



SUSTAINABLE AGRICULTURE COALITION

110 Maryland Avenue N.E. Phone 202.547.5754
Washington, D.C. 20002 Fax 202.547.1837
www.msawg.org

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Contact: Ferd Hoefner
202-547-5754

Preliminary Conservation Security Program Watersheds Announced

This morning USDA Secretary Mike Johanns announced the selection of 51 watersheds – one in each state plus Puerto Rico – in which farmers and ranchers will be eligible for enrollment in the Conservation Security Program (CSP) during Fiscal Year 2007. The 2002 Farm Bill established the CSP as a nationwide program open on regular basis to farmers and ranchers everywhere, but the Administration chose to implement the program on a rotating watershed basis and Congress has subsequently reduced funding for the program by some \$4 billion.

The selection of the 51 watersheds is only preliminary since Congress has not yet approved the FY 2007 Agricultural Appropriations bill. The bill may be finalized during the ‘lame duck’ session of Congress following the November elections.

Pending are dueling provisions, a Senate Committee decision to respect the decision made in the 2002 Farm Bill and place no cap on CSP funding and a House decision to cap the program at \$280 million for 2007. According to USDA, in 2007 the program will pay out \$199 million in payments to farmers for contracts signed in 2004-2006, \$51 million in technical assistance, and \$50-80 million for new conservation and environmental enhancements by current participants. Thus, between \$300 million to \$330 million is required just to honor current contracts and contract modifications and provide the technical assistance required to run the program.

If the Senate approach of leaving hands off the farm bill is adopted, these current contract payments could be made and the number of watersheds opened for enrollment in FY 2007 could be the proposed 51 watersheds or an increased number so that several watersheds per state could be enrolled. If the House approach is adopted, there will be no money for any new watersheds and the Secretary would presumably be forced to retract today’s announcement.

“Today’s announcement neatly frames the decision Congress faces when it returns after the November elections,” said Ferd Hoefner with Sustainable Agriculture Coalition. “The majority of farmers are still waiting for their first chance to enroll in the landmark program promised by Congress in 2002. Only by adopting the Senate provision will there be a chance for making significant progress. The House-passed funding cap will stop the program in its tracks and deny farmers the opportunity to protect resources and advance important environmental outcomes.”

In 2005, 220 watersheds were eligible for the program. In August of last year the Administration announced the selection of 110 watersheds for enrollment in 2006, cutting the number of watersheds eligible in half from the year before. Subsequently, however, USDA was forced to cut even that low number further, throwing out 50 watersheds from the sign-up after congressional appropriators decided to restrict program funding during conference committee consideration of the FY 2006 bill.

“USDA is clearly low-balling the watershed number in attempt to prevent last year’s misfortune of getting farmers in 50 watersheds working on comprehensive conservation plans in order to enroll in CSP, only to have to tell them they were not going to be eligible after all,” said Hoefner. “That may be wise politically at the moment, but at a pace of just one watershed per state per year, it would take about 40 years to reach the entire country. Our farmers are rightly upset at this absurdity. Clearly, this is no way to run a program.”

In responding to questions from Senator Byron Dorgan (ND) at an appropriations hearing earlier this year, USDA said that in order for it to stay on the 8-year watershed rotation schedule it originally established for the program, an average of 265 watersheds would need to be eligible each year. For FY 2007, USDA estimated that to pay for existing contracts and technical assistance and enroll farmers in an additional 265 watersheds, it would need approximately \$510 million.

“Budget estimators for Congress and for the Administration have both previously estimated that full funding for CSP would exceed \$1 billion per year,” noted Hoefner. “The time has come for appropriators to stop taking money from CSP to use for other purposes and for Congress to restore the funding that has previously been taken away from the program during consideration of the 2007 Farm Bill next year.”

The Conservation Security Program is a comprehensive stewardship incentives program that provides financial and technical assistance to farmers and ranchers who develop and maintain conservation systems that solve critical natural resource and environmental concerns, rewarding them for investments of labor, management, and capital aimed at fostering healthy, productive, and non-eroding soils, clean air and water, energy savings, and wildlife habitat.

The Sustainable Agriculture Coalition represents grassroots farm, rural, and conservation organizations from across the country that advocate for public policies supporting the long-term economic and environmental sustainability of agriculture, natural resources and rural communities.