2014 Explanatory Notes
Natural Resources Conservation Service

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Purpose Statement

The mission of NRCS is "Helping People Help the Land." The Agency accomplishes its mission by providing products and services that enable people to be good stewards of the Nation's soil, water, and related natural resources on non-Federal lands. The formation of the Soil Conservation Service (SCS) marked the beginning of the Federal government's enduring commitment to conserving natural resources on private lands. Originally established by Congress in 1935, the agency was later renamed NRCS pursuant to Public Law 103-354, the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962). From the beginning, the agency brought a national focus to the emerging resource issues of the Dust Bowl era: prevention of wind and water erosion. Desperate to retain its productive Midwest soils, the Nation turned to SCS for technical guidance and advice on minimizing the impacts of erosion. Although the Dust Bowl has passed, the relationship between landowners and the agency remains.

Over the last 75 years, the agency expanded its services to become a conservation leader for all natural resources: soil, water, air, plants, and animals. Now, as NRCS, its primary focus is to ensure that private lands are conserved, restored, and made more resilient to environmental challenges, like climate change.

Seventy percent of the land in the United States is privately owned, making stewardship by private landowners and land managers absolutely critical to the health of our Nation's environment. These are the people who make day-to-day decisions about natural resource use and management on non-Federal lands, and NRCS offers them the technology, technical and financial assistance needed to benefit the resources, sustain productive lands, and maintain healthy ecosystems.

Science and technology are the critical foundation to effective conservation. NRCS experts from many disciplines come together to help landowners conserve natural resources in efficient, smart and sustainable ways. Whether developed in a laboratory or on the land, NRCS science and technology helps landowners make the right decisions for every natural resource.

NRCS's Conservation Delivery System provides services directly to the landowner or land manager in cooperation with conservation districts. Conservation districts are units of local government created by State law and exist in every county and territory of the United States. Conservation districts are responsible for providing guidance to the agency on local resource concerns and serving as the voice of the local community on resource issues.

NRCS's also works in partnership with State and local agencies, locally elected or appointed farmer committees, Federal agencies, tribal governments, and private sector organizations to encourage cooperation and facilitate leveraging of the financial and technical resources these groups can offer. By bringing together groups that have a common and vested interest in the local landscape, community, or watershed, NRCS facilitates collaboration among groups that collectively support sustainable agriculture and maintain natural resource quality.

Under this umbrella of agency mission and local cooperation, NRCS employees help landowners and land managers understand the natural processes that shape their environment, how conservation measures can improve the quality of that environment, and what conservation measures will work best on their land. NRCS employees provide these services directly to the customer. Field offices at USDA Service Centers are in nearly every county and territory of the United States. NRCS employees' technical expertise and understanding of local resource concerns and challenges result in conservation solutions that last. ***In the words of the first NRCS Chief, Hugh Hammond Bennett – "If we take care of the land, it will take care of us."***

Conservation Operations. Conservation Operations is authorized by the Soil Conservation and Domestic Allotment Act of 1935, P.L. 74-46 (16 U.S.C. 590a-590f) and the Soil and Water Resources Conservation Act of 1977, (16 U.S.C. 2001-2009). The purpose of Conservation Operations is to provide technical assistance supported by science-based technology and tools that help people conserve, maintain, and improve the Nation's natural resources. Conservation Operations has four major program components: Conservation Technical Assistance (CTA); Soil Survey; Snow Survey and Water Supply Forecasting (SSWSF); and Plant Materials Centers (PMCs).

Conservation Technical Assistance Program (CTA). The CTA Program has a long history as NRCS'S conservation planning program, helping to develop and deliver conservation technologies and practices to private landowners, conservation districts, tribal, and other organizations.

Through the CTA Program, NRCS helps land managers develop comprehensive conservation plans that include activities which: reduce soil loss from erosion; address soil, water quality, water conservation, air quality, and agricultural waste management concerns; reduce potential damage caused by excess water and sedimentation or drought; enhance the quality of fish and wildlife habitat; improve the long-term sustainability of all lands, including cropland, forestland, grazing lands, coastal lands, and developed or developing lands; and facilitate changes in land use as needed for natural resource protection and sustainability.

Since its inception, CTA funding has provided the agency with the infrastructure and technology needed to proactively address national conservation priorities that have significant impacts on our resources while maintaining a sustainable and productive agriculture sector. At the same time, CTA provides the flexibility required to be responsive to national priorities and ever evolving conservation technology. The need to maintain technical capacity at the field level is imperative in developing and delivering the needed conservation assistance to landowners on privately owned land.

CTA funding is used to:

- Provide conservation technical assistance to individuals or groups of decision makers, and to communities, conservation districts, units of State, tribal and local government, and others to voluntarily conserve, maintain, and improve natural resources;
- Provide collaborative community, watershed, and area-wide technical assistance with units of government so they can develop and implement resource management plans that conserve, maintain, and improve our natural resources at appropriate scales;
- Provide conservation technical assistance to help agricultural producers comply with the Highly Erodible Land (HEL) and Wetland (Swampbuster) Conservation Compliance Provisions of the 1985 Food Security Act, as amended by past and future Farm Bills;
- Provide conservation technical assistance to aid private landowners in complying with other Federal, State, tribal, and local environmental regulations and related requirements, and prepare them to become eligible to participate in other Federal, State, and local conservation programs;
- Collect, analyze, interpret, display, and disseminate information about the status, condition, and trends of soil, water, and related natural resources so people can make informed decisions for natural resource use and management;
- Assess the effects of conservation practices and systems on the condition of natural resources; and
- Develop, adapt, and transfer effective science-based technologies and tools for assessment, management, and conservation of natural resources.

Soil Survey. NRCS's Soil Surveys provide the public with information on the properties, capabilities, and conservation treatment needs of their soils through the use of soil maps and interpretive analyses. Soil Surveys help people make informed land use and management decisions that take into consideration various soil characteristics and capabilities, ensuring their soil is kept healthy and productive. In addition, it provides soils information and interpretation to individuals or groups of decision-makers, and to communities, States, and others to aid sound decision-making in the wise use and management of soil resources;

NRCS conducts Soil Surveys cooperatively with other Federal agencies, Land Grant Universities, State agencies, tribes, and local governments. NRCS's major Soil Survey objectives are to:

- Inventory and map the soil resource on all lands of the United States;
- Keep soil surveys relevant to meet emerging and ever-changing needs;
- Interpret the data and make soil survey information available to meet public needs;
- Promote and provide technical assistance in the use of soil survey information; and
- Lead the National Cooperative Soil Survey Program (NCSS).

A major challenge is integrating soils data for 3,000 counties across the Nation into a single dataset that eliminates discrepancies in older Soil Surveys, which do not have the same level of detail as newer Soil Surveys and often uses outdated mapping and classification concepts. Until recently, Soil Survey information reflected the "average" condition of soil properties without providing information on differences induced by different management systems

and land uses. Soil Surveys are now being updated to create a seamless soil survey across all counties and States and to provide information on soil properties that change depending on land use and management.

Soil Survey information is the foundation of resource planning conducted by land-users and policy makers. Soil Surveys provide vital information needed to support sustainable and productive soils in the United States. Emerging environmental issues (e.g., soil carbon stocks, nutrient management, and healthy soils) require that the soil survey collect and interpret new data to best inform decision makers.

In addition to providing Soil Survey data to the public, NRCS also maintains a National Soil Survey Center (NSSC) that integrates and adds to the current soil science and provides information for the effective application of the Soil Survey to help make good land management possible. NSSC develops national soil policy, technical guidance, procedures, and standards. It conducts soil research investigations, operates a soil survey laboratory, develops handbooks and manuals, provides training, develops and maintains soil survey data systems; and plans regional work conferences.

Snow Survey and Water Supply Forecasts (SSWSF). The SSWSF Program collects high elevation snow data in the Western United States and provides managers and users with snowpack data and water supply forecasts. NRCS field staff collects and analyzes data on snow depth, snow water equivalent, and other climate parameters at over 2,022 remote, high elevation sites. The program is actively transitioning to a fully automated system that provides near-real time data available on the internet. At the present time, 862 of these remote data collection sites (SNOTEL) are currently automated. The data are used to provide estimates of annual water availability, spring runoff, and summer stream flows. Climate change researchers have increasingly accessed the data for evaluating trends in the Western U.S. The water supply forecasts are used by individuals, Tribes, organizations, and units of government for decisions relating to agricultural production, hydroelectric power generation, fish and wildlife management, municipal and industrial water supply, reservoir management, urban development, flood control, recreation, and water quality management. Western Federal water management agencies include these forecasts in their water management functions. Reports on the snowpack characteristics are used by the ski industry, transportation departments and others to plan their seasonal work in remote mountainous areas.

The objectives of the program are to:
- Provide reliable, accurate and timely forecasts of surface water supply to water managers and water users in the west;
- Efficiently obtain, manage, and disseminate high quality data and information on snow, water, climate, and hydrologic conditions; and
- Provide climate data to support NRCS conservation planning tools.

In addition, the Soil Climate Analysis Network (SCAN) provides similar climate information as well as soil moisture and temperature data at lower elevations. SCAN consists of 191 sites in the 48 contiguous United States, Alaska, Hawaii, and Puerto Rico/Virgin Islands.

Plant Material Centers (PMCs). The PMCs identify, test, evaluate, and demonstrate the performance of plants and plant technologies to solve natural resource problems and improve the utilization of natural resources. Thus, PMCs contribute to reducing soil erosion; increasing cropland soil health and productivity; restoring wetlands, improving water quality, and improving wildlife habitat (including pollinators); protecting streambank and riparian areas; stabilizing coastal dunes; producing biomass; improving air quality; and addressing other conservation treatment needs. PMCs have a long and successful history of selecting and testing plant materials for resource conservation which has, in large part, accomplished the purpose of increasing the availability of conservation plant material to the public.

PMCs are realigning their activities to better focus on: 1) the utilization of plants for specific objectives and purposes, such as soil health, soil stabilization, and pollinator/wildlife habitat; 2) the collection of data to improve conservation planning efforts; and 3) the validation of plant materials for use in NRCS vegetative conservation practices. The shift in focus aligns PMCs with current NRCS needs to ensure that conservation practices are scientifically-based, to improve the knowledge of NRCS field staff through PMC-led training sessions and demonstrations, and to develop recommendations to meet new and emerging natural resource issues. This new focus expands existing efforts to improve technology transfer. For example, 2,500 documents are now available online describing how to select and use plants for conserving or improving natural resources. The work at PMCs is

carried out cooperatively with State and Federal agencies, universities, tribes, commercial businesses, and seed and nursery associations. PMC activities directly benefit private landowners as well as Federal and State land managing agencies.

Watershed and Flood Prevention Operations Programs (WFPO). Through the WFPO programs, NRCS cooperates with State and local agencies, tribal governments, and other Federal agencies to prevent damage caused by erosion, floodwater, and sediment, to further the conservation, development, utilization, and disposal of water, and advance the conservation and utilization of the land. Authorization includes the Watershed Operations Program authorized by the Flood Control Act of 1944 (P.L. 78-534) and the Watershed Protection and Flood Prevention Program authorized by (P.L. 83-566; 16 U.S.C. 1001-1008), as amended.

The Watershed Protection and Flood Prevention Program is available nationwide to protect and improve watersheds up to 250,000 acres in size (small watersheds). Currently, there are approximately 315 active small watershed projects throughout the country. The Watershed Operations Program is available only in areas authorized by statute. These areas cover about 38 million acres in 11 States. Objectives of the program are to provide technical and financial assistance to install watershed improvement measures to reduce flood, sedimentation, and erosion damage; improve the conservation, development, utilization, and disposal of water; and advance the conservation and proper utilization of land in authorized watersheds.

Emergency Watershed Protection Program (EWP). EWP reduces hazards to life and property in watersheds damaged by severe natural events. An emergency exists when a watershed is suddenly impaired by flood, fire, drought, wind borne, or other natural causes that results in threats to life and property. The emergency area need not be declared a national disaster area to be eligible for assistance; however, a Presidential disaster declaration is one method for establishing eligibility. The program is authorized by Section 216, P.L. 81-516, (33 U.S.C. 701b-1) and Sections 403-405, P.L. 95-334 (16 U.S.C. 2203-2205). The Federal Agriculture Improvement and Reform Act of 1996 amended Section 403 of the Agricultural Credit Act of 1978 (P.L. 95-334) (16 U.S.C. 2203) by including the purchase of floodplain easements as an emergency measure authorized under EWP.

Objectives of the program are to provide technical and financial assistance for disaster cleanup, restoration of watershed conveyance, and subsequent stabilizing of stream banks and levees. The program also allows for relocation of properties outside floodplains in lieu of restoration in cases where it is more cost effective. Local people are generally employed on a short-term basis to assist with disaster recovery. Activities include: 1) establishing quick vegetative cover on denuded land, sloping steep land, and eroding banks; 2) opening dangerously restricted channels; 3) repairing diversions and levees; 4) purchasing floodplain easements; and 5) other emergency work.

Watershed Rehabilitation Program. This dam rehabilitation program provides both financial and technical assistance to communities for addressing public health, safety concerns, and environmental impacts of aging dams. The program is authorized under Section 14 of the Watershed Protection and Flood Prevention Act, as amended by Section 313 of (P.L. 106-472), November 9, 2000.

Local communities have constructed more than 11,700 watershed dams with assistance from NRCS. These dams protect America's communities and natural resources with flood control, but many also provide the primary source of drinking water for the area or offer recreation and wildlife benefits. Funding is used for rehabilitation projects to bring dams up to current safety standards through planning, design, and construction of the rehabilitation project, but may also be used for dam removal. The program may provide up to 65 percent of the total cost of the rehabilitation projects. Federal funds cannot be used for operation and maintenance.

Water Bank Program. WBP focuses technical and financial assistance on flooded cropland, flooded hay and pasture land, and flooded forestland. NRCS received WBP funding in 2012 and held a sign-up in Minnesota, North Dakota, and South Dakota, which have experienced significant flooding of agricultural land. Landowners and operators have non-renewable 10-year rental agreements to receive annual payments to protect wetlands and provide wildlife habitat by preventing adverse land uses and activities, such as drainage, that would destroy the wetland characteristics of those lands. WBP participants who wish to establish or maintain conservation practices may apply for financial assistance through other NRCS or State financial assistance programs where available.

Resource Conservation and Development Program (RC&D). RC&D is authorized by Section 102 of the Food and Agriculture Act of 1962 (P.L. 87-703), (U.S.C. 1010-1011) and Sections 1528-1538 of the Agriculture and Food Act of 1981 (P.L. 97-98). RC&D is initiated and directed at the local level by volunteers and may encompass multiple communities, various units of government, tribes, municipalities and grass root organizations. Federal Funding for RC&D ended in FY 2011.

Wetlands Reserve Program (WRP). WRP is a voluntary program offering landowners the opportunity to protect, restore, and enhance wetlands on their property. The program was authorized by Section 1237 of the Food Security Act of 1985 (P.L. 99-198), as amended by the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624), the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), the Farm Security and Rural Investment Act of 2002 (the "2002 Farm Bill", P.L. 107-171), and the Food, Conservation and Energy Act of 2008 (the "2008 Farm Bill", P.L. 110-246), to assist owners in restoring and protecting wetlands.

WRP is a program funded by the Commodity Credit Corporation (CCC) and administered by NRCS, which provides technical and financial support to help landowners with their wetland restoration efforts. The goal is to achieve the greatest wetland functions and values, along with optimum wildlife habitat, on every acre enrolled in the program.

WRP provides landowners four methods to enroll acreage: permanent easements; 30-year easements; 30-year contracts for acreage owned by Native American tribes; and restoration cost-share agreements. In addition to enrolling new easements, NRCS monitors, enforces, and manages easements enrolled in prior years. Proven elements of an effective Wetlands Reserve Program are strong relationships with landowners and adequate technical expertise to carry out these functions.

Since 1992, over 2.6 million acres of wetlands and associated upland buffers have been enrolled in WRP through conservation easements and cost-share agreements, thereby contributing significantly to wetland protection efforts in the United States. NRCS has long-term stewardship responsibility for the acreage enrolled through conservation easements.

WRP restores, protects, and enhances wetlands on eligible private or tribal lands to attain:

- Habitat for migratory birds and other wetland dependant wildlife, including threatened and endangered species and other species of special concern;
- Maintenance of plant and animal communities;
- Protection and improvement of water quality through particulate removal and filtration;
- Attenuation of water flows due to flooding;
- Recharge of groundwater;
- Protection and enhancement of open space and aesthetic quality;
- Protection of native flora and fauna contributing to the Nation's natural heritage;
- Sequestration of atmospheric carbon;
- Contribution to educational and scientific scholarships; and
- Nutrient cycling.

Environmental Quality Incentives Program (EQIP). EQIP advances the voluntary application of conservation practices to promote agricultural production, forest management, and environmental quality as compatible uses. Conservation practices funded through EQIP help producers improve the condition of soil, water, air, and other natural resources. The program assists owners and operators of agricultural and forest land with the identification of natural resource problems and opportunities in their operation and provides assistance to solve identified problems in an environmentally beneficial and cost-effective manner. The program was re-authorized by Section 2501 of the 2008 Farm Bill, and extended through 2014 by Section 716 of the Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55).

Although EQIP specifically addresses resource concerns on working farms and ranches, implementation of the program creates benefits that extend well beyond the farm. Conservation practices funded through EQIP contracts accrue significant environmental benefits, including improved grazing lands, improved air quality, enhanced fish

and wildlife habitat, sustainable plant and soil conditions, improved water quality and quantity, reduced soil erosion, and energy conservation that provide important ancillary economic and social benefits.

Agricultural Water Enhancement Program (AWEP). AWEP is a voluntary conservation program that provides financial and technical assistance to agricultural producers to implement agricultural water enhancement activities on agricultural land in order to conserve surface and ground water and improve water quality. AWEP is part of the Environmental Quality Incentives Program, and operates through contracts with producers to plan and implement conservation practices to conserve ground and surface water and improve water quality in project areas established through partnership agreements.

AWEP is not a grant program. Rather, it is a program whereby eligible partners enter into multi-year agreements with NRCS to promote ground and surface water conservation or improve water quality on eligible agricultural lands. The intent of AWEP is for the Federal government to leverage its investment in natural resources conservation along with services and resources of other eligible partners. The individual producers are not eligible to submit a partnership proposal. Partnership efforts have been forged with Federal, State, and local entities, including the National Association of Conservation Districts, State Associations of Conservation Districts, and local conservation districts in efforts to deliver a program beneficial to program participants and the environment. NRCS cooperates with Federal, State, and local partners to address local and national conservation issues. Through interactive communication between the local community, local interest groups, and State and Federal agencies, the partnership provides the entities with information and resources needed to address local priorities and implement State and national programs.

Wildlife Habitat Incentives Program (WHIP). WHIP provides financial and technical assistance to participants for the protection, restoration or enhancement of upland wildlife habitats, wetland wildlife habits, threatened and endangered species, fisheries, and other types of habitat. The program is authorized by Section 1240N of the Food Security Act of 1985, as amended by Section 2502 of the 2002 Farm Bill. WHIP was reauthorized under Section 2602 of the 2008 Farm Bill, and extended through 2014 by Section 716 of the Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55).

WHIP practices are often compatible with, and beneficial to, farming and ranching enterprises. Focused efforts on conservation of habitat for fish and wildlife also contribute to a more sustainable use of resources and reduced greenhouse gas emissions. By prioritizing specific geographic areas, WHIP is able to target financial and technical assistance funds to improve crucial habitat for targeted declining fish and wildlife species.

Farm and Ranch Lands Protection Program (FRPP). FRPP protects the Nation's most valuable lands for the production of food, feed, and fiber by providing matching funds to keep productive farm and ranch lands in agricultural uses. The program was authorized by the 2002 Farm Bill as a Title XII program under the Food Security Act of 1985. NRCS was authorized to purchase conservation easements for the purpose of protecting topsoil by limiting non-agricultural uses of the land. NRCS identified the program as the FRPP in the 2003 Final Rule to distinguish it from an earlier similarly-named program and to reflect more accurately the types of land the program protects. Section 2401 of the 2008 Farm Bill reauthorized FRPP and changed the purpose of the program to protecting the agricultural use and related conservation values of eligible land by limiting nonagricultural uses of that land. Additionally, the 2008 Farm Bill changed FRPP from a Federal land acquisition program to a program where NRCS provides financial assistance for the purchase of conservation easements by eligible entities. Section 716 of the Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55) extended the program through 2014.

By enrolling in FRPP, farm and ranch lands threatened by development pressures can remain productive and sustainable. Keeping land in agricultural use reduces the amount of urban pollution (nitrogen, phosphorus and sedimentation) from land that would otherwise be converted to lawns and impervious surfaces. Ultimately, this assists with efforts in managing Total Maximum Daily Load (TMDL) of nutrients to public waters such as the Chesapeake Bay and Mississippi River.

FRPP eligible land includes farm or ranch lands that have prime, unique, or other productive soil, contain historical or archaeological resources, or support the policies of a State or local farm and ranch land protection program.

NRCS works through existing farmland protection programs by partnering with State and local governments, soil and water conservation districts, tribes, and eligible nongovernmental organizations to purchase conservation easements.

Conservation Security Program. The Conservation Security Program was a voluntary program that provided financial and technical assistance for the conservation, protection, and improvement of natural resources on tribal and private working lands. It provided payments for producers who practice good stewardship on their agricultural lands and provided incentives for those who wanted to do more. Under the 2008 Farm Bill, NRCS is not authorized to enter into new Conservation Security Program contracts, but continues to make payments to producers with five- to ten-year contracts from prior years.

The program was authorized by Section 2002 of the 2002 Farm Bill, which amended the Food Security Act of 1985 by adding Chapter 2, Subchapter A, the Conservation Security Program. Section 1202(a) of the Deficit Reduction Act of 2005 extended the program to 2011. The program was not reauthorized by the 2008 Farm Bill, which stipulated that a Conservation Security Program contract may not be entered into or renewed after September 30, 2008. Pursuant to Section 2301 of the 2008 Farm Bill, the Secretary shall make payments on contracts entered into before September 30, 2008, using such sums as are necessary.

Conservation Stewardship Program (CStP). The purpose of CStP is to encourage producers to address resource concerns in a comprehensive manner by undertaking additional conservation activities and improving, maintaining, and managing existing conservation activities. The program was authorized by the 2008 Farm Bill, which amended the Food Security Act of 1985 to authorize the program in 2009 through 2012. Section 716 of the Consolidated and Further Continuing Appropriations Act, 2012 (P.L. 112-55) extended the program through 2014.

CStP encourages agricultural and forestry producers to maintain existing conservation activities and to adopt additional ones on their operations. CStP provides opportunities to both recognize excellent stewards and deliver valuable new conservation. The program helps producers identify natural resource problems in their operation and provides technical and financial assistance to solve those problems in an environmentally beneficial and cost-effective manner. CStP addresses seven natural resource concerns (soil quality, soil erosion, water quantity, water quality, air quality, plant resources, and animal resources) as well as energy.

CStP is a voluntary program available through a continuous sign-up process, with announced cut-off dates for ranking and funding applications. This allows producers to submit their applications at any time. Applications are evaluated relative to other applications addressing similar priority resource concerns to facilitate a competitive ranking process among applications that face similar resource challenges. The 2008 Farm Bill prescribed the following factors for evaluating and ranking applications:

- Level of conservation treatment on all applicable priority resource concerns at the time of application;
- Degree to which the proposed conservation treatment on applicable priority resource concerns effectively increases conservation performance;
- Number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract; and
- Extent to which other resource concerns, in addition to priority resource concerns, will be addressed to meet or exceed the stewardship threshold by the end of the contract period.

During the period beginning on October 1, 2008, and ending on September 30, 2017, the Secretary of Agriculture shall, to the maximum extent practicable, "(1) enroll in the program an additional 12,769,000 acres for each year" and "(2) manage the program to achieve a national average rate of $18 per acre, which shall include the costs of all financial assistance, technical assistance, and any other expenses associated with enrollment or participation in the program." Congress authorized the enrollment of a maximum of 12,769,000 acres for the period beginning October 1, 2008, and ending on September 30, 2017. Continuous sign-up for CSP started on August 10, 2009.

Grasslands Reserve Program (GRP). GRP assists landowners and operators in restoring and protecting grazing uses and related conservation values. The program is authorized by Section 1238N of the Food Security Act of 1985 (P.L. 99-198), as amended by Section 2401 of the 2002 Farm Bill. Section 2403 of the 2008 Farm Bill reauthorized GRP. The program offers several enrollment options: permanent easements or 10-, 15- and 20- year

rental contracts. The program also authorizes the enrollment of permanent easements through a cooperative agreement with an eligible entity. The program has a 1,220,000 acre enrollment cap for additional enrollment in 2009 through 2012.

GRP is jointly administered by NRCS and the Farm Service Agency (FSA). NRCS responsibilities include: accepting applications; providing technical assistance to the participant; evaluating and ranking applications for rental contracts and easements; ensuring conservation treatment is in accordance to program requirements; ranking and selecting applications for funding; providing payment documentation to FSA; and establishing quality assurance and control procedures to monitor land enrolled in easements or rental contracts.

FSA responsibilities include: accepting applications; issuing payments; assessing penalties and liquidated damages as applicable; accepting, modifying and terminating rental contracts; landowner eligibility determinations on easement and rental contracts; acreage determination on rental contracts; maintaining GRP records and reports; and enforcement of violations on rental contracts.

Agricultural Management Assistance Program (AMA). AMA provides technical and financial assistance in 16 States, including Connecticut, Delaware, Hawaii, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. AMA is funded through the CCC. The program is authorized by Section 211 of the Agricultural Risk Protection Act of 2000 (P.L. 106-224). Section 2801 of the 2008 Farm Bill reauthorized AMA.

NRCS provides AMA technical and financial assistance to producers to construct or improve water management structures or irrigation structures; plant trees for windbreaks; and take actions to improve water quality. The program also offers assistance to mitigate crop failure risks through diversification of production or implementation of resource conservation practices, including soil erosion control, integrated pest management, and transition to organic farming.

In addition, the (Risk Management Agency provides AMA) financial assistance to producers purchasing crop insurance to reduce revenue risk. The (Agricultural Marketing Service also provides AMA) financial assistance to program participants receiving certification or continuation of certification as an organic producer.

Chesapeake Bay Watershed Program (CBWP). CBWP helps agricultural producers improve water quality and quantity, and restore, enhance, and preserve soil, air, and related resources in the Chesapeake Bay Watershed through the implementation of conservation practices. These conservation practices: reduce soil erosion and nutrient levels in ground and surface water; improve, restore, and enhance wildlife habitat; and help address air quality and related natural resource concerns.

The program is authorized by Section 1240Q of the Food Security Act of 1985 (P.L. 99-198), as added by the 2008 Farm Bill. Section 1240Q established the CBWP and defines the Chesapeake Bay Watershed to mean all tributaries, backwaters, and side channels, including their watersheds, draining into the Chesapeake Bay. This area includes portions of Delaware, Maryland, New York, Pennsylvania, Virginia, and West Virginia. The program gives special, but not exclusive, consideration to the following river basins: Susquehanna River, Shenandoah River, Potomac River (including North and South Potomac), and the Patuxent River.

To carry out the CBWP, NRCS may choose to use any of the following programs authorized under Subtitle D of Title XII of the Food Security Act of 1985: WRP, EQIP, AWEP, WHIP, FRPP, CSP, GRP, AMA, Healthy Forests Reserve Program, or Conservation Reserve Program. NRCS targets watersheds where funding can have the greatest effect and takes a comprehensive, ecosystem-wide approach to restoration.

Healthy Forests Reserve Program (HFRP). HFRP assists landowners in restoring, enhancing, and protecting forest ecosystems to: promote the recovery of threatened and endangered species; improve biodiversity; and enhance carbon sequestration. The program is authorized by Title V of the Healthy Forests Restoration Act of 2003 (P.L. 108-148) as amended by the 2008 Farm Bill.

Cooperative Conservation Partnership Initiative (CCPI). Under CCPI, a voluntary conservation initiative, NRCS enters into multi-year partnership agreements with eligible entities that want to enhance conservation outcomes on agricultural and nonindustrial private forest lands. CCPI is authorized by Section 2707 of the 2008 Farm Bill, which establishes CCPI by amending Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843). The 2008 Farm Bill requires that six percent of the funds for EQIP and WHIP and six percent of the allowed acres for CSP and the Conservation Security Program be reserved for support of producer approved contracts. The intent of CCPI is to leverage resources of certain Federal government programs along with services and resources of non-Federal partners to implement natural resource conservation practices.

Programmatic and Landscape Conservation Initiatives. To address critical, regionally important conservation needs, NRCS and its partners have established programmatic and landscape-scale initiatives to provide additional support to voluntary conservation on private lands. NRCS has targeted funding to support the initiatives through a variety of 2008 Farm Bill Programs including: EQIP, WHIP, WRP, Conservation Innovation Grants (CIG), CCPI, AWEP, and the Wetland Reserve Enhancement Program (WREP). NRCS technical assistance is also provided through its CTA Program. Technical and financial support may also come from partners.

Each initiative is intended to raise awareness of a specific resource concern or opportunity, to stimulate interest and commitment for voluntary action, to help focus funding, and to optimize conservation results. By coordinating NRCS'S efforts with other Federal agencies, State and local governments, and other groups, efficiency and effectiveness are optimized; additional resources are generated from partners to expand capacity and accelerate action; and mutual support is established for core conservation practices/systems that benefit the watershed, ecosystem, or species of concern.

Following are some of the initiatives of national significance. Please see the above description of the CBWP for a summary of that initiative.

Sage-Grouse Initiative (SGI). This initiative focuses on protecting and conserving Sage-Grouse habitat in California, Colorado, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, and Wyoming. The objective is to alleviate or reduce threats to Sage-Grouse habitat and facilitate the sustainability of working ranches. SGI targets conservation delivery within high Sage-Grouse abundance centers or 'core areas' rather than provide palliative care to small and declining populations. NRCS and the U.S. Fish and Wildlife Service completed a range-wide conference report under the Endangered Species Act (ESA) in which NRCS identified a suite of 40 conservation practices that are beneficial to Sage-Grouse. Landowners benefit from the conference report because it provides some certainty regarding identified conservation activities if Sage-Grouse are listed under the Endangered Species Act.

Longleaf Pine Initiative (LLPI). Longleaf Pine forests once covered more than 90 million acres in the Southeastern United States, serving as one of the most diverse ecosystems outside of the tropics. Today only 3.4 million acres remain and provide critical habitat for 29 threatened or endangered species. The Longleaf Pine ecosystem range includes portions of Alabama, Florida, Georgia, Louisiana, Mississippi, North Carolina, South Carolina, Texas, and Virginia. The objective of this initiative is to protect and restore Longleaf Pine forest ecosystems in these States.

Bay-Delta Initiative. The Bay-Delta Initiative covers important estuary ecosystems within California's Sacramento/San Joaquin River Delta and the San Francisco Bay Estuary (Bay-Delta). The Bay-Delta supplies water for 22 million people, and supports a $28 billion a year agriculture industry in California. In response to the Administration's Interim Federal Action Plan, NRCS has made the Bay-Delta a nationally recognized conservation initiative based on a Federal and State partnership in support of balancing water quality concerns, water supply, and ecosystem restoration in the Central Valley. NRCS supports this initiative through AWEP, CCPI, CIG, CSP, EQIP, WHIP, and WRP.

Gulf of Mexico Initiative (GoMI). NRCS and its conservation partners developed GoMI in response to the Deepwater Horizon oil spill and it incorporates what the public and communities requested through their input into the Gulf Coast Ecosystem Restoration Task Force Strategy to restore the Gulf Coast. Through this initiative, NRCS assists farmers and ranchers to address water quality and wildlife resource concerns with voluntary conservation in priority areas along seven major rivers that drain to the Gulf.

Lesser Prairie Chicken Initiative (LPCI). NRCS has developed the LPCI to provide landowners assistance throughout the Lesser Prairie Chicken's current and historic range for the protection, enhancement, and expansion of suitable habitat, while also helping agricultural producers sustain their agricultural operations. The larger concentrations and target areas for the Lesser Prairie Chicken populations can be found in parts of Colorado, Kansas, New Mexico, Oklahoma, and Texas. Because of habitat loss and population decline, the Lesser Prairie Chicken is a candidate for Federal listing as a threatened or endangered species. NRCS hopes to reduce the need for listing and aid in the sustainability and population increase of the Lesser Prairie Chicken and has cooperated with the U.S. Fish and Wildlife Service to develop a conference report of the Lesser Prairie Chicken.

Mississippi River Basin Healthy Watersheds Initiative (MRBI). The MRBI was established in 2010 and covers Arkansas, Kentucky, Illinois, Indiana, Iowa, Louisiana, Minnesota, Mississippi, Missouri, Ohio, South Dakota, Tennessee, and Wisconsin. It was established to improve the health of watersheds within the Mississippi River Basin through the reduction of nutrient runoff, restoration and enhancement of wildlife habitat, wetland restoration, and maintenance of agricultural productivity. Initiative implementation is done through CCPI, CIG, CSP, EQIP, WHIP, and WREP. Through 2012, NRCS had 123 partnership agreements in place to implement projects in 640 small watersheds under MRBI.

Great Lakes Restoration Initiative (GLRI). Great Lakes restoration became a national priority with $475 million approved through the Environmental Protection Agency for GLRI in October 2009. A taskforce of 16 Federal departments and agencies developed the Great Lakes Restoration Action Plan (2010 – 2014) to guide restoration efforts. The GLRI aggressively addresses five priorities: 1) clean up the most polluted areas of the Great Lakes; 2) combat invasive species; 3) protect watersheds and shorelines from run-off; 4) restore wetlands; and 5) work with strategic partners on education, evaluation, and outreach.

New England/New York Forestry Initiative (NE/NYFI). Forests in New England and New York cover 52 million acres including the largest intact block of temperate broadleaf forest in the country. The NE/NYFI is designed to protect the region's forest land, ensure its sustainability, protect sources of drinking water, support rural economies, protect wildlife, and mitigate climate change.

Northern Plains Migratory Bird Habitat Incentive (NP-MBHI). The Migratory Bird Habitat Initiative (MBHI) was established in 2010 to increase habitat availability and safeguard food resources for shorebirds, waterfowl, and other migratory birds in the Mississippi River Basin. In 2011, MBHI was expanded to include the major migratory corridors in the United States. The NP-MBHI was selected to receive funding to restore and protect Prairie Pothole Region wetland habitat in Iowa, Minnesota, Montana, North Dakota, and South Dakota.

Ogallala Aquifer Initiative (OAI). The OAI is designed to reduce the quantity of water removed from the aquifer and to improve water quality using conservation practices on cropland and rangeland. Nebraska, Texas, Kansas, Colorado, New Mexico, Oklahoma, South Dakota, and Wyoming are all part of the OAI. Groundwater withdrawal from the aquifer exceeds the natural recharge rate and intensive agricultural practices have increased the potential for long-term water quality degradation. The goals of the OAI are to re-establish the equilibrium of water recharge and water removal from the aquifer over time, and to maintain water quality.

North Central Wetlands Conservation Initiative (NCWCI). The Prairie Pothole Region of North Dakota, South Dakota, Minnesota, and Iowa, is critical to North American waterfowl. Under the terms and conditions of 7 CFR 12.6, NRCS is required to make certified wetland determinations in this region, and to identify the sites that meet applicable wetland criteria. This requirement has significantly increased the wetlands conservation compliance workload and hindered the agency's ability to service its customers in a timely manner. As a result, there is a need for the temporary special allocation of funding to address this unique workload, and special initiative funds have been used to hire term employees to work exclusively on reducing the backlog of wetland compliance requests.

Technical Service Provider Assistance (TSP). Under TSP, individuals or entities are certified by NRCS to assist landowners and agricultural producers in applying conservation practices on the land. TSPs expand and accelerate NRCS'S ability to plan and apply conservation practices that enhance, restore or conserve the Nation's soil, water, and related natural resources on non-Federal land. Use of third parties to conduct conservation work is authorized

under Section 1242 of the 1985 Food Security Act, as amended by the Farm Security and Rural Investment Act of 2002.

Section 1242 requires the Secretary of Agriculture to provide technical assistance under the Food Security Act Title XII conservation programs to a producer eligible for that assistance, "directly … or at the option of the producer, through a payment…to the producer for an approved third party, if available." Section 1242 also requires that USDA establish a system for approving individuals and entities to provide technical assistance to carry out conservation programs, and establish the amounts and methods for payments for that assistance. Technical assistance includes conservation planning and conservation practice design and implementation. Section 2706 of the 2008 Farm Bill further amended Section 1242, adding a third option to provide assistance to an eligible participant "through an agreement with a third party provider" and adding the AMA to the list of eligible programs.

Workforce Status and Locations. As of September 30, 2012, NRCS had 10,745 full time employees with permanent appointments. Of this total, 386 employees were located in the Washington, DC metropolitan area, and 10,359 employees were located outside of the Washington, D.C. metropolitan area.

Organizational Structure. NRCS is a line and staff organization. The line of authority begins with the Chief of NRCS and extends through Regional Conservationists, State Conservationists, Area Conservationists, and the District Conservationists. Line officers are responsible for direct assistance to the public. Staff positions furnish specialized technical or administrative assistance to line officers.

As of September 30, 2012, NRCS had 2,627 offices located across the Nation and across the organization. Four offices are physically located in the Washington, DC metropolitan area and 2,623 are located in the field. Field offices include Centers, State Offices, Service Centers, and Support Offices.

National Headquarters (NHQ). NRCS assumes Departmental leadership for programs and other activities assigned by the Secretary of Agriculture, through the Under Secretary for Natural Resources and Environment. The Chief, Associate Chief, Regional Conservationists, and Deputy Chiefs carry out NHQ functions. The functions include: 1) planning, formulating, and directing NRCS programs, budgets, and activities; 2) developing program policy, procedures, guidelines, and standards; 3) leading and coordinating with other agencies, constituent groups, and organizations; and 4) strategic planning and development of strategic initiatives.

Primarily located in the Washington, DC metropolitan area, NHQ is responsible for the framework for national technology development and delivery within the agency. Natural resource technology is developed and delivered through Headquarters and Management Offices including the Office of the Chief, Deputy Chief Areas, Regional Conservationists and other management or leadership components.

Centers. Technological guidance and direction is also provided through NRCS'S National Centers, including the Design, Construction and Soil Mechanics Center; Soil Survey Center; National Water and Climate Center; Information Technology Center; Water Management Center; Employee Development Center; Liaison Center; National Geospatial Management Center, and Remote Sensing Labs; and three National Technology Support Centers (NTSCs). NTSCs acquire and/or develop new science and technology in order to provide cutting-edge technological support and direct assistance, and to transfer technologies to States, the Pacific Islands Area, and the Caribbean Area. NTSCs also develop and maintain national technical standards and other technological procedures and references. Centers are co-located with other NRCS field offices whenever possible.

State Offices. State Offices provide program planning and direction, consistency and accountability, and administration of a comprehensive soil, water, and related resource conservation program for each State, the Pacific Islands Area (including Hawaii), and the Caribbean Area. State Offices also have the responsibility for the technical integrity of NRCS activities; technology transfer and training; marketing of agency programs and initiatives; and administrative operations and processing. State Offices partner with other Federal and State agencies to provide solutions to State resource issues. A State Conservationist heads each State Office. In the Pacific Islands Area and the Caribbean Area offices, a Director serves in a leadership role similar to that of a State Conservationist.

Service Center Offices. Personalized, one-on-one service is provided by the majority (81 percent) of employees located in Service Centers or specialized offices. Service Centers and specialized offices support customers to

prevent or solve natural resource problems on their land and in their communities. Service Center staff work side-by-side with employees of local conservation districts and State conservation agencies. The Service Centers function as clearinghouses for natural resource information and help people gain access to knowledge and assistance available from local, State, regional, and national sources. They are located in all States, Puerto Rico, U.S. Virgin Islands, American Samoa, Guam, the Northern Mariana Islands, Micronesia, Palau, and the Marshall Islands. The specialized offices are located across the Nation and deliver technical or financial assistance for specific resource concerns such as water quality improvement.

Support Offices. Support offices provide critical technical and administrative support to Service Centers and other NRCS offices. Support offices include: 1) area offices that provide administrative and technical support to a group of Service Centers; 2) project offices that are headquarters for watershed or river basin planning and construction activities; 3) soil survey offices and MLRA offices that inventory and map the soil resource on private lands resulting in current and consistent interpretations and data sets; and 4) plant material centers that test, select, and release plants for conservation purposes in selected plant growth regions throughout the United States.

Accountability. NRCS regularly collects program performance data through a set of data collection tools, processes, and related software that provide information on a routine basis to support agency strategic and performance planning, budget formulation, workforce planning, and accountability activities. This Accountability Information Management System (AIMS) tracks and evaluates field and state level conservation planning efforts and practice implementation through the Performance Results System (PRS). In addition to AIMS, NRCS implements a suite of actions to improve accountability:

Compliance Activities.

- Conducted seven quality assurance, three functional and eleven state program reviews, and ten civil rights reviews to ensure compliance is monitored throughout the agency on a consistent basis. NRCS'S priority is to improve agency quality assurance and quality controls by reforming financial processes, streamlining business processes, enhancing the workforce, and increasing information quality.
- Conducted HEL Conservation and Swampbuster Compliance reviews on 22,210 tracts.
- NRCS started 2012 with 31 open audits and an additional 14 audits were opened during the year, for a total of 45 audits. NRCS closed seven out of the 45 during 2012, leaving 38 active audits open at the end of the year. In 2012, there were 30 outstanding recommendations carried over from 2011. NRCS has closed six of the 30, leaving 24 still open, of which 12 recommendations are from the 2008 through 2010 Agency's financial statement audits. Of the seven audits closed in 2012, there were four that had no recommendations for NRCS.

Data Collection, Management, and Analysis.

- Security of Data - Continued to upgrade agency accountability software applications and hardware security to correctly safeguard all private and sensitive information, including Personally Identifiable Information (PII), in order to remain in compliance with the Federal Information Security Management Act (FISMA) and National Institute of Standards and Technology Special Publication 800-53.
- Completeness of Data – Numerous data quality mechanisms within PRS ensure the completeness of each performance record entry. Each performance record must adhere to a set of quality assurance requirements during the upload process. Business rules, definitions, and internal controls enforce accountability policies or business requirements and diagnose potential entry errors, allowing managers at appropriate levels to evaluate and monitor program performance.
- Reliability of Data – Data reported for performance are based on information validated and received from the National Conservation Planning (NCP) database and the Program Contracts System (ProTracts). ProTracts is a web-enabled application used to manage NRCS conservation program applications, cost share contracts, and program fund management. Conservation plans are developed in consultation with the customer, created with the Customer Service Toolkit, and warehoused in the NCP. Applied conservation practices are date-stamped, geo-referenced, and linked to employee ID, enabling detailed quality-assurance reviews. Periodic reviews are conducted by State office and headquarters personnel to assess the accuracy of reported data.
- Linking Performance to Programs – To ensure program accountability and evaluate program efficiency, data on conservation plans written and conservation practices applied must be linked to the program that funded the staff time needed to carry out each activity.

Strategic Plan. The agency's strategic plan, which ties to NRCS's core mission, sets the direction and focus for the next four years and is the foundation for all planned activities. It is fluid and flexible, focuses on results, and will be used to develop specific short term tactics in our annual business plans to meet natural resource challenges and opportunities. It is the critical starting point for an integrated budget and performance process. In the 2011-2015 Strategic Plan, NRCS's core mission is delivered through one fundamental Strategic Goal: Get More Conservation on the Ground. This agency goal directly supports USDA Strategic Goal 2: Ensure Our National Forests and Private Working Lands are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing our Water Resources.

High-level strategies, tools and methods for implementation of the NRCS Goal are as follows:

- ConservationSTAT, which is a process that tracks the annual business planning and enables agency leadership to effectively implement the Strategic Plan;
- Key Performance Measures, which show progress in achieving the Strategic Plan measures identified for the Strategic Goal; and
- State Resource Assessments, which identify conservation needs at the local level and determine the short-term priorities, activities, and the means to ''Get More Conservation on the Ground."

Completed and On-going Audits.

2012 Government Accounting Office (GAO) and Office of Inspector General (OIG) closed audits:

- GAO 361185, Renewable Energy: Federal Agencies Implement Hundreds of Initiatives – (GAO-12-260) (April 2010). Final report issued February 2012. Audit closed March 21, 2012. No NRCS recommendations.
- GAO 361357, Potential Duplication, Overlap, or Fragmentation in Federal Wetlands Programs (January 2012). GAO terminated this audit on May 9, 2012.
- GAO 440979, Equal Access to Justice Act, Attorney Fee Claims and Payments (GAO-12-417R) (May 26, 2011). Final report issued and closed April 12, 2012. No NRCS recommendations.
- OIG 10099-6-SF, Farm and Ranch Lands Protection Program, Review of Non-Governmental Organizations (May 2007). Final report issued July, 2009. Audit closed April 13, 2012. No further NRCS reporting to the Office of the Chief Financial Officer (OCFO)
- OIG 10099-3-CH, Controls over Farm and Ranch Lands Protection Program (March 2010). Final report issued September 2011. Audit closed on March 21, 2012. No further NRCS reporting to the Office of the Chief Financial Officer (OCFO).
- OIG 50501-15-FM, FY09 Federal Information Security Management Security Act (June 2011). Audit closed January 2012. No NRCS recommendations.
- OIG 50501-0002-12, 2011 Federal Information Security Management Security Act (June 2011). Final report issued November 2011. Audit closed January 12, 2012. No NRCS recommendations.

2012 Government Accounting Office (GAO) and Office of Inspector General (OIG) active audits:

- GAO 310974, Implementing Provisions of the E-Government Act of 2002 (January 2012). Field work in progress.
- GAO 320886, Feed the Future Initiative (January 2012). Field work in progress.
- GAO 360644, USDA Funding for EQIP – USDA Conservation Programs Stakeholders Views on Participation and Coordination to Benefit Threatened and Endangered Species and Their Habits (October 2005). EQIP Allocation Process to States (GAO-06-969) final report issued September 2006. Recommendation 1 is closed. Recommendation 2 is pending receipt and/or processing of final action documentation.
- GAO 361251, Nonpoint Source Water Pollution: Greater Oversight and Additional Data Needed for Key EPA Water Program (GAO-12-335) (November 2010). Final report issued July 2012. The signed USDA Statement of Action was provided to members of Congress, OMB and GAO (September 20, 2012).
- GAO 361318, Federal Farm Program Direct Payment (July 2011). Field work in progress.
- GAO 361351, USDA Civil Rights Progress (November 2011). Assignment is ongoing. GAO is still requesting information from Civil Rights.

- GAO 361356, Duplication in Federal Invasive Species Programs (December 2011). Field work ongoing.
- GAO 361361, Climate Change Adaptation in Natural Resources Planning and Management (December 2011). The review is ongoing.
- GAO 361397, USDA Payments to the Deceased (April 2012). Field work in progress.
- GAO 361379, Federal Wind Energy Initiatives (February 2011). Draft Statement of Action provided for agency comment. Exit conference conducted October 2012.
- GAO 361404, Great Lakes Restoration Initiative (July 2012). Field work in progress.
- GAO 361418, USDA Implementation of Adjusted Gross Income Limitations for Farm Programs (June 2012). Field work in progress.
- GAO 450909, Protection of Federal Workforce in a Pandemic Influenza (August 2011). Field work in progress.
- GAO 541085, Trends Federal Vehicle Fleets (February 2012). Field work in progress.
- GAO 541098, Federal Vehicle Fleet Management (August 2012). Field work in progress.
- GAO 830842, Cost Savings in Federal Government Satellite Programs (May 2012). Field work in progress.
- GAO 544182, Remanufactured Vehicle Parts (August 2012). Entrance conference conducted September, 2012. Field work in progress.
- GAO 361388, Energy-Water Nexus Capping Report (GAO-12-880) (February 2012). Final Report issued October 2012. No NRCS recommendations.
- OIG 10024-1-11, Fiscal Year 2011, NRCS Improper Payment Review (June 2011). Final Report issued May 2012. Management Decision achieved May 2012.
- OIG 50024-0002-11, Calendar Year 2011, Executive Order 13520, Reducing Improper Payments, High-Dollar Report Review (November 2011). Discussion draft issued August 2012. No NRCS recommendations in audit.
- OIG 50024-1-11, Improper Payment Elimination and Recovery Act, Compliance Review (November 2011). Final report issued May 2012. Management Decision achieved for all 8 recommendations.
- OIG 10401-2-FM, FY NRCS Financial Statements for Fiscal Year 2008 (January 2008). Final report issued November 2008. Recommendations 1, 3 and 6-9 are closed. Recommendations 2, 4 and 5 are pending receipt and/or processing of final action documentation. Close documentation for recommendation 2 submitted to OCFO September 2012
- OIG 10401-3-FM, NRCS Financial Statements for Fiscal Year 2009 (October 2009). Final report issued November 2009. Recommendations 1, 6, 7 and 8 are closed. Recommendations 2, 3, 4 and 5 are pending receipt and/or processing of final action documentation. MW 2 and 3 close submission to OCFO, September 28, 2012.
- OIG 10401-4-FM, Natural Resources Conservation Service's Financial Statements for Fiscal Year 2010 (January 2010). Final report issued November 2010. Seven material weaknesses were identified. NRCS has reached management decision on all recommendations. All recommendations remain open except for recommendation 7 which closed on June 24, 2010.
- OIG 10401-1-11, NRCS Financial Statement Audit FY11 (February 2011). Final report issued November 2011. Final management decision achieved for all seven recommendations. All recommendations are open. Close documentation for recommendation 1 submitted to OCFO October 2012.
- OIG 10401-0002-11, NRCS Financial Statement Audit FY12 (March 2012). Exit conference scheduled for November 7, 2012.
- OIG 10601-04-KC, NRCS Conservation Security Program (CSP) (November 2006). Final report issued June 2009. Management decision achieved for all 23 recommendations. The remaining open recommendations 8, 9, 16, 22, and 23 are pending receipt and/or processing of final action documentation. Closure documentation for recommendation 23 was submitted to the OCFO on August 10, 2012.
- OIG 10601-6-KC, Emergency Disaster Assistance for the 2008 Floods-Emergency (January 2009). Final report issued April 2011. Management decision achieved promptly. The two recommendations are pending receipt and/or processing of final action documentation.
- OIG 10703-1-KC, (Phase I) Emergency Watershed Protection Program Floodplain Easements (April 2009). Final report issued September 2010. Report includes two Fast Reports submitted to OIG dated August 19, 2009 and November 19, 2009. Recommendations 1-3 and 5- 7 are closed. Recommendation 4 is pending receipt and/or processing of final action documentation.
- OIG-10703-1-AT, ARRA-Rehabilitation of Flood Control Dams (September 2010). Field work ongoing.
- OIG-10703-3-KC (Phase 2), Emergency Watershed Protection Program, Easement Applications on Non-Agricultural Lands (January 2010). Final report issued March 2012. Management decision achieved promptly

on all recommendations. The 3 recommendations are pending receipt and/or processing of final action documentation.

- OIG 10703-4-KC (Phase 2), Watershed Protection and Flood Prevention Operations Program, Field Confirmations (July 2010). Final report issued July 2012. Management Decision achieved for all 5 recommendations.
- OIG 10703-5-KC (Phase 2), ARRA Emergency Watershed Protection Program Floodplain Easements (July 2010). Discussion draft report released to NRCS October 2012 for review and comment.
- OIG 10704-1-32, Migratory Bird Habitat Initiative: NRCS response to issues caused by the Deepwater Horizon/British Petroleum Oil Spill (BP). (December 2010). Final report issued August 2012. Management Decision Responses for Recommendations 1 and 4 provided to OIG October 2012. Recommendations 5 Management Decision achieved October 2012. Recommendations 2 and 3 are pending receipt and/or processing of final action documentation.
- OIG 10601-0001-22, Oversight and Compliance Activities (August 2011). Field work completed. Discussion Draft in progress.
- OIG 50703-2-13, Revised case number 50703-02-DA, ARRA Recipient Reporting (January 2012). Field work in progress.
- OIG 10703-0001-31, ARRA, Emergency - Floodplain Easements and Watershed Operations Programs Audit - Phase III (February 2012). Audit is ongoing (Effectiveness Review).
- OIG 50601-18-Te, Risk Management Agency (RMA), Pasture Range and Forestry Pilot (March 2008). Final report issued September 2010. Only recommendations 1 and 2 pertain to NRCS. Recommendation 1 closed July 8, 2011. Recommendation 2 closed October 20, 2011. RMA will proceed with closing the remaining audit recommendations assigned to their agency. No further actions needed by NRCS.

Available Funds and Staff Years (SY)
(Dollars in thousands)

Item	2011 Actual		2012 Actual		2013 Estimate		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Detailed information for each account can be found in the Project Statements.								
Discretionary Programs:								
Conservation Operations……	$872,247	6,201	$828,159	5,808	$833,227	5,894	$807,937	5,621
Healthy Forests Reserve Program……	-	-	-	-	-	-	-	-
Watershed & Flood Prevention Operation….	-	178	-	105	-	93	-	-
Recovery Act, Watersheds……	-	-	-	-	-	-	-	-
Subtotal, Watersheds & Flood……	-	178	-	105	-	93	-	-
Watershed Rehabilitation Program……	18,000	88	15,000	59	-	20	-	-
Recovery Act, Rehabilitation……..	-	-	-	-	-	-	-	-
Subtotal, Water Rehabilitation……	18,000	88	15,000	59	-	-	-	-
Resource Conservation & Develop……	23,730	190	-	-	-	-	-	-
Water Bank……	-	-	7,500	2	-	1	-	-
Total Appropriation	913,977	6,657	850,659	5,974	833,227	6,008	807,937	5,621
Recission……	-1,780	-	-	-	-	-	-	-
Transfers In……	183	-	156	-	-	-	-	-
Transfers Out……	-	-	-	-	-	-	-	-
Adjusted Appropriation……	912,380	6,657	843,315	5,974	833,227	6,008	807,937	5,621
Balance Available, SOY……..	320,970	-	209,424	-	231,900	-	16,680	-
Unobligated Balance of Approp, Reduced …	-13,750	-	-	-	-	-	-	-
Other Adjustments (Net)……	38,043	-	31,347	-	-51,577	-	-14,292	-
Total Available……	1,257,642	6,657	1,084,086	5,974	1,013,550	6,008	810,325	5,621
Lapsing Balances……	-4,208	-	(12,017)	-	-	-	-	-
Balance Available, EOY……..	-209,174	-	-396,274	-	-166,813	-	-166,813	-
Obligations……..……	1,044,260	6,657	675,795	5,974	846,738	6,008	643,513	5,621
Other Funding:								
General Provision - Water Bank Program….	-	-	-	-	-	-	-	-
Total, Other Funding ……	-	-	-	-	-	-	-	-
Obligations under other USDA appropriations:								
Farm Security & Rural Investment Program ……	3,077,163	3,873	3,269,545	4,283	3,262,000	4,154	3,098,961	4,004
Transfers Out……	-	-	-	-	-	-	-	-
Reimbursements for technical services to Federal and Non-Federal: *								
USDA Planning & Application (FSA-CRP)..	126,205	949	101,521	792	96,300	741	96,300	733
Other Federal and Non-Federal Reimburseme	578,682	233	470,323	228	340,510	251	387,872	259
Total Reimbursements……	704,887	1,182	571,844	1,020	436,810	992	484,172	992
Trust funds……	3	-	-	-	-	-	-	-
Total, Federal and Non Federal Funds……	704,890	1,182	571,844	1,020	436,810	992	484,172	992
Total, NRCS……	4,826,313	11,712	4,517,184	11,277	4,545,548	11,154	4,226,646	10,617

* On May 1, 2012, NRCS converted its accounting system from FFIS to FMMI. The conversion has created some data reporting issues for the agency, and no breakout is currently available for approximately $6.9 million in reimbursable obligations from May 1 through September 30, 2012, which represents about 4.2 percent of the total reimbursable obligations. The chart provides detail for the other 95.8 percent of the reimbursable obligations, and displays the $6.9 million on an undistributed line.

Permanent Positions by Grade and Staff Year Summary

Item	2011 Actual			2012 Actual			2013 Estimate			2014 Estimate		
	Wash. D.C.	Field	Total	Wash. D.C.	Field	Total	Wash. D.C.	Field	Total	Wash. D.C.	Field	Total
SES.....	28	2	30	27	3	30	27	3	30	27	3	30
GS-15.....	90	66	156	88	91	179	74	77	151	71	74	145
GS-14.....	154	173	327	132	250	382	112	211	323	107	203	310
GS-13.....	103	555	658	70	652	722	59	551	610	57	528	585
GS-12.....	36	3,140	3,176	33	3,005	3,038	28	2,541	2,569	27	2,435	2,462
GS-11.....	24	2,558	2,582	26	2,507	2,533	22	2,120	2,142	21	2,031	2,052
GS-10.....	1	39	40	-	36	36	-	30	30	-	29	29
GS-9.....	65	1,808	1,873	22	1,832	1,854	19	1,549	1,568	18	1,484	1,502
GS-8.....	10	495	505	18	872	890	15	737	752	15	707	722
GS-7.....	43	1,613	1,656	14	1,729	1,743	12	1,462	1,474	11	1,401	1,412
GS-6.....	6	380	386	1	420	421	1	355	356	1	340	341
GS-5.....	2	299	301	2	454	456	2	384	386	2	368	370
GS-4.....	-	61	61	2	222	224	2	188	190	2	180	182
GS-3.....	-	9	9	2	157	159	2	133	135	2	127	129
GS-2.....	-	1	1	1	40	41	1	34	35	1	32	33
GS-1.....	-	-	-	-	1	1	-	1	1	-	1	1
Total Perm. Positions.....	562	11,199	11,761	438	12,271	12,709	376	10,376	10,752	362	9,943	10,305
Unfilled, EOY..	151	603	754	52	1,912	1,964	-	-	-	-	-	-
Total, Perm. Full-Time Employment, EOY.....	411	10,596	11,007	386	10,359	10,745	376	10,376	10,752	362	9,943	10,305
Staff Year Est...	685	11,027	11,712	724	10,553	11,277	384	10,770	11,154	366	10,251	10,617

Size, Composition and Cost of Motor Vehicle Fleet

As a field-based agency, NRCS has a significant number of employees who require individual transportation to visit field offices, job sites (farms and ranches), and other areas where public transportation is non-existent, uneconomical, or inadequate. Because they drive on agricultural land to provide technical assistance to farmers and ranchers, and often transport large engineering and other field equipment, employees need access to pickup trucks and sport utility vehicles (SUVs). NRCS maintains a fleet of vehicles distributed among service centers, and field, area, and State offices in the 50 States, the Caribbean and the Pacific Basin areas. Some of the vehicles are owned by the agency, others are leased through the General Services Administration (GSA). The vehicles are assigned to an office location, and several employees use a single vehicle. Efforts are made to share vehicles with other co-located USDA agencies when feasible in order to minimize the number of vehicles at a location and maximize their use in the most efficient and cost-effective manner.

To ensure that vehicles are safe and reliable, NRCS requires annual vehicle inspections per States' motor vehicle regulations. The Federal Management Regulation (FMR) 102-34.280 sets forth the minimum number of years or number of miles an agency must keep its vehicles before replacement. NRCS policy is to replace motor vehicles based on economy, environmental, and safety requirements.

Changes to the motor vehicle fleet. Since Fiscal Year 2011, NRCS has been aggressively assessing its fleet inventory to dispose of older, high maintenance vehicles and high-emission vehicles and maximize its fleet. A review was done in each State to justify each vehicle and dispose of under-utilized vehicles. Also included in these measures is increased coordination of trips among NRCS staff members and with other USDA agencies to maximize vehicle sharing and downsize fleet inventory. At the end of 2012, NRCS had a fleet of 9,445 vehicles, of which 888 were sedans and station wagons. Included in the fleet size were 311 GSA leased vehicles, of which 72 were sedans and station wagons. The total vehicles decreased by 71 from 2011 to 2012. In 2013, NRCS anticipates a net reduction in fleet inventory of 450 vehicles, as a result of disposing of 911 vehicles and acquiring 461 replacements through purchase or lease. The projected 2014 inventory indicates further net reductions to a total of 8,952.

Managing the motor vehicle fleet to reduce greenhouse gas emissions. In order to meet Federally-mandated requirements to reduce greenhouse gas emissions, NRCS purchases alternative fuel vehicles where such fuels are available and hybrid vehicles where they are not. In remote rural areas, there may be few or no alternative fuel options. In the coming year, the agency will continue to focus on purchasing alternative fuel vehicles where there is adequate access to such fuels, and hybrid vehicles in other locations in order to meet greenhouse gas emission targets.

Size, Composition, and Annual Operating Costs of Vehicle Fleet

Fiscal Year	Number of Vehicles by Type[1]								Annual Operating Costs ($ in 000)
	Sedans and Station Wagons	Light Trucks, SUVs, and Vans		Medium Duty Vehicles	Ambu-lances	Buses	Heavy Duty Vehicles	Total Number of Vehicles	
		4x2	4x4						
2011	987	3,387	4,341	767	-	1	33	9,516	13,270 [2]
Change	-99	-249	+678	-419	-	-	+18	-71	+3,793
2012	888	3,138	5,019	348	-	1	51	9,445	17,063 [3]
Change	-29	+540	-949	-12	-	-	-	-450	-825
2013	859	3,678	4,070	336	-	1	51	8,995	16,238
Change	-14	-99	+67	+4	-	-	-1	-43	-92
2014	845	3,579	4,137	340	-	1	50	8,952	16,146

[1] Vehicles reported are both agency-owned and GSA-leased.

[2] The 2011 correct operating costs are $13,270,000; the FAST entry of $25,517,000 was in error.

[3] Actuals reported in FAST for 2012 increase from 2011 is based on increased fuel and maintenance costs.

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CONSERVATION OPERATIONS

The estimates include appropriation language for this item as follows:

Conservation Operations

For necessary expenses for carrying out the provisions of the Act of April 27, 1935 (16 U.S.C. 590a-f), including preparation of conservation plans and establishment of measures to conserve soil and water (including farm irrigation and land drainage and such special measures for soil and water management as may be necessary to prevent floods and the siltation of reservoirs and to control agricultural related pollutants); operation of conservation plant materials centers; classification and mapping of soil; dissemination of information; acquisition of lands, water, and interests therein for use in the plant materials program by donation, exchange, or purchase at a nominal cost not to exceed $100 pursuant to the Act of August 3, 1956 (7 U.S.C. 428a); purchase and erection or alteration or improvement of permanent and temporary buildings; and operation and maintenance of aircraft, $807,937,000 to remain available until September 30, 2015: Provided, That appropriations hereunder shall be available pursuant to 7 U.S.C. 2250 for construction and improvement of buildings and public improvements at plant materials centers, except that the cost of alterations and improvements to other buildings and other public improvements shall not exceed $750,000: Provided further, That when buildings or other structures are erected on non-Federal land, that the right to use such land is obtained as provided in 7 U.S.C. 2250a.

In addition, $695,000,000, to be available for the same time period and for the same purposes as the appropriation from which transferred, shall be derived by transfer from the Farm Security and Rural Investment Program for technical assistance in support of conservation programs authorized by Title XII of the Food Security Act of 1985 (16 U.S.C. 3801-3862), as amended; Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)), as amended; and Section 502 of the Healthy Forests Restoration Act of 2003, as amended: Provided, That, of such amount, at least $25,000,000 shall be competitively awarded to non-Federal conservation partners pursuant to 16 U.S.C. 3842: Provided further, That, upon a determination that additional funding is necessary for technical assistance for the purposes provided herein, additional such amounts may be derived by transfer from the Farm Security and Rural Investment Program: Provided further, That any portion of the funding derived by transfer deemed not necessary for the purposes provided herein may be transferred to the Farm Security and Rural Investment Program: Provided further, That the transfer authority provided under this heading is in addition to any other transfer authority provided elsewhere in this Act.

CONSERVATION OPERATIONS

Lead-Off Tabular Statement

Current Law

2013 Estimate	$833,227,000
Budget Estimate, 2014	807,937,000
Change in Appropriation	-25,290,000

Proposed Legislation

Budget Request, Current Law 2014	$807,937,000
Change Due to Proposed Legislation	717,000,000
Net Request, 2014	1,524,937,000

CONSERVATION OPERATIONS

Summary of Increases and Decreases - Current Law

(Dollars in thousands)

	2011 Actual	2012 Change	2013 Change	2014 Change	2014 Estimate
Discretionary Appropriations:					
Conservation Operations:					
Conservation Technical Assistance	$744,813	-$15,354	+$4,464	-$20,527	$713,396
Grazing Lands	9,930	-9,930	-	-	-
Soil Survey	93,751	-13,751	+490	-3,037	77,453
Snow Survey & Water Supply Forecasting	10,943	-1,643	+57	-820	8,537
Plant Materials Centers	11,066	-1,666	+57	-906	8,551
Total Appropriation or Change	870,503	-42,344	+5,068	-25,290	807,937

CONSERVATION OPERATIONS

Project Statement - Current Law

Adjusted Appropriations Detail and Staff Years (SY)

(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Appropriations:										
Conservation Operations:										
1. Technical Assistance	$744,813	5,341	$729,459	5,102	$733,923	5,189	-$20,527 (1)	-229	$713,396	4,960
2. Grazing Lands	9,930	78	-	-	-	-	-	-	-	-
3. Soil Survey	93,751	634	80,000	563	80,490	568	-3,037 (2)	-30	77,453	538
4. Snow Survey	10,943	56	9,300	55	9,357	51	-820 (3)	-5	8,537	46
5. Plant Materials	11,066	92	9,400	88	9,457	86	-906 (4)	-9	8,551	77
Total Adjusted Approp	870,503	6,201	828,159	5,808	833,227	5,894	-25,290	-273	807,937	5,621
Rescissions	1,744	-	-	-	-	-	-	-	-	-
Total Appropriation	872,247	6,201	828,159	5,808	833,227	5,894	-25,290	-273	807,937	5,621
Discretionary Transfers In:										
Congressional Relations	183	-	156	-	-	-	-	-	-	-
Rescission	-1,744	-	-	-	-	-	-	-	-	-
Bal. Available, SOY 1/	69,691	-	33,936	-	57,135	-	-42,843	-	14,292	-
Recoveries, Other (Net)	7,545	-	16,477	-	-14,292	-	-	-	-14,292	-
Total Available	947,922	6,201	878,728	5,808	876,070	5,894	-68,133	-273	807,937	5,621
Lapsing Balances	-1,142	-	-12,017	-	-	-	-	-	-	-
Bal. Available, EOY 1/	-33,936	-	-57,135	-	-	-	-	-	-	-
Total Obligations	912,844	6,201	809,576	5,808	876,070	5,894	-68,133	-273	807,937	5,621
1/ Includes Reimbursable carryover.										
Total Appropriation	872,247	6,201	828,159	5,808	833,227	5,894	-25,290	-273	807,937	5,621
Proposed Legislation:										
Transfer from Farm Bill TA	-	-	-	-	-	-	+695,000	+4,004	695,000	4,004
User Fee Proposal	-	-	-	-	-	-	+22,000	-	22,000	-
Adjusted Appropriation	872,247	6,201	828,159	5,808	833,227	5,894	691,710	3,731	1,524,937	9,625

Project Statement
Obligations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2013 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Obligations:										
Private Lands Conservation Operations:										
1. Technical Assistance	$786,648	5,341	$711,457	5,102	$771,525	5,189	-$58,129	-229	$713,396	4,960
2. Grazing Lands	9,930	78	-	-	-	-	-	-	-	-
3. Soil Survey	93,754	634	78,629	563	84,992	568	-7,539	-30	77,453	538
4. Snow Survey	10,998	56	9,973	55	9,732	51	-1,195	-5	8,537	46
5. Plant Materials	11,514	92	9,517	88	9,821	86	-1,270	-9	8,551	77
Total Obligations	912,844	6,201	809,576	5,808	876,070	5,894	-68,133	-273	807,937	5,621
Lapsing Balances	1,142	-	12,017	-	-	-	-	-	-	-
Bal. Available, EOY 1/	33,936	-	57,135	-	-	-	-	-	-	-
Total Available	947,922	6,201	878,728	5,808	876,070	5,894	-68,133	-273	807,937	5,621
Discretionary Transfers In	-183	-	-156	-	-	-	-	-	-	-
Rescission	1,744	-	-	-	-	-	-	-	-	-
Bal. Available, SOY 1/	-69,691	-	-33,936	-	-57,135	-	+42,843	-	-14,292	-
Recoveries, Other (Net)	-7,545	-	-16,477	-	14,292	-	-	-	14,292	-
Total Appropriation	872,247	6,201	828,159	5,808	833,227	5,894	-25,290	-273	807,937	5,621
Total Appropriation	872,247	6,201	828,159	5,808	833,227	5,894	-25,290	-273	807,937	5,621
Proposed Legislation:										
Transfer from Farm Bill TA	-	-	-	-	-	-	+695,000	+4,004	695,000	4,004
User Fee Proposal	-	-	-	-	-	-	+22,000	-	22,000	-
Adjusted Appropriation	872,247	6,201	828,159	5,808	833,227	5,894	691,710	3,731	1,524,937	9,625

[1/] Includes Reimbursable carryover.

CONSERVATION OPERATIONS

Justification of Increases and Decreases

(1) A net decrease of $20,527,000 and a reduction of 229 staff years for Conservation Technical Assistance ($733,923,000 and 5,189 staff years available in 2013):

CTA is the foundation for NRCS's ability to deliver effective conservation. CTA provides the flexibility to work with agricultural producers to prepare foundational conservation plans so that they can wisely invest in conservation actions on their operations, as well as with partner organizations to develop innovative responses to conservation challenges and opportunities. Base funding for CTA will continue to provide important technical assistance helping land managers to: reduce soil loss from erosion; address soil, water quality, water conservation, air quality, and agricultural waste management concerns; reduce potential damage caused by excess water and sedimentation or drought; enhance the quality of fish and wildlife habitat; improve the long-term sustainability of all lands, including cropland, forestland, grazing lands, coastal lands, and developed or developing lands; and facilitate changes in land use as needed for natural resource protection and sustainability.

Continuing base funding is crucial to ensuring the continued success of the program's mission of helping develop and deliver conservation technologies and practices to private landowners and land managers.

a. An increase of $4,396,000 for pay costs which includes $1,086,000 for annualization of the 2013 pay raise and $3,310,000 for the anticipated 2014 pay raise.

The increase for pay will enable NRCS to maintain a staffing level critical to the Agency's mission. The pay cost funds are needed to avoid any disruption or delays in the CTA program activities and will be used to pay the increased salaries and benefits cost for the 4,960 staff years funded in the 2014 budget.

b. An increase of $8,913,000 to reinvest IT funding into the Conservation Delivery Streamlining Initiative (CDSI) to improve the cost effectiveness, timeliness, and accountability of NRCS's program delivery.

The Conservation Delivery Streamlining Initiative (CDSI) is a multi-year effort to integrate information technology and business process improvements that will eliminate duplicative program administrative tasks, reduce overhead costs, and free NRCS technical field staff to refocus on conservation planning and customer service. CDSI's specific goals are to:

- Reduce the administrative burden on field staff to allow them to spend 75 percent of their time with customers planning and implementing conservation in the field;
- Eliminate over 80 percent of the time that field staffs currently devote to clerical tasks instead of customer service;
- Develop cutting-edge tools to guide NRCS staff and customers through conservation assistance steps and improve cost effectiveness; and
- Shorten the time between when customers apply for a program and when they are awarded contracts to less than two weeks.

NRCS estimates that when fully implemented, CDSI will "free up" over 1,500 staff years in the agency's state and field offices that are currently used for administering duplicative and burdensome administrative processes. These staff years can be refocused back on customer service and better planning and delivery of conservation assistance.

The original target dates for national deployment were overly ambitious, and technical difficulties prevented a nationwide release of the Conservation Desktop tool and Client Gateway as planned. NRCS has made tremendous progress and are in the testing stage using California, Kansas, North Carolina, and Delaware as testing locations. We are on track to deploy Conservation Desktop in all offices by November 2014 and the Mobile Planning technology and the Client Gateway in 2015

The requested increase will fund three major components:

1. An increase of $5,011,000 to enhance the new Conservation Desktop by designing and incorporating technical planning tools into the new streamlined CDSI system.

   The funding will be used to invest in Conservation Desktop design and the architecture, and consolidating 21 legacy IT systems that NRCS technical field staffs use to plan and implement conservation assistance. These 21 field tools will be streamlined into a more consistent useable interface with more efficient processes. Reengineering these systems using NRCS's Business Process Management Suite (BPMS) will enable NRCS to utilize the BPMS's Cloud solutions as a foundation and framework to integrate and consolidate new and legacy systems. Using these funds, NRCS will:
   - Reduce maintenance, hosting, and network costs;
   - Reduce staff support time;
   - Gain efficiencies, including on-demand self-service, resource pooling, rapid elasticity, and high availability and disaster recover capabilities;
   - Decrease the amount of training needed for the overall toolkit; and
   - Provide a common approach to each tool enabling field staff to provide more conservation on the ground and mobilize new field conservationists more rapidly.

   The reduction in these systems will allow the agency to realize an annual cost savings of approximately $2,000,000 in maintenance costs per year.

2. An increase of $2,902,000 to accelerate the deployment of mobile conservation planning technology.

   NRCS will invest in mobile devices and telecommunication services that will equip field staff with hardware and software to work directly in the field with farmers and ranchers to develop conservation plans and enter into financial assistance contracts. NRCS planners will be able to prepare a conservation plan, develop a financial assistance contract, rank an application, and potentially award a contract all within one visit to a farm. This will save both our customers and employees thousands of hours of lost productivity. The investment in mobile devices and services is necessary to realize the full benefits of the Conservation Desktop and overall CDSI. In coordination with the USDA's, International Technology Service (ITS), the network infrastructure will be upgraded with new routers and switches at all NRCS offices, providing capacity to use mobile devices. The reinvestment in mobile devices follows the Department's mobile strategy and NRCS will work with the Department to leverage Blanket Purchase Agreements to procure all devices.

3. An increase of $1,000,000 to integrate the CDSI Conservation Desktop with USDA's Financial Management Modernization Initiative.

   With funding, NRCS will utilize the SAP Financial Management Modernization Initiative (FMMI) interface to administer and track administrative and financial activities for NRCS programs.

The implementation of these services to the SAP FMMI platform will allow NRCS to:

- Decommission ProTracts, which is a web-enabled application used to manage applications, cost share contracts, and program fund management for conservation programs from application through contract completion. ProTracts is integrated with the FSA web services to enforce payment limitations, adjusted gross income limits (AGI), and participant eligibility determinations. Fund Manager is the financial transaction handler and manages eligibility functions. It is integrated with ProTracts to provide the data sources for the Conservation Desktop FA;
- Decommission the National Easements Staging Tool (NEST), which is used by the Agency for conservation easement program implementation for our customer base; and
- Provide an automated solution for the EWP Program, which manages an average of $206 million in FA per year.

This change will reduce the overall processing time and execution of legislative program support by providing a common user friendly interface, reducing duplication of data entry, reduce training needed for multiple systems and increase the accountability of NRCS's financial assistance. NRCS will realize a cost savings of $1.2 million in legacy system maintenance on NRCS's NEST, ProTracts and Fund Manager Systems per year, while also increasing the number of programs that are supported through automation.

c. A decrease of $6,913,000 in IT Support\Maintenance Services Contracts.

NRCS will see a reduction in maintenance and service costs in 2014 through the movement to an enterprise BPMS and an enterprise financial system platform as part of CDSI. By reducing our application portfolio, we are reducing our required maintenance and security monitoring, number of deployments, certification and accreditations, continuous monitoring by the security team, maintenance resources for refreshes and updates, as well as access control management required for each system. We are increasing efficiency as NRCS moves to a mobile interface allowing future costs to decrease. The decrease in costs represents more efficiency in the way NRCS enhances conservation with:

- 90 percent reduction in ad hoc reporting as NRCS moves to a consolidated data model;
- 80 percent reduction in manual data entry;
- more accurate and timely decisions affecting core mission;
- 100 percent increase in service capacity; and
- reduced customer response time through the increased efficiency in the way NRCS conservations processes are managed.

d. A decrease of $2,000,000 in the Optimized Computer Environment (OCE) costs with ITS.

To achieve cost savings within OCE, NRCS will work with ITS to reduce the number of office servers, increase the leveraging of Cloud solutions, move Sharepoint instance to the existing Enterprise Messaging Services-Cloud Services (EMS-CS) and integrate eFax with EMS-CS to move away from paper-based processing of incoming facsimiles that represent a range of business processes.

e. A decrease of $24,923,000 and a reduction in staff years of 229 in Conservation Technical Assistance in support of conservation plans written and delivery of conservation programs.

This reduction reduces the number of conservation plans written. Conservation planning is a continuous, iterative process whereby initial steps or resource assessment and evaluation of alternatives are funded through CTA while final plan implementation and evaluation are provided with Farm Bill funding.

(2) A net decrease of $3,037,000 and 30 staff years for the Soil Survey Program ($80,490,000 and 568 staff years available in 2013).

Base funding for Soil Survey will continue to fund mapping and interpretative analyses that provide the public with information on the properties, capabilities and conservation treatment needs of their soils through soil surveys.

The agency conducts soil surveys cooperatively with other Federal agencies, Land Grant Universities, State agencies, tribes, and local governments. The major NRCS objectives of the National Cooperative Soil Survey (NCSS) Program are to:

- Inventory and map the soil resource on all lands of the United States;
- Keep soil surveys relevant to meet emerging and ever-changing needs;
- Interpret the data and make soil survey information available to meet public needs;
- Promote and provide technical assistance in the use of soil survey information; and.
- Lead the National Cooperative Soil Survey Program.

a. An increase of $453,000 for pay costs which includes $67,000 for annualization of the 2013 pay raise and $386,000 for the anticipated 2014 pay raise.

The increase for pay will enable NRCS to maintain current staffing levels which are critical to the Agency's mission. The pay cost funds are needed to avoid any disruption or delays in the Soil Survey program activities and will be used to pay the increased salaries and benefits cost for the 538 staff years funded in the 2014 budget.

b. A decrease of $3,490,000 and 30 staff years in support of program activities.

Data integrity enhancements and field studies would be affected, reducing availability of up-to-date and accurate soil data base needed for climate change modeling and adaptation planning.

(3) A net decrease of $820,000 and 5 staff years for Snow Survey and Water Supply Forecasting ($9,357,000 and 51 staff years available in 2013):

Base funding for Snow Survey and Water Supply Forecasting program will continue to fund snowpack data and water supply forecasts. Continuing base funding is crucial to ensuring the continued success of the program for NRCS to provide land managers and users with snow pack data and water supply forecast for the Western United States. Additional decreases may affect snow/water forecasting data to Western States, water managers, other agencies, municipalities and private individuals who access the NWCC annually.

a. An increase of $37,000 for pay costs which includes $7,000 for annualization of the 2013 pay raise and $30,000 for the anticipated 2014 pay raise.

The increase for pay will enable NRCS to maintain current staffing levels which are critical to the Agency's mission. The pay cost funds are needed to avoid any disruption or delays in the Snow Survey and Water Supply Forecasting program activities and will be used to pay the increased salaries and benefits cost for the 46 staff years funded in the 2014 budget.

b. A decrease of $857,000 and 5 staff years for program activities.

This reduction may impact NRCS's ability to make available critical snow/water forecasting data to Western States and water managers, other agencies, municipalities and private individuals who access the NWCC annually - more than 16.1 million downloads of data each year.

(4) A net decrease of $906,000 and 9 staff years for the Plant Materials Centers ($9,457,000 and 86 staff years available in 2013):

Base funding for PMCs will continue to fund testing, evaluation, and demonstration of plant technologies used to solve natural resource problems and improve the utilization of natural resources such as:

- reducing soil erosion;
- increasing cropland soil health and productivity;
- restoring wetlands;
- improving water quality;
- improving wildlife habitat (including pollinators);
- protecting streambank and riparian areas;
- stabilizing coastal dunes;
- producing biomass;
- improving air quality; and
- addressing other conservation treatment needs.

Continuing base funding is crucial to ensuring the continued operation of the program and for NRCS to have the vegetative information needed to effectively implement conservation programs. Additional decreases would limit the vegetative information and services; and would limit PMCs' flexibility to address critical vegetative questions related to changes in climate.

a. An increase of $51,000 for pay costs which includes $9,000 for annualization of the 2013 pay raise and $42,000 for the anticipated 2014 pay raise.

The increase for pay will enable NRCS to maintain current staffing levels which are critical to the Agency's mission. The pay cost funds are needed to avoid any disruption or delays in the PMCs activities and will be used to pay the increased salaries and benefits cost for the 77 staff years funded in the 2014 budget.

b. A decrease of $957,000 and 9 staff years for program activities.

The program is vital to creating effective vegetation for soil erosion and other extreme weather conditions. This reduction would limit PMCs' flexibility to address critical vegetative questions related to changes in climate, such as appropriate plant species or varieties for different areas of the country to support cropland soil health or range planting recommendations.

CONSERVATION OPERATIONS

Geographic Breakdown of Obligations and Staff Years
(Dollars in thousands)

State/Territory	2011 Actual		2012 Actual		2013 Estimate		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	$12,081	94	$10,622	99	$11,514	100	$10,627	96
Alaska	6,076	40	5,019	33	5,362	33	4,906	32
Arizona	9,687	76	7,702	72	8,312	73	7,635	70
Arkansas	13,376	123	10,886	102	11,784	103	10,861	99
California	22,831	182	19,016	158	20,577	160	18,957	153
Colorado	16,653	147	14,468	142	15,560	144	14,307	137
Connecticut	4,712	29	3,095	26	3,354	26	3,094	25
Delaware	2,177	17	1,742	13	1,889	13	1,745	13
Florida	10,462	88	9,705	89	10,503	90	9,677	86
Georgia	14,463	128	12,752	115	13,812	117	12,742	111
Hawaii	7,517	72	6,910	61	7,472	62	6,881	59
Idaho	12,307	119	10,464	101	11,207	102	10,276	98
Illinois	17,731	170	14,639	141	15,871	143	14,661	136
Indiana	12,925	116	11,579	105	12,553	106	11,592	101
Iowa	24,188	229	21,632	222	23,455	225	21,674	215
Kansas	22,024	196	19,221	204	20,822	207	19,216	197
Kentucky	13,588	121	12,378	115	13,419	117	12,391	111
Louisiana	11,938	110	8,903	107	9,636	108	8,883	103
Maine	5,582	47	5,282	43	5,725	44	5,281	42
Maryland	6,465	46	5,234	47	5,648	48	5,188	45
Massachusetts	4,843	31	3,724	29	4,037	29	3,724	28
Michigan	12,361	110	10,669	105	11,550	106	10,651	101
Minnesota	16,387	128	13,767	131	14,923	133	13,772	127
Mississippi	13,586	101	13,903	139	15,060	141	13,898	134
Missouri	22,799	177	20,603	207	22,319	210	20,596	200
Montana	19,713	188	16,534	168	17,795	170	16,360	162
Nebraska	18,761	154	17,086	143	18,523	145	17,105	138
Nevada	5,135	40	4,005	35	4,311	35	3,954	34
New Hampshire	3,877	33	2,411	24	2,615	24	2,416	23
New Jersey	5,255	41	4,298	40	4,638	41	4,260	39
New Mexico	10,163	90	8,939	83	9,655	84	8,884	80
New York	12,689	109	9,464	97	10,242	98	9,436	94
North Carolina	12,302	115	10,097	91	10,945	92	10,102	88
North Dakota	16,654	147	14,202	147	15,372	149	14,166	142
Ohio	14,441	134	11,928	113	12,933	115	11,947	109
Oklahoma	17,003	146	15,116	148	16,389	150	15,138	143
Oregon	13,483	105	11,707	105	12,512	106	11,459	101
Pennsylvania	11,259	110	9,657	92	10,470	93	9,672	89
Puerto Rico	4,589	38	3,258	32	3,530	32	3,258	31
Rhode Island	3,118	18	1,728	13	1,873	13	1,730	13
South Carolina	8,619	75	7,645	76	8,288	77	7,654	73
South Dakota	14,211	132	13,318	129	14,439	131	13,337	125

CONSERVATION OPERATIONS

Geographic Breakdown of Obligations and Staff Years
(Dollars in thousands)

State/Territory	2011 Actual		2012 Actual		2013 Estimate		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Tennessee	13,772	126	12,065	114	13,080	116	12,082	110
Texas	46,019	427	38,970	340	42,198	346	38,916	330
Utah	10,138	82	6,726	58	7,154	59	6,544	56
Vermont	4,255	34	3,639	34	3,944	34	3,640	33
Virginia	10,197	95	8,729	86	9,463	87	8,737	83
Washington	12,672	109	10,959	99	11,842	100	10,908	96
West Virginia	7,666	67	7,322	72	7,920	73	7,293	70
Wisconsin	14,793	130	12,700	120	13,769	122	12,716	116
Wyoming	9,578	74	7,978	66	8,625	67	7,952	64
National Hdqtr	213,374	262	211,545	314	229,320	317	211,786	301
National Centers	51,811	360	43,238	300	46,867	311	43,132	295
Nat. Tech. Sup. Cent	10,538	63	10,397	63	10,994	67	10,118	64
Undistributed FB TA*	-	-	-	-	-	-	695,000	4,004
Obligations	912,844	6,201	809,576	5,808	876,070	5,894	1,502,937	9,625
Lapsing Balances	1,142	-	12,017	-	-	-	-	-
Bal. Available, EOY	33,936	-	57,135	-	-	-	-	-
Total, Available	947,922	6,201	878,728	5,808	876,070	5,894	1,502,937	9,625

*Transfer in mandatory authority from the Farm Security and Rural Investment Programs (Farm Bill) account to the Prvate Lands Conservation Operations Account to consolidate technical asssistance funding in the Private Lands Conservation Operations Account.

CONSERVATION OPERATIONS

Classification by Objects
(Dollars in thousands)

	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Personnel Compensation:				
Washington, D.C.	$30,721	$26,870	$28,191	$47,000
Field	400,454	371,672	374,541	625,000
11 Total personnel compensation	431,175	398,542	402,732	672,000
12 Personal benefits	139,839	132,176	133,583	225,000
13.0 Benefits for former personnel	3,140	1,726	1,771	2,000
Total, personnel comp. and benefits	574,154	532,444	538,086	899,000
Other Objects:				
21.0 Travel and transportation of persons	19,265	16,030	16,442	21,000
22.0 Transportation of things	4,215	2,834	2,905	3,000
23.2 Rental payments to others	23,108	16,180	16,636	16,000
23.3 Communications, utilities, and misc. charges	21,561	15,222	15,631	26,000
24.0 Printing and reproduction	1,020	1,862	1,812	3,000
25.2 Other services	222,836	192,362	251,563	209,397
25.2 Construction contracts	2,743	265	-	-
26.0 Supplies and materials	18,123	15,868	16,242	25,000
31.0 Equipment	24,704	16,074	16,307	33,000
32.0 Land and structures	492	39	39	267,000
33.0 Investments and loans	181	-	-	-
42.0 Insurance Claims and Indemnities	442	396	407	-
Total, Other Objects	338,690	277,132	337,984	603,397
99.9 Total, new obligations	912,844	809,576	876,070	1,502,397
Position Data:				
Average Salary (dollars), ES Position	$159,842	$158,490	$158,490	$158,490
Average Salary (dollars), GS Position	$64,482	$65,399	$65,399	$65,399
Average Grade, GS Position	10.0	10.0	10.0	10.0

CONSERVATION OPERATIONS

User Fees – Proposed Legislation

Explanation of Proposed Legislation:

This proposal would recover approximately $22 million in 2014.

NRCS provides technical and financial assistance for the development of conservation plans and establishment of measures to conserve soil and water, including farm irrigation, flood prevention, and agricultural pollution control. The technical assistance provided to agricultural landowners and operators varies depending upon the complexity of the soil or water conservation resource concern. This proposal would initiate user fees for this service. Because these plans benefit landowners by providing them with individualized site-specific inventories and evaluations of soil, water, and other resources on their land, as well as design, layout and evaluation of over 167 potential conservation practices, USDA is proposing a fee based on the level of service provided.

This proposal recommends amending Section 590c of the Soil Conservation and Domestic Allotment Act of 1935 to authorize the charging of fees for particular technical assistance services. This proposal would authorize NRCS to prescribe and collect fees to cover some of the costs of providing technical assistance for completing a conservation plan for a producer or landowner. The language would provide the Secretary with the authority to waive fees for assistance provided to members of historically underserved groups such as beginning farmers or ranchers, limited resource farmers or ranchers, and socially disadvantaged farmers or ranchers. Fees also could be waived by the Secretary for assistance provided to USDA program participants seeking to maintain payment eligibility under Section 1212 of the Food Security Act of 1985, or to comply with local, state, or Federal regulatory requirements. The legislation establishes a special fund in the Treasury for collection of user fees, which would be authorized to be appropriated and available until expended. Receipts in 2014 are estimated at $22 million.

CONSERVATION OPERATIONS

Private Lands Conservation Operations - Proposed Legislation

Explanation of Proposed Legislation:

This proposal would rename the Conservation Operations account as the Private Lands Conservation Operations (PLCO) account and would consolidate the discretionary and mandatory technical assistance funding in a single account for display purposes.

NRCS uses this funding to provide technical assistance supported by science-based technology and tools that help people conserve, maintain, and improve the Nation's natural resources. Technical assistance provides agricultural producers and others with the knowledge and conservation tools they need to conserve, maintain, and improve the natural resources on the lands they manage. Technical assistance funding also supports that mandatory conservation programs managed by NRCS in the Farm Security and Rural Investment Program (FSRI) account, which is funded by transfers from CCC.

This proposal would consolidate the technical assistance funding currently provided in two accounts – the discretionary Conservations Operations account and the mandatory FSRI – in the new Private Lands Conservations Operations account by transferring from FSRI to PLCO $695 million that is provided for technical assistance in FSRI. The proposal also provides for additional transfers, if needed, and requires that at least $25 million will be awarded to non-Federal conservation partners pursuant to 16 U.S.C. 3842 through a consistent and transparent process that leverages federal funding to achieve conservation objectives.

This proposal would not increase or decrease the amount available for technical assistance, it simply consolidates all technical assistance funding in a single account for display purposes. This proposal also would not change the authorities or the period of availability of the mandatory funding.

NATURAL RESOURCES CONSERVATION SERVICE
CONSERVATION OPERATIONS ACCOUNT

STATUS OF PROGRAM

Current Activities.

Background. Conservation Operations is authorized by the Soil Conservation and Domestic Allotment Act of 1935 (P.L. 74-46; 16 U.S.C. 590a-590f) and the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2001-2009). The purpose of Conservation Operations is to provide technical assistance supported by science-based technology and tools that help people conserve, maintain, and improve the Nation's natural resources. Conservation Operations has four major program components: Conservation Technical Assistance (CTA); Soil Survey; Snow Survey and Water Supply Forecasting (SSWSF); and Plant Materials Centers (PMCs).

Funding in the Conservation Operations account provides for the development and delivery of a major portion of the products and services associated with four of the agency's five business lines: 1) Conservation Planning and Technical Consultation, 2) Conservation Implementation, 3) Natural Resource Inventory and Assessment, and 4) Natural Resource Technology Transfer. The fifth business line (Financial Assistance) is funded primarily through other conservation programs.

Agency Strategic Plan. The Natural Resources Conservation Service (NRCS) Strategic Plan (2011-2015) sets the vision, direction and priorities for NRCS in helping people use science-based technology and tools to conserve, maintain, and improve the Nation's natural resources. This plan is used to develop tactics to deliver on this core mission. The plan is focused on three overarching priorities:

1) **Get more conservation on the ground** – This is the agency's mission. NRCS is committed to developing, implementing, and evaluating strategic conservation solutions; delivering the highest quality technical expertise; and proactively addressing emerging natural resource issues.

2) **Increase organizational effectiveness and efficiency** – NRCS will change as needed to ensure that the right people with the right skills are in the right places to get conservation on the ground and produce the results that our customers and stakeholders expect.

3) **Create a climate where private lands conservation will thrive** – Voluntary, incentive-based conservation is the best way to achieve positive environmental results, and that requires strong partnerships and coalitions to promote an ethic of conservation stewardship among America's private landowners.

In 2012, the agency selected a few key outcome-based performance measures that were supported by available conservation science and agency business tools. The selected measures reflect the impact of NRCS's efforts while working with private landowners and managers. These measures are also compliant with the Government Performance and Results Modernization Act of 2010 (GPRA), and provide a transparent link between budgetary investment, outputs, and outcomes. During 2013, the selected key performance measures will be used along with continued work to develop and improve additional measures for 2014.

CONSERVATION TECHNICAL ASSISTANCE

Current Activities.

Program Objectives. The Conservation Technical Assistance (CTA) Program provides agricultural producers and others with the knowledge and conservation tools they need to conserve, maintain, and improve the natural resources on the lands they manage. Through the program, NRCS conservation professionals and partners translate science, professional judgment, and sensitivity to land managers so they can take appropriate actions on their farms, ranches, and watersheds to conserve resources, enhance the environment, and ensure the commercial viability of agriculture.

Program Operations. Technical assistance starts with a science-based assessment of the resource concerns and opportunities on farms and ranches and in watersheds. NRCS professionals then provide farmers and ranchers with the best options for addressing resource concerns and taking advantage of opportunities. Trained NRCS conservationists understand the synergies of various conservation practices and activities and can recommend the best strategies to get desired results on the land. Through the development of a conservation plan, resource related problems are addressed as producers and NRCS work together to use the information gleaned from the planning process to make decisions, implement plans, and put practices in place.

Ideally, technical assistance does not stop with implementation, but includes annual follow up or reassessment to determine the effectiveness of the plan for the land manager. Technical assistance is an ongoing process of science-based assessment, action, reassessment, and adjusted action. In its broadest and best sense, science-based technical assistance is about helping producers understand how their operations affect the environment and how they can manage their operations to both make a profit and improve the natural resources. It connects what happens on one farm with what happens on neighboring farms so that measurable natural resource improvements can be made on the broader landscape. Finally, technical assistance is about innovation - developing, testing, and transferring new conservation practices and systems that better meet the needs of producers and the environment.

NRCS is USDA's principal agency for providing conservation technical assistance to private landowners, conservation districts, Indian Tribes, and other organizations. Through the CTA Program, NRCS helps land managers reduce soil loss from erosion; address soil, water quality, water conservation, air quality, and agricultural waste management concerns; reduce potential damage caused by excess water and sedimentation or drought; enhance the quality of fish and wildlife habitat; improve the long-term sustainability of all lands, including cropland, forestland, grazing lands, coastal lands, and developed or developing lands; and facilitate changes in land use as needed for natural resource protection and sustainability.

NRCS conservation technical assistance addresses at the local level, where public policy truly supports private action, those natural resource conservation issues that are of State and national concerns. The NRCS Chief establishes CTA Program national priorities and initiatives on a yearly or multi-year basis in order to focus agency resources on specific program objectives. States may establish additional priorities and initiatives for the CTA Program. The agency has a full array of processes to focus CTA Program resources on national and State priorities and initiatives. These processes include, but are not limited to:

- Strategically positioning staff to address natural resource needs;
- Locating program funds to address natural resource needs;
- Establishing short-term and long-term performance measures and goals;
- Establishing and implementing agreements and contracts;
- Formulating, enhancing, and expanding partnerships;
- Developing and transferring new and innovative technologies;
- Delivering conservation planning and other technical assistance to help decision makers meet eligibility requirements for USDA programs and other Federal, State, and local conservation programs;
- Conducting technical and program evaluations and assessments;
- Conducting resource inventories and assessments;
- Developing and delivering training;
- Expanding technical capacity, including the use of Technical Service Providers (TSPs); and
- Developing public information and outreach strategies.

2012 Activities.
In 2012, CTA Program activities included:

- Using new technologies and conservation practices that addressed emerging challenges and opportunities, such as organic production systems, on farm energy management, air quality improvement, and enhancement of pollinator populations;
- Providing assistance to improve soil health and productivity in States impacted by the historic drought;
- Creating Working Lands for Wildlife (WLFW), a new partnership between NRCS and the U.S. Fish and Wildlife Service (FWS) to use agency technical assistance combined with financial assistance to combat the decline of seven specific wildlife species;
- Addressing a growing number of niche enterprises that include aquaculture, specialty crops, sustainable and organic farming;
- Engaging producers who were new to production agriculture and had higher demands for technical assistance or had not previously participated in NRCS programs but who are critical in solving the identified resource concerns in special initiative areas;
- Entering into agreements with conservation partnerships in order to leverage local funds and provide additional technical assistance;
- Accelerating focused technical assistance through landscape conservation initiatives such as the Chesapeake Bay Watershed Initiative, Great Lakes Restoration Initiative, Sage Grouse Initiative, Gulf of Mexico Initiative, and the Mississippi River Basin Healthy Watersheds Initiative;
- Addressing growing demand for pre-program conservation planning support for Farm Bill programs such as the Environmental Quality Incentives Program, Agricultural Water Enhancement Program, Conservation Stewardship Program, and the Wildlife Habitat Incentives Program; and
- Designing natural resource conservation systems to reduce the risk of loss from climatic events such as drought, fire, and flood, and to mitigate their effects.

To meet the growing demand for technical assistance, the agency has continued to manage and invest in human capital to ensure the right skills are in the right location to deliver high quality products and services; improve and streamline internal business processes in order to accelerate service delivery; expand the conservation partnership and build new alliances for cooperative approaches that conserve and protect natural resources; develop and use electronically-based technology to provide a more customer-focused service; and strengthen our ability to develop innovative technology addressing new and emerging conservation challenges.

Get Conservation on the Ground. Through the CTA Program, NRCS's field staff provides technical assistance to customers in planning and application of science-based conservation practices and systems on non-Federal land. This technical assistance provides public benefits through soil and water quality improvements, water conservation, healthier grazing and forest land ecosystems, and wildlife habitat improvement. The 2012 examples of CTA Program results are:

Maintain productive working farms and ranches. NRCS helps ensure soil health, which is the foundation for productive working farms and ranches. Soil health leads to sustained production of a safe, healthy, and abundant food supply.

- In 2012, NRCS assisted in developing conservation plans on 37.4 million acres. In accordance with those plans, conservation practices and systems designed to improve soil quality were applied to 8.7 million acres of cropland.
- NRCS helped the owners and managers of grazing and forest land apply conservation to improve the resource base on 17.1 million acres.

Eliminate and reduce impairments to water bodies. NRCS works with agricultural producers to help them conserve water and reduce the potential for pollutants to move off site into water bodies, streams and rivers. This reduces input costs to the producer and protects water quality.

- Nearly 24 million acres of agricultural land had conservation practices applied as designed by NRCS to improve off-site water quality.
- Comprehensive Nutrient Management Plans (CNMPs) were developed and implemented with livestock producers to ensure significant reductions in released nutrients. In 2012, 891 CNMPs were written and 613 were applied.

- Over 742,000 acres of conservation practices were applied to improve irrigation water use efficiency, which reduces costs to the producer and reduces groundwater withdrawals and surface runoff.

Decrease threats to "candidate" and threatened and endangered species. Nearly 70 percent of the fish and wildlife habitat in the United States is on privately owned lands. The creation and restoration of wildlife habitat on private lands is vital to decreasing the threats to species already listed as threatened or endangered or have potential to be listed ("candidate" species). NRCS works with landowners and managers to assist them with wildlife habitat improvement and wetland restoration, providing increased recreational opportunities and vital ecosystem services.

- Over 9 million acres had conservation practices and systems applied to improve wildlife habitat.
- Creation, restoration, and enhancement of wetlands which provide critical wildlife habitat, was accomplished on over 54,000 acres.

Grazing Lands Conservation. Grazing lands comprise an economic resource base in all 50 States and provide food, fiber, clean air and water, wildlife habitat, and open space. According to the NRCS National Resource Inventory (NRI), privately owned range and pasture lands make up over 27 percent (528 million acres) of the total acreage of the contiguous 48 States. These lands constitute the largest private land use category, exceeding both forestland (21 percent) and crop land (18 percent). Properly managed grazing land has multiple benefits, including reduced storm water runoff, improved carbon storage in the soil, wildlife habitat, and beautiful open space.

NRCS participates in the Grazing Lands Conservation Initiative (GLCI), a non-governmental nationwide consortium of individuals, organizations, and agencies working together to maintain and improve the management and the health of the Nation's grazing lands. The GLCI has spurred major increases in the knowledge and skills of NRCS conservationists and the planning and application of conservation of grazing land management for the greater good of America. In 2012 alone, over 33 million acres of grazing land had conservation practices applied.

NRCS led the expansion of the NRI of non-forested Bureau of Land Management (BLM) lands in order to provide a statistically-based sample design that is common to both agencies. BLM is providing NRCS $12.5 million over five years for the service, and data collection is planned through 2015. This inventory is critical for both agencies since these Federal lands are intertwined with non-Federal rangelands where land management units typically span both ownership types.

NRCS's Ecological Site Information System (ESIS) continues to provide the capability to produce automated ecological site descriptions from the data stored in its database. Joint policy between BLM, NRCS, and the USDA Forest Service efficiently pools the agencies' technical resources behind the development and use of ecological site descriptions (ESDs) to describe site characteristics, plant communities, and use interpretations for grazing land and forestland. ESD development training is ongoing and all three agencies provide staff support and participation. This technology improves land management planning capabilities for agencies and the public by providing consistency among the agencies' classification, technology development, planning and accomplishment reporting.

Clean Water Activities. NRCS addresses key water quality issues and safeguards streams, lakes and rivers through the implementation of conservation practices on America's working lands. These practices help mitigate the potential environmental risks posed by animal feeding operations and the impairment of water resources from nutrients, sediments, and pesticides. NRCS works with the agricultural community and implements conservation actions to address water quality resource concerns at the farm and field scales. The agency also provides the leadership needed to enhance coordination with the Environmental Protection Agency (EPA), Army Corps of Engineers, National Oceanic Atmospheric Administration and other Federal agencies in areas of mutual interest. Specific areas in which NRCS provides technical leadership include: Concentrated Animal Feeding Operation (CAFO) Rule implementation; nutrient management; pesticide drift under the Clean Water Act; Chesapeake Bay, Great Lakes, and Mississippi River Basin restoration efforts; Gulf of Mexico Initiative; National Ocean Policy; U.S. Coral Reef Task Force; and conservation assistance to reduce hypoxia and improve water quality across the landscape.

NRCS has embarked upon a series of national and regional conservation initiatives that protect and conserve water quality and quantity. For example, the National Water Quality Initiative involved each State identifying one to three watersheds in which to concentrate efforts with State water quality agencies. The objective of the initiative is to collaborate with ongoing watershed restoration programs (e.g., CWA 319 listed watersheds) in order to make a

significant improvement in water quality. The goal is to eventually delist the stream segments. Selection of target watersheds occurs in coordination with local State water quality agencies that have ongoing projects and/or water quality monitoring already in progress. The National Water Quality Initiative is also piloting use of the Water Quality Index for Agricultural Runoff for prescribing conservation practices that will improve overall quality of the water leaving the farm fields. This tool is useful for easily communicating conservation practice benefits on water quality to the public.

Nutrient Management Plans. The release of nutrients from agricultural operations (e.g., over-fertilization, animal waste disposal, and dairy runoff) is a recognized source of contamination for the Nation's waterways. Voluntary CNMPs are an effective tool for addressing these water quality problems associated with agriculture. An average CNMP takes approximately 150 hours of staff time to develop. Since 2002, over 45,000 CNMPs have been developed, and NRCS employees, conservation partners, and TSPs have spent over 6.7 million hours developing CNMPs for our Nation's farmers and ranchers. In 2011 and 2012, NRCS, conservation partners, and TSPs assisted over 5,600 livestock and poultry producers in developing new CNMPs. Considering that these plans are voluntary in nature and may at times involve large financial investments on the part of the landowner or manager, this is viewed as a relatively high level of success.

Pathogens. In 2009, NRCS, in partnership with the University of California, addressed the issue of conservation and pathogens in food safety and disease control through revising its waterborne pathogen publication to reflect current science and the development of a web-based training course for NRCS personnel. In 2010, the final draft of the updated publication was completed by the university and underwent technical review by NRCS, other agencies, and experts from outside the Federal government. The publication was made available on the NRCS website in 2012. The on-line training tool was tested by selected field staff in late 2012 and will be released for general usage early in 2013. Both of these media for presenting information on waterborne pathogens will be made available on the NRCS public access website in 2013.

Hypoxia. USDA participated on the Mississippi River/Gulf of Mexico Watershed Nutrient Task Force in 2012. NRCS served as the USDA point of contact on the Task Force Coordinating Committee. NRCS also participated in four Task Force sub-committees with assigned responsibility to provide technical assistance and guidance to the Deputy Under Secretary and the Task Force in implementing the Hypoxia Action Plan. The Hypoxia Action Plan is designed to reduce the size of the hypoxic zone in the Gulf, thus restoring and protecting the waters within the Mississippi/Atchafalaya River Basin, and improving community and economic conditions across the Basin.

Water Quality Leadership. During 2012, NRCS led the development, advancement, and demonstration of new and innovative approaches to improving water quality. The following activities highlight some of these advances:

- NRCS worked with the Keystone Group to deliver and cooperate on water quality technology. Keystone incorporated both RUSLE2 and the Water Quality Index for Agricultural Runoff into their "Fieldprint Calculator" This tool will expand the delivery of NRCS technology to a wider audience and leverage both the science and investments made by the agency.
- NRCS continues to complete regional reports from the Conservation Effects Assessment Project (CEAP) studies including the Upper Mississippi, Chesapeake Bay and Great Lakes regions to evaluate the benefits of conservation practices and identify additional improvements needed for reducing the non-point source contribution of nutrients from farmlands.
- NRCS participated with States to explore and implement the concept of "Water Quality Certainty". That is the recognition of a producer's commitment to conservation through proactive planning and demonstration of proper stewardship. Once a farmer has clearly demonstrated a commitment to water quality conservation, they would receive assurances that they may be exempt from State regulation concerning water quality.
- NRCS collaborated with agricultural groups and States to gather agricultural data for use in meeting EPA's requirements for watershed implementation plans as a result of the Chesapeake Bay Total Maximum Daily Load (TMDL). NRCS and EPA have collaborated on evaluation of the Chesapeake Bay Model and how it might be improved.
- NRCS, through the Watershed Partnership program of the U.S. Coral Reef Task Force, is working with producers in watersheds to voluntarily implement conservation practices to avoid, control, and trap sediment and nutrient runoff and improve wildlife habitat while maintaining agricultural productivity. NRCS provides outreach and technical assistance to landowners enrolled in the EQIP program that propagate native trees to plant in critical areas and help ensure wildlife conservation practices are properly implemented with certified

conservation practices. NRCS is also working to engage local landowners in adopting conservation practices by offering cost-share incentives through several volunteer land conservation programs.

- The Gulf Coast Ecosystem Restoration Task Force announced the start of an innovative water and wildlife conservation effort along the Gulf Coast, called the Gulf of Mexico Initiative (GoMI). NRCS developed GoMI in close collaboration with local, State, and Federal partners. It is a new approach to better target conservation activities in the Gulf Coast region to help improve the health of the Coast's rivers, wetlands, and estuaries that are integral to jobs and the economy in the Gulf. NRCS is dedicating up to $50 million over three years to this effort, including $20 million in 2012. The GoMI will leverage additional investments from Federal and State agencies, private landowners, and local organizations to enhance outcomes.

National Resources Inventory (NRI) and Conservation Effects Assessment Project (CEAP). Through NRI and CEAP, NRCS acquires, analyzes, interprets, and delivers data and information on natural resources. Several pieces of legislation authorize the NRI, in particular the Rural Development Act of 1972. CEAP was authorized under the Farm Security and Rural Investment Act of 2002 Conference Report to Accompany H.R. 2646 (4a, b) and the Soil and Water Resources Conservation Act of 1977 (RCA) (as amended by the Food, Conservation and Energy Act of 2008, P.L. 110-246, 122 Stat. 1651) [16 U.S.C. 2001-2009].

The NRI provides the basic scientific information necessary for sound natural resource planning and decision-making at many landscape levels through the compilation of natural resources data and information, conservation program data, and data from other Federal and non-Federal sources. NRI assesses natural resource conditions and trends on non-Federal lands, including privately-owned land, Tribal and trust lands, and lands controlled by State and local governments. Data and analyses from the NRI lay the foundation for appropriate and effective conservation programs, sound agricultural policy, realistic strategic and performance plans, and national farm policy discussion through the Farm Bill process. NRI data are designed to help assess consequences of existing legislative mandates, such as the appraisals required by the RCA and the periodic Farm Bills. The 2007 NRI and CEAP assessments provided the analytical foundation for the RCA Appraisal that USDA delivered to Congress in 2011 and the forthcoming update of the National Conservation Program, which together provide guidance to USDA on conservation activities needed to meet the Nation's long-term resource needs. NRI data facilitate the development of sensible programs and policies that support and promote agricultural development and the economy; restore, protect, and preserve the quality of the environment; and advance social values.

NRI is a statistical survey that inventories scientifically selected sample sites located in every county across the United States as well as in the Caribbean Area and Pacific Basin. NRI data are collected every year for a scientifically selected subset of the 800,000 NRI sample sites nationwide. From 1977 to 1997, NRI was conducted on five-year cycles. The collection of NRI data on an annual basis provides the flexibility to gather scientific information on emerging natural resource issues. The long-term trending capability of the NRI, one of its most valuable aspects, is useful in evaluating the impacts of conservation programs and policies. Major releases of NRI data are scheduled every five years; data from the 2007 Annual NRI were posted in 2009. An interim release of 2010 data is planned for summer 2013. The NRI is performed in cooperation with the Iowa State University Center for Survey Statistics and Methodology. The 2012 NRI activities included:

- Alaska NRI. Alaska was included in NRI; data collection and processing were performed in 2010, 2011, and 2012. The report of the data results is in the final stages of preparation and should be available near the end of the calendar year. Alaska has presented many data collection challenges; procurement of suitable imagery is complicated and many resource issues are unique to the State. The new data will provide stakeholders and partners, including native Alaskan groups, with credible and useful natural resources information. Updated NRI data for Hawaii and the Caribbean Area were released in 2012.
- NRI Conservation Tillage and Nutrient Management Survey. NRCS partnered with the National Agricultural Statistics Service (NASS) to obtain updated NRI CEAP survey data in order to develop a revised assessment of the environmental effects of conservation programs and practices implemented within the Chesapeake Bay Watershed. This work updates results released March 15, 2011 USDA Release No. 0121.11 (which were based data collected from 2003 to 2006). NASS completed 1,174 farmer surveys to obtain farm-field level land management and conservation practice data for cropland fields associated with selected NRI sample sites throughout the region. NASS enumerators (data collectors) also worked with NRCS State and field staffs to obtain supplemental information regarding conservation plans and practices from Field Office records. Training of NASS data collectors occurred in October 2011 and data collection for the Chesapeake Bay survey was completed in February 2012. Data review, database construction, and modeling activities are currently

underway. The updated Chesapeake Bay report is planned for release in the second quarter of 2013. Planning for data collection activities to support additional high priority surveys of the Western Lake Erie Basin, Des Moines River Watershed, and the California Bay Delta area occurred in late 2012. Training of NASS enumerators and supporting NRCS field staff and primary data collection activities for these surveys will occur in 2013.

- On-site Data Collection on Bureau of Land Management (BLM) Lands. NRCS is continuing an interagency agreement with the BLM on a landscape monitoring project. BLM is partnering with NRCS to implement a national approach for monitoring rangeland resources by expanding NRI data collection to BLM lands and intensifying sampling in core Sage Grouse habitat. The initial period of the agreement is 2011-2015. Funding from BLM is being used to develop a survey system that regularly provides scientifically credible information on the status of non-forested BLM lands in 13 Western and Midwestern States. Data collected as part of this agreement are being reviewed by an interagency team and will be used in reports for the Sage Grouse and Great Basin initiatives and contribute to BLM's ongoing monitoring program. Adoption of NRI protocols on BLM-managed landscapes enhances NRCS's leadership on grazing lands. A more complete representation of all western grazing lands will result from combining information derived from NRI data collected on BLM-managed lands with that obtained from NRI data collected on non-Federal lands.
- Successful Conclusion to Remote Sensing Pilot on Stewardship Lands (Easements). NRCS Resource Inventory Division's Remote Sensing Laboratories (RSLs), the NRCS Easement Programs Division (EPD), and the National Geospatial Management Center (NGMC) completed a research pilot to evaluate a Web-based geographic information system (GIS) tool modified for the purpose of conducting remote sensing of stewardship lands. The Web-based tool, called GeoObserver, displays multiple years of high-resolution imagery along with stewardship land boundaries. Users of GeoObserver can readily detect changes on the landscape that may be a violation of the terms of the easement program. As a result of this pilot study, NRCS's Chief is implementing a program of remote monitoring of stewardship lands in 2013. Currently, EPD is developing processes and protocols for carrying out this program. Final protocols were completed by the end of calendar year 2012 and implementation of the monitoring program is scheduled to begin in early May 2013.
- North Dakota Wetland Determination Pilot. The Central Remote Sensing Lab (CRSL) is working in cooperation with the NRCS North Dakota State Office on a wetland determination pilot. In February 2012, a proposed pilot for completing preliminary certified wetland determinations offsite was initiated between North Dakota, Central National Technology Support Center (NTSC), and the CRSL. The ongoing pilot is testing the capabilities and capacity of CRSL personnel in the reduction of the Food Security Act (FSA) wetland determination workload. This is done by rendering decisions at the wetland diagnostic factor level or at the wetland level by applying the offsite wetland identification methods provided in the U.S. Army Corps of Engineers Wetland Delineation Manual, Part IV, Section B, Section C, and subsection 1 of Section D, with adherence to the variances provided in the FSA Wetland ID Procedures (NFSAM Part 527). This effort supports the NRCS North Central Wetlands Conservation Initiative and the 90/10 Initiative.

CEAP is a multi-agency effort designed to: 1) quantify the environmental benefits of applying conservation practices on agricultural land, and 2) provide a scientific basis for managing the agricultural landscape for environmental quality. As projects are completed under CEAP, findings are used to guide USDA conservation policy, program development, and to help conservationists, farmers, and ranchers make more informed conservation decisions.

CEAP assessments are carried out at national, regional, and watershed scales. The national assessments for cropland, grazing lands, wetlands, and wildlife are designed to provide summary estimates of conservation practice benefits. Additional "what-if" scenarios are run in various models to assess the potential of USDA conservation programs to meet the Nation's environmental and conservation goals. Watershed assessment studies provide more detailed, in-depth assessments of smaller areas. The American Association for the Advancement of Science, as part of the Agriculture, Food, Nutrition, and Natural Resources R&D Round Table, honored CEAP in 2011 as an "Exemplary Collaborative Case Study" for CEAP's ability to estimate ecosystem outcomes utilizing available sound science.

The 2012 CEAP activities included:

Cropland Assessment. The fourth and fifth reports in the nationwide series of CEAP-Cropland assessment reports on the Ohio-Tennessee and Missouri River Basins were released to the public in 2012. An updated version of the first report in the series on the Upper Mississippi River Basin was also released in 2012. A comparison of findings from the first five studies found that the use of conservation practices reduced:

- Edge-of-field sediment losses by 47 to 73 percent;
- Nitrogen losses with surface runoff by 35 to 58 percent;
- Nitrogen losses through subsurface pathways by 9 to 45 percent; and
- Total phosphorus losses by 33 to 59 percent.

The following reports are being drafted: In Arkansas, the White-Red and Lower Mississippi River Basins, and the Texas-Gulf Region. All should be ready for regional peer review in late calendar year 2012 or early 2013.

In addition, analyses of the environmental effects and economic costs of applying conservation practices have provided agency leadership with vital information for decision making that optimizes the use of available conservation resources while increasing ecosystem benefits and minimizing the risk of agricultural yield losses.

Wetlands Assessment. Two final reports for small-scale regional assessment projects were completed in 2012: "Quantifying Ecosystem Services from Wetland Conservation Practices in the Glaciated Interior Plains; the Provision of Water Quality (and Carbon Sequestration) Benefits," and "Assessing Wetland Restoration Practices on Southern Agricultural Lands; and the Wetland Reserve Program in the Southeastern Coastal Plain."

In the Glaciated Interior Plains assessment:
- Water quality improvement potential was determined using denitrification, phosphorus sorption, and carbon sequestration potentials to compare restored wetlands, natural wetlands, and riparian buffers;
- Restored, conserved, and riparian buffer areas exhibited greater ambient and potential denitrification than restored and natural depressional wetlands;
- Phosphorus sorption was generally higher in riparian wetlands; however, wetlands high in soil organic matter retained the most phosphorus; and
- A decision tree based on hydrologic connectivity, parent material, and disturbance regime was developed to aid in the selection and placement of the Wetland Reserve Program (WRP) and Conservation Reserve Program (CRP) riparian buffers and WRP restoration projects.

Findings in the Southeastern Coastal Plain assessment included:
- A sample of more than 100 WRP projects South Carolina, Georgia, and Mississippi identified diverse wetland types (riverine, mineral-soil flat, organic-soil flat, and depressional) and prior habitat conditions (ranging from active agriculture to forested bottomlands harvested for timber) that may affect restoration of wetland functions;
- The primary emphasis for all WRP projects was repairing altered hydrology or retaining natural hydrology. Vegetation restoration was generally passive with tree planting frequent on prior-agriculture sites; and
- Field surveys indicated that most WRP projects had positive functional indicators of wetland hydrology, vegetation, and faunal use.

A study was completed for the High Plains regional assessment of playa wetlands examining the effects of farming and conservation programs on pesticides associated with sediments. Pesticide occurrence and concentrations were higher in wetlands surrounded by cropland as compared to native grassland and WRP/CRP restored playas.

Wildlife Assessment. CEAP-Wildlife regional assessments completed in 2012 include:

- An assessment of the effects of agricultural conservation practices on stream fish assemblages in the Missouri River Basin in the context of landscape geomorphology and various anthropogenic threats. Efforts are currently underway to incorporate the results of this assessment into the Vulnerability Assessment and Program Performance Tool (VAPPT) for use in conservation planning that integrates biological endpoints in water quality considerations;
- The contribution of WRP and wetland restoration strategies to amphibian conservation objectives in Missouri; and
- The development and application of guidelines for a Sage Grouse fence collision risk tool for use in maximizing efficiency and effectiveness of fence marking and relocation efforts being made through the NRCS Sage Grouse Initiative.

Assessments initiated include the effects of conservation practices associated with the Working Lands for Wildlife effort, golden-winged warbler and New England cottontail studies, and expanded work on producing science-based

outcome reporting for the Lesser Prairie Chicken and Sage Grouse Initiatives. Another major thrust is a multi-partner effort to develop biological endpoints, particularly aquatic biota metrics, for CEAP water quality modeling efforts in the Western Lake Erie Basin.

Grazing Lands Assessment. Version 1 of the Rangeland Hydrology and Erosion Model (RHEM) is now available for use by NRCS and other land management entities. RHEM is designed to predict the risk of soil erosion, calculate peak flow rates, and total quantity of runoff from a series of design storms for each plant community evaluated by CEAP. The model has both a Web interface and a personal computer interface and is available for integration into NRCS Field Office conservation planning systems. Concentrated flow equations, which will provide capabilities to assess disturbed conditions such as sites affected by fire, are currently being evaluated. They will be incorporated into RHEM and will be available to transfer to NRCS Field Offices in 2013. In addition, a wind erosion model (WEMO) for rangeland is being adapted to take advantage of NRI rangeland data. Both models are being used to assess rangeland at the national, regional, and vegetation type scales. Finally, the Automated Geospatial Watershed Assessment (AGWA) tool is available for review by NRCS. AGWA model documentation, relevant peer-reviewed publications, and the software are available at: http://www.tucson.ars.ag.gov/agwa. AGWA is available for integration into NRCS Field and State Office use through the Conservation Delivery Streamlining Initiative (CDSI). The Strategic Watershed Action Teams (SWAT) documentation, publications, and software are available at: http://www.brc.tamus.edu/swat/. The CEAP team is making enhancements to the core hydrology and erosion engines used within AGWA.

A synthesis of the scientific literature on rangeland conservation practices, "Conservation Benefits of Rangeland Practices: Assessment, Recommendations, and Knowledge Gaps," was released in October 2011. A companion synthesis for pasture and hayland, "Conservation Outcomes from Pastureland and Hayland Practices: Assessment, Recommendations, and Knowledge Gaps," is at press and expected to be released in November 2012. Both publications have Executive Summaries that were released slightly ahead of the full syntheses. Each synthesis advances the science of grazing land conservation management through analysis of previously unrelated studies based on the "purpose" statements of selected NRCS conservation practice standards. They improve the foundation for evaluation of current conservation practice use, and provide insight to new approaches NRCS can use for management of pastureland and hayland.

Two CEAP grazing land science notes that address the effects of brush management and fire have been developed and are in NRCS peer review. Additional science technology reports will be developed from published scientific papers by the CEAP team.

Watershed Assessment Studies. During 2012, the major accomplishment was the preparation and release of the National Institute of Food and Agriculture (NIFA) CEAP Watershed Synthesis Study findings. The findings were published in a book released in August by the Soil and Water Conservation Society and were summarized in several fact sheets. Fact sheets and other products including a webinar are available at: http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/technical/nra/ceap/?&cid=stelprdb1047821. Discussions within NRCS have begun regarding utilization of the findings of this study. Several CEAP Conservation Insights on this synthesis study and on other CEAP Watershed Studies findings were drafted in 2012 and are near completion.

The Agricultural Research Service (ARS), a CEAP partner, continues work on their long-term conservation effects assessments. This year, work was initiated under a new Research Plan for the ARS Water Program, NP 211, towards several CEAP-related objectives. Objectives include development of conservation targeting tools and evaluation of conservation practice effectiveness under climate change. In July 2012, ARS held a symposium at the Annual Soil and Water Conservation Society Conference to share key findings summarized topically from across their CEAP projects.

NRCS continues to cooperate with Colorado State University on the development of the Environmental Risk Assessment and Management System (eRAMS) tool, a comprehensive support system that facilitates the assessment, planning, and implementation of conservation practices for landscape management across spatial scales from farm to watershed. The system is fully operational for the Raccoon River Basin, Iowa, and two watersheds in Arkansas are being tested. eRAMS is being planned for addition to the CDSI in the future as an area-wide planning tool.

Getting Conservation on the Ground.
CEAP continues to provide assessments of the conservation efforts in various NRCS Initiative areas: the Mississippi River Basin Healthy Watershed Initiative, the Chesapeake Bay Watershed Initiative and Executive Orders, the Great Lakes Restoration Initiative, the National Water Quality Initiative, the Sage Grouse Initiative, the Lesser Prairie Chicken Initiative, the Migratory Bird Habitat Initiative, and Working Lands for Wildlife. Assessments conducted by CEAP at regional and watershed scales inform the prioritization of conservation needs enabling NRCS to focus resources in more effective ways for the American public.

NRCS continues to work with the cross-agency CEAP Implementation Team. Efforts in 2012 focused on the NRCS Financial Assistance Programs Division and Easements Programs Division. CEAP Implementation Plans have been completed for both Divisions and work will continue into 2013 with the Conservation Technical Assistance Division. Plans have been devised and approved to integrate CEAP findings into NRCS program enhancements and program accomplishments assessment. In 2012, findings from the NIFA CEAP Watershed Synthesis and other CEAP Watershed Assessments (including ARS, NIFA, and NRCS) have been used to revise and improve guidance for conservation activity for water quality monitoring.

In 2012, the Resource Assessment Division of NRCS initiated a VTC (virtual teleconference) series on CEAP to describe ways in which CEAP can support conservation planning and delivery. To date, two VTC's have been presented with good participation including presentations on CEAP within CDSI and on CEAP Science Support for the Sage Grouse Initiative. Additionally, a presentation was delivered on key findings from the NIFA CEAP Watershed Synthesis Study as part of the NRCS Chief's Thematic VTC's for State Conservationists. In addition to VTC's, several reports have been made in 2012 on findings from various CEAP Projects to Conservation Partners.

Currently, CEAP is working to enhance the resource assessment and the conservation effects and benefits assessment aspects of the planning process facilitated through CDSI. The Agricultural Policy Extender (APEX) model, the RHEM, and other tools used for CEAP analyses will support this type of function at the field scale within CDSI. In the future, additional tools will be integrated into CDSI to support area-wide planning functions for NRCS. These tools include the eRAMS tool and the Integrated Landscape Model (ILM) for wetlands.

The CEAP Conservation Benefits Identifier (CCBI) geospatial data layer tool was developed to translate core CEAP-Cropland study findings about "conservation treatment needs" into actionable information suitable for supporting agency landscape planning and program delivery at the field level. The CCBI brings together available field-level information on local soil vulnerability, levels of conservation treatment, and generalized findings from the CEAP-Cropland studies to quantify the relationship between levels of resource vulnerability and levels of conservation treatment, to quantify the potential for additional conservation benefits through further treatment, and to prioritize treatment needs on individual Common Land Units (CLUs) and Planning Land Units (PLUs).

Natural Resource Technology Transfer. NRCS ensures field staffs have the appropriate resources and necessary training to utilize the latest scientific research and technology for natural resources assessment, conservation planning, conservation system installation, and program delivery. In 2012, numerous new or revised conservation technology tools, techniques, and standards were released and are described below.

- The Water Quality Index was developed and is being piloted in at least one watershed in each State. This index provides conservation planners and landowners with a user-friendly tool for assessing the relative merits of multiple conservation practices on water quality.
- The Manure Management Planner (MMP) Version 0.31 computer program and user documentation was distributed for use by field office staff. MMP was developed at Purdue University to aid conservation planners in creating manure management plans for crop and animal feeding operations. The application is used in the development of Nutrient Management Plans (NMP) and CNMP.
- A drought calculator is being integrated into the Conservation Delivery Streamlining Initiative (CDSI) framework to be used with the Grazing Lands Resource Analysis System tool to support contingency planning on grazing lands to meet the CPS Code 528, Prescribed Grazing. NRCS updated the glossary of Hydrology terms in the Engineering Handbook to provide information for engineers and technicians to carry out their responsibilities in resource conservation and flood prevention.
- The National Engineering Handbook on Snow Survey and Water Supply Forecasting (SSWSF) Program activities were updated and distributed for use by employees, partners, cooperators, and volunteers who are responsible for snow surveys, water supply forecasting, or assisting in these activities as part of the SSWSF Program. This update addresses the advances in the establishment and expansion of the snow telemetry system.

- After two years of development, NRCS released the revised 590 Nutrient Management Standard, a nutrient management policy, an Adaptive Management technical note, and a national instruction for properly utilizing the standard. States were provided training on the major changes in criteria and planning considerations. States have one year from the date of policy issue to update their Field Office Technical Guide.
- A technical note on Basic Smoke Management Practices (BSMPs) was developed in collaboration with the US Forest Service. NRCS Prescribed Burning Conservation Practice Standard 338 was modified as a part of this effort.
- NRCS employees co-authored a document entitled "Agricultural Air Quality Conservation Measures: Reference Guide" with the Environmental Protection Agency. This is a guidance document for EPA regional offices, as well as State and local regulatory agencies that has use for initiating voluntary approaches to agricultural air emissions management.
- NRCS completed the second year evaluation of the use of interim conservation practice standard, 798 Seasonal High Tunnel System for Crops. The use of this interim standard offers a technology to extend the growing season in many areas of the United States to successfully produce vegetable and other specialty crops for personal or commercial use. High tunnels have applicability to all farms, and may offer particular advantages to small, limited resource, and organic farmers by extending the growing season, producing higher quality crops, improving yield, and potentially addressing soil and water resource concerns. Nationwide over 3,000 High Tunnels were contracted in 2012, with approximately 55 percent for beginning farmers and limited resource producers.

ProTracts is a Web-based application that helps NRCS efficiently manage applications, contracts, obligations, payments, and performance reporting. This is the primary electronic tool used by NRCS and partners to develop and manage contracts associated with NRCS's financial assistance programs. ProTracts 2012 activities on new contracts included:

- Processed over $1 billion in obligations for over 57,000 contracts in 2012;
- Successfully implemented the migration of ProTracts and Fund Manager Interfaces to the new Departmental financial system, Financial Management Modernization Initiative (FMMI);
- Enabled real-time processing of the financial transactions over the legacy batch interface to minimize the out-of-sync conditions with the financial system;
- Provided regular and periodic software updates and direct support to the ProTracts and Fund Manager applications;
- Provided direct support to the CDSI integration efforts for ProTracts and Fund Manager Applications;
- Implemented an integrated support tool in ProTracts to handle the data errors, with the audit logs;
- Provided periodic data extracts to National Headquarters (NHQ) and assisted in the data analysis and reporting;
- Provided software updates and direct support to NHQ to deliver Conservation Stewardship Program (CSP) signup 2012-1; and
- Implemented reports to track fund obligation status on programmatic and landscape initiatives.

Highly Erodible Land and Conservation Compliance (HEL). Highly Erodible Land is made up of soils that have a high vulnerability to increased erosion due to wind and water. This vulnerability is higher when the land is cropped than when the land is in permanent vegetative cover.

Participants in USDA programs are required to protect their HEL cropland from excessive soil erosion, and comply with HEL regulations and provisions of 16 U.S.C. §§ 3801; 3811-3814 Chapter 58, Subchapter II – Highly Erodible Land Conservation. USDA program participants must implement a conservation system that provides for either a substantial reduction in soil erosion, or when breaking out native vegetation, a system that results in no substantial increase in soil erosion. NRCS classifies about 101.1 million acres of America's cropland as HEL, approximately 27 percent of the Nation's cropland.

Wetlands Conservation Compliance (WC). NRCS's responsibilities for wetlands conservation compliance are define in Title XII of the Food Security Act of 1985, 16 U.S.C. §§ 3801; 3821-3824. NRCS responsibilities include making wetland determinations, processing and resolving appeals, developing mitigation and restoration plans, determining minimal effect exemptions, and implementing scope and effect evaluations for the installation of new drainage systems, and maintenance of existing systems. Compliance status reviews are conducted annually in every State.

Compliance status reviews are conducted on farm and ranch lands that have received USDA benefits and which are subject to the HEL or WC provisions, or both. A compliance status review is an inspection of a cropland tract to determine whether the USDA participant is in compliance with the HEL/WC provisions of the Food Security Act of 1985. The NRCS compliance status review process requires employees to make an on-site determination when a violation of the HEL/WC provisions is suspected, and ensures that only qualified NRCS employees report violations. The Food Security Act of 1985, as amended, also requires NRCS to conduct reviews of approximately one percent of HEL and/or WC cropland on farms that have received some government payment in the prior year. In addition, NRCS must review five percent of all farm loan recipients from the prior year, and review HEL or WC tracts of cropland owned by any government employee every three years.

Penalties for non-compliance range from a Good Faith Exemption issued by the Farm Service Agency (FSA) which allows the producer one year to correct the violation, to a determination by FSA that the producer is ineligible for any government payment and must pay back any current and/or prior year funding. The compliance review year runs from January 1 to December 1. Therefore, 2012 final review data will be available in February 2013. Results of 2011 reviews show that a high percentage of program participants are following NRCS approved conservation plans and are in compliance with HEL requirements. In 2011, compliance reviews were conducted on 22,210 tracts (approximately 3.3 million acres of cropland). Approximately 2.4 percent of the tracts were found to be in non-compliance: 372 tracts had HEL and WC violations and 158 tracts had WC violations only. This is considered to be a low rate of non-compliance. Of the remaining 97.6 percent (21,680 tracts) that were in compliance, an estimated four percent (887 tracts) had been issued variances or exemptions as provided by statute. This indicates a relatively low rate of non-compliance with exemptions provided due to extenuating circumstances. The data from the past four years suggests that conservation measures prescribed by NRCS are being effectively implemented on our most vulnerable land.

Four Year Summary of Tract Reviews and Tracts Out of Compliance	**2008**	**2009**	**2010**	**2011**
Total Tracts Reviewed	22,755	20,474	18,704	22,210
Tracts Out of Compliance	333	277	344	530
Percent out of Compliance	1.5	1.4	1.8	2.4
Number of States Recording Non-Compliance	34	30	28	32

CTA Program Funds Customer Assistance. NRCS provided technical assistance to over 716,000 customers, and comprehensive CTA-funded planning assistance to over 135,000 customers in 2012. Primary customers are land owners and managers who make the day-to-day decisions about natural resources use and management on private lands. The agency provides conservation technical assistance to four main customer groups:

- Farmers and ranchers who own, operate or live on farms and ranches;
- Other members of the private sector who support agriculture production and conservation;
- Governments, including tribes, with responsibility for natural resource use and management; and
- Non-profit organizations whose mission aligns with NRCS regarding natural resource management.

The CTA Program is the backbone of the agency's conservation delivery system. Many customers begin their relationship with NRCS through requests for assistance that later evolve into a conservation plan that may include cost-share assistance through Farm Bill programs.

In 2012, the CTA program resulted in:

- 37 million acres of conservation plans written;
- 24 million acres of conservation applied to improve water quality;
- 17 million acres of grazing and forest land conservation;
- 9 million acres of wildlife habitat improvement; and
- 9 million acres of conservation applied on the ground to improve soil quality.

CTA Program Leverages Technical Assistance. NRCS field staff work with over 8,100 State agencies and local partners to deliver conservation technical and financial assistance. During 2012, these non-Federal partners contributed an estimated $100 million of in-kind goods and services along with over $165 million in financial

assistance toward addressing local resource concerns that coincide with the Strategic Goal to "Get Conservation on the Ground." These leverage agreements have allowed NRCS to enhance existing funds by finding other partners, on a project-specific basis, in order to accomplish a task that could not be accomplished solely by NRCS.

NRCS understands the need for conservation to be a results-driven decision and therefore seeks opportunities to leverage funds with conservation partners whenever possible in order to drive natural resource solutions. NRCS continues to support innovation and non-traditional approaches to forge sustainable partnerships between private landowners, corporations, foundations, local natural resource agencies, and conservation organizations. With collaborative conservation, NRCS helps conservation partners identify and implement solutions through partnership agreements that deliver mutual benefit.

Technical Service Providers (TSP). TSPs expand and accelerate NRCS's ability to plan and apply conservation practices that enhance, restore, or conserve the Nation's soil, water, and related natural resources on non-Federal land. TSPs assist landowners and agricultural producers in applying conservation practices on the land. They may be individuals or entities such as private businesses, nonprofit organizations, tribes, State and local governments, or Federal agencies outside USDA. TSPs provide participants in USDA conservation programs with convenient access to technical services, quality work, and professional one-on-one technical assistance. TSPs develop conservation plans; perform selected compliance studies; plan, design, and implement conservation practices; and evaluate completed conservation practices.

The TSP program provides eligible participants with consistent, science-based, site-specific practices designed to achieve conservation objectives on land active in agricultural, forestry, or related uses. The program is national in scope and is offered throughout the United States and territories.

To become a certified TSP, individuals or entities must enter into a certification agreement with NRCS. TSPs must meet education, experience, and credential requirements that are established for each certification category. This ensures that technical assistance is provided in accordance with the NRCS statement of work associated with each conservation practice. All certification categories and criteria are reviewed and updated annually. A specially designed Web site maintains certification criteria and a registry of TSPs. NRCS has a TSP Web site, http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/technical/tsp, which contains other information for TSPs and customers.

In 2012, NRCS renewed or created new memoranda of understandings with six recommending organizations that provide TSP certification. NRCS signed agreements or contracts with individuals and other organizations resulting in nearly $42 million in obligations for service. NRCS conservation programs accounted for the majority of TSP obligations with 87 percent of funds distributed through the Environmental Quality Incentives Program (EQIP). The remaining 13 percent of TSP obligations were distributed through other conservation programs such as the Agricultural Water Enhancement Program and the Chesapeake Bay Watershed Initiative. Over 2,000 certified TSPs are available to help program participants apply conservation.

In 2012, TSPs played a key role in the implementation of Conservation Activity Plans (CAP). NRCS offered 16 approved CAPs. To adopt a CAP, a producer was required to work with a certified TSP. For EQIP, a total of 4,859 CAPs were written in 2012 covering 14 resource areas: nutrient management, forest management, grazing management, comprehensive nutrient management plan, agriculture energy management plan- landscape agriculture energy management plan- headquarters, integrated pest management, irrigation water management, transition to organic, fish and wildlife management, pollinator habitat enhancement, integrated pest management herbicide resistance weed control, and spill prevention, control and countermeasure plan and drainage water management.

International Assistance. NRCS's international assistance program provides short and long term technical assistance for the development of natural resource conservation programs and projects abroad. The program ensures that NRCS employees continue to broaden their knowledge of relevant international conservation issues, as well as participate in the mutual exchange of conservation technology with countries that face soil and water conservation issues similar to those in the United States. This program furthers an enhanced understanding of various international resource conservation issues, improved international relations and access to technology developed in other countries.

NRCS cooperates with other Federal agencies in providing technical assistance in natural resource conservation to countries affected by disasters, conflicts, or mismanagement of natural resources. The agency assists other Federal agencies by arranging meetings between agency specialists and foreign visitors who are interested in how NRCS provides technical and financial assistance to private landowners. NRCS also works with other countries on scientific and exchange projects that benefit both countries. In 2012, the agency designed a 7,400 acre pilot soil survey project to help build capacity at the Haitian Ministry of Agriculture, Natural Resources and Rural Development (MARNDR). The soil survey project will result in the dissemination of soils information to various end users. Funding will be provided by the United States Agency for International Development (USAID).

In 2012, NRCS reviewed training modules and provided technical recommendations to Colorado State University (CSU) for training developed and implemented for the Afghanistan Minister of Agriculture, Irrigation, and Livestock. CSU used NRCS technical recommendations to develop and implement three training modules on small scale watershed management and irrigation technologies. Technical recommendations were provided through the Pakastini Agricultural Institutional Partners and the International Center for Agricultural Research in Dry Areas (ICARDA) to implement USDA-ICARDA watershed and irrigation demonstration and dissemination project. NRCS conducted one pre-deployment training session for the National Guard Agribusiness Development Teams scheduled for deployment to Afghanistan. The training was focused on small-scale community conservation projects.

NRCS Scholarship Programs. In 2012 NRCS participated in two scholarship programs, the USDA/1890 National Scholars Program and the 1994 Tribal Scholars Program. The programs are intended to increase the number of students studying agriculture, food, natural resource sciences, and other related disciplines at participating institutions and provide NRCS with highly qualified, diverse staff to fill career positions. In 2012 NRCS obligated $331,000 for students enrolled in these programs.

The USDA/1890 National Scholars Program is a partnership between USDA and 1890 Historically Black Land-Grant Universities. The program awards scholarships to students who will attend one of the 1890 Historically Black Land-Grant Universities. Only students who will be starting bachelor level work may apply, currently enrolled bachelor level students in these institutions are not eligible to apply. Students are committed to work during the summers as an intern, completing a minimum of 640 hours of work, pursue a career in agriculture related to the mission of the agency, maintain a 3.0 GPA and upon graduation, work one year for every one year of tuition paid.

The USDA/1994 Tribal Scholars Program is a partnership between USDA and 1994 Tribal Colleges and Universities. The program awards scholarships to students who are attending one of 1994 Tribal Colleges and Universities. In addition, due to the fact that many of the Tribal Colleges have a two year program, students may transfer from the Tribal College to any Land Grant College or University to complete their education. The program is intended to strengthen the partnership of the USDA with 1994 Tribal Colleges.

NRCS Outreach Partnerships. NRCS collaborates with selected 1890 Land Grant Colleges and Universities to broaden the transfer of technologies through the 1890 Centers of Excellence Initiative. The Centers of Excellence, supported by NRCS, focuses on Air and Water Quality (Florida A&M University), Grasslands (Langston University), Geographic Information System and Remote Sensing (Lincoln University), Savannah River Environmental Sciences (South Carolina State University), and Plant and Water Quality (Virginia State University). The agency continues to achieve results as the initiatives meet unique conservation needs and challenges while implementing new site-specific technology and developing comprehensive resource plans. In 2012, NRCS provided $250,000 to support the Centers of Excellence. In addition, NRCS's Outreach and Advocacy Division is partnered with North Carolina A&T University and Florida A&M University to address Biological Agricultural and System Engineering that will support NRCS goals of a diverse workforce. NRCS has provided $120,000 to support the BASE program between the two institutions.

NRCS is partnering with 17 community-based organizations through cooperative partnership agreements to assist new immigrant farmers, specialty crop farmers, and limited resource and socially disadvantaged farmers and ranchers with technical assistance, on-site demonstrations, program awareness, conservation easement, stewardship programs, inter-city urban agriculture, land lost prevention and training opportunities. These efforts will increase the adoption of conservation planning, measures, and systems on their operations. This work was done with Hispanic, African American and Asian farmers in twelve States. In addition, twenty-eight States were selected to participate in the pilot effort to promote the conservation easement and stewardship programs to socially

disadvantaged farmers and ranchers. NRCS provided over $1 million to support outreach efforts on the ground by working with community-based organizations to organize workshops designed to increase program participation in the Conservation Easement and Stewardship Programs.

In 2012, the NRCS Outreach and Advocacy Division broadened its reach on identifying women in agriculture. NRCS partnered with the National Women in Agriculture Association in an effort to help sustain existing women farmers and ranchers and encourage and assist potential women to become farmers and ranchers. The partnership involves providing innovative education and community outreach workshops to demonstrate the opportunities available to them through the many NRCS conservation programs. NRCS provided support in the amount of $156,000. The NRCS Outreach and Advocacy Division also partnered with Economic Analysis, Inc. to develop a syllabus that would provide informative information and contextual guidance to landowners on land loss retention and how to protect inherited land. Phase 1 of the syllabus is completed and Phase 2 is now underway. NRCS provided support in the amount of $200,000.

Small, Limited Resource, and Beginning Farmers and Ranchers. NRCS assists small, limited resource, beginning and socially disadvantaged farmers and ranchers by creating opportunities for transparent dialogue, promoting open partnerships, coordinating economic viability through innovative conservation programs, increasing program access and services in persistent poverty communities, and expanding program participation avenues by improving internal guidelines.

In 2012, NRCS approved $302.4 million in contractual dollars to reach 13,316 historically underserved farmers and ranchers to implement sound conservation practices on 9.4 million acres. The USDA StrikeForce Initiative began in 2011 in Arkansas, Georgia, and Mississippi. The initiative is now active in six states: Arkansas, Georgia, Mississippi, Colorado, New Mexico and Nevada with concurrent regional activities in the Colonias and Tribal Communities in Arizona, Texas, and Utah. The increase in outreach to these areas has resulted in increased interest in participation in NRCS conservation programs. As a result, 4,036 participants entered into contracts totaling $105,058,521.

Assistance to American Indians and Alaskan Natives (AIAN). In 2012, NRCS continued to increase tribal participation among 565 Federally recognized tribal governments to strengthen conservation activities on tribal lands. The agency's objectives are: to operate within a government-to-government relationship with Federally recognized Indian tribes; to consult to the greatest extent practicable, and permitted by law, with Indian Tribal governments before taking action that affect Federally recognized Indian Tribes; to assess the impact of agency activities on tribal trust resources and assure that tribal interests are considered before the activities are undertaken; to remove procedural impediments to working directly with tribal governments on conservation activities that affect trust property or government rights of the tribes; and to work cooperatively with other agencies.

Any of the 565 Federally-recognized tribes work with NRCS to receive financial assistance and/or technical assistance. Through agency outreach efforts, tribal governments are offered assistance in conservation planning, partnerships, grants, cost-share programs, and training. Within NRCS, employees are trained in tribal culture and protocol. NRCS has 50 offices located on or near tribal lands that is divided into 42 full-time offices and eight part-time offices. There are approximately 195 tribal liaisons assisting the 565 Federally-recognized tribes.

Native American communities hold four percent of the United States land and constitute the second-largest interest after the Federal government. USDA programs and services are available to American Indian and Alaska Native farmers and ranchers. NRCS programs strive to meet tribal demands for improved agriculture, environmental and conservation quality - such as conservation of crop, pasture, and rangelands; rural landscape services; wildlife habitat; wetlands; and improved water and air quality - along with food, fiber and timber production.

- Program Activities/Participation. NRCS provides funds to tribal governments across the nation. In 2012 NRCS awarded 656 Environmental Quality Incentives Program contracts to tribes in the amount of $19.9 million, 79 Wildlife Habitat Incentives Program contracts to tribes in the amount of $179,000 and three Agricultural Water Enhancement Program contracts in the amount of $40,000. In the Conservation Stewardship Program, NRCS awarded 52 contracts to tribal governments totaling $3.9 million. One tribe received a Conservation Innovative Grants in the amount of $1.2 million. Two tribes have been awarded Cooperative Conservation Partnership Initiative funds in the amount of $210,647.
- Regional Tribal Conservation Advisory Councils (RTCAC). To strengthen working relationships with tribes, NRCS established three RTCACs. The agency will use these councils to assist in establishing regular and

meaningful consultation and collaboration with tribal representatives and officials in the development of Federal policy that has tribal implications. The councils will meet twice a year and can be instrumental in assisting the Chief, Regional Conservationists and State Conservationist in strengthening government-to-government relationships and clarifying lines of communication and consultation with American Indian Tribes. All three councils held their kick-off meetings in August 2012.

- Tribal Technical Service Providers (TSP) Pilot. A cooperative agreement was established between NRCS and the College of the Menominee Nation to certify Tribal Technical Service Providers who can provide assistance in implementing Farm Bill programs to tribal producers. This pilot project established a process that can be adapted throughout the nation. The intent of this project is to build capacity of tribal colleges in professional, continuing education training, and certification and to strengthen the capacity of tribes in conservation and resource management.
- National Agreements with Inter-Tribal Agriculture Council (IAC). NRCS has an agreement with the Inter-Tribal Agriculture Council to coordinate workshops for Easement Programs and the Conservation Stewardship Program in 13 States that will reach over 50 tribes. These two categories of NRCS Farm Bill programs currently have low tribal participation. NRCS also has an ongoing contribution agreement with the IAC to provide seven basic tax instruction and educational workshops to address tax implication of NRCS programs, ownership issues and appropriate responses to Form 1099G.
- USDA Tribal Webinars. An agreement with the USDA Office of Tribal Relations which provided financial support to migrate four on-line tribal training webinars into AgLearn for all USDA employees to use.
- USDA and the Bureau of Indian (BIA) Land Working Group. NRCS participates on a working committee coordinated by the USDA Office of Tribal Relations to discuss tribal issues, agency policies and procedures; to standardize working procedures of the BIA and USDA when working with Farm Bill programs on tribal trust lands. The group has met for 18 months and has made progress in areas such as unraveling the complexities of private ownership, trust lands, Federal lands, and reservation lands.
- National Outreach Share Point. A Web site was designed to increase communication and collaboration within the agency. The site has a separate section for tribal outreach and offers important linkages to key policies and training tools to better understand how to work more effectively with tribes and their members.
- USDA Action Plan. NRCS continues to implement the USDA, Office of Tribal Relations Action Plan on Tribal consultation. The plan requires all Federal agencies to provide effective tribal consultation and collaboration in carrying out their roles and responsibilities.
- Tribal Conservation District (TCD). There are 38 TCDs established under tribal laws and are essential to delivering conservation planning and conservation programs assistance in Indian Country. These TCDs are respectfully recognized by the Secretary of Agriculture. Presently, there is one TCD pending.

Accountability and Management Improvements. Maximizing agency success requires adaptive management strategies – systematically and accurately assessing work and processes and making improvements. Adaptive management requires a feedback system to improve conservation solutions and monitor success in order to achieve efficient investments in conservation. The feedback system NRCS uses includes performance measures and program evaluation methods and connecting scientific evidence to conservation outcomes such as the CEAP efforts. Program evaluations help the agency learn about the successes, share information with key audiences, and make rapid adjustments to improve services under changing conditions. The key components of the adaptive management strategy for measuring and evaluating programs include:

- Developing a variety of performance measures and performance metrics that align with the purpose and success factors of the program;
- Monitoring evidence of efficient program design and results (outputs and outcomes) on a regular basis;
- Developing, maintaining, and auditing internal controls for program compliance; and
- Making evidence-based and targeted program improvements on an on-going basis.

The agency has continued to work on transparency and accountability by taking the following steps in 2012:

- Developed business requirements during 2012 and into 2013 for a comprehensive agency data system that will connect a variety of data sources for program measurement and analysis. The system will improve access to agency official data to internal and external customers on NRCS programs, planning, and application of conservation and field activities at any spatial scale;
- Utilized and enhanced ConservationSTAT, the data-driven tool for planning and performance management. ConservationSTAT has completed its third year and is on track to be automated and more accessible for

continued accountability and transparency. This tool tracks and monitors progress on the short-term outputs that advance the agency's long-term performance outcomes;

- Conducted seven quality assurance reviews, three functional reviews, eleven state program reviews, and ten civil rights reviews to ensure compliance is monitored throughout the agency on a consistent basis. Due to an increase in the responsibilities of NRCS, there are more risks in data and information collection, fiscal reporting, program implementation, and operation. By conducting these reviews, the agency has the opportunity to mitigate risks in a timely manner. NRCS's priority is to improve the agency's quality assurance and quality controls by reforming financial processes, streamlining business processes, enhancing the workforce, and increasing information quality;
- Conducted Highly Erodible Land Conservation and Wetlands Conservation Compliance Reviews on 22,210 tracts;
- Closed seven of the 34 open audit issues NRCS had at the beginning of 2012. Of those seven audits closed, five had no recommendations for NRCS. There were 30 open recommendations in 2012, of which eight were closed; and
- Continued to upgrade agency accountability software applications and hardware security to correctly safeguard all private and sensitive information, including Personally Identifiable Information (PII), in order to remain in compliance with the Federal Information Security Management Act (FISMA) and National Institute of Standards and Technology (NIST) Special Publication (SP) 800-53.

SOIL SURVEY

Current Activities.

Program Objectives. Understanding and managing soil as a strategic natural resource helps sustain the health and economy of the Nation. Soil survey is an essential tool for regional and local conservation planning that allows people to manage natural resources. Scientists and policy makers use soil survey information in studying climate change and evaluating the sustainability and environmental impacts of land use and management practices. Soil surveys provide input data that computer simulation models use to predict the dynamics of carbon, nutrients, and water in soils. Soil surveys are used by planners, engineers, farmers, ranchers, developers, and home owners to evaluate soil suitability and make management decisions for farms, home sites, subdivisions, commercial and industrial sites, wildlife and recreational areas.

National Cooperative Soil Survey. NRCS is the lead Federal agency for the National Cooperative Soil Survey (NCSS), a partnership of Federal land management agencies, State agricultural experiment stations, private consultants, and State and local governments. The NCSS promotes the use of soil information, and develops policies and procedures for conducting soil surveys and producing soil information. NRCS provides the scientific expertise to enable the NCSS to develop and maintain a uniform system for mapping and assessing soil resources which allows soil information from different locations to be shared regardless of which agency collects it. NRCS provides most of the training in soil surveys to Federal agencies and assists with their soil inventories on a reimbursable basis.

Standards and Mechanisms for Soil Information. NRCS is responsible for developing the standards and mechanisms for soil information on national tabular and spatial data infrastructure required by Executive Order 12906. NRCS is continually enhancing a National Soil Survey Information System (NASIS), and producing publications that are accessible to the public through the Internet at http://soils.usda.gov. The Soil Data Warehouse houses archived soil survey data. Web Soil Survey is the primary way of distributing published soil surveys, making it easier to keep soil information current with continual public access.

Program Operations. The primary focus of the Soil Survey Program is to provide current and consistent map interpretations and data sets of the soil resources of the United States. This includes providing useful information to the public in a variety of formats (e.g., electronic and Web-based). The program will continue to focus on maintaining quality soil information and helping people understand and use the soil resource in a sustainable manner. Key program elements include:

- Mapping. Mapping procedures are managed based on physiographic, rather than administrative boundaries. Soil surveys, based on natural landscape boundaries rather than political boundaries, are more efficient to produce, and provide consistent, quality data for assessing and planning the use and protection of landscape units (watersheds or ecosystems). Physiographic surveys provide consistent data that can be used easily by

landowners with holdings in multiple jurisdictions, or by community, State, or regional planners. A primary challenge is to complete the initial soil survey for the entire country. This challenge also includes completing surveys on American Indian land holdings as well as public lands controlled by the United States Military, FWS, BLM and the National Park Service. Public lands are important to include with private lands when planning land use and conservation for watersheds, landscapes, or ecological sites. NRCS is working cooperatively within the NCSS to accomplish these goals;

- Rapid Assessment of Soil Carbon for Conservation Planning. Visible and near infrared spectra for prediction of organic and inorganic carbon contents and bulk density data were collected for 145,000 soil samples. These samples were from 6,500 locations statistically selected to represent specific soil properties and land covers. Data summary and analysis was initiated and will continue in 2013. Soil sampling for carbon analysis was implemented for soils in Alaska, the Pacific Islands Area, and Puerto Rico in 2012 with completion of sample and data analysis expected in 2013. The goal of this project is to provide data on carbon stocks for the United States by soil groupings, land use and management for conservation planning and model calibration;
- Kellogg Soil Survey Laboratory (KSSL). The KSSL produced consistent and precise data for more than 12,000 samples in 2012, which is about twice the normal productivity of the laboratory. In addition to analysis to support NCSS, a large part of these samples (5,128) were associated with the Rapid Carbon Assessment and EPA National Wetland Condition Assessment that were initiated in 2011;
- Information Management. NASIS, a part of the NCSS information system, is where soil scientists develop, manage, and deliver soil information for the public. Digital soil surveys enable customers to use electronic soil data in geographic information systems for generating maps tailored to their needs and performing complex resource analyses. NRCS delivers these data via the Internet;
- Technical Soil Services. Technical soil services (TSS) provide five basic types of service: technical policy and program services; planning services; site-specific soil investigations, testing, interpretation, and evaluation; expert services for judicial requests; and information services. These services are primarily provided through the USDA Service Centers. CDSI was initiated by NRCS in 2009 to implement a more effective, efficient, and sustainable business model for delivering conservation assistance across the Nation. The initiative's overarching objectives are to simplify conservation delivery, streamline business processes, and ensure science-based assistance. Technical soil services will become an integral part of conservation planning under CDSI;
- Web Soil Survey. The Website, (http://websoilsurvey.nrcs.usda.gov/app/), provides soil data and information produced by NCSS to the public. Operated by NRCS, the Web site provides access to the largest natural resource information system in the world. NRCS has soil maps and data available online for more than 95 percent of the Nation's counties and anticipates having 100 percent in the near future. The site is updated and maintained as the single authoritative source of soil survey information. The Web Soil Survey will be used directly for conservation planning under the CDSI protocols; and
- Digital Soil Surveys. The NCSS develops and maintains two scales of soil surveys:
    - Soil Survey Geographic Data Base (SSURGO) is used primarily by landowners, townships, counties or parishes, and watershed hydrologic units for planning and resource management. SSURGO contains the most detailed level of soil information; or
    - United States General Soil Map (STATSGO) is used primarily for multi-county, State, river basin planning and resource management and monitoring.

2012 Activities.

- Acres Mapped. Soil surveys have been prepared on over 2.1 billion acres. During 2012, NRCS soil scientists mapped or updated 34.9 million acres and another 540,000 acres were mapped or updated by other Federal, State, and local agencies in cooperation with NRCS. Soil mapping priorities are directed toward completion of all previously unmapped private lands and updating mapping and interpretations to meet current user needs and requirements.
- Soil Survey accomplishments on American Indian and Alaska Native lands. NRCS invested $600,000 in 2012 to accelerate soil survey mapping on American Indian and Alaska Native lands, resulting in over 312,000 acres mapped or updated.
- Soil Surveys used interactively online. In 2012, the Web Soil Survey website logged over 2.1 million user visits (a 16 percent increase over 2011) and over 635 million hits (a 15 percent increase over 2011). Over 186,000 customized soil reports for individual small portions of the country were developed through Web Soil Survey in 2012. In the beginning of 2012, the total number of visits to the Web site since its initial release in 2005 topped 10 million.

- Technical Analysis and Tool Development. The KSSL of the National Soil Survey Center provides analytical support which includes research and methods development and testing, as well as analyses to support on-going soil survey activities around the Nation. Total analyses completed in 2012 was about 280,000, which was about 50 percent more analyses than were completed in 2011 (186,000). Although production increased, data quality was maintained or improved. The KSSL refined visible, near-infrared and mid-infrared diffuse reflective spectroscopy (VNIR) methods and implemented measuring the reflectance spectra for incoming laboratory samples. Use of mid-infra red and VNIR techniques will increase field and laboratory analytical efficiency for selected soil properties including organic carbon. The NSSC awarded six competitive research grants to NCSS cooperators to investigate problems pertinent to soil survey update and enhancement.
- Research in Soil Geography. The National Soil Survey Center and the National Geospatial Research Unit have collaborated since 2005 to support research and development into the science of hydropedology and digital soil mapping as defined by the International Union of Soil Science. This research is generally conducted collaboratively with NCSS, university partners, and related institutions.
- Soil Health. National Soil Survey Center staff is playing an important role in the creation and roll out of the Soil Health Management System effort by providing scientific underpinnings for conservation practices recommended, collection of dynamic soil property data and lab analyses for demonstration projects.

Get Conservation on the Ground.

Soil Survey Smartphone App Revised. Web-based delivery mechanisms that simplify the interpretation and delivery of soils data are evolving at a rapid pace. The first generation of smartphone apps were native apps limited to the iPhone and Android-based smartphones. A revised version of SoilWeb was developed to work across all types of devices (desktops, smartphones, and tablets), making it accessible to a more diverse user group anywhere an internet connection is available. Working in conjunction with Google Maps, the revised application now displays soil map unit delineations overlain on Google's imagery. Users can view summaries of soil types for their geographic location or anywhere NRCS soil data exists. Detailed information on the named soils is now seamlessly linked and formatted within the app. SoilWeb was developed in collaboration between the University of California Davis Soil Resource Lab and NRCS. It is available at http://casoilresource.lawr.ucdavis.edu/soilweb. The SoilWeb Smartphone application is currently averaging between 500 and 1,000 hits per day by people looking for soils information for the ground they are standing on (through their Smartphone's GPS coordinates) and in every state in the country. The SoilWeb Google Earth application is currently averaging about 15,000 hits per day.

The update of the Spokane County Soil Survey is complete. On July 16, 2012, Soil Scientists with NRCS and the Spokane County Conservation District updated the Spokane County Soil Survey. The soil survey area encompasses over 1.1 million acres of agricultural, forest, range and urban lands within three Major Land Resource Areas (MLRAs): 9 - Palouse and Nez Perce Prairies, 44A - Northern Rocky Mountain Valleys and 43A - Northern Rocky Mountains. The updated survey is an extensive revision that replaces the existing Spokane County publication released in 1968 that was based on field work from 1955 through 1961 with an agricultural interpretive focus. Customers will benefit by making good land management decisions regarding land use suitability for planning, building, forestry, farming, grazing, and many engineering, conservation and natural resource applications. This includes water quality, wetlands and wildlife habitat using the detailed soil maps, reports and interpretations based on the physical and chemical soil properties. The Spokane County planning and zoning department has codes and ordinances citing the soil survey as the basis for specific information such as: percent slope, percentage of soil components in a map unit, farmland class and capability class in determining the classification of resource lands throughout the county. Technological advances in the use, delivery and access of the soil survey information are apparent in this update. This survey is unique because it "shares" or is "linked to" soil data from the adjoining West Benewah soil survey in Idaho. This survey joins four counties in Washington and three counties in northern Idaho and it will contain the exact same soil data for those map units that cross county and State lines. The soil survey of Spokane County, Washington is available online through the Soil Data Mart (http://soildatamart.nrcs.usda) and Web Soil Survey: (http://websoilsurvey.nrcs.usda.gov/app/).

Suite of subsurface water management interpretations developed. The North Dakota soil survey staff, in cooperation, with North Dakota State University Extension Service, designed developed, and delivered a suite of subsurface water management interpretations. The interpretations provide suitability ratings to be used as a tool in evaluating and identifying soil limitations related to the installation, performance, and outflow quality of underground agricultural drainage systems. The subsurface water management interpretations are currently available on the Web Soil Survey and are a valuable tool for customers considering Drainage Water Management conservation practices. North Dakota soil survey staff designed, developed, and delivered a suite of agronomic

concerns interpretations. The interpretations are based on the "Potential Cropland Limitations and Hazards" table used to identify cropland management concerns in many of the North Dakota initial soil survey manuscripts. The interpretations are currently available on Web Soil Survey and add a valuable spatial component for producers and planners to use to evaluate and identify soil limitations. These limitations are related to surface salinity, surface crusting, tilth and compaction, available water capacity, rooting depth, sodicity, subsurface salinity, natural fertility, pesticide and nutrient leaching, pesticide and nutrient runoff, water erosion, wind erosion, and physical limitations. The agronomic concerns interpretations are a valuable tool for customers that are focusing on soil health and soil quality as part of their land management strategy.

The Central Appalachian Spruce Restoration Initiative. The Central Appalachian Spruce Restoration Initiative uses Soil Survey information to assist in targeting areas believed to be most conducive to spruce forest conservation and restoration. The Spruce-Northern Hardwoods Forest Ecosystem occurs in the higher elevations (above about 3,000 feet) of the Appalachian Mountains in West Virginia and was extensively logged in the late 19th and early 20th centuries. The soils that underlie the ecosystem have been drastically altered by intense fires and by severe erosion following the fires. Some pockets of remnant spruce forest are underlain by minimally altered soils and have thick organic surface horizons (folistic epipedons) that form under maturing spruce stands. These horizons serve as sinks for organic carbon and nitrogen and are a habitat component for specialized and habitat-sensitive animals such as the threatened and/or endangered West Virginia Northern Flying Squirrel (*Glaucomys sabrinus fuscus*) and Cheat Mountain Salamander (*Plethodon nettingi*). Soil survey information for these high elevation landscapes is currently being improved and land managers are using this information to better understand historic forest habitat conditions and identify areas for habitat restoration.

SNOW SURVEY AND WATER SUPPLY FORECASTING

Current Activities.

Program Objectives. The Snow Survey and Water Supply Forecasting (SSWSF) Program collects high elevation snow data in the Western United States and provides managers and users with snowpack data and water supply forecasts. NRCS field staff collects and analyzes data on snow depth, snow water equivalent, and other climate parameters at over 2,022 remote, high elevation sites. The data are used to provide estimates of annual water availability, spring runoff, and summer streamflows. Climate change researchers have increasingly accessed the data for evaluating trends in the Western United States. The water supply forecasts are used by individual farmers and ranchers; water resource managers; Federal, State, and local government agencies; municipal and industrial water providers; hydroelectric power generation utilities; irrigation districts; fish and wildlife management agencies; reservoir project managers; recreationists; Tribal Nations; and the countries of Canada and Mexico.

Program Operations. The SSWSF Program provides water and climate information, and technology support for natural resource management in 13 States (Alaska, Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, South Dakota, Utah, Washington, and Wyoming). The National Water and Climate Center (NWCC) located in Portland, Oregon provides leadership and technology support to the States, and directly provides water supply forecasts.

With an estimated 50-80 percent of the water supply in the West arriving each year in the form of snow, the SSWSF Program provides critical information for water managers. The demographic, physical, and political landscape of the Western United States is changing rapidly. There is increasing competition over water for irrigation, municipal and industrial uses, and in-stream uses, such as river-based recreation, esthetic enjoyment, fish and wildlife habitat, and hydroelectric power generation. Increasing water demands will require more precise management of this valuable resource. In citing the importance of reliable water information to facilitate water management decisions, the Western Governors Association notes that one of the sources that Western States depend on is the USDA-NRCS's SSWSF Program which operates automated Snow Telemetry (SNOTEL) sites and manual snow courses.

Climate change projections and climate variability increase the uncertainty of the yearly water supply. A study by the Rocky Mountain Climate Change Organization finds that "no other effect of climate disruption is as significant as how it affects snowpacks and water supply." As exhibited by the extremes of temperature and precipitation over the last two years in the West, the potential impacts caused by climate variability can be significant. Extremes in the snowpack could result in less reservoir storage in warm, dry years (2012) and complicate reservoir regulation in cold, wet years (2011). Earlier snowmelt, caused by warming conditions, increases the length of time between peak

flows and summer water user needs, whereas a delayed snowmelt, caused by cool weather, shortens the melting season and produces potentially disastrous flooding.

The SSWSF Program has been operated by NRCS (previously SCS) continuously since 1935. The program is designated as a cooperative effort because it operates with the assistance from, and in cooperation with, both public and private entities that rely on consistent and accurate water supply and timing forecasts. Although most funding and field efforts are through NRCS, the partners and cooperators provide a share of the financial responsibility and contribute to data-collection activities. During the 2012 water year, partners and cooperators contributed a significant amount of money and in-kind services towards the collection of snow and related climate data. The SSWSF Program consists of a network of 1,160 manually measured snow courses and 862 automated SNOTEL sites. The economic and societal value of the program is illustrated in the NRCS released report "A Measure of Snow," which is available on the NWCC webpage http://www.wcc.nrcs.usda.gov/ and provides numerous examples of the applications and economic benefits of the SSWSF Program to users throughout the Western United States.

2012 Activities.

SNOTEL. The effort to convert manual snow course measurement sites to automated SNOTEL sites continues to be a program priority. In water year 2012, 44 sites were added to the network increasing the total to 862 sites. Most of these new sites were installed to replace existing snow courses or to automate aerial markers. The Utah Data Collection Office (DCO) installed 32 of these new sites. These additions have lessened the risk of physical injury and the costs for obtaining measurements and providing maintenance. Fewer visits to these remote sites are required for obtaining climate measurements and performing maintenance. The SNOTEL network sites collect the vast majority of the critical, high-elevation snowpack and climate data used to estimate water yields in the mountainous west; and play a key role in flood forecasting and other life/property threatening snow-related events. The sites accomplish this by providing hourly precipitation, temperature, snowpack depletion, and soil moisture information. Snowpack and related climate information enables emergency management agencies to effectively anticipate and mitigate flood damage and the effects of drought, months in advance of the spring snowmelt. Two of the newly automated sites were installed on lands of the Yakima Nation in Montana and the Goshute Tribe in Utah to help support their water management and endangered species activities.

SNOTEL Sites Affected by Wildfires. The summer of 2012 was a very active fire season. Wildfires drew within 120 feet of the Boise Master Station perimeter, and several SNOTEL sites across the West were either badly damaged or destroyed. Even though only four stations were completely destroyed and had to be re-built, the fires seriously altered the watersheds where many of these monitoring sites are located. The snowpack, and perhaps the precipitation catch characteristics that are important for water supply models, will be affected at some sites for years to come. Even where the immediate sites weren't burned, the watersheds in many places have been modified to the point that the relationships between snow, precipitation catch and streamflow runoff have changed significantly. The fires will have a lasting effect on the future climate record of the sites.

Response to the 2011 Missouri River Flooding. The U.S. Army Corps of Engineers (USACE) convened an independent review panel in late September 2011 to assess the USACE reservoir management actions during the record flooding on the Missouri River. Representatives from the NRCS/NWCC, the National Weather Service, the U.S. Geological Survey, and Colorado State University participated. The panel evaluated the USACE pre-flood, during-flood, and post-flood operations for the purpose of lessons learned and possible future recommendations.

The flooding along the Missouri River mainstem lasted almost six months, resulting in closed highways and damage to cities, farms, and public infrastructure. Members of the panel had the opportunity to observe some of the flood damage and to listen to those who were affected by flood waters. They also studied the infrastructure, communication, forecasting, weather and streamflow observations, water management decisions and guidance available from the USACE master manual. The final report was released in December 2011.

NRCS continues to participate in activities associated with the 2011 Missouri River flooding and the review panel findings. One of the six recommendations from the panel was that better and consistent monitoring of snow water equivalent (SWE) and soil moisture information across the plains would be useful for runoff forecasts for the USACE and Missouri Basin River Forecast Center. The opinion of the Missouri Basin review panel and others is that this information can help to generate more accurate and timely assessments of current and future runoff which will improve reservoir management and reduce future flood risk. The Upper Missouri Basin Monitoring Committee

was formed to respond to this recommendation and to present a formal proposal for upgrade of the current data collection networks. The committee findings and proposal are due for completion in December 2012.

New 1981-2010 Normals. The SSWSF Program deployed the 1981-2010 snow and climate normals on October 1, 2012. This was the culmination of work by program and contractor staff over the past year and a half. Not only were there several software projects that had to be designed, coded, and tested; but there were many hours devoted to making sure that all data sources were checked for accuracy and completeness. Visit the NWCC website: http://www.wcc.nrcs.usda.gov/normals/30year_normals_landing.htm for display of normals and for information on how normals were computed.

An important part of the effort to prepare the new normals was the Report Generator project. The Report Generator tool allows creation of custom reports from multiple data sources, including the current 1981-2010 30-year normals. Access to the Report Generator can be found on the NWCC web page at: http://www.wcc.nrcs.usda.gov/report_generator/report_generator_landing.htm.

Water Supply Forecasts. Water supply forecasts are produced from mid-December through June in collaboration with the National Weather Service and other federal and state agencies. During the 2012 forecast season, the SSWSF Program issued 12,789 water supply forecasts at 705 streamflow forecast points. In addition, SSWSF hydrologists have developed 203 daily water supply forecast models that run automatically, using daily SNOTEL data to track climatic trends throughout the forecast season. From December through June, these forecast models augment the official forecasts, producing almost 43,000 additional trend forecasts to aid water resource users and managers. Specifically, water supply forecasts are used:

- By irrigators to make effective use of limited water supplies for agricultural production needs;
- By the Federal government in administering international water treaties with Canada and Mexico;
- By State governments in managing intrastate streams and interstate water compacts;
- By municipalities in managing anticipated water supplies and drought mitigation;
- By reservoir operators to satisfy multiple use demands;
- To mitigate flood damages in levied areas and downstream from reservoirs; and
- To support fish and wildlife management activities associated with species protection legislation.

Water Supply Forecasting Technology Development. Work is continuing on the NWCC effort to implement the Precipitation Runoff Modeling System (PRMS) hydrologic simulation model into forecasting operations. There were five main activity areas in 2012:

- Work with Portland State University Geography Department to develop a GIS-based system for delineation of hydrologic response units (HRUs) -- the basic spatial computational units for the model -- based on various watershed characteristics, such as topography, vegetation, and soils;
- Work with Portland State University Geography Department to develop a GIS-based system for calculating spatial model parameters, based on the HRUs delineated and quantities derived from spatial layers of various watershed characteristics;
- Work with Portland State University Civil Engineering Department to develop model output post-processing techniques for removal of bias and for adjusting the error bounds of ensemble forecasts;
- Work with Colorado State University and the Agricultural Research Service to continue developing the Object Modeling System (OMS) as a model development and operational environment for using PRMS; and
- Work at the NWCC to test and experiment with the tools developed by the two universities and to conduct investigations into clear understanding of model parameters, developing model calibration procedures, testing model performance (e.g., skill, bias), and envisioning forecast products to be created from ensemble forecasts. Work has also involved adapting spatial interpolation routines for calculating spatially distributed meteorological forcing data (precipitation and temperature) and investigations into the model's ability to simulate solar radiation forcings adequately.

Near Real-Time Quality Control System for SNOTEL. The NWCC has contracted with Oregon State University (OSU) to develop a simplified, robust quality control system for SNOTEL data that runs operationally, and can produce quality-controlled data and condition flags within a timeframe sufficient for running hydrologic models (e.g., Precipitation Runoff Modeling System (PRMS). The components of this system consist of:

- Operational single-station quality control checks;
- In-situ SNOTEL checks, such as comparing SWE to precipitation;

- RADAR quality control checks;
- ASSAY-based spatial quality control;
- Correlation-based spatial quality control;
- A map-based web portal will be developed to allow NRCS data editors access to the final quality control values and condition flags;
- Runs for all SNOTEL stations in the Western U.S. (excluding Alaska);
- Runs on OSU computers;
- Runs in an operational mode on a daily basis;
- Pulls of SNOTEL observational data from NRCS SNOTEL database via the Internet;
- Serially complete daily data for minimum, maximum, and mean temperature, SWE, and precipitation;
- Flags for missing or suspicious observations;
- Replacement values for missing or suspicious observations;
- Quality control results available directly to NRCS via Internet connection; and
- A map-based web interface to allow NRCS data users to identify the value and quality control status of one or more SNOTEL observations on a given day, or for one SNOTEL station for a given period of record.

Whitewater-Baldy Complex Fire Analyzed. On May 16, 2012, lightning sparked a wildfire east of Glenwood, New Mexico. Over the course of several weeks, the fire grew to become the largest in New Mexico history, affecting over 297,000 acres of steep and rough terrain in the Gila Wilderness.

In early July, NRCS completed an analysis of the fire. The analysis team had two objectives:
- Determine the locations for flash flood alert installations in Mineral and Whitewater Creeks to protect life and property downstream from the effects of the fire at the towns of Glenwood and Alma; and
- Provide estimates of potential discharge from these two watersheds in the San Francisco River watershed of the Gila River.

Sites were identified by analysis of severe burn and monsoonal precipitation pattern spatial layers to determine locations in the affected watersheds that had a high potential for damaging debris flows. WinTR20 technology was applied to determine peak flow runoff under various monsoonal precipitation events. The technology the team used for this analysis could be used for any fire situation, as well as other land disturbance that affects the hydrology of a watershed.

PLANT MATERIALS CENTERS

Current Activities.

Program Objectives. NRCS operates or supports a network of 27 Plant Materials Centers (PMCs) that service all areas of the United States and its territories. Through its PMCs and plant materials specialists, the Plant Materials Program addresses natural resource concerns identified locally and nationally. PMC activities focus on "core" resource concerns such as soil stabilization, soil health and productivity, and water quality. PMCs also focus on emerging national priorities such as biofeedstock production for energy production, enhancement of pollinator habitat to support agricultural production, and development of information and alternate procedures to assist producers involved in organic production.

PMCs: 1) develop technology and information for the effective establishment, use, and maintenance of plants for a wide variety of natural resource conservation uses; 2) study and characterize plant attributes to provide data and information important in the operation of predictive models and effective management of climate impacted plant resources; 3) provide appropriate training and education to NRCS staff, partners, and the public; and 4) assemble, test, select, and release seed and plants to provide for the commercial production of plant materials to protect and conserve our natural resources.

Program Operations. NRCS Field Office Technical Guides (FOTGs) deliver Plant Materials Program information directly to NRCS field staff and partners in conservation planning efforts. Plant Materials staff tailor vegetative information in the FOTGs to the unique conditions found in their service areas. Plant Materials staff also provide extensive training to field staff and partners on the appropriate selection and establishment of vegetation to address specific resource concerns. Program information is available to the public through the Web at

http://www.plant-materials.nrcs.usda.gov. Plant Materials Program information improves the condition of natural resources on both private and public lands. On private lands, program information supports the successful implementation of Farm Bill programs such as the Environmental Quality Incentives Program (EQIP), Wildlife Habitat Incentives Program (WHIP), Conservation Stewardship Program (CSP), Conservation Reserve Program (CRP), and the Biomass Crop Assistance Program (BCAP), administered by the Farm Service Agency.

The Plant Materials Program uses a multi-disciplinary approach to solving natural resource problems, utilizing expertise in biology, agronomy, forestry, soils, and horticulture. Plant Materials Program activities are coordinated with various NRCS technical specialists and with other governmental agencies, nongovernment organizations, and industry. The program most often coordinates activities with the USDA Agricultural Research Service, the U.S. Forest Service, and the U.S. Department of Interior's Bureau of Land Management, as well as with State and local agencies, such as departments of transportation, wildlife, and conservation. Nongovernmental organizations include universities, native plant societies, wildlife organizations, and industry partners such as commercial seed and plant growers. These partnerships expand the NRCS plant materials efforts to accomplish work that would not be possible by PMCs acting alone as well as to disseminate technical information developed by PMCs.

The network of PMCs is the only national organization of its kind positioned to find and test vegetation to address our Nation's natural resource challenges. Of the 27 PMCs, NRCS directly operates 25, and provides limited funding to other entities in Alaska and Colorado to develop plant materials products needed by NRCS. Each PMC service area is defined by ecological boundaries. The Centers address high-priority conservation concerns within their service areas. When coordinating across service areas, PMCs evaluate vegetative technology and solutions that impact large regions of the United States.

2012 Activities.
In 2012, NRCS completed its analysis, developed recommendations, and finalized the approval package for a new process initiated in 2011 to examine the role and structure of PMCs. This effort focused on the function of PMCs to ensure they are still addressing the conservation priorities of NRCS, and on the locations of PMCs to ensure that NRCS has the appropriate number and locations of PMCs to meet the refocused mission. The mission of PMCs will increase focus on the utilization of plants for specific objectives and purposes, such as soil health, soil stabilization, and pollinator/wildlife habitat; on the collection of data to improve conservation planning efforts; and on the validation of plant materials for use in NRCS vegetative conservation practices. NRCS anticipates implementing this plan during 2013. Some of the refocusing of PMC efforts started over the past three years is already yielding results, as evidenced by the activities below.

Technology Development and Transfer. Plant Materials staff prepared, as the result of studies at PMCs, over 300 new technical documents which were added to the 2,300 documents already on the Plant Materials Web site. Altogether, these documents were utilized more than 2.1 million times by 337,000 visitors in 2012, a new milestone for the Plant Materials Program. Plant Materials staff conducted 150 training sessions for over 2,000 field staff and conservation partners on seed and plant identification, selection, and establishment and on topics such as soil bioengineering, range plantings, riparian areas, cover crops, windbreaks, and pollinator habitat.

New Conservation Plants. PMCs released 12 new native conservation plants to the public and commercial growers. New conservation plants included:

- 'Nacogdoches' eastern gamagrass (Nacogdoches, Texas PMC);
- Bounty Germplasm big bluestem (Bismarck, North Dakota PMC) for grazing and prairie restoration;
- Five selections of Roemer's fescue (Corvallis, Oregon PMC) for ecosystem restoration efforts on public and private lands in the Pacific Northwest;
- Purple Haze Germplasm hairawn muhly (Brooksville, Florida PMC);
- Cajun Sunrise Germplasm ashy sunflower (Galliano, Louisiana PMC) for habitat diversity, restoration, and beautification efforts in the Southeastern United States; and
- Rio Grande Germplasm prairie acacia, South Texas Germplasm sideoats grama, Hoverson Germplasm deer pea vetch (all from the Kingsville, Texas PMC in cooperation with the South Texas Natives program) for range plantings and restoration efforts in southern Texas.

Improving Cropland Soil Health and Productivity. Cover crops are an important part of cropping systems to improve soil health, reduce soil erosion, retain nutrients on-site, and suppress weeds and are an important part of NRCS's Soil Health Campaign. PMCs have actively worked with cover crops for several decades, and that work

continues in many locations. In 2012, six PMCs located in Maryland, Florida, North Dakota, Missouri, Washington, and California, began a three year national effort to study the effects of different cover crop mixes on dynamic soil properties. PMCs are coordinating this effort with NRCS agronomists and soils staff. The results of this study will inform future NRCS recommendations on cover crop mixes. Many other PMCs are also engaged in other cover crop activities. These include studies and demonstrations of cover crops in rotation with commodity crops (PMCs in Knox City, Texas; Corvallis, Oregon; Bridger, Montana), evaluation of different cover crop species and varieties (PMCs in East Lansing, Michigan and Elsberry, Missouri), and cover crop training sessions to inform NRCS field staff as well as farmers on the use and benefits of cover crops (PMCs in Big Flats, New York; Cape May, New Jersey; and Bridger, Montana).

Improving Wildlife Habitat and Biodiversity. Adequate biodiversity (having a wide range of species in an area) is an important indicator of ecosystem health. NRCS conservation activities promote plant species which help improve biodiversity and support a range of wildlife. Improving habitat for managed and native bees and other pollinators is a major focus in NRCS conservation planning because of the impacts to cultivated crops as well as supporting larger wildlife. PMCs efforts, often in collaboration with others, play an important role to support conservation planning for pollinator habitat. A multi-PMC effort involving the Brooksville, Florida; Los Lunas, New Mexico; and Fallon, Nevada PMCs, in collaboration with the Xerces Society, is in its second year of collecting, propagating, and increasing milkweed (*Asclepias*) species to support monarch butterfly habitat, in particular along southern United States migration routes. Xerces is also working with PMCs and NRCS staff in Nevada, Idaho, and Utah to compile technical information to promote the use of milkweeds in conservation plantings. In another partnership with Xerces, PMCs in Arkansas, California, Montana, New Jersey, New York, and Oregon, were actively involved in technical training provided to NRCS staff and conservation partners to increase the expertise of the staff who are developing pollinator habitat plans with landowners and land managers. The Tucson, Arizona PMC is working with the Pollinator Partnership on demonstrations and training for pollinator habitat in the arid Southwest.

PMC activities often have multiple applications and benefits realized over time. For instance, the Coffeeville, Mississippi PMC released Lark Selection Partridge Pea to the public in 1997. This conservation plant is used extensively as a legume component of seed mixes to stabilize soil and provide wildlife food and cover. The Nacogdoches, Texas PMC, working with the Longleaf Alliance, is evaluating different seeding rates of Lark Selection Partridge Pea to optimize understory habitat in longleaf pine (*Pinus palustris*) plantings. This work directly supports multiagency efforts to restore longleaf pine in the Southeastern United States. Planting new longleaf pine forests and increasing connectivity between stands will benefit gopher tortoise, one of the targeted species for NRCS' new Working Lands for Wildlife initiative.

Plant Growth Data Collection. The Plant Materials Program continues to advance efforts to uniformly collect plant growth data to improve the effectiveness of NRCS models and tools used for conservation planning or to predict the effects of conservation activities. The Elsberry, Missouri PMC finished the first year's collection of plant growth and residue data for giant miscanthus, an energy feedstock crop being grown under a BCAP project. The data has been incorporated into the Revised Universal Soil Loss Equation 2 (RUSLE2) tool. Conservation planners now have reliable information to assist producers to minimize soil loss during establishment and production of this crop. There is the potential for over 200,000 acres of giant miscanthus to be planted under BCAP over the next few years.

Get Conservation on the Ground.

Drought, fires, and invasive species are some of the critical resource conservation issues faced today by our Nation. In 2012, drought affected two-thirds of the United States counties, impacting commodity crop yields, range and pasture production, livestock production, and ultimately the cost and availability of food. Over 50,000 fires have burned nine million acres during the 2012 fire season. Experts estimate that invasive plants infest more than 100 million acres of land in the United States, and we are spending billions of dollars to control invasive species. NRCS conservation plants are an important part of the recovery strategies once the drought is over, the fires are put out, and the invasive plants are eradicated. A few important PMC efforts and the impacts realized from them include:

- Western PMCs, often in cooperation with partners, have tested and released more than 80 grasses for range restoration. These selected plants are key components of NRCS conservation specifications to improve rangelands on private lands. They are also important on public lands, as evidenced by the 2012 BLM seed purchase requested 2.4 million pounds of grass seed, the majority of the varieties which come from PMCs. The BLM purchases seed for recovery of burned areas and improvement of rangelands. Replanting desirable species helps reduce the opportunities for invasive species, such as cheatgrass, to regrow;

- PMCs in Booneville, Arkansas; Manhattan, Kansas; and Elsberry, Missouri are conducting an adaptation trial of different varieties of big bluestem (*Andropogon gerardii*) and PMCs in Knox City, Texas; Los Lunas, New Mexico; Tucson, Arizona; and Lockeford, California are conducting an adaptation trial of alkali sacaton (*Sporobolus airoides*). The results of these trials will determine the best adapted varieties over different geographic zones for range plantings, biomass production, critical area stabilization, and prairie restoration. Continued testing of plants at multiple locations offers opportunities to evaluate new varieties and identify plant materials best adapted to withstand future drought and changing climates, which translates into better conservation planning and plantings more resilient to environmental stresses; and
- Targeted efforts for restoration after the control of invasive species are critical for restoring healthy ecosystems. The Aberdeen, Idaho PMC is evaluating the effectiveness of desirable grasses to suppress cheatgrass and to restore rangeland productivity and species diversity in cheatgrass-infested ecosystems in the Intermountain West. The Los Lunas, New Mexico PMC is developing improved methods for planting riparian areas with a diverse number of plant species after eradication of salt cedar (Tamarisk) to restore wildlife habitat corridors and the effectiveness of these buffers to improve water quality.

PMCs have a long and successful history of selecting and testing plants for natural resource conservation. This success is built on partnerships with other agencies during the selection, testing, and release of new plants, and coordination with private growers to ensure that adequate quantities of seed and plants are available to implement Farm Bill conservation programs, other Federal agency replanting and restoration efforts, and demand from the public. More than 550 NRCS conservation plants are commercially available and have an estimated $100 million a year in private-sector sales. Continued testing of NRCS conservation plants will identify new uses and the most appropriate plants for specific areas, a task made all the more important with changing climates and the resulting impacts of environmental disasters.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Lead-Off Tabular Statement

2013 Estimate	$180,000,000
Budget Estimate, 2014	-
Change in Appropriation	-180,000,000

WATERSHED AND FLOOD PREVENTION OPERATONS

Summary of Increases and Decreases
(Dollars in thousands)

	2,011 Actual	2012 Change	2,013 Change	2,014 Change	2014 Estimate
Discretionary Appropriations:					
Watershed and Flood Prevention Operations:					
1. Emergency Watershed Protection Programs	-	+$215,900	-$35,900	-$180,000	-
Total, Appropriations or Change	-	+215,900	-35,900	-180,000	-

WATERSHED AND FLOOD PREVENTION OPERATIONS

Project Statement
Adjusted Appropriations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Appropriations:										
Watershed and Flood Prevention - Regular Appropriation:										
Watershed Operations										
Authorized by P.L. 78-534:										
(a) Technical Assistance.....	-	2	-	1	-	1	-	-1	-	-
Subtotal, P.L. 78-534…….	-	2	-	1	-	1	-	-1	-	-
Small Watersheds										
Authorized by P.L. 83-566:										
(a) Technical Assistance.....	-	35	-	12	-	12	-	-12	-	-
Subtotal, P.L. 83-566.....	-	35	-	12	-	12	-	-12	-	-
Total Appropriation…….....	-	37	-	13	-	13	-	-13	-	-
Bal. Available, SOY 1/	$81,737	-	$66,110	-	$92,255	-	-$26,373	-	$65,882	-
Recoveries, Other (Net).....	-5,729	-	32,683	-	-65,882	-	-	-	-65,882	-
Total Available.....	76,008	37	98,793	13	26,373	13	-26,373	-13	-	-
Bal. Available, EOY 1/.....	-66,110	-	-92,255	-	-	-	-	-	-	-
Total Obligations……...	9,898	37	6,538	13	26,373	13	-26,373	-13	-	-

[1/] Includes Reimbursable carryover.

EMERGENCY WATERSHED PROTECTION PROGRAM

Project Statement
Adjusted Appropriations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Appropriations:										
Watershed and Flood Prevention - Supplemental Appropriations:										
Emergency Watershed										
Protection Program:										
(a) Technical Assistance.....	-	141	$43,180	92	$36,000	80	-$36,000	-80	-	-
(b) Financial Assistance.....	-	-	172,720	-	144,000	-	-144,000	-	-	-
Total Appropriation…….....	-	141	215,900	92	180,000	80	-180,000	-80	-	-
Bal. Available, SOY 1/.....	$133,348	-	88,596	-	73,795	-	-73,795	-	-	-
Recoveries, Other (Net).....	28,233	-	-18,062	-	28,000	-	-28,000	-	-	-
Total Available.....	161,581	141	286,434	92	281,795	80	-281,795	-80	-	-
Bal. Available, EOY 1/.....	-88,596	-	-73,795	-	-	-	-	-	-	-
Total Obligations……...	72,985	141	212,639	92	281,795	80	-281,795	-80	-	-

[1/] Includes Reimbursable carryover.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Project Statement
Obligations Details and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Obligations:										
Watershed & Flood Prevention - Regular Appropriation:										
1. Watershed Operations										
Authorized by P.L. 78-534:										
(a) Technical Assistance.....	$229	2	$97	1	$1,382	1	-$1,382	-1	-	-
(b) Financial Assistance.....	-	-	-50	-	11,143	-	-11,143	-	-	-
Subtotal, P.L. 78-534.....	229	2	47	1	12,525	1	-12,525	-1	-	-
2. Small Watersheds										
Authorized by P.L. 83-566:										
(a) Technical Assistance.....	5,054	35	1,917	12	3,339	12	-3,339	-12	-	-
(b) Financial Assistance.....	4,615	-	4,574	-	10,509	-	-10,509	-	-	-
Subtotal, P.L. 83-566.....	9,669	35	6,491	12	13,848	12	-13,848	-12	-	-
Total Obligations…….....	9,898	37	6,538	13	26,373	13	-26,373	-13	-	-
Bal. Available, EOY 1/.....	66,110	-	92,255	-	-	-	-	-	-	-
Total Available.....	76,008	37	98,793	13	26,373	13	-26,373	-13	-	-
Bal. Available, SOY 1/.....	-81,737	-	-66,110	-	-92,255	-	+26,373	-	-$65,882	-
Recoveries, Other (Net).....	5,729	-	-32,683	-	65,882	-	-	-	65,882	-
Total Appropriation……..	-	37	-	13	-	13	-	-13	-	-

1/ Includes Reimbursable carryover.

EMERGENCY WATERSHED PROTECTION PROGRAM
Project Statement
Obligations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Obligations:										
Watershed & Flood Prevention - Supplemental Appropriations:										
1. Emergency Watershed										
Protection Operations:										
(a) Technical Assistance.....	$16,967	141	$25,503	92	$70,883	80	-$70,883	-80	-	-
(b) Financial Assistance.....	56,018	-	187,136	-	210,912	-	-210,912	-	-	-
Total Obligations…….....	72,985	141	212,639	92	281,795	80	-281,795	-80	-	-
Bal. Available, EOY 1/.....	88,596	-	73,795	-	-	-	-	-	-	-
Total Available.....	161,581	141	286,434	92	281,795	80	-281,795	-80	-	-
Bal. Available, SOY 1/.....	-133,348	-	-88,596	-	-73,795	-	+73,795	-	-	-
Recoveries, Other (Net).....	-28,233	-	18,062	-	-28,000	-	+28,000	-	-	-
Total Appropriation……..	-	141	215,900	92	180,000	80	-180,000	-80	-	-

1/ Includes Reimbursable carryover.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Justification of Increases and Decreases

(1) A decrease of $180,000,000 and 80 staff years for the Emergency Watershed Protection Program ($180,000,000 and 80 staff years available in 2013):

In 2013, the Emergency Watershed Protection Program was funded at $180 million for necessary expenses related to the consequences of Hurricane Sandy and resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) State agencies including environmental, natural resource, and fish and game agencies participate in planning and coordinating emergency work. Funding for the Emergency Watershed Protection Program is typically provided through Emergency Supplemental Appropriations in response to needs following actual disasters.

Protection of unobligated funds from rescission is needed due to the length of time needed to assess all damage areas, prepare damage survey reports, prepare contracting documents, prepare project agreements with sponsors, and implement the project. The normal length of time for a typical project is 220 days for recovery work and 24-36 months to obtain floodplain easements.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Status of Watershed Projects

Status of P.L. 78-534 watershed projects:

Status of Operational Projects	2012	2013
Active sub-watersheds.	65	62
Projects continuing post-installation assistance	206	205
Total operational sub-watersheds	271	267
Inactive projects	89	91
De-authorized projects	25	27
Total sub-watersheds	385	385

Status of P.L. 83-566 watershed projects:

Status of Operational Projects	2012	2013
Land treatment projects	103	101
Structural projects	151	138
Land treatment and structural	61	58
Subtotal active projects	315	297
Projects in post-installation assistance	1,078	1,083
Inactive Projects	197	197
Project Life Completed	42	42
De-authorized projects	158	158
Total operational projects	1,790	1,777
New projects approved during the year	-	-

WATERSHED AND FLOOD PREVENTION OPERATIONS

Geographic Breakdown of Obligations and Staff Years (SY)

(Dollars in thousands)

State/Territory	2011 Actual		2012 Actual		2013 Estimate		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	$279	1	$5,973	2	$1,189	1	-	-
Alaska	3,587	2	3,565	3	4,556	3	-	-
Arizona	1,121	3	1,069	1	9,098	5	-	-
Arkansas	1,159	3	1,870	2	3,259	2	-	-
California	3,723	4	1,367	3	3,239	2	-	-
Colorado	1,472	4	1,931	1	1,875	1	-	-
Connecticut	58	-	801	1	26	-	-	-
Florida	5,006	5	8,035	1	1,482	1	-	-
Georgia	3,346	4	379	-	127	-	-	-
Hawaii	2,182	7	585	1	165	-	-	-
Idaho	-	-	740	-	107	-	-	-
Indiana	97	-	1,504	1	337	-	-	-
Iowa	3,306	7	-66	4	517	1	-	-
Kansas	28	-	140	1	212	-	-	-
Kentucky	7,520	14	7,901	10	1,425	1	-	-
Louisiana	44	-	28	-	1,682	-	-	-
Maine	12	-	69	-	6	-	-	-
Massachusetts	2,495	1	4,102	1	1,024	1	-	-
Minnesota	1,204	2	1,211	1	9	-	-	-
Mississippi	2,929	13	4,049	6	3,102	2	-	-
Missouri	7,418	31	31,720	11	17,677	4	-	-
Montana	2,874	3	2,452	4	147	2	-	-
Nebraska	135	5	1,008	-	51	-	-	-
Nevada	-	-	859	-	82	-	-	-
New Hampshire	81	-	1,930	2	338	1	-	-
New Jersey	-	-	1,739	1	110	-	-	-
New Mexico	482	1	519	-	66	-	-	-
New York	1,520	1	34,278	3	2,279	1	-	-
North Carolina	89	1	3	-	-	-	-	-
North Dakota	135	1	467	-	331	-	-	-
Ohio	180	-	1,208	1	897	1	-	-
Oklahoma	2,223	7	2,915	4	2,283	2	-	-
Oregon	32	-	-	-	-	-	-	-
Pennsylvania	177	1	6,659	6	3,403	3	-	-
Puerto Rico	-	-	1,688	-	112	-	-	-
Rhode Island	1,213	1	4,521	2	2,312	1	-	-
South Carolina	83	1	-	-	480	-	-	-

State/Territory	2011 Actual		2012 Actual		2013 Estimate		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
South Dakota.....	209	-	170	-	155	-	-	-
Tennessee.....	11,251	16	5,583	7	4,653	3	-	-
Texas.....	4,470	11	3,261	7	1,064	1	-	-
Utah.....	6,675	6	62,349	9	920	1	-	-
Vermont.....	140	-	6,034	5	2,182	1	-	-
Virginia.....	278	9	-	-	-	-	-	-
Washington.....	-	-	98	-	1,245	1	-	-
West Virginia.....	2,255	9	3,720	1	25,421	5	-	-
Wisconsin.....	243	1	6	-	-	-	-	-
Wyoming.....	527	-	180	-	342	-	-	-
National Hdqtr.....	623	3	441	3	171	1	-	-
National Centers.....	2	-	-	-	348	-	-	-
Undistributed.....	-	-	116	-	27,659	5	-	-
Undistributed 1/.....	-	-	-	-	180,000	40	-	-
Obligations.....	82,883	178	219,177	105	308,168	93	-	-
Bal. Available, EOY.....	154,706	-	166,050	-	-	-	-	-
Total, Available.....	237,589	178	385,227	105	308,168	93	-	-

1/ The Emergency Conservation Program under title IV of the Agriculture Credit Act of 1978 (16 U.S.C. 2201 et seq.) for necessary expenses related to the consequences of Hurricane Sandy and resulting from a major disaster declared pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.) authorizes $180,000,000 in Emergency Watershed Protection Program for 2013. The geographic breakdown of obligation has not been determined.

WATERSHED AND FLOOD PREVENTION OPERATIONS

Classification by Objects
(Dollars in thousands)

		2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Personnel Compensation:					
Washington, D.C.		$306	$441	$642	-
Field		12,722	8,060	11,734	-
11	Total personnel compensation	13,028	8,501	12,376	-
12	Personal benefits	4,147	2,545	3,663	-
	Total, personnel comp. and benefits	17,175	11,046	16,039	-
Other Objects:					
21.0	Travel and transportation of persons	534	587	815	-
22.0	Transportation of things	15	65	66	-
23.2	Rental payments to others	146	-3	119	-
23.3	Communications, utilities, and misc. charges	154	8	9	-
25	Other contractual services	7,533	6,971	19,407	-
25.1	Advisory and assistance services	12	116,619	158,973	-
25.2	Other services from non-Federal sources	25,025	6,232	17,348	-
26.0	Supplies and materials	138	225	326	-
31.0	Equipment	365	1,323	2,255	-
32.0	Land and structures	3,215	2,794	2,839	-
41.0	Grants	28,569	73,307	89,969	-
43.0	Interest and dividends	2	3	3	-
	Total, Other Objects	65,708	208,131	292,129	-
99.9	Total, new obligations	82,883	219,177	308,168	-

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NATURAL RESOURCES CONSERVATION SERVICE
WATERSHED AND FLOOD PREVENTION OPERATIONS

STATUS OF PROGRAM

Current Activities.

Background. Watershed and Flood Prevention Operations (Watershed Operations) includes the Flood Prevention Operations Program authorized by the Flood Control Act of 1944 (P.L. 78-534) and the Watershed Protection and Flood Prevention Program authorized by (P.L. 83-566; 16 U.S.C 1001-1008). Through Watershed Operations, the Secretary of Agriculture is authorized to provide technical and financial assistance to entities of State and local governments and tribes (project sponsors) for planning and installing watershed projects.

Program Objectives. The Flood Control Act authorizes the Secretary of Agriculture to install watershed improvement measures in 11 watersheds to reduce flood, sedimentation, and erosion damage; improve the conservation, development, utilization, and disposal of water; and advance the conservation and proper utilization of land. Working in cooperation with soil conservation districts and other local sponsoring organizations, NRCS prepares detailed sub-watershed plans that outline soil and water management problems and proposals to alleviate the problems. Proposals can include estimated benefits and costs, cost-sharing arrangements, and operation and maintenance arrangements.

The Watershed Protection and Flood Prevention Act provides for cooperation between the Federal government and the States and their political subdivisions in a program to prevent erosion, floodwater, and sediment damage; to further the conservation, development, utilization, and disposal of water; and to further the conservation and proper utilization of land in authorized watersheds.

2012 Activities.

No 2012 funds were appropriated for Watershed Protection (P.L. 83-566) or Flood Prevention (P.L. 78-534) programs. Carryover funding was used to complete construction on existing projects and to continue planning and design work. Congressionally-designated project funding accounts for a significant portion of this continuing work.

Flood prevention and other activities of the Flood Control Act and the Watershed Protection and Flood Prevention Act provided the following estimated cumulative benefits in 2012. Benefits reported below are from projects currently entered into the NRCS Programs Operations Information Tracking System.

Monetary Benefits.

- Agricultural flood prevention benefits: $341 million. This value includes all crop and pasture damage reduction benefits as well as all other agricultural damage reduction benefits;
- Non-agricultural flood prevention benefits: $448 million. Non-agricultural flood damage prevention measures protected roads, bridges, homes, and other structures that exist in the floodplain;
- Agricultural benefits not related to flood prevention: $428 million. Benefits are associated with erosion control, animal waste management, water conservation, water quality improvement, irrigation efficiency, change in land use, etc; and
- Non-agricultural benefits not related to flood prevention: $927 million. Benefits are associated with recreation, fish and wildlife, rural water supply, water quality, municipal and industrial water supply, and incidental recreation uses, etc.

Environmental Benefits.

- Acres with nutrient management applied: 674,283
- Tons of animal waste properly disposed: 4,801,640
- Tons of soil saved from erosion: 90,198,341
- Miles of streams and corridors enhanced or protected: 47,513
- Acres of lakes and reservoirs enhanced or protected: 2,518,613
- Acre-feet of water conserved: 1,846,147
- Acres of wetlands created, enhanced, or restored: 279,375
- Acres of upland wildlife habitat created, enhanced, or restored: 9,150,271

Social and Community Benefits.

- Number of people impacted: 48,319,180
- Number of farms and ranches: 181,551
- Number of bridges: 61,702
- Number of public facilities: 3,663
- Number of businesses: 46,586
- Number of homes: 611,093
- Number of domestic water supplies: 27,874

Status of Flood Prevention Projects Authorized by the Flood Control Act. The 11 authorized flood prevention projects include relatively large areas so work plans were developed on a sub-watershed basis as shown below. As of September 30, 2012, the total planning is about 99 percent completed, with work in 439 plans covering approximately 30 million acres. The following table summarizes the status of sub-watershed planning by authorized project:

Flood Prevention Project	Total Authorized Area	Potential Sub-watersheds		Project Plans Completed through September 30, 2012	
	Acres	No. of Plans	Acres	No. of Plans	Acres
Buffalo Creek, NY [a/]	279,680	3	279,680	3	279,680
Middle Colorado, TX	4,613,120	17	3,703,520	17	3,703,520
Coosa, GA,TN [a/]	1,339,400	16	1,174,650	16	1,174,650
Little Sioux, IA	1,740,800	124	1,050,093	122	1,033,578
Little Tallahatchie, MS	963,977	18	625,274 [b/]	18	625,274
Los Angeles, CA [a/]	536,960	10	127,627 [c/]	10	127,627
Potomac, MD,PA,VA,WV	4,205,400	31	4,205,400	30	3,094,543
Santa Ynez, CA	576,000	5	50,743 [d/]	5	50,743
Trinity, TX	10,769,266	36	10,769,266	36	10,769,266
Washita, OK, TX	5,184,362	57	5,184,362	57	5,184,362
Yazoo, MS	7,661,278	125	3,955,124	125	4,061,424
Total	37,870,243	442	31,125,739	439	30,104,667

[a/] The Buffalo Creek Watershed was completed and closed in 1964 and reopened in 1992 for repairs. The Coosa Watershed was completed and closed in 1981. The Los Angeles Watershed is completed.

[b/]/ Does not include 96,501 acres of Sardis Reservoir area or 304,000 acres in minor watersheds needing only land treatment measures.

[c/] Includes National forest and other lands for which the Forest Service has been assigned program responsibility.

[d/] Does not include 195,818 acres of reservoir area.

The estimated Federal cost for each watershed and total Federal obligations through 2012 are listed in the table below:

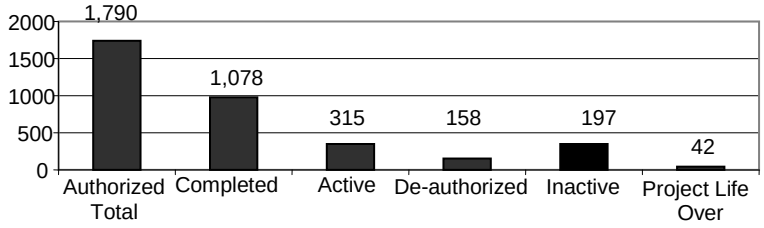
Flood Prevention Project	Estimated Total Federal Cost	Obligations (cumulative $)
Buffalo Creek Watershed, NY (Complete)[a/]	$ 7,827,746	$ 6,287,347
Middle Colorado River Watershed, TX	71,111,062	63,062,722
Coosa River Watershed, GA and TN (Complete)[a/]	18,999,247	18,264,485
Little Sioux River Watershed, IA	98,581,921	94,586,811
Little Tallahatchie River Watershed, MS	69,501,448	76,321,851
Los Angeles River Watershed, CA(Complete)[a/]	60,597,017	60,297,017
Potomac River Watershed, MD, PA, VA, and WV	201,227,958	149,525,524
Santa Ynez River Watershed, CA	41,386,536	40,786,536
Trinity River Watershed, TX	331,241,632	211,172,298
Washita River Watershed, OK and TX	202,491,055	194,288,752
Yazoo River Watershed, MS	252,957,352	251,468,563
Total	1,355,922,974	1,166,061,906

[a/] The Buffalo Creek Watershed was completed and closed in 1964 and reopened in 1992 for repairs. The Coosa Watershed was completed and closed in 1981. The Los Angeles Watershed is completed.

Status of Watershed Projects Authorized by the Watershed Protection and Flood Prevention Act. Watershed project plans are prepared by local sponsoring organizations with assistance from NRCS and submitted to NRCS with requests for Federal funding authorization. Watershed projects involving an estimated Federal contribution in excess of $5 million for construction, or construction of any single structure having a capacity in excess of 2,500 acre-feet of water storage, require authorization by Congressional committee. The Chief of NRCS authorizes the use of Watershed Operations funds for all other projects. Watershed projects are limited to 250,000 acres and cannot include any single structure that provides more than 12,500 acre-feet of floodwater detention capacity, or more than 25,000 acre-feet of total capacity.

After authorization, technical and financial assistance may be provided to local sponsoring organizations for installation of work specified in the plans. At the end of 2012, of the 1,790 projects authorized by the Watershed Protection and Flood Prevention Act, 1,078 have been completed, 315 remain active, with the others de-authorized or inactive, as shown in the table below.

2012 P.L. 83-566 Watersheds Project Status



Watershed Projects Authorized for Funding. No new projects were authorized in 2012 for funding under the Watershed Protection and Flood Prevention Act within available funds, as no funds were appropriated for this program.

Unfunded Authorized Projects. The "backlog" consist of unfunded authorized projects and funding needed to install the remaining measures in the 300 active watershed projects. The current backlog is $921 million. When installed, these floodwater dams, reservoirs, and other conservation practices will reduce potential flood damages in 300 communities, provide agricultural water supply in 78 communities, improve water quality in 148 stream segments, install water conservation measures in 22 projects, and enhance, restore or create wildlife habitat in 65 projects.

Unfunded Authorized Watershed Projects as of September 30, 2012

State	P.L. 83-566 Watershed Protection And Flood Prevention	P.L. 78-534 Flood Control Act	Total
Alabama	$ 3,620,000	-	$ 3,620,000
Alaska	15,000,000	-	15,000,000
Arkansas	49,356,129	-	49,356,129
California	21,373,000	-	21,373,000
Colorado	6,170,000	-	6,170,000
Hawaii	33,325,000	-	33,325,000
Indiana	4,500,000	-	4,500,000
Iowa	36,515,000	$7,300,000	43,815,000
Kansas	36,732,700	-	36,732,700
Louisiana	3,750,000	-	3,750,000
Massachusetts	23,960,000	-	23,960,000
Minnesota	1,327,400	-	1,327,400
Mississippi	7,000,000	38,094,100	45,094,100
Missouri	111,230,000	-	111,230,000
Montana	3,664,500	-	3,664,500
Nebraska	2,000,000	-	2,000,000
New Mexico	7,189,500	-	7,189,500
New York	10,537,557	-	10,537,557
North Carolina	22,303,280	-	22,303,280
North Dakota	7,870,000	-	7,870,000
Ohio	13,555,000	-	13,555,000
Oklahoma	122,910,000	3,357,100	126,267,100
Oregon	430,000	-	430,000
Pennsylvania	8,135,000	-	8,135,000
Tennessee	19,152,326	-	19,152,326
Texas	105,854,000	139,200,000	245,054,000
Virginia	9,552,146	-	9,552,146
West Virginia	17,025,000	26,089,541	43,114,541
Wyoming	850,800	-	850,800
Pacific Basin	2,150,000	-	2,150,000
Total	707,038,338	214,040,741	921,079,079

Loan Programs under the Flood Control Act and the Watershed Protection and Flood Prevention Act. Both programs provide for loans and loan services to finance the local share of the costs of installing, repairing, or enhancing works of improvement and water storage facilities; purchasing sites or rights-of-way; and other costs in approved watershed and flood prevention projects.

As of the end of 2012, 40 borrowers held loans with an unpaid principal amount of $8.1 million. Over the life of the program, 495 loans have been made at a value of almost $176 million. Congress did not appropriate funds in 2012 to provide new loans under this program.

Get Conservation on the Ground.
Iowa: Soap Creek Watershed. The Soap Creek Watershed project in Appanoose, Davis, Monroe and Wapello Counties in Southeastern Iowa (Congressional District 2) was planned to reduce flood-related damages to rural roads, bridges, and farmland. Authorized in 1989, the project is sponsored by the county governments and conservation districts in the four-county area. The landscape in the project area is gently rolling to steep and has been subject to frequent flash flooding in the past. Land use is dominated by pastureland, row crop farming, and scattered tracts of woodland. Of the 152 planned small flood detention dams, 121 have been completed. Additional dams are under construction. The completed work has an average annual economic benefit of $638,000 in a rural and low-income part of the State.

West Virginia: Dunloup Creek Watershed. Dunloup Creek in Fayette and Raleigh counties of West Virginia (Congressional District 3) has experienced several major flood events in recent history, including consecutive floods in May and July 2004 that devastated the communities. The area is within the 100-year floodplain, and repeated flooding has severely damaged vulnerable properties, reducing the quality of life, and impacting minorities and disadvantaged residents along Dunloup Creek.

This project was authorized in 2009. During the project planning process, measures such as dams, channels, floodwalls, dikes, and dredging were considered, but determined to be ineffective. Instead a voluntary buyout was determined to be the most cost-effective and feasible solution to the ongoing flooding problem. Residents of Glen Jean, Harvey, Kilsyth, Mt. Hope and Red Star in Fayette County who live along Dunloup Creek can now voluntarily relocate from homes that repeatedly flood to safe housing out of the floodplain. Community support for the program is high; there are 255 applications for buyouts, which exceeded the original estimate of 80 percent participation. The project will also pay for removal of the homes, thereby reducing sewage concerns, as well as restoration of the land along the stream to natural conditions. The project will also contribute to improved water quality in the New River, a National Recreation Area and whitewater rafting destination. The estimated average annual benefits of this nearly $14 million project are about $1 million. Local sponsors include the Fayette County Commission, the City of Mount Hope, the West Virginia Conservation Committee, and the Southern Conservation District. The Dunloup Creek Watershed Association is highly involved and provides an important communication link between the residents and project sponsors.

NATURAL RESOURCES CONSERVATION SERVICE
EMERGENCY WATERSHED PROTECTION PROGRAM

STATUS OF PROGRAM

Current Activities.
Background. The Emergency Watershed Protection Program (EWPP) is authorized by Section 216 of the Flood EWPP Control Act of 1950 P.L. 81-516 (33 U.S.C. 701b-1) and Sections 403-405 of the Agricultural Credit Act of 1978 P.L. 95-334 (16 U.S.C. 2203-2205). The Federal Agriculture Improvement and Reform Act of 1996 amended Section 403 by including the purchase of floodplain easements as an emergency measure authorized under EWPP.

Program Objectives. EWPP was established to respond to emergencies created by natural disasters. Program work reduces threats to life and property caused by floods, fires, windstorms, and other natural occurrences. At the same time, activities must be economically, environmentally, and socially defensible and technically sound. EWPP work includes removing debris from stream channels, road culverts, and bridges; reshaping and protecting eroded banks; correcting damaged drainage facilities; repairing levees and structures; reseeding damaged areas; and purchasing floodplain easements.

Program Operations. Except for the purchase of floodplain easements, EWPP projects must be sponsored by a legal subdivision of the State, including any city, county, general improvement district, conservation district, or Native American Tribe or tribal organization as defined in Section 4 of the Indian Self-Determination and Education Assistance Act. Public and private landowners are eligible for assistance but must be represented by a project sponsor. Sponsors are responsible for securing land rights to do repair work, the necessary permits, and the local share of the funding, as well as for getting the work installed. NRCS may provide up to 75 percent of the construction cost of emergency measures (90 percent within limited resource areas as identified by United States Department of Commerce Census data). The remaining 25 percent (10 percent within limited resource areas) must come from local sources as cash or in-kind services. Work can be done through either Federal or local contracts. EWP work is not limited to a particular set of prescribed measures but is determined by NRCS on a case-by-case basis.

In 2008, NRCS received $490.4 million in discretionary funding for EWPP through a supplemental appropriation. The EWPP program received no additional funding in 2009-2011, and received a $215.9 million on a supplemental appropriation in 2012. Those funds were expended in 2012 for a backlog of EWPP requests for natural disaster recovery assistance.

EWPP Floodplain Easements. NRCS may purchase EWPP easements on any floodplain lands that have been impaired within the last 12 months or that have a history of repeated flooding (i.e., flooded at least twice during the past ten years). Under the floodplain easement option, a landowner voluntarily offers to sell a permanent conservation easement that provides NRCS with the full authority to restore and enhance the floodplain. Most easement transactions are on agricultural lands though a small component of the program involves rural land with residences or other structures. These types of easement transactions are only offered where the easement acquisition is part of a broader watershed effort to minimize future flood damage and a local sponsor will acquire fee title to the land encumbered by the easement.

NRCS may pay up to 100 percent of the restoration costs of the easement. Restoration efforts include the removal of buildings or other structures in the floodplain and the restoration of floodplain function through both structural and non-structural conservation practices. To the extent practicable, NRCS actively restores the natural features and characteristics of the floodplain by re-creating the topographic diversity and re-establishing native vegetation.

The landowner has the opportunity to participate in the restoration efforts. Landowners retain several rights to the property, including quiet enjoyment, the right to control public access, and the right to undeveloped recreational use such as hunting and fishing. At any time, a landowner may obtain authorization from NRCS to engage in other activities provided the agency determines the activities will further the protection and enhancement of the floodplain easements.

Data Adjustments. The National Easement Staging Tool (NEST) database is the official data tracking tool for easement programs data; with the exception of financial data which is tracked in the official NRCS financial tracking system. NRCS conducts regular quality assurance reviews of easement program data in NEST, and therefore data are continually updated to ensure completeness.

Cumulative Program Activity (Through September 30, 2012)	
Enrolled Easements (Permanent)	**Cumulative**
Number of Easements	1,418
Number of Acres	184,254
Closed Easements (Permanent)	**Cumulative**
Number of Easements	1,391
Number of Acres	184,145

2012 Activities.

In 2012, NRCS closed 46 enrolled easements, which encompass approximately 3,739 acres. Also during 2012, NRCS enrolled 25 permanent easements into the program. These 2012 active agreements encompass approximately 35 acres. EWPP provided $95.1 million in funding for 1,342 projects in 24 disaster events as the data shows below. The economic benefit from those projects is $539.5 million providing a benefit to cost ratio of 4.5:1.0.

EWPP Costs and Benefits (Through September 30, 2012)	
General	
No. of disaster events funded	24
No. of disaster events unfunded	42
No. of projects completed	1,342
Costs	
Technical assistance	$ 16,237,182
Financial assistance	78,814,714
Local contribution	24,625,940
Total costs	119,677,836
Benefits	
Public buildings protected (no.)	1,756
Private buildings protected (no.)	13,519
Roads protected (miles)	1,267
Utilities protected (no.)	407
Value of property protected	$1,956,457,569
Debris removed (feet)	19,867,267
Streambank stabilized (feet)	122,438
Land protected (acres)	972,894
No. of 8(a) contracts	15
Value of 8(a) contracts	$3,112,776
Total economic benefit	$539,450,879
Costs / Benefit Ratio	4.5/1.0
No. of Persons Benefited	
Minority	111,169
Other	852,712
Total	963,881

Get Conservation on the Ground.

Colorado Soldier Canyon Watershed. The Soldier Canyon Watershed is a direct tributary to Horsetooth Reservoir, and contains areas of moderate and severe burns resulting from the Hyde Park Fire. Horsetooth Reservoir is a source of drinking water for the City of Fort Collins and a number of small communities, and is an alternate water supply for the City of Greeley. Water from the reservoir is treated in the Soldier Canyon Water Treatment Plant (SCWTP), located immediately below the reservoir. The SCWTP does not have the capability to remove large amounts of organic carbon from their water source that could be present in tainted runoff originating in Soldier Canyon. Significant and unavoidable fire impacts to water diversions on the Cache La Poudre River prevented the river's use as a water supply for much of the summer of 2012. Horsetooth Reservoir was the only other available water supply serving a population of more than 300,000 people during this period. Therefore, Horsetooth Reservoir was considered a very high value resource that was at risk during our EWPP damage assessment process.

Sediment and erosion control measures were installed in the Soldier Canyon Watershed to avoid additional treatment costs, and to reduce the potential that the Horsetooth Reservoir water supply may be lost entirely during the critical period where no other alternative supply was available. The watershed treatments were installed at a cost of approximately $100,000 with $69,000 of that amount coming from EWPP general funds. The benefits in avoided treatment costs to date are estimated at $200,000 by the treatment plant operator, and the benefits will continue to accrue over time as fire related impacts on the Soldier Canyon Watershed are expected for the next two to five years.

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WATERSHED REHABILITATION

Lead-Off Tabular Statement

2013 Estimate	$15,092,000
Budget Estimate, 2014	-
Change in Appropriation	-15,092,000

WATERSHED REHABILITATION

Summary of Increases and Decreases

(Dollars in thousands)

	2011 Actual	2012 Change	2013 Change	2014 Change	2014 Estimate
Discretionary Appropriations:					
Watershed Rehabilitation:					
1. Technical Assistance	$14,371	-$6,871	+$46	-$7,546	-
2. Financial Assistance	3,593	3,907	+46	-7,546	-
Total, Appropriation or Change	17,964	-2,964	+92	-15,092	-

WATERSHED REHABILITATION

Project Statement
Adjusted Appropriations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Appropriations:										
Watershed Rehabilitation Appropriations:										
Technical Assistance	$14,371	88	$7,500	59	$7,546	20	-$7,546	-20	-	-
Financial Assistance	3,593	-	7,500	-	7,546	-	-7,546	-	-	-
Total, Available or Est	17,964	88	15,000	59	15,092	20	-15,092	-20	-	-
Rescission	36	-	-	-	-	-	-	-	-	-
Total, Appropriation	18,000	88	15,000	59	15,092	20	-15,092 (1)	-20	-	-
Rescission	-36	-	-	-	-	-	-	-	-	-
Bal. Available, SOY 1/	11,431	-	12,377	-	6,327	-	-6,327	-	-	-
Recoveries, Other (Net)	7,886	-	250	-	597	-	-597	-	-	-
Total Available	37,281	88	27,627	59	22,016	20	-22,016	-20	-	-
Lapsing Balance 2/	-	-	-	-	-15,092	-	+15,092	-	-	-
Bal. Available, EOY 1/	-12,377	-	-6,327	-	-	-	-	-	-	-
Total Obligations	24,904	88	21,300	59	6,924	20	-6,924	-20	-	-

1/ Includes Reimbursable carryover.
2/ The funding displayed for 2013 is the annualized amount under the 2013 Continuing Resolution; the agency does not currently anticipate receiving this funding under a full-year appropriation.

Project Statement
Obligations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Obligations:										
Watershed Rehabilitation Obligations:										
Technical Assistance	$15,242	88	$10,234	59	$3,462	20	-$3,462	-20	-	-
Financial Assistance	9,662	-	11,066	-	3,462	-	-3,462	-	-	-
Total Obligations	24,904	88	21,300	59	6,924	20	-6,924	-20	-	-
Lapsing Balance 2/	-	-	-	-	15,092	-	-15,092	-	-	-
Bal. Available, EOY 1/	12,377	-	6,327	-	-	-	-	-	-	-
Total Available	37,281	88	27,627	59	22,016	20	-22,016	-20	-	-
Rescission	36	-	-	-	-	-	-	-	-	-
Bal. Available, SOY 1/	-11,431	-	-12,377	-	-6,327	-	+6,327	-	-	-
Recoveries, Other (Net)	-7,886	-	-250	-	-597	-	+597	-	-	-
Total, Appropriation	18,000	88	15,000	59	15,092	20	-15,092	-20	-	-

1/ Includes Reimbursable carryover.
2/ The funding displayed for 2013 is the annualized amount under the 2013 Continuing Resolution; the agency does not currently anticipate receiving this funding under a full-year appropriation.

Justification of Increases and Decreases

(1) A decrease of $15,092,000 and 20 staff years for Watershed Rehabilitation ($15,092,000 and 20 staff years available in 2013):

a. No funding is requested in the 2014 Budget, reflecting the Administration's position that the maintenance, repair, and operation of these dams are the responsibility of local project sponsors.

WATERSHED REHABILITATION

Geographic Breakdown of Obligations and Staff Years (SY)
(Dollars in thousands)

State/Territory	2011 Actual		2012 Actual		2013 Estimate		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Arizona	$6,542	5	$264	3	$451	2	-	-
Arkansas	51	-	-	-	-	-	-	-
Colorado	276	1	-1	-	-	-	-	-
Georgia	370	4	57	-	-	-	-	-
Kansas	2,241	2	-232	2	169	-	-	-
Kentucky	42	-	-	-	-	-	-	-
Massachusetts	636	1	1,612	2	30	-	-	-
Mississippi	141	2	76	1	6	-	-	-
Missouri	132	1	6	-	-	-	-	-
Montana	-	-	-5	-	-	-	-	-
Nebraska	2,106	5	1,018	5	350	1	-	-
New Jersey	133	1	1	-	-	-	-	-
New Mexico	150	1	170	1	-	-	-	-
New York	268	2	200	1	-	-	-	-
North Dakota	653	5	7,933	3	212	1	-	-
Ohio	236	2	15	-	-	-	-	-
Oklahoma	3,137	23	3,649	11	404	2	-	-
Pennsylvania	781	2	152	1	222	1	-	-
South Carolina	1	-	-	-	-	-	-	-
Tennessee	79	1	62	1	-	-	-	-
Texas	2,257	9	752	7	22	-	-	-
Utah	778	1	547	1	125	-	-	-
Virginia	518	5	1,849	5	301	1	-	-
Washington	101	1	49	-	-	-	-	-
West Virginia	661	5	1,014	5	-	-	-	-
Wisconsin	43	-	-	-	-	-	-	-
Wyoming	226	1	133	-	-	-	-	-
National Hdqtr	1,909	5	1,980	10	1,920	6	-	-
National Centers	436	3	-	-	1,330	3	-	-
Undistributed	-	-	-	-	1,382	3	-	-
Obligations	24,904	88	21,300	59	6,924	20	-	-
Bal. Available, EOY	12,377	-	6,327	-	-	-	-	-
Lapsing Balance	-	-	-	-	15,092	-	-	-
Total, Available	37,281	88	27,627	59	22,016	20	-	-

WATERSHED REHABILITATION PROGRAM

Classification by Objects
(Dollars in thousands)

		2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Personnel Compensation:					
Washington, D.C.		$517	$1,094	$352	-
Field		6,248	3,766	1,213	-
11	Total personnel compensation	6,765	4,860	1,565	-
12	Personal benefits	1,878	1,302	419	-
13.0	Benefits for former personnel	2	-1	-	-
	Total, personnel comp. and benefits	8,645	6,161	1,984	-
Other Objects:					
21.0	Travel and transportation of persons	280	137	46	-
22.0	Transportation of things	6	17	6	-
23.2	Rental payments to others	81	-13	-	-
23.3	Communications, utilities, and misc. charges	83	50	13	-
24.0	Printing and reproduction	8	7	2	-
25	Other contractual services	4,313	1,725	659	-
25.1	Advisory and assistance services	5,228	4,173	1,269	-
25.2	Other services from non-Federal sources	1,354	1,542	589	-
26.0	Supplies and materials	138	16	5	-
31.0	Equipment	326	466	158	-
41.0	Grants	4,433	7,018	2,193	-
42.0	Insurance and loans	4	-	-	-
43.0	Interest and dividends	5	1	-	-
	Total, Other Objects	16,259	15,139	4,940	-
99.9	Total, new obligations	24,904	21,300	6,924	-

NATURAL RESOURCES CONSERVATION SERVICE
WATERSHED REHABILITATION PROGRAM

STATUS OF PROGRAM

Current Activities.

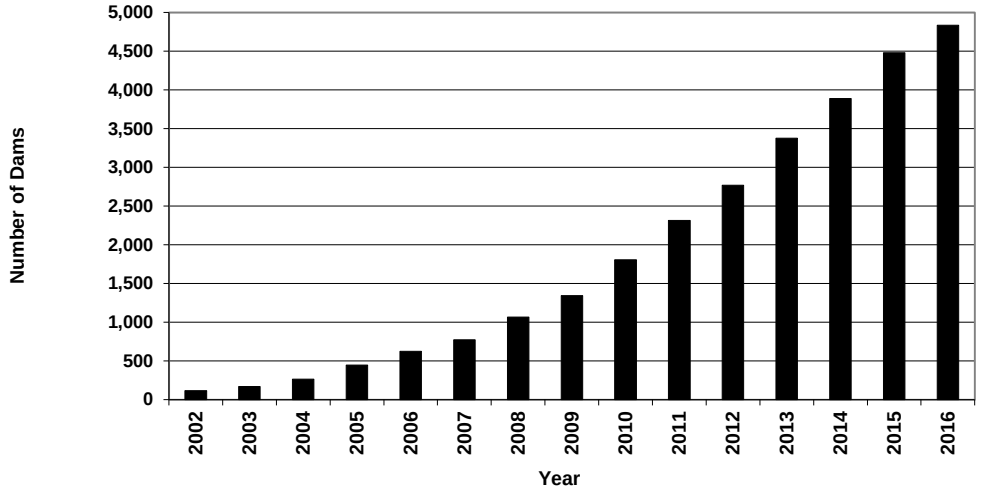
Background. In November 2000, the Watershed Protection and Flood Prevention Act (P.L. 83-566) was amended by the Watershed Rehabilitation Amendments of 2000 (Section 313 of P.L. 106-472), which authorized NRCS to assist communities to address public health and safety concerns and environmental impacts of aging dams. The amendment allowed NRCS to provide technical and financial assistance for the planning, design, and implementation of rehabilitation projects that may include upgrading or removing dams past their useful life.

Program Objectives. The purpose of the Watershed Rehabilitation Program is to extend the service life of dams and bring them into compliance with applicable safety and performance standards or to decommission the dams so they no longer pose a threat to life and property.

Since 1948, local communities have constructed more than 11,700 watershed dams with assistance from NRCS. Local sponsors provided leadership in the program and secured land rights and easements needed for construction. The NRCS provided technical assistance and cost sharing for construction. Local sponsors assumed responsibilities for the operation and maintenance of the structures once they were completed. These dams protect America's communities and natural resources with flood control and many provide the primary source of drinking water in the area or offer recreation and wildlife benefits.

Some communities that have been protected by these watershed dams are now vulnerable to devastation caused by flooding because the dams have reached or will soon reach the end of their 50-year design life. In 2012, a total of 2,768 watershed dams reached the end of their designed life-span. By 2016, this number will be 4,838, as the table below shows. Time has taken its toll on many dams: spillway pipes have deteriorated and reservoirs have filled with sediment. More significantly, subdivisions and businesses have been built in areas that were once agricultural lands. A dam failure would pose a serious threat to the health and safety of those living downstream, to the communities that depend on the reservoir for drinking water, and would have serious adverse environmental impacts on the ecosystem.

Cumulative Number of Watershed Dams Reaching the End of Their Design Life by 2016



Program Operations. The Watershed Rehabilitation Program's highest priority is to rehabilitate dams that pose the greatest risk to public safety. These dams classified as high hazard in the national dam safety classification system. Dams classified in the three-tier system as low or significant hazard to public safety will not be planned for rehabilitation until all high-hazard dam project requests from public sponsors have been rehabilitated. NRCS has

completed an assessment of over 650 high hazard dams where local communities have requested assistance to evaluate the condition and safety of their dams.

Dams installed through the following programs administered by NRCS are eligible for rehabilitation assistance: the Watershed Protection and Flood Prevention Act (the Watershed Operations Program (specifically Public Law 83-566)), Pilot Watershed Projects authorized by the Agriculture Appropriation Act of 1953, and the Resource Conservation and Development Program.

NRCS may provide up to 65 percent of the total cost of dam rehabilitation projects, which includes the acquisition of land, easements, rights-of-way, project administration, non-Federal technical assistance, and construction. NRCS provides technical assistance to conduct technical studies; develop rehabilitation plans; develop environmental impact statements or environmental assessments; prepare the engineering designs; and provide construction management services including construction inspection. Local sponsors are required to provide 35 percent of the total project cost.

The implementation strategy for the Watershed Rehabilitation Program has three phases, all of which require requests from a local public sponsor: 1) Conduct dam assessments to evaluate the condition of dams including safety hazards, and to provide preliminary alternatives for rehabilitation; 2) prepare project plans for implementation; and 3) implement dam rehabilitation.

Partnerships among local communities, State governments, and NRCS leverage services and funds to allow many projects to move quickly through the planning and implementation stages.

- Technical capacity. NRCS does not have technical staff capacity to respond to all requests for watershed rehabilitation assistance from project sponsors. In 2010, NRCS established its first national contract with Architectural and Engineering (A&E) Service consulting companies to perform dam assessments, rehabilitation planning, engineering designs, and construction inspection services under NRCS guidance. Also, some sponsors have used either their own professional staff or acquired technical services as part of their "in-kind" contribution to meet their 35 percent cost-share requirement.
- Financial assistance. Sponsors have used many innovative means to obtain the funds necessary to address the rehabilitation of the aging dams that were threatening their local communities. They have used the sale of bonds dedicated to dam safety and rehabilitation, levied taxes on beneficiaries, obtained grants, used State appropriations, sought voluntary land rights from private landowners, and provided in-kind services using existing staff.

NRCS prioritizes all applications for annual funding for rehabilitation planning and construction. Priorities are based on a numerical factor based on the overall condition of a dam and the population at risk should a dam fail.

2012 Activities.

In 2012, project sponsors submitted requests for Federal assistance totaling $54.1 million for the planning, design, and rehabilitation of 91 high priority dams in 22 States, which matches a part of the total NRCS portfolio. The dams funded in 2012 contributed to partial or final funding of the dams listed in the table below. Additionally, NRCS funded and completed over 650 assessments of high hazard dams that provided communities with technical information about the condition of their dams and alternatives to rehabilitation for dams that do not meet Federal dam safety standards. Through an Indefinite Delivery Indefinite Quantity (IDIQ) competitive requisition, an A&E contract was awarded to US Engineering Solutions Corporation (USES) in 2012 to provide a web-based monitoring tool, *DamWatch*, to assist in monitoring potential dam safety issues nationwide.

Summary of Watershed Rehabilitation Projects and Allocations as of September 30, 2012

State	Total Number of Funded Dam Rehabilitation Projects 2000 –2012	Number of Dams Rehabilitated	2012 Federal Allocations of WF-07 (No Year Funds)[a/]	2012 Federal Allocations of WF-84 (Annual Funds)
Alabama	1	1	-	-
Arizona	11	2	$141,320	$685,789
Arkansas	6	1	-	-
California	1	-	-	-
Colorado	3	-	-	-
Georgia	12	10	-	50,000
Iowa	4	4	-	-
Kansas	3	1	643,635	171,402
Kentucky	4	1	-	-
Massachusetts	7	-	658,860	589,690
Mississippi	24	16	-	105,000
Missouri	5	2	-	5,964
Montana	2	-	-	-
Nebraska	14	6	173,832	926,168
New Jersey	1	-	-	-
New Mexico	11	3	756	224,244
New York	6	-	119	199,881
North Dakota	3	-	96,036	6,959,230
Ohio	9	8	-	15,000
Oklahoma	49	27	641,144	1,656,237
Pennsylvania	4	1	23,697	131,303
Tennessee	1	2	-	21,535
Texas	20	14	265,483	501,000
Utah	3	-	7,065	290,000
Virginia	12	7	102,408	1,747,245
West Virginia	3	-	30,579	612,610
Wisconsin	14	11	-	-
Wyoming	1	-	133,500	-
NHQ	-	-	1,510,070	107,702
Total	234	117	4,428,504	15,000,000

[a/] Allocations include project planning and implementation. Carryover funds, prior year recoveries, and annual funds are also included in the allocation.

Activities in 2012 continued two major initiatives to improve program delivery to the public. NRCS conducted an evaluation of 2012 fund allocations for the assessment and rehabilitation of high hazard dams to determine whether the program was equitably delivered in economically disadvantaged areas. The evaluation affirmed NRCS's outreach efforts in equitable delivery of the dam rehabilitation program in economically disadvantaged areas. During the year, NRCS continued to monitor the number of Memoranda of Understanding (MOUs) that were established with State dam safety agencies.

Project Status and Benefits. From 2000 - 2012, rehabilitation of 234 dams was authorized in 28 States, rehabilitation of 117 dams completed, and three were de-authorized. The remaining 114 rehabilitation projects are being implemented subject to funding priorities. The following table summarizes the benefits for both agricultural and non-agricultural lands provided by the 117 completed projects:

Average annual floodwater damage reduction benefits ($):	$6,837,761
Average annual non-floodwater damage reduction benefits ($):	$6,971,938
Number of people with reduced risk downstream from the dams :	11,978
Number of people who benefit from project action:	274,721
Number of homes and businesses benefiting from project action:	8,359
Number of farms and ranches benefiting from project action:	807
Number of bridges benefiting from project action:	306

Getting Conservation on the Ground.

Oklahoma: Web-based Dam Monitoring Pilot Project. In 2011 and 2012, the Oklahoma NRCS and the Oklahoma Conservation Commission worked with U.S. Engineering Solutions (USES) Corporation to implement *DamWatch*, a system to monitor and store data for 2,100 watershed dams in Oklahoma. This project is being funded by NRCS as a national pilot for a web-based watershed information system. *DamWatch* is a patented web-based monitoring software system that allows watershed sponsors and NRCS personnel to monitor, in real-time, and respond to potentially destructive flood events. *DamWatch* gathers and archives real-time rainfall and stream flow data from sources such as the National Oceanic and Atmospheric Administration (NOAA), the National Weather Service (NWS), and the United States Geological Survey (USGS). The system compares rainfall data against established site-specific thresholds of dam capacity and then alerts predetermined staff of potential spillway flows at specific dams.

The *DamWatch* system employs an automatic messaging system that alerts users through various means such as cellular phones, pagers, fax transmissions, or e-mails. Users can monitor these messages during critical flood events and appropriate staff can be dispatched as needed to those dams for which alerts were issued during a storm event. The *DamWatch* system also stores site-specific data such as as-built drawings, inspection reports, operation and maintenance agreements, emergency action plans, photos, videos, and watershed benefits data. This data can be accessed via remote means to allow interaction between on-site personnel and specialists in various offices. The pilot project has been very successful in its first year of operation. After a competitive solicitation, NRCS is partnering with USES through a nation-wide contract for monitoring over 11,700 watershed dams in 47 States. The nation-wide system is expected to be operational in 2013.

Oklahoma: Sugar Creek L-44. On August 19, 2007, the remnants of Tropical Storm Erin re-intensified over Oklahoma, dropping in excess of 13 inches of rainfall in less than eight hours. Water flowing through the auxiliary spillway from the storm, which approached a 500-year (0.2 percentage chance) event, breached a well-traveled asphalt county road immediately downstream of the dam causing rapid erosion to the back of the dam. The eroding embankment continued to collapse towards the upstream crest of the top of the dam. By August 22, 2007, the eroded area was within four to five feet of the upstream crest. Workers from NRCS and the Oklahoma Conservation Commission, with cooperation from the South Caddo Conservation District and Caddo County Commissioners, cut a notch in the dam to relieve pressure and more quickly reduce the volume of water being held back. This action successfully averted a breach and failure of the dam. After the disaster was averted, dam sponsors and partners began working to rehabilitate the site to restore flood protection to downstream homes, roads, and farmlands. The need to restore the county road at its current location and the continuing need for flood protection left few alternatives other than making the embankment a multipurpose structure by utilizing the top of the dam for the road bed. This effort called for cooperation from many partners including the Caddo County Commissioners, the Bureau of Indian Affairs (BIA), and Cobb Engineering (a local firm contracted to handle the road design aspects of the rehabilitation plan), the South Caddo Conservation District, Oklahoma Conservation Commission, NRCS, and local landowners in and around the old and new dam locations. Construction was completed ahead of schedule in June 2012.

RESOURCE CONSERVATION AND DEVELOPMENT

Summary of Increases and Decreases
(Dollars in thousands)

	2011 Actual[1/]	2012 Change	2013 Change	2014 Change	2014 Estimate
Discretionary Appropriations:					
Resource Conservation and Development.....	$23,730	-$23,730	-	-	-
Total, Appropriation or Change.....	23,730	-23,730	-	-	-

[1/]Funding reflects amount apportioned in 2011 to close out the program.

RESOURCE CONSERVATION AND DEVELOPMENT

Project Statement
Obligations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual [1/] Amount	SY	2012 Actual Amount	SY	2013 Estimate Amount	SY	Inc. or Dec. Amount	SY	2014 Estimate Amount	SY
Discretionary Obligations:										
Resource Conservation and Development										
Technical Assistance	$22,764	190	$90	-	-	-	-	-	-	-
Financial Assistance	-	-	-	-	-	-	-	-	-	-
Total Obligations	22,764	190	90	-	-	-	-	-	-	-
Lapsing Balances	3,066	-	-	-	-	-	-	-	-	-
Bal. Available, EOY	1,104	-	1,927	-	$1,927	-	-$1,927 (1)	-	-	-
Total Available	26,934	190	2,017	-	1,927	-	-1,927	-	-	-
Rescission	-	-	-	-	-	-	1,927	-	-	-
Bal. Available, SOY	-3,128	-	-1,104	-	-1,927	-	-	-	-	-
Recoveries, Other (Net)	-76	-	-913	-	-	-	-	-	-	-
Total, Appropriation	23,730	190	-	-	-	-	-	-	-	-

[1/]Funding reflects amount apportioned in 2011 to close out the program.

RESOURCE CONSERVATION AND DEVELOPMENT

Justification of Increases and Decreases

(1) A decrease of $1,927,000 in unobligated balances.
The 2014 Budget proposes a rescission of all unobligated balances in RC&D.

RESOURCE CONSERVATION AND DEVELOPMENT
Geographic Breakdown of Obligations and Staff Years (SY)
(Dollars in thousands)

State/Territory	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Alabama	$573	5	-	-	-	-	-	-	-	-
Alaska	430	3	-	-	-	-	-	-	-	-
Arizona	344	3	-	-	-	-	-	-	-	-
Arkansas	350	3	-	-	-	-	-	-	-	-
California	641	5	-	-	-	-	-	-	-	-
Colorado	389	3	-	-	-	-	-	-	-	-
Connecticut	147	1	-	-	-	-	-	-	-	-
Delaware	65	1	-	-	-	-	-	-	-	-
Florida	412	4	-$15	-	-	-	-	-	-	-
Georgia	558	4	-	-	-	-	-	-	-	-
Hawaii	396	4	-	-	-	-	-	-	-	-
Idaho	454	4	-	-	-	-	-	-	-	-
Illinois	565	5	-	-	-	-	-	-	-	-
Indiana	519	5	-	-	-	-	-	-	-	-
Iowa	846	7	-	-	-	-	-	-	-	-
Kansas	509	4	-1	-	-	-	-	-	-	-
Kentucky	756	7	-1	-	-	-	-	-	-	-
Louisiana	433	3	-	-	-	-	-	-	-	-
Maine	317	3	-	-	-	-	-	-	-	-
Maryland	176	2	-9	-	-	-	-	-	-	-
Massachusetts	183	2	-	-	-	-	-	-	-	-
Michigan	438	4	-	-	-	-	-	-	-	-
Minnesota	356	4	-	-	-	-	-	-	-	-
Mississippi	381	4	-	-	-	-	-	-	-	-
Missouri	449	4	-	-	-	-	-	-	-	-
Montana	419	4	-	-	-	-	-	-	-	-
Nebraska	745	6	-	-	-	-	-	-	-	-
Nevada	197	2	-	-	-	-	-	-	-	-
New Hampshire	124	1	-	-	-	-	-	-	-	-
New Jersey	116	1	-	-	-	-	-	-	-	-
New Mexico	450	4	-	-	-	-	-	-	-	-
New York	511	4	-	-	-	-	-	-	-	-
North Carolina	599	5	-	-	-	-	-	-	-	-
North Dakota	481	4	-	-	-	-	-	-	-	-
Ohio	495	4	-	-	-	-	-	-	-	-
Oklahoma	483	4	-	-	-	-	-	-	-	-
Oregon	300	2	-	-	-	-	-	-	-	-
Pennsylvania	583	6	-2	-	-	-	-	-	-	-
Puerto Rico	198	2	-	-	-	-	-	-	-	-
Rhode Island	45	-	2	-	-	-	-	-	-	-
South Carolina	300	3	-	-	-	-	-	-	-	-
South Dakota	346	4	-	-	-	-	-	-	-	-
Tennessee	485	5	-	-	-	-	-	-	-	-

RESOURCE CONSERVATION AND DEVELOPMENT
Geographic Breakdown of Obligations and Staff Years (SY)
(Dollars in thousands)

State/Territory	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Texas	1,177	10	-	-	-	-	-	-	-	-
Utah	395	4	-	-	-	-	-	-	-	-
Vermont	124	1	-	-	-	-	-	-	-	-
Virginia	355	4	-	-	-	-	-	-	-	-
Washington	359	4	-	-	-	-	-	-	-	-
West Virginia	335	4	-4	-	-	-	-	-	-	-
Wisconsin	413	4	8	-	-	-	-	-	-	-
Wyoming	329	3	-	-	-	-	-	-	-	-
National Hdqtr	1,713	1	112	-	-	-	-	-	-	-
Obligations	22,764	190	90	-	-	-	-	-	-	-
Lapsing Balances	3,066	-	-	-	-	-	-	-	-	-
Bal. Available, EOY	1,104	-	1,927	-	-	-	-	-	-	-
Total, Available	26,934	190	2,017	-	-	-	-	-	-	-

RESOURCES CONSERVATION AND DEVELOPMENT
Classification by Objects
(Dollars in thousands)

		2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Personnel Compensation:					
Washington, D.C.		$636	-$10	-	-
Field		14,725	-68	-	-
11	Total personnel compensation	15,361	-78	-	-
12	Personal benefits	4,240	-29	-	-
13	Benefits for former personnel	-	75	-	-
	Total, personnel comp. and benefits	19,601	-32	-	-
Other Objects:					
21.0	Travel and transportation of persons	136	-	-	-
22.0	Transportation of things	9	-	-	-
23.2	Rental payments to others	281	-8	-	-
23.3	Communications, utilities, and misc. charges	1,279	52	-	-
24.0	Printing and reproduction	-	-	-	-
25	Other contractual services	1,402	78	-	-
26.0	Supplies and materials	44	-	-	-
31.0	Equipment	12	-	-	-
	Total, Other Objects	3,163	122	-	-
99.9	Total, new obligations	22,764	90	-	-

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NATURAL RESOURCES CONSERVATION SERVICE
RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM

STATUS OF PROGRAM

Current Activities.

Background. The Resource Conservation and Development (RC&D) Program was initiated under the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590a-590f), the Bankhead-Jones Farm Tenant Act (16 U.S.C. 1010 and 1011), and the Food and Agriculture Act of 1962, and is authorized under subtitle H, title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451-3461), as amended. The Food Security and Rural Investment Act of 2002 permanently authorized the program. NRCS administered the program until April 2011 to close out the program.

Program Objectives. The RC&D Program encouraged and improved the capability of State and local units of government and non-profit organizations in rural areas to plan, develop, and implement programs for resource conservation and development. NRCS provided program administration and assistance to RC&D areas through volunteer non-profit RC&D Councils. Other USDA agencies provide technical and limited financial assistance to RC&D Councils. The Councils also obtain assistance from State, local, and Federal agencies, private organizations, and foundations to carry out specific projects.

2012 Activities.

The Agency has completed close-out of the program.

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HEALTHY FORESTS RESERVE PROGRAM

Project Statement
Obligations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Obligations:										
Healthy Forests Reserve Program:										
Technical Assistance	$32	-	-$15	-	$4	-	-$4	-	-	-
Financial Assistance	833	-	15	-	43	-	-43	-	-	-
Total Obligations	865	-	-	-	47	-	-47	-	-	-
Bal. Available, EOY	4	-	47	-	-	-		-	-	-
Total Available	869	-	47	-	47	-	-47	-	-	-
Bal. Available, SOY	-866	-	-4	-	-47	-	47	-	-	-
Recoveries, Other (Net)	-3	-	-43	-	-	-	-	-	-	-
Total, Appropriation	-	-	-	-	-	-	-	-	-	-

Note: The 2008 Farm Bill provides $9,750,000 in 2011 and $9,750,000 in 2012 in mandatory funds. For this program see the Farm Bill Project Statement. Funds available in this account are from Title V of the Healthy Forests Restoration Act of 2003 (Public Law 108-148), which was authorized the establishment of the Healthy Forests Reserve Program (HFRP), which was amended by the Food, Conservation and Energy Act of 2008 (The 2008 Act), Public Law, 110-246.

Geographic Breakdown of Obligations and Staff Years (SY)
(On basis of obligations)
(Dollars in thousands)

State/Territory	2011 Actual		2012 Actual		2013 Estimate		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Maine	$4	-	-	-	-	-	-	-
Michigan	5	-	$4	-	$6	-	-	-
Ohio	4	-	-	-	-	-	-	-
Oregon	833	-	-15	-	-	-	-	-
Pennsylvania	19	-	-2	-	-	-	-	-
National Headquarters			13					
Undistributed	-	-	-	-	41	-	-	-
Obligations	865	-	-	-	47	-	-	-
Bal. Available, EOY	4	-	47	-	-	-	-	-
Total, Available	869	-	47	-	47	-	-	-

Classification by Objects
(Dollars in thousands)

	2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Personnel Compensation:				
Field	$19	-$1	-	-
11 Total personnel compensation	19	-	-	-
12 Personal benefits	7	-	-	-
Total, personnel comp. and benefits	26	-1	-	
Other Objects:				
23.3 Communications, utilities, and misc. charges	3	-	$2	-
25.0 Other contractual services	3	16	2	-
32.0 Land and structures	833	-15	43	-
Total, Other Objects	839	-	47	-
99.9 Total, new obligations	865	-	47	-

WATER BANK PROGRAM

Lead-Off Tabular Statement

2013 Estimate	$7,547,000
Budget Estimate, 2014	-
Change in Appropriation	-7,547,000

Note: No funding requested in 2014.

WATER BANK PROGRAM

Summary of Increases and Decreases
(Dollars in thousands)

	2011 Actual	2012 Change	2013 Change	2014 Change	2014 Estimate
Discretionary Appropriations:					
Water Bank					
1. Technical Assistance	-	+$525	+$4	-$529	-
2. Financial Assistance	-	+6,975	+43	-7,018	-
Total, Appropriation or Change	-	+7,500	+47	-7,547	-

WATER BANK PROGRAM

Project Statement
Adjusted Appropriations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.			2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY		Amount	SY
Discretionary Appropriations:											
Water Bank Program:											
Technical Assistance	-	-	$525	2	$529	1	-$529	-1		-	-
Financial Assistance	-	-	6,975	-	7,018	-	-7,018	-		-	-
Total, Available or Est.	-	-	7,500	2	7,547	1	-7,547	-1	(1)	-	-
Recscission	-	-		-	-	-	-	-		-	-
Total, Appropriation	-	-	7,500	2	7,547	1	-7,547	-1		-	-
Recscission	-	-	-	-	-	-	-	-		-	
Bal. Available, SOY	-	-	-	-	51	-	-51	-		-	-
Recoveries, Other (Net)	-	-	-	-	-	-	-	-		-	-
Total Available	-	-	7,500	2	7,598	1	-7,598	-1		-	-
Lapsing Balance 1/	-	-	-	-	-	-	-	-		-	-
Bal. Available, EOY	-	-	-51	-	-	-	-	-		-	-
Total, Obligations	-	-	7,449	2	7,598	1	-7,598	-1		-	-

1/ The funding displayed for 2013 is the annualized amount under the 2013 Continuing Resolution; the agency does not anticipate receiving this funding under a full-year appropriation.

Project Statement
Obligations Detail and Staff Years (SY)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Discretionary Obligations:										
Water Bank Program:										
Technical Assistance	-	-	$119	2	$10	1	-$10	-1	-	-
Financial Assistance	-	-	7,330	-	7,588	-	-7,541	-	-	-
Total Obligations	-	-	7,449	2	7,598	1	-7,551	-1	-	-
Lapsing Balance 1/	-	-	-	-	-	-	-	-	-	-
Bal. Available, EOY	-	-	51	-	-	-	-	-	-	-
Total Available	-	-	7,500	2	7,598	1	-7,551	-1	-	-
Recscission	-	-	-	-	-	-	-	-	-	-
Bal. Available, SOY	-	-	-	-	-51	-	+51	-	-	-
Recoveries, Other (Net)	-	-	-	-	-	-	-	-	-	-
Total, Appropriation	-	-	7,500	2	7,547	1	-7,500	-1	-	-

1/ The funding displayed for 2013 is the annualized amount under the 2013 Continuing Resolution; the agency does not anticipate receiving this funding under a full-year appropriation.

Justification of Increases and Decreases

(1) A decrease of $7,547,000 and 1 staff years for the Water Bank Program ($7,547,000 and 1 staff years available in 2013):

a. No funding is requested in the 2014 Budget.

WATER BANK PROGRAM

Geographic Breakdown of Obligations and Staff Years (SY)
(Dollars in thousands)

State/Territory	2011 Actual		2012 Actual		2013 Estimate		2014 Estimate	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Minnesota	-	-	$45	-	$1	-	-	-
North Dakota	-	-	6,410	1	47	1	-	-
South Dakota	-	-	994	1	3	-	-	-
Undistributed	-	-	-	-	7,547	-	-	-
Obligations	-	-	7,449	2	7,598	1	-	-
Lapsing Balances	-	-	-	-	-	-	-	-
Bal. Available, EOY	-	-	51	-	-	-	-	-
Total, Available	-	-	7,500	2	7,598	1	-	-

WATER BANK PROGRAM

Classification by Objects
(Dollars in thousands)

		2011 Actual	2012 Actual	2013 Estimate	2014 Estimate
Personnel Compensation:					
Washington, D.C.		-	-	-	-
Field		-	$87	-	-
11	Total personnel compensation	-	87	-	-
12	Personal benefits	-	32	-	-
	Total, personnel comp. and benefits	-	119	-	-
Other Objects:					
23.2	Rental payments to others	-	135	-	-
25.4	Other services from non-Federal sources	-	195	-	-
41.0	Grants	-	7,000	$7,598	-
	Total, Other Objects	-	7,330	7,598	-
99.9	Total, new obligations	-	7,449	7,598	-

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NATURAL RESOURCES CONSERVATION SERVICE
WATER BANK PROGRAM

STATUS OF PROGRAM

Current Activities.

Background. Section 748 of the Water Bank Act (16 U.S.C. 1301-1311) authorized the Water Bank Program (WBP). In 2012, NRCS was appropriated $7.5 million to fund WBP. NRCS opened enrollment into the program in Minnesota, North Dakota and South Dakota.

Program Objectives. The purposes of WBP include: 1) preserving and improving major wetlands as habitat for migratory waterfowl and other wildlife; 2) conserving surface waters; 3) reducing soil and wind erosion; 4) contributing to flood control; 5) improving water quality; 6) improving subsurface moisture; and 7) enhancing the natural beauty of the landscape. The intent of the program is to keep water for the benefit of migratory wildlife.

Program Operations. WBP contracts are non-renewable, 10-year rental agreements to compensate landowners for maintaining lands as wetlands in lieu of draining the lands for agricultural production. Rental payments are made annually. WBP agreements for each participating farm or ranch become effective on January 1 of the calendar year in which the agreement is approved. Financial assistance is not available for conservation practices through WBP; participants who wish to establish or maintain conservation practices may apply for financial assistance through other NRCS or State financial assistance programs where available. NRCS will assist participants with developing a Conservation Plan of Operations (CPO) for the enrolled land and associated adjacent land when applicable. WBP participants are not subject to the Farm Bill payment eligibility requirements including the highly erodible land and wetland conservation provisions or the adjusted gross income limitations. The initial sign-up period for the program was in early 2012 and rental rates were as follows:

- $50/acre/year for cropland;
- $35/acre/year for pasture and range land (grazing lands); and
- $20/acre/year for forestland.

Eligibility. NRCS determines whether land is eligible for enrollment and whether, once found eligible, the lands may be included in the program based on the likelihood of successful protection of wetland functions and values when considering the cost of the agreement and protection costs. Land placed under an agreement shall be specifically identified and designated for the period of the agreement. A person must:

- Be the landowner of eligible land for which enrollment is sought for at least two years preceding the date of the agreement unless new ownership was acquired by will or succession as a result of death of the previous owner; or
- Have possession of the land by written lease over all designated acreage in the agreement for at least two years preceding the date of the agreement unless new ownership was acquired by will or succession as a result of death of the previous owner and will have possession over all the designated acreage for the agreement period.

Program Participation Requirements. An agreement shall be executed for each participating farm. The agreement shall be signed by the owner or operator of the designated acreage and any other person who, as landlord, tenant, or share cropper, will share in the payment or has an interest in the designated acreage. There may be more than one agreement for a farm.

The designated acreage in the agreement must:

- Be maintained for the agreement period in a manner which will preserve, restore, or improve the wetland character of the land;
- Not be drained, burned, filled, or otherwise used in a manner which would destroy the wetland character of the acreage;
- Not be used as a dumping area for draining other wetlands, except where the State Conservationist determines that such use is consistent with the sound management of wetlands and is specified in the conservation plan;
- Not be used for agricultural purposes including (cropping, haying, or grazing) for the life of the agreement;
- Not be hayed except if authorized under limited circumstances, such as severe drought; and
- Not be grazed unless necessary to enhance the wetland functions and values of the land under agreement.

NRCS will perform an annual status review to note the progress in maintaining designated wetland acreage and need for technical assistance. The failure to maintain the designated wetland acreage may result in noncompliance or a reduction in rental payments.

2012 Activities.

NRCS allocated $7.5 million for financial and technical assistance for approval of new WBP 10-year rental agreements. An estimated $7 million was obligated for 107 rental agreements covering 15,945 acres. The WBP is a one year funded program. The WBP has a backlog of 523 applications with an estimated agreement value of $28.9 million covering 70,631acres in Minnesota, North Dakota, and South Dakota. The first year rental agreement payments were issued in August 2012.

FARM SECURITY AND RURAL INVESTMENT PROGRAMS

Current Estimate, Food, Conservation, and Energy Act for 2013	$3,357,800,000
Budget Estimate, 2014	3,145,261,000
Change in Appropriation	-212,539,000

Conservation programs included in this account are listed in the project statement below. The Food, Conservation and Energy Act of 2008, (P.L. 110-246) program funding authorization will continue from the Commodity Credit Corporation.

Project Statement - Current Law
(On basis of authorized level)
(Dollars in thousands)

Program	2011 Actual		2012 Actual		2013 Estimate		Inc. or Dec.		2014 Estimate [b/]	
	Amount	SY	Amount	SY	Amount	SY	Amount	SY	Amount	SY
Wetlands Reserve Program	$569,014	269	$587,932	409	$538,000	329	-$270,000	-167	$268,000	162
Environmental Quality Incentives Program	1,230,878	2,598	1,374,004	2,972	1,400,000	2,904	-50,000	-35	1,350,000	2,869
Agricultural Water Enhancement Program	73,391	79	58,758	76	60,000	82	-	-1	60,000	81
Wildlife Habitat Incentives Program	83,472	147	46,949	87	50,000	90	-5,000	-10	45,000	80
Farm and Ranch Lands Protection Program	168,714	26	144,903	38	150,000	41	-	-	150,000	40
Conservation Security Program	198,871	134	188,045	119	166,000	114	-31,539	-23	134,461	91
Conservation Stewardship Program	577,804	470	741,620	472	768,000	483	+221,000	+132	989,000	615
Grasslands Reserve Program	77,945	28	65,264	33	67,000	37	-67,000	-37	-	-
Agricultural Management Assistance [a/]	7,469	11	2,380	5	2,500	7	-	-1	2,500	6
Chesapeake Bay Watershed Program	72,560	97	49,832	65	50,000	61	-	-1	50,000	60
Healthy Forests Reserve Program	17,046	14	9,858	7	10,000	8	-10,000	-8	-	-
Conservation Reserve Program	122,847	937	101,521	792	96,300	741	-	-8	96,300	733
Subtotal, Food, Conservation And Energy Program	3,200,010	4,810	3,371,066	5,075	3,357,800	4,895	-212,539	-158	3,145,261	4,737
Reimbursable	17,211	16	9,158	42	19,000	93	-	8	19,000	101
Technical Assiatance Transfer to Private Lands [c/] Conservation Operations	-	-	-	-	-	-	-	-	-695,000	-4,004
Total, Food, Conservation And Energy Program	3,217,221	4,826	3,380,224	5,117	3,376,800	4,988	-212,539	-150	2,469,261	834

[a/] The Food, Conservation and Energy Act of 2008 authorizes $15 million in Agricultural Management Assistance for 2012. The Act authorizes half of that funding for NRCS, or $7.5 million. This funding was reauthorized in the Agriculture, Rural Development, Food and Drug Administration and Related Appropriations Act of 2012. A proposed savings of $5 million in 2014 reduces the total authorized level to $10 million and NRCS' portion to $2.5 million, as the entire savings is applied to NRCS.

[b/] Subject to Reauthorization.

[c/] Transfer mandatory authority from the Farm Security and Rural Investment Programs (Farm Bill) account to the Conservation Operations account to consolidate technical asssistance funding in the Private Lands Conservation Operations account. The transfer does not change the authorities or the period of availability of the mandatory funding.

FARM SECURITY AND RURAL INVESTMENT PROGRAMS

Statement of Program

	Performance Targets			
Output Metrics	2011 Actual	2012 Actual	2013 Target	2014 Target
Wetlands Reserve Program				
Wetlands created, restored or enhanced, acres (thousand)	131.8	188.7	212.3	185.0
Environmental Quality Incentives Program				
Cropland with conservation applied to improve soil quality, acres (millions)	4.6	4.6	4.6	4.5
Wildlife Habitat Incentives Program				
Non-Federal land with conservation applied to improve fish and wildlife habitat quality, acres (thousand)	1.3	0.9	0.7	0.6
Farm and Ranch Lands Protection Program				
Prime, unique, and important farmland protected from conversion to non-agricultural uses by conservation easements, acres (thousand)	51.5	45.2	50	50

FARM SECURITY AND RURAL INVESTMENT PROGRAMS
Geographic Breakdown of Obligations
2012 Actual
(Dollars in thousands)

	WRP	CRP	EQIP	CSP	WHIP	FRPP	Cons. Sec. Program	AWEP	GRP	CBWP	HFRP	AMA a/
ALABAMA	$8,673	$985	$19,084	$6,551	$3,605	$57	$1,168	$1,157	$98	-	-	-
ALASKA	15	2	10,981	1,608	302	472	19	-	7	-	-	-
ARIZONA	130	596	22,173	7,279	566	248	167	-	50	-	-	-
ARKANSAS	30,296	404	57,779	43,194	2,978	9	5,787	1,039	111	-	-	-
CALIFORNIA	38,097	2,437	116,545	8,160	588	4,055	3,501	14,318	286	-	$413	-
COLORADO	1,315	13	45,220	24,423	925	7,323	2,647	859	88	-	-	-
CONNECTICUT	76	85	7,524	225	920	6,773	38	-	118	-	-	$114
DELAWARE	728	334	6,609	897	62	4,892	386	-	12	$2,018	-	84
FLORIDA	79,057	704	28,333	2,710	1,124	5,031	-	108	122	-	-	-
GEORGIA	14,049	290	33,133	28,158	6,460	160	2,274	1,800	1	-	218	-
HAWAII	210	1,094	12,093	215	179	2,564	368	-	178	-	-	121
IDAHO	2,767	11,994	21,455	6,706	203	1,148	10,771	6,193	1,238	-	-	-
ILLINOIS	6,827	6,399	18,785	18,184	122	37	6,763	36	39	-	-5	-
INDIANA	9,130	6,220	21,312	7,572	5,922	-	5,735	1,764	55	-	12	-
IOWA	31,368	3,188	33,767	40,664	291	-	17,531	165	161	-	-	-
KANSAS	3,139	2,160	32,458	44,116	977	1,738	6,343	4,309	540	-	-	-
KENTUCKY	16,136	475	18,013	2,995	127	443	322	-	135	-	2,219	-
LOUISIANA	44,504	138	29,036	19,947	1,051	-	214	-	49	-	-	-
MAINE	486	926	18,126	775	400	1,443	574	-	0	-	260	312
MARYLAND	6,375	10	10,613	1,194	125	1,236	2,111	-	-0	8,165	-	101
MASSACHUSETTS	2,683	698	8,212	167	443	9,632	33	1	3	-	-	151
MICHIGAN	4,507	9,968	21,947	8,239	322	3,315	4,868	2,712	20	-	231	-
MINNESOTA	30,565	2,370	29,943	59,374	153	1,288	4,720	1,310	41	-	-	-
MISSISSIPPI	23,643	4,152	32,976	18,842	1,593	-	261	2,873	33	-	414	-
MISSOURI	19,041	1,303	38,880	28,270	399	5	21,984	-	132	-	-	-
MONTANA	3,546	2,634	25,831	31,756	399	4,273	8,337	497	156	-	-	-
NEBRASKA	14,911	1	33,110	45,681	387	1,078	8,376	2,064	71	-	-	-
NEVADA	4,120	-	13,560	973	592	5,429	221	-	165	-	-	77
NEW HAMPSHIRE	12,594	-	7,493	247	819	1,942	3	-	16	-	-	39
NEW JERSEY	1,245	135	6,797	265	370	10,063	103	93	9	-	-	251
NEW MEXICO	1,033	475	27,973	17,304	837	867	1,024	135	83	-	-	-
NEW YORK	8,003	355	13,806	5,105	201	5,430	727	449	68	1,662	-	188
N CAROLINA	10,345	636	26,706	3,024	135	2,518	731	64	22	-	-	-
N DAKOTA	18,234	2,737	21,391	51,030	287	-	6,664	1,203	68	-	-	-
OHIO	6,212	5,452	22,529	4,485	50	8,652	12,411	-	33	-	223	-
OKLAHOMA	8,057	1,296	33,387	38,615	865	16	3,549	653	78	-	609	-
OREGON	15,797	689	19,302	14,703	1,323	-	19,856	2,385	-174	-	4,183	-
PENNSYLVANIA	11,029	2,424	24,770	6,321	1,152	4,586	1,189	-	65	17,289	1,440	229

	WRP	CRP	EQIP	CSP	WHIP	FRPP	Cons. Sec. Program	AWEP	GRP	CBWP	HFRP	AMA a/
PUERTO RICO	45	-	7,487	80	-	-	53	-	-	-	-	-
RHODE ISLAND	580	-	4,264	139	390	6,480	16	-	28	-	-	50
S CAROLINA	2,421	1,186	14,161	5,309	456	1,553	1,721	-	44	-	-448	-
S DAKOTA	24,483	3,083	23,060	38,442	2,233	-	2,265	57	325	-	-	-
TENNESSEE	17,277	914	25,250	3,975	320	4	839	-	39	-	-	-
TEXAS	23,430	2,401	103,278	29,529	648	5,696	1,094	7,589	1,362	-	-	-
UTAH	256	310	25,287	3,034	256	1,908	2,220	-	147	-	-	207
VERMONT	1,219	106	9,053	99	217	3,646	48	-	75	-	-	115
VIRGINIA	1,342	651	16,394	6,157	324	4,283	770	-	78	13,688	-	-
WASHINGTON	2,995	1,658	21,670	14,509	979	4,043	5,231	930	44	-	-	-
WEST VIRGINIA	242	138	11,687	2,189	300	3,263	278	-	44	3,721	-	164
WISCONSIN	8,256	2,899	27,659	15,376	152	977	3,909	-	191	-	-	178
WYOMING	1,927	573	18,718	8,458	1,039	15,781	1,786	955	450	-	-	-
NATIONAL HDQTR	7,535	13,819	86,330	7,402	2,381	546	2,516	1,370	58,262	2,241	88	-
CENTERS	6,984	-	8,056	6,947	-	-	3,522	1,673	-	1,047	-	-
FY 2012 Total Obligations	587,932	101,521	1,374,004	741,620	46,949	144,903	188,045	58,758	65,264	49,832	9,858	2,380

a/ AMA actuals include only those AMA obligations made by NRCS.

FARM SECURITY AND RURAL INVESTMENT

Summary of Proposed Legislation

Program: Agricultural Conservation Easement Program (Wetlands Reserve Program, Grasslands Reserve Program and Farm and Ranch Lands Protection Program)

Proposal: To streamline operations of the agency's easement program and to consolidate the underlying authority of the easement programs. The proposal would also clarify priority resource concerns and increase the emphasis on new conservation. Program eligibility requirements would be increased to require that participants meet the stewardship threshold for 2 priority resource concerns. Additionally, priority for enrollment will be given to expiring CRP acres.

Rationale: Relative to the current baseline, this proposal results in a $50 million decrease in 2014, but increases in subsequent years ($140 million in 2015, $250 million in 2016, and $280 million in all subsequent years of baseline window).

Summary of Proposed Legislation

Program: Conservation Stewardship Program

Proposal: The proposal would reduce the annual cap for new enrollments in 2014 and subsequent years from 12,769,000 to 10,348,000 acres.

Rationale: The proposal would authorize payments of $18 per acre and reduce funding for new enrollments by approximately $43.6 million per year (with cumulative savings over the baseline window).

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COMMMODITY CREDIT CORPORATION
FOOD, CONSERVATION, AND ENERGY ACT OF 2008

WETLANDS RESERVE PROGRAM
STATUS OF PROGRAM

Current Activities.

Background. The Wetlands Reserve Program (WRP) was authorized by Section 1237 of the Food Security Act of 1985 (P.L. 99-198), as amended by the Food, Agriculture, Conservation and Trade Act of 1990 (P.L. 101-624), the Federal Agriculture Improvement and Reform Act of 1996 (P.L. 104-127), the Farm Security and Rural Investment Act of 2002 (P.L. 107-171), and the Food, Conservation, and Energy Act of 2008 (P.L. 110-246), to assist owners in restoring and protecting wetlands. WRP is funded by the Commodity Credit Corporation (CCC) and administered by the Natural Resources Conservation Service (NRCS).

Program Objectives. WRP is a voluntary program that provides technical and financial assistance to enable eligible landowners to protect and restore valuable wetland ecosystems, including associated habitats such as uplands, riparian areas, and forest lands. WRP addresses wetland, wildlife habitat, soil, water and related natural resource concerns on private lands and acreage owned by Indian Tribes in an environmentally beneficial and cost-effective manner. The program achieves solutions to local community issues related to farms, ranches, rural lands, and other areas by establishing easements and long-term agreements on eligible farmlands and by establishing 30-year contracts on acreage owned by Indian Tribes. This unique program offers landowners an opportunity to establish, at minimal cost, long-term conservation and wildlife habitat enhancement practices and protection.

The goal of WRP is to achieve the greatest wetlands functions and values, along with optimum wildlife habitat, on every acre enrolled in the program. This is accomplished by restoring former wetland and associated habitats on lands that were converted for agricultural use and have a high likelihood of successful restoration. Wetlands provide a variety of important environmental services that are increasingly valued by society. These include filtering nutrients, trapping sediments and associated pollutants, improving water quality, providing fish and wildlife habitat, dampening floodwater runoff peaks, recharging aquifers, buffering shorelines from storm impacts, and myriad other benefits.

Over 50 percent of the Nation's wetlands in the lower 48 States have been lost since colonial times and the greatest potential for restoration exists on private lands. Over 80 percent of lands on which restoration is economically feasible are in private ownership. To achieve successful restoration that maximizes benefits to both the landowners and the public, WRP focuses on: 1) enrolling marginal lands that have a history of crop failures or low production yields; 2) restoring and protecting wetland values on degraded wetlands; 3) maximizing wildlife benefits; 4) achieving cost-effective restoration with a priority on benefits to migratory birds; 5) protecting and improving water quality; 6) reducing the impact of flood events; 7) increasing ecosystem resilience; and 8) promoting scientific and educational uses of WRP projects.

Program Operations. Under WRP, at least 70 percent of the wetlands and associated habitats are restored to their original condition to the extent practicable; the remaining 30 percent of the project area may be restored or enhanced to alternative habitat conditions. For example, instead of restoring a bottomland hardwood site to all trees, a portion of the site could be restored to an emergent marsh condition if the landowner or NRCS wanted to create habitat for targeted wildlife species. This flexibility allows NRCS to implement projects that meet landowner objectives, address specific species or habitat needs, and maximize wildlife and environmental benefits.

Eligibility. WRP is available in all 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa, the Commonwealth of the Northern Mariana Island, and the Trust Territories of the Pacific Islands on all lands meeting any of the following eligibility criteria:

- Altered, cropped, and grazed wetlands along with upland buffer areas;
- Rangeland and wooded areas where hydrology is significantly degraded but substantially restorable;
- Croplands or grasslands subject to flooding from overflow of a closed basin, lake, or pothole;
- Riparian areas linking protected wetlands;
- Natural wetlands that contribute to the value of other eligible land;
- Eligible priority wetland acres already enrolled in the Conservation Reserve Program; and

- Wetlands restored under a Federal or State cost-share program with an easement or deed restriction with a duration of less than 30 years.

Financial Assistance. WRP provides landowners four methods to enroll acreage:

- Permanent easement: Easement duration is in perpetuity. Participants are provided an easement payment after the easement is filed. The payment is for 100 percent of the value of the land, with compensation determined as the lowest of: 1) the value determined through an appraisal or area-wide market survey; 2) a geographic cap; or 3) landowner offer. In addition, NRCS pays up to 100 percent of the eligible restoration costs.
- 30-year easement: Easement duration is 30 years. Landowners receive an easement payment after the easement is filed that is equivalent to 75 percent of the value for a permanent easement; landowners also receive up to 75 percent of the eligible restoration costs.
- Restoration cost-share agreement: Restoration cost-share agreements are made available to participating landowners as an alternative mechanism to restore wetlands without requiring the landowner to enroll the land as an easement. Agreements are generally for a 10-year period, although longer agreement periods may be required for unique projects that are funded at a higher level. There is no easement payment; however, NRCS pays up to 75 percent of the eligible restoration costs.
- 30-year contract: Acreage owned by Indian Tribes can also be enrolled through the use of a 30-year contract that is equivalent in value to a 30-year easement.

Technical Assistance. NRCS conducts ecological and cost ranking and develops a preliminary site plan for the offered acres, with input from State wildlife agencies and the Department of the Interior's Fish and Wildlife Service. Once the landowner accepts an offer, NRCS completes restoration designs and implements the conservation practices necessary to restore the identified habitats on the easement, contract, or agreement area.

NRCS continues to provide assistance to the landowner throughout the life of the project, after the initial completion of the restoration activities. NRCS works cooperatively with the private landowners to develop management and maintenance plans, conduct monitoring and enforcement, identify enhancement or repair needs, and provide biological and engineering advice on how to achieve optimum results for wetland dependant wildlife or other desired ecosystem services.

WRP Partnership Activities. In 2012, NRCS continued to emphasize partnerships with conservation entities and agencies as a mechanism to leverage WRP funds and maximize conservation benefits. In 2012, NRCS entered into more than 38 cooperative and interagency agreements with a focus on completing the acquisition, restoration and monitoring of existing WRP easements. Through these agreements, Federal funds are being leveraged with conservation partners providing an average of 28 percent matching funds. The partners include an array of conservation organizations including non-governmental organizations such as Ducks Unlimited, Trout Unlimited, California Waterfowl Association, The Nature Conservancy, Mississippi Fish and Wildlife Foundation, Mississippi River Trust, and the Audubon Society; along with numerous resource conservation and development councils, local and State wildlife agencies, the Department of the Interior's Fish and Wildlife Service, and other conservation partners. Others contributing technical expertise to the delivery of WRP include the National Association of Conservation Districts, State associations of conservation districts, USDA Forest Service, the Department of the Army Corps of Engineers, local conservation districts, and Technical Service Providers. These agreements will supplement NRCS's capacity to expedite easement acquisition, restoration implementation and to ensure annual monitoring is conducted. These activities help guarantee the public and natural resource benefits of WRP are fully realized and maintained.

2012 Activities.

WRP Acreage. Enrolled acres are the specific controlling factor for WRP. Enrollment is defined as the point at which the landowner and NRCS enter into the agreement authorizing NRCS to proceed with the purchase of the easement or 30-year contract. In the case of restoration cost-share agreements, enrollment occurs when both the landowner and NRCS execute the restoration contract documents. At this point, funds are obligated for the easement or contract. Funds needed for enrollment of new acres in a given year are determined by projecting the number of acres by enrollment option (i.e. permanent easements, 30-year easements, 30-year contracts, cost share agreements) and the geographic rate cap for the location of the acres to be enrolled.

In 2012, NRCS enrolled a total of 180,749 acres in 996 new WRP enrollments (table below). The majority were in easements (137,078 acres in 689 permanent easements and 42,287 acres in 284 30-year easements). The average

project size was 181 acres, compared with 176 acres in 2011. Also during 2012, NRCS created, restored, and enhanced 188,678 acres of wetlands.

Agreement Type	2012 Agreements	2012 Acres Enrolled
30-year agreement (with tribes)	3	682
Restoration cost-share agreement	20	703
30-year easement	284	42,287
Permanent easement	689	137,078
Total	996	180,750

Once enrollment has occurred, NRCS proceeds with acquisition activities such as obtaining title review and surveys, culminating in the executing and recording of the easement, identified as easement closing. Following the easement closing, NRCS completes restoration on the easement. Enrollment through easement closing to completed restoration takes three to five years, after which annual monitoring takes place for the life of the easement. Funding needs for the activities that occur in years after the projects' original enrollment are based on the number of acres in each phase of the process in a given year and the costs related to those various activities.

The table below shows the total cumulative acres and number of enrollments in WRP and the cumulative acres and number of easements closed, which is a subset of the total acres enrolled. The cumulative number of acres enrolled in WRP throughout the life of the program is 2.6 million acres; this excludes cancelled, terminated or expired enrollment transactions. In 2012, NRCS closed easements on 210,419 acres through 1,218 easement transactions, including 415 30-year easements on 52,357 acres and 803 permanent easements on 158,062 acres. This data is part of the cumulative totals below.

WRP Cumulative Enrolled Easements, Restoration Cost-Share Agreements and Contracts with Tribes and Closed Easements		
Agreement Type	**Cumulative Agreements**	**Cumulative Acres**
Enrolled Permanent Easements	10,635	2,073,371
Enrolled 30-year Easements	2,773	451,106
Restoration Cost-Share Agreement	857	124,601
30-Year Contract with tribes	16	3,043
Total	14,281	2,652,12 1
Agreement Type	**Cumulative Easements**	**Cumulative Acres**
Closed Permanent Easements	9,485	1,858,570
Closed 30-Year Easements	2,220	372,913
Total	11,705	2,231,483

Emergency Wetlands Reserve Program (EWRP) Cumulative Closed Permanent Easements		
Agreement Type	**Cumulative Agreements**	**Cumulative Acres**
Closed Easements	732	84,152

The type of wetlands restored through WRP varies from vernal pools in the west and northeast to bottomland hardwood forests in the southeast, to prairie potholes in the upper midwest, to coastal marshes, to mountain meadows, but consists primarily of floodplain forests and emergent marsh wetlands. Restoration and protection of these varied and valuable wetland type accounts for 85 percent of the acreage enrolled in WRP, while the remaining 15 percent of WRP acres includes adjacent upland habitats that provide nesting habitat and buffer area to the wetland areas. Most acres offered into WRP occur in areas that, despite having been drained or cleared for agricultural production, are still subject to frequent flooding or prolonged saturation, making them ideally suited for restoration and usually marginal for agricultural production.

Initiatives and Partnership Projects. NRCS has a number of initiatives and program options that provide targeted delivery of conservation assistance to address specific resource concerns on a geographic, species, habitat, natural disaster, or other basis that benefits from a tailored or rapid response. In 2012, WRP was a key tool in delivering conservation benefits to these initiative efforts:

- Multi-State partnerships to benefit wetlands of international importance along the Lower Mississippi River. As part of the NRCS landscape initiative in the Mississippi River Basin (MRBI), in 2012 NRCS entered into a

multi-state partnership agreement to focus WRP enrollments in the 699-mile reach of the Lower Mississippi River (LMR) from its confluence with the Ohio River at Cairo, Illinois, to the Port of Baton Rouge, Louisiana. The 2.8 million acre Mississippi river floodplain within this area includes 322,561 acres of agricultural land bounded on both sides by the U.S. Army Corps of Engineers (COE) mainline levee system (battue lands - LMRB).

The Lower Mississippi River and the Lower Mississippi River Basin have been subjected to widespread flood-control practices resulting in vast clearing and conversion of the original forests, native grasslands and wetlands for intensive agriculture. This area is now suffering from a host of environmental and social problems including significantly high poverty rates. The wetlands of the LMRB are recognized as Wetland Habitats of National Concern and as Wetlands of International Importance. The international significance of the project area's wetland values to migratory birds are recognized in the North American Waterfowl Management Plan, the U.S. Shorebird Conservation Plan, the Partners in Flight Initiative, and the North American Waterbird Conservation Plan.

The restoration and protection of wetlands through WRP and the resultant change in land uses will provide flood protection and meet some of the economic and environmental concerns of the local people. In the first sign-up for the project, approximately 15,000 acres in applications were received. NRCS has sufficient funds to accept a total of 7,095 acres into the WRP from 2012 including lands in Arkansas (725 acres), Kentucky (529 acres), Louisiana (816 acres), Mississippi (1,225 acres) and Tennessee (3,800 acres).

- California: Unique opportunity to restore an entire California Bay Delta island. During 2012, NRCS in California closed a WRP easement on the unique 789-acre Quimby Island that lies in the heart of the California Bay Delta. The Bay Delta region, located in the Sacramento and San Joaquin watersheds of California, encompasses over 38 million acres and is one of the most important estuary systems in the nation. The area provides drinking water for more than 23 million people and irrigation water to four million acres of farmland, and is a region with general economic activities estimated at over $400 billion annually. However, increased demand for limited water resources and declining water quality threaten the economic and environmental well-being of the Bay Delta area. As part of the NRCS Bay-Delta Initiative, the Quimby Island WRP project is collaboration between NRCS, the landowner, and the non-profit California Waterfowl Association. WRP wetland restoration efforts for waterfowl, sandhill cranes and wintering shorebirds has already begun; it is anticipated that the restoration will help reverse subsidence of the island by protecting fragile peat soils and increase carbon sequestration through the establishment of permanent emergent vegetation.

- Georgia: Largest Carolina Bay Wetland Formation in Georgia enrolled in WRP. In 2012, NRCS partnered with The Georgia Forestry Commission (GFC) and The Conservation Fund (TCF) to restore and protect the Arabia Bay Swamp in Clinch County, Georgia. Arabia Bay is a cypress/hardwood wetland depression comprised of 5,350 acres of wetland and upland buffers. Arabia Bay, a high priority for conservation under the Georgia State Wildlife Action Plan, is the largest intact Carolina Bay formation in the State of Georgia; it is one of the largest in the Southeast and is extremely rare for its size. It contains a pond cypress and pine savanna that is a major rookery for the Federally endangered wood stork and other wading birds, and provides significant habitat for the Federally threatened Flatwoods salamander.

  Arabia Bay has been negatively impacted over the years through ditching, draining, and reoccurring wildfires, which have altered the hydrology and resulted in lower than normal water levels. The degradation of the wetlands in the bay by altering of the hydrology has allowed wildfires to begin inside the bay, burn at a higher intensity, and spread to adjacent areas than would otherwise occur if the hydrology was intact. The protection and restoration of Arabia Bay through WRP will reduce catastrophic wildfire impacts by restoring normal water retention in the bay and by restoring the adjoining uplands to fire resilient Longleaf pine communities. Reduced fire destructiveness and potential for compatible timber harvest within the WRP will help stimulate the local economy through timber revenue and associated jobs. The easement will also significantly benefit the at-risk wildlife species that depend on the habitat provided by Arabia Bay, and it will ensure that these habitats are fully restored and protected for the long-term.

Get Conservation on the Ground.
Florida: Protecting migration corridor for the endangered Florida Panther. Since 2009, USDA has invested $373 million in WRP funds to restore and protect more than 95,000 acres of wetland habitat in Florida's Northern Everglades demonstrating a strong commitment to partnerships with Florida's ranchers and farmers to improve water quality and habitat protection while supporting Florida's strong agricultural economy and ranching heritage. In 2012, NRCS again demonstrated its continued commitment to restoring and protecting wetlands in the critically important Northern Everglades Watershed by providing $80 million in WRP funds and enrolling an additional 23,100 acres in the watershed. NRCS utilized part of this funding to enroll property known as American Prime that will ensure a key habitat corridor for the endangered Florida panther is protected. NRCS collaborated with private, State, and Federal partners to protect the 1,278-acre American Prime property in Glades County, Florida that is critical for panthers dispersing into habitat further north. A female panther and two kittens were photographed in summer of 2012 near the property which was the first documented evidence of a female Florida panther that far north since 1973.

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Current Activities.
Background. Section 2503 of the Food, Conservation, and Energy Act of 2008 (the 2008 Act) (P.L. 110-246) re-authorized and amended the Environmental Quality Incentives Program (EQIP) (16 U.S.C. 3839aa). EQIP was first authorized by the Food Security Act of 1985 as amended by the Federal Agriculture Improvement and Reform Act of 1996 (P. L. 104-127) and the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). The Commodity Credit Corporation (CCC) funds EQIP.

Program Objectives. America faces serious environmental challenges which financial and technical assistance delivered through EQIP can help address. Federal, tribal, State and private lands face risks to the long-term sustainability of our natural resources and pressing environmental concerns. For example, climate change poses multiple challenges to agriculture: changing growing conditions for producers, new opportunities for production of climate-friendly renewable fuels, and the desire on the part of many producers to reduce greenhouse gas emissions. To meet these challenges, EQIP promotes the voluntary application of farming and other land use practices that maintain or improve the condition of soil, water, air, and other natural resources. The program assists agricultural producers in identifying natural resource issues and opportunities to improve their agricultural operation and provides technical and financial assistance to address them in an environmentally beneficial and cost-effective manner.

EQIP promotes practices to meet a variety of environmental and natural resource challenges. In the Mississippi River Basin and the Chesapeake Bay Watershed, EQIP practices reduce nutrients and sediment to improve water quality and habitat for fish and wildlife. EQIP-promoted practices address water quantity and quality concerns in the Ogallala Aquifer, combating declining water tables affecting eight States, including Colorado, South Dakota, Nebraska, Wyoming, Kansas, Oklahoma, New Mexico and Texas. EQIP-promoted practices reduce the threat to the habitat of Endangered Species Act Candidates such as Sage Grouse and Lesser Prairie Chicken and provide critical habitat for migratory birds.

NRCS carries out EQIP in a manner that optimizes environmental benefits. EQIP provides:
- Flexible technical and financial assistance to farmers and ranchers that face the most serious threats to soil, water, air, and related natural resources;
- Assistance to farmers and ranchers in complying with Federal, State, and local environmental regulatory requirements;
- Assistance to farmers and ranchers in making beneficial, cost-effective changes to cropping systems; grazing systems; manure, nutrient, pest, or irrigation management systems; or land uses to conserve and improve soil, water, air, and related natural resources; and
- Consolidated and simplified conservation planning and implementation to reduce the administrative burden on producers.

National Priorities. EQIP statutory provisions require that at least 60 percent of the financial assistance funds for EQIP be targeted to livestock-related operations, including both confined livestock operations and grazed lands. The 2008 Act also added energy conservation as a national priority. After an extensive effort to invite input from the

public, agricultural and environmental organizations, Conservation Districts, agencies, and other partners, NRCS established the following national priorities for EQIP:

- Reduction of nonpoint source pollution, such as nutrients, sediment, pesticides, or excess salinity in impaired watersheds consistent with Total Maximum Daily Loads (TMDLs) where available;
- Reduction of contamination from agricultural point sources, such as concentrated animal feeding operations;
- Reduction of surface and groundwater contamination and conservation of surface and groundwater resources;
- Reduction of emissions, such as particulate matter, nitrogen oxides, volatile organic compounds, and ozone precursors and depleters that contribute to air quality impairment violations of National Ambient Air Quality Standards;
- Reduction in soil erosion and sedimentation; and
- Promotion of at-risk species habitat conservation.

Eligibility. To participate in EQIP, both the land and the applicant must be eligible. Eligible land includes cropland, rangeland, pastureland, private nonindustrial forestland, and other farm or ranch lands. The land must have an identified natural resource concern that poses a serious threat to soil, water, air, or related resources by reason of land use practices, soil type, terrain, climatic conditions, topography, flooding, saline characteristics, or other natural resource factors or natural hazard. Publicly-owned land is eligible when the land is under private control for the contract period, and is included in the participant's operating unit, and the participant has written authorization from the government Agency to apply conservation practices. For irrigation-related practices, the land must have a history of being actively irrigated for two out of the last five years.

Applicants must be an agricultural producer, have control of the land for the life of the contract, develop an EQIP plan of operations, and be in compliance with statutory payment eligibility provisions and limitations including highly erodible land compliance, wetland conservation compliance, adjusted gross income limitations, and protection of tenants and sharecroppers. Applications are accepted year round at local USDA Service Centers, but there are ranking cut-off dates that vary by State.

Technical Assistance. NRCS works with the participant to develop the EQIP plan of operations that forms the basis of the EQIP contract. The plan may be developed with NRCS technical assistance or EQIP may provide financial assistance to the participant to obtain the services of a certified technical service provider (TSP) who develops a conservation plan for the offered acres initially determined eligible. The plan identifies the conservation practices and activities that will be implemented through EQIP.

Installation of conservation practices and systems must contribute to an improvement in the identified natural resource concern. Conservation practices include structural practices, land management practices, vegetative practices, forest management practices, and other improvements that achieve the program purposes. EQIP activities may also include the development of specialized plans such as comprehensive nutrient management plans, agricultural energy management plans, dryland transition plans, forest management plans, integrated pest management, and other similar plans. These plans and practices must meet NRCS technical standards adapted for local conditions.

Financial Assistance. EQIP payment rates may be up to 75 percent of the estimated incurred costs and up to 100 percent of income foregone related to certain conservation practices. Historically underserved producers, including socially disadvantaged, limited resource, or beginning farmers and ranchers, and tribal members, may be eligible for payment rates up to 90 percent for estimated incurred costs. Contracts are for a minimum term that ends one year after the implementation of the last scheduled practices and for a maximum term of ten years.

Total conservation payments are limited to $300,000 in financial assistance per person or legal entity between 2009 through 2014 regardless of the number of farms or contracts. A waiver of the $300,000 payment limit may be granted by the NRCS Chief for projects of special environmental significance that will result in significant environmental improvements as determined by NRCS policy. The payment limitation for these contracts of special environmental significance may be extended up to $450,000.

Partnerships. NRCS cooperates with Federal, State, and local partners to address local and national conservation issues and to complement their conservation programs. Partners include the National Association of Conservation Districts, State Associations of Conservation Districts, local conservation districts in efforts to deliver a program beneficial to program participants and the environment, and others. Through interactive communication between

the local community, local interest groups, and State and Federal agencies, EQIP provides the partners with information and resources needed to address local priorities and implement State and national programs, such as EQIP.

The Cooperative Conservation Partnership Initiative (CCPI) is a voluntary conservation initiative that enables the use of EQIP and other conservation programs, combined with resources of eligible partners, to provide financial and technical assistance to agricultural producers. Under CCPI, NRCS enters into partnership agreements with eligible entities that want to enhance conservation outcomes on these lands in an effort to leverage funds to get more conservation benefit. Eligible partners include Federally-recognized Indian tribes, State and local units of government, producer associations, farmer cooperatives, institutions of higher education, and nongovernmental organizations with a history of working cooperatively with producers. NRCS does not provide funds to the partners but directly to producers to implement the agreed upon conservation practices. Partners provide additional technical or administrative resources to assist with planning, implementation, and/or monitoring of project effectiveness.

2012 Activities.
In 2012, EQIP financial assistance obligations by States were over $990 million in 44,778 active and completed contracts covering an estimated 19.9 million acres. In addition to regular EQIP projects, these funds also supported projects in resource based initiatives such as air quality, on-farm energy audits and energy conservation, migratory bird habitat, and the Mississippi River Basin, and projects in initiatives, such as organic production, seasonal high tunnels, and America's Great Outdoors focused on environmental benefit and agricultural production as compatible goals. EQIP provided funding to 19 States severely impacted by the 2012 drought. Financial assistance was provided to producers to mitigate the effects of drought on soil health, pasture health, and livestock watering facilities.

Air Quality - In 2012, NRCS provided over $35 million in financial and technical assistance to nine States through the national Air Quality Initiative to help producers meet requirements of the Clean Air Act. Through this initiative, NRCS provides assistance to farmers and ranchers to reduce air pollution generated from agricultural operations in areas designated by the Environmental Protection Agency as non-attainment areas for ozone and particulate matter. During 2012, 694 active and completed contracts supported some 1,796 practices on more than 76,631 acres.

Energy - In 2012, NRCS obligated more than $11.5 million in financial assistance to support over 1,100 practices in 611 active and completed contracts which addressed inefficient use of energy resources on farms in 37 States and Puerto Rico. These Agricultural Energy Management Plans, commonly called farm energy audits, were supported through EQIP. Additionally, financial assistance funding was obligated to assist with implementation of energy conservation practices through EQIP active and completed contracts to encourage producers to conserve fuel and reduce greenhouse gases; to upgrade lighting, ventilation, heating and irrigation systems; and increase efficiency of agronomic practices.

Organics - The Organic Initiative is a nationwide special initiative that provides assistance to organic producers as well as producers in the process of transitioning to organic production. In 2012, NRCS obligated over $13.2 million in EQIP funds to 861active and completed contracts, treating 54,897 acres in organic production or in transition to organic production. The most often prescribed practices by occurrence were cover crop, nutrient management, pest management, conservation crop rotation, and seasonal high tunnel system for crops. Each of these conservation practices has specific environmental benefits, especially when applied as a complete system of practices. One critical benefit is sustaining the natural physical, biological, and chemical properties of the soil, which is vital to organic production.

Drought 2012 – In 2012, NRCS obligated over $16.0 million in 1,314 EQIP active and completed contracts with producers in 19 States that were severely impacted by the drought. These producers were able to use EQIP financial assistance for practices such as watering facilities, prescribed grazing, pasture and hayland planting, and cover crops on their farm or ranch operation. NRCS is developing strategies to assist producers with addressing potential impacts of future droughts by utilizing conservation practices that will maintain and improve soil health.

EQIP is highly popular among producers, and demand for the program is high across the country. Nationally, slightly over 45 percent of qualifying projects (valid applications) were funded in 2012, as the table below shows.

2012 Total EQIP Program Demands[1]

State	Total Applications Received	Number of Active and Completed Contracts	Unfunded Valid Applications	Valid Applications Funded Percent	Average Contract Amount	Estimated Unfunded Applications
ALABAMA	3,619	1,406	1,260	53	$10,265	$12,934,170
ALASKA	421	171	194	47	45,373	8,802,295
ARIZONA	517	167	250	40	96,012	24,003,062
ARKANSAS	13,179	2,057	8,983	19	24,183	217,231,886
CALIFORNIA	7,004	2,133	2,668	44	46,772	124,787,717
COLORADO	1,956	872	795	52	38,221	30,385,917
CONNECTICUT	388	196	113	63	25,901	2,926,775
DELAWARE	450	241	84	74	20,489	1,721,090
FLORIDA	1,490	613	429	59	36,312	15,577,995
GEORGIA	5,732	1,890	2,716	41	13,625	37,004,558
HAWAII	261	168	70	71	41,666	2,916,622
IDAHO	1,080	371	450	45	44,639	20,087,407
ILLINOIS	2,843	692	1,944	26	20,608	40,061,474
INDIANA	1,883	606	972	38	28,819	28,012,523
IOWA	5,642	1,658	2,762	38	15,581	43,033,756
KANSAS	3,158	1,318	967	58	19,068	18,439,155
KENTUCKY	2,140	951	395	71	13,580	5,364,273
LOUISIANA	2,975	1,116	1,345	45	20,728	27,879,781
MAINE	2,435	909	1,282	41	16,112	20,655,322
MARYLAND	753	311	203	61	25,591	5,194,895
MASSACHUSETTS	528	365	84	81	16,265	1,366,282
MICHIGAN	1,960	778	1,039	43	26,600	27,636,910
MINNESOTA	2,557	1,566	516	75	14,207	7,330,808
MISSISSIPPI	4,139	1,884	233	89	14,149	3,296,828
MISSOURI	5,200	1,348	2,914	32	21,549	62,794,141
MONTANA	1,867	565	526	52	31,811	16,732,682
NEBRASKA	4,925	1,400	2,273	38	17,892	40,668,475
NEVADA	285	156	45	78	68,015	3,060,696
NEW HAMPSHIRE	792	410	253	62	12,707	3,214,782
NEW JERSEY	374	206	8	96	22,029	176,229
NEW MEXICO	1,374	526	421	56	41,740	17,572,567
NEW YORK	1,543	492	772	39	20,842	16,090,378
NORTH CAROLINA	2,993	1,143	1,196	49	18,539	22,172,063
NORTH DAKOTA	2,907	1,126	1,185	49	14,659	17,370,500
OHIO	3,317	1,122	1,223	48	18,460	22,576,257
OKLAHOMA	6,288	1,375	3,248	30	17,642	57,301,954
OREGON	1,114	521	266	66	29,373	7,813,116
PENNSYLVANIA	2,230	611	1,085	36	30,858	33,480,553

State	Total Applications Received	Number of Active and Completed Contracts	Unfunded Valid Applications	Valid Applications Funded Percent	Average Contract Amount	Estimated Unfunded Applications
RHODE ISLAND	285	195	30	87	14,450	433,487
SOUTH CAROLINA	1,207	624	61	91	17,084	1,042,101
SOUTH DAKOTA	1,866	422	967	30	41,807	40,427,425
TENNESSEE	3,274	1,475	1,065	58	13,259	14,120,822
TEXAS	8,685	4,002	2,912	58	18,914	55,076,949
UTAH	1,619	377	873	30	44,649	38,978,940
VERMONT	898	522	116	82	11,817	1,370,776
VIRGINIA	865	439	100	81	23,834	2,383,355
WASHINGTON	1,896	600	795	43	27,553	21,904,687
WEST VIRGINIA	1,457	397	568	41	17,978	10,211,313
WISCONSIN	2,905	1,523	596	72	17,059	10,166,867
WYOMING	843	310	329	49	45,530	14,979,530
PACIFIC BASIN	129	99	10	91	12,187	121,870
CARIBBEAN AREA	648	353	239	60	14,051	3,358,078
TOTAL	128,896	44,778	53,830	45	22,126	1,262,252,094

[1]Source: Protracts as of October 2, 2012. Unfunded applications include pre-approved, deferred, eligible, pending, and disapproved. Estimated Value of Unfunded Applications ($) determined from number of unfunded valid applications multiplied by average contract amount. Data are preliminary and are expected to change subject to final budget reconciliation.

Significant EQIP Accomplishments.

Conservation Innovation Grants. The Conservation Innovation Grants (CIG) component of the Environmental Quality Incentives Program (EQIP) provides a competitive grants program that stimulates innovative science based approaches to leveraging Federal investment in environmental enhancement and protection in conjunction with agricultural production. CIG enables NRCS to work with other public and private entities to accelerate transfer and adoption of promising conservation technologies, management systems and innovative approaches to address some of the Nation's most pressing natural resource concerns. CIG projects lead to the transfer of these cutting edge technologies, systems, and approaches into NRCS policy, technical manuals, guides, and references or to the private sector.

In 2012, NRCS awarded $26.1 million in CIG for 59 projects in 47 States. Grant recipients provide matching funds to CIG, bringing the total value of the approved projects to more than $52.2 million. In the 2012 CIG application process, projects targeting nutrient management, energy, soil health, wildlife and water quality credit trading were funded as priorities for CIG. A break out of the projects is as follows:

- National: The 37 projects selected (approximately $14.6 million) will demonstrate the use of innovative technologies or approaches to address specific natural resource concerns nationwide. In addition, seven projects selected (approximately $4.7 million) will support water quality credit trading nationally.
- Chesapeake Bay Watershed: The five projects selected (approximately $2.6 million) will demonstrate the use of innovative technologies or approaches to address water quality credit trading within the Chesapeake Bay Watershed. These projects will tackle market analysis of supply and demand for water quality credits, market rules and infrastructure.
- Mississippi River Basin: The ten projects selected (approximately $4.2 million) will demonstrated the use of innovative technologies or approaches to address specific natural resource concerns within the Mississippi River Basin and address the Mississippi River Basin Healthy Watersheds Initiative objectives to manage and optimize nutrient management, reduce downstream nutrient loads, maintain agricultural productivity, and enhance wildlife and other ecosystem services.

Get Conservation on the Ground.
CIG Water Quality Credit Trading Efforts. In 2012, NRCS, through CIG, offered a separate funding opportunity to support water quality credit trading both nationally and in the Chesapeake Bay watershed. Water quality credit trading is a market-based approach that enables facilities to achieve needed pollution controls through the purchase of credits for a particular pollutant. The Secretary of Agriculture approved $7.3 million to fund 12 water quality credit trading projects in 16 States. In the Chesapeake Bay, five awardees will be facilitating and building infrastructure for water quality trading markets: the Alliance for the Chesapeake Bay, Inc.; Chesapeake Bay Foundation; Borough of Chambersburg; Commonwealth of Virginia, Department of Conservation & Recreation; and Maryland Department of Agriculture.

Jordan, Montana. **"**Out here on my property, we have three major limiting factors: water, access, and fire danger," says a cattle producer near Jordan, Montana. The rancher signed up for the Environmental Quality Incentives Program (EQIP). With help of NRCS, the ranch's limiting factors were converted to productive factors. Two new water tanks were installed to supplement six marginal reservoirs to ensure cattle would have enough water during dry summers. Additional fencing was installed to provide even distribution of grazing and a tree thinning project has reduced the risk of fire hazard to the ranch.

Nebraska. As demand for organically-raised crops has grown, Nebraska farmers are working to meet the public's need. Becoming certified as an organic farm takes time, knowledge, and a lot of paperwork. The transition can be daunting to farmers, which is why the Natural Resources Conservation Service (NRCS) is offering assistance. NRCS, through their Environmental Quality Incentives Program (EQIP), is providing assistance to farmers for conservation practices necessary to make the transition. Farming operations vary across the state, but the end result is that EQIP has been very effective in helping all types of producers make the switch to organic.

Chesapeake Bay. Effective use of conservation practices and systems by farmers in the Chesapeake Bay watershed are reducing sediment and nutrient losses from cultivated cropland. The Environmental Quality Incentives Program (EQIP) and Chesapeake Bay Watershed Initiative (CBWI) funding have provided a huge impetus for farmers to implement conservation practices. The U.S. Department of Agriculture recently released a study, "Assessment of Conservation Practices on Cultivated Cropland in the Chesapeake Bay Region," which quantifies these environmental gains and identifies opportunities for further progress. This study confirms that farmers are reducing sediment and nutrient losses from their fields. Our voluntary, incentives-based conservation approach utilizing funding from EQIP and CBWI is delivering significant and proven results. Conservation practices installed have already reduced edge-of-field losses of sediment by 55 percent, nitrogen in surface runoff by 42 percent, nitrogen in subsurface flow by 31 percent and phosphorus by 40 percent.

AGRICULTURAL WATER ENHANCEMENT PROGRAM

Current Activities.
Background. Section 2510 of the Food, Conservation, and Energy Act of 2008 (the 2008 Act) (P.L. 110-246) established the Agricultural Water Enhancement Program (AWEP) by amending section 1240I of the Food Security Act of 1985 (16 U.S.C. 3839aa).

Program Objectives. The purpose of AWEP is to promote improved ground and surface water conservation and water quality by leveraging the Federal government's investment in natural resources conservation with services and resources of other eligible partners. Eligible partners include Federal, State and local entities and local conservation districts whose conservation goals complement and are compatible with NRCS's mission.

AWEP was specifically created to address serious surface and ground water shortages as well as water quality concerns in many agricultural areas. AWEP follows the established national priorities for the Environmental Quality Incentives Program (EQIP):

- Conservation of ground and surface water resources;
- Reduction of nonpoint source pollution, such as nutrients, sediment, pesticides, or excess salinity in impaired watersheds consistent with Total Maximum Daily Loads (TMDLs) where available;
- Reduction of surface and groundwater contamination;

- Reduction of contamination from agricultural point sources, such as concentrated animal feeding operations; and
- Reduction in soil erosion and sedimentation from unacceptable levels on agricultural land.

Program Operations. Through AWEP, eligible partners submit proposals for funding to NRCS. The proposals are evaluated and successful applicants enter into multi-year agreements with NRCS to promote ground and surface water conservation and improve water quality on eligible agricultural lands in a specific geographic area. In evaluating partnership proposals, NRCS gives priority to those that:

- Include a high percentage of agricultural land and producers in the region or other appropriate area;
- Result in high levels of applied agricultural water quality and water conservation activities;
- Significantly enhance agricultural activity;
- Allow for monitoring and evaluation;
- Assist agricultural producers in meeting a regulatory requirement that might otherwise reduce the economic scope of the producer's operation;
- Are able to achieve the project's land and water treatment objectives within five years or less;
- Include conservation practices that support the conversion of agricultural land from irrigated farming to dryland farming;
- Leverage AWEP funds with funds provided by partners; and
- Assist producers in areas with high-priority water quantity concerns in the following regions: Eastern Snake Plain Aquifer, Puget Sound, Ogallala Aquifer, Sacramento River Watershed, Upper Mississippi River Basin, Red River of the North Basin, or Everglades.

As part of EQIP, AWEP contracts provide technical and financial assistance directly to eligible producers to do the following:

- Construct or improve irrigation systems and increased irrigation efficiency; and
- Implement conservation practices to improve water quality, and mitigate the effects of drought by conversion to less water-intense agricultural commodities or to dryland farming.

Eligible program participants may receive a payment amount not to exceed 75 percent of the incurred costs to implement one or more structural, vegetative, or land management practices and up to 100 percent of estimated foregone income. Limited resource farmers, beginning farmers, and landowners or operators that are socially disadvantaged are eligible to receive up to 90 percent of the payment rate.

Total conservation payments are limited to $300,000 per person or legal entity during any six-year period regardless of the number of farms or contracts. No person or legal entity may receive AWEP payments in any crop year in which their average adjusted gross income for the preceding three years exceeds $1 million unless two-thirds of that income is from farming, ranching, or forestry interests.

2012 Activities.

This is the fourth year in which AWEP has been implemented. Even though NRCS did not publish any Requests For Proposals (RFP) for new project areas in 2012, interest from the agricultural sector has remained steady. NRCS continued to provide support for 91 existing project areas approved between 2009 and 2011. In 2012, NRCS obligated $47 million in over 1,100 new contracts in existing project areas to implement conservation practices on nearly 205,000 acres of agricultural land. The ability to leverage funding through partnership agreements has also remained strong. Partners provided approximately $85 million in technical and financial assistance in 2012, nearly matching NRCS's AWEP investment.

2012 Applications Backlog.

State	Total Applications	Number of Active and Completed Contracts	Valid Applications Unfunded	Percentage Valid Applications Funded	Average Contract Amount	Estimated Unfunded Contracts
Alabama	91	36	38	58.24	48,565	$1,845,453
Arkansas	37	28	1	97.30	-	-
California	1,053	232	317	69.90	29,619	9,389,114
Colorado	18	7	6	66.67	9,525	57,147
Florida	13	-	4	69.23	12,285	49,140
Georgia	341	199	91	73.31	5,484	499,050
Idaho	57	42	5	91.23	33,156	165,779
Illinois	1	-	1	-	4,550	4,550
Indiana	50	25	9	82.00	3,521	31,693
Iowa	13	11	2	84.62	517	1,035
Kansas	59	35	6	89.83	66,792	400,750
Michigan	93	40	48	48.39	9,611	461,322
Minnesota	115	47	14	87.83	4,611	64,550
Mississippi	185	25	20	89.19	283,155	5,663,103
Montana	21	5	16	23.81	22,620	361,914
Nebraska	355	57	136	61.69	23,284	3,166,562
New Jersey	8	3	-	100.00	-	-
New Mexico	2	1	1	50.00	-	-
New York	15	13	1	93.33	-	-
North Carolina	13	3	4	69.23	4,960	19,839
North Dakota	87	37	26	70.11	31,436	817,340
Oklahoma	56	10	14	75.00	41,534	581,482
Oregon	106	56	7	93.40	-	-
South Dakota	2	-	2	-	15,000	30,000
Texas	355	253	46	87.04	3,774	173,600
Washington	48	13	17	64.58	65,614	1,115,442
Wyoming	5	4	1	80.00	104,049	104,049
Total	3,199	1,182	833	73.96	30,016	25,002,913

2012 Funding.

AWEP funding has been invaluable in helping NRCS address areas in which water demand outstrips water supply. Approximately 60 percent of the contracts approved in 2012 are located in the designated high-priority water quantity concern areas. Socially disadvantaged producers received 4.6 percent of all contracts under the program.

Get Conservation on the Ground.

Oklahoma: Jackson County. Jackson County, Oklahoma received their first AWEP financial assistance during the summer of 2009. Since that time, NRCS has entered into 41 contracts with Jackson County producers on just over 7,000 acres for over $2.2 million in financial assistance. Of this acreage, NRCS has assisted these producers to convert 1,822 acres from flood irrigation to microirrigation.

Microirrigation systems use water more efficiently than flood irrigation. Water efficiency increases from 50-65 percent under flood irrigation to between 90-95 percent under microirrigation. Other benefits include conversion to no-till farming methods, decreased labor costs, and the efficient application of chemical and/ or nutrients through the drip lines. One customer was quoted as saying, “The drip systems have allowed me to be able to change my farming methods and put chemicals or nutrients through the dripper line thus saving time and money. These changes appear to have improved the quality and quantity of cotton grown on the drip fields.”

Additionally, NRCS assisted Jackson County agricultural producers with replacing 23 miles of open irrigation ditches with a gravity-pressurized pipeline system. Water quality improvements are realized by eliminating erosion from steep irrigation ditches. The pipeline system stops flow from the end of the canal that carried sediment, nutrients and pesticides into the Henry's Fork of the Snake River. Piping the canal also stops seepage and reduces nitrate movement to the shallow aquifer. These agricultural producers realize energy savings from the elimination of over 1,400 horsepower pumps and water saving of over two million gallons annually.

California: Anderson Cottonwood Irrigation District (ACID). ACID, a 32,000 acre irrigation district in Shasta and Tehama counties, was formed in 1914 to assist producers along a 109-mile long water distribution system for irrigation purposes. The ACID system of canals and landowner laterals delivers irrigation water to more than 800 farmers and ranchers. Agriculture in the district includes grazing for beef cattle, sheep and goats; hay; orchards; and a growing number of organic producers. NRCS has partnered with the Western Shasta Resource Conservation District (RCD), ACID, and the Cottonwood Creek Watershed Group to assist farmers in the irrigation district implement conservation practices to improve water efficiency and water quality. NRCS has provided $2.8 million in AWEP financial assistance to implement lateral improvements over a four-year period. More than 12,182 feet of underground pipeline has been installed to reduce water loss, 55 modern water control structures have been completed, critical area plantings have been established on seven acres for erosion control, and 72 acres are under contract for irrigation improvement for water savings. Water savings from replacing open ditches with pipelines and on-farm improvements are expected to range from 1.5-2 acre feet per acre per year. The water conserved annually will result in direct benefits to the California-Bay Delta, including an increase in the volume of water stored and improved flexibility for the timing of releases.

WILDLIFE HABITAT INCENTIVE PROGRAM

Current Activities.

Background. Section 2602 of the Food, Conservation, and Energy Act of 2008 reauthorized the Wildlife Habitat Incentive Program (WHIP) by amending Section 1240N of the Food Security Act of 1985 (16 U.S.C. 3839bb-1). The Natural Resources Conservation Service (NRCS) administers WHIP with funds made available through the Commodity Credit Corporation.

Program Objectives. WHIP provides assistance to agricultural landowners for the protection, restoration or enhancement of upland wildlife habitat, wetland wildlife habit, threatened and endangered species, fisheries, and other types of habitat. This effort is accomplished while educating and changing public attitudes toward wildlife habitat management and land stewardship on private agricultural land, nonindustrial private forest land, and Indian land, but the benefits extend far beyond wildlife. Focused efforts on habitat for fish and wildlife also contribute to more sustainable use of resources and reduced greenhouse gas emissions. WHIP can be implemented in any of the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, the United States Virgin Islands, American Samoa, and the Commonwealth of the Northern Mariana Islands. By prioritizing specific geographic areas, WHIP is able to target financial and technical assistance funds to affect habitats needed for specific declining fish and wildlife species.

WHIP practices are often compatible with, and beneficial to, farming and ranching enterprises. Some practices enhance farm profitability by improving grazing conditions, reducing management expenses, and producing non-crop income from the lease of rights to harvest and observe wild game and fish. WHIP has been used to control invasive species; re-establish native vegetation; manage non-industrial forestland; stabilize stream banks; protect, restore, develop or enhance unique habitats; and remove barriers that impede migration of certain wildlife species.

Program Operations. The national priorities in implementing WHIP are to:

- Promote the restoration of declining or important native fish and wildlife habitats;
- Protect, restore, develop or enhance fish and wildlife habitat to benefit at-risk species;
- Reduce the impacts of invasive species on fish and wildlife habitats;
- Protect, restore, develop, or enhance declining or important aquatic wildlife species' habitats; and
- Protect, restore, develop, or enhance important migration and other movement corridors for wildlife.

The State Conservationist with recommendations from the State Technical Committee and other partners may identify priorities for enrollment in WHIP that complement the goals and objectives of relevant fish and wildlife conservation initiatives at the national, regional, and State level. The priorities serve as a guide for the development of WHIP ranking criteria in each State. States generally select two to six priority habitat types.

Eligibility. To be eligible for WHIP, the land must be private agricultural land, nonindustrial private forest land, or Tribal land. Applicants must own or control the land for the duration of the WHIP contract.

Financial Assistance. WHIP provides up to 75 percent cost-share assistance to establish and improve fish and wildlife habitat through contracts that last from one to ten years. Higher payments may be made to eligible socially disadvantaged farmers or ranchers in addition to beginning and limited resource farmers or ranchers and Indian Tribes. WHIP provides additional financial assistance to landowners who enter into 15-year or longer contracts to protect and restore high value, essential plant and animal habitat. Aggregate WHIP payments to any person or legal entity may not exceed $50,000 per year.

Technical Assistance. NRCS and its partners provide program participants with an assessment of wildlife habitat conditions, recommendations for practices to improve these habitat conditions, and a wildlife habitat development plan that incorporates practices and strategies for maximizing habitat for target species.

Partnerships. Partners play a significant role in WHIP implementation. In addition to assisting with the delivery of technical assistance to WHIP participants, they contribute cost-share support, supply equipment, and install practices. Partners include public agencies, non-profit organization partners, and technical service providers. Their participation in WHIP has improved communication and coordination among various interests addressing wildlife concerns.

2012 Activities.
In 2012, NRCS obligated almost $34 million in more than 1,600 contracts to enroll over 600,000 acres in WHIP. Of these 21 contracts valued at over $1.1 million on over 45,000 acres are with American Indian and Alaskan Natives. At the end of 2012, an additional applications valued at over $27 million remain unfunded, demonstrating the strong producer interest in the program. In 2012, WHIP contracts addressed the following five major habitat types and declining species:

- Upland wildlife habitat (including grasslands, shrub/scrub, and forests);
- Wetland wildlife habitat;
- Riparian habitat (including areas along streams, rivers, lakes, and sloughs and coastal areas);
- Shallow water habitat (including lands where water can be impounded or regulated by diking, excavating, ditching, and/ or flooding). The goal is to provide habitat for wildlife such as shorebirds, waterfowl, wading birds, mammals, fish, reptiles, amphibians, and other species that require shallow water for at least a part of their life cycle; and
- Rare and declining habitat (areas that once supported or currently support a unique, dwindling, or imperiled native plant and animal community).

Initiatives. WHIP plays an important role in implementing a number of NRCS special initiatives:

- Drought Initiative. Due to the extensive drought conditions across the Nation, in 2012 NRCS provided WHIP funding to help the agricultural community address adverse conditions affecting critical wildlife habitats. NRCS enrolled almost 300,000 acres in 646 contracts valued at over $11 million in the States of Alabama, Arkansas, Colorado, Indiana, South Dakota, Mississippi, Missouri, Nebraska, Nevada, New Mexico, South Carolina, South Dakota, Tennessee, Texas, and Wisconsin.
- Working Lands for Wildlife. WHIP decreased in apportionment from $85 million in previous years to $50 million in 2012. With fewer resources for 2012, NRCS started a new initiative known as the Working Lands for Wildlife (WLFW). WLFW is a new effort between NRCS and the Department of the Interior's Fish & Wildlife Service (FWS) that leverages capabilities and resources, targets assistance where it is most needed, cooperatively engages State and local partners, and works collaboratively with agricultural producers, forest land managers, and Indian tribes. NRCS and FWS initially selected seven at-risk wildlife species whose decline can be reversed given sufficient resources and landowner participation. WLFW promotes voluntary, incentive-based conservation on private and Tribal lands. Primary objectives are to:
    1) Provide landowners with financial and technical assistance to help them improve their lands through wildlife habitat management and protection;

2) Implement conservation practices that will help restore populations of declining wildlife species (candidate, federally listed endangered and threatened or other at-risk wildlife species); and
3) Provide landowners with Endangered Species Act regulatory certainty and confidence that conservation investments they make on their lands today can help sustain their operations over the long term.

Following are the WHIP-WLFW accomplishments for the seven wildlife species selected for 2012:
Bog Turtle. The Bog Turtle is a federally listed threatened wildlife species with a Biological Opinion and Addendum completed. In 2012, NRCS enrolled over 120 acres of habitat in 10 contracts valued at over $230,000. Through practices applied with WHIP funding, the landowners improved the habitat for the turtle while maintaining agricultural operations in Connecticut, Delaware, Maryland, Massachusetts, New Jersey, New York, and Pennsylvania.

Golden-Winged Warbler. The Golden-Winged Warbler is an at-risk wildlife species. It is also being considered a declining wildlife species. In 2012 NRCS enrolled over 4,000 acres of habitat in 82 contracts valued at over $1.2 million in the States of Georgia, Kentucky, Maryland, New Jersey, New York, North Carolina, Pennsylvania, Tennessee, Virginia, and West Virginia.

Gopher Tortoise. The Gopher Tortoise is both a federally listed threatened wildlife species in some ranges and a candidate wildlife species in other ranges. In 2012, NRCS enrolled over 122,000 acres of habitat in over 550 contracts valued at over $11.2 million. The States for the western population where the gopher tortoise is listed as a threatened species include the States of Louisiana, Mississippi, and Alabama (3 counties), and the States for the eastern population where the gopher tortoise is considered a candidate species include the States of Alabama, Florida, Georgia, and South Carolina.

Lesser Prairie Chicken. The Lesser Prairie Chicken is a candidate species. In 2012, NRCS enrolled almost 53,000 acres in these States in 36 WHIP contracts valued at more than $1.5 million in Colorado, Kansas, Oklahoma, New Mexico, and Texas in order to help prevent the need to list the Lesser Prairie Chicken as an endangered or threatened species under the Endangered Species Act, while also improving grazing and wildlife habitat.

New England Cottontail. The New England Cottontail is a candidate species. In 2012 NRCS enrolled over 3,400 acres of habitat in 44 contracts valued at almost $1.5 million in the States of Connecticut, Maine, Massachusetts, New Hampshire, New York, and Rhode Island. Providing habitat for this cottontail will assist in preventing the cottontail from being listed and ultimately to prevent it's extinction while maintaining viable agricultural industry.

Sage Grouse. The Sage Grouse is a candidate species. In 2012, NRCS enrolled over 127,000 acres in 62 WHIP contracts valued at more than $ 4.3 million. WHIP planned conservation practices in eleven States' of California, Colorado, Idaho, Montana, Nevada, North Dakota, South Dakota, Oregon, Utah, Washington, and Wyoming. Providing the habitat needed for the Sage Grouse will prevent it from being federally listed as an endangered or threatened species. Providing the habitat will also benefit many other wildlife species and maintain a viable agricultural industry.

Southwestern Willow Flycatcher. The Southwestern Willow Flycatcher is a federally listed threatened wildlife species. In 2012, NRCS enrolled over 1,800 acres of habitat in 19 contracts valued at almost $850,000 in the States of Arizona, California, Colorado, Nevada, New Mexico, and Utah. Providing the needed habitat for the Flycatcher will move toward delisting it from the Endangered Species Act will also benefit other wildlife species and private property owners.

Getting Conservation on the Ground.
Kansas Lesser Prairie Chicken (LPC). In 2012, a pair of Kansas ranchers worked with NRCS on their grassland acreages. The ranchers' installation of conservation practices has promoted overall health of their grazing lands and improved the wildlife habitat for the LPC. The two have different goals with the land manager wanting to have the LPC on their land, but the landowner wanting to improve grazing lands. Adopting a view that what is good for cattle is also good for LPC habitat; NRCS worked with the landowner and land manager to develop a grazing management plan that included spraying of brush, cross fencing, wells, tanks, solar pumps, and prescribed burning to improve the grassland acreage. The plan implementation resulted in both improved livestock performance and

quality LPC habitat. If such an approach is adopted throughout the States designated as habitat for the LPC, it is possible the LPC may one day not be listed as an endangered and threatened species.

Indiana Drought. During the historic drought of 2012, landowners in Southern Indiana had to endure one of the hottest and driest periods ever recorded in history. With the crops and pastures withering and the livestock and wildlife showing signs of heat stress, a cattle, forage, and crop producer saw a potential light at the end of the tunnel with a conservation plan consisting of 78 acres of Cover Crop-Species Mix and plans for other fields. The planned forage type cover crop consisted of turnips, spring oats, annual ryegrass, and radishes. The lush fall growth of cover crops will give both cattle and wildlife an outstanding food source this fall and winter, while providing erosion control, improving soil organic matter, capturing recycling nutrients, increasing biodiversity, suppressing weeds, managing soil moisture, and reducing soil compaction.

Alaska moose. When the people in a Tribal village in Alaska noticed a decline in the local moose population, specifically poor calf survival, they knew they should have taken action. As a subsistence village, they rely on moose and salmon for traditional food. NRCS investigated several sites within the village's traditional hunting areas to determine the quality and quantity of moose habitat and develop alternatives for improvement. Some of the sites revealed that moose had browsed the willows so heavily the trees were stripped bare as far up as the moose could reach during the winter, eight to ten feet. Malnourished cows and calves resulted in high mortality and the moose population suffered. A WHIP plan involved local people manually "tipping" tall willows over, forcing new growth (basal sprout) from partially severed trunks. The regional village corporation forestry crew eagerly stepped up for the job. An area large enough to impact herd nutrition was selected for treatment and has had a positive impact. The plan, tested over the course of a year and a half, proved successful and word spread to other villages. NRCS is now working with numerous new clients on additional moose habitat improvement projects which is sustaining village subsistence food sources, and putting an otherwise unemployed crew to work in the winter.

FARM AND RANCH LANDS PROTECTION PROGRAM

Current Activities.

Background. Title III of the Federal Agriculture Improvement and Reform Act of 1996 established the Farmland Protection Program (FPP) as a new farmland protection program. The Farm Security and Rural Investment Act of 2002 (the 2002 Act) authorized FPP as a Title XII program under the Food Security Act of 1985 (the 1985 Act), and authorized the Natural Resources Conservation Service (NRCS) to purchase conservation easements for the purpose of protecting topsoil by limiting non-agricultural uses of the land. NRCS identified the program as the Farm and Ranch Lands Protection Program (FRPP) in the 2003 Final Rule to distinguish it from the 1996 authorization and to more accurately reflect the types of land the program protects. The Food, Conservation, and Energy Act of 2008 (the 2008 Act) amended FRPP by changing the purpose of the program to protecting the agricultural use and related conservation values of eligible land by limiting non-agricultural uses of that land. Additionally, the 2008 Act changed FRPP from a Federal land acquisition program to a program where NRCS provides financial assistance for the purchase of conservation easements by eligible entities.

Program Objectives. FRPP protects the Nation's most valuable lands for the production of food, feed, and fiber by providing matching funds to keep productive farm and ranch lands in agricultural use. According to NRCS National Resources Inventory (NRI) data, over 7.5 million acres of prime farmland, an area equivalent to the States of Maryland and Delaware, were converted to non-agricultural uses between 2002 and 2007. The same study tells us that more than one-third of all land that has ever been developed in the lower 48 States during our Nation's history was developed in the last quarter century. Such conversion decreases the availability of local food markets and increases the travel distance and cost of delivery of food to the consumer market. By enrolling in FRPP, farm and ranch lands threatened by development pressures can remain productive and sustainable. Keeping land in agricultural use reduces the amount of urban pollution (nitrogen, phosphorus and sedimentation) from land that would otherwise be converted to lawns and impervious surfaces such as paving and buildings. Ultimately this assists with efforts in managing the Total Maximum Daily Load (TMDL) of nutrients to public waters such as the Chesapeake Bay and Mississippi River. Additionally, FRPP supports the President's America's Great Outdoors Initiative by preserving the natural landscape features of non-urbanized areas and encouraging the continued agricultural uses of the lands.

Program Operations. NRCS works with State and local governments, soil and water conservation districts, tribes, and eligible non-governmental organizations to purchase conservation easements to protect the agricultural use of eligible land. Potential partners must provide written evidence of their:

- Commitment to long-term conservation of agricultural lands through the use of legal instruments (i.e., right-to-farm laws, agricultural districts, zoning, or land use plans);
- Use of non-regulatory, voluntary approaches to protect farmland from conversion to non-agricultural uses;
- Capability to acquire, manage, and enforce easement rights or other interests in land; and
- Capability to provide, in cash, a minimum of 25 percent of the purchase price (appraised fair market value minus the landowner donation) for the conservation easement.

Eligibility. Individual landowners must apply to and be accepted by eligible State, tribe, or local governments or non-governmental programs to participate in FRPP. As a Title XII program, these individual landowners must meet Farm Bill payment eligibility requirements for adjusted gross income, wetland conservation compliance, and highly erodible land conservation compliance. The land to be enrolled in FRPP must meet one of three criteria to qualify for consideration: 1) have at least 50 percent prime, unique, or important farmland soils; 2) have historic or archeological resources; or 3) support the policies of a State or local farm and ranch lands protection program.

Application and Selection Process. NRCS uses a continuous signup under which cooperating entities may propose and submit parcels for funding. Upon receipt of the applications for parcels from an eligible cooperating entity, each NRCS State office evaluates the entities, land, and landowners for eligibility, and ranks and prioritizes parcels based on established criteria. NRCS awards funds to the eligible cooperating entities that submit the highest ranked parcels for which the NRCS State office has FRPP funding. NRCS priorities include farms that face the greatest pressure to convert to non-agricultural uses, are accessible to appropriate markets, contain prime soils or other farmland of significance, have adequate infrastructure and agricultural support services, and have surrounding parcels of land that can support long-term agricultural production.

NRCS and the cooperating entities sign a cooperative agreement to obligate FRPP funds. The cooperating entities acquire the conservation easements, and then hold, monitor, manage, and enforce the acquired easements. The Federal share for any easement acquisition cannot exceed 50 percent of the appraised fair market value of the conservation easement. Each conservation easement deed must include a provision granting the United States the right of enforcement to protect the Federal investment. To ensure responsible land stewardship, the landowner must implement a conservation plan protecting highly erodible land on each parcel acquired in part with Federal funds. NRCS provides technical assistance to develop conservation easements deeds with enforceable provisions and conservation plans for the highly erodible cropland accepted into FRPP.

NRCS Technical Assistance. In addition to helping landowners develop conservation easement deeds and conservation plans, NRCS provides technical assistance through verification of the eligibility of the entity, landowner, and land; assessment of the risk of hazardous materials; evaluation and ranking applications; development of cooperative agreements; review of deeds, title, and appraisals; and payment processing.

Data Adjustments. In 2010, NRCS deployed the National Easement Staging Tool (NEST) database as the official data tracking tool for easement programs data; however NEST does not serve as a substitute for the official NRCS financial tracking system. NRCS continually conducts a quality assurance review process of easement program data in NEST in order to improve the overall quality and accuracy of data. During the review process, NRCS regularly updates easement data to ensure completeness.

2012 Activities.

In 2012, approximately 125 new FRPP cooperative agreements were entered into with partners. NRCS and its partners enrolled 409 parcels with an associated 149,745 acres through cooperative agreements. Additionally, 286 FRPP permanent easements from previous years were closed in 2012, encompassing approximately 86,003 acres.

Cumulative Program Activity Through 2012	
Closed Easements (Permanent)	**Cumulative**
Number of Easements	3,426
Number of Acres	748,685
Enrolled Easements (Permanent)	**Cumulative**
Number of Easements	4,246
Number of Acres	1,125,419

FRPP contributed to the agency's strategy to reduce threats to Sage Grouse habitat and improve rangeland health and sustainability by working with partners to enroll 8 new parcels with 16,564 associated acres in 2012.

Get Conservation on the Ground.
Michigan: Preserving the Farmland for the next Generation. The agriculture and food processing industries collectively generate $97 million a year in the counties of Leelanau, Grand Traverse, Antrim, Benzie, Kalkaska and Wexford in Michigan's northwestern Lower Peninsula. The majority of Michigan's cherries grow in the northwest corner of the State's Lower Peninsula, with well-drained soils and seasonal temperatures moderated by Lake Michigan. Food processors have developed alongside the orchards, producing dried fruit and fillings, jams, juices and packaged fresh apple slices for stores and restaurants. These businesses keep the pulse of the fruit suppliers they rely on. They report that locally led conservation easement efforts, assisted by FRPP, are providing capital for farmers to invest in rejuvenating and expanding orchards and vineyards, as well as helping transition farms from one generation to the next.

Wyoming: Protecting Landscape Initiative. Wyoming is poised for a large shift in land ownership. The vast majority of the State's private land is ranchland, and most ranch operators are at or near retirement age. The cost of some of the most productive lands has soared beyond the reach of agricultural buyers. As ranchlands are fragmented for development or bought as an amenity, stock growers are concerned about how to pass working ranches to the next generation. The bulk of FRPP funding has focused on Sublette County, where land trusts and agencies have partnered to protect a core area of prime Sage Grouse habitat on ranchlands.

Minnesota: Reduce Erosion and Runoff. Mr. Taylor has worked with the Dakota County Soil and Water Conservation District to reduce erosion and runoff from his land bordering a three-quarter-mile stretch of the Cannon River. He welcomed the opportunity to plant a vegetative filter strip along the river, and minimizes tilling to reduce erosion. "It's worked out very well," he says, noting that his fields experienced little erosion when record-breaking torrential rain hit on June 14, 2012. A committed land steward, Taylor was the first to sell a conservation easement through Dakota County's Farmland and Natural Areas Program in 2003. Mr. Taylor was so pleased with the program that he sold additional easements on additional parcels in following years for a total of 338 acres.

CONSERVATION SECURITY PROGRAM

Current Activities.
Background. The Conservation Security Program was authorized by the Farm Security and Rural Investment Act of 2002 (the 2002 Act). Section 2001 of the 2002 Act amended the Food Security Act of 1985 by adding Chapter 2, Subchapter A, the Conservation Security Program. Section 1202(a) of the Deficit Reduction Act of 2005 extended CSP into 2011. The program was not reauthorized by the Food, Conservation, and Energy Act of 2008 (the 2008 Act) (P.L. 110-246), which stipulated that a conservation security program contract may not be entered into or renewed after September 30, 2008. Pursuant to Section 2301 of the 2008 Act, the Secretary shall make payments on contracts entered into before September 30, 2008 using such sums as are necessary.

Program Objectives. The Conservation Security Program was a voluntary program that provided financial and technical assistance for the conservation, protection, and improvement of natural resources on tribal and private working lands. It provided payments for producers who practice good stewardship on their agricultural lands and provided incentives for those who wanted to do more. The program purpose was to:

- Identify and reward those farmers and ranchers meeting the very highest standards of conservation and environmental management on their operations;

- Create powerful incentives for other producers to meet those same standards of conservation performance on their operations; and
- Provide public benefits for generations to come.

Under the 2008 Act, NRCS is not authorized to enter into new Conservation Security Program contracts, but continues to make payments to producers with five- to ten-year contracts from prior years.

Program Operations. NRCS used a watershed approach to deliver the Conservation Security Program. The agency prioritized watersheds based upon a nationally consistent process that used existing natural resource, environmental quality, and agricultural activity data along with other information necessary to efficiently operate the program. Signups to participate in the program were rotated among watersheds on an annual basis. The program emphasized water quality and soil quality as nationally significant resource concerns because of the potential for significant environmental benefits from conservation treatment of these resources.

Eligibility. The program provided financial and technical assistance to participants committed to advancing the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes on tribal and private working lands. Eligible lands included cropland, grassland, prairie land, improved pasture, and rangeland, as well as forested land and other non-cropped areas that are an incidental part of an agricultural operation. Equitable access was provided to producers regardless of size of operation, crops produced, or geographic location.

Financial and Technical Assistance. Financial assistance payments under the program had four components:
- An annual stewardship component for the base level of conservation treatment;
- An annual existing-practice component for the maintenance of existing conservation practices;
- An enhancement component for exceptional conservation effort and additional activities that provide increased resource benefits beyond the prescribed level; and
- A one-time new-practice component for additional needed practices.

Technical assistance was provided to participants through either NRCS or an approved Technical Service Provider. This may include help to finalize applications after NRCS had determined producers met minimum requirements, to document conservation stewardship plans, and to apply conservation treatment.

Application and Selection Process. The Conservation Security Program was offered in 331 watersheds in all 50 States, District of Columbia, as well as the Pacific and Caribbean areas during the 2002 Farm Bill. Applicants had to meet certain conservation standards, including the minimum tier eligibility and the minimum level of treatment along with other applicant and land eligibility requirements. NRCS determined at the National level the number of categories that could be funded in accordance with the signup notice and available funds. Enrollment categories and subcategories were funded in priority order until the available funds were exhausted.

2012 Activities.
In 2012, NRCS provided $169 million in financial assistance payments on 14,588 contracts from signups held in 2004, 2005, 2006, and 2008. Among the many benefits of this program, CSP has been a significant contributor within the emerging areas of carbon and energy management. NRCS provides payments for enhancement activities to promote carbon sequestration, energy conservation, and the production and use of renewable fuels and electricity. Funded activities include:
- Sequestration of greenhouse gases as measured by improvements to the soil conditioning index, which reflects soil organic matter levels;
- Generation of renewable energy;
- Use of renewable energy fuels such as biodiesel and ethanol;
- Recycling of on-farm lubricants; and
- Reductions in soil tillage intensity ratings.

CONSERVATION STEWARDSHIP PROGRAM

Current Activities.

Background. Section 2301 of the Food, Conservation, and Energy Act of 2008 (2008 Act) amended the Food Security Act of 1985 to establish the Conservation Stewardship Program (CSP). The 2012 Agricultural Appropriations Act extended CSP enrollment authority through 2014 and limited 2012 funding to no more than $768 million.

Program Objective. CSP encourages agricultural and forestry producers to maintain existing conservation activities and to adopt additional ones on their operations. CSP provides opportunities to both recognize excellent stewards and deliver valuable new conservation. The program helps producers identify natural resource problems in their operation and provides technical and financial assistance to solve those problems in an environmentally beneficial and cost-effective manner.

CSP addresses eight resource concerns (soil erosion, soil quality, water quantity, water quality, air quality, plant resources, animal resources, and energy). Below are examples of how the program addresses these concerns:

- Soil erosion - reducing the amount of soil lost through wind, sheet, and rill erosion from cropland, stream banks, and farm roads;
- Soil quality - increasing soil organic matter, reducing compaction, reducing organic matter oxidation, removing soil contaminants, and utilizing nutrient cycling;
- Water quantity - mitigating the impact of excess water, improving water usage through irrigation efficiency, and selecting crops based on available moisture;
- Water quality - reducing the negative impact of transported sediments, nutrients, pesticides, salinity, and pathogens on surface and subsurface water sources;
- Air quality - reducing the contribution of agricultural operations to airborne soil particles and greenhouse gas emissions, controlling chemical spray drift, and reducing odors from livestock operations;
- Plant resources - improving the quantity, diversity, health, and vigor of plants while creating conditions for recognized threatened and endangered species to reestablish;
- Animal resources - improving the cover, food, and water available for domestic and wildlife species and improving habitat for aquatic and recognized threatened and endangered species; and
- Energy - promoting energy efficiencies for on-farm activities.

Program Operations. CSP is a voluntary program available through a continuous sign-up process, with announced cut-off dates for ranking and funding applications. This allows producers to submit their applications at any time. Applications are evaluated relative to other applications addressing similar priority resource concerns to facilitate a competitive ranking process among applications that face similar resource challenges. The 2008 Act prescribed the following factors for evaluating and ranking applications:

- Level of conservation treatment on all applicable priority resource concerns at the time of application;
- Degree to which the proposed conservation treatment on applicable priority resource concerns effectively increases conservation performance;
- Number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract; and
- Extent to which other resource concerns, in addition to priority resource concerns, will be addressed to meet or exceed the stewardship threshold by the end of the contract period.

Congress authorized the enrollment of an additional 12,769,000 acres each fiscal year beginning October 1, 2008. Continuous sign-up for CSP started on August 10, 2009.

Although the program is national in scope, NRCS did not establish national priority resource concerns. Instead States determine the three to five priority resource concerns that are of specific concern for their State or for geographic areas within the State.

Eligibility. Eligibility to participate in CSP has three components - applicant, land, and stewardship threshold eligibility. CSP is available to all producers, regardless of operation size or crops produced, in all 50 States, the District of Columbia, and the Caribbean and Pacific Island areas. Individuals, legal entities, joint operations, or

Indian tribes may apply. To be accepted, the applicant must have effective control of the land and be the operator of record with the Farm Service Agency. Eligible lands include cropland, pastureland, rangeland and non industrial private forestland, agricultural land under the jurisdiction of an Indian tribe, and other private agricultural land (including cropped woodland, marshes, and agricultural land used for the production of livestock) on which resource concerns related to agricultural production could be addressed.

Once applicant and land eligibility are determined, NRCS uses the conservation measurement tool (CMT) to assess an applicant's conservation activities. These activities must meet or exceed the stewardship threshold, as determined by CMT, for at least one resource concern at the time of the application and one priority resource concern by the end of the CSP contract.

Financial Assistance. CSP provides participants with two possible types of payments. An annual payment is available for installing new conservation activities and maintaining existing activities. A supplemental payment may be earned by participants receiving an annual payment who also adopt a resource-conserving crop rotation. Through 5-year contracts, payments are made as soon as practical after October of each year for contract activities installed and maintained in the previous fiscal year. For all contracts, CSP payments to a person or legal entity may not exceed $40,000 in any year and $200,000 during any 5-year period. Each CSP contract is limited to $200,000 over the term of the initial contract period with the exception of joint operations, which may qualify for up to $400,000 over the term of the initial contract period.

Technical Assistance and Partnership. CSP offers technical assistance to producers to address resource concerns in a comprehensive manner. Through the planning process, NRCS helps producers and forestry land owners identify natural resource problems in their operation and provide technical and financial assistance to solve those problems in an environmentally beneficial and cost-effective manner.

Partnership efforts have been forged with Federal, State, and local entities, including the National Association of Conservation Districts, State Associations of Conservation Districts, and local conservation districts in efforts to deliver a program beneficial to program participants and the environment. NRCS cooperates with Federal, State, and local partners to address local and national conservation issues. Through interactive communication between the local community, local interest groups, and State and Federal agencies, the partnership provides the entities with information and resources needed to address local priorities and implement State and national programs, such as CSP.

The Cooperative Conservation Partnership Initiative (CCPI) enables the use of certain conservation programs, including CSP, along with the resources of eligible partners to provide financial and technical assistance to owners and operators of agricultural and nonindustrial private forest lands. Under CCPI, the NRCS enters into partnership agreements with eligible entities that want to enhance conservation outcomes on agricultural and nonindustrial private forest lands in an effort to leverage funds to get more conservation benefit. The partners do not receive any funds from NRCS. All financial assistance is provided directly to producers for implementation of activities in CSP contracts. Partners agree to provide additional technical or administrative resources to assist with planning, implementation, and/or monitoring of project effectiveness. Eligible partners include federally recognized Indian Tribes, State and local units of government, producer associations, farmer cooperatives, institutions of higher education, and nongovernmental organizations (NGO) with a history of working cooperatively with producers.

2012 Activities.

In 2012, CSP provided $168 million in funding, as shown in the State distribution table below. These funds will be used to treat 12,109,876 acres**.**

2012 Enrollement[1]

State	Acres Treated	Financial Assistance ($ obligated)
Alabama	64,567	$716,390
Alaska	260	15,321
Arizona	278,307	1,029,168
Arkansas	600,148	19,432,352
California	31,048	286,586
Colorado	433,410	3,399,786
Connecticut	3,074	91,769
Delaware	16,077	287,342
Florida	26,397	403,800
Georgia	250,490	6,944,129
Hawaii	56	2,313
Idaho	102,856	1,020,921
Illinois	236,260	4,708,043
Indiana	43,300	1,040,918
Iowa	287,909	6,812,766
Kansas	858,480	11,274,434
Kentucky	26,361	769,797
Louisiana	250,799	5,341,125
Maine	4,645	29,283
Maryland	2,157	50,927
Michigan	49,016	1,008,667
Minnesota	659,351	18,925,234
Mississippi	159,996	3,831,450
Missouri	200,901	3,549,094
Montana	639,912	5,264,651
Nebraska	953,901	9,401,588
Nevada	71,434	411,786
New Hampshire	49,286	64,617
New Jersey	3,729	83,981
New Mexico	1,085,375	4,390,053
New York	46,449	953,343
North Carolina	43,032	774,494
North Dakota	873,362	16,270,669
Ohio	12,881	299,086
Oklahoma	593,766	9,107,621
Oregon	255,975	2,266,203
Pennsylvania	31,866	831,751
Rhode Island	2,161	11,983
South Carolina	45,548	569,063
South Dakota	845,870	9,561,989
Tennessee	42,718	732,840

State	Acres Treated	Financial Assistance ($ obligated)
Texas	1,155,790	7,565,219
Utah	72,071	500,510
Vermont	154	573
Virginia	71,707	1,223,300
Washington	195,462	2,206,948
West Virginia	24,715	286,209
Wisconsin	162,138	3,057,308
Wyoming	244,709	1,360,450
Total	12,109,876	168,167,850

[1] Source: ProTracts. Does not include CCPI/MRBI.

The Conservation Stewardship Program reached a milestone in 2012. The program started in 2009 and in just five years more than 50 million acres of agricultural land have been enrolled into the program. CSP helps farmers and ranchers who are already taking action to conserve natural resources do even more to benefit the soil, water, air and other resources on their operations. With the 2012 sign up enrollment of 12.1 Million acres, the total acreage of lands now enrolled in CSP exceeds 78,000 square miles, an area larger than Pennsylvania and South Carolina, combined.

Getting Conservation on the Ground.

Indiana: Parke and Fountain Counties. Ken Canfield is a long term conservation farmer in Northern Parke and Southern Fountain County Indiana. Over the years, Mr. Canfield has strived to adopt and adapt systems that promote soil health in an economically viable manner. NRCS has worked with Mr. Canfield to add cover crops to his system to further improve soil health, reduce inputs of chemical fertilizer, and install grassed waterways and field borders. Mr. Canfield has enrolled 457.8 acres of land into CSP to take advantage of the opportunities offered by the program to reward his conservation efforts and to help him implement new technology in his operation. Under CSP, Mr. Canfield implemented three additional activities, including the use of cover crop mixes, use of deep root crops to breakup soil compaction, and planting a cover crop that will scavenge residual nitrogen. Overall, soil health and soil organic matter will improve with use of cover crops and no-till. Soil loss will be reduced, which will improve water quality in the streams and waterways in which Ken's farms drain. Wildlife habitat, cover and food will improve due to over winter cover from no-till and cover crops. Long term no-till will improve soil health and result in better yields with less input of commercial fertilizer, leading to a more profitable farming operation.

Mississippi: Quitman County. Carl Handy learned to farm on a cluster of fields in Quitman County, Mississippi. Then a boy, his father showed him how to work the land and care for it. Although Mr. Handy sought big city life after finishing college, he has found himself back where he began. An insurance agent by trade, he still maintains a 140-acre farm, where he grows mostly soybeans, wheat and sorghum. Eight years ago, Mr. Handy enrolled in the Environmental Quality Incentives Program (EQIP) to address natural resource concerns on his farm. In 2011, Mr. Handy signed up for CSP, allowing him to choose the conservation practices that best suited his needs. Through CSP, Mr. Handy is able to improve water quality, provide habitat for wildlife and lower his operational costs. He holds water on his ponds during winter, creating an ideal habitat for migratory birds. Also, as part of CSP, he tests the tissues of plants to gauge the amount of fertilizers are needed, and he completes an annual survey for pests, enabling him to control insects with the appropriate amount of pesticide. Reducing fertilizers and pesticides also has benefits for David Bayou, a small waterway that cuts through his farm and feeds the Coldwater River, which eventually flows into the Mississippi River.

Oklahoma: North Umpqua River. Leon Gilbreath has been working with NRCS and other natural resource partners since 2004 to improve the pastures on his 1,400-acre farm along the North Umpqua River. Last year he enrolled his agricultural operation into CSP. The seventh generation rancher was inspired by his neighbor to try intensive grazing since his neighbor has used the practice with such success. CSP provided the incentive he needed to make the change. “Intensive grazing has worked well for my neighbor, and he has not had to do any haying,” Mr. Gilbreath said. The practice of year-round grazing should eliminate the need for winter feeding areas which cause problems when livestock congregate to feed on hay and the heavy use ruins the structure of the soil and kills the

forage plants. To avoid damage from livestock accessing water on his farm, Mr. Gilbreath is fencing livestock away from his large pond with the assistance of the CSP program and installing a special hard surface watering access ramp. CSP has served as a type of learning laboratory, giving landowners incentives to be proactive stewards of their land and implement conservation techniques they have wanted to try.

GRASSLAND RESERVE PROGRAM

Current Activities.

Background. The Grassland Reserve Program (GRP) was authorized by Sections 1238 N through Q of the Food Security Act of 1985 (P.L. 99-198) as amended by Section 2401 of the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). Section 2403 of the Food, Conservation, and Energy Act of 2008 (P.L. 110–246) (the 2008 Act) reauthorized GRP and made several amendments, including authorizing the enrollment of an additional 1.22 million acres of eligible land from 2009 through 2012.

Program Objectives. GRP helps landowners and operators restore and protect rangeland, pastureland, and other grassland while maintaining the land's suitability for grazing. Participants voluntarily limit future development and cropping uses of the land while retaining the right to conduct common grazing practices and operations related to the production of forage and seeding. GRP, by limiting development and providing habitat needed by threatened and endangered species, preserves agricultural heritage and green space, provides for recreational activities, and ensures the Nation's ability to produce its own food.

Program Operations. NRCS and the Farm Service Agency (FSA) jointly administer GRP. NRCS has lead responsibility for conservation planning, technical assistance to owners and operators, and easement administration. FSA has lead responsibility for rental contract administration and financial activities. National ranking criteria guide the development of State ranking criteria to ensure GRP funds are focused on projects that support grazing operations, protect grassland from conversion to other uses, enhance plant and animal biodiversity, leverage non-Federal funds, and address that State's program priorities. Priority is given to expiring Conservation Reserve Program (CRP) grasslands. Applications, ranking criteria, and program forms are publicly available through agency Web sites.

GRP participants are required to follow a grazing management plan developed with NRCS to ensure that the grassland is sustained and that livestock grazing on the enrolled land are healthy and well-managed. All enrollment options permit grazing on the land in a manner that maintains the viability of natural grasses, shrubs, and forbs. Haying, mowing, or harvesting seed is permitted except during the nesting seasons for local bird species that are in significant decline or are protected under Federal or State law.

Eligibility. Land is eligible if it is private or tribal land and is: 1) grassland that contains forbs or shrubs (including rangeland and pastureland) for which grazing is the predominant use; or 2) located in an area that has been historically dominated by grassland, forbs, or shrubs. The land also must have potential to provide habitat for animal or plant populations of significant ecological value if it is either retained in its current use or restored to a natural condition.

Financial Assistance. The program operates under a continuous signup process with the following enrollment options:

- Rental contract. Participants may choose a 10-year, 15-year, or 20-year rental contract, during which USDA provides annual payments in an amount not more than 75 percent of the grazing value established by FSA. County-based grazing values (based on soil productivity) are posted in USDA field offices. Payment rates are evaluated to assure that the rates reflect local prevailing rental rates. Payment is limited to $50,000 per person or legal entity per year;

- Permanent easement. Easement duration is in perpetuity or to the maximum extent allowed by State law. Participants are provided an easement payment at the time of easement purchase. Easement payment amounts may not exceed the current market value of the land less the grazing value of the land encumbered by the easement. Easement compensation is determined as the lowest of: 1) an appraisal or area-wide market survey, 2) a geographic cap, or 3) landowner offer. Easements are recorded in the local land records;

- Restoration agreement. If NRCS and the landowner determine that restoration is necessary to return the vegetation to a desired condition, and cost-share assistance is available through a restoration agreement that pays up to 50 percent of the restoration cost, up to $50,000 per person or legal entity per year. Participants may pay part of their share through in-kind contributions. If funds are limited, USDA gives higher priority to applications with high-quality grassland that does not need restoration than to poorer-quality grassland that also needs restoration; or

- Cooperative agreement. The Food, Conservation, and Energy Act of 2008 authorizes USDA to enter into cooperative agreements with a unit of State or local government, Tribe, or non-governmental organization that demonstrates it has the relevant mission, experience, and resources to administer a GRP easement. USDA will pay up to 50 percent of the purchase price of the easement. The cooperating entity has the responsibility to enforce the easement, but the United States maintains a contingent right of enforcement.

Technical Assistance. The participant develops a grazing management plan or conservation plan with NRCS, including grazing practices for the acres determined eligible for GRP and specifies the manner in which the grasslands should be managed to maintain their viability. NRCS technical assistance includes reviews of restoration measures, guidance on management activities, and biological advice to achieve optimum results considering all grassland resources.

2012 Activities.
The Food, Conservation, and Energy Act of 2008 authorized GRP to enroll an additional 1,220,000 acres of eligible land in 2009 through 2012. In 2012, the program obligated and committed $70.8 million of the financial assistance funding allocated to the States and enrolled 277,516 acres. Of the total funding provided, approximately 60 percent funded the enrollment of GRP easements and 40 percent funded the enrollment of GRP rental contracts. Enrollments include current active and completed agreements.

2012 GRP Enrollment Summary			
	Active Easements	**Rental Contracts Signed**	**Total**
Approved Participants	70	271	341
No. of Acres Enrolled	49,801	227,715	277,516
Funding	$55,911,000	$14,958,925	$70,869,000

GRP Cumulative Program Activity					
GRP Accomplishments	**2003 to 2008**	**2009**	**2010**	**2011**	**2012**
Number of Enrolled Easements	252	56	141	110	70
Enrolled Easement Acres	117,618	27,611	67,789	78,323	49,801
Rental Acres Enrolled	618,103	89,580	273,519	124,039	227,715
Total Acres Enrolled	735,721	117,191	341,308	202,362	277,516
Cumulative Acres enrolled under 2008 Farm Bill		117,191	458,499	660,861	938,377

GRP Cumulative Closed Easements (Through 2012)	
Number of Easements	629
Acres of Easements	341,142

Get Conservation on the Ground.
Kansas: Protection of the Flint Hills. Kansas landowners enrolled approximately 3,800 acres in the Flint Hills region into the GRP during 2012. By agreeing to sell conservation easements, Kansas ranchers are helping to preserve one of the Nation's largest tall-grass prairies. Each of these easements will provide protection from cropping and development. Moreover, since the easements are permanent, that will ensure the lands will remain in tall-grass for future generations.

Montana: Protecting Wildlife Habitat. A Phillips County, Montana landowner enrolled 2,800 acres into GRP, to protect grazing lands and wildlife habitat in the Prairie Pothole Region of the State. The sagebrush habitat on this GRP easement provides cover for many species and is specifically beneficial for Sage Grouse.

South Dakota: Targeting Grassland Protection. South Dakota landowners enrolled 5,800 acres of native grasslands into permanent GRP easements in the heart of the prairie pothole region known as the "duck factory." This area is critical to the region's success of supporting approximately 50 percent of the breeding ducks in North America; remaining native grasslands are under severe risk of conversion due to high land and commodity prices. Interest in GRP remains high with 122 applications requesting protection on 124,000 acres in a 15-county area.

AGRICULTURAL MANAGEMENT ASSISTANCE PROGRAM

Current Activities.

Background. Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b), Agricultural Management Assistance (AMA), authorized the Secretary of Agriculture to use $15 million of Commodity Credit Corporation (CCC) funds for financial assistance in selected States where participation in the Federal Crop Insurance Program is historically low. Section 524(b) was added by Title I, Section 133, of the Agricultural Risk Protection Act of 2000 (PL 106-224). Section 133 was amended by the Farm Security and Rural Investment Act of 2002 (P.L. 107-171). This amendment identified the following States as eligible for AMA: Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia, and Wyoming. Section 133 was further amended by the Food, Conservation and Energy Act of 2008 (2008 Act) (P.L. 110 – 246) to add Hawaii as the 16th State eligible for participation in AMA. The 2008 Act amendment also specifies the amount of funds to be apportioned to NRCS, the Risk Management Agency (RMA), and the Agricultural Marketing Service (AMS).

Program Objectives. NRCS administers the conservation provisions of the AMA program, which provides financial assistance to agricultural producers to address water management, water quality, and erosion control issues by incorporating conservation into their farming operations. With AMA funds, producers may construct or improve water management structures or irrigation structures; plant trees for windbreaks or to improve water quality; and mitigate risk through production diversification or resource conservation practices, including soil erosion control, integrated pest management, or transition to organic farming.

Program Operations. The AMA program addresses the following NRCS national priorities:

- Reductions of non-point source pollution, such as nutrients, sediment, pesticides, or excess salinity in impaired watersheds consistent with Total Daily Maximum Loads, where available;
- Reduction of surface and groundwater contamination;
- Promotion of conservation of ground and surface water resources;
- Reduction of emissions, such as particulate matter, nitrogen oxides, volatile organic compounds, and ozone precursors and depleters that contribute to air quality impairment violations of National Ambient Air Quality Standards;
- Reduction in soil erosion and sedimentation from unacceptably high levels on agricultural land; and
- Promotion of at-risk species habitat conservation.

Like other financial assistance programs, AMA implementation is based on a conservation plan, from which a contract is developed containing highly effective conservation practices that help mitigate the negative effects of resource concerns on the landscape and to the environment. The practices most frequently included in conservation plans and contracts include:

- Irrigation pipelines used to convey irrigation water in an efficient and effective manner;
- Micro-irrigation systems which have the highest irrigation efficiency and which can reduce water usage significantly;
- Sprinkler irrigation systems which are the most widely used type of irrigation water delivery system which is both effective and efficient;
- Irrigation storage reservoirs used to store irrigation water for re-use;
- Pumping plants installed in conjunction with other irrigation system components to assist in water use or reuse;
- Water wells as a means by which to effectively utilize groundwater, often in conjunction with sprinkler and micro-irrigation systems;
- Fencing installed to assist in the management of livestock grazing and a vital component of any grazing management system;
- Brush management used to control invasive species and increase land productivity; and

- Seasonal high tunnel systems for crops that are temporary structures which control the growing environment and improve the efficiency of water use.

NRCS developed the conservation provisions to make program implementation flexible enough to allow States the opportunity to use it to meet their resource needs. States individually determine the resource concerns to be addressed, eligible practices, applicant ranking criteria, the ranking process, and cutoff dates for ranking applications. States are responsible for fund allocations within the State, payment methods, and public outreach and information activities. Participants may use AMA in conjunction with other USDA conservation programs.

Eligibility. Applicants must own or control the land within one of the States in which the program is authorized and comply with adjusted gross income limitation provisions. Eligible land includes cropland, rangeland, grassland, pastureland, nonindustrial forestland, and other private land that produces crops or livestock where risk may be mitigated through operation diversification or change in resource conservation practices.

Financial Assistance. AMA provides financial assistance to eligible participants. Participation is voluntary, but requires a conservation plan. NRCS works with the applicant to develop the plan. A contract must be for a minimum duration of one year after completion of the last practice, but not more than ten years. Participants must agree to maintain cost-shared practices for the life of the practice. They may contribute to the cost of a practice through in-kind contributions, which may include personal labor, use of personal equipment, donated labor or materials, and on-hand or approved used materials.

2012 Activities.
In 2012, NRCS allocated $2.5 million of CCC funds for financial and technical assistance for approval of new AMA contracts. Of this amount, approximately $1.9 million was obligated into 140 contracts covering 2,112 acres. Cumulatively, AMA has 528 contracts in implementation and a continuing backlog of applications that indicates strong interest among producers in the program. At the end of 2012, AMA had a backlog of 420 applications, with an estimated contract value of $5.6 million for 10,300 acres.

AMA provides many producers a first-time opportunity to address natural resource concerns on their lands. For example, many producers have not been able to participate in the Environmental Quality Incentives Program (EQIP) because they do not meet the eligibility criteria that land must have been irrigated for two of the previous five years to receive EQIP funding. A number of these EQIP-ineligible producers are small-acreage or specialty-crop farming operations that provide high dollar value products to the general public. By helping to mitigate the risks associated with these kinds of agricultural enterprises, AMA helps agriculture remain a valuable segment of local economies. AMA funding helps address issues of concern to the Chesapeake Bay Watershed Initiative (CBWI) in New York, Pennsylvania, West Virginia, Delaware, and Maryland and implement water quality practices in the Chesapeake Bay Watershed drainage area.

Get Conservation on the Ground.
Maryland: Whitmore Farms. Sustainability for small family farms is a major concern for farmers in Maryland and across the Nation. Will Morrow, the owner and operator of Whitmore Farms, a 30-acre crop and livestock operation in Frederick County, thinks using seasonal high tunnels will help him to extend his growing season to provide locally grown, high quality products and keep his agricultural operation viable.

Whitmore Farm is a certified organic farm that specializes in heritage and American breed livestock raised on pasture land. When describing his farm, Morrow said "…part of our farm's mission is to use sustainable agricultural practices that respect the land and provide healthy food to our customers that is not based on a commercial, 'factory farming' model."

"While attending the Future Harvest Meeting, I heard about the conservation assistance offered by USDA's Natural Resources Conservation Service (NRCS) to build seasonal high tunnels," said Morrow. "Farmers were using tunnels to extend their growing season and sell vegetables and plants, beyond the traditional open field growing seasons. Two years ago, I built a high tunnel on my own, without NRCS assistance, and the structure failed. I wanted to try building another high tunnel and decided to work with NRCS."

Morrow met with NRCS District Conservationist Jim Myers at the USDA Agriculture Service Center in Frederick County and learned that funding and technical assistance was available to him through the 2008 Act conservation

programs. A seasonal high tunnel is a crop production system that uses a covered high tunnel structure that is at least six feet high, covers several crop rows and is wide enough to allow the crop to grow to maturity and accommodate spraying, cultivating and harvest operations all within the tunnel's structure. Producers can install heating, ventilation or electrical systems within their tunnel at their own expense.

"Will Morrow was concerned about extending his season to produce high quality produce," said Myers. "Building a seasonal high tunnel on his farm allowed him to get an earlier start in the year and grow later into the season. The tunnel produced healthier tomatoes and produce with less disease than those typically grown in an open field. Overall, using a seasonal high tunnel was a good fit for the objectives of his ag operation." NRCS first offered season high tunnels in 2010 and Morrow built one with funding through the AMA Program. Now having used an NRCS approved conservation standard, Morrow is in his second season of growing vegetables for restaurants and farmers markets in his high tunnel. "I grew plants that people appreciate for their flavor as well as being locally grown, such as 8 different varieties of tomatoes, peas, arugula, beets, carrots and figs."

"I learned a lot in my first year of growing inside a high tunnel. Things like setting the tunnel to a north-south orientation to avoid shading, having a concrete threshold and a tight seal on the door, and that inside temperatures could be up to 25 degrees warmer than outside. These were all important and helped me to have a successful harvest this year," added Morrow. "I'm still learning as I continue to grow in the high tunnel, but I hope to be one of the earliest producers offering locally grown tomatoes to restaurants and farmers markets."

Season high tunnels can potentially expand the availability of healthy, locally grown crops while reducing pesticide use and keeping vital nutrients in the soil. A single layer of 6 mil greenhouse grade, UV resistant polyethylene plastic can provide one hardiness zone of protection from cold temperatures. Farmers can achieve an additional zone of protection by using a row cover or second layer of plastic inside the tunnel.

Seasonal high tunnels have become one of the most popular conservation practices with demand outpacing funding. The use of seasonal high tunnels also supports the USDA initiative of "Know Your Farmer, Know Your Food" by extending local growing seasons.

Massachusetts: Irrigation System. After struggling through periodic droughts that reduced produce yields of a Hadley vegetable farmer, Ray Rex of Four Rex Farm asked NRCS for assistance to design and install a new irrigation system. Four Rex Farm headquarters is located in Hadley, MA, above a large aquifer, but too far from the Connecticut River to use it as a water source. The farm is supplied by town water which proved to be too expensive to hook into and to be used as a water supply, even in emergency situations. With drought mitigation as the main goal of the AMA program in Massachusetts, NRCS was able address his immediate needs.

NRCS assisted Ray in developing a conservation plan and AMA application for the Home Farm, which included water well, pumping plant, and three inch buried mainline pipeline to supply a drip irrigation system covering approximately 15 acres of high value vegetable crops. After investigating the high costs of a deep drilled well, Ray was introduced to a person who specialized in developing shallow well points. Three well points were installed, at a fraction of the cost of a deep well, with a yield of 55 gallons per minute. This rate was more than what was needed to supply the farm's irrigation needs. A pumping plant and nearly 1,000 feet of underground mainline were installed in Fall 2012. Ray was also able to supply irrigation to his seasonal high tunnel that he installed with the assistance of another NRCS conservation program. He is looking forward to many prosperous harvests in the future thanks to the AMA program.

Ray has also used the Environmental Quality Incentives Program (EQIP) to address many other resource concerns on the fields he farms. The soils that Ray farms, mostly Hadley silt loam are prized for their production in the Connecticut River Valley of Western Massachusetts. He has incorporated soil building practices like nutrient management, deep tillage and advanced cover cropping with legumes to fix nitrogen and help build organic matter in his soils. Ray is also implementing an advanced integrated pest management plan which requires field specific monitoring and treating for pests only when they are known to occur and not on a pre-set schedule or using regional scouting reports.

CHESAPEAKE BAY WATERSHED PROGRAM

Current Activities.

Background. Section 2605 of the Food, Conservation, and Energy Act of 2008 (P.L. 110-246) authorized the Chesapeake Bay Watershed Program (CBWP) by adding Section 1240Q to the Food Security Act of 1985 (1985 Act).

Program Objectives. The Chesapeake Bay is a national treasure constituting the largest estuary in the United States and one of the largest and most biologically productive estuaries in the world. However, water pollution in the Chesapeake Bay is preventing the attainment of existing state water quality standards and the "fishable and swimmable" goals of the Clean Water Act.

The CBWP helps agricultural producers improve water quality and quantity, and restore, enhance, and preserve soil, air, and related resources in the Chesapeake Bay Watershed through the implementation of conservation practices. These conservation practices reduce soil erosion and nutrient levels in ground and surface water; improve, restore, and enhance wildlife habitat; and help address air quality and related natural resource concerns. CBWP encompasses all tributaries, backwaters, and side channels, including their watersheds, draining into the Chesapeake Bay. This area includes portions of the states of Delaware, Maryland, New York, Pennsylvania, Virginia, West Virginia, and the District of Columbia.

Program Operations. The Natural Resources Conservation Service (NRCS) implements CBWP through the various natural resources conservation programs authorized by subtitle D, Title XII of the 1985 Act. In 2012, NRCS implemented CBWP through the Environmental Quality Incentives Program (EQIP) and the Wildlife Habitat Incentive Program (WHIP). NRCS announces the availability of CBWP financial assistance through a request for contract solicitations.

CBWP funding supports the Chesapeake Bay Restoration Program, a regional initiative that helps Federal and State agencies, local governments, nonprofit groups, and citizens address resource concerns and reach mutually established goals for clean and sustainable ecosystems. CBWP funding also supports Executive Order 13508, Chesapeake Bay Protection and Restoration, issued by President Obama in May 2009. This Executive Order declared the Chesapeake Bay a national treasure and ushered in a new era of shared Federal leadership, action, and accountability. Thus CBWP priorities are also national priorities, and include focusing on high priority watersheds, focusing and integrating Federal and State programs, accelerating conservation adoption, and accelerating development of new conservation technologies.

Eligibility. Only agricultural producers owning or operating within the Chesapeake Bay Watershed are eligible to participate in CBWP. In addition, NRCS applies the eligibility requirements of the particular natural resource program used to implement CBWP (i.e., EQIP, WHIP).

Conservation Plan. With assistance from NRCS or approved technical service providers (TSPs), an agricultural producer develops a conservation plan for some or all of the land owned or operated. The plan specifies the method in which the planned conservation treatment practices and systems on the enrolled acres will be implemented, operated, and maintained. A conservation plan is the basis for the program contract.

Financial Assistance. NRCS targets financial assistance under CBWP in several ways. Eligible applications for CBWP funding receive additional ranking points if they are: located in high nutrient and sediment yielding priority watersheds; include core and supporting practices that address State water quality milestones; and treat soils that are vulnerable to leaching or runoff.

NRCS uses CBWP financial assistance to enter into contracts with eligible producers to share the costs of the applicable conservation treatment on agricultural lands in the Chesapeake Bay Watershed. NRCS provides payments for approved conservation practices and systems and land use adjustments within a time schedule specified by the conservation plan. The CBWP contracts may be modified to increase funds provided the increased cost is the result of a valid contract modification within the original contract scope and intent. The modification must follow the rules of the conservation program used to apply the conservation treatment.

Technical Assistance. The NRCS provides technical assistance through CBWP to help agricultural producers and others address opportunities, concerns, and problems related to the use of natural resources and to help them make sound natural resource management decisions on lands within the Chesapeake Bay Watershed. Examples of technical assistance include assisting producers with identifying conservation problems through resource inventories and proposing conservation practices to solve the problems.

Partnerships. The agency consults with appropriate Federal and State agencies to ensure CBWP conservation activities complement other Federal and State programs in the Chesapeake Bay Watershed. Across the watershed NRCS works with State agriculture departments, State association of conservation districts and local conservation districts to align program delivery with each State's needs for watershed implementation plans, and conservation planning. The agency also works with the Environmental Protection Agency (EPA) and the Chesapeake Bay Program Office on implementation of the Executive Order Strategy to Protect and Restore the Chesapeake Bay Watershed.

2012 Activities.
In 2012, approximately 2,400 agricultural producers submitted applications to NRCS to participate in CBWP. NRCS approved more than 1,086 contracts for more than $40 million of financial assistance to treat an estimated 109,000 acres of high priority agricultural land. Examples of conservation treatment practices include conservation crop rotation, conservation tillage, cover crop, stream exclusion, waste storage facility, riparian buffers, heavy use area protection, nutrient management, upland wildlife habitat management, and streambank and shoreline protection.

CBWP technical and financial assistance played an important role in 2012 in the improvement of water by addressing numerous natural resource concerns:

- Nitrogen, phosphorous, sediment and chemical contaminants make achieving water quality goals throughout the Chesapeake Bay and its watershed a challenge;
- Low or fluctuating populations of fish and shellfish, including American and hickory shad, river herring, striped bass, eel, weakfish, bluefish, flounder, oysters, and blue crabs, continue to be a concern. These various populations hold tremendous ecological, commercial, and cultural value; and
- Development leads to continued loss of habitats and agricultural land.

To help producers apply conservation treatment, CBWP made extensive use of technical service providers (TSPs) in 2012. Approximately $1.5 million was obligated for 80 TSPs to enable them to provide technical assistance to producers.

Get Conservation on the Ground.
Maryland: Improving Air Quality. The Trans developed a Comprehensive Nutrient Management Plan (CNMP), installed a waste storage structure, and have a composting area. Through NRCS's Chesapeake Bay Watershed Program (CBWP), the Trans are adding amendments to treat their chicken waste. The amendments will help to decrease ammonia emissions, a major air quality concern at regional, national, and global levels. Recently through the program, heavy use area protection pads were installed at the ends of the chicken houses on the operation. Overall, the new structures have streamlined their daily operations and helped alleviate environmental concerns.

Virginia: Protecting the Chesapeake Bay. Ms. Kline received CBWP funding to install a forested buffer along two acres of a spring branch that is a tributary of Linville Creek. Ms. Kline also installed 7.3 acres of forest buffer along Joe's Creek (another Linville Creek tributary) through the Conservation Reserve

Enhancement Program (CREP). The buffer setbacks range from 35 to 100 feet along the streambanks and help to filter out contaminates from the surrounding land. Pines and shrubs are planted within the CBWP exclusion area and hardwoods and shrubs are planted in the CREP exclusion area to help benefit wildlife. Ms. Kline planted an additional four acres of hardwood trees outside the CREP buffer using CBWP funding.

Delaware**:** Protecting the Nanticoke Watershed. The Gujar Farm was approved for a CBWP contract in 2012. The farm is located in Kent County, Delaware and is in the headwaters of the Nanticoke watershed. Mr. Gujar is a new poultry operator and is using CBWP funds to build poultry manure structure, composter, and roof gutters.

HEALTHY FORESTS RESERVE PROGRAM

Current Activities.

Background. Title V of the Healthy Forests Restoration Act of 2003 (P.L. 108-148) authorized the establishment of the Healthy Forests Reserve Program (HFRP). The Food, Conservation, and Energy Act of 2008 (P.L. 110-246) amended the program to provide mandatory funding through the Commodity Credit Corporation (CCC) for its implementation for 2009-2012.

Program Objectives. HFRP assists landowners in restoring, enhancing, and protecting forest ecosystems in order to: 1) promote the recovery of threatened and endangered species; 2) improve biodiversity; and 3) enhance carbon sequestration.

Program Operations. HFRP provides financial assistance for specific conservation actions completed by the landowner. The NRCS Chief solicits project proposals that State Conservationists have developed in cooperation with partnering organizations. States with approved projects provide public notice of the availability of funding within the selected geographic area(s). HFRP offers four enrollment options:

- 10-year restoration agreement. The landowner may receive 50 percent of the average cost of the approved conservation practices;
- 30-year contract (equivalent to the value of a 30-year easement). The landowner may receive 75 percent of the easement value of the enrolled land plus 75 percent of the average cost of the approved conservation restoration practices. This option is only available on acreage owned by Native American Indian Tribes;
- 30-year easement. The landowner may receive 75 percent of the easement value of the enrolled land plus 75 percent of the average cost of the approved conservation practices; or
- Permanent easement. The landowners may receive 100 percent of the easement value of the enrolled land plus 100 percent of the average cost of the approved conservation practices.

Eligibility and Restoration Plans. Only privately held land, including acreage owned by Native American Indian Tribes, is eligible for enrollment in HFRP. In addition, to be eligible, the landowner must commit to restoring, enhancing, or measurably increasing the likelihood of recovery of an at risk species. At risk species include threatened or endangered species or candidates for the Federal or State threatened or endangered species list. Landowners must also improve biological diversity or increase carbon sequestration on enrolled land. For all enrollment options, Landowners develop a restoration plan that includes practices necessary to restore and enhance habitat for at risk species. NRCS provides technical assistance to help owners develop and comply with the terms of their HFRP restoration plans.

Landowners may receive “safe harbor” assurances for land enrolled in HFRP who agree, for a specified period, to protect, restore, or enhance their land for threatened or endangered species habitat. In exchange, landowners avoid future regulatory restrictions on the use of that land under the Endangered Species Act.

Financial Assistance. NRCS provides payments consistent with the enrollment option in either a single payment or in no more than ten annual payments, as agreed to between NRCS and the landowner. NRCS also provides cost-share payments upon a determination that an eligible conservation practice or an identifiable component of the conservation practice has been established in compliance with appropriate standards and specifications.

Technical Assistance. In coordination with the Department of the Interior’s Fish and Wildlife Service and the Department of Commerce’s National Marine Fisheries Service, NRCS works with landowners to develop healthy forests management conservation plans for land eligible for enrollment in HFRP. The conservation plan integrates compatible silvicultural practices and habitat considerations to protect, restore, and enhance forest ecosystems for

the recovery of threatened and endangered species and candidate species. NRCS continues to provide assistance to the landowner after the project is enrolled, by reviewing restoration measures and providing guidance on management activities and biological advice to achieve optimum results.

Data Adjustments. In 2010 NRCS deployed the National Easement Staging Tool (NEST) as the official data tracking tool for easement programs data; however NEST does not serve as a substitute for the Financial Management Modernization Initiative, which is the official NRCS financial tracking system.

2012 Activities.
In 2012, NRCS received 207 applications to participate in HFRP. Of these applications, 24 were enrolled into the program; this includes 14 permanent easements, one 30-year easement, and eight 10-year restoration cost-share agreements. These 2012 active agreements encompass approximately 500,518 acres. Cumulatively, through HFRP, NRCS has enrolled 56 landowners, encompassing approximately 710,031 acres, as the table below shows.

Cumulative Program Activity (Through 2012)	
Closed Easements (Permanent and 30-Year)	**Cumulative**
Number of Easements	36
Number of Acres	7,337
Active Restoration Cost-Share Agreements	**Cumulative**
Number of Agreements	19
Number of Acres	702,478
Active 30 Year Contract with Tribes	**Cumulative**
Number of Contracts	1
Number of Acres	216
Summary	**Cumulative Summary**
Total Agreements Enrolled	56
Total Acres	710,031

Getting Conservation on the Ground.
Upper Cumberland River Basin, Kentucky. HFRP has provided an opportunity for landowners in Kentucky's Upper Cumberland River Basin to protect and enhance critical habitat for the federally endangered Indiana Bat (Myotis sodalis), through permanent easements, forested habitat management practices, and protection of bat colony winter hibernation caves. In 2012, working in partnership with the Kentucky Field Office of the Department of the Interior's Fish and Wildlife Service and the Kentucky Department of Fish and Wildlife Resources, NRCS has cooperatively worked with five landowners to enroll 2,587 acres of critical habitat for the endangered bat.

These easements support extraordinary biodiversity including three bat, three fish and five mussel species that are all Federally listed and heavily dependent on mature oak/hickory dominated forests. The properties are located within the Buck Creek watershed which has been identified by The Nature Conservancy as a Landscape Scale Conservation Area. Additionally, these easements are adjacent to the Daniel Boone National Forest along the edge of the karst region of Kentucky, which is known for its numerous cave systems and natural habitat for the Indiana Bat. Caves on these easements used by bats for winter hibernation and maternity will now be protected from human disturbance. Forested habitat management enhancements will be applied and future timber harvesting will be performed to optimize and sustain habitat for the Indiana Bat and other listed species found in the watershed.

Summary of Budget and Performance
Statement of Department Goals and Objectives

The Natural Resources Conservation Service (NRCS) was established pursuant to Public Law 103-354, the Department of Agriculture Reorganization Act of 1994, (7 U.S.C. 6962). The mission of NRCS is "Helping People Help the Land." The Agency accomplishes its mission by providing products and services that enable people to be good stewards of the Nation's soil, water, and related natural resources on non-Federal lands. NRCS administers the following discretionary programs: Conservation Technical Assistance (CTA), Soil Survey (SOIL), Snow Survey and Water Supply Forecasting (SNOW), Plant Material Centers (PMCs), Watershed Rehabilitation Program (REHAB), Emergency Watershed Protection Program (EWP), Watershed and Flood Prevention Operations (WFPO, P.L. 78-534), Small Watersheds (P.L. 83-566), Resource Conservation and Development (RC&D), and Water Bank. NRCS also administers the following mandatory programs, authorized through the 2008 Farm Bill: Wetlands Reserve Program (WRP), Environmental Quality Incentives Program (EQIP), Farm and Ranch Lands Protection Program (FRPP), Wildlife Habitat Incentives Program (WHIP), Conservation Security Program (CSP), Conservation Stewardship Program (CStP), Agricultural Management Assistance (AMA), Grassland Reserve Program (GRP), Healthy Forest Reserve Program (HFRP), Agricultural Water Enhancement Program (AWEP), and the Chesapeake Bay Watershed Program (CBWP). The agency also provides technical assistance to the Conservation Reserve Program (CRP) administered by Farm Services Agency.

All agency programs and performance support USDA's Strategic Goal 2 as outlined in the following table.

USDA Strategic Goal: Ensure Our National Forests and Private Working Lands Are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources

Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcomes
Get More Conservation on the Ground	Restore and conserve the Nation's forests, farms, ranches, and grasslands	CTA, EQIP, SOIL, CSP, CStP, FRPP, AMA, WRP, GRP, HFRP	1. Maintain Productive working farms and ranches.
		CTA, EQIP, WRP, GRP, HFRP, WHIP	2. Decrease threats to "candidate" and threatened/endangered species.
	Protect and enhance America's water resources	CTA, EQIP, CSP, CStP, WRP, AWEP CBWP, CRP, SNOW, Water Bank	3. Eliminate and reduce impairments to water bodies and help prevent the listing of additional water bodies as "impaired".

Key Outcome 1: Maintain productive working farms and ranches.

Key Performance Measures and Targets:

USDA provides assistance to private landowners and managers to improve soil health since it is the foundation for maintaining working productive farms and ranches. The two primary focuses for improving soil health on cropland

are reducing erosion and increasing organic matter. Reducing soil erosion preserves the "topsoil", the rich upper layer that supports the majority of a plant's life cycle. Intensive agricultural practices often reduce the amount of organic matter (carbon) in the soil over time. This reduces the soil's ability to efficiently hold nutrients and water. Maintaining and increasing the percentage of organic matter in our soils is vital to retaining the ability to feed ourselves as a nation.

Measures	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Cropland with conservation applied to improve soil quality, million acres[1/]							
CTA	8.3	7.6	8.2	8.2	8.7	8.0	7.6
EQIP [2/]	5.6	4.8	4.8	4.6	4.6	4.6	4.5

[1/] All practices reported under this measure must comply with NRCS General Manual (GM)_180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.
[2/] Farm Bill account subject to reauthorization for 2014.

Selected Past Accomplishments toward Achievement of the Key Outcome: In 2012, across all NRCS programs, over 14 million acres of cropland had conservation applied to improve soil quality. This measure is used as the USDA indicator for maintaining or enhancing sustained production of a safe, healthy, and abundant food supply. These annual outputs contribute significantly to long-term outcome measurements. According to the science-based USDA National Resources Inventory, between 1982 and 2007, soil erosion on U.S. cropland decreased 43 percent. Water (sheet & rill) erosion on cropland in 2007 declined from 1.68 billion to 960 million tons per year, and erosion due to wind declined from 1.38 billion to 765 million tons per year.

Selected Accomplishments Expected at the 2014 Proposed Resource Level:
Soil health will be improved on over 12 million acres of the Nation's cropland, by preventing soil erosion and carbon loss. Through the conservation planning and delivery system, NRCS personnel will provide technical assistance to landowners and managers in addressing soil health concerns. Financial assistance programs will facilitate conservation activities, especially the more costly structural practices that are difficult for landowners to afford.

Key Performance Measures and Targets:

Range and pasture lands are located in all 50 states. According to the NRCS National Resource Inventory, privately owned range and pasture lands makes up over 27 percent (528 million acres) of the total acreage of the contiguous 48 states. These lands constitute the largest private lands use category, exceeding both forest land (21 percent) and crop land (18 percent). Properly managed grazing land has multiple benefits, including reduced storm water runoff, improved carbon storage in the soil, wildlife habitat, and beautiful open space.

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Grazing and forest land with conservation applied to protect the resource base, million acres [1,2/]							
CTA	16.0	16.0	17.6	17.1	17.1	16.0	15.3
EQIP[3/]	16.9	17.2	17.5	16.3	17.2	16.2	16.0

[1/] In 2011, Grazing lands and forestlands were combined into one measure. In the previous year's report the measures for grazing and forest land were reported separately. This table includes combined numbers for all years.
[2/] All practices reported under this measure must comply with NRCS General Manual (GM)_180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.
[3/] Farm Bill account subject to reauthorization for 2014.

Selected Past Accomplishments toward Achievement of the Key Outcome: In 2012, NRCS worked with private land managers to apply grazing and forest management systems. As a result, all NRCS programs contributed to the application of over 33 million acres of conservation to improve grazing and forest land health. In addition to directly applied conservation, NRCS also provided technical assistance on the application of effective grazing and forest land management practices.

Selected Accomplishments Expected at the 2014 Proposed Resource Level: The USDA National Resources Inventory findings show that 20 percent of the rangeland is in need of conservation treatment for soil stability, hydrologic function, and/or biotic integrity. The USDA has prioritized grazing land conservation through initiatives to assist America's ranchers with improving the health of their lands and animals. With these funds, NRCS can assist landowners and managers in installing prescribed grazing and forestry systems that improve ecosystem health on over 32 million acres.

Key Performance Measures and Targets:

Prime, unique, and important farmland is critical to sustainable food production and the Nation's food security. It is farmland that has the best combination of physical and chemical characteristics for producing food and fiber. USDA maintains productive working farms and ranches by providing the financial and technical assistance to protect prime, unique, and important farmland from conversion to other uses.

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Prime, unique, and important farmland protected from conversion to non-agricultural uses by conservation easements, thousand acres[1/]							
FRPP[2/]	27.4	38.3	53.9	51.5	45.2	50.0	50.0

[1/] All acres reported under this measure have been verified by NRCS staff as the acres of designated prime, unique, or important farmland (National Cooperative Soil Survey methodology and designation) within farmland protection easements that were recorded at the courthouse during the fiscal year.
[2/] Farm Bill account subject to reauthorization for 2014.

Selected Past Accomplishments toward Achievement of the Key Outcome:
In 2012, NRCS protected over 45,000 acres of prime, unique, and important farmland from conversion to non-agricultural uses through permanent agricultural conservation easements. Local support has been strong, with participating State, tribal and local entities, non-governmental organizations and landowner contributing $2 for each Federal dollar of investment.

Selected Accomplishments Expected at the 2014 Proposed Resource Level: The proposed funding will provide financial and technical assistance to landowners and partners in local communities that wish to permanently protect the Nation's best soil on farms in local communities for future generations. During 2014, 50,000 acres of prime, unique, and important farmland will be protected in perpetuity.

Key Outcome 2: Decrease threats to "candidate" and threatened/endangered species

Key Performance Measures and Targets:

Nearly 70 percent of the fish and wildlife habitat in the U.S. is on privately-owned lands. USDA provides private landowners financial and on-site technical assistance to assess the quality of wildlife habitat, to install practices necessary to restore or enhance that habitat, and to create a management plan to sustain the habitat. NRCS provides technical and financial assistance to maintain and enhance fish and wildlife habitat on non-Federal lands.

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Non-Federal land with conservation applied to improve fish and wildlife habitat quality, million acres[1,2/]							
WHIP[3/]	0.7	0.3	0.9	1.3	0.9	0.7	0.6
EQIP[3/]	0.2	1.2	1.9	1.8	2.6	2.5	2.5

[1]/ The method for calculating (verification and validation methodology) performance for this measure was improved for 2013, resulting in a smaller acreage target that is more directly focused on wildlife habitat benefits. 2011 and 2012 actuals were calculated retroactively to reflect past performance using the revised computation. 2008-2010 actuals were from existing PRS database and reflect performance reported for those years.

[2/] All practices reported under this measure must comply with NRCS General Manual (GM)_180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.

[3/] Farm Bill account subject to reauthorization for 2014.

Selected Past Accomplishments toward Achievement of the Key Outcome: In 2012, over 17 million acres of habitat were improved for wildlife over all NRCS programs. These acres included habitat for wildlife species on Federal and State Threatened and Endangered Species Lists and for other species of concern through focused initiatives including: Sage Grouse, Migratory Birds, Longleaf Pine, and the Lesser Prairie-Chicken. NRCS standard conservation practices applied for wildlife habitat improvement include riparian herbaceous cover, stream bank and shoreline protection, hedgerow plantings, upland wildlife habitat management, and wetland creation and restoration.

Selected Accomplishments Expected at the 2014 Proposed Resource Level: For 2014, over 15 Million acres of wildlife habitat will be improved through all NRCS programs. Wildlife habitat such as riparian areas and in wetlands and upland areas will be improved through the application of NRCS conservation practices, especially in priority areas that have Threatened and Endangered Species. Through the focusing of the program dollars only in the highest priority areas, the direct impacts of the funding will be improved.

Key Outcome 3: Eliminate and reduce impairments to water bodies and help prevent the listing of additional water bodies as "impaired".

Key Performance Measures and Targets:

Within USDA, NRCS is the lead Agency on Objective 2.3 - Protect and enhance America's water resources, with the focus on keeping the soil, nutrients, and water on agricultural operations clean on-site and conserving water resources. Water running off or infiltrating the ground from agricultural operations can carry a number of pollutants into streams, lakes, groundwater, and estuaries. States and tribal governments have identified sediment and nutrients as the greatest agricultural contaminants affecting surface water quality. Nutrients and agrichemicals are the major concerns for groundwater.

USDA has made great strides in improving water quality through landowner participation in voluntary conservation programs. However, "nonpoint" source pollution remains a significant economic, environmental and public health challenge that requires policy attention and thoughtful new approaches. NRCS, along with other key Federal partners such as United States Geological Survey, and the Environmental Protection Agency, will work collaboratively with stakeholders, including agriculture producer organizations, conservation districts, States and

tribal governments, NGOs, and other local leaders, to identify areas where a more targeted and coordinated approach can achieve substantial improvements in water quality.

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Land with conservation applied to improve water quality, million acres[1/]							
CTA	8.7	20.5	22.3	24.0	23.8	22.0	21.0
EQIP[2/]	14.8	14.5	14.2	14.5	13.6	12.8	12.6

[1/] All practices reported under this measure must comply with NRCS General Manual (GM)_180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.

[2/] Farm Bill account subject to reauthorization for 2014.

Selected Past Accomplishments toward Achievement of the Key Outcome: In 2012, USDA assisted landowners and managers in application of nearly 39 million acres of conservation designed to improve water quality across all NRCS programs. USDA conservation practices are science-based and have a demonstrated effect. A scientific study was done by the Conservation Effects Assessment Project (CEAP) with the following results: Adoption of conservation practices in Chesapeake Bay agriculture has reduced edge-of-field sediment loss by 55 percent, losses of nitrogen with surface runoff by 42 percent, losses of nitrogen in subsurface flows by 31 percent, and losses of phosphorus (sediment attached and soluble) by 41 percent.

Selected Accomplishments Expected at the 2014 Proposed Resource Level: In 2013 and 2014 there will continue to be an increased focus of programs and conservation investments in water quality and quantity, especially in priority watersheds. Over all NRCS programs, nearly 40 million acres of conservation will be applied using science-based conservation practices such as vegetation planted on slopes to reduce soil erosion, drainage water management, conservation buffers, water conservation, and nutrient management.

Key Performance Measures and Targets:

Agriculture is one of the largest users of the Nation's surface water and groundwater, with irrigation being the greatest use. Agriculture is a major user of ground and surface water in the United States. In arid and semi-arid areas, crop production depends almost entirely on irrigation.

Farm-level irrigation water management (IWM) involves the managing water and related inputs in irrigated crop production to financial returns, often in energy savings, and minimize environmental impacts. Improvements and expansion in IWM is essential to the agricultural sector that depends on ground and surface water, especially in times of drought. Within the conservation systems approach, water conservation has always been considered as a major factor in reducing soil erosion, runoff, and leaching of nutrients from cropland. However, as the focus has shifted to consumptive use of water, NRCS has accelerated water conservation efforts on agricultural operations.

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Land with conservation applied to improve irrigation efficiency, million acres[1/]							
CTA	N/A	N/A	0.8	0.7	0.7	0.9	0.9
EQIP[2/]	N/A	N/A	1.0	1.0	1.1	1.5	1.5

[1/] All practices reported under this measure must comply with NRCS General Manual (GM)_180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.
[2/] Farm Bill account subject to reauthorization for 2014.

Selected Past Accomplishments toward Achievement of the Key Outcome: In 2012, USDA assisted landowners and managers in application of almost 2 million acres of conservation for irrigation efficiencies. In response to the drought, energy savings from reduced pumping, and pressure on some of the Nation's aquifers, NRCS is increasing focus on water conservation activities and practices in the next several years.

Selected Accomplishments Expected at the 2014 Proposed Resource Level: In 2013 and 2014 there will continue to be an increased focus of programs and conservation investments in water conservation, with over 2 million acres of water conservation practices applied each year. One example is the Ogallala Aquifer Initiative which is designed to reduce the quantity of water removed from the aquifer, improve water quality using conservation practices and enhance the economic viability of the affected farms and ranches. Over the course of the initiative, irrigation efficiency will be improved by a minimum of 20 percent on 3.7 million acres.

Agency Priority Goal: Accelerate the protection of clean, abundant water resources by advancing USDA's capacity to measure the effectiveness of conservation investments in addressing water resource concerns. In 2012 and 2013 USDA will develop and implement an interagency water resource outcome metric in two pilot watersheds and quantify improvements in those watersheds.

Key Performance Measures and Targets:

The USDA ensures that our Nation's forests and private working lands enhance our water resources and are conserved, restored, and made more resilient to climate change. Secretary Vilsack has identified protecting the nation's water resources as one of his top conservation objectives in the USDA's 2010-2015 Strategic Plan. Recognizing that USDA brings significant authorities and resources to bear on this resource challenge, he tasked three agencies -- the Forest Service (FS), NRCS and the Farm Service Agency (FSA) -- with developing an integrated approach to achieve measurable results in water quality and water use efficiency:

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Priority landscapes with high impact targeted conservation practices applied to improve water quality, million acres[1/]							
CTA	N/A	N/A	1.9	1.8	1.5	1.7	TBD

[1/] All practices reported under this measure must comply with NRCS General Manual (GM)_180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.

Selected Past Accomplishments toward Achievement of the Key Outcome: By leveraging existing funding and programs in targeted areas, NRCS was able meet its share of the USDA's two-year goal (2010-2011) of implementing High Impact Target (HIT) practices on six million acres in priority areas. Within each NRCS Priority Watershed, HIT practices were applied to improve water quality or quantity. Using existing funding and programs in targeted areas, the agency was also able to meet the target for conservation activities in 2012.

USDA formed a cross-agency work group to identify pilot projects following the report principles set out in a USDA water quality measure framework. The work group included representatives from the FS, NRCS, FSA, and the Agricultural Research Service (ARS). This group established a set of criteria for identifying pilot watersheds. Using these criteria, the work group has identified two pilot watersheds, the St Joseph's watershed in Indiana, and the La Cienega watershed in Arizona.

Significant progress was made in developing pilot project plans that will be completed during 2013. In September 2012, plans were finalized for the Cienega Creek project in Arizona and data collection is underway.

Selected Accomplishments Expected at the 2014 Proposed Resource Level: This Agency Priority Goal concludes at the end of FY 2013. New Agency Priority Goals for FY 2014 and 2015 will be developed as part of USDA's Strategic Planning process.

Key Performance Measures and Targets:

In the continental U.S., the Nation have lost over 50 percent of the historical 220 million wetland acres that once existed, with some states having lost over 90 percent of their wetland acreage. Protection and restoration, creation or enhancement of wetland ecosystems is important in protecting source water and improving water quality, providing fish and wildlife habitat, sequestering carbon, storing floodwaters, and maintaining surface water flows during seasonal dry periods. The greatest potential for wetland restoration exists on private lands since over 70 percent of the Nation's land is in private hands.

Measure	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Actual	2013 Target	2014 Target
Wetlands created, restored or enhanced, thousand acres[1/]							
WRP[2/]	128.9	106.4	129.1	131.8	188.7	212.3	185.0

[1/] All practices reported under this measure must comply with NRCS General Manual (GM)_180_409 and NRCS GM_450_407, which require agency staff with appropriate technical approval authority certify that each practice meets agency-approved technical specifications, in addition to a sampling protocol for quality assurance of conservation practices certified as applied.
[2/] Farm Bill account subject to reauthorization for 2014.

Selected Past Accomplishments toward Achievement of the Key Outcome: USDA provides technical and financial assistance to restore, create or enhance wetlands and their associated functions and values. During 2012, all NRCS programs contributed to over 300 thousand acres of wetlands were restored, created, or enhanced, providing a direct effect on the protection and enhancement of America's water resources by reducing impairments to water bodies, streams and rivers. Healthy and productive wetland ecosystems filter sediment and other pollutants from surface and ground water slows run-off and aids ground water re-charge and reduces the overall temperature in surrounding waters. These restored, created or enhanced wetlands also provide critical habitat for wildlife especially species listed as threatened or endangered. Over one-third of listed threatened and endangered species depend on wetlands, and wetlands are home to almost one-third of plant species.

Selected Accomplishments Expected at the 2014 Proposed Resource Level: In 2014, over all NRCS programs approximately 300 thousand acres of wetlands will be created, restored, or enhanced through the application of NRCS conservation practices. The focus for 2014 will be on workload for closing, restoring, and monitoring, specifically focused on completing one-half of the remaining closing acreage backlog, completing restoration on one-fourth of the remaining restoration acreage backlog, and conduct monitoring on all existing easements.

Strategic Goal Funding Matrix
(Dollars in thousands)

Program / Program Items	2011 Actual	2012 Actual	2013 Estimate	Increase or Decrease	2014 Estimate
Department Strategic Goal: Ensure our national forests and private working lands are conserved, restored, and made more resilient to climate change, while enhancing our water resources					
Discretionary:					
Conservation Technical Assistance……	$754,926	$729,459	$733,923	-20,527	713,396
Staff Years……	5,419	5,102	5,189	-229	4,960
Soil Survey……	93,751	80,000	80,490	-3,037	77,453
Staff Years……	634	563	568	-30	538
Snow Survey and Water Supply Forecasting……	10,943	9,300	9,357	-820	8,537
Staff Years……	56	55	51	-5	46
Plant Materials Program……	11,066	9,400	9,457	-906	8,551
Staff Years……	92	88	86	-9	77
Watershed Operations					
P.L. 78-534					
1. Technical Assistance……	-	-	-	-	-
2. Financial Assistance……	-	-	-	-	-
Subtotal, P.L. 78-534……	-	-	-	-	-
Staff Years……	2	1	1	-1	-
Emergency Watershed Protection Program					
1. Technical Assistance……	-	43,180	36,000	-36,000	-
2. Financial Assistance……	-	172,720	144,000	-144,000	-
Subtotal, EWP……	-	215,900	180,000	-180,000	-
Staff Years……	141	92	80	-80	-
Small Watershed Operations					
P.L. 83-566					
1. Technical Assistance……	-	-	-	-	-
2. Financial Assistance……	-	-	-	-	-
Subtotal, P.L. 83-566……	-	-	-	-	-
Staff Years……	35	12	12	-12	-
Watershed Rehabilitation					
1. Technical Assistance……	14,371	7,500	7,546	-7,546	-
2. Financial Assistance……	3,593	7,500	7,546	-7,546	-
Subtotal, Rehabilitation……	17,964	15,000	15,092	-15,092	-
Staff Years……	88	59	20	-20	-
Resource Conservation and Development……	23,730	-	-	-	-
Staff Years……	190	-	-	-	-
Water Bank Program					
1. Technical Assistance……	-	525	529	-529	-
2. Financial Assistance……	-	6,975	7,018	-7,018	-
Subtotal, Water Bank……	-	7,500	7,547	-7,547	-
Staff Years……	-	2	1	-1	-
Total Cost, Strategic Goal..……	912,380	1,066,559	1,035,866	-227,929	807,937
Total FTEs, Strategic Goal……	6,657	5,974	6,008	-387	5,621

Program / Program Items	2011 Actual	2012 Actual	2013 Estimate	Increase or Decrease	2014 Estimate
Mandatory:					
Wetlands Reserve Program					
1. Technical Assistance……	45,686	72,051	58,750	-24,750	34,000
2. Financial Assistance……	523,328	515,881	479,250	-245,250	234,000
Subtotal, WRP……	569,014	587,932	538,000	-270,000	268,000
Staff Years	269	409	329	-167	162
Environmental Quality Incentives Program					
1. Technical Assistance……	336,369	373,432	381,925	104,075	486,000
2. Financial Assistance……	894,509	1,000,572	1,018,075	-154,075	864,000
Subtotal, EQIP……	1,230,878	1,374,004	1,400,000	(50,000)	1,350,000
Staff Years	2,598	2,972	2,904	-35	2,869
Agricultural Water Enhancement Program					
1. Technical Assistance……	14,204	11,005	11,976	4,024	16,000
2. Financial Assistance……	59,187	47,753	48,024	-4,024	44,000
Subtotal, AWEP……	73,391	58,758	60,000	-	60,000
Staff Years	79	76	82	-1	81
Wildlife Habitat Incentives Program					
1. Technical Assistance……	22,892	13,267	13,878	2,122	16,000
2. Financial Assistance……	60,580	33,682	36,122	-7,122	29,000
Subtotal, WHIP……	83,472	46,949	50,000	-5,000	45,000
Staff Years	147	87	90	-10	80
Farm and Ranch Lands Protection Program					
1. Technical Assistance……	7,668	6,539	7,091	3,909	11,000
2. Financial Assistance……	161,046	138,364	142,909	-3,909	139,000
Subtotal, FRPP……	168,714	144,903	150,000	-	150,000
Staff Years	26	38	41	-1	40
Conservation Security Program					
1. Technical Assistance……	21,154	18,554	18,044	1,356	19,400
2. Financial Assistance……	177,717	169,491	147,956	-33,356	114,600
Subtotal, CSP……	198,871	188,045	166,000	-32,000	134,000
Staff Years	134	119	114	-23	91
Conservation Stewardship Program					
1. Technical Assistance……	69,668	70,074	72,730	27,270	100,000
2. Financial Assistance……	508,136	671,546	695,270	193,730	889,000
Subtotal, CStP……	577,804	741,620	768,000	221,000	989,000
Staff Years	470	472	483	132	615
Grasslands Reserve Program					
1. Technical Assistance……	7,647	5,960	6,767	-6,767	-
2. Financial Assistance……	70,298	59,304	60,233	-60,233	-
Subtotal, GRP……	77,945	65,264	67,000	-67,000	-
Staff Years	28	33	37	-37	-

Program / Program Items	2011 Actual	2012 Actual	2013 Estimate	Increase or Decrease	2014 Estimate
Agricultural Management Assistance					
1. Technical Assistance……	1,529	455	620	-20	600
2. Financial Assistance……	5,940	1,925	2,380	-480	1,900
Subtotal, AMA……	7,469	2,380	3,000	-500	2,500
Staff Years	11	5	7	-1	6
Chesapeake Bay Watershed Program					
1. Technical Assistance……	12,464	8,458	8,000	4,000	12,000
2. Financial Assistance……	60,096	41,374	42,000	-4,000	38,000
Subtotal, CBWP……	72,560	49,832	50,000	-	50,000
Staff Years	97	65	61	-1	60
Healthy Forests Reserve Program					
1. Technical Assistance……	1,793	1,373	1,538	-1,538	-
2. Financial Assistance……	15,253	8,485	8,462	-8,462	-
Subtotal, HFRP……	17,046	9,858	10,000	-10,000	-
Staff Years	14	7	8	-8	-
Conservation Reserve Program					
1. Technical Assistance……	122,847	101,521	96,300	-	96,300
2. Financial Assistance……	-	-	-	-	-
Subtotal, CRP……	122,847	101,521	96,300	-	96,300
Staff Years	937	792	741	-8	733
Total Costs, Mandatory	3,200,010	3,371,066	3,358,300	-213,500	3,144,800
Total Staff Years, Mandatory	4,810	5,075	4,895	-158	4,737
Total Costs, All Strategic Goals	4,112,390	4,437,625	4,394,166	-441,429	3,952,737
Total Staff Years, All Strategic Goals	11,467	11,049	10,903	-545	10,358

[a/] Farm Bill account subject to reauthorization.

Full Cost by Department Strategic Goal
(Dollars in thousands)

Program / Program Items		2011 Actual	2012 Actual	2013 Estimate	2014 [a/] Estimate
Department Strategic Goal: Ensure Our National Forests and Private Working Lands Are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources					
Conservation Technical Assistance					
Technical Assistance		754,926	729,459	733,923	713,396
	Total Costs	754,926	729,459	733,923	713,396
	Staff Years	5,419	5,102	5,189	4,960
Performance measure: Cropland with conservation applied to improve soil quality					
Performance, million acres		8.2	8.7	8.0	7.6
Performance measure: Grazing and forest land with conservation applied to protect the resource base					
Performance, million acres		17.1	17.1	16.0	15.3
Performance measure (APG): Priority landscapes with high impact targeted conservation practices applied to improve water quality					
Performance, million acres		1.8	1.5	1.7	TBD
Performance measure: Land with conservation applied to improve water quality					
Performance, million acres		24.0	23.8	22.0	21.0
Performance measure: Land with conservation applied to improve irrigation efficiency					
Performance, million acres		0.7	0.7	0.9	0.9
Soil Survey					
Technical Assistance		93,751	80,000	80,490	77,453
	Total Costs	93,751	80,000	80,490	77,453
	Staff Years	634	563	568	538
Performance measure: Soil surveys mapped or updated					
Performance: million acres		34.8	30.4	34.0	38.0
Performance measure: Ecological Site Descriptions developed					
Performance: million acres		1.8	10.1	20.3	21.0
Snow Survey & Water Supply Forecasting					
Technical Assistance		10,943	9,300	9,357	8,537
	Total Costs	10,943	9,300	9,357	8,537
	Staff Years	56	55	51	46
Performance measure: Water supply forecasts issued					
Performance, number		12,117	11,445	12,900	12,600
Plant Materials Centers					
Technical Assistance		11,066	9,400	9,457	8,551
	Total Costs	11,066	9,400	9,457	8,551
	Staff Years	92	88	86	77
Performance measure: New plant materials released to commercial growers					
Performance, number		4	12	5	4
Performance measure: Technical documents prepared and transferred to customers					
Performance, number		334	388	300	270
Performance measure: Plant materials technical training delivered to conservation delivery staff					
Performance, number of participants		N/A	N/A	1,000	1,000

Full Cost by Department Strategic Goal
(Dollars in thousands)

Department Strategic Goal: Ensure Our National Forests and Private Working Lands Are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources		2011	2012	2013	2014 [a/]
Flood Prevention Operations P.L. 78-534					
Technical Assistance		-	-	-	-
Financial Assistance		-	-	-	-
	Total Costs	-	-	-	-
	Staff Years	2	1	1	-
Watershed Operations P.L. 83-566					
Technical Assistance		-	-	-	-
Financial Assistance		-	-	-	-
	Total Costs	-	-	-	-
	Staff Years	35	12	12	-
Emergency Watershed Protection Program					
Technical Assistance		-	43,180	36,000	-
Financial Assistance		-	172,720	144,000	-
	Total Costs	-	215,900	180,000	-
	Staff Years	141	92	80	-
Watershed Rehabilitation Program					
Technical Assistance		14,371	7,500	7,546	-
Financial Assistance		3,593	7,500	7,546	-
	Total Costs	17,964	15,000	15,092	-
	Staff Years	88	59	20	-
Performance measure: Dams with watershed rehabilitation plans authorized					
Performance, number		9	10	10	-
Resource Conservation & Development					
Technical Assistance		23,730	-		
	Total Costs	23,730	-	-	-
	Staff Years	190	-	-	-
Water Bank					
Technical Assistance		-	525	529	-
Financial Assistance		-	6,975	7,018	-
	Total Costs	-	7,500	7,547	-
	Staff Years	-	2	1	-
Discretionary Total					
	Total Costs	912,380	1,066,559	1,035,866	807,937
	Staff Years	6,657	5,974	6,008	5,621
Wetlands Reserve Program					
Technical Assistance		45,686	72,051	58,750	34,000
Financial Assistance		523,328	515,881	479,250	234,000
	Total Costs	569,014	587,932	538,000	268,000
	Staff Years	269	409	329	162
Performance measure: Wetlands created, restored or enhanced					
Performance, thousand acres		131.8	188.7	212.3	185.0
Performance measure: Farmland, forest land, and wetlands protected by conservation easements					
Performance, thousand acres		107.4	128.2	144.0	126.0

Full Cost by Department Strategic Goal
(Dollars in thousands)

Department Strategic Goal: Ensure Our National Forests and Private Working Lands Are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources		2011	2012	2013	2014 [a/]
Environmental Quality Incentives Program					
Technical Assistance		336,369	373,432	381,925	486,000
Financial Assistance		894,509	1,000,572	1,018,075	864,000
	Total Costs	1,230,878	1,374,004	1,400,000	1,350,000
	Staff Years	2,598	2,972	2,904	2,869
Performance measure: Land with conservation applied to improve water quality					
Performance, million acres		14.5	13.6	12.8	12.6
Performance measure: Cropland with conservation applied to improve soil quality					
Performance, million acres		4.6	4.6	4.6	4.5
Performance measure: Non-Federal land with conservation applied to improve fish and wildlife habitat quality					
Performance, million acres		1.8	2.6	2.5	2.5
Performance measure: Grazing and forest land with conservation applied to protect the resource base					
Performance, million acres		16.3	17.2	16.2	16.0
Performance measure: Land with conservation applied to improve irrigation efficiency					
Performance, million acres		1.0	1.1	1.5	1.5
Grasslands Reserve Program					
Technical Assistance		7,647	5,960	6,767	-
Financial Assistance		70,298	59,304	60,233	-
	Total Costs	77,945	65,264	67,000	-
	Staff Years	28	33	37	-
Performance measure: Farmland and grazing lands protected by conservation easements					
Performance, acres		31,454	43,098	68,221	-
Agricultural Water Enhancement Program					
Technical Assistance		14,204	11,005	11,976	16,000
Financial Assistance		59,187	47,753	48,024	44,000
	Total Costs	73,391	58,758	60,000	60,000
	Staff Years	79	76	82	81
Performance measure: Land with conservation applied to improve irrigation efficiency					
Performance, acres		130,656	144,965	45,000	10,500
Performance measure: Land with conservation applied to improve water quality					
Performance, acres		147,563	179,634	55,000	13,000
Wildlife Habitat Incentives Program					
Technical Assistance		22,892	13,267	13,878	16,000
Financial Assistance		60,580	33,682	36,122	29,000
	Total Costs	83,472	46,949	50,000	45,000
	Staff Years	147	87	90	80
Performance measure: Non-Federal land with conservation applied to improve fish and wildlife habitat quality					
Performance, million acres		1.3	0.9	0.7	0.6

Full Cost by Department Strategic Goal
(Dollars in thousands)

Department Strategic Goal: Ensure Our National Forests and Private Working Lands Are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources					
		2011	**2012**	**2013**	**2014** [a/]
Farm and Ranch Lands Protection Program					
Technical Assistance		7,668	6,539	7,091	11,000
Financial Assistance		161,046	138,364	142,909	139,000
	Total Costs	168,714	144,903	150,000	150,000
	Staff Years	26	38	41	40
Performance measure: Prime, unique, and important farmland protected from conversion to non-agricultural uses by conservation easements					
Performance, thousand acres		51.5	45.2	50.0	50.0
Conservation Security Program					
Technical Assistance		21,154	18,554	18,044	19,400
Financial Assistance		177,717	169,491	147,956	114,600
	Total Costs	198,871	188,045	166,000	134,000
	Staff Years	134	119	114	91
Conservation Stewardship Program					
Technical Assistance		69,668	70,074	72,730	100,000
Financial Assistance		508,136	671,546	695,270	889,000
	Total Costs	577,804	741,620	768,000	989,000
	Staff Years	470	472	483	615
Performance measure: Stewardship activities for soil quality improvement					
Performance, acres		N/A	N/A	N/A	TBD
Performance measure: Stewardship activities for reduced water quality impairments					
Performance, acres		N/A	N/A	N/A	TBD
Performance measure: Stewardship activities irrigation water management and water conservation					
Performance, acres		N/A	N/A	N/A	TBD
Performance measure: Stewardship activities for plant and animal health					
Performance, acres		N/A	N/A	N/A	TBD
Performance measure: Stewardship activities applied to benefit wildlife					
Performance, acres		N/A	N/A	N/A	TBD
Agricultural Management Assistance					
Technical Assistance		1,529	455	620	600
Financial Assistance		5,940	1,925	2,380	1,900
	Total Costs	7,469	2,380	3,000	2,500
	Staff Years	11	5	7	6
Performance measure: Land with conservation applied to improve irrigation efficiency					
Performance, acres		4,160	4,475	4,200	4,200
Healthy Forests Reserve Program					
Technical Assistance		1,793	1,373	1,538	-
Financial Assistance		15,253	8,485	8,462	-
	Total Costs	17,046	9,858	10,000	-
	Staff Years	14	7	8	-
Performance measure: Farmland and forest lands protected by conservation easements					
Performance, acres		1,921	5,027	5,570	-

Full Cost by Department Strategic Goal
(Dollars in thousands)

Department Strategic Goal: Ensure Our National Forests and Private Working Lands Are Conserved, Restored, and Made More Resilient to Climate Change, While Enhancing Our Water Resources		2011	2012	2013	2014 [a/]
Chesapeake Bay Watershed Program					
Technical Assistance		12,464	8,458	8,000	12,000
Financial Assistance		60,096	41,374	42,000	38,000
	Total Costs	72,560	49,832	50,000	50,000
	Staff Years	97	65	61	60
Performance measure: Land with conservation applied to improve water quality Performance, acres		132,281	174,569	175,000	175,000
Conservation Reserve Program					
Technical Assistance		122,847	101,521	96,300	96,300
	Total Costs	122,847	101,521	96,300	96,300
	Staff Years	937	792	741	733
Mandatory Total					
	Total Costs	3,200,010	3,371,066	3,358,300	3,144,800
	Staff Years	4,810	5,075	4,895	4,004
Agency Total					
	Total Costs	4,112,390	4,437,625	4,394,166	3,952,737
	Total Staff Y	11,467	11,049	10,903	9,625

[a/] Farm Bill account subject to reauthorization.