OUTLOOK '85

PROCEEDINGS

Agricultural Outlook Conference

United States Department of Agriculture

Dec. 3-5, 1984
Washington, D.C.

David G. Unger
Associate Chief, Soil Conservation Service, USDA

Annual Agricultural Outlook Conference
Session #43, Washington, DC

For Release: Wednesday, December 5, 1984

THE OUTLOOK FOR SOIL AND WATER CONSERVATION

It is appropriate to look to the future of soil and water conservation in the United States first by recalling the past.

Early next year, the Soil Conservation Service will mark the fiftieth year of its existence as an agency in the United States Department of Agriculture. The agency was born during a troubled time. Severe drought in the early thirties had compounded the devastation that the Great Depression had brought to the nation's farm economy. The fertile soils of the Great Plains choked the air all the way from the country's midsection to the Atlantic Ocean.

Through demonstrations, research, and special projects, early Soil Conservation Service employees helped restore the health of the land. We are justifiably proud of what our agency accomplished. But we were not alone. From the late thirties to the late forties, every single state passed a law authorizing formation of local governmental bodies -- known as soil and water conservation districts -- to promote soil conservation. The states formed soil conservation agencies to monitor and improve resource conditions. And other agencies in the U.S. Department of Agriculture provided cost-sharing, loans, research, and other services.

Thus was formed a partnership that still exists today -- a partnership that has proven effective in helping farmers and ranchers meet their conservation needs. This partnership has been a strong one over the years.

All of these partners share a common commitment. We believe that soil and water conservation is a continuing job. It is a process of solving existing problems and preventing new ones from occurring . . . a process of harmonizing farming and ranching operations and the natural environment in which they take place . . . a process of protecting and maintaining the soil and water resources upon which life depends. It requires constant care and commitment -- as long as agriculture is practiced on this earth.

Today, I will discuss briefly how we in the Department of Agriculture are pursuing that commitment through our comprehensive program for soil and water conservation. Further, I will examine some of the issues now being debated within the Department as we prepare our recommendations for the 1985 farm bill.

The National Conservation Program

From time to time, we must pause to re-evaluate what we do. After all, economic, social, and environmental conditions change. The late seventies was a time for such a self-evaluation.

The U.S. Department of Agriculture has nearly 30 programs that affect soil and water conservation, including all programs in the Soil Conservation Service and one or more in each of seven other agencies. The vehicle for reviewing and adjusting these programs was the Soil and Water Resources Conservation Act of 1977, which led to the National Conservation Program which President Reagan transmitted to Congress in December 1982.

The National Conservation Program established, for the first time, clear national priorities for soil and water conservation. These

priorities are: reducing soil erosion, reducing upstream flood damages, and conserving water. The Department of Agriculture has made two-thirds of its conservation technical and financial assistance accountable to these goals, especially erosion control. The rest is available to help local people solve local priority problems, where those priorities differ from the national priorities.

To make the most effective use of increasingly scarce funds and personnel, we increased our focus on the most severe resource problems in areas where additional effort will have the most impact. We call this concept "targeting," and it has already helped bring about reductions in soil erosion, water use, and soil salinity in targeted areas.

Another very important part of the National Conservation Program is putting our own house of USDA programs in order. Under provisions of the program, we are working to reconcile inconsistencies among various programs of the Department.

1985 Farm Bill

This emphasis has been carried over into deliberations for the 1985 farm bill. Secretary Block and his top staff have spent much of this year developing strategies for the bill. Even now, there is discussion at the highest levels of the Department about possible Administration proposals for new farm legislation.

Traditionally, the farm bill has been a device to help increase or stabilize farm income, and conservation has seldom been more than an afterthought. Not so this year. Recent widespread interest in soil and water conservation gives us a unique opportunity to look at how USDA

commodity programs affect natural resource conditions, and to make conservation a meaningful part of the farm bill.

To that end, we have discussed a number of issues that hinge on conservation performance. Three issues that the Administration is giving serious consideration to are the plow-out of marginal lands for crops, a conservation reserve, and targeting to critical resource problem areas.

The Plow-Out Issue

The plow-out of non-cropland (usually grazing lands) for crops (usually wheat) has been most common in Colorado, Montana, and other states in the western Great Plains. In general, this involves the plowing of land that is marginal for wheat or other crops and that also is subject to high rates of erosion when stripped of cover.

Some lands just should not be farmed. We know that the short-term gains an individual might get from "sodbusting" are negated within three to five years by wind erosion and loss of soil moisture. The land may not recover for decades.

We also know that some operators are plowing out these lands in expectation of eventually realizing some benefits in part from federal commodity programs. That federal programs contribute at all to such practices should be a matter for concern . . . and we are concerned.

We had hopes that the Congress would pass the "sodbuster" legislation originally sponsored by Colorado's Senator Armstrong and Representative Brown. That legislation fell by the wayside, however, as the 98th Congress ended, because of a proposal by the House of Representatives to add to it a new $225 million national paid conservation acreage diversion.

The Administration opposed the House amendments, not because the conservation acreage reserve is a bad idea -- it's not -- but because those amendments introduced complications to a worthwhile bill on the eve of the farm bill debate. And the Secretary wanted to look at a variety of conservation approaches in the context of that debate. Thus, the 1984 sodbuster legislation died when the Senate, backing the Administration's position, declined to accept the paid conservation acreage diversion and the House refused to accept sodbuster legislation alone.

Even when "sodbuster" legislation is passed -- and I am confident that it will be, either as part of the farm bill or separately -- farmers and ranchers still will be free to decide how to manage their lands. That is as it should be.

If owners do see fit to plow-out their fragile lands, they still will be able to do so as far as the federal government is concerned. They'll still be able to sell into a sometimes price-supported market. They simply won't be eligible for certain federal benefits.

Conservation Reserve

Another proposal under consideration for inclusion in the farm bill is the conservation reserve that I mentioned earlier. Such a reserve would, in effect, retire from crop production highly erodible and seriously eroding land and put it into a soil-conserving use under ten-year contracts. The reserve would require federal costs in the form of annual rental payments to farmers, and in the form of initial cost-sharing to help establish grass or trees on the land.

A conservation reserve would reduce production and, therefore, surpluses. It also would provide some annual income to participants.

Its costs would be offset -- at least in part -- by reductions in commodity support programs. Establishment of permanent plant cover on marginal cropland would reduce soil erosion, thus preserving the productive capacity of the soils and reducing degradation of nearby water supplies. It also would increase available supplies of timber and grazing and would enhance wildlife habitat.

The case for a conservation reserve rests on two facts. First, we simply have too much land in crops. The production from this land forces prices down at a time when farmers have no economic breathing room. Second, some of this production comes from land that cannot grow crops without eroding excessively. The best way to reduce erosion to tolerable limits on such lands is to use them in accordance with their natural capability -- that is to say, for grass or trees.

One major problem with a conservation reserve for reducing surplus production is that such lands generally are not highly productive of crops in the first place. Yields tend to be lower -- often much lower -- than yields on better lands. Therefore, removing a specified percentage of cropland from the production base would not yield a comparable reduction in total production.

The Soil Conservation Service is conducting tests of voluntary paid diversions of erodible cropland to grass or trees for ten years in pilot projects in Alabama, Idaho, and South Dakota. The preliminary results are encouraging, but it is still far too early to make any final judgements on the overall success of the projects. For now, though, we can say that response on the part of land owners in the three areas has been good. We are optimistic that we will make significant progress in

reducing soil erosion and encouraging land use more compatible with the natural capability of the land.

The 1984 Acreage Conservation Reserve Program, which Secretary Block announced as one of several conservation initiatives last December, had a similar thrust. That program involved 90 percent cost-sharing from the Agricultural Stabilization and Conservation Service for farmers who voluntarily put highly erodible cropland into grass or trees for five or ten years. ASCS made available $20 million for that program and got sign-ups for some 123,000 acres.

Targeting

Another much-discussed issue is the targeting of technical and financial assistance to critical resource problem areas. Such targeting began in 1981, when SCS designated 132 counties in ten states as needing more technical assistance to reduce serious erosion. In 1982, SCS increased the amount it put into technical assistance for these areas, and ASCS earmarked part of its Agricultural Conservation Program funds for additional cost sharing in the same areas. In 1983 and again in 1984, both agencies expanded the number and size of targeted areas and increased the proportion of their available resources that they allocated to those areas.

The National Conservation Program called for USDA to expand targeting each year through 1987. So far, our targets have been mostly erosion-prone, water-short, and saline areas of cropland.

Up until this year, most of the expansion of targeting on the part of the Soil Conservation Service occurred with increases in appropriations made available by Congress -- "new" funds, if you will.

All expansions of ACP targeting came out of a total annual allocation of $190 million, leaving progressively smaller amounts of funds for cost sharing in non-targeted areas.

For 1985, however, it became clear that there would be no increase in appropriations for SCS Conservation Technical Assistance. That meant that increases in targeting would come at the expense of what might be called a "base" level of assistance in non-targeted areas. So for fiscal year 1985, Congress froze targeting at the level in effect for fiscal year 1984 -- some $27½ million for Conservation Technical Assistance and $19 million for the Agricultural Conservation Program -- instead of allowing the two agencies to earmark an additional five percent of those two programs for targeting.

It is unfortunate that this happened. The great merit of targeting is that it directs additional federal resources -- which are not unlimited -- to treatment of the worst problems. Targeting gives us more bang for our buck.

A Time for Change

It is a healthy sign that the farm bill debate is linking conservation and commodity programs more closely than ever before. These programs should not be discrete entities . . . they all should be vital parts of a complete farm program -- just as they are vital factors that good farmers take into account as they manage their individual farms.

The choices we make in a farm bill next year -- including the counsel Congress chooses to follow in developing the bill -- are as important as any choices now facing the American public. The ramifications of those choices extend far beyond the farm gate.