



Status and Trends in Federal Resource Conservation Incentive Programs: 1996-2001

*Conservation Economics Program
Working Paper 1*



**Lisa Hummon and Frank Casey
Defenders of Wildlife
Washington DC
2004**

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About Defenders of Wildlife

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1130 17th Street, NW
Washington, D.C. 20036
(202) 682-9400

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I. Introduction

This retrospective report on federal resource conservation incentive programs constitutes one in a series of publications by Defenders of Wildlife's Conservation Economics Program to address wildlife habitat stewardship incentives in the United States. The report complements two previous publications issued by Defenders: a state-level incentives report has been completed and a revised version of Defenders' *National Stewardship Incentives* report is in progress.¹

This report on federal incentives covers the recent period of 1996 through 2001.² The majority of programs discussed in this report were authorized by the 1996 Farm Bill (Federal Agriculture Improvement and Reform [FAIR] Act). The report's overall objective is to provide a descriptive baseline by which to measure conservation program activity subsequent to the passage of the 2002 Farm Bill.

The report serves three purposes. The first is to provide a retrospective view, in both quantitative and qualitative terms, of federal conservation incentive programs that impacted, directly or indirectly, wildlife habitat in the United States. The programs described in this report fit within the following set of characteristics defined in the scope of our research: managed by federal agencies, incentive-based, for private landowners, with direct or indirect benefits to wildlife habitat. The report is descriptive in nature and does not provide a statistical analysis of the causal factors associated with specific trends in the indicators used to examine selected incentive programs. As such, the report will most likely generate additional "why" questions that will need to be addressed in future reports. Nevertheless, the information provided here can

¹ A copy of Defenders' state-level incentives report, *Conservation in America: State Government Incentives for Habitat Conservation*, can be found at www.biodiversitypartners.org. The 1998 version of *National Stewardship Incentives: Conservation Strategies for U.S. Landowners* can be found at www.defenders.org/pubs/hsi01.html.

² For many federal programs, data are still not available for FY 2002.

be useful as a baseline by which a comparative analysis will be possible with future conservation spending and participation.

The second purpose of this report is to provide conservation practitioners, policy makers, and landowners with a deeper understanding of past implementation of federal incentive programs. Trends in expenditure levels, numbers of participants, and the land area impacted by conservation programs are described by type of incentive mechanism and for specific programs. One of the major contributions of this paper is reporting conservation expenditures on a per participant, per acre, and per program level. Data on actual use of various conservation programs are compared to the excess demand for a select number of programs that maintain backlog information.

Third, contact information for various federal programs is included. Appendices are provided that give more detailed information on the past use and purpose of federal conservation programs. Website addresses for various federal programs are listed for those who may be interested in applying for conservation projects. The objective in providing this information is to inform landowners and conservation practitioners of the multitude of existing incentive programs, and how those programs can be accessed.

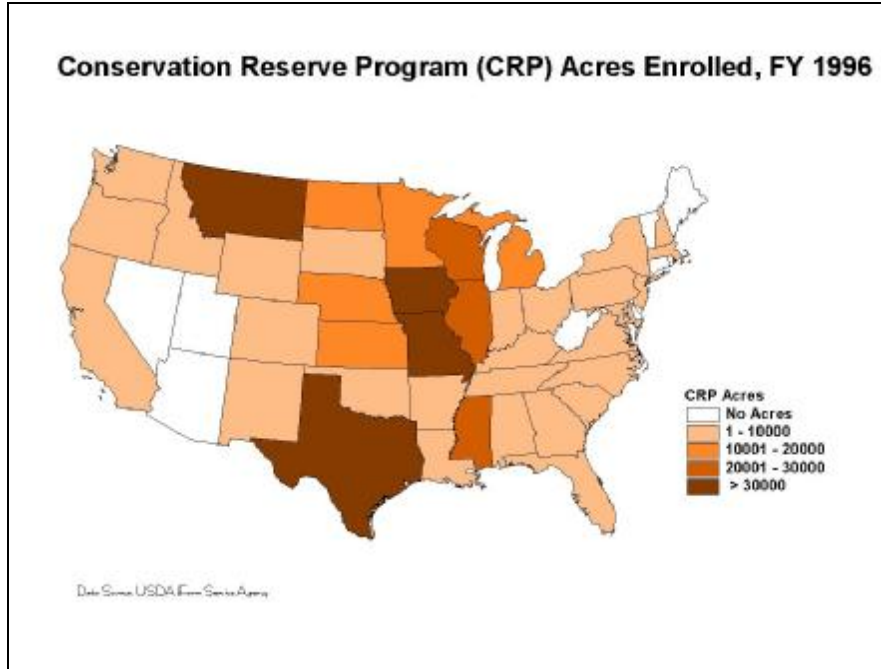
The information contained in this report was obtained from federal government agencies (See Appendix VIII) which use the same data to describe incentive program accomplishments. These data include annual program expenditures, participation rates, and land area impacted by various conservation programs. Those programs that involve “setting-aside” land either through rental or easement agreements are discussed separately from those which offer cost-share, incentive payments, and technical assistance for resource conservation management practices on

working lands. This report does not address fee-simple acquisition as an incentive mechanism for the reason that landowners no longer manage the resources of concern after the land is sold.

There are four general categories of incentive mechanisms addressed in this report: institutional mechanisms; land set-aside programs; financial assistance for the adoption of resource conservation practices; and technical/educational assistance. The federal agencies covered in this report that manage incentive programs include the United States Department of Agriculture (USDA), Environmental Protection Agency (EPA), and the Departments of Interior, Commerce, and Treasury.

As will be readily apparent in the body of the report, available quantitative data for conservation expenditures, acreage in conservation, and participation rates are uneven across agencies, categories of incentive programs, and time period. The comparisons that can be made between various incentive mechanisms or implementing agencies are therefore limited. The most complete data are for those conservation programs implemented and managed by the USDA. While the indicators reported here represent national averages, there exists a large degree of variability between states and ecological regions. For example, in 1996 the state of Iowa enrolled the most land in the Conservation Reserve Program (CRP) with 60,500 acres, while New Hampshire enrolled the least with just 10 acres, among those states participating in the program (Figure 1.1).

Figure 1.1



The next section of this report presents an overview of the distribution of incentive programs by federal agencies. We then examine recent trends in expenditures, landowner enrollment and land area by incentive category and by specific incentive program (Section III). Section IV presents information related to expenditure, acreage and enrollment rates for selected conservation incentive programs. Section V examines surplus demand for selected USDA resource conservation programs as an indicator of private landowner interest in conservation programs. Section VI describes various tax incentives that are available to landowners for conservation purposes. Lastly, Section VII provides a brief summary of findings and highlights particular issues with respect to the impact of federal resource conservation incentive programs on wildlife conservation.

Attached to this report are several appendices that provide more detail with respect to incentive program expenditures, acreage, participation, descriptions of individual programs, and how to find out more about individual federal conservation programs.

II. Overview of Federal Conservation Incentive Programs³

This section presents a general overview of resource conservation programs by examining the types and numbers of federal agencies implementing various programs and the cumulative expenditures incurred by these programs. The incentive programs described in this report represent those managed by five federal entities: the United States Fish and Wildlife Service (USFWS) of the Department of Interior, the United States Department of Agriculture (USDA), the Environmental Protection Agency (EPA), and the Commerce and Treasury Departments. Some programs are administered by multiple agencies. For example, Safe Harbor Agreements are implemented through both the USFWS and the National Marine Fisheries Service (NMFS) of the Department of Commerce. Figure 2.1 shows the specific incentive programs that were managed by each agency from 1996-2001.

The general breadth of federal voluntary conservation incentives can be described by the number of programs and by expenditure levels. Figures 2.2 and 2.3 illustrate the number and percentages of voluntary incentive programs managed by federal agencies, respectively.

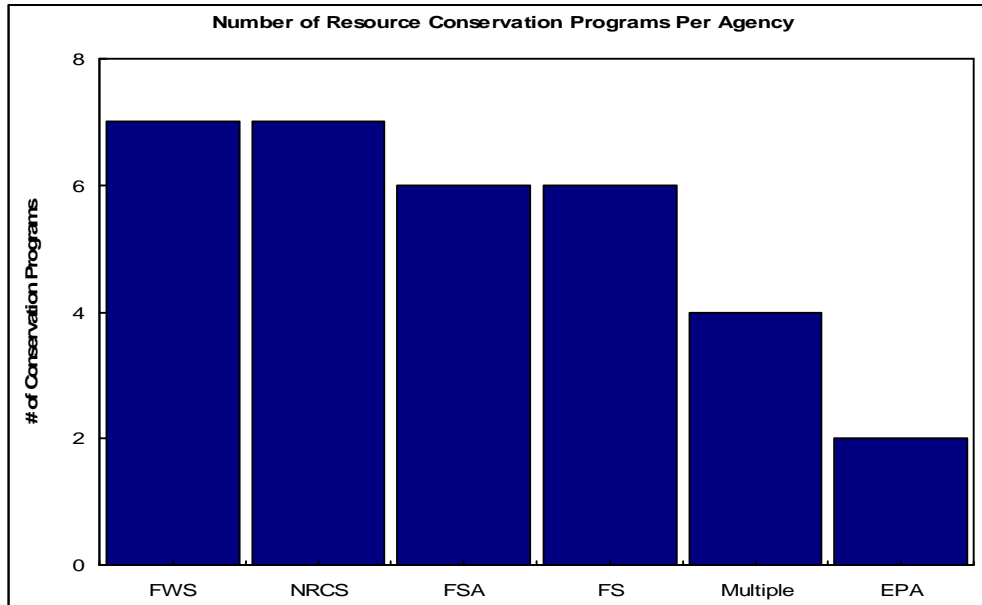
³ Although this report primarily addresses “voluntary” conservation incentive programs, there are incentive mechanisms contained within regulatory instruments that provide for habitat protection under the Endangered Species Act (ESA). Incentives that are associated with regulatory mechanisms can be categorized as either legal or statutory in nature. For example, the ESA is a regulatory mechanism that protects listed species through land use restrictions and penalties, but it also offers incentive programs to landowners to comply with the ESA. A major reason for establishing these incentive programs is to prevent landowners from removing listed species in order to avoid regulatory land-use restrictions. With respect to wildlife habitat and species conservation, there are two types of federal legal or statutory incentives programs: Candidate Conservation Agreements with Assurances (CCAAs) and Safe Harbor Agreements (SHAs). Under both instruments, landowners agree to improve habitat for one or more listed species, but if they succeed in attracting additional endangered species through those improvement activities, they are not held responsible for protecting those additional species. Habitat Conservation Plans (HCPs) are not included in this report because landowners who apply for an incidental take permit under the ESA are *required* to develop an HCP. The conservation activity is not incentive-based and therefore does not fit into the scope of this report.

Figure 2.1

FEDERAL AGENCY MANAGEMENT OF RESOURCE CONSERVATION INCENTIVE PROGRAMS	
<p style="text-align: center;"><u>USDA Farm Service Agency</u> Conservation Reserve Program (CRP), Continuous CRP, Conservation Reserve Enhancement Program (CREP), Debt for Nature (DFN), Farmable Wetlands Pilot Project (FWP), Biomass Pilot Project</p>	<p style="text-align: center;"><u>USDA Forest Service</u> Forest Legacy Program (FLP), Forest Stewardship Program (FSP), Stewardship Incentives Program (SIP), Forestry Incentives Program (FIP), Forest Taxation Program, Rural Forestry Management Program (RFM)</p>
<p style="text-align: center;"><u>USDA Natural Resources Conservation Service</u> Wetlands Reserve Program (WRP), Wildlife Habitat Incentives Program (WHIP), Farmland Protection Program (FPP), Environmental Quality Incentives Program (EQIP), Conservation of Private Grazing Lands (CPGL), Agricultural Management Assistance (AMA), Soil and Water Conservation Assistance (SWCA)</p>	<p style="text-align: center;"><u>DOI Fish and Wildlife Service</u> Partners for Fish and Wildlife, Candidate Conservation Agreements with Assurances (CCAAs), Wildlife Conservation and Appreciation Program (WCAP), Cooperative Endangered Species Conservation Fund, North American Wetlands Conservation Act Grants (NAWCA), National Coastal Wetlands Conservation Grants Program, The Coastal Program</p>
<p style="text-align: center;"><u>Environmental Protection Agency</u> Nonpoint Source Management Program, Capitalization Grants for Clean Water</p>	<p style="text-align: center;"><u>Programs in Multiple Agencies</u> Land and Water Conservation Fund (LWCF), Wetlands Mitigation Banking, Safe Harbor Agreements (SHAs), Bring Back the Natives Grants Program</p>

Between 1996 and 2001, there were 32 federal conservation incentives programs, not including tax incentive measures. The USFWS and Natural Resource Conservation Service (NRCS) managed seven programs, followed by the Farm Service Agency (FSA) and Forest Service (USFS), each with six programs (Figure 2.2).

Figure 2.2



The USDA, which includes the NRCS, FSA and the USFS, was responsible for 59.5% (19) of all federal incentive programs (Figure 2.3). The USFWS accounted for 21.5% of all programs, with 6% administered by EPA. Thirteen percent of federal conservation incentive programs were implemented through multiple agencies.

Figure 2.3

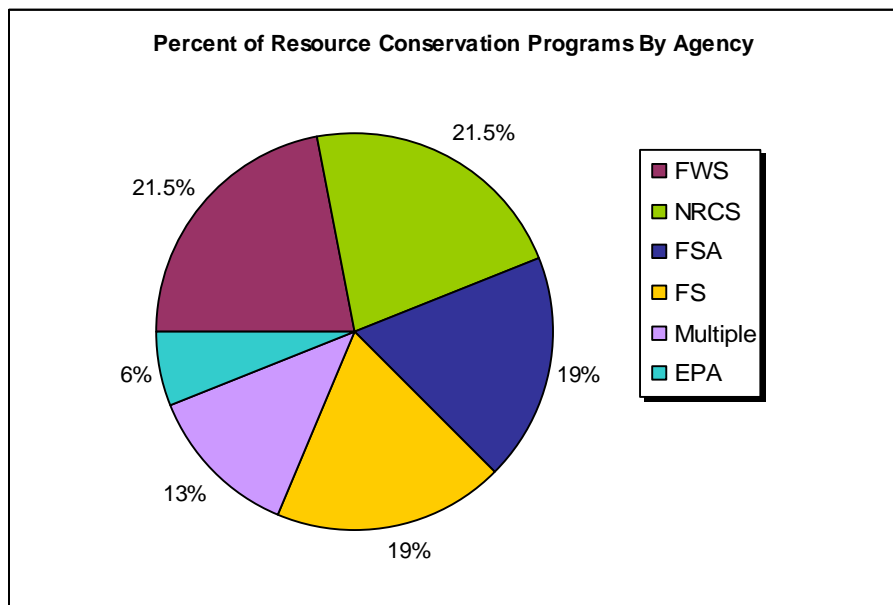
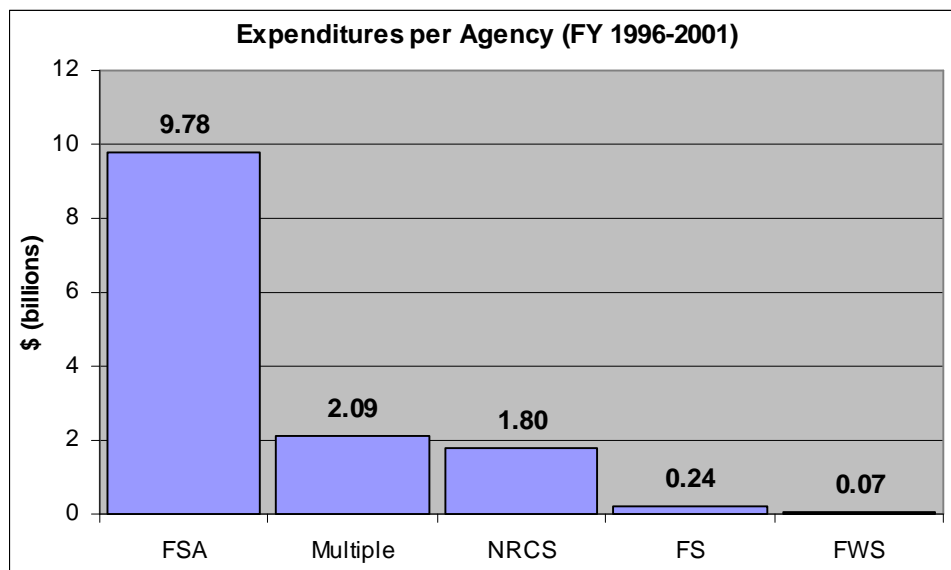


Figure 2.4 shows the level of cumulative expenditures for agencies over the FY 1996-2001 period.⁴ Across all agencies, total expenditures were about \$14 billion. Incentive programs managed by USDA agencies expended a total of \$11.8 billion (84%), compared to the remaining \$2.2 billion spent by the USFWS and multiple agency incentive programs combined. Of the \$11.8 billion expended by the USDA, 99% came from programs authorized or reauthorized by the 1996 Farm Bill. This makes the Farm Bill an incredible source of funding for resource conservation in the U.S.

In comparison with Figure 2.1, it is clear that the number of programs managed by an agency did not correlate with the level of expenditures. For example, although the NRCS managed seven incentive programs, it spent about one-fifth the amount as the FSA, which managed six. The major reason for this particular discrepancy is that FSA incentive programs are mostly comprised of medium-term land rental agreements that are significantly more expensive than the one-time cost-share programs implemented by NRCS.

Figure 2.4



⁴ No data were available for EPA incentive programs.

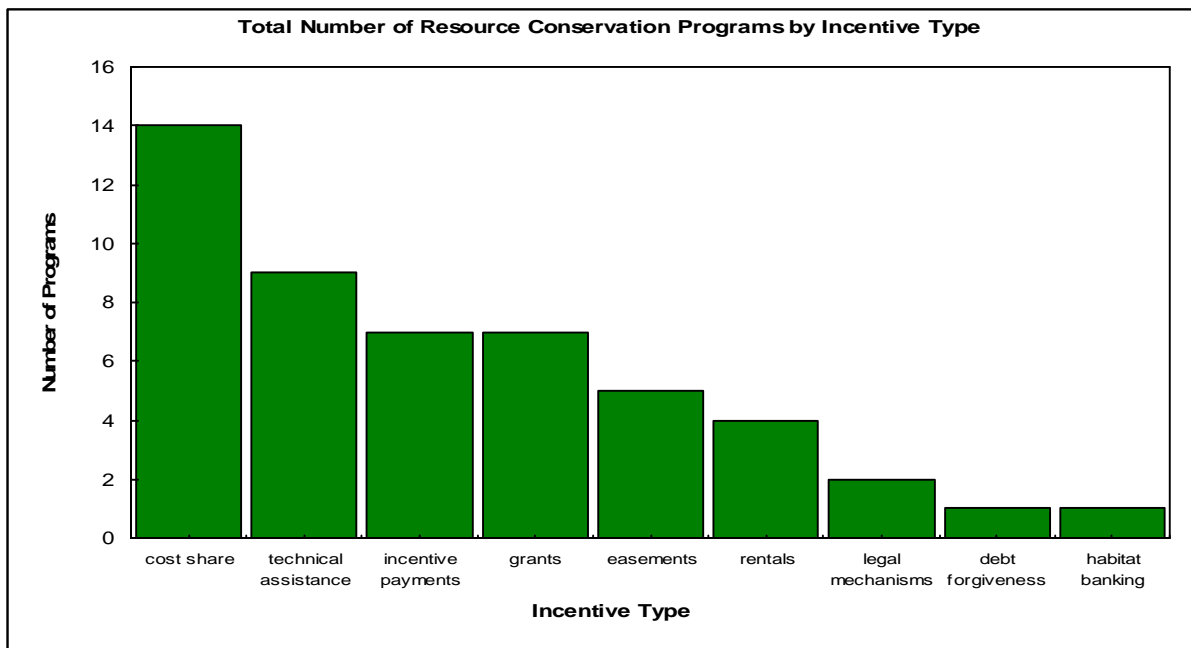
III. Status and Trends in Conservation Incentives

This section describes incentive mechanisms by categories and programs, and examines trends in expenditures, land area covered, and landowner participation rates. Both cumulative and annual trends are illustrated for land set-aside and financial/technical assistance incentives.

Incentive Mechanisms by Category

Federal incentive programs can be classified into four major categories. The categories include institutional incentives (legal/statutory, market mechanisms, and habitat banking), set-aside programs (rentals and easements), financial assistance (cost-sharing, grants, incentive payments and debt forgiveness), and education/technical assistance. Figure 3.1 depicts the total number of resource conservation programs by incentive category.⁵ Across all agencies and programs, the most common types of incentive measures were cost-sharing (14), technical and educational assistance (9), and incentive payments and grants (each with 7).

Figure 3.1



⁵ Appendix VII provides a list of federal resource conservation programs by incentive category.

Incentive mechanisms can also be described by the amount or dollars expended in each category. Figure 3.2 shows cumulative expenditures by incentive type for FY 1996-2001. Expenditure data by incentive category were only available for USDA NRCS, FSA and FS programs, which include 9 of the 32 programs.⁶ USDA programs that offered easements were the Farmland Protection Program (FPP), Wetlands Reserve Program (WRP) and Forest Legacy Program (FLP). The Conservation Reserve Program (CRP) is the only USDA program that offers rental payments (rental contracts typically run from 10 to 15 years). Expenditure data for education/technical assistance include administrative costs.

Figure 3.2

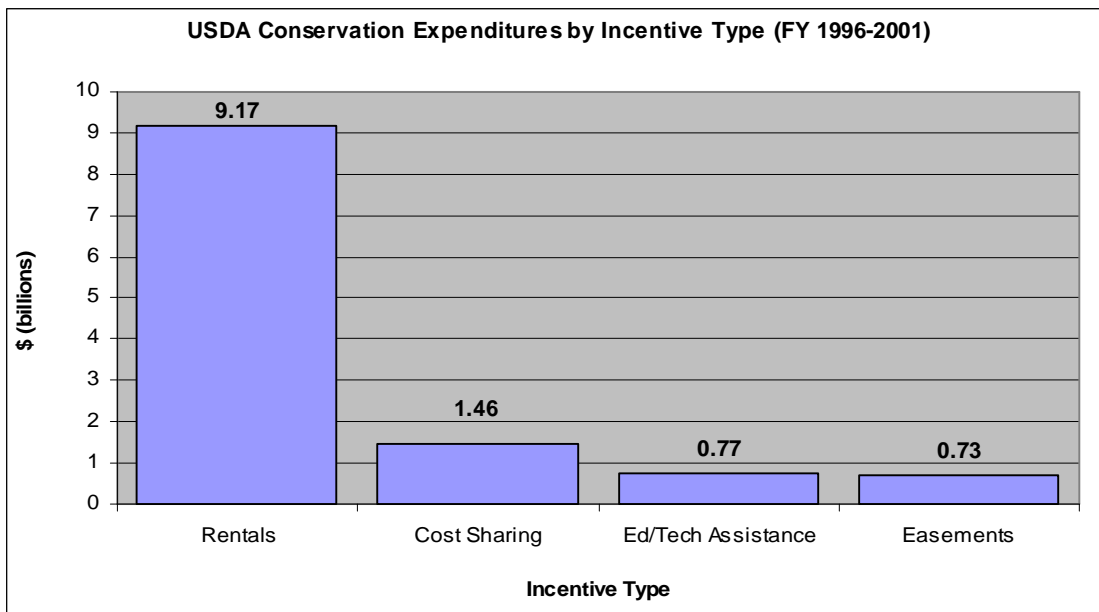


Figure 3.2 shows that more than \$9 billion (75%) of the roughly \$12 billion total expenditures for USDA programs was attributed to CRP rental payments. Expenditures on cost-sharing totaled close to \$1.5 billion (12.5%). Education/technical assistance and easement expenditures were comparable at \$770 and \$730 million, respectively.

⁶ Expenditure data per incentive type were obtained from a USDA NRCS, Resources Conservation Act report, *Interim Appraisal and Analysis of Conservation Alternatives*. See Section VIII, References. These data vary from expenditures data gathered from NRCS contacts used in other sections of this report. Reasons for the data discrepancies are unknown. We chose to use the data because this was the only available source for a breakdown by incentive type.

Incentive Mechanisms for Specific Conservation Programs

More detailed trend information on expenditures, participation rates and acreage are available for some incentive mechanisms on a program-by-program basis. The three program indicators examined here include cumulative and annual expenditures, cumulative and annual acreage, and landowner participation levels. Each of these indicators are addressed according to whether the incentive programs are land set-asides or are primarily aimed at technology adoption or land management practices facilitated by financial assistance.

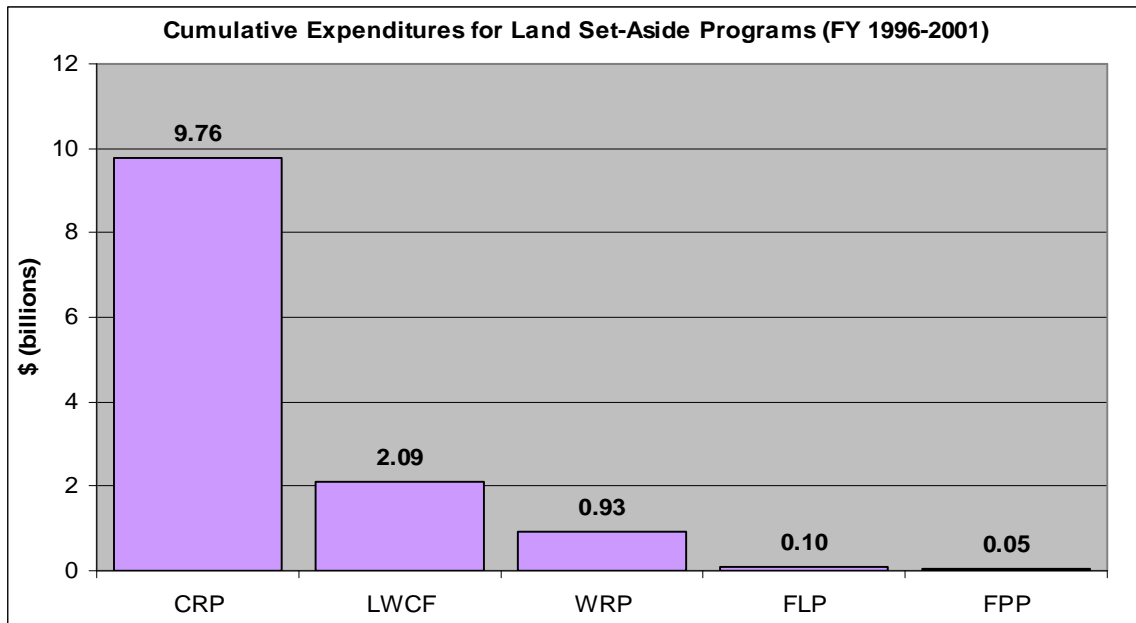
Incentive Program Expenditures

Cumulative Expenditures

Cumulative expenditures across *all* resource conservation incentive programs from FY 1996 to 2001 totaled close to \$14 billion (Figures 3.3 and 3.4, combined).⁷ Expenditures for land set-aside programs are illustrated in Figure 3.3. These programs accounted for 93% of cumulative conservation incentive program expenditures over the 1996-2001 period. These data, however, also include expenditures for other incentive mechanisms that are packaged with land rental or easement programs. For example, the basic CRP provides land rental payments for temporary set-asides, but it also includes some cost-share assistance for specific conservation management practices. Likewise, Continuous CRP and CREP offer additional incentive payments for the conservation of wetlands, buffers, and other priority areas.

⁷ Data for FY 1996 to 2001 are approximated because some programs only had data for selected years. Programs that had data within the FY 1996-2001 time frame, but did not cover all years were included. For example: EQIP expenditures, acreage and project data were only available for FY 1997-2000. See Appendix I for detailed expenditure data.

Figure 3.3



The CRP had the highest expenditure level, accounting for 70% of cumulative expenditures for all set-aside and non-set-aside programs combined.⁸ The Land and Water Conservation Fund (LWCF) offers fee title purchase of land and permanent conservation easements, and cumulative LWCF expenditures of \$2.09 billion represent both instruments.⁹ Expenditure data for the Wetland Reserve Program (WRP), at \$933 million, reflects several incentive components including permanent and 30-year easements, as well as cost share assistance. The Forest Legacy Program (FLP) offers permanent conservation easements, and the Farmland Protection Program (FPP) offered 30-year and permanent easements.¹⁰ FLP had about \$100 million in cumulative expenditures, while FPP had about \$50 million over the FY 1996-2001 period.

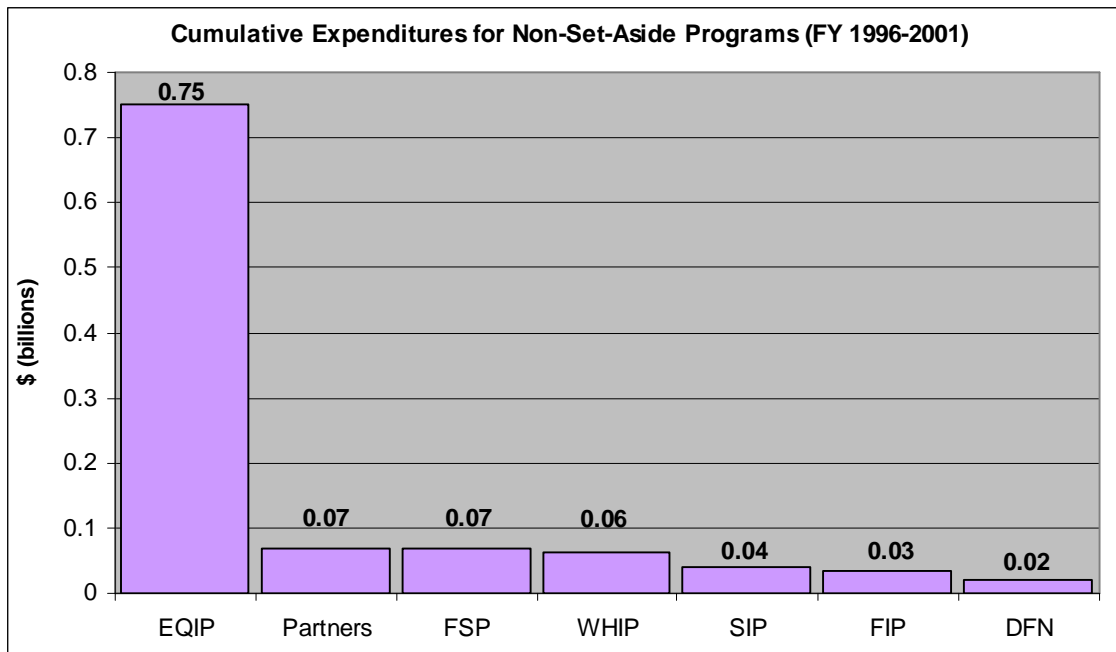
⁸ The CRP data represent several programs, including the basic CRP, Continuous CRP, and CREP.

⁹ LWCF has two components: the federal component offers land set-aside incentives, while the state component offers funding for state governments. Expenditures data here represent the federal side only.

¹⁰ The Farmland Protection Program (FPP) was replaced with the Farm and Ranch Lands Protection Program (FRPP) by the 2002 Farm Bill. See Appendix VI, Resource Conservation Program Descriptions.

Figure 3.4 shows cumulative expenditures from FY 1996-2001 for non-set-aside conservation incentive programs, including those that offer education/technical assistance, cost sharing, and financial incentives for land management practices. The Environmental Quality Incentives Program (EQIP), which offers cost sharing and incentive payments, accounted for \$750 million in expenditures, or about 72% of the total for non-set-aside programs. The two incentive programs directly addressing wildlife habitat, the USFWS Partners for Fish and Wildlife (Partners) program and the USDA Wildlife Habitat Incentives Program (WHIP), were nearly identical in expenditures over the six-year period at \$68 million and \$63 million, respectively. Forestry related programs (Forest Stewardship Program [FSP], Stewardship Incentives Program [SIP], and the Forestry Incentives Program [FIP]) totaled about \$141 million. The Debt for Nature (DFN) program, which offers cancellation of farmers' debt to the USDA FSA in exchange for conservation activities, accounted for about \$20 million.

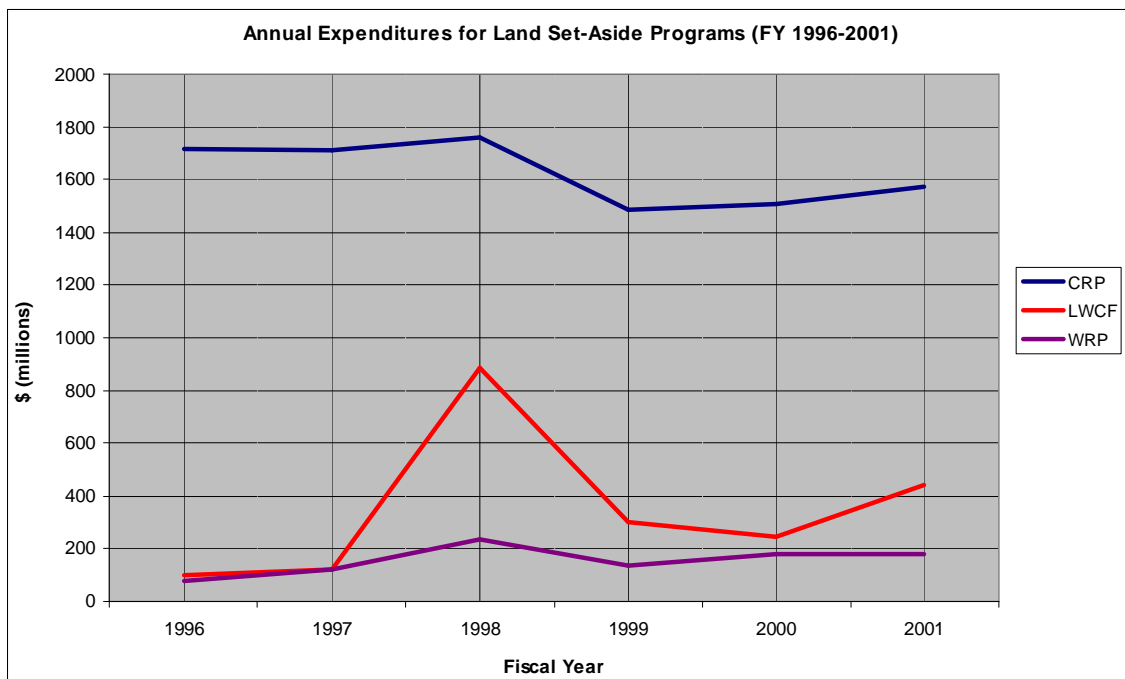
Figure 3.4



Annual Expenditures

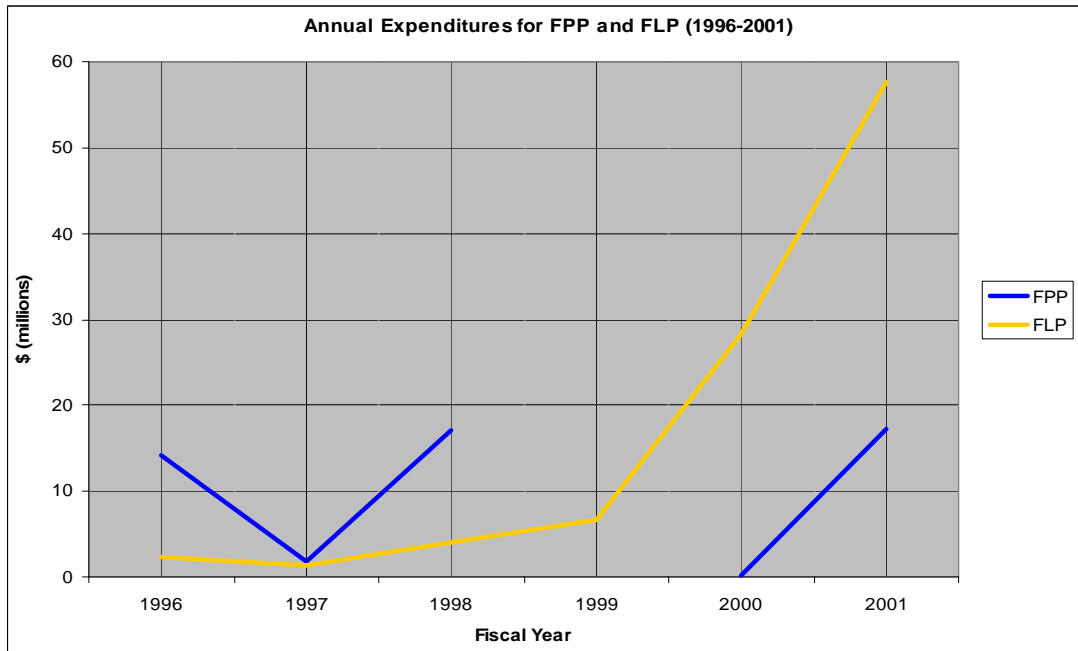
Annual expenditures are shown in Figures 3.5 through 3.8 in *millions of dollars*. From FY 1998 to 1999 there were significant drops in annual expenditures for all programs except those related to forestry (FLP [Figure 3.6], FSP, FIP and SIP [Figure 3.8]). Figures 3.5 and 3.6 show annual expenditures for selected land set-aside programs. CRP averaged the most on an annual basis at about \$1.6 billion per year (Figure 3.5). WRP averaged significantly less at about \$155 million per year. LWCF expenditures increased significantly between 1997-1998, from \$120 million to \$880 million, but then dropped down to about \$300 million in 1999 and 2000, rising slightly to \$440 million in 2001.

Figure 3.5



Compared to CRP, LWCF, and WRP, annual expenditures for FLP and FPP (also land set-aside programs) were relatively low, breaking \$50 million only once over the six year period (Figure 3.6). FPP was not funded in 1999, but received a small earmark of funding from Congress in 2000 of \$250,000. In 2001, FPP regained funding and spent about \$17 million.

Figure 3.6



Annual expenditure data for non-set-aside programs are shown in Figures 3.7 and 3.8. Annual expenditures for EQIP were significantly higher than all other non-set aside programs. The program's expenditures decreased from about \$200 million in FY 1997 and 1998 to about \$175 million in 1999, then rose slightly in 2000 (Figure 3.7). Data were not available for annual EQIP expenditures for the years 1996 and 2001. All WHIP funds authorized in the 1996 Farm Bill were expended in 1998 and 1999, but the program received a \$12.5 million boost in 2001 (Figure 3.8). The three forestry-related non-set-aside programs ranged between about \$5 and \$15 million annually over the six year period.

Figure 3.7

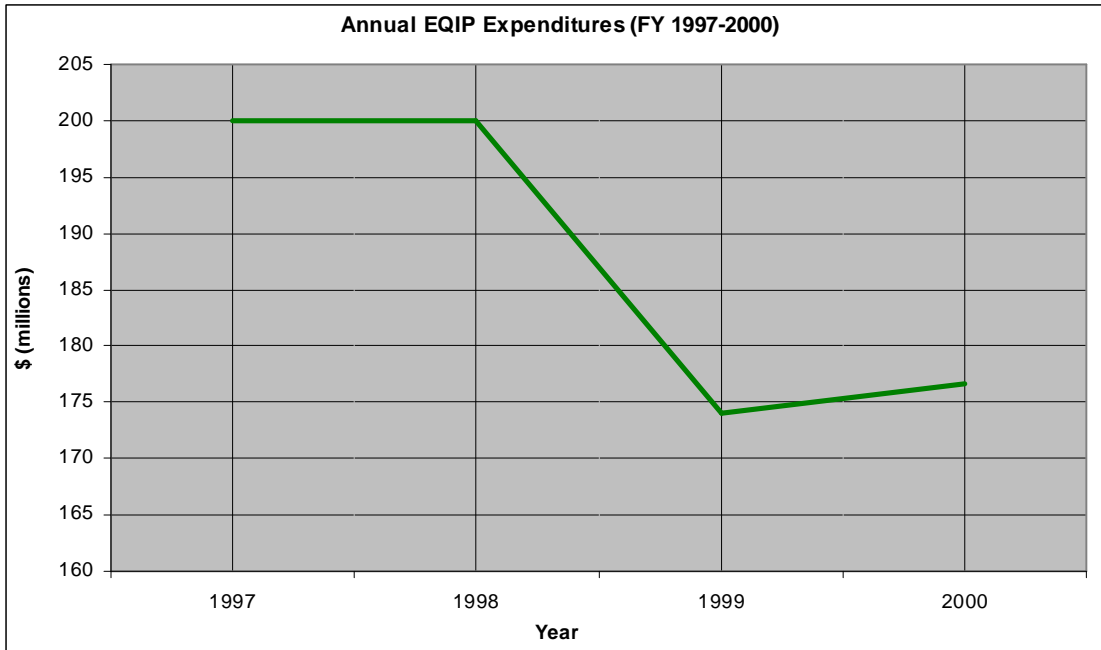
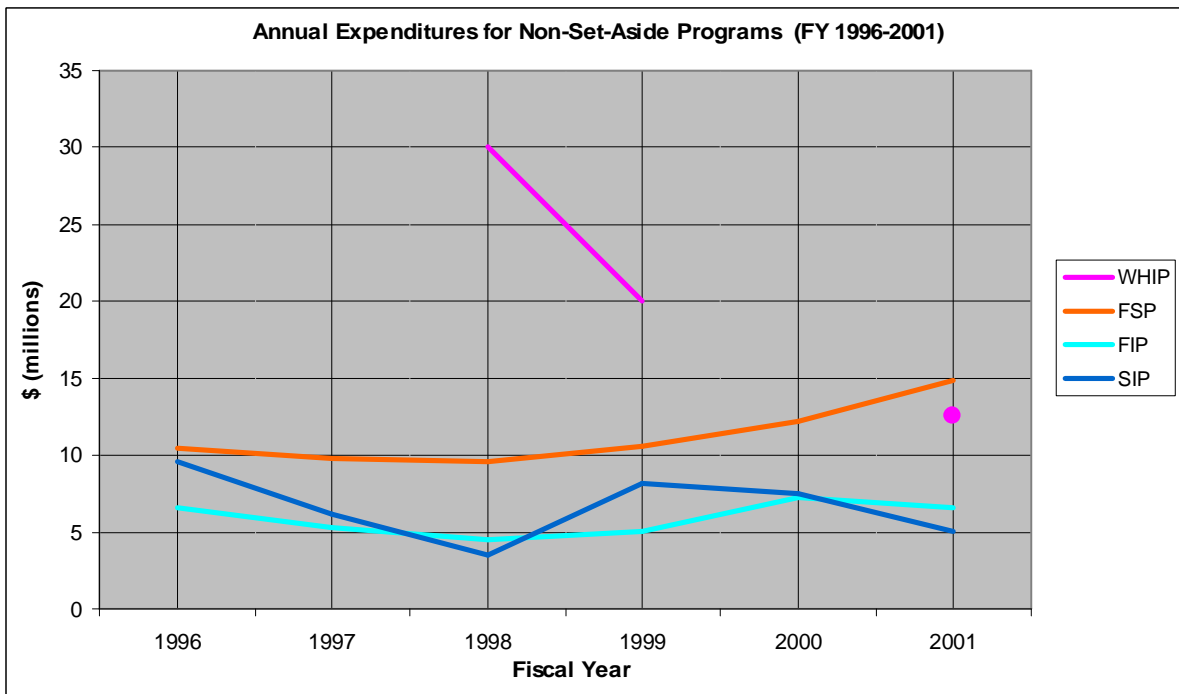


Figure 3.8



Land Area Impacted by Selected Incentive Programs ¹¹

Cumulative Acreage

The cumulative land area enrolled in all resource conservation programs (set-aside and non-set-aside programs combined) from FY 1996 to 2001 was about 84 million acres. Despite their relatively higher level of expenditures, set-aside programs accounted for only about 40% of the total acres impacted across all conservation programs (Figure 3.9). One reason for this is that individual management practices funded through financial and assistance incentives are presumed to impact several acres per practice.

Figure 3.9

	Expenditures	% of Total Expenditures	Acres Enrolled	% of Total Acres
Land Set-Aside Programs	\$12,934,216,466	92.5%	33,615,302	40.2%
Non-Set-Aside Programs	\$1,041,300,289	7.5%	49,997,823	59.8%
Total	\$13,975,516,755	100%	83,613,125	100%

CRP had enrolled about 32 million acres, accounting for about 94% of all set-aside acreage (Figure 3.10), and 38% of the acreage impacted in both set-aside and non-set-aside programs combined. Comparatively, the combined total of FLP, WRP, and FPP easement programs comprised only 2 million acres. In addition, although not shown, the USFWS enrolled about 39,000 acres under the LWCF program for conservation easements between 1996 and 2001.¹²

¹¹ Acreage data were obtained from the agencies referenced in Appendix VIII. See Appendix II for detailed Acreage Data.

¹² Acreage data for the other LWCF implementing agencies (NPS, BLM and FS) were not available. Consequently, the acres impacted by set-aside programs are underestimated.

Figure 3.10

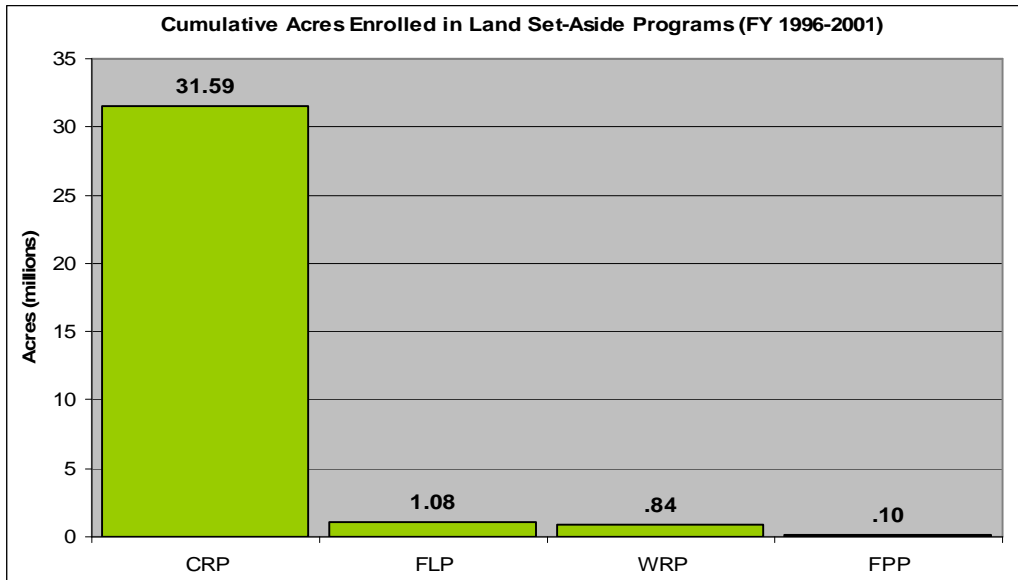
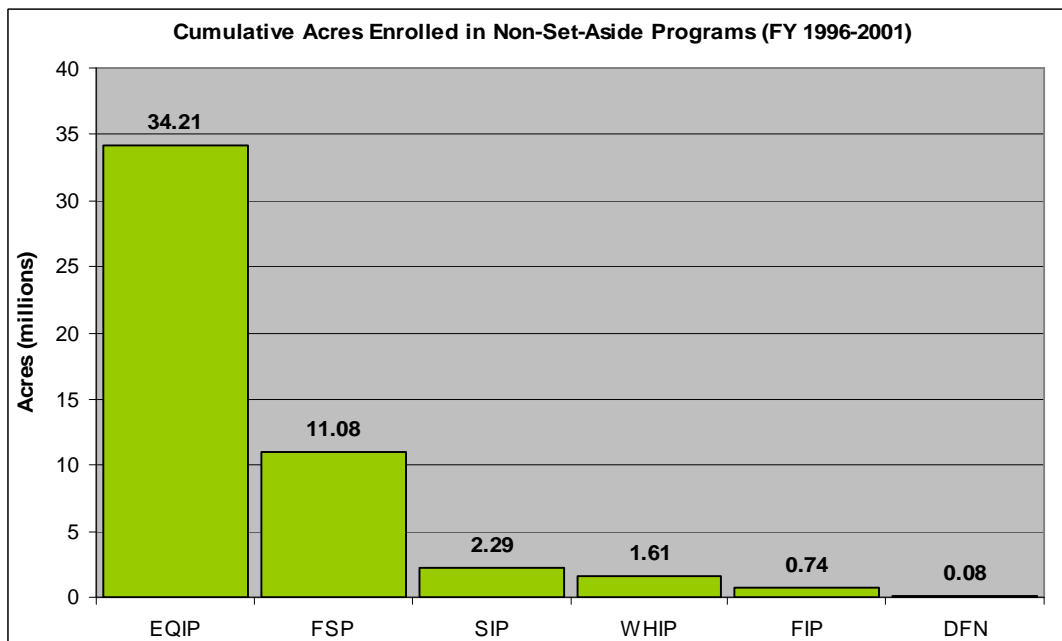


Figure 3.11 shows the cumulative acreage impacted by non-set-aside conservation programs. The acreage for EQIP projects totaled about 34.2 million acres. Forestry-related programs (FSP, SIP, and FIP) accounted for a combined total of about 14 million acres. WHIP covered nearly 1.6 million acres, and DFN 82,500 acres.

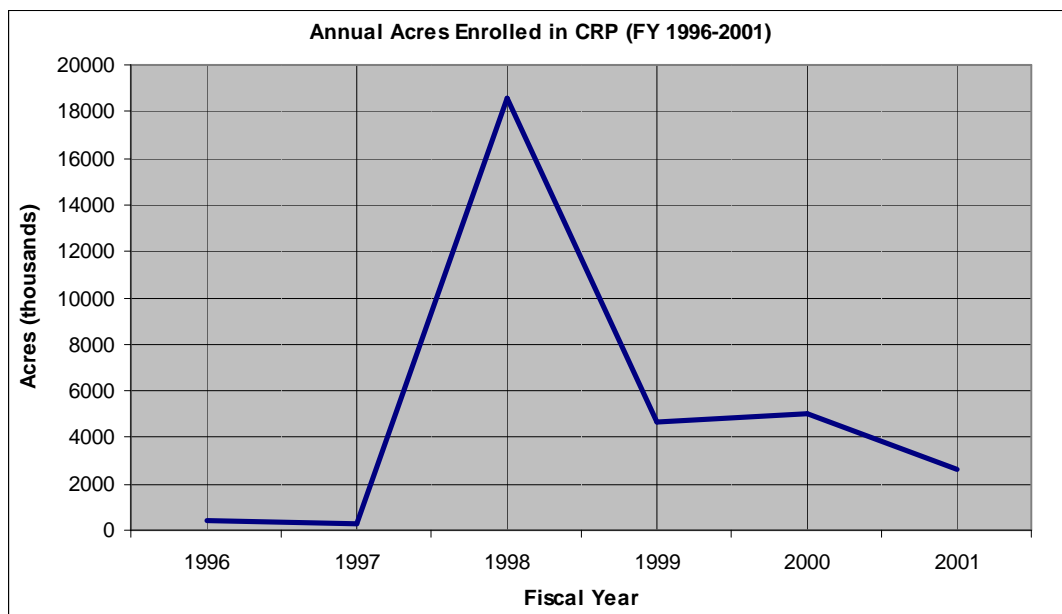
Figure 3.11



Annual Acreage Enrollments

Figures 3.12, 3.13 and 3.14 show the annual number of acres enrolled for selected land set-aside programs between FY 1996-2001 *in thousands of acres*. From 1996-1997, CRP annual enrollments were below 1 million acres/year, but then climbed to 18.5 million acres in 1998 (Figure 3.11). From FY 1998 to 1999, there was a significant drop in CRP acreage to about 5 million acres. The large fluctuation in CRP acreage can be primarily attributed to the sign-up cycles. For example, a large number of existing 10-15 year contracts expired in 1998 and many of these were renewed.

Figure 3.12



Figures 3.13 and 3.14 show the annual acreage enrolled for the remaining land set-aside programs, which enrolled significantly fewer acres. Annual FLP acreage rose steadily over the six-year period, reaching a peak in 2001 of about 730,000 acres. WRP acres remained fairly constant at about 100,000 acres per year, with the exception of 1998 when enrollment in the program rose to about 200,000 acres. FPP experienced fluctuations in acreage enrollment,

ranging from a low of about 250 acres in 2000 to a high of about 35,000 in 1998 and 2001. The program was not funded in 1999.

Figure 3.13

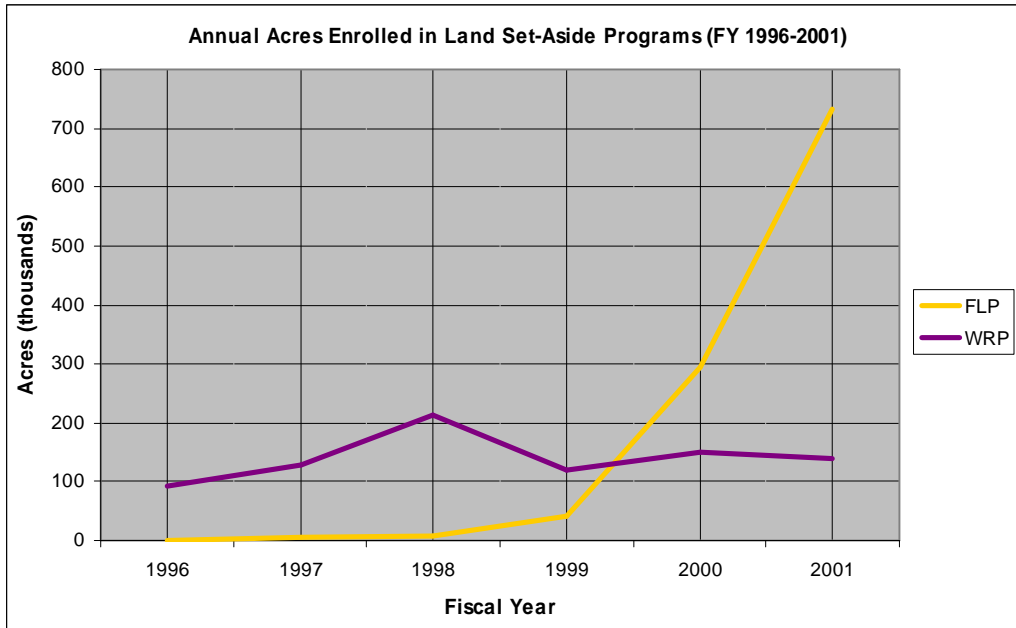
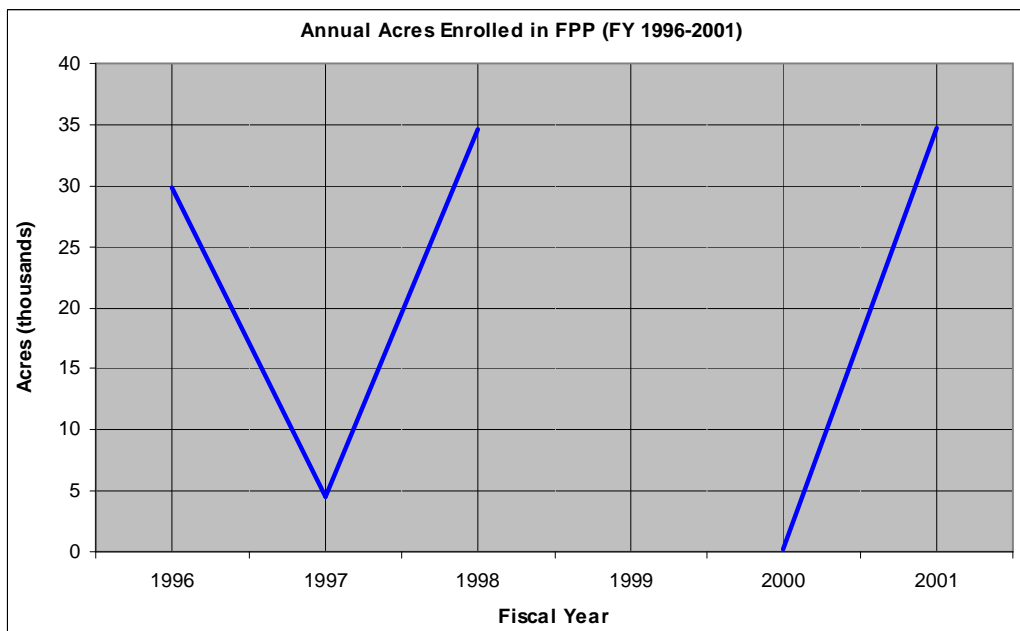


Figure 3.14



Figures 3.15 and 3.16 show the annual acreage enrolled through non-set-aside programs. The annual acreage enrolled by EQIP rose to a high of over 9 million acres in 1998, then decreased to about 7.5 million acres in 2000. FSP annual acreage remained relatively steady over the six-year period, averaging about 1.8 million acres per year. WHIP enrolled about 700,000 acres in 1998 and 1999, and 200,000 in 2001. SIP reached a high of 725,000 acres in 1999, and a low of 190,000 in 2001. FIP, shown in Figure 3.16, enrolled significantly fewer acres each year, ranging between about 100,000 and 150,000 acres.

Figure 3.15

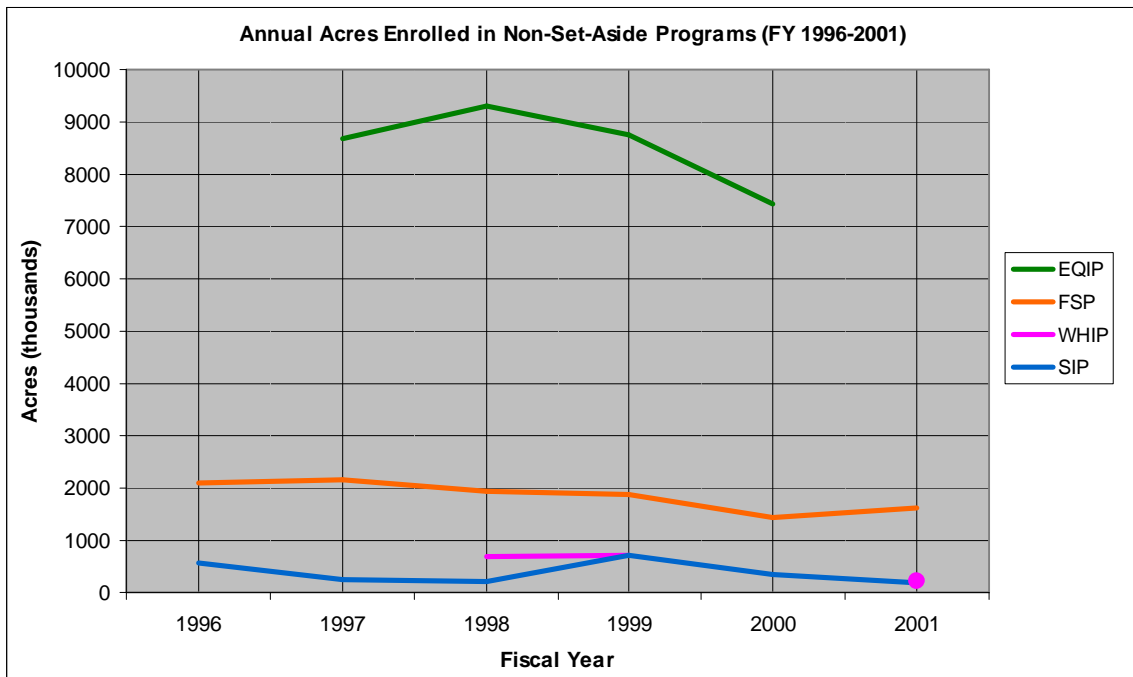
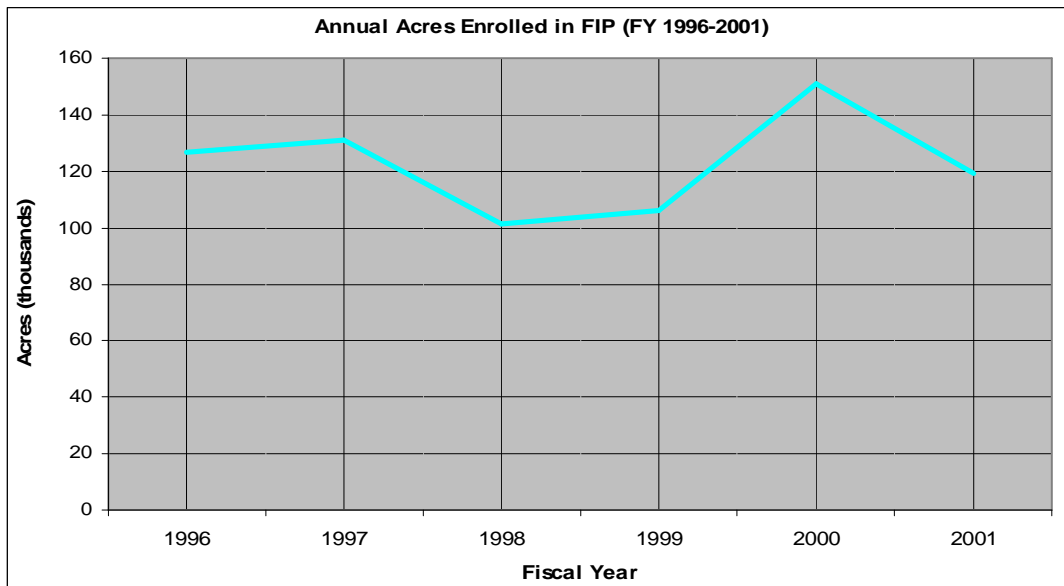


Figure 3.16



Number of Projects Implemented¹³

Cumulative Projects

The total number of projects for all conservation incentive programs from FY 1996 to 2001 was close to 730,000. This figure is reflective of the number of applications accepted or projects implemented under the various conservation programs. Figure 3.17 shows participation levels for four land set-aside programs.¹⁴ Set-aside programs accounted for approximately 70% of applications for all conservation programs combined. CRP had 490,000 participants, or 99% of those enrolled in set-aside programs. WRP had nearly 6,000 participants over the 1996-2001 period, FPP about 550, and FLP 150.

¹³ See Appendix III for more detailed participation data. Landowner participation data were obtained from the agencies listed in Appendix VIII.

¹⁴ Data on the number of projects implemented were not available for LWCF.

Figure 3.17

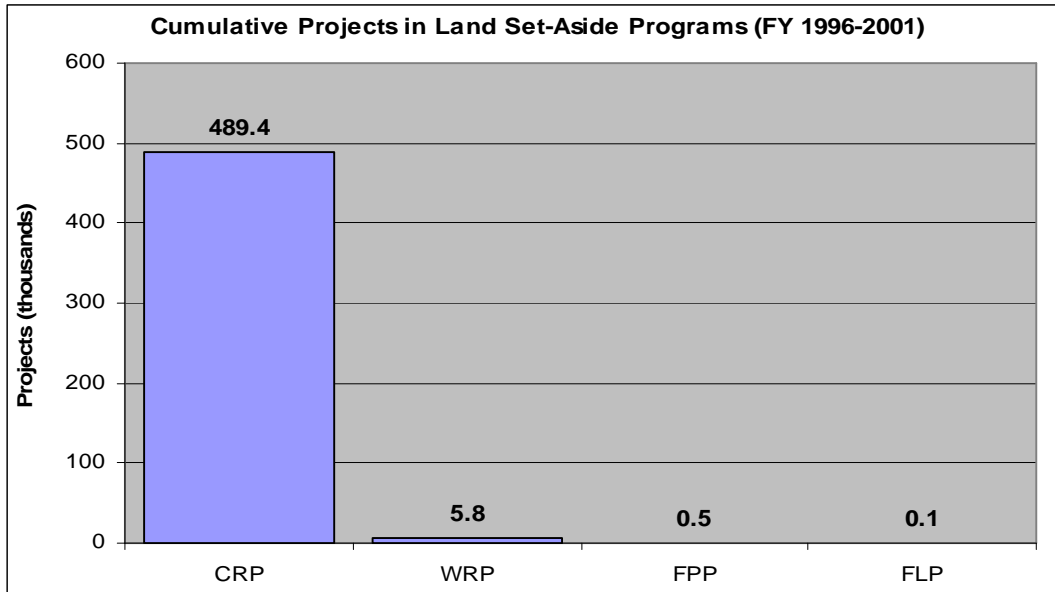
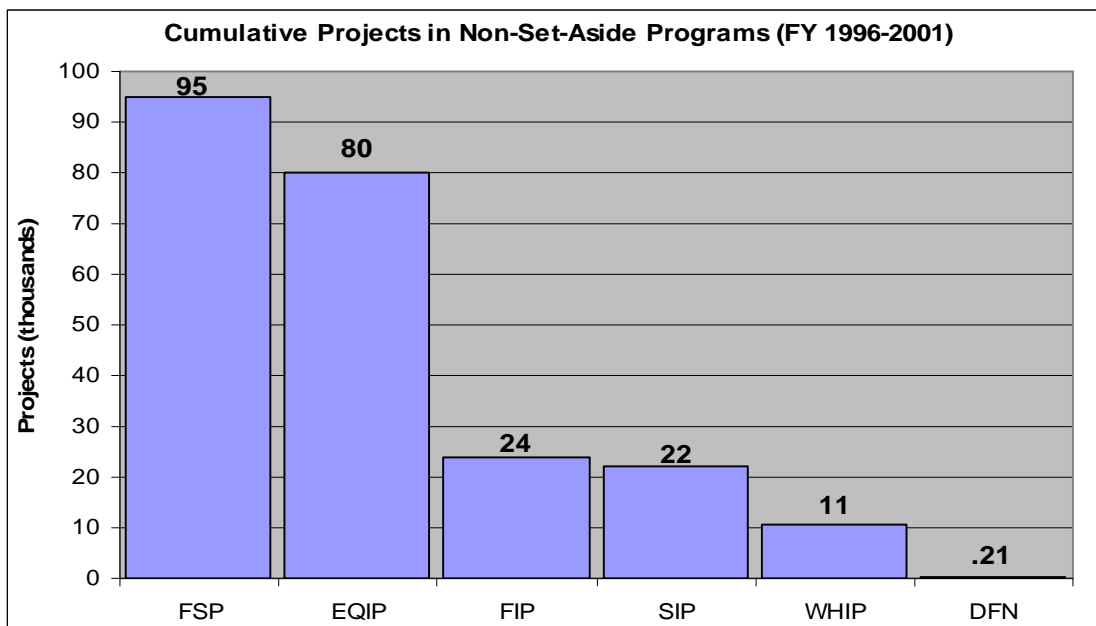


Figure 3.18 shows project levels for non-set-aside incentive programs. Together, FSP and EQIP accounted for about 75% of the 230,000 applications for non-set-aside programs. The forest-related programs (FSP, FIP, and SIP) accounted for 60% (141,000) of these applications. The WHIP program had about 10,700 participants for the years of 1998, 1999 and 2001.

Figure 3.18



Annual Projects

Figures 3.19 and 3.20 show the annual number of projects for selected land set-aside programs between FY 1996-2001 *in thousands of projects*. Figure 3.19 illustrates annual project levels for CRP. The trend in annual CRP landowner participation rates closely follows annual acreage enrollment (Figure 3.12). Over the designated time period, annual CRP enrollments ranged from a low of about 10,000 projects (or contracts) in 1996 to a high of about 220,000 in 1998.

Figure 3.19

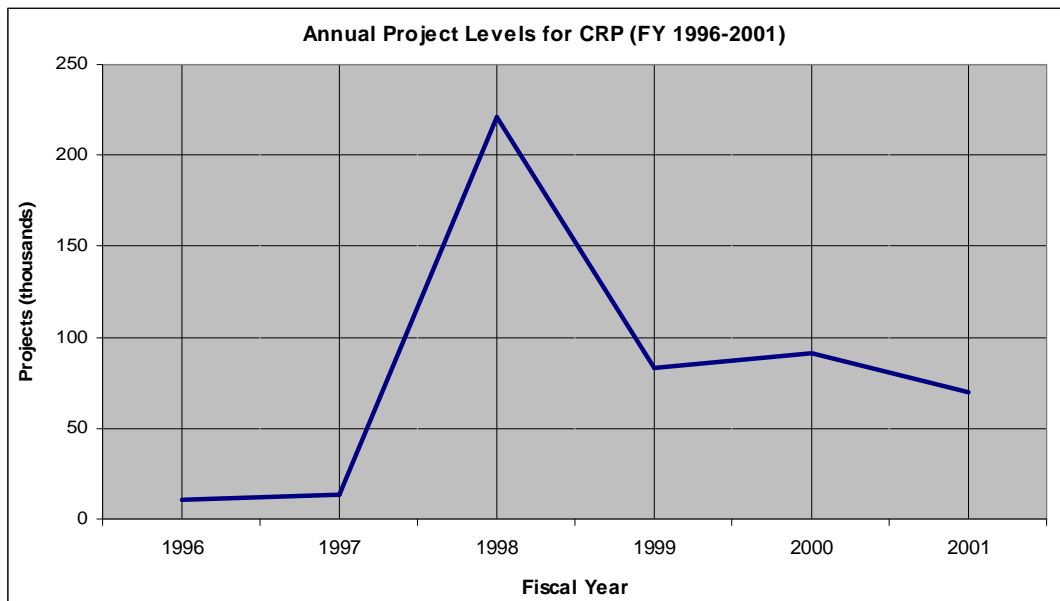


Figure 3.20 shows annual project levels for two remaining set-aside programs.¹⁵ FPP and FLP project levels closely mirror acreage enrollment for the period (Figures 3.14 and 3.13 respectively). These set-aside programs completed very few projects over the period, with a high of about 180 projects in 1998 for FPP, and 55 in 2001 for FLP.

¹⁵ Data for annual number of projects were not available for WRP.

Figure 3.20

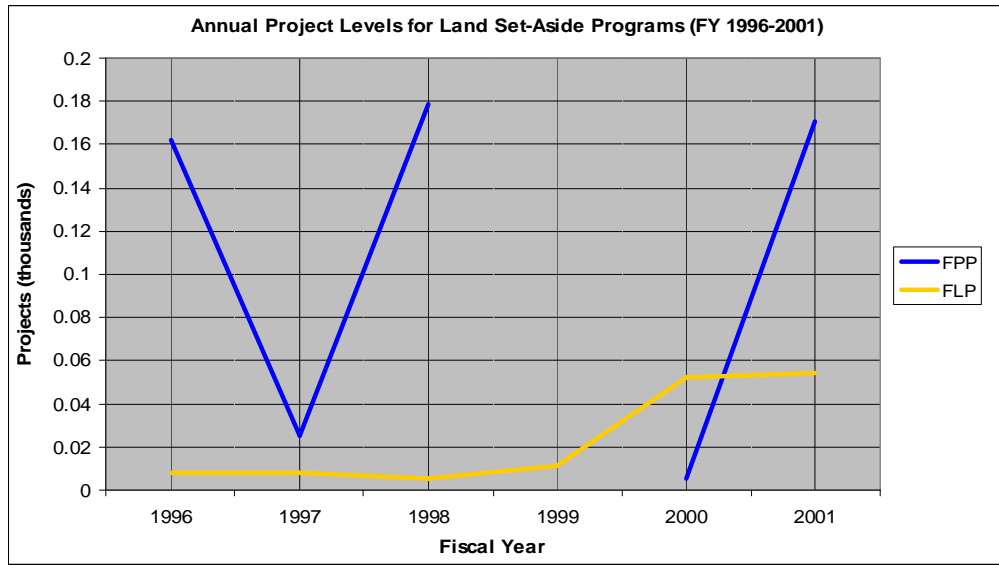
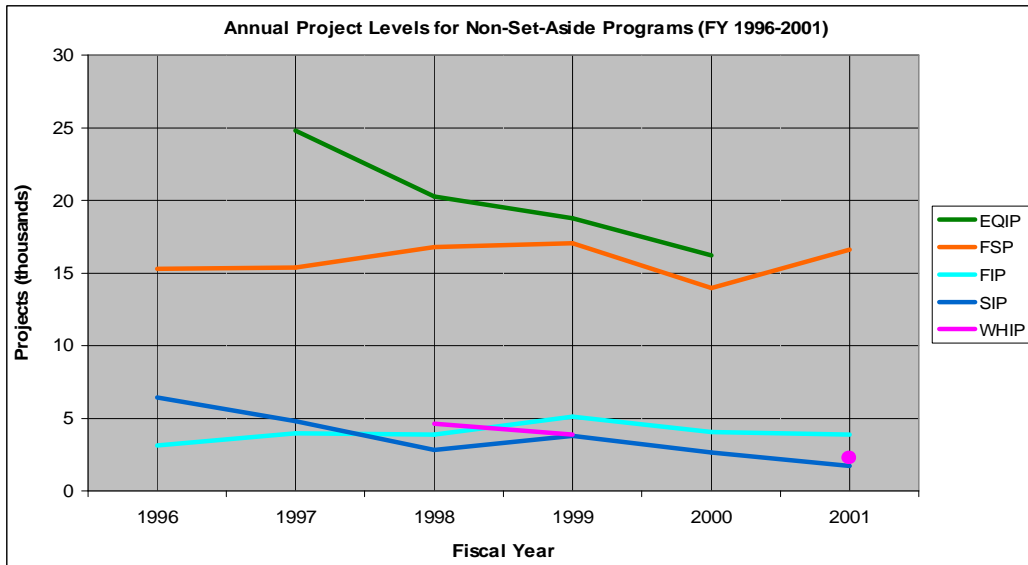


Figure 3.21 shows annual project levels for non-set-aside programs. EQIP enrollment steadily decreased between 1997 and 2000. The annual enrollment rate for FSP remained relatively consistent, with a low of 14,000 in 2000 and a high of 17,000 the year before. FIP, SIP and WHIP all hovered between about 3,000 and 7,000 projects per year over the six year period. These trends also resemble annual acreage enrollments for the programs (Figures 3.15 and 3.16).

Figure 3.21



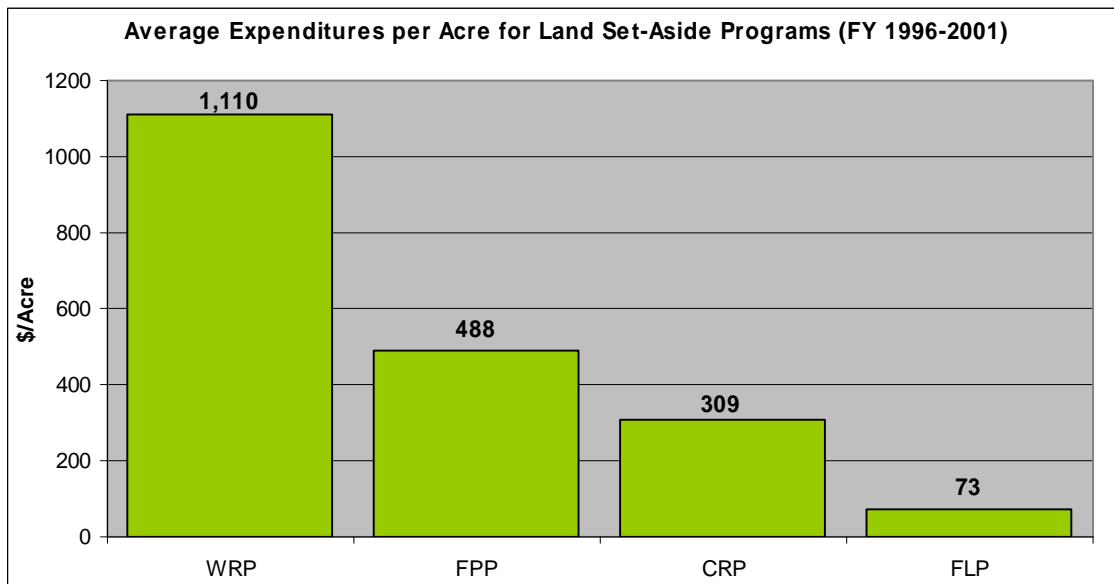
IV. Expenditures and Participation Across Acreage and Projects for USDA Programs¹⁶

Employing the data from Section III, three indicators are used to describe expenditure, acreage, and project enrollment rates for selected conservation incentive programs. These indicators include average expenditures per acre and per participant for both set-aside and non-set-aside programs, and the number of acres per participant. Complete data to construct these indicators were available only for a selected number of USDA conservation incentive programs.

Conservation Expenditures Per Acre

Expenditures per acre are provided for four land set-aside programs in Figure 4.1. The average expenditure for all set-aside programs combined was about \$500 per acre between FY 1996 and 2001. On average, expenditures for WRP easements were more than double that of FPP easements. CRP spent about \$309 per acre, and FLP spent the least at \$73 per acre.

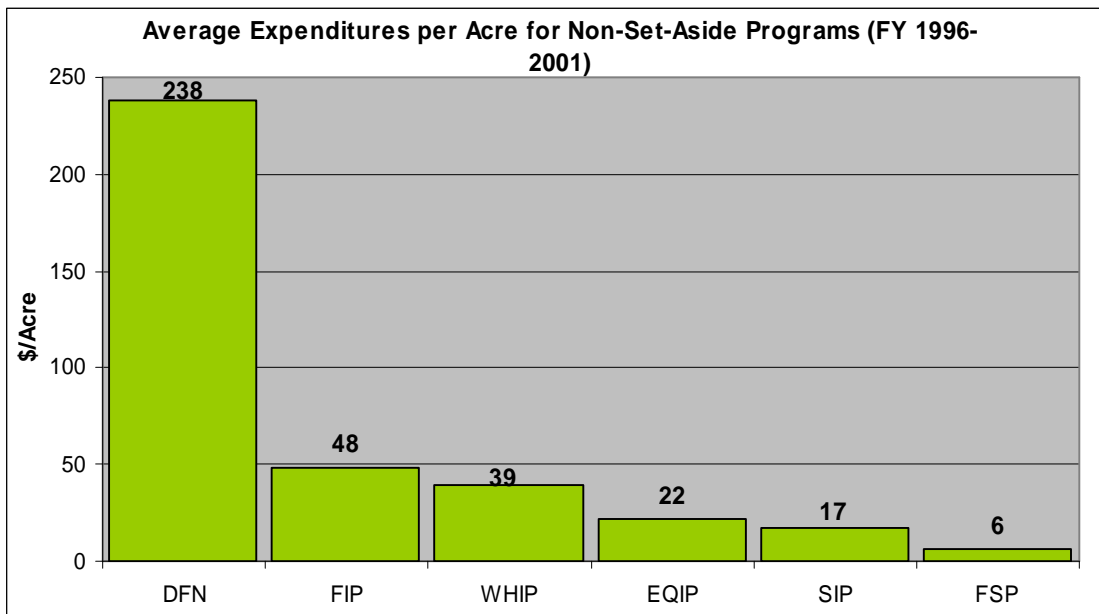
Figure 4.1



¹⁶ The information contained in this section is not designed to make comparisons across programs. Clear inferences cannot be made from these estimates because programs provide different environmental benefits, offer different incentives, and maintain distinct purposes for conservation. Furthermore, there is a complex set of interactions among programs that influences the results. See Appendix IV for Program Rate Data.

Expenditures per acre for non-set-aside programs are shown in Figure 4.2. Average expenditures across all programs in this category were about \$60 per acre, nearly 8 times less than the average for set-aside programs. The Debt for Nature program averaged the most at about \$240 per acre. FIP averaged nearly \$50 per acre, and WHIP about \$40 per acre. EQIP and SIP averaged \$22 and \$17 per acre respectively, and FSP averaged the least at about \$6 per acre.

Figure 4.2



Conservation Expenditures per Project

Average expenditures per project for the FY 1996-2001 period for land set-aside programs are shown in Figure 4.3, *in thousands of dollars*. Across all set-aside programs, the average payment per project was about \$250,000. Average FLP expenditures were the highest at about \$730,000 per project, followed by WRP at \$160,000 and FPP at \$94,000. CRP land rental expenditures averaged the least in this category at \$20,000 per project. The large differences in expenditures between CRP and the other programs may be explained by two factors: first, annual CRP land rental rates are less expensive compared to the long term and permanent easements

offered by the other programs; and second, CRP projects are smaller in acreage size than other programs, therefore decreasing the average cost per project.

Figure 4.3

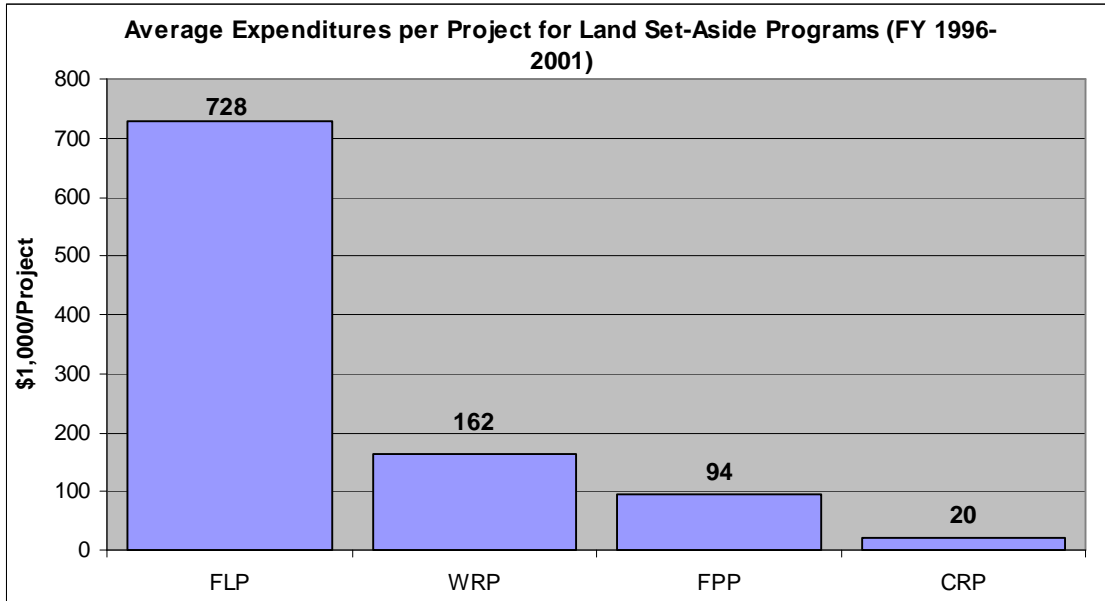
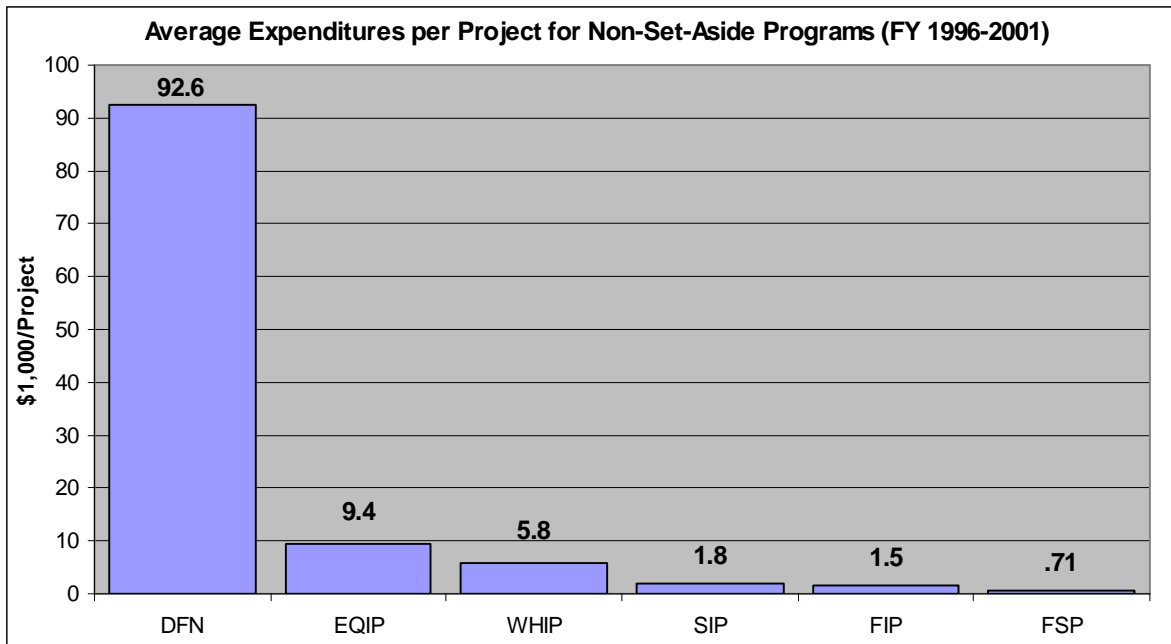


Figure 4.4 shows average expenditures per project for selected non-set-aside conservation incentive programs. DFN spent the most per project at about \$93,000. All other non-set-aside programs combined averaged only about \$4,000 per project. EQIP and WHIP averaged about \$9,000 and \$6,000 per project, respectively. The three forestry-related incentive programs (SIP, FIP, and FSP) spent relatively minor amounts, between \$700 and \$2,000 per project.

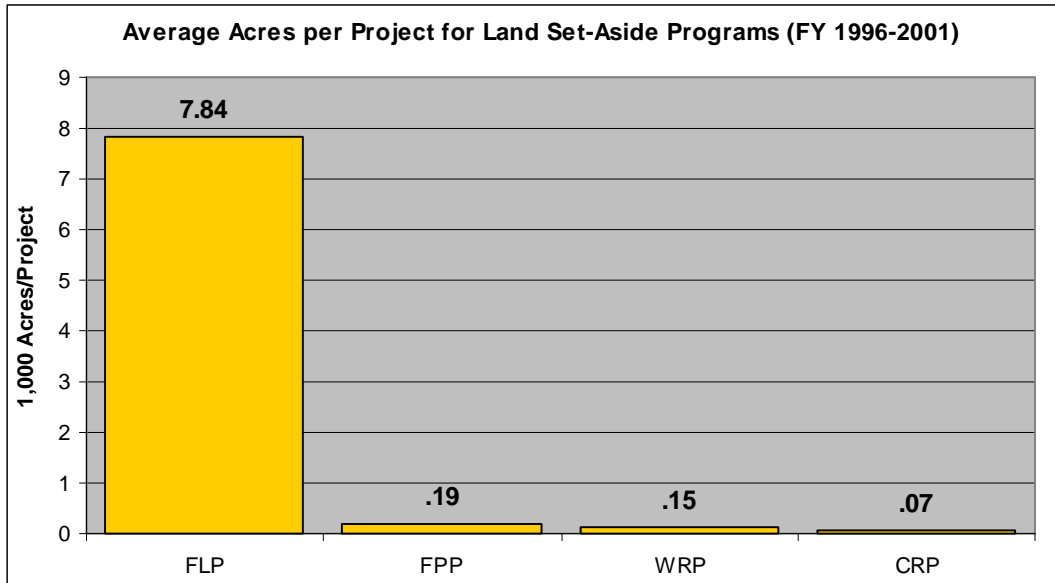
Figure 4.4



Conservation Acreage per Project

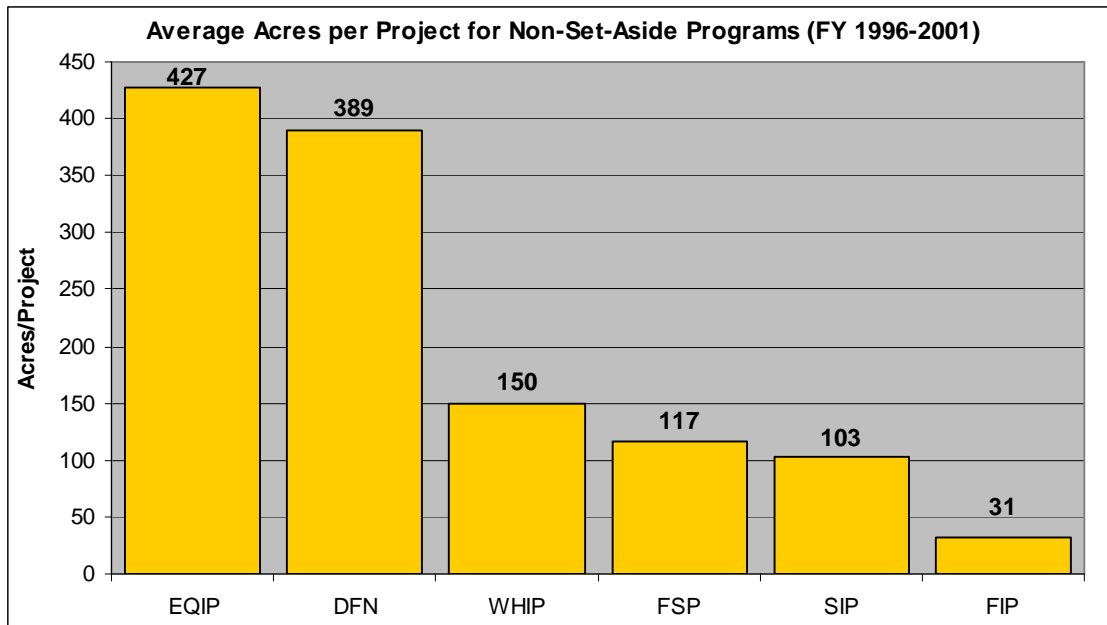
Figure 4.5 shows average acres enrolled per project for land set-aside programs from FY 1996-2001, *in thousands of acres*. FLP had the highest average number of acres enrolled per project among land set-aside programs with close to 8,000 acres per project. The other three land set-aside programs averaged only about 130 acres per project. CRP enrolled the least at about 70 acres per project.

Figure 4.5



The average number of acres enrolled per project for non-set-aside conservation incentive programs are illustrated in Figure 4.6, *in acres per project*. Acreage enrollment was highest for EQIP at about 430 acres per project, followed by DFN with almost 400. WHIP projects covered, on average, about 150 acres. The least amount of acreage was registered for the three forest-related incentive programs, ranging from 117 to 31 acres per project, suggesting that relatively small areas were impacted on any one operation.

Figure 4.6



V. Surplus Demand for Selected Conservation Incentive Programs

This section provides information that can be interpreted as surplus demand for a limited number of conservation incentive programs.¹⁷ Despite extensive landowner participation in many conservation programs over the FY 1996-2001 period, not all applications could be funded. Indicators of surplus demand are represented by the number of unfunded applications, the number of acres these applications could have impacted, and the amount of funding that would have been required for project implementation. Because unfunded applications in one year may be resubmitted and turned down again in the following year, there may be some double-counting in the backlog figures.

Of the four programs discussed here, annual backlog statistics are only available for EQIP and FPP. For WRP and WHIP, FY 2001 backlog estimates represent cumulative surplus demand that accounts for the FY 1996-2000 period. Over this time period, WRP had 3,000 unfunded applications that would have covered about 525,000 acres for a cost of nearly \$580 million. WHIP had 2,500 unfunded applications, covering 255,000 acres, with more than \$15 million needed in additional funding.

Figure 5.1 shows the annual number of unfunded EQIP contracts for each year during the FY 1996-2000 period, *in thousands of applications*. Unfunded applications rose to a peak at about 60,000 in 1998, and then decreased to 38,000 in 2000. Figure 5.2 shows the annual acreage backlog for EQIP for the same time period, *in millions of acres*. The backlog peaked in 1998 at about 20 million acres, and then decreased to nearly 12 million acres in 2000.

¹⁷ Surplus demand data were only available for four NRCS conservation incentive programs: FPP, WRP, WHIP, and EQIP.

Figure 5.1

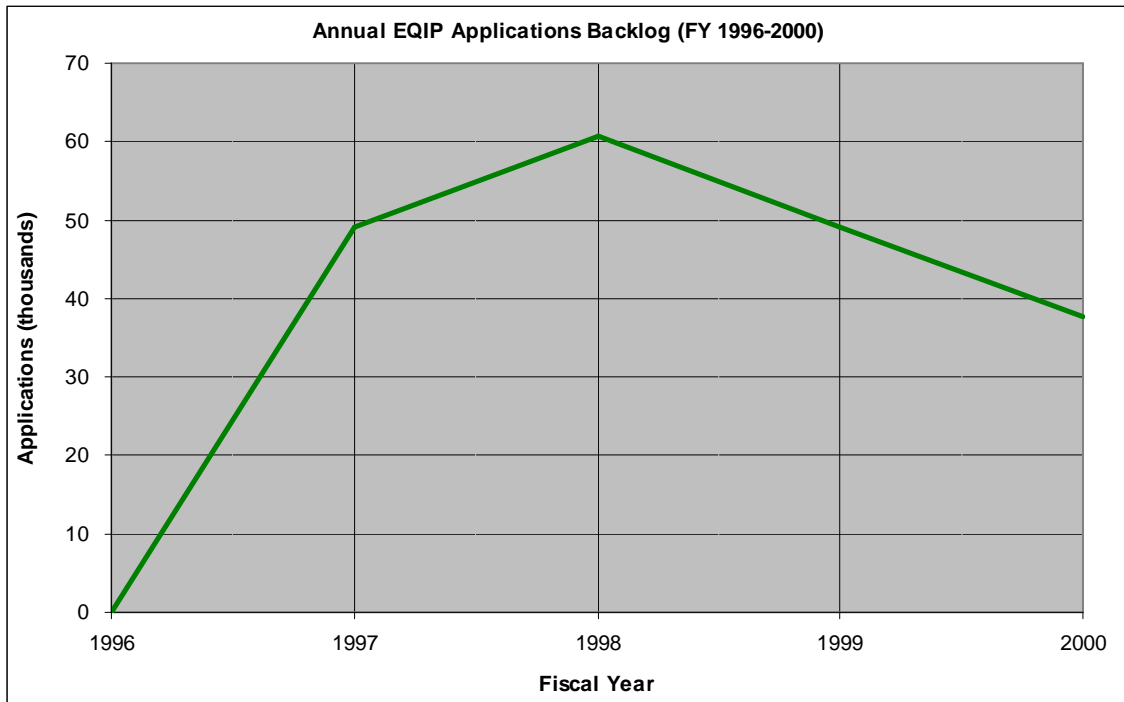


Figure 5.2

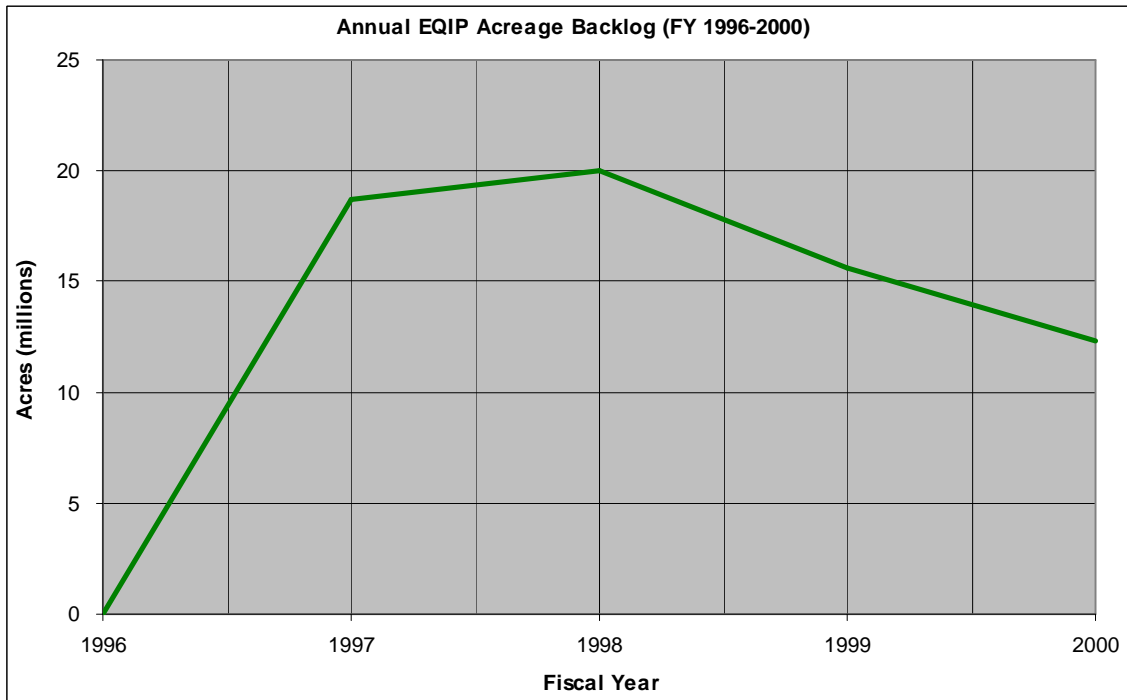


Figure 5.3 illustrates the annual unfunded applications for FPP from FY 1996-2000, *in number of applications*. The FPP backlog decreased from nearly 420 in 1996 to a low of 70 in 1997, and 250 applications over the 1998-2000 period. The program received no new appropriations in 1999 or 2000 (although it received an earmark of \$250,000 from Congress in 2000), thus backlog from 1998 remained during those two years. Figure 5.4 shows a backlog of about 99,000 FPP acres in FY 1996, which then decreased to a low of 5,000 in 1997, and then remained at about 53,000 acres over the 1998-2000 period.

Figure 5.3

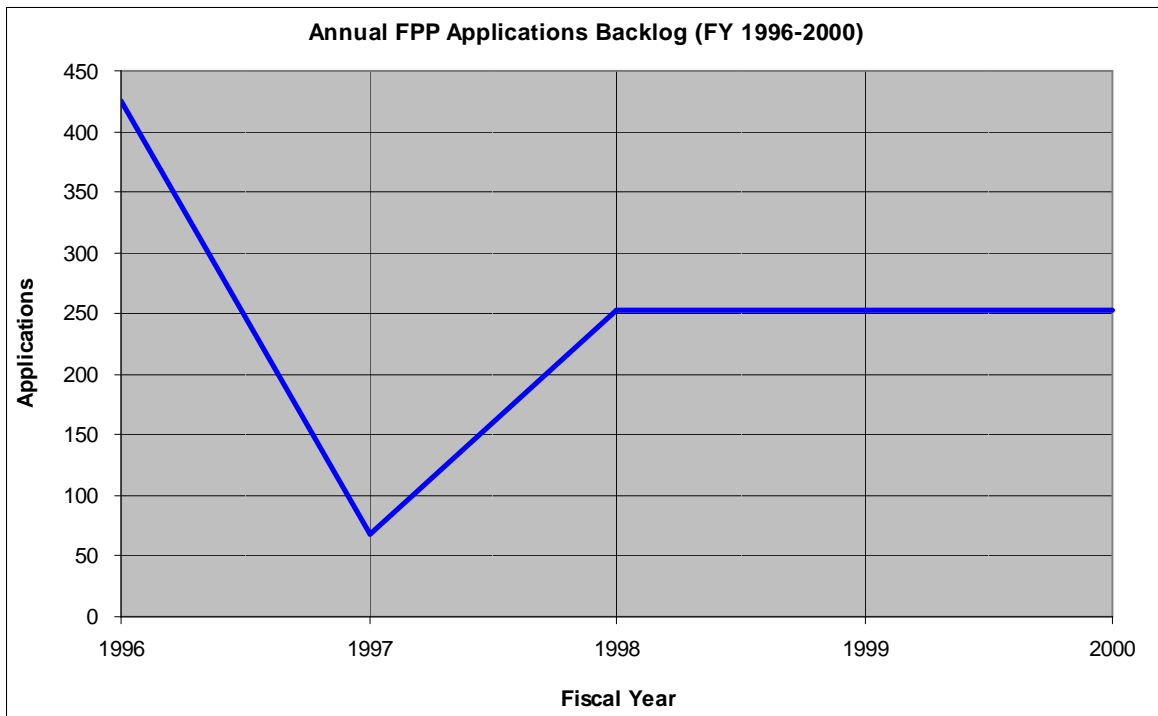


Figure 5.4

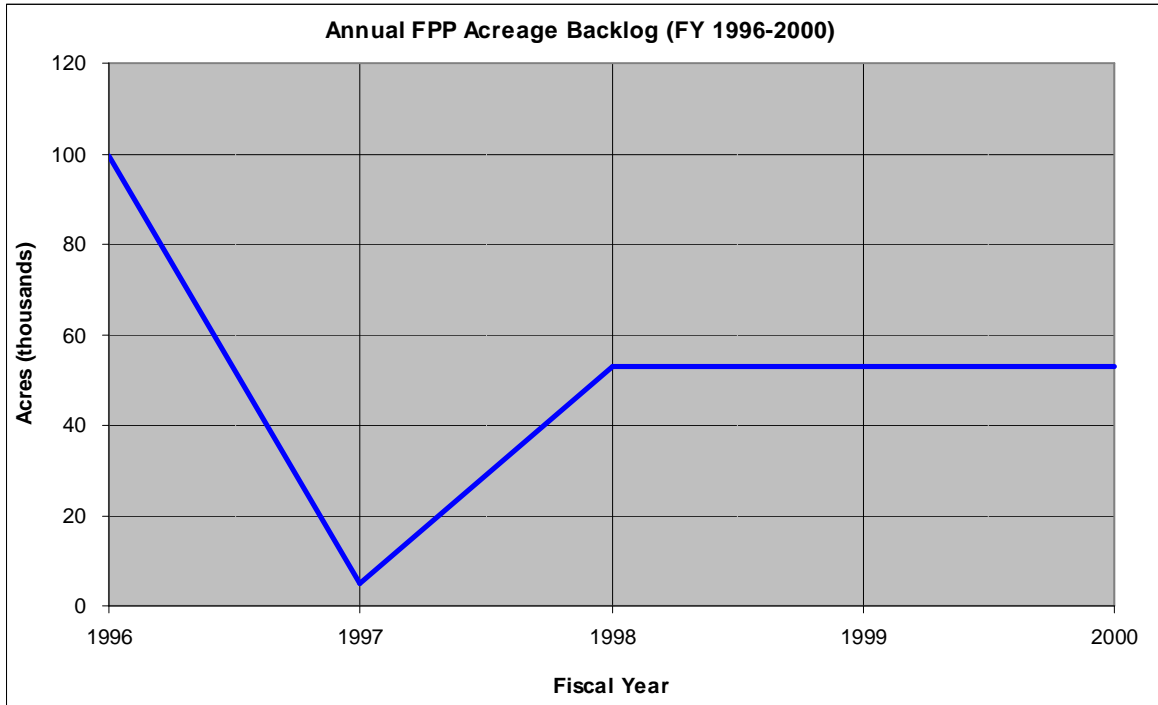


Figure 5.5 shows the annual amount of funding that would have been required to accommodate surplus demand for both EQIP and FPP for the FY 1996-2001 period, *in millions of dollars*. EQIP's funding backlog peaked in 1998 at about \$425 million, then decreased to almost \$270 million in FY 2000. FPP had its highest funding backlog in the first year of the 1996 Farm Bill at about \$115 million. From 1998 through 2000, the annual FPP backlog remained steady at almost \$45 million, but then increased to \$90 million in 2001.

Figure 5.5

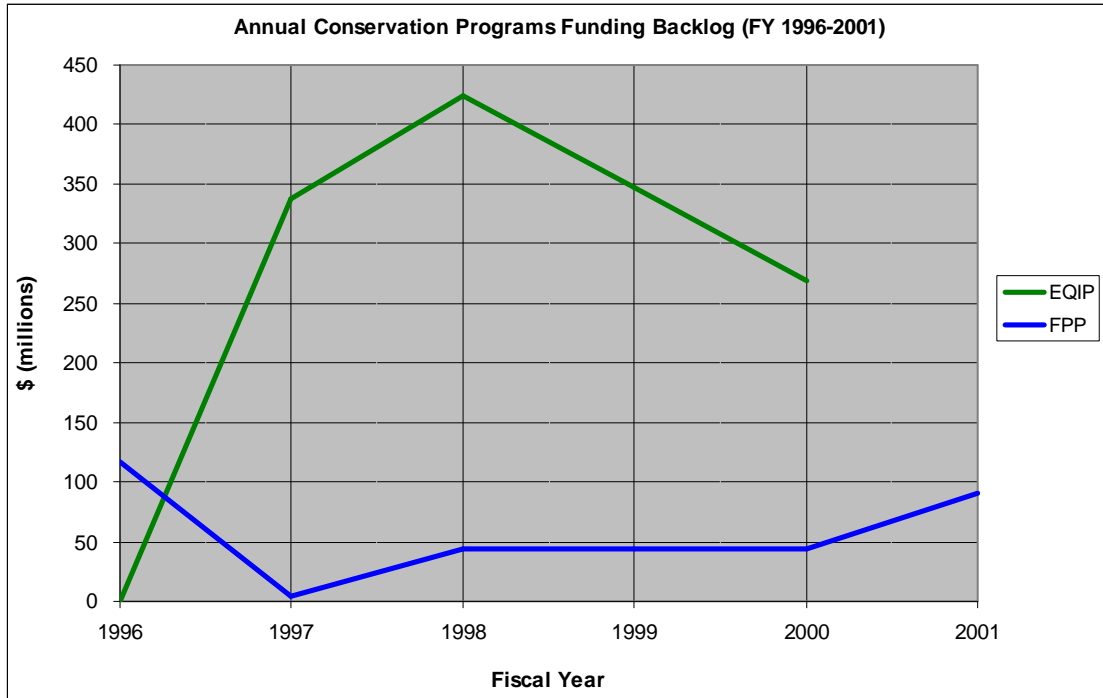


Figure 5.6 shows the cumulative number of unfunded applications compared to the number of projects that were actually accepted from FY 1996 to 2001 for EQIP, WRP, WHIP and FPP, *in thousands of applications*. Total demand for each program is the sum of unfunded and accepted projects, which amounts to about 300,000. Only 97,000 projects were accepted, which amounts to 32% of the total demand. For EQIP, only 29% of the total number of applications received between FY 1996 to 2001 were funded. For WRP, WHIP, and FPP, funded applications represented 65%, 81%, and 30% of the total number of requests, respectively.

Figure 5.6

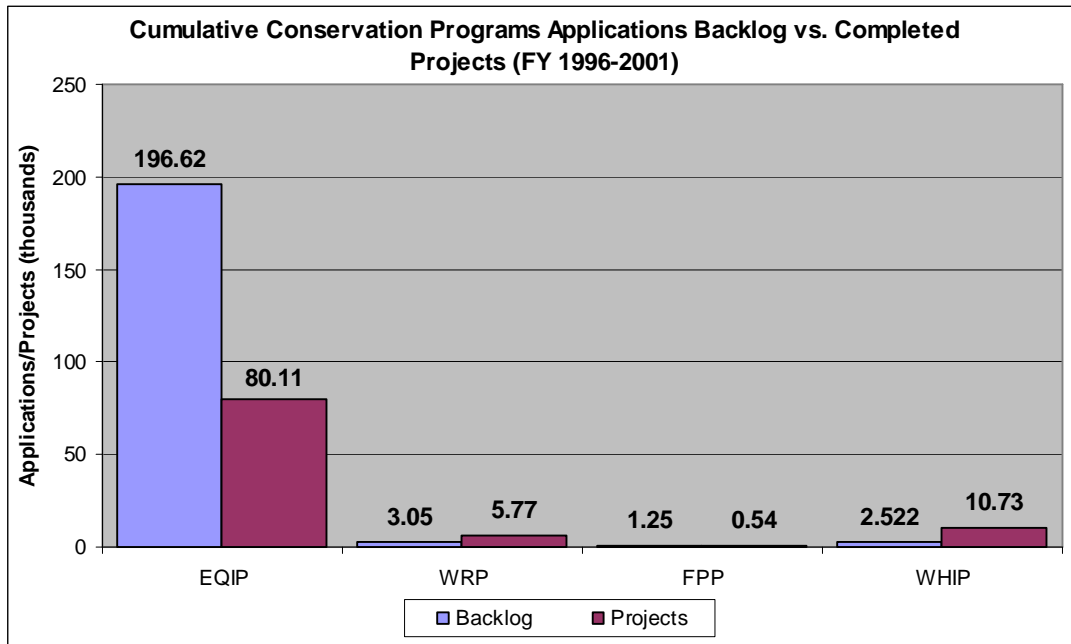


Figure 5.7 shows the cumulative number of acres that would have been covered by the unfunded applications compared to the number of acres that were actually enrolled in the programs from FY 1996 to 2001, *in millions of acres*. The total number of acres submitted was 104 million. Only 37 million acres were enrolled, or 36% of the total. Of the nearly 100 million acres offered under EQIP projects from FY 1996 to 2001, only 34% were covered under funded projects. For WRP and WHIP, 61% and 86%, respectively, of the total acreage offered for sign-up were enrolled in those programs. FPP acres enrolled represented only 28% of the total acreage offered.

Figure 5.7

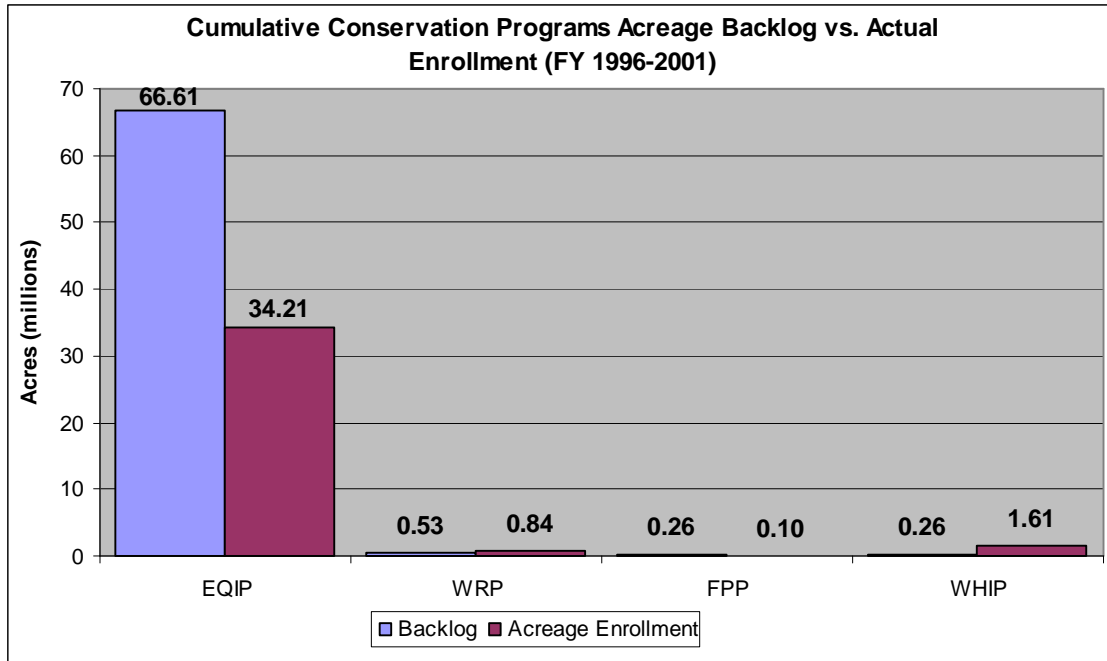
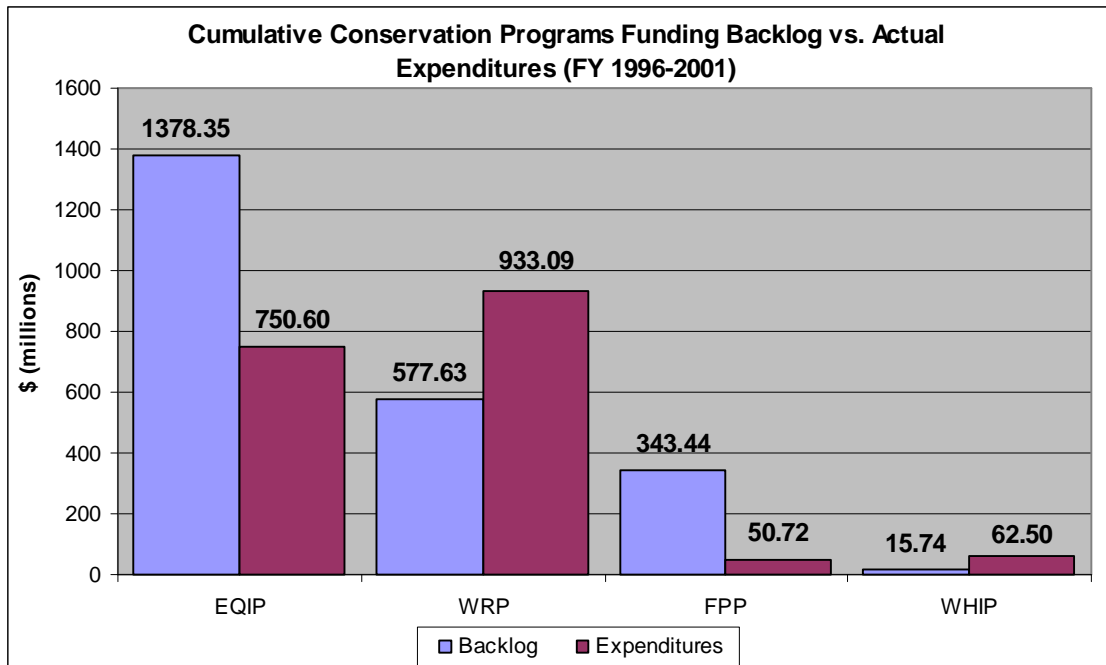


Figure 5.8 shows the cumulative amount of funding that would have been needed to pay for the backlog projects in comparison to the actual amount that was spent under EQIP, WRP, WHIP and FPP from FY 1996-2001. For all of these programs combined, funded and unfunded projects together were estimated to cost about \$4.1 billion. Funded projects amounted to about \$1.8 billion, or nearly 44% of total demand. There is, however, a significant level of variation between the programs. For instance, FPP and EQIP were funded at 13% and 35% of the total costs represented by all applications, respectively. On the high end, WRP and WHIP expended nearly 62% and 80%, respectively, of the total requested amounts for applications in those two programs.

Figure 5.8



Summary

The overall situation of surplus demand for the selected conservation programs can be summarized with a few observations. In FY 2000, EQIP had about \$175 million in project expenditures. However, in the same year, there were also approximately 38,000 unfunded applications, covering 12 million acres, with \$270 million required in additional funding. All the funding authorized in the 1996 Farm Bill for FPP was expended in 1997 and 1998, and unmet demand from 1998-2000 remained at nearly \$45 million for over 50,000 acres. Combined, surplus demand for WRP and WHIP affected 780,000 acres of land, requiring close to \$600 million to pay for an estimated 5,500 backlogged applications.

In total, from FY 1996 to 2001, EQIP, WRP, WHIP, and FPP accumulated 203,000 backlogged applications, covering over 67 million acres, and with more than \$2 billion in new funding required. Actual expenditures for these four programs combined was about \$1.8 billion,

or about 44% of the \$4.1 billion requested. In terms of numbers of applications, acres, and cost, the ratio of funded projects to total requests was typically higher for WRP and WHIP (ranging from 60%-86%), compared to EQIP and FPP where the range ran between 13% and 35%. In addition, there is anecdotal evidence that other resource conservation programs also experienced large surplus demand, indicating that incentive programs would have been more broadly utilized by private landowners if increased funding and technical assistance had been available.

VI. Federal Tax Incentives for Conservation¹⁸

In contrast to the incentive mechanisms discussed in previous sections of this report, detailed information on the financial implications, land area impacted, and landowner participation rates for federal tax incentive programs were not available. Nonetheless, federal tax incentives are no doubt an additional mechanism that encourages many landowners to participate in resource conservation programs. This section describes the tax incentives offered by the federal government that can positively impact habitat conservation on private land. Tax mechanisms provide additional benefits with respect to participation in either land set-aside programs (in the form of easements) or changes in land management practices that have environmental benefits.

Conservation Easements

Income Tax

A conservation easement donated to a qualifying organization may be determined to be a charitable gift, which entitles the landowner to deductions on his/her income tax return. Section 170(h) of the Internal Revenue Code (IRC) defines the conditions which must be met in order for a donated conservation easement to qualify (Michigan State University). Up to 30% of the landowner's gross income may be deducted each year for six years. If a claim is made for more than \$5,000 for donated property, the landowner is required to obtain a qualified appraisal, as defined by the Internal Revenue Service (IRS).

¹⁸ Updated information on tax incentives for conservation is available at www.timbertax.org and www.lta.org/publicpolicy/care_incentives.htm.

Estate Tax

Section 2055(f) of the IRC allows donations of qualifying conservation easements to be deducted from the taxable estate of the landowner. There are several conditions that must be met for a donated conservation easement to qualify for these benefits, including the conditions of section 170(h) of the IRC (Land Trust Alliance). A maximum of 40% of the land value with an easement may be excluded from the taxable estate, up to \$500,000. These benefits are available for easements that reduce the fair market value of property by at least 30%.

Property Tax

Depending on location, the type and quality of resources affected, and competing uses, conservation easements can sometimes reduce fair market property values, with a resulting decrease in property taxes. The amount by which property taxes decrease depends mostly on how valuable the property is without an easement. Areas facing development encroachment and high population growth are likely to have the largest savings in property taxes.

Land Management Practices for Conservation

Income Tax

Section 175 of the IRC enables landowners who conserve soil and water to deduct relevant expenses on their income tax return, as long as the land is, or was at some time used for farming (Haney et al.). The deduction for soil and water conservation expenses can be no more than 25% of the landowner's annual gross income from farming. If the expenses are greater than 25%, the remainder can be carried over and used in the next tax year. The deduction can only be made if the expenses are consistent with an approved NRCS, or comparable state agency, plan.

In addition, only certain conservation practices qualify for the deduction (U.S. Department of the Treasury).

Section 126 of the IRC allows landowners to exclude from their gross income all or some of the cost-share payments received from federal and state government conservation programs, if certain conditions are met (Haney et al.). The IRS, NRCS and FSA determine which programs, practices, and cost-share payments qualify. Examples of programs that qualify include EQIP, FIP, SIP, WRP and WHIP. The maximum amount that can be excluded is the greater of 10% of the prior average income from the affected acres, or \$2.50 multiplied by the number of affected acres, both in terms of present fair market value. The greater of the two calculations must be smaller than the value of the cost-share payment, otherwise it is considered to significantly increase the annual income derived from the property, and cannot be excluded (U.S. Department of the Treasury).

VII. Summary and Conclusions

The main purpose of this report has been to provide a baseline description of conservation activity over a specific time period in order to make comparisons with the future demand for federal conservation incentive programs. The data presented here are more representative of conservation effort rather than indicative of the effectiveness or efficiency of federal incentive programs in achieving resource conservation. A secondary purpose has been to provide an understanding of recent trends in conservation effort, provide descriptions of conservation programs, and indicate where more information can be obtained about program status.

Between FY 1996 and 2001, thirty-two federal resource conservation programs offered a variety of incentives for private landowners to restore and conserve wildlife habitat, soil, and water resources. In addition to land set-aside payments and financial and technical assistance for implementing conservation practices, there were also tax incentives for landowners engaging in conservation activities. Most incentive programs have an indirect, rather than direct impact on habitat or species conservation. Only WHIP and the Partners for Fish and Wildlife program are devoted to wildlife protection and habitat conservation. Goals of other programs include soil conservation, farmland/open space protection, and water quality protection.

Over the FY 1996-2001 period, the USDA (through the NRCS, FSA, and USFS), managed the majority of federal conservation incentive programs (60%) for crop, livestock and forestry producers. In terms of mechanisms, cost-share assistance was the most widely available, followed by technical and educational assistance, grants and incentive programs that offered financial assistance over-and-above cost-share payments.

From FY 1996-2001, significant levels of resources were devoted to resource conservation on private lands. Total expenditures across all conservation programs has been estimated at close to \$14 billion. The land enrolled or impacted amounted to almost 84 million acres and included close to 730,000 individual project applications. Yet, surplus demand still existed for selected programs for which data were available. For FPP, EQIP, WHIP, and WRP combined, over 200,000 applications could not be funded. Actual expenditures for these four programs alone represented only 44% of total demand.

The scale of resource conservation effort as measured by expenditures, acreage enrolled, and number of projects has been significant and has provided some benefits to wildlife habitat, soil and water conservation. However, the positive impacts of resource conservation programs on wildlife species and their habitats are mostly indirect. For example, of the nearly 84 million acres impacted by farm-related conservation programs from FY 1996-2001, only 1.6 million acres (less than 2%) were uniquely dedicated to habitat conservation or restoration via the WHIP program. Although CRP has probably had secondary benefits for specific species and wildlife habitat, its major resource conservation concern has focused on soil erosion. Direct expenditures for protecting and restoring wildlife habitat on private lands (through WHIP and the Partners for Fish and Wildlife program) from FY 1996-2001 are estimated at about \$131 million, accounting for 1% of total resource conservation spending. WRP has been used extensively for habitat restoration with apparent significant benefits to wildlife. However, the wildlife impacts of the WRP program have not been documented.

To derive some indication of the long term viability of federal programs on wildlife habitat conservation it is instructive to look at the relative importance of permanent versus temporary land set-aside programs. For example, of the 84 million acres subject to some type of

resource conservation action over the 1996-2001 period, about 33.6 million acres (40%) were in some type of land set-aside program. However, 94% of the land in set-aside status came under the CRP which offers temporary 10-15 year rental contracts. Depending on land markets and the economic forces of production agriculture, land that may have developed into good habitat may once again be converted to more intensive uses that are not compatible with species or ecosystem conservation. Nearly 50% of the current acreage now in CRP is up for contract renewal in 2007. Depending on crop prices, some of this land could be brought back into crop production.

Most of the conservation incentive programs potentially provided benefits to habitat and species conservation (directly or indirectly). We say “potentially” because there has been no thorough monitoring effort for measuring biological responses to specific conservation programs or management practices.¹⁹

Despite a lack of analytical detail, the data presented here lends itself to a few summary observations and recommendations. First, it is obvious that there are a substantial number of incentive programs that private landowners can take advantage of if they are eligible, including the federal incentives discussed here and a montage of state incentives not covered in this report. There are both advantages and disadvantages to having such a large number of incentive mechanisms. One advantage is that land owners have added flexibility in applying the various incentive mechanisms that best fit their land characteristics and economic conditions. A major disadvantage is the extremely high information costs associated with deciding which incentive mechanisms may be appropriate and the variable eligibility requirements for participation in each program. It would be more effective and efficient if there were one overall resource

¹⁹ One recent study by NRCS and the Wildlife Habitat Management Institute (Heard, et. al) summarized research literature on the wildlife impacts of USDA conservation programs and management practices, but the results were described as inconclusive or incomplete.

conservation program with uniform eligibility criteria whereby landowners could choose from a menu of incentives to apply on their lands.

Second, while these programs have no doubt contributed to better resource management, a lack of targeting to effectively address geo-specific resource problems on an adequate scale, including areas that are important for biodiversity and wildlife habitat conservation, results in decreased effectiveness. One way to address this problem would be to offer additional and adequate incentives for landowners to cooperate in resource conservation programs over a large area. The State Wildlife Grants Program, through the Department of Interior, provides funding to the states to complete a comprehensive wildlife conservation plan that may identify important habitat for biodiversity conservation in each state. Linking private landowner incentive tools with state biodiversity plans could help strategically target incentive funding to the most important habitats requiring protection. States are now in the process of developing these plans which must be completed before the end of FY 2005.

Third, with the exception of permanent easements, conservation incentive programs are mostly characterized by temporary land rentals or one-time cost share or incentive payment. Once a practice is installed, there are no incentive mechanisms for maintenance. An exception to this is the Conservation Security Program, a program newly authorized in the 2002 Farm Bill, and due to be implemented in late FY 2004. The CSP is designed to encourage landowners to maintain conservation practices after adoption.²⁰

Lastly, there is a need for monitoring and evaluating the physical and economic impacts of federal resource conservation programs at the eco-regional, watershed, and farm level. Very little data are available to gauge federal conservation program impacts on water quality or wildlife habitat. Consequently, there is a dearth of information on program effectiveness vis-à-

²⁰ See References Section for resources with information on the 2002 Farm Bill conservation programs.

vis the resources being spent on conservation. To partially offset this knowledge gap, the USDA is beginning to develop a Conservation Effects Assessment Program (CEAP) as part of the National Resources Inventory (NRI) to assess environmental outcomes (including wildlife habitat) achieved by conservation programs. However, this effort may not be adequate for measuring habitat, water and soil impacts of specific incentive programs or management practices. In order to more fully analyze federal conservation program contributions to resource enhancement, and to go beyond the descriptive material presented in this report, physical and economic monitoring programs need to be established at a scale that will adequately inform rural land owners, policy makers, and other citizens of the ecological outcomes of conservation investments. In order to develop more effective and efficient programs in the future, adequate funding for monitoring and evaluating the ecological performance of conservation programs is essential.

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Forest Service (FS)

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National Park Service (NPS)

www.nps.gov/nrcr/programs/lwcf/

Natural Resources Conservation Service (NRCS)

www.nrcs.usda.gov/programs/

The Land Trust Alliance

www.lta.org/publicpolicy/taxbenefits.htm

U.S. Department of Agriculture. The 2002 Farm Bill website.

www.usda.gov/farbill/

U.S. Department of the Treasury: *Farmers Tax Guide: For Use In Preparing 2001 Returns*,
Internal Revenue Service: Publication 225: Catalog Number 11049L.

New tax guides are offered every year at www.timbertax.org/

Appendix I. Resource Conservation Program Expenditures

Expenditures for Land Set-Aside Programs

	Annual Expenditures						Total Expenditures	% of Total
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001		
CRP	\$1,718,400,000	\$1,709,500,000	\$1,758,100,000	\$1,485,500,000	\$1,510,500,000	\$1,573,400,000	\$9,755,400,000	75.4%
LWCF	\$96,300,000	\$121,200,000	\$886,800,000	\$300,600,000	\$245,500,000	\$444,200,000	\$2,094,600,000	16.2%
WRP	\$77,000,000	\$118,408,077	\$236,254,091	\$138,370,000	\$181,226,800	\$181,832,000	\$933,090,968	7.2%
FLP	\$2,307,000	\$1,392,000	\$3,947,000	\$6,727,000	\$28,308,000	\$57,724,000	\$100,405,000	0.8%
FPP	\$14,280,076	\$1,920,000	\$17,118,842	No Funding	\$240,000	\$17,161,580	\$50,720,498	0.4%
Total	\$1,908,287,076	\$1,952,420,077	\$2,902,219,933	\$1,931,197,000	\$1,965,774,800	\$2,274,317,580	\$12,934,216,466	100.0%

Expenditures for Non-Set-Aside Programs

	Annual Expenditures						Total Expenditures	% of Total
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001		
EQIP	No Data	\$200,000,000	\$200,000,000	\$174,000,000	\$176,600,000	No Data	\$750,600,000	71.9%
Partners	No Data	No Data	No Data	No Data	No Data	No Data	\$68,037,000	6.5%
FSP	\$10,476,508	\$9,807,632	\$9,616,947	\$10,516,419	\$12,169,792	\$14,808,338	\$67,395,636	6.5%
WHIP	No Funding	No Funding	\$30,000,000	\$20,000,000	No Funding	\$12,500,000	\$62,500,000	6.0%
SIP	\$9,613,355	\$6,110,658	\$3,512,396	\$8,123,400	\$7,476,451	\$5,017,323	\$39,853,583	3.8%
FIP	\$6,641,163	\$5,262,406	\$4,551,947	\$5,044,640	\$7,212,525	\$6,565,389	\$35,278,070	3.4%
DFN	No Data	No Data	No Data	No Data	No Data	No Data	\$19,636,000	1.9%
Total	\$26,731,026	\$221,180,696	\$247,681,290	\$217,684,459	\$203,458,768	\$38,891,050	\$1,043,300,289	100.0%

Total Expenditures

	Expenditures	% of Total
Land Set-Aside Programs	\$12,934,216,466	92.5%
Non-Set-Aside Programs	\$1,043,300,289	7.5%
Grand Total	\$13,977,516,755	100.0%

Expenditures per Agency (FY 1996-2001)

Agency	Expenditures	% of Total
FSA	\$9,775,036,000	69.9%
Multiple	\$2,094,600,000	15.0%
NRCS	\$1,796,911,466	12.9%
FS	\$242,932,289	1.7%
FWS	\$68,037,000	0.5%
EPA	No Data	NA
<i>USDA Total</i>	<i>\$11,814,879,755</i>	<i>84.5%</i>
Total	\$13,977,516,755	100.0%

USDA Expenditures per Incentive Type (FY 1996-2001) ²¹

Incentive Category	Expenditures	% of Total
Rental Payments	\$9,165,500,000	75.6%
Cost Share Assistance	\$1,460,300,000	12.0%
Education/Technical Assistance	\$773,600,000	6.4%
Conservation Easements	\$728,900,000	6.0%
Total	\$12,128,300,000	100.0%

²¹ Expenditure data per incentive type were obtained from a USDA NRCS, Resources Conservation Act report, Interim Appraisal and Analysis of Conservation Alternatives. See Section VII, References. These data vary from expenditures data gathered from NRCS contracts used in other tables in this appendix. Reasons for the data discrepancies are unknown. We chose to use the data because this was the only available source for a breakdown by incentive type.

Appendix II. Resource Conservation Program Acreage Enrollment

Acres Enrolled in Land Set-Aside Programs

	Annual Acres Enrolled						Total Acres	% of Total
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001		
CRP	436,616	259,939	18,564,548	4,686,514	5,044,793	2,597,010	31,589,418	94.0%
FLP	881	5,042	7,394	40,172	295,241	732,448	1,081,178	3.2%
WRP	92,405	127,267	211,917	119,919	149,915	139,306	840,729	2.5%
FPP	29,841	4,509	34,629	No Funding	262	34,736	103,977	0.3%
Total	559,743	396,757	18,818,488	4,846,605	5,490,211	3,503,500	33,615,302	100.0%

Acres Enrolled in Non-Set-Aside Programs

	Annual Acres Enrolled						Total Acres	% of Total
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001		
EQIP	No Data	8,694,205	9,312,597	8,753,229	7,448,478	No Data	34,208,509	68.4%
FSP	2,084,205	2,143,970	1,931,511	1,866,106	1,437,360	1,616,986	11,080,138	22.2%
SIP	556,512	241,112	218,193	726,039	350,925	192,712	2,285,493	4.6%
WHIP	No Funding	No Funding	672,000	721,249	No Funding	212,361	1,605,610	3.2%
FIP	126,504	130,830	101,460	106,214	151,015	119,530	735,553	1.5%
DFN	No Data	No Data	No Data	No Data	No Data	No Data	82,520	0.2%
Total	2,767,221	11,210,117	12,235,761	12,172,837	9,387,778	2,141,589	49,997,823	100.0%

Total Acreage (FY 1996-2001)

	Acres	% of Total
Land Set-Aside Programs	33,615,302	40.2%
Non-Set-Aside Programs	49,997,823	59.8%
Grand Total	83,613,125	100.0%

Cumulative Expenditures vs. Cumulative Acres Enrolled (FY 1996-2001)

	Expenditures	% of Total Expenditures	Acres	% of Total Acres
Land Set-Aside Programs	\$12,934,216,466	92.5%	33,615,302	40.2%
Non-Set-Aside Programs	\$1,041,300,289	7.5%	49,997,823	59.8%
Total	\$13,975,516,755	100%	83,613,125	100%

Appendix III. Resource Conservation Program Project Levels

Project Levels for Land Set-Aside Programs

	Annual Project Levels						Total Projects	% of Total
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001		
CRP	10,591	13,517	220,923	83,163	91,077	70,137	489,408	98.7%
WRP	No Data	No Data	No Data	No Data	No Data	No Data	5,774	1.2%
FPP	162	25	179	No Funding	5	171	542	0.1%
FLP	8	8	5	11	52	54	138	0.0%
Total	10,761	13,550	221,107	83,174	91,134	70,362	495,862	100.0%

Project Levels for Non-Set-Aside Programs

	Annual Project Levels						Total Projects	% of Total
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001		
FSP	15,303	15,357	16,759	17,041	13,919	16,585	94,964	40.9%
EQIP	No Data	24,812	20,261	18,785	16,249	No Data	80,107	34.5%
FIP	3,124	3,953	3,877	5,128	4,049	3,841	23,972	10.3%
SIP	6,406	4,852	2,866	3,808	2,610	1,718	22,260	9.6%
WHIP	No Funding	No Funding	4,600	3,855	No Funding	2,274	10,729	4.6%
DFN	No Data	No Data	No Data	No Data	No Data	No Data	212	0.1%
Total	24,833	48,974	48,363	48,617	36,827	24,418	232,244	100.0%

Total Projects (FY 1996-2001)

	Projects	% of Total
Land Set-Aside Programs	495,862	68.1%
Non-Set-Aside Programs	232,244	31.9%
Grand Total	728,106	100.0%

Appendix IV. Resource Conservation Program Expenditure, Acreage and Project Rates

**Expenditures per Acre for Land Set-Aside Programs
(Average FY 1996-2001)**

	\$/Acre
WRP	\$1,110
FPP	\$488
CRP	\$309
FLP	\$73
Average	\$495

**Expenditures per Acre for Non-Set-Aside Programs
(Average FY 1996-2001)**

	\$/Acre
DFN	\$238
FIP	\$48
WHIP	\$39
EQIP	\$22
SIP	\$17
FSP	\$6
Average	\$62

**Expenditures per Project for Land Set-Aside Programs
(Average FY 1996-2001)**

	\$/Project
FLP	\$727,572
WRP	\$161,602
FPP	\$93,580
CRP	\$19,933
Average	\$250,672

**Expenditures per Project for Non-Set-Aside Programs
(Average FY 1996-2001)**

	\$/Project
DFN	\$92,623
EQIP	\$9,370
WHIP	\$5,825
SIP	\$1,790
FIP	\$1,472
FSP	\$710
Average	\$18,632

**Acres per Project for Land Set-Aside Programs
(Average 1996-2001)**

	Acres/Project
FLP	7,835
FPP	192
WRP	146
CRP	65
Average	2,060

**Acres per Project for Non-Set-Aside Programs
(Average 1996-2001)**

	Acres/Project
EQIP	427
DFN	389
WHIP	150
FSP	117
SIP	103
FIP	31
Average	203

Appendix V. Resource Conservation Program Surplus Demand

Resource Conservation Program Surplus Demand for EQIP

	Annual Backlog Demand						Total Backlog
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	
Applications	0	49,153	60,688	49,066	37,712	No Data	196,619
Acreage	0	18,725,446	20,013,280	15,591,264	12,280,429	No Data	66,610,419
Funding	\$0	\$337,488,278	\$424,602,690	\$347,058,836	\$269,198,908	No Data	\$1,378,348,712

Resource Conservation Program Surplus Demand for FPP

	Annual Backlog Demand						Total Backlog
	FY 1996	FY 1997	FY 1998	FY 1999	FY 2000	FY 2001	
Applications	425	69	253	253	253	No Data	1,253
Acreage	99,498	5,211	53,096	53,096	53,096	No Data	263,997
Funding	\$116,256,514	\$4,547,133	\$43,882,214	\$43,882,214	\$43,882,214	\$90,991,720	\$343,442,009

Total Resource Conservation Program Backlog Demand (FY 1996-2001)

	EQIP	FPP	WRP	WHIP	Total
Applications	196,619	1,253	3,053	2,522	203,447
Acreage	66,610,419	263,997	524,993	254,833	67,654,242
Funding	\$1,378,348,712	\$343,442,009	\$577,627,870	\$15,737,212	\$2,315,155,803

Appendix VI. Resource Conservation Incentive Program Descriptions

1. U.S. Department of Agriculture

A. Farm Service Agency

Biomass Pilot Project

The Biomass Pilot projects are operated under the Conservation Reserve Program (CRP). The purpose of the program is to conduct trial projects for harvesting biomass from land enrolled in CRP to be used for energy production. There are no incentive payments or cost-sharing provided to the farmer. The incentive to participate in the pilot program is that the landowner is permitted to sell the harvested biomass for a profit. There are restrictions to protect wildlife, such as forbidding harvesting during nesting seasons.

Conservation Reserve Program (CRP)

CRP encourages farmers to plant resource-conserving covers to improve soil, water and wildlife resources, and to retire sensitive lands from agricultural production. It offers annual rental payments, cost-share assistance, and incentive payments. It is the largest conservation program by both number of projects and program expenditures.

Conservation Reserve Enhancement Program (CREP)

The purpose of CREP is to address specific and significant water quality, soil erosion and wildlife habitat issues by removing lands from agricultural production. It offers additional incentive payments, and has different land eligibility requirements than both CRP and Continuous CRP.

Continuous CRP

Continuous CRP has the same basic purpose as CRP, but it gives the authority to implement certain high priority projects, most of which are relevant to water quality. In comparison to CRP, the program offers additional incentives payments, and has different enrollment requirements than both CRP and CREP.

Debt Cancellation Conservation Contract Program (Debt for Nature Program (DFN))

The purpose of DFN is to help FSA borrowers improve their overall financial stability, and to encourage conservation to improve wildlife habitat, environmental quality and the scenic value of agricultural lands. DFN offers the exchange of, or cancellation of, a portion of the participant's FSA debt, for a conservation contract. A participant may be in debt to the FSA because he/she took out a loan to develop his/her farm, or to manage and operate an existing farm.

Farmable Wetlands Pilot Program (FWP)

FWP is a program that operates under the Conservation Reserve Program. Its purpose is to restore farmable wetlands and associated buffers to help improve hydrology, vegetation and wildlife habitat quality. The program offers rental payments, cost share assistance and incentive payments.

B. Natural Resources Conservation Service

Agricultural Management Assistance (AMA)

AMA offers agricultural producers cost share assistance to address environmental issues such as water management, water quality, and erosion control by incorporating conservation into their farming operations. AMA is available in fifteen states: Connecticut, Delaware, Maine, Maryland, Massachusetts, Nevada, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Utah, Vermont, West Virginia and Wyoming.

Conservation of Private Grazing Lands (CPGL)

The CPGL program offers technical assistance for better grazing land management, including protection from soil erosion, water conservation, providing wildlife habitat, sustaining forage and grazing plants, and using grazing lands as a source of biomass energy and raw materials for industrial products.

Conservation Security Program (CSP)

CSP was authorized by the 2002 Farm Bill, and is not covered in this report. However, CSP will be an important program for wildlife habitat conservation when implemented. CSP provides cost share and technical assistance to promote the conservation and improvement of soil, water, air, energy, plant and animal life, and other conservation purposes through 5-10 year contracts on private agricultural lands. The program rewards past and current resource conservation practices, and provides a tiered cost share payment system based on the level of conservation practices. Payments range from a maximum payment of \$20,000/year for meeting lowest conservation standards, to \$45,000/year for meeting the highest standards of conservation.

Environmental Quality Incentives Program (EQIP)

The purpose of EQIP is to address serious threats to soil, water, and related natural resources including wildlife. The program offers cost-share assistance for up to 75% of the costs for structural and vegetative practices, such as grassed waterways, filter strips, and manure management facilities. It also offers incentive payments for land management practices such as nutrient management, integrated pest management, and irrigation water management.

Farmland Protection Program (FPP)

The purpose of FPP is to provide funding to help purchase development rights in order to keep productive farmland in agricultural uses. FPP offers conservation easements, with a minimum duration of thirty years, but the adoption of permanent easements is encouraged. During the easement period the farmer agrees to not develop the land, but retains all agricultural rights. In the 2002 Farm Bill, FPP was renamed and restructured into the Farm and Ranch Lands Protection Program (FRPP).

Grassland Reserve Program (GRP)

GRP was authorized by the 2002 Farm Bill, and is not covered by the analysis of this report. This description is provided because GRP will be an important program for wildlife habitat conservation when implemented. The program is managed by the NRCS, FSA and FS, and provides landowners with a range of incentives to help them restore and protect grassland, rangeland, pastureland, shrubland and certain other lands and provides assistance for rehabilitating grasslands. Incentive instruments include 100% payment for permanent and 30-year conservation easements, rental payments for up to 75% of the grazing value of the land for

10 to 30 years, 75 to 90% cost share payments for restoration, and technical assistance. It will conserve vulnerable grasslands from conversion to cropland or other uses and help maintain viable ranching operations.

Soil and Water Conservation Assistance (SWCA)

The purpose of SWCA is to provide farmers and ranchers with incentives to voluntarily address threats to soil, water, and related natural resources, including grazing land, wetlands, and wildlife habitat. SWCA offers cost share assistance and incentive payments. The program is available nationwide, except in CRP, WRP and EQIP priority areas. SWCA received funding for FY 2001 only.

Wetlands Reserve Program (WRP)

The purpose of WRP is to preserve, protect, and restore valuable wetlands. Wetlands under the program must be restorable and suitable for wildlife. They must also fall into one of the following categories: wetlands drained for farming, pasture, or timber production; previously restored wetlands that need long-term protection; or drained wooded wetlands where hydrology will be fully restored. The landowner may continue to use the land for hunting, fishing and other undeveloped recreational activities. WRP offers 30-year and permanent conservation easements, as well as cost share assistance.

Wildlife Habitat Incentives Program (WHIP)

The purpose of WHIP is to assist with the development and improvement of wildlife habitat for animal and plant species. WHIP offers cost share and technical assistance for the creation of

wildlife habitat development plans and the installation of wildlife habitat development and conservation practices. Certain land uses by the participant are allowed, as long as they do not harm wildlife. Examples of such uses include, deferring haying until after nesting season, and limiting grazing to specific times of the year to provide brood cover. The 2002 Farm Bill added a long-term cost-share component specifically aimed at threatened and endangered species.

C. Forest Service

Forest Legacy Program (FLP)

The purpose of FLP is to encourage forest protection and conservation in order to provide timber products, wildlife habitat, soil and watershed protection, aesthetics, and recreation resources. It accomplishes these purposes through conservation easements. All easements are perpetual, restrict development, require sustainable forestry practices, and protect other forest and ecosystem values. However, landowners maintain the right to continue traditional uses on the land, such as timber harvesting and recreation. There are some restrictions on the types of lands that can be enrolled in the program. For instance, the land must be an environmentally important forested area that is threatened by conversion to non-forest uses.

Forest Stewardship Program (FSP)

The purpose of FSP is to provide timber, wildlife habitat, watershed protection, recreation, and other forest benefits by encouraging a multiple resource approach to forest management.

Generally, landowners gain assistance for developing Forest Stewardship Plans (FSPs) through the FSP program, and then use the Plans to apply for cost-share assistance through the SIP

program. The FSPs are for long-term, multi-resource management, and reflect landowner objectives as well as resource needs.

Forestry Incentives Program (FIP)

The purpose of FIP is to encourage landowners to plant and maintain forests for timber production, the health of the forests, watershed protection, wildlife habitat, aesthetic values, and recreational activities. The program supports tree planting, forest stand improvement, and site preparation for natural regeneration. FIP offers cost-share and technical assistance. The 2002 Farm Bill combined FIP and SIP into one overall program called the Forest Land Enhancement Program (FLEP).

Forest Taxation Program

The purpose of the Forest Taxation Program is to provide landowners with a consolidated source of information on the complex tax issues associated with forest maintenance and management. A web site and publication have been created to provide easily accessible information on legal and tax related issues concerning forest management.

Rural Forest Management Program (RFM)

The purpose of RFM is to help states field well informed, trained, and equipped forest professionals so that they can assist private landowners with forest management practices. The Forest Service provides states with technical assistance, and offers matching funds to support their own technical assistance programs. RFM was not renewed by the 2002 Farm Bill.

Stewardship Incentives Program (SIP)

SIP offers cost share assistance for wildlife habitat enhancement, forest management improvement, soil and water protection, wetlands protection, and forest recreation enhancement. Typically, landowners develop a Stewardship Incentives Plan through the Forest Stewardship Program, and implement the plan with assistance from SIP. The 2002 Farm Bill combined FIP and SIP into one overall program called the Forest Land Enhancement Program (FLEP).

2. U.S. Department of Interior

A. Fish and Wildlife Service

Candidate Conservation Agreements with Assurances (CCAAs)

The purpose of CCAAs is to facilitate action for the conservation needs of proposed and candidate species, and species likely to become candidate or proposed in the near future. The incentive offered to private landowners is a reduction in liability under the Endangered Species Act (ESA) in exchange for conservation measures. The hope of CCAAs, and other regulatory incentives, is that landowners will be less likely to eradicate a listed species or species of concern from their property if they know that they won't be held to future ESA regulations for the species covered by the agreement or be responsible for the management of new species that may become attracted to the property.

Coastal Program

The purpose of the program is to conserve, restore, and protect healthy coastal ecosystems for the benefit of fish, wildlife, and people. The program offers technical and financial assistance

and works through partnerships with federal and state agencies, local and tribal governments, businesses, private landowners, and conservation organizations.

Cooperative Endangered Species Conservation Fund

The fund supports recovery efforts for candidate, proposed, listed species and their habitats, on non-federal lands. It also provides grants for monitoring delisted species. In 2001, the grants were expanded to provide additional financial and technical assistance to integrate species conservation into local land-use planning. The grants now also provide funding to develop and implement Habitat Conservation Plans (HCPs), Safe Harbor Agreements, CCAAs, and to cover land acquisition costs. There are now six types of grants: Conservation Grants, HCP Land Acquisition Grants, Recovery Land Acquisition Grants, HCP Grants, Safe Harbor Grants, and Candidate Conservation Agreement Grants.

National Coastal Wetlands Conservation Grants Program

The program provides matching grants to state agencies and territories for the acquisition, restoration, management, and enhancement of coastal wetlands. Although funding is provided to state agencies and territories, private landowners are often involved in the projects. Of the 20 projects planned for 2002, 6 involve private landowners. Selection of state projects is competitive, and based on their national importance, consistency with the National Wetlands Priority Plan, conservation of maritime forests on coastal barriers, benefits to threatened and endangered species, and the encouragement of cooperative efforts. The projects must be administered for long-term conservation benefits to wildlife and habitat. Funding for the program is generated from taxes on fishing equipment and motorboat and small engine fuels.

North American Wetlands Conservation Act Grants (NAWCA)

NAWCA provides matching grants to carry out wetlands conservation projects in the U.S., Canada, and Mexico. It is an international agreement for the protection of wetland/upland habitats on which waterfowl and other migratory birds in North America depend. The Act was developed in part to support activities under the North American Waterfowl Management Plan (NAWMP). The Plan's goal is to advance waterfowl conservation and make contributions towards the conservation of all wetland-associated species. NAWCA projects usually involve multiple partners, and often directly include private landowners.

Partners for Fish and Wildlife

The purpose of the Partners program is to restore wetlands, streams and river corridors, prairie, grasslands and other important wildlife habitats for federal trust species. These species include migratory birds, threatened and endangered species, anadromous fish, and some marine mammals. The program provides advice on the design and location of potential habitat restoration projects, and offers cost-share assistance for part or all of the expenses of restoration projects completed by the landowner.

Wildlife Conservation and Appreciation Program (WCAP)

The purpose of WCAP is to conserve fish and wildlife species in the U.S. and to provide opportunities for the public to use and enjoy these species through non-consumptive activities. However, WCAP does not work to conserve threatened or endangered species listed under the Endangered Species Act (ESA), species taken for recreation, fur or food, or marine mammals identified by the Marine Mammal Protection Act. WCAP offers funding to state Fish and

Wildlife agencies. These agencies then offer assistance to private organizations and individuals for the implementation of fish and wildlife conservation projects. WCAP provides funding for projects including monitoring of species, identification of significant habitats, identification of significant problems to fish, wildlife and their habitats, and actions to conserve species and their habitats. This program has not been active since 2001.

3. Environmental Protection Agency

Capitalization Grants for Clean Water

Funding from these grants is used by the states to make loans to municipalities, communities, citizen's groups, nonprofit organizations, and private landowners for high-priority water quality activities. Although the grants have traditionally been used to build wastewater treatment facilities, they are now used for other water quality management purposes, including agricultural and urban runoff control, estuary improvement projects, wetlands protection and enhancement, agricultural best management practices, and riparian buffer creation and management.

Nonpoint Source Management Program

The purpose of the Nonpoint Source Management Program (section 319 of the Clean Water Act) is to provide support for the control of nonpoint source water pollution by developing and implementing best management practices on lands that contribute to water pollution problems. The program provides grant funding to states, territories, and Native American tribes. It supports a wide variety of activities, including technical assistance, financial assistance, education, training, technology transfer, demonstration projects, and program monitoring. The program also provides technical assistance, and up to sixty percent of cost-share assistance upon request.

Although the program directly involves states, territories and tribes, private landowners often benefit from projects supported by the program.

4. Programs in Multiple Agencies

Bring Back the Natives Grant Program

This grant program provides funding to restore damaged or degraded riverine habitats and their native aquatic species through watershed restoration and improved land management. It also has a proactive approach, with goals to revise land management practices to eliminate causes of habitat degradation, and to encourage management practices that benefit native aquatic community resources.

Land and Water Conservation Fund (LWCF)

The purpose of LWCF is to purchase fee title or conservation easements for land, water and wetlands areas, which then become part of the National Forests, Parks, Wildlife Refuges, and other public areas. The federal side of the program focuses on the acquisition of special lands for conservation and recreational purposes, private holdings within the public system, and lands that are important for fish and wildlife protection. LWCF has funds for both conservation easements and land purchases.

Safe Harbor Agreements (SHAs)

The purpose of Safe Harbor Agreements is to promote voluntary management and conservation for listed endangered and threatened species. Safe Harbor Agreements differ from CCAAs in that they serve T & E species, while CCAAs serve proposed, candidate, and other species of

concern. However, Safe Harbor Agreements may include provisions for proposed or candidate species if the participant chooses to do so. Participants agree to enhance habitat and/or populations of listed species on their property, but they may return their land to the “baseline” conditions without violating the Endangered Species Act (ESA).

Wetlands Mitigation Banking

Wetlands mitigation is required under both the CWA and Swampbuster regulations. It is a process that requires developers and farmers to replace, in an equal amount, measured by chemical, physical and biological functions, the wetlands that they destroy. It allows for outside parties to establish wetlands and designate their ecological value as “credits” in a wetlands banking system. Developers and farmers who need to mitigate wetlands on their lands can go to these banks and purchase credits to cover the “debits” they will inflict on their own wetlands. Debits are considered to be any harm, degradation or destruction to wetlands.

Appendix VII. List of Federal Programs by Incentive Category

I. Education/Technical Assistance (E/T)

Wildlife Habitat Incentives Program (WHIP), Conservation of Private Grazing Lands (CPGL), Forest Stewardship Program (FSP), Forestry Incentives Program (FIP), Forest Taxation Program, Rural Forest Management Program (RFM), Partners for Fish and Wildlife, the Coastal Program, Nonpoint Source Management Program

II. Cost Share Assistance

Nonpoint Source Management Program, Conservation Reserve Program (CRP), Continuous CRP, Conservation Reserve Enhancement Program (CREP), Farmable Wetlands Pilot Program (FWP), Wetlands Reserve Program (WRP), WHIP, Environmental Quality Incentives Program (EQIP), Agricultural Management Assistance (AMA), Soil and Water Conservation Assistance (SWCA), Stewardship Incentives Program (SIP), FIP, RFM, Partners for Fish and Wildlife, Conservation Security Program (CSP), Grassland Reserve Program (GRP), Partnerships and Cooperation (P&C)²²

III. Incentive Payments

CRP, Continuous CRP, CREP, FWP, EQIP, SWCA, the Coastal Program

IV. Grants

Wildlife Conservation and Appreciation Program (WCAP), Cooperative Endangered Species Conservation Fund, North American Wetlands Conservation Act Grants (NAWCA), National Coastal Wetlands Conservation Grants Program, Nonpoint Source Management Program, Capitalization Grants for Clean Water, Bring Back the Natives Grant Program

V. Rental or Lease of Habitat

CRP, Continuous CRP, CREP, FWP, GRP²²

VI. Conservation Easements

WRP, Farmland Protection Program (FPP), Forest Legacy Program (FLP), Land and Water Conservation Fund (LWCF), the Coastal Program, GRP²²

VII. Legal/Statutory Mechanisms (L/S)

Candidate Conservation Agreements with Assurances (CCAAs), Safe Harbor Agreements (SHAs)

VIII. Debt Forgiveness

Debt for Nature (DFN)

IX. Habitat Banking

Wetlands Mitigation Banking

²² CSP, P&C, and GRP were all created by the 2002 Farm Bill, and were thus not counted in the description of incentive mechanisms by category in section III. Status and Trends in Conservation Incentives.

VIII. Incentive Program Contacts and Websites

1. Department of Agriculture (USDA) Conservation Programs

A. Farm Service Agency (FSA)

Conservation Reserve Program (CRP)

Beverly Preston (202) 720-9563

www.fsa.usda.gov/dafp/cepd/crp.htm

Continuous CRP

Beverly Preston (202) 720-9563

www.fsa.usda.gov/pas/publications/facts/crpcont.pdf

www.fsa.usda.gov/pas/publications/facts/html/crpcont00.htm

Conservation Reserve Enhancement Program (CREP)

Beverly Preston (202) 720-9563

www.fsa.usda.gov/dafp/cepd/crep.htm

Farmable Wetlands Pilots (FWP)

Beverly Preston (202) 720-9563

www.fsa.usda.gov/pas/publications/facts/html/wetland01.htm

Biomass Pilots

Beverly Preston (202) 720-9563

www.fsa.usda.gov/pas/publications/facts/html/biomass00.htm

Debt For Nature (DFN)

James Fortner (202) 720-5533

www.fsa.usda.gov/pas/publications/facts/html/dfn01.htm

B. Administered by the Natural Resources Conservation Service (NRCS)

Wetlands Reserve Program (WRP)

Leslie Deavers (202) 720-1067

Leslie.Deavers@USDA.gov

Martha Joseph (202) 720-7157

Martha.Joseph@USDA.gov

www.nrcs.usda.gov/programs/wrp

Wildlife Habitat Incentives Program (WHIP)

Albert Cerna (202) 690-3501
www.nrcs.usda.gov/programs/whip

Albert.Cerna@USDA.gov

Farmland Protection Prog.(FPP) *now Farm and Ranch Lands Protection Prog. (FRPP)*

Denise Coleman (202) 720-9476
www.info.usda.gov/nrcs/fpcp/fpp.htm
www.nrcs.usda.gov/programs/frpp

Denise.Coleman@USDA.gov

Environmental Quality Incentives Program (EQIP)

Edward Brzostek (202) 720-1834
Steve Mozley (202) 720-1840
www.nrcs.usda.gov/programs/eqip

Edward.Brzostek@USDA.gov

Steve.Mozley@USDA.gov

Conservation of Private Grazing Lands (CPGL)

Mitch Flanagan (202) 690-5988
www.nrcs.usda.gov/programs/cpgl

Mitch.Flanagan@USDA.gov

Agricultural Management Assistance (AMA)

David Mason (202) 720-1873
www.nrcs.usda.gov/programs/ama

Dave.Mason@USDA.gov

Soil and Water Conservation Assistance (SWCA)

David Mason (202) 720-1873
www.nrcs.usda.gov/programs/swca

Dave.Mason@USDA.gov

Conservation Security Program (CSP)²³

Craig Derickson (202) 720-3524
www.nrcs.usda.gov/programs/csp

Craig.Derickson@USDA.gov

Grassland Reserve Program (GRP)²²

Floyd Wood (NRCS) (202) 720-0242
Jim Williams (FSA) (202) 720-9562
www.nrcs.usda.gov/programs/grp

Floyd.Wood@USDA.gov

Jim.Williams@wdc.USDA.gov

²³ CSP, GRP, and P&C were all authorized by the 2002 Farm Bill. Contact information is provided here because these programs will be important for wildlife conservation once implemented.

C. Administered by the Forest Service (FS)

Forest Legacy Program (FLP)

Rick Cooksey (202) 205-1469 RCooksey@fs.fed.us
Kathryn Conant (202) 401-4072 KConant@fs.fed.us
www.fs.fed.us/spf/coop/programs/loa/flp.shtml

Forest Stewardship Program (FSP)

Karl DallaRosa KDallaRosa@fs.fed.us
www.fs.fed.us/spf/coop/programs/loa/fsp.shtml

Stewardship Incentives Program (SIP) now Forestland Enhancement Program (FLEP)

Ilka Gray (SIP) (202) 720-5784 Ilka.Gray@usda.gov
Hal Brockman (FLEP) (202) 205-1694 Hbrockman@fs.fed.us
www.nrcs.usda.gov/programs/sip/
www.fs.fed.us/spf/coop/programs/loa/flep.shtml

Forestry Incentives Program (FIP) now Forestland Enhancement Program (FLEP)

Robert Molleur (FIP) (202) 720-6521 Robert.Molleur@USDA.gov
Hal Brockman (FLEP) (202) 205-1694 Hbrockman@fs.fed.us
www.nrcs.usda.gov/programs/fip/
www.fs.fed.us/spf/coop/programs/loa/flep.shtml

Forest Taxation Program

www.fs.fed.us/spf/coop/programs/loa/tax.shtml

Rural Forestry Management (RFM)

The program was not renewed in the 2002 Farm Bill, and its website is now inactive.

2. Department of the Interior (DOI) Conservation Programs

A. Fish and Wildlife Service (FWS)

Partners for Fish and Wildlife

Martha Naley (703) 358-2201 Martha.Naley@fws.gov
<http://partners.fws.gov>

Candidate Conservation Agreements with Assurances (CCAAs)

FWS Branch of Candidate Conservation (703) 358-2105

<http://endangered.fws.gov/listing/cca.pdf>

<http://endangered.fws.gov/candidates/ccaahandbook.html>

Wildlife Conservation and Appreciation Program (WCAP)

This program is no longer active.

http://thomas.loc.gov/cgi-bin/cpquery/?&db_id=cp106&r_n=hr222.106&sel=TOC_95788&

Cooperative Endangered Species Conservation Fund

Don Morgan (703) 358-2061

<http://endangered.fws.gov/grants/section6/index.html>

North American Wetlands Conservation Act Grants (NAWCA)

David Buie (301) 497-5870

David_Buie@fws.gov

Keith Morehouse (703) 358-1888

Keith_Morehouse@fws.gov

<http://birdhabitat.fws.gov/NAWCA/grants.htm>

National Coastal Wetlands Conservation Grants Program

Sally Valdes (703) 358-2201

Sally_Valdes@fws.gov

www.fws.gov/cep/cwgcover.html

The Coastal Program

Martha Naley (703) 358-2201

Martha_Naley@fws.gov

www.fws.gov/cep/cepcode.html

3. Environmental Protection Agency (EPA) Conservation Programs

Nonpoint Source Management Program

www.epa.gov/owow/nps/cwact.html

Capitalization Grants for Clean Water

The Clean Water State Revolving Fund Branch (202) 564-0752

www.epa.gov/owm/cwfinance/cwsrf/index.htm

4. Conservation Programs in Multiple Agencies

The Land and Water Conservation Fund (LWCF)

Eric Alvarez (FWS) (703) 358-2410
Michael D. Wilson (NPS) (202) 354-6905 waso_recgrants@nps.gov
www.nps.gov/lwcf
www.fs.fed.us/land/staff/LWCF/
<http://laws.fws.gov/lawsdigest/lwcons.html>

Wetlands Mitigation Banking

www.epa.gov/owow/wetlands/guidance/index.html#mitigation
www.ncseonline.org/nle/crsreports/wetlands/wet-8.cfm
www.environmentaldefense.org/article.cfm?contentid=151
www.nap.edu/books/0309074320/html

Safe Harbor Agreements (SHAs)

FWS Branch of Candidate Conservation (703) 358-2105
<http://endangered.fws.gov/recovery/harborqa.pdf>

Bring Back the Natives Grants Program

Amy Harig AHarig@tu.org
Suzanne Piluso (503) 417-8700 Piluso@nfwf.org
http://cfpub.epa.gov/fedfund/program.cfm?prog_num=2
www.fs.fed.us/biology/fish/bring.html
www.doi.gov/livability/blm/bbnative.htm
www.tu.org/conservation/bbn.asp
www.nfwf.org/programs/bbn.htm

5. Federal Tax Incentives for Conservation

Aquidneck Island Land Trust
www.ait.org/tax.htm

U.S. Department of the Treasury: *Farmer's Tax Guide: For Use In Preparing 2001 Returns*, Internal Revenue Service: Publication 225: Catalog Number 11049L.
New tax guides are offered every year at: www.timbertax.org/

Haney, Harry L., William L. Hoover, William C. Siegel, John L. Greene: *Forest Landowners' Guide to the Federal Income Tax*, United States Department of Agriculture, Forest Service: Agriculture Handbook Number 718: March 2001.
[http://www.fs.fed.us/publications/2001/01jun19-Forest Tax Guide31201.pdf](http://www.fs.fed.us/publications/2001/01jun19-Forest_Tax_Guide31201.pdf)

The Land Trust Alliance

www.lta.org/publicpolicy/index.html

www.lta.org/publicpolicy/taxbenefits.htm

Michigan State University

<http://forestry.msu.edu/extension/ExtDocs/easemnt.htm>

Montana Land Reliance

www.mtlandreliance.org/tax.htm



Defenders of Wildlife
1130 17th Street, NW
Washington, DC 20036
Phone: (202) 682-9400
Fax: (202) 682-1331
Toll Free: 1-800-989-8981
www.defenders.org
www.biodiversitypartners.org

