EQIP)	\$1,017	12. Resource Conservation & Development Program	\$51
3. Conservation Operations; Technical Assistance	\$696	13. Wildlife Habitat Incentive Program	\$43
4. Emergency Watershed Program	\$300	14. Watershed Rehabilitation Program	\$31
5. Conservation Security Program	\$259	15. EQIP — Innovative Grants Program	Up to \$20 (from EQIP)
6. Wetland Reserve Program	\$250	16. EQIP — Klamath River Basin	\$8
7. Emergency Conservation Program	\$200	17. Water Surveys and Planning	\$6
8. Watershed and Flood Prevention Operations	\$74	18. Agricultural Management Assistance Program	\$5
9. Farmland Protection Program	\$74	19. CRP — Conservation Reserve Enhancement Program	Unspecified subset of CRP
10. Grasslands Reserve Program	\$54	20. CRP — Farmable Wetlands Program	Unspecified subset of CRP

A majority of the programs, 14, are mandatory spending, funded through USDA's Commodity Credit Corporation. Congress authorizes mandatory programs at specified funding levels each year (or acreage enrollment levels for the Conservation Reserve, Wetlands Reserve, and Grasslands Reserve Programs). They are funded at these levels unless Congress limits funding to a lower amount through the appropriations or legislative process (or puts a ceiling on acreage that can be enrolled). Discretionary programs are funded each year through the annual appropriations process. In recent years, Congress generally has made more significant adjustments (almost always reductions) in funding for discretionary programs than for mandatory programs from year to year.

If one is interested in learning more about how to apply to participate any of these programs, a good place to start is the local NRCS or FSA county offices, which are usually co-located. For more general information about the programs over a larger area, such as program priorities within a state, one should contact the state office of the agency. Contact information at the state level for both agencies can be found on the agency websites, at the addresses identified above.

Conservation Programs

Agricultural Management Assistance Program

Program description	This mandatory program, administered by the NRCS, provides cost-sharing assistance under contracts of 3 to 10 years to producers in 15 specified states where participation in the federal crop insurance program has been historically low. Producers use this assistance to construct or improve water management and irrigation structures, plant trees, control soil erosion, practice integrated pest management, practice organic farming, develop value-added processing, and enter into futures, hedging, or options contracts to reduce production, price or revenue risk.
National participation	Not applicable. Eligible states are: CT, DE, MD, MA, ME, NV, NH, NJ, NY, PA, RI, UT, VT, WV, and WY.
Leading states	In FY05, a total of \$14 million was used to fund 773 contracts on 74,000 acres, but available data does not allocate contracts by state. Currently, 2,236 contracts are being implemented.
Participation priorities	Uses listed in law (see program description), but no priorities are specified.
FY2006 spending (est.)	\$5.0 million (authorized at \$20 million, with spending by NRCS limited to \$14 million, and the remainder going to the Risk Management Agency and the Agriculture Marketing Service).
FY2007 Administration request	\$0 (authorized at \$20 million).
Authorization expires	Permanent authorization (\$10 million annually after FY07).
Backlog/interest	A backlog of 892 applications was pending at the end of FY05, with more than 400 of those in New York, according to the FY07 budget notes. These contracts would enroll more than 41,000 acres at a cost of \$19.0 million.
Major 2002 farm bill amendments	Designated 15 eligible states; authorized funding of \$20 million annually from FY03 through FY07, and \$10 million in subsequent years.
Statutory authority	Authorized in the Agricultural Risk Protection Act of 2000, title I, §133 (PL106-224) as §524(b) of the Federal Crop Insurance Act; amended by §2501 of the Farm Security and Rural Investment Act of 2002 (PL107-171). (7 U.S.C. 1524).

Conservation Operations (CO) — Technical Assistance (CTA)

Program description	CTA is a discretionary NRCS program. It is more than 80% of all spending in the CO account, and funds technical support to provide conservation planning and implementation assistance through field staff placed in almost all counties. This assistance is provided to producers and land owners who voluntarily apply natural resource conservation systems, consisting of one or more practices, on private and other non-federal lands. (Other components of CO include the Grazing Lands Conservation Initiative, soil surveys, snow surveys, and plant material centers.)
National participation	CTA was \$695.8 million and 7,040 staff years in FY05, according to the FY07 budget notes. (Total CO funding was \$848.0 million and 8,169 staff years.)
Leading states	No data published for the CTA subset in FY05, but for total CO funding, TX received \$46.2 million, MS received \$28.3 million, and IA received \$25.5 million.

Participation priorities	None specified in law. The NRCS program description in the FY06 budget notes, states, in part, "The natural resource conservation systems help control erosion, improve water, soil, and air quality, protect farmlands and other land uses that support wildlife habitat, and cultivate partnerships among federal, state and local entities to implementing conservation measures." NRCS national priorities in 05 included to assist producers with comprehensive nutrient management programs, to reduce non-point pollution and ground water contamination, to reduce air emissions and soil erosion, and to promote habitat conservation. No priorities specified for FY06.
FY2006 spending (est.)	\$695.8 million.
FY2007 Administration request	\$634.3 million.
Authorization expires	Permanent authorization, no amount specified.
Backlog/interest	None specified.
Major 2002 farm bill amendments	No direct changes. However, other provisions affect this program, including retaining a cap on total funding for technical assistance provided through mandatory programs, and allowing NRCS to approve qualified individuals and entities, referred to as third parties, to provide some types of technical assistance.
Statutory authority	Authorized in the Soil Conservation and Domestic Allotment Act, as amended (P.L. 74-46). (16 U.S.C. 590a-g, 16 U.S.C. 590q)

Conservation Reserve Program (CRP)

Program description	The CRP is a mandatory program administered by FSA, assisted by NRCS, that provides annual rental payments, usually over 10 years, to producers to replace crops on highly erodible and environmentally sensitive land with long-term resource conserving plantings. Bids to enroll land are solicited during a limited time period, then compared using an Environmental Benefits Index (EBI). Those with the highest EBI scores are accepted. Imbedded in the CRP are several small and more focused programs that bypass the general bidding process, some established in law and others established administratively, to address specific resource topics, including more concentrated resource problems in a portion of a state, protection of small isolated agricultural wetlands, and improvement of habitat for upland game birds. All lands that qualify for these subprograms are automatically accepted.
National participation	725,053 active contracts on 418,574 farms are currently enrolling more than 35.9 million acres, according to FSA's February 2006 monthly program summary.
Leading states	In terms of acres, the leading states are TX (4.05 million acres), MT (3.49 million acres), and ND (3.37 million acres). In terms of contracts, the leading states are IA (99,985 contracts), IL (72,401 contracts), and MN (58,694 contracts).
Participation priorities	None specified in law from among the many types of eligible land that are identified. Priorities established by FSA using an EBI which rates 5 factors (erosion, water quality, wildlife, air quality, and enduring benefits) plus cost when deciding which bids will be accepted. The EBI has been modified from signup to signup. States may ask the Secretary to designate conservation priority areas in watersheds. Chesapeake Bay, Great Lakes, and Long Island Sound are specified as possibilities because of "special environmental sensitivity."
FY2006 spending (est.)	\$1.993 billion (based on the estimated number of acres that will be enrolled). Program authorized on calendar year basis.

FY2007 Administration request	\$2.187 billion (based on the estimated number of acres that will be enrolled and includes the new emergency forestry program). Program authorized on calendar year basis.
Authorization expires	December 31, 2007.
Backlog/interest	In the last general signup (8/30/04 - 9/24/04), FSA accepted 19,732 offers to enroll 1.19 million acres from 26,080 offers to enroll 1.67 million acres, according to data posted on the FSA website, visited 5/12/05.
Major 2002 farm bill amendments	Raised enrollment ceiling from 36.4 million acres to 39.2 million acres; liberalized economic uses of enrolled lands; required that eligible land must have been planted 4 of the 6 years preceding enactment.
Statutory authority	Authorized in §1231-§1235 of the Food Security Act of 1985 (P.L.99-198); amended by §2101 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3831-3835a)

CRP — Conservation Reserve Enhancement Program (CREP)

Program description	This subprogram of the CRP is a mandatory program administered by the FSA, assisted by NRCS, that partners with states at their request. States propose substate areas, such as a watershed, where environmental or resource concerns are more concentrated and can be addressed by enrolling up to 100,000 acres. States contribute 20% of the funding so that larger payments can be made, thereby encouraging greater participation.
National participation	46,681 contracts on 31,148 farms have enrolling a total of 790,705 acres, according to FSA's February 2006 monthly program summary.
Leading states	Currently, 28 states participate, with almost 158,000 acres enrolled in PA, almost 110,000 acres enrolled in IL, and almost 84,000 acres in MN. The most contracts are in PA (7,960), followed by IL (5,435), and MD (5,234). CREP proposals are pending from 6 additional states, according to a map on the FSA website, visited on 4/5/06.
Participation priorities	None specified beyond those that apply to the general CRP (see entry above).
FY2006 spending (est.)	Unspecified acreage subset of CRP.
FY2007 Administration request	Unspecified acreage subset of CRP.
Authorization expires	September 30, 2007.
Backlog/interest	Not applicable since any eligible land can be enrolled at any time; participation has been much higher in some states than in others, but that is due, reportedly, to how the program is promoted.
Major 2002 farm bill amendments	None.
Statutory authority	Authorized in §1231 of the Food Security Act of 1985 (P.L.99-198); amended by §2101 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3831)

CRP — Farmable Wetlands Program

Program description	This 1 million acre subprogram of the CRP is a mandatory program administered by the FSA, assisted by NRCS, to enroll small isolated agricultural wetlands. Eligible wetlands must be smaller than 10 acres, with a maximum of 5 acres eligible for payments. Eligible lands include wetlands that were cropped 3 of the preceding 10 years, and buffers sufficient to protect them, on which the hydrology will be restored and a vegetative cover established.
National participation	9,280 contracts on 7,445 farms have enrolled a total of 143,586 acres, according to FSA's February 2006 monthly program summary.
Leading states	In terms of acres, the leading states are IA (66,571 acres), MN (32,527 acres), and SD (25,499 acres). The largest number of contracts are in IA (4,047), followed by MN (2,374) and SD (1,580).
Participation priorities	None specified in law.
FY2006 spending (est.)	Unspecified acreage subset of CRP.
FY2007 Administration request	Unspecified acreage subset of CRP.
Authorization expires	September 30, 2007.
Backlog/interest	Not applicable since any eligible land can be enrolled at any time; participation has been much higher in some states than in others, but that is due, reportedly, to how the program is promoted.
Major 2002 farm bill amendments	Increase overall size from 500,000 acres in 6 specified states to 1 million acre national program, with no more than 100,000 acres in a state; in accepting contracts, "ensure, to the maximum extent practicable, an equitable balance among the conservation purposes of soil erosion, water quality, and wildlife habitat."
Statutory authority	Authorized in Title XI of Agriculture and Related Agency appropriations, 2001 (P.L. 106-387) as §1231 of the Food Security Act of 1985 (P.L.99-198); amended by §2101 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3831)

Conservation Security Program (CSP)

Program description	This mandatory funded program administered by NRCS provides financial and technical assistance for improvements in conserving environmental resources on farmland that meets soil and water quality criteria standards of NRCS. CSP supports producers who are already implementing and maintaining substantial conservation systems to protect soil, water, air, and wildlife, or who will adopt more sustainable systems as part of the program. The maximum annual assistance through CSP increases with each of 3 progressive tiers of participation, each requiring greater conservation. Only producers in specified watersheds can participate each year. CSP was initially implemented in 18 watersheds in FY04, and the number of watersheds eligible in subsequent signups has been determined by the amount of funding available.
National participation	2,188 contracts on 1.88 million acres in 18 watersheds for FY04. For FY05, 12,787 contracts on 10.24 million acres in 220 watersheds. In FY06, 60 watersheds are eligible, according to data on the NRCS website, visited on 4/5/05. This signup has been completed, but results have yet to be announced.

Leading watersheds (states)	The largest number of contracts (281) and enrolled acres (152,388) from the FY04 signup were in the Blue Earth Watershed (IA and MN), and the largest total payment (\$5.173 million) was in the Umatilla Watershed (OR). For FY05, the largest number of contracts are in IA (1,889), the largest number of enrolled acres are in OR (1,005,499 acres), and the largest total payment is in OR (\$15.9 million).
Participation priorities	None specified in law. NRCS gives a priority to watersheds where agricultural runoff is a major source of pollution.
FY2006 spending (est.)	Spending limited to \$259 million. (Current law limits total CSP spending to \$1.954 billion for FY06 through FY10, and \$5.650 billion for FY06 through FY14.)
FY2007 Administration request	\$342 million.
Authorization expires	September 30, 2011.
Backlog/interest	In eligible watersheds, all working farmland can be enrolled, regardless of crop grown. There are no data on the NRCS website, visited 04/5/06, on applicants in eligible watersheds who were rejected.
Major 2002 farm bill amendments	Program initially authorized in Farm Security and Rural Investment Act of 2002 as an entitlement (spending has been capped in subsequent legislation).
Statutory authority	Authorized in §2001 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1238-§1238C of the Food Security Act of 1985 (P.L.99-198). (16 U.S.C. 3833-3838c)

Emergency Conservation Program

Program description	This discretionary program, administered by FSA, with technical assistance provided by NRCS, provides emergency funding and technical assistance to producers to rehabilitate farmland damaged by natural disasters (hurricanes, floods, wind, and erosion are examples) by activities such as removing debris, and by implementing emergency water conservation measures in response to severe droughts.
National participation	Participation varies widely and unpredictably from year to year. In FY2005, more than half the outlays were in response to hurricanes, with the remainder being divided among other types of natural disasters. Funds went to 46 states in FY05. Amounts are often earmarked to specific locations.
Leading states	In FY05, FL received \$12.6 million, and AL and NC each received \$6.1 million, according to the FY07 budget notes.
Participation priorities	None specified in law.
FY2006 spending (est.)	\$200 million. (Since this program is almost always funded in emergency supplemental appropriations legislation in response to specific natural disasters that have occurred, additional funding is possible before 9/30/06.)
FY2007 Administration request	\$0
Authorization expires	Permanent authorization.
Backlog/interest	Not applicable.

Major 2002 farm bill amendments	None.
Statutory authority	Authorized in the Emergency Conservation Measures (P.L. 85-88); amended by §401 of the Agriculture Credit Act of 1978 (P.L. 95-334). (16 U.S.C. 2201-2204)

Emergency Watershed Program

Program description	This discretionary program, administered by NRCS, provides technical and financial assistance to reduce hazards to life and property in watersheds that have been damaged by natural disasters. Assistance includes disaster cleanup and recovery activities, and purchasing easements in flood plains that will benefit natural resources such as wetlands, while reducing the risk of exposure to future natural disasters.
National participation	Appropriations have averaged \$120 million annually in recent years. In FY05, \$354.5 million were distributed in 38 states.
Leading states	In FY05, FL received \$123 million, NC received \$66 million, and UT received \$60 million, according to the FY07 budget notes. (Spending responds to the distribution of natural disasters, and changes greatly from year to year.)
Participation priorities	None specified in law.
FY2006 spending (est.)	A supplemental has appropriated \$300 million; additional supplemental funding is moving through the legislative process. Since this program is almost always funded in emergency supplemental appropriations additional legislation in response to specific natural disasters is possible before 9/30/06.
FY2007 Administration request	\$0.
Authorization expires	Permanent authorization.
Backlog/interest	Not applicable.
Major 2002 farm bill amendments	None.
Statutory authority	Authorized in the Emergency Conservation Measures (P.L. 85-88); amended by §402 - §403 of the Agriculture Credit Act of 1978 (P.L. 95-334). (16 U.S.C. 2202-2204)

Environmental Quality Incentive Program (EQIP)

Program description	This mandatory program, administered by NRCS, provides cost share payments to producers and land owners to plan and install structural, vegetative, and land management practices on eligible lands to alleviate conservation problems, with 60% of the funds targeted to livestock producers. EQIP is to be administered in an environmentally-beneficial and cost-effective manner.
National participation	In FY05, EQIP allocated \$949.96 million for 49,406 contracts, according to data in the FY07 budget notes.
Leading states	In FY05, the most contracts were signed in TX (7,647), followed by MS (2,890) and KS (2,022). The largest allocation was paid to TX (\$81.6 million), followed by CA (\$45.7 million) and CO (\$34.2 million).

Participation priorities	The law states that applications that encourage cost-effective conservation practices or address national conservation priorities are to be given greater consideration. Also, in determining the amount and rate of incentive payments, practices that promote residue, nutrient, pest, invasive species or air quality management may be accorded “great significance.”
FY2006 spending (est.)	Spending limited to \$1.017 billion (\$1.20 billion authorized).
FY2007 Administration request	\$1.0 billion (\$1.27 billion authorized).
Authorization expires	September 30, 2010.
Backlog/interest	In FY05, 49,406 contracts were accepted and the remaining 49,806 applications went unfunded. The total estimated cost to eliminate this backlog would be \$878 million. The most unfunded applications were submitted in OK (5,135), followed by NE (3,912). In terms of cost, the largest amount was in NE (\$60.2 million), followed by OK (\$63.8 million), according to information in the FY07 budget notes.
Major 2002 farm bill amendments	Specified that the goals of EQIP are to “promote agricultural production and environmental quality as compatible goals, and to optimize environmental benefits...”; allowed cost sharing with large confined livestock operations for waste management facilities (which had previously been prohibited); limited payments to a total of \$450,000; authorized competitive innovative matching grants; allocated 60% of funding each year to practices related to livestock production.
Statutory authority	Authorized in subtitle D of Title III (§331-336) of the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127) as §1240-§1240I of the 1985 Food Security Act (P.L.97-198); amended by §2301 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3839aa - 3839aa90)

EQIP — Innovative Grants

Program description	This mandatory program, administered by NRCS, awards competitive grants to state and local agencies, non-governmental organizations, tribes, and individuals to implement conservation projects starting in FY04. Examples of eligible projects identified in the 2002 farm bill include “market systems for pollution reduction” and “innovative conservation practices, including the storing of carbon in the soil.”
National participation	In FY04, 41 recipients received a total of \$14.3 million, and in FY05, 103 recipients received a total of \$22.1 million. Up to \$20 million will be made available for awards in FY06, with \$5 million of the total again going to the Chesapeake Bay watershed states.
Leading states	Not applicable.
Participation priorities	None specified in law.
FY2006 spending (est.)	Unspecified subset of EQIP. In FY06, up to \$15 million is available for natural resource concerns, , up to \$5 million is available for the Chesapeake Bay watershed, and up to \$5 million is available for technology.
FY2007 Administration request	Unspecified subset of EQIP.
Authorization expires	September 30, 2010.
Backlog/interest	None identified.

Major 2002 farm bill amendments	Program initially authorized in the Farm Security and Rural Investment Act of 2002.
Statutory authority	Authorized in §2301 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1240H of the 1985 Food Security Act (P.L. 97-198). (16 U.S.C. 3839aa8)

EQIP — Ground and Surface Water Conservation

Program description	This mandatory program, administered by NRCS, funds contracts with producers to improve irrigation and water use efficiency on irrigated cropland, and reduce water consumption on agricultural operations in areas severely affected by drought. This program is available only for conservation measures that “results in a net savings in groundwater or surface water resources in the agricultural operation...”
National participation	Not applicable. A total of 32 states located either over the high plains aquifer or severely impacted by drought received funds to implement EQIP contracts to “improve irrigation and water use efficiency on currently irrigated cropland.”
Leading states	States receiving the largest obligations in FY05 were CA (\$11.5 million), TX (\$6.7 million), and NE (\$6.1 million).
Participation priorities	None specified in law.
FY2006 spending (est.)	Spending limited to \$51 million (\$60 million authorized, to be in addition to overall EQIP funding).
FY2007 Administration request	\$51 million (\$60 million authorized).
Authorization expires	September 30, 2007.
Backlog/interest	None identified.
Major 2002 farm bill amendments	Program initially authorized in Farm Security and Rural Investment Act of 2002.
Statutory authority	Authorized in §2301 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1240I of the 1985 Food Security Act (P.L. 97-198). (16 U.S.C. 3839aa9)

EQIP — Klamath River Basin

Program description	This mandatory program, administered by NRCS, focuses on improving the efficiency of water use associated with agricultural operations in the Klamath River basin of OR and CA.
National participation	Not applicable as program operates only in portions of OR and CA.
Leading states	In FY05, CA received \$4.8 million and OR received \$4.9 million. These funds were used to complete irrigation management plans on 37,209 acres and to apply conservation practices on 84,497 acres, according to the FY07 budget notes for EQIP.
Participation priorities	None specified in law.
FY2006 spending (est.)	\$8.1 million (a total of \$50 million authorized, to be taken in addition to overall EQIP funding, and “to be made available as soon as practicable”).

FY2007 Administration request	\$5.9 million (a total of \$50 million authorized).
Authorization expires	September 30, 2007.
Backlog/interest	None identified.
Major 2002 farm bill amendments	Program initially authorized in the Farm Security and Rural Investment Act of 2002.
Statutory authority	Authorized in §2301 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1240I of the 1985 Food Security Act (P.L. 97-198). (16 U.S.C. 3839aa9)

Farmland Protection Program

Program description	This mandatory program, administered by NRCS and called the Farm and Ranch Lands Protection Program by NRCS, provides funds to state, tribal, and local governments, and non-governmental organizations to help them purchase conservation easements from willing sellers to limit conversion of farmland to nonagricultural uses.
National participation	From the program's inception in 1996 through FY05, \$371 million was spent to acquire 1,217 easements on 257,101 acres, with an additional 1,073 easements on 192,076 acres pending, according to the FY07 budget notes. (The length of time from when a land owner first offers to sell an easement to when it is recorded with the deed to the land can be considerable.)
Leading states	The largest amount has been spent in MD (\$26.2 million), followed by PA (\$22.5 million), and NJ (\$21.8 million). The most easements have been acquired in MD and PA (138 in each), followed by VT (125). The largest number of acres acquired under easement are in VT (30,703 acres), followed by PA (22,807 acres) and CO (22,545).
Participation priorities	None specified in law.
FY2006 spending (est.)	\$74 million (\$100 million authorized).
FY2007 Administration request	\$50 million (\$97 million authorized).
Authorization expires	September 30, 2007.
Backlog/interest	The FY2007 budget request states that "The demand for the program has exceeded available funds by approximately 300 percent." During the 2004 signup, for example, 216 applications with a total cost of \$101 million to enroll 48,488 acres went unfunded. States with the most unfunded requests were SC (59), followed by KY (36).
Major 2002 farm bill amendments	Expanded the list of eligible lands to include cropland, rangeland, grassland, pastureland, incidental forest land, and archeological and historic sites; expanded eligibility to include Indian tribes and qualified non-profit organizations.
Statutory authority	Authorized in §388 of the Federal Agriculture Improvement and Reform Act of 1996 as §1238H-§1238J of the 1985 Food Security Act (P.L. 97-198); amended by §2503 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) (16 U.S.C. 3838i)

Grasslands Reserve Program

Program description	This mandatory program, jointly administered by NRCS and FSA, and working with USDA's Forest Service, uses long-term rental agreements and easements to help land owners and producers restore and protect grasslands while maintaining them in a condition suitable for grazing using common management practices.
National participation	In FY05, 168 easements to enroll 194,656 acres and 1,051 rental agreements to enroll 190,138 acres were approved, according to the FY07 budget notes.
Leading states	In FY04, the most approved applications were in MO (131), followed by TX (124) and GA (82). The most acres were approved in TX (104,835 acres), followed by MT (33,615 acres) and KS (24,232 acres).
Participation priorities	None identified in law.
FY2006 spending (est.)	Spending limited to \$54 million (a total of 2 million acres and \$254 million through FY07).
FY2007 Administration request	\$0. (All authorized funds, a total of \$254 million, were spent by the end of FY2005.)
Authorization expires	September 30, 2007.
Backlog/interest	In FY05, 7,412 applications were submitted to enroll 5.0 million acres; 1,219 applications enrolling 385,000 acres were accepted. The backlog of unfunded applications totaled more than \$1.1 billion, according to the FY06 budget notes, and continued to grow.
Major 2002 farm bill amendments	Program initially authorized in the Farm Security and Rural Investment Act of 2002.
Statutory authority	Authorized in §2401 of the of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171) as §1238N-§1238Q of the 1985 Food Security Act (P.L. 97-198). (16 U.S.C. 3838n - 3838q)

Resource Conservation and Development Program

Program description	This discretionary program, administered by NRCS, provides support in the form of NRCS staff coordinators, to authorized multi-county areas. Coordinators assists state and local units of government and non-profits to develop and carry out programs to conserve and improve natural resources and the use of land, and improve conditions in rural America.
National participation	375 authorized areas encompass approximately 2,675 counties, more than 85% of the national total, and more than 77% of the U.S. population, according to the FY07 budget notes.
Leading states	Not applicable.
Participation priorities	None specified in law.
FY2006 spending (est.)	\$50.8 million.
FY2007 Administration request	\$25.9 million. (Administration proposes to change the duties and responsibilities of RC&D coordinators (employees of NRCS) so that the number of coordinators can be reduced from 375 (one for each district) to 150.)
Authorization expires	Permanent authorization of "such sums as are necessary."

Backlog/interest	NRCS has yet to act on 32 pending applications encompassing 182 counties, according to the FY07 budget notes.
Major 2002 farm bill amendments	Permanently reauthorized program, and amended it in its entirety, making numerous, mostly minor or technical amendments.
Statutory authority	Enacted in §31 and §32 of the Bankhead-Jones Farm Tenant Act (P.L. 89-796); Amended in its entirety in §2504 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). (16 U.S.C. 3451 - 3459)

Watershed and Flood Prevention Operations

Program description	This discretionary program, administered by NRCS, combines two separate authorizations under which more than 11,000 structures have been built in more than 1,500 active and completed projects. The P.L. 534 Flood Prevention Operations Program authorizes 11 projects, while the P.L. 566 Small Watershed Operations Program authorizes watershed projects generally. Projects may be authorized for any of 8 purposes; almost all projects have flood control as an authorized purpose. Under P.L.566, NRCS provides technical and financial assistance to plan and install projects on private lands, in cooperation with local sponsors, states, and other public agencies. The small watershed project costs are shared with local partners. Projects are limited to a maximum size, including 25,000 acre feet of total capacity and 250,000 acres in extent. Projects above a specified size require congressional committee authorization.
National participation	A total of 397 projects are active or completed under P.L. 534, and 1,754 are active or completed under P.L. 566, according to the FY07 budget notes.
Leading states	The greatest number of active and completed projects are in IA (179 projects encompassing 3.2 million acres), followed by TX (170 projects encompassing 23.3 million acres) and MS (166 projects encompassing 8.7 million acres).
Participation priorities	None specified in law.
FY2006 spending (est.)	\$75.30 million.
FY2007 Administration request	\$0.
Authorization expires	Permanent authorization, no amount specified.
Backlog/interest	NRCS identifies a total of \$1.85billion in unfunded federal commitments for authorized projects; the greatest value of unfunded commitments are in TX (\$437 million) and MS (\$246 million), according to the FY07budget notes.
Major 2002 farm bill amendments	None.
Statutory authority	Enacted in the Flood Control Act of 1944 (P.L. 534), as amended, and the Watershed Protection and Flood Prevention Act (P.L.83-566), as amended. (33 U.S.C. 701b-1 and 16 U.S.C. 1000, <i>et. seq.</i>)

Watershed Rehabilitation Program

Program description	This program, with funding authorized through both discretionary and mandatory funds and administered by NRCS, provides technical and financial assistance for planning, design, and implementation to rehabilitate aging watershed dam projects (including upgrading or removing dams) to communities to address health and safety concerns. Small watershed project dams have a 50-year design life, and 448 reached or exceeded that time span by the end of 2005. By the end of 2015, this number will exceed 3,800, according to the FY07 budget notes.
National participation	As of September 30, 2005, 132 projects have been funded in 22 states; 47 of these projects have been completed, according to the FY07 budget notes. In FY05, 87 rehabilitation projects in 21 states were funded, including 19 new projects in 11 states.
Leading states	The greatest number of projects are in OK (26), MS (18), and WI (14); The most completed projects are in WI (10), MS (9), and OK (9).
Participation priorities	None specified in law. The Secretary is directed to develop a system for ranking rehabilitation requests.
FY2006 spending (est.)	\$31.2 million in discretionary funding and \$0 in mandatory funding (\$75 million in discretionary funding and \$60 million in mandatory funding authorized).
FY2007 Administration request	\$15.3 in discretionary funding and \$0 in mandatory funding (\$85 million in discretionary funding and \$65 million in mandatory funding authorized).
Authorization expires	Mandatory funding, September 30, 2008; discretionary funding, September 30, 2007.
Backlog/interest	In FY05, funds were not available to address 36 additional requests for projects.
Major 2002 farm bill amendments	Authorized both mandatory and discretionary funding levels each year; made funding "no year" funding (meaning that discretionary funding is available until spent, rather than until the end of the fiscal year for which it is appropriated, and mandatory funding that is limited in the annual appropriations process is counted as savings each year until it is made available). 2006 reconciliation legislation (P.L. 109-171) cancelled prior year funds that were available in FY07.
Statutory authority	Enacted in §313 of the Grain Standards and Warehouse Improvement Act of 2000 (P.L. 106-472) as §14 of the Watershed Protection and Flood Prevention Act; as amended by §2505 of the Farm Security and Rural Investment Act of 2002. (16 U.S.C. 1012)

Watershed Surveys and Planning

Program description	This discretionary program, administered by NRCS, funds investigations and surveys of river basins as the basis for developing coordinated water resource programs in upstream watersheds. Plans address ways to respond to water quality, flooding, water and land management, and sedimentation problems, and are prepared in cooperation with federal, state and local agencies.
National participation	In FY05, funds were provided in 27 states, according to the FY07 budget notes.
Leading states	In FY05, the greatest spending was in national headquarters (\$794,000), followed by MA (\$541 million) and MN (\$400,000).
Participation priorities	None specified in law. Agency priorities are stated in general terms and basically restate the major missions of NRCS (erosion control and fish and wildlife concerns, for example).

FY2006 spending (est.)	\$6.022 million.
FY2007 Administration request	\$0 million.
Authorization expires	Permanent authorization, no amount specified.
Backlog/interest	None specified.
Major 2002 farm bill amendments	None.
Statutory authority	Enacted in §6 of the Watershed Protection and Flood Prevention Act (P.L.83-566), as amended. (16 U.S.C. 1006-1009)

Wetlands Reserve Program

Program description	This mandatory program, administered by NRCS, funds purchase of long-term agreements and easements (30 year and permanent) to assist land owners in protecting and restoring wetlands. It provides technical and financial assistance, and emphasizes restoration to original natural conditions where possible.
National participation	Through 2005, 1.74 million acres had been enrolled, with easements perfected on 1.37 million acres. In 2005, more than 146,000 acres were enrolled in 907 projects, at a cost of \$240.9 million, according to the FY07 budget notes.
Leading states	In 2005, 14,163 acres were enrolled in AR, 11,828 acres were enrolled in LA, and 11,702 acres were enrolled in MS. In 2005, \$15.6 million was spent in AR, \$14.2 million in LA, and \$14.0 million in NE, according to the NRCS website, visited 5/10/06.
Participation priorities	Priority given to permanent easements over shorter terms, and to easements that provide greater benefits in “protecting and enhancing habitat for migratory birds and other wildlife.”
FY2006 spending (est.)	Enrollment limited to 150,000 acres, which will cost an estimated \$250.2 million. Authorized to enroll 250,000 acres annually with no annual spending limit specified (measured in calendar years).
FY2007 Administration request	Projected enrollment of 250,000 acres would cost an estimated \$402.6 million. Authorized to enroll 250,000 acres annually with no annual spending limit specified (measured in calendar years).
Authorization expires	December 31, 2007.
Backlog/interest	In FY02, 3,173 unfunded easement applications would have enrolled 536,000 acres at an estimated cost of \$622 million. The most applications were from AR (357), followed by MN (331). The most land was in FL (79,000 acres), followed by AR (76,000 acres). The cost of the easements was greatest in FL (\$90 million), followed by AR (\$ 63 million), according to the FY06 budget notes. The FY07 budget notes state that 102 of 162 cost share applications were funded; 102 of 518 30 year agreements were funded, and 703 of 3,492 permanent easements were funded.
Major 2002 farm bill amendments	Increased enrollment ceiling from 1.075 million acres to 2.275 million acres in total, and 250,000 acres annually, “to the maximum extent practicable.”
Statutory authority	Enacted in §1438 of the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624) as §1237 - §1237F of the 1985 Food Security Act (P.L.198); amended by §2201-2204 of the Farm Security and Rural Investment Act of 2002. (16 U.S.C. 3837 - 3837c)

Wildlife Habitat Incentive Program

Program description	This mandatory program, administered by NRCS, provides technical and financial assistance to eligible participants to develop upland and wetland wildlife, threatened and endangered species, fish and other types of wetland habitat in an environmentally beneficial and cost effective manner.
National participation	Since the program inception in FY98, more than 21,500 agreements have enrolled over 3.3 million acres. In FY05, more than 458,000 acres were enrolled through more than 3,300 agreements.
Greatest participation	In FY04, the largest number of contracts were in MS (262), followed by KS (152), and KY (142). The largest numbers of enrolled acres were in UT (111,720 acres), TX (30,319 acres), and OK (27,707 acres). The greatest spending was in CA (\$1.231 million), followed by AR (\$1.129 million), and RI (\$1.029 million).
Participation priorities	None specified, although the law calls for dealing with “regional issues of concern” where possible.
FY2006 spending (est.)	Spending limited to \$43 million (\$85 million authorized).
FY2007 spending (prop.)	\$55 million (\$85 million authorized).
Authorization expires	September 30, 2007.
Backlog/interest	In FY2004, WHIP had 3,033 unfunded applications at a total cost of \$10.7 million. AR had the most unfunded applications (218), followed by IA (187). AK had the highest cost for these applications (\$2.1 million), followed by RI (\$814,000), according to the NRCS website, visited 4/10/06.
Major 2002 farm bill amendments	Required consideration of regional wildlife issues; authorized pilot program using up to 15% of funds to enroll land in contracts of at least 15 years.
Statutory authority	Enacted in §387 of the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127) as §1240N of the 1985 Food Security Act (P.L. 99-198); amended by §2502 of the Farm Security and Rural Investment Act 2002 (P.L. 107-171). (16 U.S.C. 3839bb-1)