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# REPORT TO THE CONGRESS



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## Progress In Meeting Important Objectives Of The Great Plains Conservation Program Could Be Improved B-114833

Soil Conservation Service  
Department of Agriculture

**BY THE COMPTROLLER GENERAL  
OF THE UNITED STATES**

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JUNE 28, 1973



COMPTROLLER GENERAL OF THE UNITED STATES  
WASHINGTON, D.C. 20548

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To the President of the Senate and the  
Speaker of the House of Representatives

This is our report on how progress in meeting important objectives of the Great Plains Conservation Program could be improved. The Soil Conservation Service, Department of Agriculture, administers the program.

We made our review pursuant to the Budget and Accounting Act, 1921 (31 U.S.C. 53), and the Accounting and Auditing Act of 1950 (31 U.S.C. 67).

We are sending copies of this report to the Director, Office of Management and Budget, and the Secretary of Agriculture.

A handwritten signature in cursive script that reads "James B. Stacks".

Comptroller General  
of the United States

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ABBREVIATIONS

ASCS	Agricultural Stabilization and Conservation Service
GAO	General Accounting Office
GPCP	Great Plains Conservation Program
REAP	Rural Environmental Assistance Program
SCS	Soil Conservation Service
SWCD	Soil and Water Conservation District

COMPTROLLER GENERAL'S  
REPORT TO THE CONGRESS

PROGRESS IN MEETING  
IMPORTANT OBJECTIVES OF THE  
GREAT PLAINS CONSERVATION PROGRAM  
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D I G E S T

WHY THE REVIEW WAS MADE

GAO wanted to evaluate the progress of the Soil Conservation Service (SCS) in achieving important objectives of the Great Plains Conservation Program established in 1956 to help combat climatic hazards in the Great Plains.

Under the program SCS provides technical assistance and direct cost sharing under contracts of from 3 to 10 years to help farmers, ranchers, and other landowners and operators voluntarily carry out planned soil and water conservation practices. (See p. 5.)

FINDINGS AND CONCLUSIONS

Progress in converting unsuitable cropland to permanent vegetative cover and reseeding badly depleted rangeland--critical needs in the Great Plains--has been less than might have been expected in view of the program's legislative history, which stressed the importance of meeting these needs.

If greater progress is to be made before the program's scheduled expiration date in 1981, three problems need resolving:

--SCS's fund allocation system does not insure that highest priority work is done first.

--A conflict exists between the program's objective of converting unsuitable cropland and Federal commodity price-support programs.

--An administrative limitation has been placed on the amount of Federal financial assistance that can be provided under any one contract.

Cropland conversion and  
rangeland reseeding objectives

The law does not restrict the types of lands that can be treated or the types of conservation practices that can be established with program assistance.

Congressional committee reports on the program's authorizing legislation, however, stated that the Great Plains contained about 18 million acres of unsuitable cropland and badly depleted rangeland. The reports indicated that 16 million acres of such land would be converted to permanent vegetative cover or reseeded under the program. Also, corollary measures, such as livestock-watering facilities, were to be provided. (See p. 11.)

Program status

The law authorizes total appropriations of \$300 million for cost

sharing. From the start of the program through June 30, 1972, SCS had obligated \$156 million and paid cost shares totaling \$126 million. SCS records showed that, of the amount paid:

--About \$33 million was paid directly for converting or reseeding 3.6 million acres of cropland or rangeland.

--About \$52 million was paid for authorized conservation practices which, according to SCS officials, were (or may have been) corollary to cropland conversion and rangeland reseeding.

--About \$41 million was paid for other authorized conservation practices. According to SCS officials, these were consistent with program objectives but were not corollary to cropland conversion and rangeland reseeding.

The 3.6 million acres of unsuitable cropland and badly depleted rangeland that had been converted or reseeded represented about 23 percent of the 16 million acres which congressional committee reports indicated would be treated.

On the basis of past progress and without regard to future cost increases, conversion or reseeding of not more than 8.3 million acres will have been accomplished or contracted for under the program by the end of 1981, GAO estimates.

Conversion of unsuitable cropland and reseeding of badly depleted rangeland were not the sole program objectives. Its legislative history's emphasis on those objectives, however, indicates that the Congress expected that, by the end of 1981, conversion and reseeding of more of

the 16 million acres would have been completed or contracted for. (See p. 14.)

#### Fund allocation system

Although SCS procedures for the program provide that high priority be given applications for assistance in solving major soil erosion problems, including those on unsuitable cropland and badly depleted rangeland, SCS had not established adequate procedures and controls to insure that available funds were used, to the fullest practical extent, to serve the highest priority applications first.

As a result, some lower priority applications have been funded and some high-priority applications have gone unfunded or have been deferred. (See p. 15.)

#### Conflict with commodity price-support programs

Although many farmers use the program in concert with commodity price-support programs, certain features of the commodity price-support programs provide an incentive for some farmers to plant crops on Great Plains land that, according to SCS, is unsuitable for continuous cropping and should be converted.

Farmers obtain income from crops and from Federal farm payments. Converting the cropland could reduce or eliminate such income.

Improved progress in getting Great Plains farmers to voluntarily convert unsuitable cropland may require some incentive in addition to cost sharing, such as adjustment payments, to assist farmers in shifting

cropland to alternative uses. (See p. 22.)

Administrative limitation

The law does not specify the size of operating units that can be assisted or limit the Federal cost share under any one contract. Since 1961, however, SCS has limited the Federal share for work under any one contract to \$25,000.

The purpose of the limitation has been to allow as many farmers and ranchers as possible to participate in the program and thereby help obtain acceptable areawide participation within existing program funds.

Because of the limitation, farmers and ranchers with large acreages of depleted rangeland would be required to pay a larger share of the total cost of the needed conservation practices than farmers and ranchers with small acreages that can be treated within the limitation.

SCS officials at various field locations told GAO that the limitation impeded the reseeded of depleted rangeland. Headquarters officials said that costs of conservation practices had increased significantly since 1961. (See p. 26.)

RECOMMENDATIONS

SCS should

- revise its fund allocation system to insure that program funds are used, to the extent practical, for highest priority work first and
- increase the \$25,000 limitation to recognize cost increases since the limitation was established and

to increase the rate of achieving important program objectives. (See p. 29.)

AGENCY ACTIONS AND UNRESOLVED ISSUES

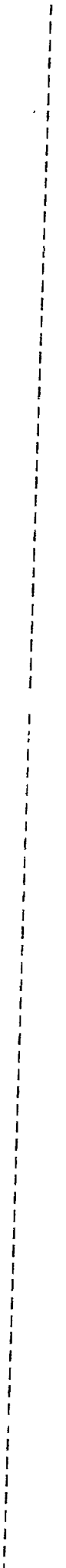
The Department stated that SCS has studied and will continue to study the feasibility of revising the fund allocation system, giving due consideration to priorities. In considering priorities, SCS should carefully consider the legislative history's emphasis on the need for converting unsuitable cropland to permanent vegetative cover and reseeded badly depleted rangeland.

The Department stated that SCS had recognized the limitation as a problem in instances involving large farms and ranches and that SCS was evaluating the limitation in view of increased costs of conservation practices. According to the Department, any increase per contract would result in fewer contracts. (See p. 30.)

The Department did not comment on the conflict between the program and commodity price-support programs. SCS headquarters officials, however, agree that the conflict was one of the significant constraints on the progress of achieving important program objectives.

MATTERS FOR CONSIDERATION BY THE CONGRESS

Cognizant congressional committees should explore with the Department the feasibility and desirability of enacting legislation to provide additional incentives for Great Plains farmers to convert unsuitable cropland to permanent vegetative cover, giving consideration to disincentives resulting from commodity price-support programs. (See p. 30.)





## CHAPTER 1

### INTRODUCTION

The Great Plains area, which covers a large part of the Midwest, has often been called the Dust Bowl because of severe soil erosion and dust storms caused by drought and destructive winds. Also, in some parts of the area, flooding causes severe soil erosion.

In 1956 the Congress authorized a special program of Federal assistance--the Great Plains Conservation Program (GPCP)--to help combat the area's climatic hazards. GPCP is administered by the Soil Conservation Service (SCS), Department of Agriculture. We made this review to evaluate progress under GPCP.

#### AUTHORITY FOR GPCP

The 1956 law<sup>1</sup> creating GPCP authorizes the Secretary of Agriculture to provide technical assistance and direct financial assistance, on a cost-sharing basis and under contracts not to exceed 10 years, to Great Plains farmers and ranchers who voluntarily establish soil and water conservation practices on the land. The law authorized Federal appropriations of up to \$150 million for cost sharing under the program and provided that authority to enter into cost-share contracts would expire on December 31, 1971.

In November 1969 the Congress amended the GPCP legislation<sup>2</sup> to increase the Federal appropriations authority for

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<sup>1</sup>Public Law 84-1021, enacted August 7, 1956 (70 Stat. 1115-1117), to amend the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590 p(b)), and the Agricultural Adjustment Act of 1938, as amended (7 U.S.C. 1334).

<sup>2</sup>Public Law 91-118, enacted November 18, 1969 (83 Stat. 194), to amend the Soil Conservation and Domestic Allotment Act, as amended.

cost sharing to \$300 million and to extend the time through which cost-share contracts could be entered into to December 31, 1981. In addition, the 1969 amendment provides that (1) landowners or operators other than farmers and ranchers may get assistance under the program, (2) conservation practices may include measures to enhance fish, wildlife, and recreation resources; promote economic use of land; and reduce or control agricultural-related pollution, and (3) approved conservation plans of landowners and operators developed in cooperation with the soil and water conservation district in which their lands are situated shall form a basis for contracts.

As stated in the law, the basic purpose of GPCP is to assist Great Plains landowners or operators to voluntarily make, in orderly progression over a period of years, changes in their cropping systems and land uses to conserve soil and water on their lands and to establish the conservation measures needed under such changed systems and uses.

The law provides that the landowner or operator shall furnish the Secretary a plan for farming operations or land use which incorporates conservation measures considered practicable for maximum mitigation of climatic hazards and for protecting the farm, ranch, or other unit from erosion and deterioration by natural causes.

The law permits cost-share contracts to be made for periods of up to 10 years in recognition that changes in cropping systems and land uses cannot be made suddenly without interrupting farm and ranch operations and income. In recognition that GPCP was to help establish conservation measures that require relatively long-term action, SCS regulations provide that cost-share contracts, except for second contracts on the same units, may not be for periods of less than 3 years.

The law permits the Secretary to set the Federal cost share. SCS regulations and procedures provide that the Federal share for any one conservation practice may not exceed 80 percent and that the Federal share under any one contract--which can cover several conservation practices--cannot exceed \$25,000. The law provides that payments in any one program year cannot exceed \$25 million.

Appropriated funds for cost-share payments under GPCP remain available until spent. The first appropriation, for \$10 million, was made in August 1957. The appropriation for fiscal year 1973 is about \$18.1 million. As of June 30, 1972, SCS had obligated about \$156 million of the \$300 million authorized to be appropriated for cost-share payments.

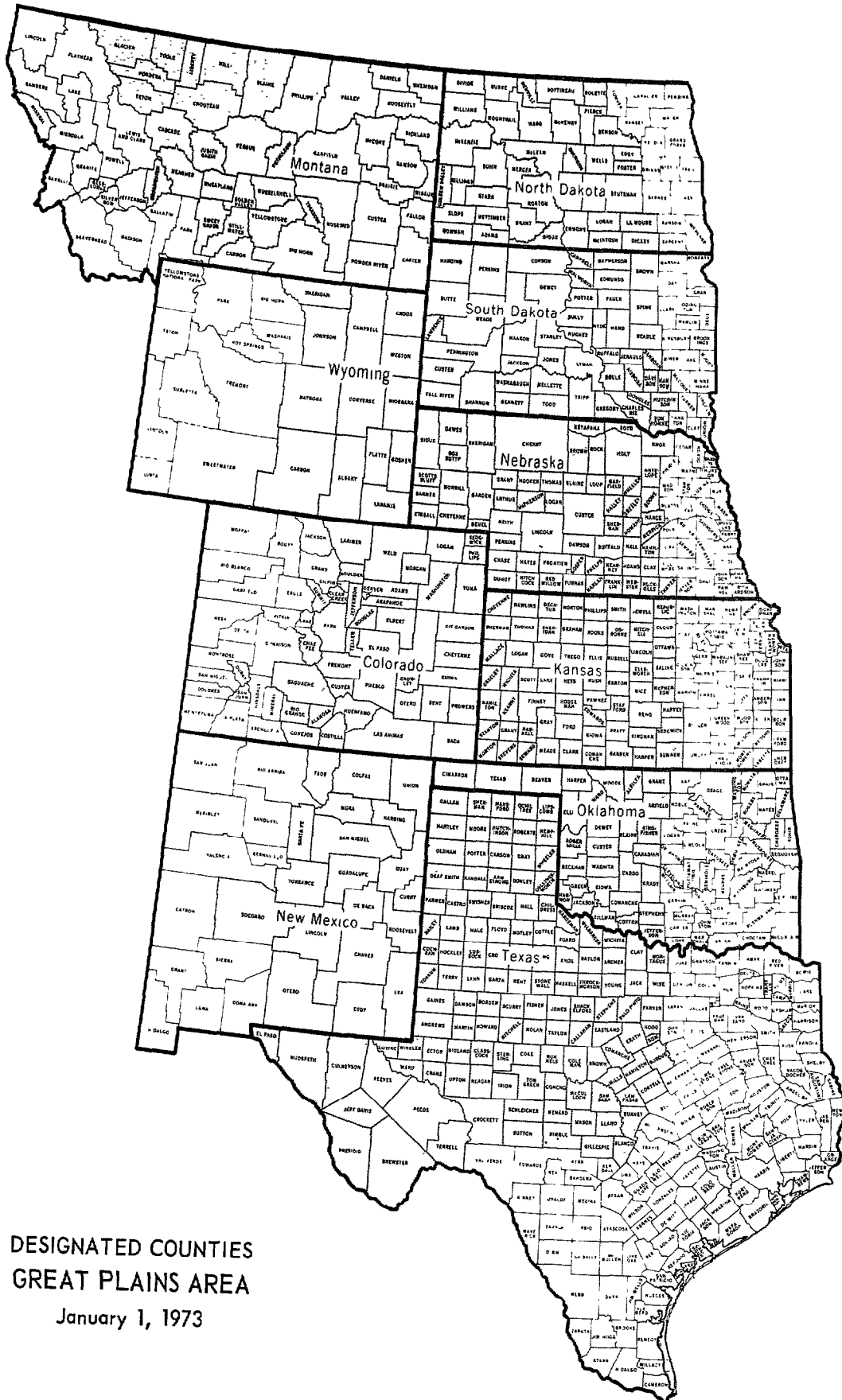
According to the law and the program's legislative history, GPCP was intended to be a special program in addition to, and not in substitution of, other programs in the Great Plains, such as the Rural Environmental Assistance Program (REAP) administered by the Department's Agricultural Stabilization and Conservation Service (ASCS) and other SCS conservation programs. Other SCS programs include the Conservation Operations Program, the Resource Conservation and Development Program, and the watershed protection and flood prevention programs. REAP and the various SCS programs other than GPCP are not limited to the Great Plains.

The law specified that GPCP would apply to farms, ranches, and other lands in counties--in Colorado, Kansas, Montana, Nebraska, New Mexico, North Dakota, Oklahoma, South Dakota, Texas, and Wyoming--designated by the Secretary of Agriculture as susceptible to serious wind erosion because of their soil types, terrains, climates, and other factors. As of January 1, 1973, the Secretary had designated 469 counties in those 10 States, as shown on the map on p. 8.

#### GPCP ADMINISTRATION

SCS is headquartered in Washington, D.C., and maintains State, area, and field offices (formerly work unit offices) in each of the 10 Great Plains States. A State conservationist, who administers all SCS programs in his State, including GPCP, heads each SCS State office. An area conservationist, who administers SCS programs within his assigned area, heads each area office. The field offices, under the supervision of SCS district conservationists, are located throughout the GPCP area to assist farmers and ranchers in their assignment areas (usually counties). They maintain records on all SCS program activities in their areas.

SCS district conservationists assist farmers and ranchers through local Soil and Water Conservation District (SWCD) boards. SWCDs are legal subdivisions of State governments and are managed by citizens (usually called supervisors)



DESIGNATED COUNTIES  
GREAT PLAINS AREA

January 1, 1973

familiar with local problems. Farmers and ranchers become cooperators--participants in SCS programs--when they agree with the local SWCD to carry out a conservation plan on their lands.

Conservation plans for farms, ranches, or other land units are usually developed under SCS' Conservation Operations Program with landowners or operators who are cooperators with the local SWCD. When approved, such a plan forms a basis for SCS to enter into a contract with the landowner or operator to share the cost of establishing certain conservation practices.

Applications for cost-share contracts under GPCP are made to the field office where the district conservationist, in cooperation with the local SWCD board, determines the priority of applications for participation in the program. According to SCS instructions, priorities are to be determined on the basis of the primary purpose of the program, which is to protect against wind and water erosion. For SCS definitions of high, medium, and low priorities, see appendix II.

SCS instructions state that a contract is not binding on the Government until the contracting officer, usually the area conservationist, signs it and the SCS State administrative officer certifies it for Federal cost-share assistance.

#### SCOPE OF REVIEW

Our review was made at SCS headquarters in Washington, D.C., and at SCS State offices and selected area and field offices in Texas and Colorado. Those States had about 50 percent of the acreage estimated to need conservation measures and accounted for about 43 percent of the total cost-share payments SCS made under the program through June 30, 1972. We also obtained information concerning GPCP operations in the other eight States, and we contacted SCS State officials in those States.

We reviewed pertinent laws and their legislative history, SCS policies and procedures, program status records and reports, selected cost-share contracts, and other records pertaining to the GPCP results and administration. We interviewed SCS officials in each location visited. We also visited selected farms and ranches and interviewed some of the owners or operators.

## CHAPTER 2

### PROGRESS IN ACHIEVING IMPORTANT GPCP OBJECTIVES

#### COULD BE IMPROVED

GPCP's basic purpose is to assist landowners or operators to voluntarily make needed changes in their cropping systems and land uses to conserve the soil and water in the Great Plains. Any conservation practice, therefore, which would help prevent soil erosion, help conserve water, or help hold moisture in the soil is consistent with this objective.

Senate and House reports on the legislation authorizing and extending the program, however, emphasized the critical need for converting unsuitable cropland to permanent vegetative cover and reseeding badly depleted rangeland. These reports stated that the Great Plains contained about 18 million acres of unsuitable cropland and badly depleted rangeland and that an estimated 16 million of the 18 million acres would be treated under GPCP.

On the basis of information in SCS records and our discussions with SCS officials, we determined that, as of June 30, 1972, not more than about 3.6 million acres had been converted or reseeded under GPCP since it was first funded in 1957.

On the basis of past progress and without regard to future cost increases because of inflation, we estimate that converting or reseeding not more than 8.3 million acres of unsuitable cropland and badly depleted rangeland will have been completed or contracted for under GPCP by the end of 1981, when the authority to enter into contracts is due to expire.

The following three major problems have impeded the progress of GPCP in converting unsuitable cropland to permanent vegetative cover and reseeding badly depleted rangeland. Unless corrective action is taken, these problems will continue to impede progress in meeting these important program objectives.

--Although SCS internal instructions provide for assigning high priority to major erosion problems on unsuitable cropland and depleted rangeland, the system

for allocating funds for cost sharing does not insure that funds are used, insofar as practical, for high-priority work first.

--Certain features of Federal commodity price-support programs conflict with the GPCP objective of converting unsuitable cropland, in that the programs provide incentives for farmers to continue cropping on land which, according to SCS, is not suitable for this.

--SCS's administrative limitation of \$25,000 on the amount of the Federal cost share under any one contract restricts the treatment of large acreages of badly depleted rangeland.

These matters are discussed in more detail beginning on page 15.

LEGISLATIVE HISTORY EMPHASIZES  
CONVERTING UNSUITABLE CROPLAND  
AND RESEEDING BADLY DEPLETED RANGELAND

GPCP's authorizing legislation does not specifically restrict the types of land that can be treated or the types of conservation practices that can be established with GPCP assistance. GPCP legislative history emphasizes the critical needs for (1) converting large acreages of unsuitable cropland to permanent vegetative cover and (2) reseeding large acreages of badly depleted rangeland.

Senate and House reports<sup>1</sup> on the bill which was to become GPCP's authorizing legislation included a letter from the Acting Secretary of Agriculture dated May 24, 1956. In recommending passage of the bill and explaining how the proposed GPCP would be applied, the letter stated, in part, that:

"In the Great Plains area there are about  
12-1/2 million acres of cropland estimated to be  
unsuited for continuous crop production and which

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<sup>1</sup>Senate Report 2785, Committee on Agriculture and Forestry, 84th Cong., 2d sess., July 25, 1956, and House Report 2640, Committee on Agriculture, 84th Cong., 2d sess., July 7, 1956.

should be devoted to permanent vegetative cover. Of this amount we estimate that about 10 million acres would be on farms and ranches which are potential cooperators under this program which would require about \$112 million of cost-sharing assistance. \* \* \* In addition to seeding this area, certain range practices, such as livestock watering facilities may need to be installed.

"In this area it is estimated that there are about 200 million acres of privately owned range and non-crop pastureland. Due to continued drought and concurrent damages from wind erosion, a relatively small acreage has become so badly depleted as to need range restoration measures. It is estimated that about 6 million acres of this land will need to be reseeded at a total cost of \$30 million \* \* \* in order to bring it back to normal productive capacity. In addition to seeding this area certain range practices, such as livestock watering facilities may need to be installed. It is estimated that the corollary measures to be installed on cropland and rangeland would involve the Federal expenditure of about \$8 million. Thus the total costs of the program proposed herein would be about \$150 million."<sup>1</sup> (Underscoring supplied.)

Also, in discussing the bill on the Senate floor, three Senators stated that the bill would provide for restoring to grass hundreds of thousands of acres which should never have been plowed but were plowed for wheat farming to meet a national emergency.

The House report<sup>2</sup> recommending extension of GPCP stated the following about GPCP's purpose:

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<sup>1</sup>As stated on page 5, \$150 million was the amount authorized by the 1956 act to be appropriated.

<sup>2</sup>House Report 91-212, Committee on Agriculture, 91st Cong., 1st sess., May 8, 1969.



"In the 10-State area covered by the program there are approximately 110,500,000 acres of cropland and 215 million acres of range and pastureland. About 43 million acres of cropland and 91 million acres of range and pastureland now have treatment adequate to meet the conservation needs of the land. Thus, more than half of the cropland, range, and pastureland still need conservation treatment. These acreages include about 5,500,000 acres of cropland that are not suited for sustained cropland production and should be converted to permanent vegetation, and about 12,500,000 acres of range and pastureland that need reestablishment of vegetative cover.<sup>1</sup>

\* \* \* \* \*

" \* \* \* In addition to the critical need to establish protective cover on large acreages of unstable land, the program was designed to achieve a more stable agriculture, more dependable source of income, and a more satisfactory livelihood for the people of the region."  
(Underscoring supplied.)

Comments similar to those above were made in the Senate report<sup>2</sup> on a bill which was substantially the same as the bill enacted to extend the program.

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<sup>1</sup>According to SCS officials, the differences between acreage figures cited here and those cited in the quote on page 12 resulted primarily from more sophisticated estimating for the 1969 figures. They told us that they did not have backup data for the 1956 figures but that the 1969 figures resulted from inventories of conservation needs.

<sup>2</sup>Senate Report 91-269, Committee on Agriculture and Forestry, 91st Cong., 1st sess., June 24, 1969.

## GPCP STATUS

SCS program status reports showed that, from 1957 when GPCP was first funded through June 30, 1972, SCS had made cost-share payments of about \$33 million for converting about 2 million acres of cropland and reseeding about 1.6 million acres of rangeland.

Therefore, assuming that all the converted cropland had been unsuitable and all the reseeded rangeland had been badly depleted and that the practices were totally successful, these important objectives had been achieved on only about 3.6 million acres. This represents about 23 percent of the estimated 16 million acres which the Senate and House reports on the authorizing legislation indicated would be treated under GPCP.

SCS's total cost-share payments of about \$126 million through June 30, 1972, also included:

- About \$52 million for fencing, brush control, and other conservation measures which, according to SCS officials, were or may have been corollary to conversion and reseeding.
- About \$41 million for cropland terracing, irrigation, and other conservation practices which were generally authorized by the law but which, according to SCS officials, were not corollary to conversion and reseeding.

SCS officials advised us that SCS considered other practices, such as terracing on suitable cropland, to be just as important as converting unsuitable cropland or reseeding badly depleted rangeland because such practices are consistent with the GPCP objectives of conserving soil and water and helping achieve a more stable agriculture and a more dependable source of income for the Great Plains people.

Converting unsuitable cropland and reseeding badly depleted rangeland were not the sole GPCP objectives. These objectives, however, were emphasized in the legislative history as major or critical. Such emphasis indicated to us that the Congress anticipated that, by December 1981, when contracting authority is due to expire, conversion and

reseeding of more of the 16 million acres will have been completed or contracted for under GPCP than past progress indicates will be done.

On the basis of past progress and without regard to future cost increases as a result of inflation, we estimate that by December 1981 not more than 8.3 million acres of unsuitable cropland and badly depleted rangeland will have been reached under GPCP.

FUND ALLOCATION SYSTEM DOES NOT INSURE  
THAT HIGH-PRIORITY WORK IS DONE FIRST

One of the three major problems which appear to have impeded conversion of unsuitable cropland and reseeding of badly depleted rangeland is the SCS system for allocating GPCP funds.

Although SCS procedures for GPCP provide that high priority be given to applications for assistance in solving major soil erosion problems, including those on unsuitable cropland and on badly depleted rangeland, SCS had not established adequate procedures and controls to insure that available GPCP funds were used, to the fullest practical extent, for the high-priority applications first.

According to an SCS official, the need for GPCP funds for cost-share assistance has far exceeded the amount of funds available each year. For example, GPCP funds available for cost-share assistance during fiscal year 1972 were sufficient to cover only about 60 percent of the total amounts requested by SCS State offices.

Allocation of funds to SCS State offices

Before allocating GPCP funds to SCS State offices, SCS headquarters requires each State office to submit an estimate of its needs for cost-share funds based primarily on applications on hand. Each State is required to identify how much of its estimate relates to high-, medium-, and low-priority applications as defined in SCS instructions. (See app. II.)

In allocating funds to the State offices, headquarters adjusts State office estimates to allow for possible State office overestimates or underestimates and to insure that

State offices receive a relatively constant percentage of the total funds available each year.

Under headquarters procedures, some State offices received fund allocations sufficient to cover all their estimated high-priority needs plus large portions of their estimated medium- and low- priority needs, while other State offices did not receive enough funds to cover all their estimated high-priority needs. The following table shows, for each of the 10 State offices, the relationship between the estimated funds needed for high priorities and the amounts allocated to them for cost-share obligations to be incurred in fiscal year 1972.

<u>State office</u>	<u>Estimated funds needed for high priorities</u>	<u>Allocated by headquarters office</u>	
		<u>Amount</u>	<u>Percent of high- priority esti- mate</u>
Colorado	\$ 400,000	\$ 1,315,000	329
Kansas	1,192,108	1,015,000	85
Montana	876,000	1,015,000	116
Nebraska	1,138,000	1,225,000	108
New Mexico	216,000	650,000	300
North Dakota	632,500	1,015,000	160
Oklahoma	1,430,000	1,350,000	94
South Dakota	545,240	1,015,000	186
Texas	3,871,623	3,100,000	80
Wyoming	822,800	800,000	97
Total	<u>\$11,124,271</u>	<u>\$12,500,000</u>	112

Although headquarters requires State offices to show priorities on their fund requests, it allocates a lump sum to each State office, with no stipulation that the funds be used first on highest priority needs. Further, headquarters does not require State offices to feed back information on the priorities actually funded. Headquarters, therefore, does not know whether the allocated funds are used, to the fullest extent practical, in accordance with established priorities.

In May 1972 we asked SCS officials in each of the 10 State offices to comment on the priorities of applications being funded in their States in fiscal year 1972. Their

responses indicated that variances existed between the priorities funded and the priorities shown by the State offices in their fund requests. In some instances, such variances appeared substantial. The responses and our observations on the State offices' fund requests and the amounts allocated for them are summarized below.

- The Colorado State office said it was funding predominantly medium-priority applications, some highs, and a few lows. The amount allocated to this office was enough to cover all its estimated high-priority needs and 80 percent of its estimated medium-priority needs, but none of its estimated low-priority needs.
- The Kansas State office said it was funding predominantly high-priority applications and a few mediums but no lows. As shown in the table on page 16, the allocation to this office was sufficient to cover only 85 percent of its estimated high-priority needs and none of its estimated medium- and low-priority needs.
- The Montana State office said it was funding mostly medium-priority applications, some highs, and a few lows. The amount allocated was enough to cover all its estimated high-priority needs, 15 percent of its estimated medium-priority needs, and no low-priority needs.
- The Nebraska State office said it was funding high- and medium-priority applications and no lows. Funds allocated were sufficient to cover all estimated high-priority needs and 30 percent of the estimated medium-priority needs.
- The New Mexico State office said it was funding mostly medium-priority applications, some highs, and no lows. SCS records showed that this office received \$90,000 more than its total estimate for high- and medium-priority applications. Headquarters believed that the estimate was understated. The State office had advised headquarters that the additional funds could probably be put to better use in some other State.

- The North Dakota State office said it was funding mostly high- and medium-priority applications, with a few lows. Allocated funds were enough to cover all estimated high-priority needs and 74 percent of estimated medium-priority needs, but no low-priority needs.
- The Oklahoma State office said it was funding high- and medium-priority applications and no lows. As shown in the table on page 16, allocated funds have sufficient to cover 94 percent of estimated high-priority needs but no medium-priority needs.
- The South Dakota State office said it was funding predominantly medium-priority applications. Allocated funds were sufficient to cover all estimated high-priority needs and 51 percent of estimated medium-priority needs.
- The Texas State office said it was funding high- and medium-priority applications. The table on page 16 shows that allocated funds were sufficient to cover only 80 percent of the estimated high-priority needs.
- The Wyoming State office said it was funding high- and medium-priority applications. As shown in the table on page 16, funds allocated were enough to cover 97 percent of its estimated high-priority needs.

Variations between planned funding priorities and actual use of funds may be justified to some extent by such factors as the willingness and ability of landowners and operators to proceed with their planned conservation programs. Without feedback on actual funding as compared with the fund requests, however, headquarters does not know the extent of such variations; whether they are justified; or whether some shifting of funds may be needed to insure that they are used, to the extent practical, on high-priority needs.

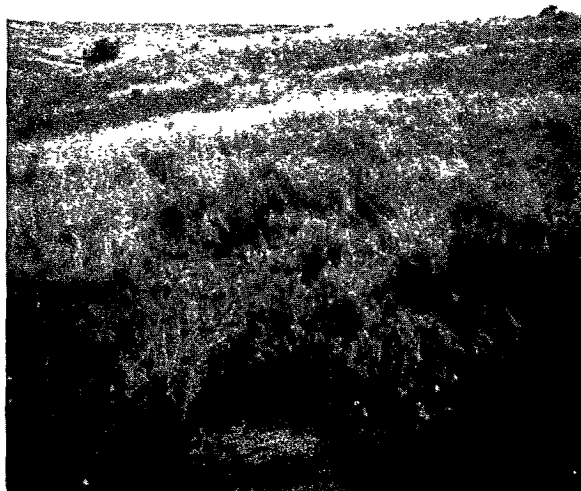
Allocation of funds to area  
and field offices

Neither the Texas nor Colorado SCS State offices, whose GPCP operations we reviewed in detail, had controls adequate

to insure that allocated funds were used for highest priority applications first.

The Texas State office allocated funds to its area offices, which in turn allocated the funds to field offices. Neither the State nor the area offices stipulated, however, that the funds be used, to the fullest extent practical, in accordance with priorities. The State office did not require feedback from the area or field offices showing the priorities funded.

Under such procedures, high-priority applications in a county could go unfunded, while medium-priority applications could be funded within the same county or in other counties. For example, in one county the owner of an operating unit of about 5,860 acres applied to the SCS field office in 1969 for GPCP assistance. The application stated that the unit had about 1,150 acres of rangeland which needed reseeding and related brush control work (see photograph below) and about 140 acres of unsuitable cropland which needed to be converted.



According to SCS records, the SCS district conservationist determined that the operating unit had major erosion problems and assigned a high priority to the application. The owner told us that he was interested in getting a cost-sharing contract under the program and that he had contacted

SCS several times. SCS records showed, however, that the application had not been funded as of February 1972 when it was placed in the inactive file. An SCS field office official told us that the total funds allocated to his office for fiscal year 1972 were insufficient to fund the application. He said that some medium-priority applications for smaller amounts had been funded in that county with fiscal year 1972 funds.

During the 3 years this high-priority application was pending, medium-priority applications were funded elsewhere in Texas and in other States, as indicated on pages 17 and 18. In Colorado alone, for example, about two-thirds of the 266 applications funded during fiscal year 1971 were for medium-priority work.

The Colorado State office did not allocate funds to area and field offices but approved applications for funding as field offices submitted them. State office approvals were primarily for fund control and were made on a first-come, first-served basis without regard to the priority assigned to the applications. Under this procedure Colorado SCS State officials did not know what priority had been assigned to an application before they approved it for funding. They told us they were not aware that about two-thirds of the applications approved for funding in fiscal year 1971 had medium-priority rankings.

- - - -

Because of the indicated shortage of funds available for cost-share assistance, we believe that effective procedures and controls should be established at the SCS headquarters, State, area, and field offices to insure that funds are spent, to the extent practical, for highest priority work first.

We believe that such procedures and controls would speed the rate of progress in achieving the important objectives of converting unsuitable cropland and reseeding unstable rangeland. The procedures and controls should provide for

--allocations of funds to State offices and area and field offices on the basis of their relative needs considering, to the extent practical, high-priority



needs first and progressing to lower priority needs if funds are available;

--stipulations that funds be used in accordance with priorities; and

--periodic reporting and appropriate reviews by State office and headquarters officials to insure that funds are being used, to the extent practical, in accordance with priorities.

COMMODITY PRICE-SUPPORT PROGRAMS  
CONFLICT WITH GPCP OBJECTIVE

Another major problem impeding the achievement of important GPCP objectives is the conflict between certain features of commodity price-support programs and GPCP. Under the circumstances, there appears to be more economic incentive to continue farming unsuitable cropland than to convert it.

Commodity price-support programs, administered by ASCS, provide cropland set-aside payments for certain crops. Although many farmers use GPCP assistance in concert with such programs, certain features of the programs provide an incentive for some farmers to plant crops on land in the GPCP area that, according to SCS, is unsuitable for continuous cropping and should be converted.

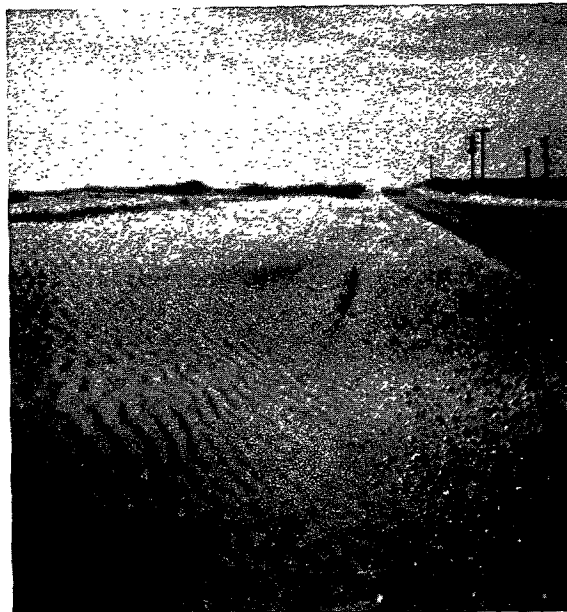
For the feed grain program, for example, set-aside payments are determined by using a base acreage established on the basis of the acreage that had been devoted to producing feed grain during certain past years. Applicable legislation provides for reductions in or loss of the feed grain base if sufficient acreage (expressed as a percentage of the base), as determined by the Secretary, is not used to grow feed grains or an authorized substitute crop. Converting cropland, therefore, could reduce a farmer's acreage eligible for the payments, thereby reducing his payments, as well as reducing his income from crops.

SCS district conservationists told us that the potential loss of set-aside payments was a major deterrent in getting unsuitable cropland converted. The president of a county SWCD board, who also operated a farm in that county, told us that many operators in his county did not want to convert their unsuitable cropland because they would lose qualifying acreage for set-aside payments. He said that most operators in his county could not make a living from pasture operations.

Individual farmers who had cropland of the type SCS generally considered unsuitable for continuous cropping and who were potential GPCP participants told us that they would not convert such land to grass because they could not afford the loss of income from crops and Federal farm payments.

For example, one operator, who had 960 acres of cropland which, according to SCS, was unsuitable for continuous cropping,

told us that he realized that some of the land needed a permanent vegetative cover because it was being eroded by wind and should not be farmed. (See photographs of some of the cropland below.)



The operator said, however, that he would not consider conversion because, under existing conditions, he could get more income by farming the land than by using it for grazing. He would consider conversion, the operator said, only if the return from the converted land would be as much as the income, including price-support payments, from farm operations.

The Department, before enactment of the GPCP legislation in 1956, recognized the difficulties in providing adequate incentives for conversion, including possible impacts of the Federal price-support programs. A 1955 preliminary report by a departmental study committee on possible solutions to Great Plains agriculture problems stated that

- many Great Plains farms had only poor land and it would be difficult for the operators to shift all their land to grass;
- it did not seem probable that individual farmers could be expected to accept completely the best land-use objectives; and
- some compensation might be justified in case of loss of income resulting from cropland conversion if no immediately productive use of land was permitted.

The committee suggested that, to insure conversion of cropland unsuited for continuous cropping, cost-sharing might be increased and spread over 3 to 5 years while the grass cover was being established. The GPCP law, as enacted and amended, provides that cost-sharing contracts can be for periods of up to 10 years. Also the GPCP cost-share rate for cropland conversion is usually 80 percent, compared with the usual rate of 50 percent under REAP--which can be used in the same area.

As indicated by comments of the SCS representatives and farmers, however, the 10-year contract period and the 80-percent cost-share rate have not been strong enough incentives to induce some farmers to voluntarily convert unsuitable cropland.

Such incentives were provided under the Cropland Conversion Program<sup>1</sup> and the Cropland Adjustment Program,<sup>2</sup> when ASCS made some long-term agreements with farmers before 1968 to help them convert unsuitable cropland to other productive and conserving uses. ASCS shared the cost of converting the land and made adjustment payments to help farmers shift cropland to alternative uses.

The amount of such assistance was based on various factors, including land productivity, type of conversion, use to which the land was being converted, and the conservation measures needed by the land in its new use. Funding for new contracts under the two programs was discontinued after 1967. The legal authority for making new contracts under the Cropland Conversion Program will expire in December 1973; the legal authority for making new contracts under the Cropland Adjustment Program expired in December 1970.

Assistance along these lines may be needed in the Great Plains to provide incentives for converting unsuitable cropland.

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<sup>1</sup>Authorized by section 16(e) of the Soil Conservation and Domestic Allotment Act, as amended (16 U.S.C. 590p(e)).

<sup>2</sup>Authorized by section 602 of the Food and Agriculture Act of 1965 (7 U.S.C. 1838).

ADMINISTRATIVE LIMITATION RESTRICTS  
ACREAGE OF DEPLETED RANGELAND  
THAT CAN BE TREATED

The third major problem that has impeded the achievement of important GPCP objectives is the SCS administrative requirement, in effect since 1961, that the Federal cost share for work under any one GPCP contract cannot exceed \$25,000<sup>1</sup>. The law does not specify the size of operating units that can be assisted, or limit the Federal share under any one contract.

Usually all GPCP-assisted work on any one farm or ranch must be done under one contract. Because of the administrative limitation, farmers and ranchers with large acreages of depleted rangeland would be required to pay a larger share of the total cost of needed conservation practices than farmers and ranchers with small acreages that can be treated within the limitation. SCS officials at various field locations told us that the limitation impeded reseeding of depleted rangeland.

SCS policy states that the purpose of the limitation is to allow as many farmers and ranchers as possible to participate in the program, which, according to SCS officials, helps obtain acceptable areawide participation within the limited funds. SCS officials told us also that the limitation was to further the GPCP objective of stabilizing the incomes--through improved conservation practices--of individual Great Plains farmers and ranchers.

GPCP statistics for fiscal year 1971 indicated that, if a contract provided only for planting grass, \$25,000 would be sufficient to cover the usual Federal share for planting grass on an average of about 2,000 acres of rangeland. SCS, however, usually requires that other conservation measures, such as brush control, fencing, and livestock-watering facilities, be carried out in conjunction with planting grass and be included in the contract. Therefore, the average size of an operating unit that can be treated with \$25,000 of Federal assistance at the usual Federal cost-share rate is less than 2,000 acres.

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<sup>1</sup> From 1959 to 1961 the limitation was \$2,500 a year for any one contract.

Many Great Plains operating units are larger than 2,000 acres and some of them have large acreages of unstable rangeland. For example, SCS records indicated that operating units in 18 of the 123 Texas counties designated for GPCP assistance average more than 4,000 acres in size. In 8 of the 18 counties, the average size of operating units exceeds 10,000 acres. SCS records showed that the 18 counties contain about 4 million acres of unstable rangeland.

As an example of owners or operators of large acreages having to pay a larger portion of the costs than those not affected by the limitation, a ranch had 4,500 acres of unstable rangeland in need of reseeding and other treatment (see left photograph below) which SCS estimated would cost \$95,000. The owner, therefore, would have had to pay \$70,000. The owner told us that he could not afford that amount.

Although a dollar limitation on the Federal share under a contract may be appropriate in view of the total amount of GPCP funds authorized to be appropriated, the Department will have to carefully consider the extent to which such limitation will affect the treatment of large acreages included in the estimated 16 million acres in critical need of treatment. For example, one ranch had about 38,000 acres of unstable rangeland in need of reseeding and brush control (see right photograph below), which SCS personnel estimated would cost \$634,000.



SCS headquarters officials told us that, in 1961, the limitation was considered adequate to achieve the greatest amount of conservation work with the widest possible distribution in the Great Plains. These officials told us also that

--there was a need to evaluate the limitation in view of increased costs of establishing conservation practices since 1961 and

--if GPCP funds were to be increased in accordance with increased costs, the total authorized funds would need to be substantially more than the present \$300 million.

### CONCLUSIONS

Progress under GPCP in converting unsuitable cropland to permanent vegetative cover and reseeding badly depleted rangeland has been less than might have been expected in view of the emphasis placed on these critical needs by GPCP legislative history. Three problems--the fund allocation system, the conflict with commodity price-support programs, and the administrative limitation on the amount of any one contract--are major factors that have impeded progress. These problems need to be resolved if greater progress is to be made in meeting these critical needs under GPCP before its scheduled expiration date in 1981.

The rate of progress could be increased if (1) fund allocation procedures and controls were improved to insure that available funds are used, insofar as practical, for high-priority work first, (2) additional incentives were provided for farmers to convert unsuitable cropland, giving consideration to the present disincentives resulting from the commodity price-support programs, and (3) the \$25,000 limitation on the amount of the Federal cost share under any one contract were increased, particularly to reflect cost increases since the limitation was established.

Allocations of funds to field offices strictly on the basis of priorities could possibly result in relocations of employees if such strict allocations caused field office workloads to fluctuate significantly. The fund allocation system, however, could provide the flexibility needed to



avoid any impractical short-term relocations of field personnel.

Incentives provided under GPCP need to be sufficient to make it economically feasible and desirable for operators to voluntarily convert unsuitable cropland. Existing commodity price-support programs conflict with this objective by providing incentives to continue raising crops on such land. If greater progress in converting unsuitable cropland is desired, cognizant congressional committees may wish to explore with the Department what can and should be done on this matter.

If, upon study by the Department and the cognizant committees, it is determined that additional incentives for conversion are desirable, the cost to the Government of providing them could be offset, at least in part, by savings in Federal farm payments now being made for farming cropland that, according to SCS, is not suitable for continuous cropping.

Increasing the limitation to reflect cost increases since it was established or to encourage owners or operators of larger acreages to obtain assistance at the usual cost-share rate under GPCP could immediately increase the rate of progress in treating unstable rangeland. We take no position on the amount by which the limitation should be increased.

RECOMMENDATIONS TO THE SECRETARY  
OF AGRICULTURE

We recommend that SCS

- revise its fund allocation system to insure that GPCP funds are used, to the extent practical, for highest priority work first and
- increase the \$25,000 limitation on the Federal share under any one contract to recognize cost increases since the limitation was established and to increase the rate of achieving important GPCP objectives.

## RECOMMENDATION TO THE CONGRESS

We recommend that cognizant congressional committees explore with the Department the feasibility and desirability of enacting legislation to provide additional incentives for GPCP area farmers to convert unsuitable cropland to permanent vegetative cover, giving consideration to disincentives resulting from the commodity price-support programs.

## AGENCY COMMENTS AND OUR EVALUATION

The Department (see app. I) stated that SCS has studied and will continue to study the feasibility of revising the fund allocation system, giving due consideration to priorities. In considering priorities, SCS should carefully consider the legislative history's emphasis on the need for converting unsuitable cropland and reseeding badly depleted rangeland.

The Department did not comment on the conflict between the GPCP and the commodity price-support programs. However, SCS headquarters officials agreed that, as discussed in the report, the conflict was one of the significant constraints on the progress of achieving important GPCP objectives.

The Department stated that SCS has recognized the limitation as a problem in those instances involving large farms and ranches and that SCS was evaluating the limitation in view of increased costs of conservation practices. According to the Department, any increase per contract would, however, result in fewer contracts.

UNITED STATES DEPARTMENT OF AGRICULTURE  
SOIL CONSERVATION SERVICE

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Washington, D. C. 20250

BEST DOCUMENT AVAILABLE

MAR 5 1973

Mr. Richard J. Woods  
Assistant Director  
General Accounting Office

Dear Mr. Woods:

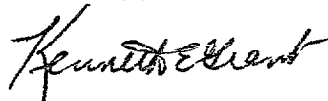
In accordance with your request, we reviewed the GAO draft report on the Great Plains Conservation Program audit and have the following comments to offer.

GAO recommended that SCS revise its fund allocation procedures and controls to ensure that GPCP cost-share funds are used, to the fullest extent practical, to accomplish high priority work first. In this regard, the Soil Conservation Service has and will continue to study the feasibility of revising the fund allocation system giving due consideration to the use of priorities.

GAO further recommended that the \$25,000 limitation on the cost share for any one contract be increased in view of (1) cost increases since the limitation was established and (2) the need to increase the rate of progress in accomplishing important program objectives. The Soil Conservation Service has recognized this as a problem area in those instances involving large farms and ranches, and we are currently evaluating the limitation in view of increased costs of practice establishment. Any increase per contract would, however, result in fewer contracts.

We appreciate having had the opportunity to discuss the audit findings with representatives of GAO, and to comment on the recommendations prior to release of the final report.

Sincerely,



Kenneth E. Grant  
Administrator



## APPENDIX II

### EXCERPT FROM SCS HANDBOOK REGARDING PRIORITIES

#### FOR APPLICATIONS FOR ASSISTANCE UNDER GPCP

Priority shall be defined as high, medium, and low as follows:

#### High Priority

- Operating units having major problems of converting cropland unsuited for cultivation to permanent vegetation.
- Operating units having major wind and water erosion and moisture conservation problems on rangeland, or on cropland suitable for continuous cropping.
- Two or more operating units having wind and water erosion problems requiring simultaneous action whose owners and operators agree to act in unison.

#### Medium Priority

- Operating units having moisture conservation problems on nonirrigated cropland with slight erosion.
- Operating units having vegetative and management problems on rangeland with slight erosion.
- Operating units needing conversion of cropland suited to cultivation to permanent vegetation to meet the need of the operating unit.

#### Low Priority

- Operating units consisting entirely or almost entirely of irrigated land with only slight erosion problems.
- Operating units consisting of nonirrigated cropland or rangeland with only slight erosion problems.
- Operating units on which the conservation program is so nearly established that it can be completed with assistance available from other sources.

PRINCIPAL OFFICIALS OF  
THE DEPARTMENT OF AGRICULTURE  
RESPONSIBLE FOR ADMINISTRATION OF ACTIVITIES  
DISCUSSED IN THIS REPORT

	<u>Tenure of office</u>	
	<u>From</u>	<u>To</u>
SECRETARY OF AGRICULTURE:		
Earl W. Butz	Dec. 1971	Present
Clifford M. Hardin	Jan. 1969	Dec. 1971
Orville L. Freeman	Jan. 1961	Jan. 1969
ASSISTANT SECRETARY, CONSERVA- TION, RESEARCH AND EDUCATION (note a):		
Robert W. Long	Mar. 1973	Present
Thomas K. Cowden	May 1969	Mar. 1973
John A. Baker	Aug. 1962	Jan. 1969
ADMINISTRATOR, SOIL CONSERVA- TION SERVICE:		
Kenneth E. Grant	Jan. 1969	Present
Donald A. Williams	Nov. 1953	Jan. 1969

<sup>a</sup>Title changed from Assistant Secretary, Rural Development and Conservation in January 1973.









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