

2007 Farm Bill -- A California Perspective
Testimony submitted by the Central Valley Joint Venture
August 1, 2006

On behalf of the Central Valley Joint Venture, we offer the following comments to be used as the State of California develops its recommendations for the 2007 Farm Bill.

The mission of the Central Valley Joint Venture (CVJV) is to work collaboratively through diverse partnerships to protect, restore and enhance wetlands and associated habitats for waterfowl, shorebirds, waterbirds and neotropical migratory birds, in accordance with conservation actions identified in our Implementation Plan. Our work has resulted in close partnerships with farmers in the Central Valley and substantial use of Farm Bill programs.

In 2004, we began a review of Farm Bill programs to determine if these programs have been utilized to their fullest potential in the Central Valley and if changes were necessary in future Farm Bills. Based on that review and our collective knowledge of Farm Bill programs in the California and the Central Valley, the following are comments to assist the state as it develops its recommendations for the next Farm Bill.

The Farm Bill has evolved into one of the most important conservation funding mechanisms in the country today. Programs in the conservation title provide landowners with needed resources and opportunities to address their environmental goals and meet regulatory objectives. They also help contribute to state and federal policy objectives of protecting floodplains from development, protecting agricultural lands, enhancing wildlife habitat and encouraging wildlife friendly farming.

Programs in the Farm Bill have leveraged the contributions not only of farmers but also other state agencies and non-profits dedicated to protecting and enhancing California's native ecosystems. They have helped farmers stay on the land and paying taxes, provided communities with new revenues through recreation, and enhanced the natural environment by providing species habitats, water and air quality improvements, and a long list of other public benefits.

Before turning to suggested improvements in current Farm Bill programs, we would like to highlight some overarching issues that need to be addressed if the 2007 Farm Bill is to serve the conservation needs of California, particularly California's Central Valley.

- a. **Funding:** Farm Bill funding for California must be increased. California receives a very small amount compared to what we produce. Because of California's diverse agricultural system, more than three-quarters of federal farm bill funding is directed to a relatively few number of producers, leaving the vast majority of CA farmers and ranchers with no assistance. With respect to Conservation Funding, California has a huge need that is not being met. For example, in Fiscal Year (FY) 2004, more than 4,000 qualified producers in California went unserved. The FY 2005 allocation for Environmental Quality Incentives Program (EQIP) fell more than \$33 million short of the value of backlog applications. All of the FY 2005 Wetlands Restoration Program (WRP) money will go to the FY 04 backlog, leaving more than \$30 million in applicants unfunded.

- b. Technical Assistance: The Natural Resources Conservation Service (NRCS) needs more and better qualified technical assistance, not only for implementation of projects, but for monitoring the impacts of these projects on target habitats and species. Technical assistance partnerships need to be encouraged and funded. For example partnerships with state funding programs and other Non-Governmental Organizations (NGOs) who provide technical assistance have made the WRP partnership perhaps the most successful Farm Bill partnership in the state. Such technical assistance partnership should be broadened to other Farm Bill programs to include cooperatively funded field biologists, foresters, and other resource specialists in tandem with State agencies and cooperating NGOs. In particular, the Farm Bill should fund technical service providers within state and local agencies and NGOs. This kind of partnership would provide better coordination between Farm Bill programs and state and local programs.

In addition, USDA needs to recognize that state fish and wildlife agencies play a significant part in managing wildlife resources by formalizing their role as full resource management partners in the development and delivery of Farm Bill Conservation programs. USDA needs to establish formal agreements between NRCS, Farm Services Agency (FSA), and each state wildlife agency that describes opportunities for state fish and wildlife agencies to participate in effective delivery of conservation technical assistance, including a mechanism for reimbursement for the specialized technical assistance provided.

- c. Expand Outreach: USDA needs to conduct workshops, provide user guides, and develop online information services that assist landowners in learning about and understanding conservation programs.
- d. Promoting Partnerships: With decreasing budgets – nationally and in California – we must promote private/public partnerships to further our conservation work under the Farm Bill.
- e. The Value in Conservation: Habitat and wildlife conservation must be viewed within the overall context of sustaining rural communities to remain viable in agriculture. This means we must move beyond the typical cost-share/incentive approach to implementing community income earning activities such as ecotourism and eco-labels. Also, in addition to paying cost-share for practices, we must also identify the public ecosystem service benefits that agriculture provides and partially reimburse for those services. This ultimately means expanding the Conservation Security Program to include other resources of concern besides soil and water.
- f. Better Program Coordination: We must promote better management and coordination of conservation programs over different resources, agricultural systems and incentive mechanisms. Thus, we should support the creation of “one-stop shopping” for landowners who want to apply for conservation funding.
- g. Monitoring and Evaluation: USDA must include dedicate funding for the monitoring and evaluation of all Farm Bill conservation programs to determine their benefits to soil, water, fish and wildlife. This information will be instrumental in demonstrating the

public benefits accrued from conservation practices and will assist in justifying conservation payments to producers.

- h. Wildlife Conservation: More money needs to be directed toward conservation funding for the protection and conservation of native species and wildlife habitats as well as promoting innovative programs. For example, there should be more of an emphasis on promoting the use of native pollinators and combating invasive species. An increased effort to support innovation is particularly applicable to California due to the uniqueness of the environmental challenges facing our state. In addition, in order to promote wildlife conservation, we would like to see a new “biodiversity quotient” targeted at a setting percentage of funding for projects/practices that promote biodiversity. Also, we would like to see the California Wildlife Conservation Strategy, recently submitted to the U.S. Fish and Wildlife Service for approval, used as a targeting mechanism and criteria for conservation funding. Finally, Farm Bill conservation agreements need to assure landowners, who take proactive steps to benefit special status species, that their efforts are consistent with the federal Endangered Species Act and similar state laws. USDA needs to provide incentive premiums for the protection of sensitive landscapes through existing conservation programs. Moreover, USDA needs to incorporate Safe Harbor Agreements and other similar instruments into Farm Bill conservation programs that benefit sensitive ecosystems and associated species.

II. Specific Conservation Programs

The following is a discussion of necessary improvements to specific Farm Bill Conservation programs:

Wetlands Reserve Program (WRP) – California’s strongest partnership with USDA is between the California Department of Fish and Game and USDA in implementing WRP. State funds for restoration or enhancement of easements, or other management activities, as well as matching funds for easement acquisitions have contributed to this program’s restoration of 90,000 acres of wetlands in California. In order to make WRP work even better in California, acreage authorizations need to be increase. In addition, for states, like California, where development pressure is high, WRP needs to be reformed so that “fair market value” paid for easements is not limited to fair “agricultural” market. Instead, the concept of “fair market value” should be expanded to reflect the value being placed on agricultural lands for development.

Conservation Reserve Program (CRP) – CRP, 35 million acres strong nationwide, boasts a mere 144,000 acres in California. The reason is largely due to rental payments that are insufficient in California’s primarily irrigated agricultural landscape. To make CRP work better in California, we need to increase irrigated rental rates, extend eligibility to marginal pasture land and hay fields that could be restored to at-risk species habitat, and increase funding for technical assistance by NRCS. USDA should also consider allowing landowners to enroll multiple fields within a tract and to rotate upland planting between the fields from year to year. The desire to rotate fields within a larger rented field has been expressed by many farmers, especially in rice where they are familiar with the previous “set-aside” provisions. Finally, riparian buffers should be allowed on degraded riparian habitat and on orchard/vineyard lands. California’s has lost much of its riparian landscape, which is

essential habitat for many declining and listed species. We must put more of emphasis on restoring those degraded riparian areas.

Conservation Security Program (CSP) – The July 2005 signup of 386 farmers, primarily in the Sacramento Valley, is an encouraging sign. The quality of California’s applications should be a strong sign that this program will be successful and should continue to be expanded. We strongly urge that the cap on CSP is lifted and fully fund to be consistent with the 2002 Farm Bill. In addition, USDA should make wildlife and species conservation co-equal with soil and water quality, and increase the percentage of CSP funding available for technical assistance.

Environmental Quality Incentives Program (EQIP): California needs more EQIP funds. The level of unserved and qualified producers in California clearly demonstrates the need to increased funding. In addition, USDA needs to encourage more innovation and improve EQIP’s effectiveness in addressing concerns related to water quality and quantity and at-risk species. For example, in EQIP’s ground and surface water conservation program, USDA should prioritize projects that enhance in-stream flows. In addition, EQIP funds could assist with groundwater recharge in the Tulare Basin through post harvest flooding assistance.

Wildlife Habitat Incentives Program (WHIP): There needs to be a significant increase in funding for WHIP. This small program has the potential to significantly benefit wildlife habitat if funding can be increased and the funds that are available better targeted toward wildlife needs. The next Farm Bill should link WHIP funds to the statewide wildlife conservation strategies that have been developed by each state wildlife agency. Also, NRCS and state and federal wildlife agencies should be encouraged to integrate state and federal funding to address targeted resource concerns.

Farm and Ranch Lands Protection Program and Grassland Reserve Program – California loses its farmland to urban development at the rate of nearly 50,000 acres per year, and will lose as much as a million acres of rangeland to residential development in a decade. Many species rely on farmland and grasslands for their continued survival and if we do not protect these areas, we will only create more species train wrecks. Here in the Central Valley, Swainson’s hawk, red-legged frog, CA tiger Salamander, and the vernal pools species all rely on the protection of our grasslands. California’s investments in farm and rangeland easements have dwarfed the investments from Farm Bill programs. While the state Farmland Conservancy Program has been funded with more than \$37 million dollars to acquire agricultural easements since 2000, the corresponding federal Farm and Ranch Land Protection Program has invested less than \$14 million. Similarly, while California has funded its Rangeland, Grazing Land, and Grasslands Protection Program at \$19.5 million since 2002, the federal Grasslands Reserve Program has provided only \$5.8 million in funds for easements and other conservation efforts. Funding for both the FRPP and GRP should be expanded nationally, with a corresponding increase to California’s share to match our state’s investment in protecting these important lands.

We thank you for the opportunity to provide these comments. We hope that our comments will be incorporated as you move forward in developing your recommendations for the 2007 Farm Bill.