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Highlights

Highlights of [GAO-06-312](#), a report to the Chairman, Committee on Appropriations, U.S. Senate

Why GAO Did This Study

The Conservation Security Program (CSP)—called for in the 2002 farm bill and administered by the U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS)—provides financial assistance to producers to reward past conservation actions and to encourage further conservation stewardship. CSP payments may be made for structural or land management practices, such as strip cropping to reduce erosion. CSP has raised concerns among some stakeholders because CSP cost estimates generally have increased since the 2002 farm bill's enactment. For example, the Congressional Budget Office's estimate increased from \$2 billion in 2002 to \$8.9 billion in 2004.

GAO determined (1) why CSP cost estimates generally increased; (2) what authority USDA has to control costs and what cost control measures exist; and (3) what measures exist to prevent duplication between CSP and other USDA conservation programs and what duplication, if any, has occurred.

What GAO Recommends

GAO recommends, in part, that NRCS review its state offices' wildlife habitat assessment criteria and develop a process to preclude and identify duplicate payments. NRCS generally agreed with GAO's findings and recommendations.

www.gao.gov/cgi-bin/getrpt?GAO-06-312.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Robert A. Robinson at (202) 512-3841 or robinsonr@gao.gov.

CONSERVATION SECURITY PROGRAM

Despite Cost Controls, Improved USDA Management Is Needed to Ensure Proper Payments and Reduce Duplication with Other Programs

What GAO Found

Various factors explain why estimates of CSP costs generally increased since the 2002 farm bill's enactment. Of most importance, little information was available regarding how this program would be implemented at the time of its inception in 2002. As more information became available, cost estimates rose. In addition, the time frames on which the estimates were based changed. While the initial estimates covered years in which the program was expected to be nonoperational or minimally operational, subsequent estimates did not include these years.

The farm bill provides USDA general authority to control CSP costs, including authority to establish criteria that enable it to control program participation and payments and, therefore, CSP costs. For example, NRCS restricts participation by limiting program enrollment each year to producers in specified, priority watersheds. NRCS also has established certain CSP payment limits at levels below the maximum allowed by the statute. However, efforts to control CSP spending could be improved by addressing weaknesses in internal controls and inconsistencies in the wildlife habitat assessment criteria that NRCS state offices use, in part, to determine producer eligibility for the highest CSP payment level. Inconsistencies in these criteria also may reduce CSP's conservation benefits.

The farm bill prohibits duplicate payments for the same practice on the same land made through CSP and another USDA conservation program. Various other farm bill provisions also reduce the potential for duplication. For example, as called for under the farm bill, CSP may reward producers for conservation actions they have already taken, whereas other programs generally provide assistance to encourage new actions or to idle or retire environmentally sensitive land from production. In addition, CSP regulations establish higher minimum eligibility requirements for CSP than for other programs. However, despite these legislative and regulatory provisions, the possibility that producers can receive duplicate payments remains because of similarities in the conservation actions financed through these programs. In addition, NRCS does not have a comprehensive process to preclude or identify such duplicate payments. In reviewing NRCS's payments data, GAO found a number of examples of duplicate payments.

Strip Cropping to Reduce Soil Erosion



Source: Photo courtesy of USDA NRCS.

Note: Strip cropping means growing row crops, forages, or small grains in equal width strips.