



Conservation and Environmental Programs Division

Annual Report

Fiscal Year 2007

The Farm Service Agency's Conservation and Environmental Programs Division implements programs involving environmental quality, conservation of natural resources, emergency conservation, and land use and rural development. Further information is available from our website: www.fsa.usda.gov

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Letter from the Director –

We are pleased to report that farmers and ranchers have made substantial commitments to improving air and water quality, reducing erosion, and enhancing wild-life habitat by using a number of Division programs. We also supported the rehabilitation of farmland damaged by natural disasters.

The Farm Service Agency (FSA) is on the “front lines” providing a broad range of services to farmers and ranchers on conservation, commodity, credit, disaster, and loan programs. We support the longer-term investments of getting “conservation on the ground” and environmental protection.

This past year, we finished implementation of the President’s 2004 announcement to re-enroll and extend much of the land enrolled in the Conservation Reserve Program and participants exceeded our expectations by almost 10 percent of the acreage.

A former grain storage facility at Waverly, Nebraska, was de-listed as a “Superfund” site after the regulators determined the cleanup actions were successful. At the White House Rose Garden
The remediation site had been in operation since the 1980’s. The Agency’s Conservation and Environmental webpage information received over 250,000 “hits” from the public.

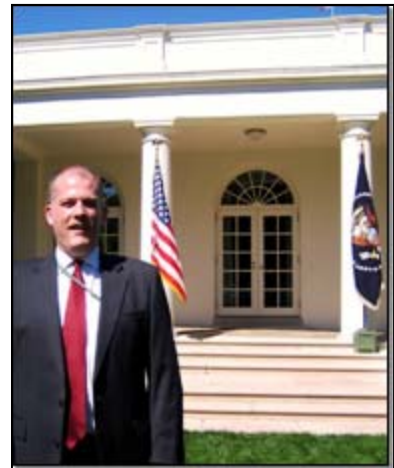
Public service is an honorable profession and we are privileged to serve our Nation, its farmers and ranchers, and the American public. As we are modernizing our automation and business processes, we are working to adopt a more corporate presence. This inaugural edition, accordingly, is the Division’s first Annual Report.

Beyond the broad highlights in this Annual Report, extensive information is available on FSA’s website. The web address is on the opposite page.

Please take a few minutes to review the Division’s fiscal year 2007 accomplishments. We look forward to serving farmers and ranchers and achieving even more “conservation on the ground” during fiscal year 2008!!



November 23, 2007



Our Major Accomplishments

Conservation Reserve Program

The Conservation Reserve Program (CRP) is a voluntary program available to agricultural producers to help them enhance environmentally-sensitive land. Producers enrolled in CRP plant long-term, resource-conserving covers such as introduced or native grasses or hardwood trees to improve the quality of water, control soil erosion, and enhance wildlife habitat.

In return, FSA provides participants with rental payments and cost-share assistance for 10 to 15 years. The long-term time frame ensures that investments in environmental benefits accrue over a longer period.



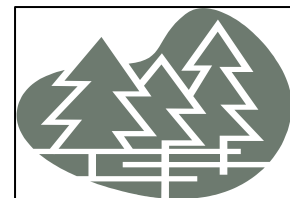
Farmers and ranchers enrolled almost 50,000 acres of wetlands which reduce downstream flooding, protect drinking water, filter runoff, and provide vital habitat for many wildlife species, such as upland ducks and sandhill cranes.

Over 57,000 of riparian and grass buffers were enrolled which protect streams and rivers from sediment, organic material, nutrients, and chemicals carried in runoff or waste water and often provide wildlife travel corridors, nesting sites, and food sources.

- ◆ Total FY enrollment was about 200,000 acres with total cumulative enrollment on September 30, 2007, of about 36.9 million acres.
- ◆ A new Conservation Reserve Enhancement Program Agreement (CREP) was developed for the Arkansas Cache River/ Bayou DeView watersheds to establish or restore wetlands and riparian forest buffers by planting hardwood trees.
- ◆ We also signed a new CREP Agreement for the drinking water supply for Tulsa to establish riparian buffers and filter strips to reduce the flow of nutrients, sediment, and other pollutants in Oklahoma's Spavinaw Lake and Illinois River/ Lake Tenkiller watersheds.
- ◆ With our partners, we modified five CREP Agreements with Kentucky, Michigan, Missouri, Montana, and Wisconsin.
- ◆ Consistent with the President's Management Agenda (PMA), we entered into Technical Assistance contracts for training in four States and 52 counties so that FSA employees could review, evaluate, and approve technical assistance and to perform technical assistance which resulted in a high-quality product delivered in a short time.

FSA implemented the Emergency Forest Conservation Reserve Program for the States suffering from 2005 hurricanes including Katrina and Rita.

The first signup ended on December 31, 2006, and about 180,000 acres were enrolled which had suffered a \$274 million loss. Signup was re-opened on August 6, 2007, and over 16,000 acres were offered.



- ◆ The Settlement Agreement for the National Wildlife Federation litigation was implemented which affected managed haying and grazing provisions in 20 States: Arizona, California, Colorado, Idaho, Indiana, Kansas, Montana, Nebraska, Nevada, New Mexico, New York, North Dakota, Oklahoma, Oregon, South Dakota, Texas, Utah, Washington, Wisconsin, and Wyoming.

At the Sunbelt Ag Expo in Moultrie, Georgia, Senator Saxby Chambliss (left) announced a new longleaf pine initiative of 250,000 acres for nine southern States.

Longleaf pine forests provide numerous environmental benefits including wild-life habitat.

Over the past 100 years, longleaf ecosystems declined from 60 million acres to 4 million acres.

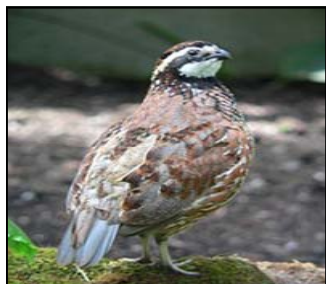


We updated our automated system to enable the Duck Nesting Habitat initiative to be targeted to specific areas and to support new initiatives and eligibility areas.

The Initiative aims to enroll up to 100,000 acres of certain wetlands located outside of the 100-year floodplain in the northern Great Plains and to provide nesting ducks with critical habitat, nesting cover, security from predators, and food.

In January 2007, the Food and Agricultural Policy Research Institute (FAPRI) reported that CRP has a profound impact on organic carbon levels in a field. The FAPRI estimated a national impact of an additional 23 million tons (84 million tons of CO2 equivalent) per year.

The greatest effect is observed in the Delta and Southeastern States. Conservation covers such as trees, grass, and wetlands increase soil carbon by decreasing oxidation and increasing the amount of residue, roots, and standing live plant material.



In November 2006, USDA announced results of a northern bobwhite quail study conducted by Mississippi State University (MSU) researchers which found that, generally, quail numbers increased in areas in CRP. When researchers analyzed land enrolled in CRP in Nebraska, Kansas and Missouri, they found almost a 3 percent increase in quail numbers.

Across seven Bird Conservation Regions, CRP habitat was overwhelmingly associated with higher abundance of grassland birds.

The Washington Department of Fish and Wildlife conducted a study of sage grouse populations in the eastern part of the State between 2004 and 2006. Researchers discovered the sage grouse population grew 12 percent between 1992 and 2006 after covers matured on land enrolled in the CRP.

The increase is significant considering the population of sage grouse in this region had declined by 25 percent between 1970 and 1988 prior to the availability of the CRP. Researchers also found that sage grouse populations in an area not aided by CRP continued to decline, showing the ability of conservation acreage to positively affect a species in sharp decline.





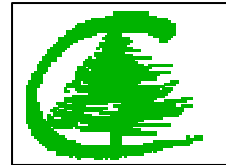
Source Water Protection Program

The SWP was expanded to 38 States and 110 plans were completed including 384 public drinking water sources (311 public water supply wells and 73 surface intakes).

Administrator Teresa Lasseter (center), her husband, Willard Lasseter (third from left), and John Carter, FSA's SWP Manager (far left) met with the Georgia Rural Water Association in August 2007 in Madison.

Global Change

We worked with the Department of Agriculture's Global Change Program Office to develop an educational brochure which is scheduled to be issued during Fiscal Year 2008 which will inform CRP participants of the carbon sequestered from CRP practices.



Grassland Reserve Program

There are 2,559 GRP contracts on 608,152.1 acres in all States but Idaho and South Carolina. There are also contracts in Puerto Rico.

Emergency Conservation Program

Special authorities enacted to address the damage resulting from the 2005 hurricanes were implemented and included payments to forestry, nursery, and poultry producers. Forestry payments were for reforestation and rehabilitation.

Nursery payments were for the removal of debris such as nursery structures, shade-houses, and above ground irrigation facilities. Poultry payments were for the clean up of structures such as barns and poultry houses and to remove poultry house debris, including carcasses.

We issued ECP regulations, modified software, and allocated funding within 12 weeks after enactment of the 2007 emergency supplemental appropriations act that, for the first time, restricted use of funds by the Adjusted Gross Income (AGI) provision applicable to other USDA programs.

Under AGI, certain producers generally making more than \$2.5 million per year are ineligible for USDA benefits. Allocated \$16 million for 18 States to address natural disaster damages from drought, flood, tornado, and other natural disasters.

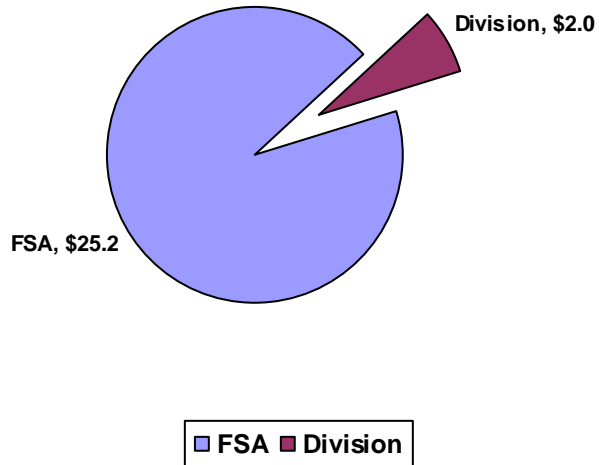
Hazardous Waste

The Waverly, Nebraska, groundwater remediation was completed and the Environmental Protection Agency removed it from the "Superfund" list.

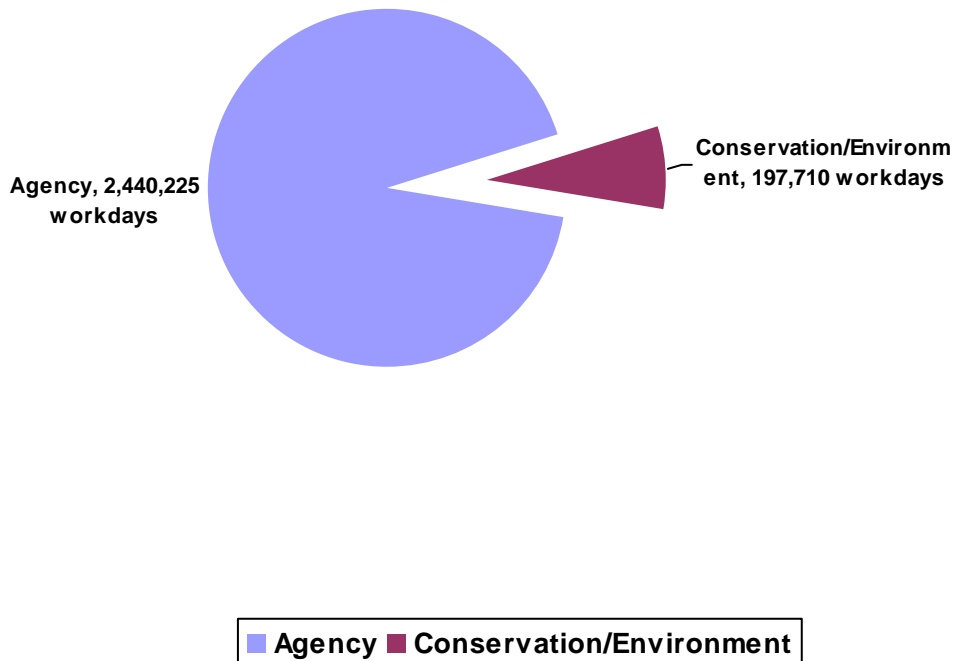
We also modified the Murdock, Nebraska, monitoring system to assess the ability of an engineered wetland to control nitrogen runoff which included the design and installation of systems to support the removal of nitrogen that had migrated off the field via surface runoff and through tile drain systems.



Division Outlays/Allocations FY 2007 (\$billions)



Agency Conservation and Environmental Workload (FY 2006)



Division Outlays or Allocations for FY 2007 Included:

State	CRP				Hazardous Waste		
	Rental	Cost-Share	Technical Assistance	Total	CCC	FSA	Total
Alabama	\$20,376,938	\$805,590	\$757,853	\$21,940,381	\$0	\$0	\$0
Alaska	\$993,367	\$6,624	\$33,411	\$1,033,402	\$0	\$0	\$0
Arizona	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Arkansas	\$10,335,995	\$1,688,627	\$1,029,380	\$13,054,002	\$0	\$0	\$0
California	\$4,440,583	\$184,877	\$240,353	\$4,865,813	\$0	\$101,000	\$101,000
Colorado	\$73,572,615	\$2,390,459	\$913,278	\$76,876,352	\$0	\$0	\$0
Conneticut	\$19,933	\$0	\$12,054	\$31,987	\$0	\$0	\$0
Delaware	\$753,278	\$19,838	\$189,580	\$962,695	\$0	\$0	\$0
Florida	\$2,872,684	\$86,569	\$139,120	\$3,098,373	\$0	\$301,000	\$301,000
Georgia	\$10,927,692	\$856,692	\$544,460	\$12,328,844	\$0	\$0	\$0
Guam	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Hawaii	\$1,737	\$0	\$6,946	\$8,683	\$0	\$0	\$0
Idaho	\$30,792,293	\$1,264,455	\$556,612	\$32,613,360	\$0	\$0	\$0
Illinois	\$106,075,339	\$4,747,206	\$6,085,122	\$116,907,666	\$0	\$0	\$0
Indiana	\$27,038,971	\$6,295,460	\$4,918,461	\$38,252,892	\$0	\$0	\$0
Iowa	\$202,815,564	\$8,344,343	\$6,137,405	\$217,297,311	\$0	\$0	\$0
Kansas	\$119,043,124	\$5,537,305	\$2,916,752	\$127,497,181	\$0	\$0	\$0
Kentucky	\$25,972,168	\$2,174,143	\$2,520,048	\$30,666,359	\$0	\$0	\$0
Louisiana	\$13,926,694	\$2,366,003	\$1,032,875	\$17,325,572	\$0	\$0	\$0
Maine	\$1,139,692	\$63,448	\$125,496	\$1,328,636	\$0	\$0	\$0
Maryland	\$9,865,793	\$846,562	\$1,166,030	\$11,878,385	\$0	\$0	\$0
Massachusetts	\$3,412	\$0	\$14,454	\$17,866	\$0	\$0	\$0
Michigan	\$19,645,154	\$1,186,007	\$1,332,706	\$22,163,867	\$0	\$318,000	\$318,000
Minnesota	\$105,103,942	\$4,171,356	\$5,733,369	\$115,008,667	\$0	\$0	\$0
Mississippi	\$38,324,612	\$1,691,603	\$1,478,034	\$41,494,249	\$0	\$0	\$0
Missouri	\$103,283,624	\$3,317,856	\$3,898,722	\$110,500,202	\$183,000	\$2,000	\$185,000
Montana	\$116,676,485	\$825,549	\$1,633,154	\$119,135,188	\$0	\$0	\$0
Nebraska	\$72,138,680	\$3,820,297	\$3,002,550	\$78,961,528	\$2,219,000	\$0	\$2,219,000
Nevada	\$2,530	\$0	\$0	\$2,530	\$784,000	\$0	\$784,000
New Hampshire	\$10,026	\$0	\$7,782	\$17,808	\$0	\$0	\$0
New Jersey	\$109,277	\$118,735	\$128,350	\$356,362	\$0	\$34,000	\$34,000
New Mexico	\$18,665,732	\$79,520	\$390,412	\$19,135,664	\$0	\$0	\$0
New York	\$3,129,225	\$1,059,354	\$719,320	\$4,907,899	\$0	\$67,000	\$67,000
North Carolina	\$7,664,570	\$725,246	\$1,197,302	\$9,587,118	\$0	\$136,000	\$136,000
North Dakota	\$111,263,357	\$1,470,826	\$4,310,907	\$117,045,090	\$0	\$0	\$0
Ohio	\$29,503,811	\$7,943,136	\$4,058,333	\$41,505,279	\$0	\$0	\$0
Oklahoma	\$33,992,246	\$987,009	\$769,302	\$35,748,557	\$0	\$0	\$0
Oregon	\$26,112,165	\$3,836,642	\$730,684	\$30,679,491	\$0	\$0	\$0
Pennsylvania	\$18,208,668	\$4,379,791	\$2,880,998	\$25,469,457	\$0	\$0	\$0
Puerto Rico	\$83,539	\$0	\$0	\$83,539	\$0	\$0	\$0
Rhode Island	\$2,288	\$6,807	\$15,281	\$24,376	\$0	\$0	\$0
South Carolina	\$6,981,158	\$373,851	\$1,275,924	\$8,630,933	\$0	\$0	\$0
South Dakota	\$62,284,115	\$4,409,692	\$4,666,287	\$71,360,093	\$0	\$0	\$0
Tennessee	\$15,892,741	\$485,263	\$1,387,690	\$17,765,694	\$0	\$0	\$0
Texas	\$140,738,668	\$2,532,180	\$1,039,282	\$144,310,130	\$0	\$0	\$0
Utah	\$6,162,849	\$24,582	\$45,668	\$6,233,099	\$0	\$0	\$0
Vermont	\$130,319	\$279,416	\$164,702	\$574,437	\$0	\$0	\$0
Virginia	\$3,318,036	\$1,884,068	\$1,509,247	\$6,711,351	\$0	\$0	\$0
Washington	\$77,166,011	\$4,745,325	\$490,258	\$82,401,595	\$0	\$15,000	\$15,000
West Virginia	\$201,132	\$309,121	\$336,566	\$846,819	\$0	\$0	\$0
Wisconsin	\$41,707,385	\$1,392,871	\$2,479,993	\$45,580,249	\$0	\$0	\$0
Wyoming	\$7,827,044	\$136,639	\$258,883	\$8,222,566	\$0	\$0	\$0
Total	\$1,727,297,261	\$89,870,943	\$75,281,396	\$1,892,449,600	\$3,186,000	\$974,000	\$4,160,000

Notes: "CCC" means Commodity Credit Corporation.
 Technical Assistance calculation is based on attribution.

State	ECP			GRP Allocations	Source Water	Total
	Allocations	Technical Assistance	Total			
Alabama	\$5,292,490	\$529,249	\$5,821,739	\$564,550	\$91,837	\$28,418,507
Alaska	\$0	\$0	\$0	\$280	\$183,674	\$1,217,356
American Samoa	\$0	\$0	\$0	\$0	\$0	\$0
Arizona	\$1,153,260	\$115,326	\$1,268,586	\$0	\$91,837	\$1,360,423
Arkansas	\$1,331,180	\$133,118	\$1,464,298	\$0	\$91,837	\$14,610,137
California	\$9,193,364	\$919,336	\$10,112,700	\$2,279,665	\$0	\$17,359,179
Colorado	\$1,094,248	\$109,425	\$1,203,673	\$1,696,354	\$91,837	\$79,868,216
Connecticut	\$106,865	\$10,687	\$117,552	\$16,271	\$0	\$165,810
Delaware	\$0	\$0	\$0	\$0	\$91,837	\$1,054,532
Florida	\$135,231	\$13,523	\$148,754	\$0	\$91,837	\$3,639,965
Georgia	\$4,346,980	\$434,698	\$4,781,678	\$8,859	\$91,837	\$17,211,218
Guam	\$0	\$0	\$0	\$0	\$0	\$0
Hawaii	\$3,007,102	\$300,710	\$3,307,812	\$0	\$0	\$3,316,495
Idaho	\$694,000	\$69,400	\$763,400	\$0	\$45,918	\$33,422,679
Illinois	\$50,995	\$5,100	\$56,095	\$1,399,674	\$91,837	\$118,455,272
Indiana	\$96,436	\$9,644	\$106,080	\$3,825	\$45,918	\$38,408,715
Iowa	\$1,413,300	\$141,330	\$1,554,630	\$0	\$91,837	\$218,943,779
Kansas	\$54,486	\$5,449	\$59,935	\$13,547	\$91,837	\$127,662,500
Kentucky	\$281,479	\$28,148	\$309,627	\$643	\$0	\$30,976,629
Louisiana	\$2,243,339	\$224,334	\$2,467,673	\$421	\$91,837	\$19,885,503
Maine	\$628,701	\$62,870	\$691,571	\$0	\$91,837	\$2,112,045
Maryland	\$6,000	\$600	\$6,600	\$65,000	\$91,837	\$12,041,822
Massachusetts	\$102,642	\$10,264	\$112,906	\$0	\$91,837	\$222,609
Michigan	\$82,800	\$8,280	\$91,080	\$5,640	\$91,837	\$22,670,424
Minnesota	\$120,551	\$12,055	\$132,606	\$306,868	\$91,837	\$115,539,979
Mississippi	\$3,114,619	\$311,462	\$3,426,081	\$0	\$91,837	\$45,012,167
Missouri	\$8,918,614	\$891,861	\$9,810,475	\$564,078	\$0	\$121,059,756
Montana	\$2,048,498	\$204,850	\$2,253,348	\$566,700	\$91,837	\$122,047,073
Nebraska	\$1,048,726	\$104,873	\$1,153,599	\$0	\$0	\$82,334,126
Nevada	\$767,099	\$76,710	\$843,809	\$0	\$91,837	\$1,722,176
New Hampshire	\$310,827	\$31,083	\$341,910	\$72,000	\$91,837	\$523,555
New Jersey	\$708,956	\$70,896	\$779,852	\$102,000	\$0	\$1,272,214
New Mexico	\$2,038,448	\$203,845	\$2,242,293	\$0	\$91,837	\$21,469,794
New York	\$2,601,178	\$260,118	\$2,861,296	\$10,000	\$0	\$7,846,195
North Carolina	\$13,998	\$1,400	\$15,398	\$37,000	\$91,837	\$9,867,353
North Dakota	\$257,783	\$25,778	\$283,561	\$219,000	\$91,837	\$117,639,489
Ohio	\$724,418	\$72,442	\$796,860	\$41,073	\$91,837	\$42,435,049
Oklahoma	\$7,171,705	\$717,171	\$7,888,876	\$1,746,282	\$91,837	\$45,475,552
Oregon	\$623,367	\$62,337	\$685,704	\$0	\$91,837	\$31,457,032
Pennsylvania	\$1,918,261	\$191,826	\$2,110,087	\$46,635	\$91,837	\$27,718,017
Puerto Rico	\$0	\$0	\$0	\$9,641	\$0	\$93,180
Rhode Island	\$7,000	\$700	\$7,700	\$682,930	\$91,837	\$806,843
South Carolina	\$0	\$0	\$0	\$0	\$91,837	\$8,722,770
South Dakota	\$6,865,469	\$686,547	\$7,552,016	\$0	\$0	\$78,912,109
Tennessee	\$3,656,745	\$365,675	\$4,022,420	\$3,081,594	\$0	\$24,869,707
Texas	\$5,127,179	\$512,718	\$5,639,897	\$64,540	\$48,017	\$150,062,585
Utah	\$641,168	\$64,117	\$705,285	\$0	\$91,837	\$7,030,221
Vermont	\$296,212	\$29,621	\$325,833	\$0	\$91,837	\$992,107
Virginia	\$176,820	\$17,682	\$194,502	\$434,012	\$0	\$7,339,865
Virgin Islands	\$0	\$0	\$0	\$0	\$0	\$0
Washington	\$1,442,516	\$144,252	\$1,586,768	\$0	\$91,837	\$84,095,199
West Virginia	\$37,032	\$3,703	\$40,735	\$0	\$0	\$887,554
Wisconsin	\$0	\$0	\$0	\$1,989,767	\$91,837	\$47,661,853
Wyoming	\$2,220,586	\$222,059	\$2,442,645	\$2,335,892	\$0	\$13,001,102
Total	\$84,172,673	\$8,417,267	\$92,589,940	\$18,364,741	\$3,354,158	\$2,010,918,440