



GREAT LAKES CLEAN WATER

Realizing the Promise of USDA Conservation Programs
A Report from the Soil and Water Conservation Society



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The Soil and Water Conservation Society (SWCS) is a nonprofit scientific and educational organization that serves as an advocate for natural resource professionals and for science-based conservation policy. SWCS fosters the science and art of soil, water, and environmental management on working lands to achieve sustainability. SWCS members promote and practice an ethic that recognizes the interdependence of people and their environment.

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GREAT LAKES CLEAN WATER EXECUTIVE SUMMARY

The Soil and Water Conservation Society (SWCS) held four roundtable discussions—supported by the Joyce Foundation—in the Great Lakes region that brought together members of the water quality community to discuss how to harness USDA conservation programs more effectively as tools to improve the Great Lakes ecosystem. The roundtable discussions were held (1) May 17, 2006, in Grand Rapids, Michigan, (2) May 18, 2006, in Oshkosh, Wisconsin, (3) May 24, 2006, in Saginaw, Michigan, and (4) May 25, 2006, in Toledo, Ohio.

Roundtable participants developed many diverse ideas for improving the performance of USDA conservation programs. This report, however, only deals with those ideas that were accorded high priority in two or more roundtable discussions. Roundtable participants were thoughtful, experienced, enthusiastic, and dedicated to conservation and protection of the Great Lakes ecosystem. Their ideas have great merit for accelerating progress in dealing with agricultural impacts on that ecosystem. The program and policy reform options are, however, solely the responsibility of SWCS.

Roundtable Ideas

Roundtable participants focused most of their energy on ideas that could improve water quality conservation efforts right now. Participants felt strongly and often with some frustration that more progress could be made if existing program and authorities were used more effectively. Their ideas for quick improvements are below:

- Accord the Great Lakes a higher priority in water quality protection efforts; drive water quality goals for the Great Lakes upstream into critical watersheds.
- Target programs at critical tributary watersheds with the biggest opportunity to improve the Great Lakes water quality and aquatic ecosystems—use programs to support critical watershed restoration project.
- Create a new funding mechanism to direct conservation program funds to watershed-based projects; multi-year commitment of program funds to projects.
- Focus on key practices and cut through red tape using continuous sign-up for key practices in critical tributary watersheds.
- Support local capacity and leadership to support community-driven, tributary watershed restoration projects.
- Build a stronger network of technical staff and advisors to work with land owners to get conservation on the ground.
- Harmonize standards, performance indicators, eligibility criteria, and regulations among local, state, and federal agencies.

Many participants also wanted to see a new direction in farm support programs—redirecting current crop subsidies and income support programs to programs based on stewardship of natural resources and environmental quality. Their ideas included these suggestions:

- Strengthen and expand conservation compliance provisions—greater focus on water quality.
- Cut funding for crop subsidies and use savings to fund conservation programs.
- Replace crop subsidies with Conservation Security Program (CSP) or another green payments plan.

Farm Bill Opportunities

SWCS analyzed the ideas put forward at the workshop to identify key opportunities in the 2007 farm bill to put workshop participants' ideas into action. We think the following opportunities hold the most promise.

The most important opportunity to advance roundtable participants' ideas is to focus more USDA conservation program funding to support the watershed-based water quality restoration projects that emerged as such a high priority in the roundtables. To support these projects, the following options should be considered:

- Mandate that 30% of Environmental Quality Incentives Program (EQIP) funds allocated to Great Lakes states be used to support EQIP special projects focused on critical tributary watersheds.
- Strengthen and reauthorize the Partnerships and Cooperation section, mandate that it be fully implemented, and reserve at least 20% of conservation program funds to support the watershed-based cooperative conservation projects.
- Authorize the administration's Regional Water Enhancement Program and focus the program on water quality and watershed restoration projects.
- Reauthorize and update the Land and Water Resources Conservation Act of 1977 to create a collaborative, multi-partner effort to give policy makers the information they need to strategically and effectively direct conservation programs.
- Strengthen the role state technical committees play in guiding the implementation of all USDA conservation programs, including the Conservation Reserve Program (CRP), EQIP, CSP, and Wetlands Reserve Program (WRP).
- Build a stronger technical assistance network, allocate enough Commodity Credit Corporation (CCC) funds to support implementation of conservation programs, focus Conservation Innovation grants on building technical capacity and fund at \$100 million annually.
- Expand the reach of soil conservation compliance provisions: cover all cropland receiving farm program benefits, make crop insurance subject to compliance provisions, strengthen standards used to determine acceptable rates of soil erosion and require all existing soil conservation compliance plans be updated to meet that new standard, provide for penalties that are graduated to the severity of the violation of the soil conservation compliance provisions, provide CCC funds to support technical assistance to develop and implement plans.
- Make fundamental reforms to CSP to improve its environmental performance and simplify the program for producers and agency staffs as a first step in a transition to a stewardship-based farm support program.

INTRODUCTION

The Soil and Water Conservation Society (SWCS) held four roundtable discussions—supported by the Joyce Foundation—in the Great Lakes region that brought together members of the water quality community to discuss how to harness USDA conservation programs more effectively as tools to improve the Great Lakes ecosystem. The roundtable discussions were held (1) May 17, 2006, in Grand Rapids, Michigan, (2) May 18, 2006, in Oshkosh, Wisconsin, (3) May 24, 2006, in Saginaw, Michigan, and (4) May 25, 2006, in Toledo, Ohio.

Nonpoint source pollution from agricultural land is a serious threat to the Great Lakes ecosystem (see sidebar). One-third of the land within the US portion of the Great Lakes watershed is used for agricultural production, and agriculture is a primary source of pollution in several of the Great Lakes Areas of Concern (AOC) established by the International Joint Commission. In addition, sediment, nutrients, pesticides, and pathogens from cropland and grazing land are leading causes of impairments in streams, lakes, and other water bodies on the state 303(d) lists in the Great Lakes region. USDA conservation programs spent \$763 million in the eight Great Lakes states, or

80% of total federal contribution to programs that can be used to implement nonpoint source control projects. Clearly, USDA conservation programs hold great promise for helping improve the environmental performance of agricultural operations in the region.

The roundtables brought together people with experience working with USDA conservation programs from local, state, and federal agencies; nongovernmental organizations; academia; and the private sector (see appendix A for a listing of participants). Roundtable participants were asked to discuss ideas for (1) administrative changes that could immediately improve the water quality performance of USDA conservation programs and (2) longer-term reform and redesign of USDA conservation policy to construct a “clean water conservation program” focused on protecting the Great Lakes ecosystem (see appendix B for the roundtable agenda and process). SWCS then formulated specific options for changes in programs and policy that—based SWCS’s in-depth knowledge of USDA conservation program and policy—would most effectively achieve the objectives of roundtable participants. We also

Great Lakes Regional Collaboration

The Great Lakes Regional Collaboration (GLRC) resulted from Executive Order (EO) 13340 signed by President Bush in May 2004. The Executive Order created a cabinet-level task force, chaired by US Environmental Protection Agency Administrator, to bring an unprecedented level of collaboration and coordination to accelerate protection and restoration of the Great Lakes. Eight strategy teams were established to develop a basin-wide strategy, including a nonpoint source team. The collaboration published a “Strategy to Restore and Protect the Great Lakes” in July 2005 as a draft action plan.

The GLRC Strategy laid out eight key recommendations, one of which addressed nonpoint source pollution. The five main nonpoint source pollution stressors identified by the GLRC strategy draft action plan in 2005 were nutrients, contaminants, pathogens, sedimentation, and altered flow regimes.

These stressors enter the Great Lakes primarily through surface runoff, groundwater infiltration, and atmospheric deposition. Nonpoint source pollution in each of these forms damages flora and fauna in the lakes, threatens human health, reduces recreational opportunities, and increases the costs to treat drinking water and to dredge harbors and marinas. The total stressor input from nonpoint source pollution today considerably exceeds that from point sources, according to the GLRC strategy.

The GLRC strategy recommended that several actions be taken to address nonpoint source pollution including: (1) wetland restoration, (2) improvement of cropland soil management, (3) implementation of comprehensive nutrient and manure management plans for livestock operations, and (4) improvements to the hydrology in watersheds.

Moreover, the GLRC strategy recommended action to ensure the long term sustainability of the Great Lakes resources, especially concentrating on the areas of land use, agriculture and forestry, transportation, industrial activity, and many others.

Source: Great Lakes Regional Collaboration (2005).

drew on assessments we conducted in partnership with Environmental Defense of the Conservation Security Program (CSP), Environmental Quality Incentives Program (EQIP), Conservation Reserve Program (CRP), and the technical assistance programs that support USDA conservation programs. The reports can be found on the SWCS website at www.swcs.org.

This report is divided into three main sections. The first section deals with the short-term opportunities for change, the second section deals with long-term policy reform, and the third section deals with issues brought forward that may be difficult to deal with through the farm bill or USDA conservation programs. In each section, we summarize the ideas that were accorded the highest priority by roundtable participants and follow this summary with the program and policy reform options developed by SWCS.

We asked roundtable participants to engage in the discussions as individuals, not as official representatives of their organizations. We did not seek consensus during the roundtable discussions. Instead, we sought to understand points of agreement and disagreement as best we could to help develop program and policy reform options that best captured the objectives of participants.

Roundtable participants developed many diverse ideas for improving the performance of USDA conservation programs. This report, however, only deals with those ideas that were accorded high priority in two or more roundtable discussions. Roundtable participants were thoughtful, experienced, enthusiastic, and dedicated to conservation and protection of the Great Lakes ecosystem. Their ideas have great merit for accelerating progress in dealing with agricultural impacts on that ecosystem. The program and policy reform options are, however, solely the responsibility of SWCS.

MAKING WHAT WE HAVE WORK BETTER

Roundtable participants focused most of their energy on ideas that could improve water quality conservation efforts right now. Participants felt strongly and often with some frustration that more progress could be made if existing program and authorities were used more effectively. In the words of one participant, “we need to get on a war footing,” by organizing efforts on a watershed basis, targeting critical watersheds, and getting the right practices on the ground in the right places in those watersheds to get real improvement in water quality.

Roundtable Ideas

Roundtable participants articulated four main clusters of ideas to make what we have work better: (1) focus for effect, (2) support local capacity and leadership, (3) strengthen technical staff, and (4) get on the same page.

FOCUS FOR EFFECT

Focusing current conservation efforts to achieve greater effect on water quality was the one idea accorded a high priority by participants in all four roundtables. In the words of one participant, “We need to get real and we need to get results.”

Many participants argued that the Great Lakes needed to be accorded a higher priority in water quality protection efforts. They articulated the need to think further inland when thinking about restoring the Great Lakes and to drive water quality goals for the Great Lakes upstream into critical watersheds. Several participants argued for creating a Great Lakes priority area in the conservation title of the farm bill, similar to the priority according the Chesapeake Bay.

Nearly all roundtable participants agreed that the biggest opportunity to make what we have work better is to focus much more conservation funding on implementing critical tributary watershed restoration projects. The driving force for such projects must be well-defined and specific objectives such as reducing loadings of sediment, nutrients or other specific pollutants or restoring habitat for specific aquatic species. Saying “we are going to improve water quality is meaningless” one roundtable participant said and added, “we need to get specific.”

Tributary watershed projects must target critical watersheds with the biggest opportunity to improve water quality, and such projects must specifically identify problem areas within the watershed and direct funding to fix those problems. The driving force behind such projects should be getting a small set of key conservation practices and systems in place in the right locations in order to produce real change in water quality. Riparian buffers, treating ephemeral gullies, conservation tillage, state-of-the-art manure and nutrient management, and restoration of stream channels were examples of the key practices participants thought should be the focus of watershed projects. Individual farm plans and conservation efforts must be integrated at the landscape or watershed level to produce real results: we have to “connect the dots in the watershed,” in the words of one participant.

Participants also argued that new ways of funding critical tributary watershed projects will be needed if such projects are to be successful. Funding must be allocated directly to such watershed-based projects, and that funding must come with some multi-year certainty. Several participants recommended

that Congress strengthen and increase funding for the Partnerships and Cooperation section of the 2002 farm bill. Others suggested that Congress provide dedicated funds to endow local organizations. Still other participants suggested connecting local bonding measures to USDA conservation funding and providing local property tax relief for conservation work by land owners. The federal government could provide grants to local entities to reduce property taxes to spur conservation work.

Many participants also saw opportunities to cut through the “red tape” around USDA conservation programs. Participants mentioned the continuous sign-up for specific practices in CRP as an example of a good approach to cutting through red tape. Participants also stated, however, that the CRP continuous sign-up was “only scratching the surface” and argued for setting specific acreage goals for specific watersheds and putting much more effort behind the program. Participants wanted to expand the continuous sign-up approach to EQIP for key practices in critical watersheds.

Participants discussed but disagreed about the appropriate level of conservation planning to guide implementation. Some participants argued that “whole farm plans are great,” but focusing planning on key practices and at the relevant planning unit level is a more efficient way to solve problems. Others argued that comprehensive plans should be in place before a producer becomes eligible for financial assistance from USDA conservation programs. All agreed, however, that technical support for planning and implementation—at whatever level is deemed appropriate—is essential for getting meaningful results.

Several participants suggested that better information about the distribution of water quality problems and conservation practices would enable a more strategic approach to directing local, state, and federal programs in the Great Lakes region. They wanted enhanced access to the accumulating data on the type and location of conservation practices implemented through USDA conservation programs to more effectively direct conservation efforts while dealing appropriately with privacy concerns.

SUPPORT LOCAL CAPACITY AND LEADERSHIP

Local capacity and leadership was raised in all four roundtable discussions as a critical determinate of success in water quality protection and restoration efforts. Participants agreed that a stable local entity—ideally with taxing authority—must in place to sustain work to achieve watershed-based objectives. Local “ambassadors to do the selling,” in the words of one participant are essential and so are coordinators at the watershed scale to connect the dots and keep partnerships working.

Partnerships must be broadened and strengthened through strong and sustainable watershed groups according to many participants. Such partnerships must go beyond using agencies to make sure projects get done and progress is made. One participant, for example, noted that drainage commissioners could become effective partners if they broadened their portfolio to consider nonpoint source issues and downstream effects as well as water conveyance.

Several participants stated it was critical to get agency staff in place at the right project locations to get the job done and suggested agencies go back to having project offices and project staff. Project offices could and should employ multi-disciplinary technical staff who could support field staff working with producers and communities to get conservation practices on the ground.

Effective and stable local entities are also important to support and sustain the monitoring and follow-up needed to determine if conservation efforts are producing the results they are designed to achieve.

STRENGTHEN TECHNICAL STAFF

Participants in all four roundtables agreed that getting more technically trained people is essential to making what we have work better. They noted that there are fewer technical advisors working in their locations and that they have more responsibilities. Technical staff “can’t keep up with the demand,” in the words of one participant, and this reduces progress even when money is available for projects.

Participants noted that the welcome expansion in funding for conservation financial assistance programs has proved to be a double-edged sword. The new money means more producers can be enrolled in programs, but the demands of implementing multiple programs simultaneously can overwhelm technical staff. “Programs seem to be running people instead of people running programs,” said one participant.

Participants recommended a better balance between funding for financial assistance and funding for technical assistance. Many participants welcomed the Technical Service Provider (TSP) initiative that seeks to harness sources of technical assistance from sources other than USDA staff. Others were concerned that TSPs were not fully qualified for water quality work and raised concerns about the extent to which the technical quality of their work is being checked.

Many participants argued it would be very helpful if it was easier for USDA to work with partners—to cut through the red tape around agreements between USDA agencies—the Natural Resources Conservation Service (NRCS) and the Farm Services Agency (FSA)—and potential partners in other local, state, and federal agencies, nongovernmental

organizations, and the business community. More flexibility in creating such agreements and less onerous match requirements, these participants argued, would allow USDA to tap into a valuable network of technically competent partners.

GET ON THE SAME PAGE

In addition to focusing for effect, the barriers created by fragmented efforts and messages among the multitude of agencies, governments, nongovernmental organizations, businesses, and other entities active in the Great Lakes region came up in every roundtable. Most participants sought ways for everyone to “get on the same page” when it came to protecting the Great Lakes ecosystem.

Participants told us there are too many mixed messages and too much static in the system among the multitude of local, state, federal, and nongovernmental programs and initiatives in the Great Lakes basin. Participants recommended several actions that could be taken and would help us get on the same page.

Harmonizing standards, performance indicators, eligibility criteria, and regulations among local, state, and federal agencies would go a long way in getting everyone on the same page in the region, participants suggested. Getting everyone on the same page on phosphorus-based nutrient management planning is a good example according to one participant. Another participant suggested an annual training program to familiarize federal staff with the details of the multiple federal programs operating in the region would be one way to get better collaboration among federal programs. Another participant suggested establishing a USDA coordinator for each Great Lake to help coordinate USDA programs and other programs operating in the region. Others recommended a similar annual training opportunity to educate potential partners about the details of USDA conservation programs.

Many participants argued that the administrative and implementation burden imposed on field staff and producers by multiple and complex conservation programs is the most urgent barrier that needs to be overcome. Consolidating programs with similar purposes was recommended in each roundtable as the ideal approach to streamlining implementation. But if such consolidation is not politically possible, participants suggested efforts to harmonize sign-up periods, contract lengths and terms, eligibility criteria and/or other details of multiple programs as a second best way of streamlining implementation.

Several participants stated that growing demands for accountability in distribution of program funds is creating a heavy burden on staff for record keeping and reporting. “If it is not on paper it didn’t happen,” in the words of one participant.

Finally, participants discussed, but largely disagreed about the need for USDA reorganization or reallocation of responsibilities among USDA agencies. Some suggested FSA should take over the administration of USDA conservation programs and allow NRCS staff to focus on technical functions. Others argued just as urgently that NRCS should take over administrative and/or technical leadership for all USDA conservation programs. Most participants had either experienced and/or witnessed such reorganizations during their careers and were very skeptical about the ultimate benefits of such initiatives.

Farm Bill Opportunities

Making what we have work better received the most attention and resulted in most ideas being put forward. A lot could be done using existing authorities, and the new farm bill presents opportunities to further advance roundtable participants ideas.

The most important opportunity to advance roundtable participants’ ideas is to focus more USDA conservation program funding to support the watershed-based water quality restoration projects that emerged as such a high priority in the roundtables. There are several opportunities to accomplish this objective using current program authorities and funding.

EQIP funds can and are being used to support “special projects” using current authorities and funding. No new authorities or funding are needed to increase the amount of EQIP funds used to support special projects in the Great Lakes region focused on restoring water quality in critical tributary watersheds as recommended by roundtable participants. Indeed, with EQIP currently funded at \$1 billion annually, allocating 30% of EQIP funds to such projects each year would leave enough money to also support an ongoing program in every county in the United States, funded at levels unprecedented in recent history. EQIP could become an more effective watershed restoration tool by providing a continuous sign-up for key land management practices such as nutrient, manure, and grazing management within critical watersheds. The effectiveness of such an approach would be multiplied by using the continuous CRP sign-up in concert with a continuous EQIP sign-up in critical tributary watersheds. (Please see the EQIP assessment report at www.swcs.org for a more detailed discussion of EQIP)

The existing Conservation Reserve Enhancement Program (CREP) is also well suited to support the watershed-based program roundtable participants recommended. Indeed, CREP is already being used in the region to restore tributary watershed and enhance water quality. States, however, must provide matching funds in order to participate in CREP, a requirement that has created barriers in some states. But states

Making What We Have Work Better: Ideas from Workshop Participants

Great Lakes Priority

- Adjust point scoring systems for USDA programs to favor the Great Lakes area.
- Organize USDA money to each Great Lake with one funding source within USDA.

Target Critical Tributary Watersheds

- Target staff into the watersheds where the water quality concerns are greatest.
- Organize delivery on a watershed basis—watershed smaller than 8-digit hydrologic units but larger than 12-digit hydrologic units.
- Make all programs watershed based, objective driven, and accountable for real results.
- Target funds for watersheds.
- Define the real need for water quality—then put the staff in place to get the “critical mass” of practices to do the job.
- More in-depth technical assistance/technical service provider support for actual practices, for example, no-till advice.
- Work with drainage commissioners to work in watersheds and address non-point source pollution.

Strengthen Technical Staff and Support

- Need more technical assistance delivery capacity.
- Monitor the water protection effectiveness of existing programs.
- A conservation plan should be required for access to any USDA incentive program.
- Shift more resources to technical assistance.
- Use scientific standards/criteria and then adhere to them.
- Admit existing nutrient recommendations will not meet water quality standards.
- Comprehensive nutrient management plans need to be in place before cost sharing is provided for structural conservation practices.
- First do the Resource Management Systems plan, then discuss the incentives.

Low Hanging Fruit

- Emphasize permanent conservation easements in cooperation with land trusts for enforcement and monitoring.
- Look to low hanging fruit and avoid paying for things that would happen without incentives.
- More use of conservation easements for longer buffer protection.
- Set a goal to buffer every waterway in target areas and adjust programs to do this.
- Fix the most important thing on the farm□it is not necessary to fix everything under a USDA contract.
- Simple, cheap practices with continuous sign-up should be a priority.

New Funding Mechanisms

- Use state priority incentives to enhance watershed projects.
- Create conservation districts on a watershed basis and allocate dollars to them.

Get on the Same Page

- Streamline sign-ups, eligibility, and processing on basic practices.
- Reorganize USDA into one ag service delivery system.
- Use conservation districts as full partners and properly fund their work.
- Link EQIP to state performance standards and prohibitions.
- More field technical staff and less total administration.
- Combine programs and simplify sign-ups.
- Coordinate all federal, state and local funding through matching requirements.
- Need more local coordination across jurisdictions and field offices.
- Provide lawsuit protection for implemented water quality performance standards.
- Have the Farm Service Agency do the payments and NRCS do the technical assistance.

could and should increase their participation in CREP focusing on critical tributary watersheds as recommended by roundtable participants. (Please see the CRP assessment report at www.swcs.org for a more detailed discussion of CREP)

The opportunities to use existing program authorities and funding are promising, but Congress could and should do more in the 2007 farm bill to support watershed-based water quality restoration projects. The Partnerships and Cooperation section of the 2002 farm bill presents a particularly promising opportunity to support such projects. This section—never fully implemented—authorizes the secretary to enter into multi-year agreements with local partners to implement projects to restore watersheds and other conservation objectives. The agreements guarantee a multi-year flow of conservation program funds to help producers sign-up to install conservation practices needed to protect water quality. Agreements are to be selected on a competitive basis using criteria intended to ensure that conservation program funds are used according to a well-developed watershed restoration plan that targets efforts where they are most needed in the watershed.

Congress should strengthen and reauthorize the Partnerships and Cooperation section, mandate that it be fully implemented, and reserve at least 20% of conservation program funds to support the watershed-based cooperative conservation projects roundtable participants recommend. Such cooperative projects are a particularly effective way to simultaneously focus conservation efforts for maximum effect, support local capacity and leadership, build technical capacity, and get multiple partners on the same page—all critical components of the comprehensive approach roundtable participants thought is needed to effectively protect the health of the Great Lakes ecosystem.

In addition, the administration's farm bill proposal includes a new Regional Water Enhancement Program that would give the secretary broad discretion to support watershed-based projects to improve water quality and water supplies. Such authority, if focused on projects to restore water quality in critical tributary watersheds in the Great Lakes region would provide another mechanism to support the work roundtable participants recommend.

Congress should also reauthorize and update the Land and Water Resources Conservation Act of 1977. The revised and reauthorized act should call for a collaborative, multi-partner effort to undertake the data collection, assessments, and analyses needed to give policy makers the information they need to strategically and effectively direct conservation programs—another priority for roundtable participants. Such a collaborative effort would help get people on the same page and provide the scientific foundation to focus conservation

programs for maximum effect. Congress could and should also mandate that at least one percent of the funds for each conservation financial assistance program be used to monitor and evaluate the performance of those programs.

State Technical Committees, authorized in the 1990 farm bill, have proved to be effective in many states at involving multiple partners and stakeholders in setting priorities for use of USDA conservation programs in the state. Congress should strengthen the role state technical committees play in guiding the implementation of all USDA conservation programs, including CRP, EQIP, CSP, and WRP—programs roundtable participants thought were particularly important for protecting the health of the Great Lakes ecosystem.

Building a more effective technical assistance network was among the highest priorities for roundtable participants. It is also one of the more difficult objectives to achieve through a farm bill because most of the funding for technical assistance is under the control of appropriations committees rather than the agricultural committees who write the farm bill. But Congress could and should take action in the 2007 farm bill to help meet the technical assistance challenges outlined by roundtable participants by (1) ensuring each conservation financial assistance program includes funding to fully cover the technical assistance needed to implement the program effectively, (2) authorize incentive payments through USDA conservation programs to help producers access technical assistance from advisors in the private for-profit and nonprofit sectors, and (3) build more effective partnerships by ramping up the Conservation Innovation Grants program to \$100 million annually and focusing the program on projects to build technical capacity at the local level. The administration could also help build more effective partnerships by developing multi-year agreements and contracts with the private sector, nongovernmental organizations, local, state, and other federal agencies, and academic institutions to secure technical assistance to support implementation of USDA conservation programs. (Please see the Technical Assistance for Conservation assessment report on www.swcs.org for more detailed discussion of technical assistance)

Finally, making what we have work better will not be sufficient to protect the health of the Great Lakes ecosystem unless more funds are available to support the programs and authorities we have today. Agriculture's environmental challenges are diverse and national in scope. It will be very difficult to provide more funding for water quality conservation efforts to protect the Great Lakes unless Congress increases overall funding for conservation program substantially.

NEW DIRECTION IN FARM POLICY

Although most roundtable participants placed the highest priority on making better use of the programs, funding, and knowledge we already have, there was also discussion of the need for a new direction in farm policy. Indeed, some participants argued forcefully that major reform of farm and conservation policy was the only way to ensure sustained progress on improving the environmental performance of agriculture in the Great Lakes region.

Roundtable Ideas

Some participants at each roundtable pointed out that current crop subsidies get in the way of improving the health of the Great Lakes. They argued that subsidies encourage intensive production of row crops that can lead to more sediment and nutrients in tributaries. Subsidies also can create barriers to participation in conservation programs because of the threat of losing base or reducing program yields, according to some participants.

Roundtable participants suggested two approaches for blunting the adverse environmental consequences of crop subsidies:

1. Strengthen and enforce conservation compliance.
2. End crop subsidies and reward stewardship rather than crop production.

Conservation Compliance

Several participants noted that the conservation compliance provisions of the 1985 farm bill had stimulated more progress on soil and wetland conservation on agricultural land than any other federal program or policy in the past two decades. Those conservation compliance provisions require producers to implement soil conservation plans on highly-erodible cropland and to refrain from draining wetlands in order to receive crop subsidies and other farm program benefits.

Several participants stated that enforcement of existing compliance provisions has weakened because of the multiple waivers and exemptions that are now available to producers and/or a policy decision by the administration to downplay enforcement of conservation compliance.

Other participants argued that the current conservation plans and standards that were approved in 1995 are too weak to protect water quality. They indicated that the provisions applied only to highly erodible cropland while sediment and nutrients from the larger acreage of cropland not classified as

New Direction in Farm Policy: Ideas from Workshop Participants

Conservation Compliance

- Toughen farm bill conservation compliance requirements.
- Apply compliance to all cropland and expand conservation compliance to include nutrient runoff impacts.
- Correct enforcement weaknesses of conservation compliance such as FSA waivers—use an outside review board instead.

Transform Crop Subsidies into Stewardship Payments

- Eliminate competition for funds between conservation appropriations and subsidy programs.
- End crop subsidies and direct payments in order to fully fund the CSP.
- End crop subsidies and direct payments and use all of the savings to increase funding for conservation programs.
- Pay for per pound reductions (of pollutants) and get rid of other programs.
- Shift crop subsidies from support of row crop production to support of grass based production systems.
- Direct support toward smaller scale grass and livestock based farms that have beneficial impact on the environment.
- Compensate farmers for the resource conservation and environmental benefits they produce.
- Recognize the environmental benefits of grazing systems.
- Fully implement the CSP as an entitlement program with national sign-up rather than restricting sign-ups to designated watersheds.
- Increase emphasis on Tiers II and III for CSP enrollments and contracts.
- Give public a two-year advance notice for CSP sign-ups by watershed.

highly-erodible is a serious problem for the Great Lakes. They argued that the soil conservation provisions should apply to all cropland and that the soil conservation standards should reflect off-site water quality damages including nutrient run-off.

Transform Crop Subsidies into Stewardship Payments

Many, if not most roundtable participants, agreed that transforming crop subsidies into stewardship payments would create an important opportunity to protect the health of the Great Lakes ecosystem. Participants, however, suggested a diverse set of approaches to effect such a transition.

Many participants thought the best way to transform crop subsidies into stewardship payments was to simply cut funding for or eliminate crop subsidies and use the savings to increase funding for existing conservation programs. They argued that such an approach was more feasible and practical than trying to create a new program to provide stewardship payments.

Many other participants argued that the best way to transform crop subsidies into stewardship payments was to cut funding for or eliminate crop subsidies and use the savings to fully fund the CSP or a new stewardship entitlement. They argued that an approach that marries income support with stewardship would be more sustainable and would achieve important social as well as environmental objectives.

Still other producers recommended redirecting subsidies from cropland to grazing land or to other types of farms and farming systems that provide greater protection to the Great Lakes.

Farm Bill Opportunities

The conservation compliance provisions of the 1985 farm bill have proved to be highly effective in reducing soil erosion and slowing wetland conversions. The soil conservation compliance provisions require producers to implement a conservation plan on cropland considered highly erodible in order to receive farm program benefits. A USDA Economic Research Service analysis found that the soil conservation compliance provisions had resulted in substantial erosion reductions on cropland subject to conservation compliance provisions. ERS estimated soil erosion was reduced by 331 million tons a year on highly erodible cropland because of the soil conservation compliance provisions. The report also found those reductions to be highly cost-effective when compared to other approaches to reducing soil erosion on cropland (Claassen et al. 2004).

But much more needs to be done. The NRCS National Resources Inventory (NRI) reports that 102 million acres of cropland are still eroding at rates that threaten the productivity of the soil. Many more acres are likely eroding at rates that threaten water quality. Nearly half—48 million—of the acres the NRI reports as eroding at rates that threaten soil

productivity are not classified as highly erodible and therefore not subject to the soil conservation compliance provisions of the 1985 farm bill. Moreover, the NRI indicates there has been no significant additional reduction in erosion since 1995, the date on which the soil erosion conservation compliance plans were required to be fully implemented (USDA NRCS 2003).

Runoff and soil erosion from cropland is a primary contributor to degradation of water quality in the Great Lakes. Congress should renew its commitment to reducing runoff and soil erosion from cropland receiving farm program benefits by expanding the reach of soil conservation compliance provisions and streamlining enforcement. The need to strengthen soil conservation provisions is made more urgent by the national initiative to expand production of ethanol with its attendant incentives to intensify production of corn and other row crops to meet the new demand for bio-fuel feed stocks while also satisfying existing demand for grain from domestic and international markets.

The most effective options to strengthen the soil conservation compliance provisions are listed below:

- Expand the reach of the provisions to cover all cropland receiving farm program benefits, not just highly erodible land.
- Include crop insurance as among the farm program benefits subject to conservation compliance provisions.
- Strengthen the standards used to determine acceptable rates of soil erosion to include the effects on water quality and require all existing soil conservation compliance plans be updated to meet that new standard.
- Provide for penalties that are graduated to the severity of the violation of the soil conservation compliance provisions and eliminate authority for waivers and exemptions except for undue economic hardship and events that are beyond the control of the producer.

Most important, Congress must ensure sufficient new funding is made available to provide the technical assistance needed to implement and enforce the strengthened conservation compliance provisions. Congress should mandate the secretary of agriculture use a portion of the CCC funds used to fund crop subsidies, crop insurance, and other farm program benefits that are subject to compliance provisions to acquire the technical assistance needed to help producers meet those compliance provisions and remain eligible for farm program benefits. Such an approach to funding technical assistance would parallel current practice for CCC-funded conservation programs. It will be extremely difficult if not impossible to implement expanded soil conservation compliance provision without substantial new investment in technical assistance to help producers update existing or

develop new conservation plans and to implement the practices needed to implement those plans.

The agriculture committees in the House of Representatives and the Senate have shown little interest to date in the kind of sweeping reform of farm program outlined above. CSP, authorized in the 2002 farm bill was viewed by many as a first step toward a transition to stewardship as the basis for farm support payments. But Congress has capped or cut funding for CSP six times since the farm bill was passed, crippling any opportunity for CSP to become a credible alternative to traditional forms of farm support. Moreover, flaws in implementation of the program—many caused by lack of funding—have called into question the conservation and environmental performance of the program.

Despite the apparent lack of political support and the difficulties of designing a program that simultaneously and meaningfully supports farm income and improves the environment, the potential benefits of a transition to stewardship as the basis for farm support are large. The best way forward at this juncture is to make fundamental reforms to CSP to improve its environmental performance and simplify the program for producers and agency staffs. Congress should revise the CSP statute to ensure the new CSP (1) devotes more of its resources to spurring new conservation effort on farms and ranches, (2) rewards comprehensive and effective treatment of environmental problems, and (3) focuses its resources on the most pressing environmental problems in the local watershed. (Please see the CSP program assessment at www.swcs.org for a more detailed discussion of CSP).

The new CSP could, if funded appropriately, make an important contribution to protecting the health of the Great Lakes ecosystem and an important step forward on a transition to stewardship as the basis for farm support programs in the future.

GAPS

Roundtable participants identified several issues they thought must be addressed but that may fall outside the scope and authority of USDA conservation programs and the conservation title of farm bill.

The first gap identified by participants was the role for regulation in dealing with the impacts on the Great Lakes arising from agricultural land. Several participants noted that it is important to acknowledge that not all producers are good stewards; some producers are poor or indifferent stewards and their operations can cause a great deal of damage if located in sensitive areas and/or critical watersheds. They argued there must be more emphasis on regulatory programs, particularly

to set standards and create motivation to participate in voluntary programs. Ideas to link regulatory and voluntary programs included providing liability protection for producers implementing conservation systems that meet regulatory standards and allocating more voluntary program funding to states doing an effective job of enforcing regulatory measures that apply to agricultural operations. Participants also noted that smaller feedlots and animal feeding operations are a critical contributor to water quality problems that are not effectively addressed through current regulatory programs.

Participants also identified a number of components of a comprehensive conservation effort to protect the Great Lakes ecosystem that will likely not be addressed through USDA conservation programs.

First among these potential “missing pieces” are failing septic systems in rural areas and failing or inadequate waste treatment facilities in small communities. Participants were also concerned about the ability of USDA conservation programs to deal with urban sprawl and to provide payments large enough to secure conservation of buffers and other critical habitat in the urban shadow.

Participants also highlighted the growing understanding of the importance of hydrologic restoration at watershed scales. Natural channel design and restoration, two-stage ditches, and restoration of riparian zones are highly effective means to protect the Great Lakes but require the participation of multiple and adjacent landowners—a challenge given traditional means of implementing USDA conservation programs. Protecting or restoring shoreline habitat, improving the management of private forest land, and protecting ground water recharge areas are also opportunities that need additional attention.

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Appendix

A. Roundtable Participants

Roundtable participation was by invitation only and participants at each roundtable were limited to 10 to 15 individuals to facilitate an in-depth discussion and sharing of ideas.

Charles Bauer, Michigan Dept. of Environmental Quality
Jim Baumann, Wisconsin Department of Natural Resources
Alicia Marie Belchek, Ottawa Conservation District
David Brakhage, Ducks Unlimited
Brian Braudt, American Farmland Trust
Joseph Britt, Sand County Foundation
Sean Browning, Ohio Natural Resources Conservation Service
Lisa Conley, Wisconsin Association of Lakes
John Crumrine, Agricultural Project, Heidelberg College
Kurt Heyman, Natural Association of Conservation Districts
Will Hoyer, Clean Wisconsin
Peggie James, Natural Resources Conservation Service - Wisconsin
Dan Kesseling, Natural Resources Conservation Service - Michigan
Margaret Kohring, the Conservation Fund
Margaret Krame, Michael Fields Agricultural Institute
Steven Law, Timberland Resource Conservation & Development
Gary Overmier, Great Lakes Commission
Sue Porter, Wisconsin Department of Agriculture & Consumer Protection
Rebecca Power, University of Wisconsin Extension Service
Stephen Prissel, Natural Resources Conservation Service - Wisconsin
Brad Redlin, Izaak Walton League of America
Chris Riddle, Sandusky River Watershed Coalition
Merrie Schamberger, Natural Resources Conservation Service - Wisconsin
Jim Scott, Natural Resources Conservation Service - Michigan
Byron Shaw, River Alliance Wisconsin
Stephen Shine, Michigan Department of Agriculture
Tony Smith, Manitowoc County Soil & Water Conservation District
Annoesjka Steinaman, Mona Lake Watershed Council
Greg Strand, Calhoun Conservation District
Fred Wadis, University of Wisconsin, Discovery Farms
Becky Wagner, Fond du Lac County Land & Water Conservation Dept.
Kim Wieber, Natural Resources Conservation Service - Michigan
Dennis Zimmerman, Michigan Lake and Stream Association

B. Roundtable Discussion Agenda and Process

Participants in the roundtable discussions were asked to identify and present their specific ideas for (1) incremental changes that could be effected immediately to improve the performance of USDA conservation programs and (2) large-scale change in USDA conservation programs and policy. The participants' ideas were captured on flip-charts. Participants were asked to indicate which of the ideas should receive the highest priority and which should receive the lowest priority by marking items on the flip charts with red and green dots. SWCS staff then clustered and ordered ideas based on the distribution of dots and engaged participants in more detailed discussion of the highest priority items.

The following agenda was used to structure the discussion at each roundtable, but minor changes were made to adapt to the unique circumstances at each roundtable. A record of the discussions was made using a court reporter. The court reporter was instructed not to associate any particular idea or comment with any particular participants.

- 9:00 a.m. Introductions and review of project purpose
- 9:45 a.m. Incremental change to USDA conservation programs
 - Statements by participants
 - Questions and clarification of ideas presented
 - Indication of priorities using red & green dots
- 11:15 a.m. Large-scale change to USDA conservation policy and programs
 - Statements by participants
- 12:00 p.m. Working lunch
 - Questions and clarification of ideas presented
 - Indication of priorities using red & green dots
- 1:00 p.m. Presentation of clustered and ordered ideas for incremental change
 - Clarify reasons participants support or object to ideas
 - Refine and revise ideas and recommendations
- 2:30 p.m. Presentation of clustered and ordered ideas for large-scale change
 - Clarify reasons participants support or object to ideas
 - Refine and revise ideas and recommendations
- 4:00 p.m. Discussion of next steps and closing remarks
- 4:30 p.m. Adjourn