



## **Sen. John Thune's Phase IX Farm Bill Rollout – Conservation Reserve Program (CRP) and Rural Water System Access Improvements**

### **Background Information**

---

#### **Prioritizing Species of Economic Significance**

Sen. Thune's CRP and Rural Water System Improvement Act of 2018 is his ninth in a series of improvements to current agriculture policy through the 2018 farm bill.

Several state economies depend heavily on the revenues from hunting game species, such as pheasants, grouse, quail, and others. CRP provides critical habitat to the economically significant species as well protecting water quality, preventing erosion and building soil health.

Building on changes Thune has already proposed that would improve CRP, his latest bill would establish an economic priority for allocation of CRP acres to states based on habitat for species of economic significance.

Thune's bill would:

- Define "species of economic significance" as a wildlife species to which CRP is critical to maintaining its habitat, as determined by the secretary of agriculture and after the governor of a state verifies to the secretary that it provides more than \$150,000,000 per year to the economy of the state from hunting the wildlife species and other related activities, such as the purchase of hunting supplies, lodging, and food sales.
- Upon application by an appropriate state agency, authorize the secretary of agriculture to designate areas of economic sensitivity as economic priority areas for CRP allocations.

**Note:** Current law allows the secretary to designate only areas of special environmental sensitivity as conservation priority areas.

- Along with existing considerations for water quality and habitat impacts related to agricultural production in watersheds, this bill gives the secretary of agriculture new authority to prioritize CRP in areas with actual and significant declining habitat for species of economic significance.

## **Additional CRP Improvements**

- This bill also authorizes the secretary of agriculture to allow cost-share for fencing and water distribution practices for acres enrolled in CRP.

**Note:** Thune proposes to allow limited grazing on land enrolled in CRP. Because most CRP land is not fenced, nor does it have water for livestock, this provision would help producers better utilize CRP.

- Authorization for emergency haying and grazing with a CRP rental payment reduction would no longer be allowed under this bill because of Thune's proposal to allow one-third of all CRP contract acres to be hayed each year, or CRP contract acreage to be annually grazed on a limited basis.
- This bill provides that the secretary of agriculture "shall" permit haying and grazing on all CRP contracts, with an exception for the contracts that the State Technical Committee determines and advises the secretary that haying or grazing for a given year would cause long-term damage to vegetative cover on the CRP-enrolled land.

**Note:** This language is needed because the Farm Service Agency (FSA) has made an administrative designation that certain CRP conservation practices are environmentally sensitive, and FSA has further determined that these practices cannot be hayed or grazed, even under emergency conditions. During the 2012 and 2018 droughts Thune was able to persuade USDA/FSA to allow environmentally sensitive acres to be hayed or grazed, which resulted in no negative effects on this land. More than one-half of CRP-enrolled land in South Dakota is considered environmentally sensitive by FSA.

## **Rural Water System Assistance**

Rural water systems often consist of hundreds of miles of underground waterlines. On occasion, these waterlines cross U.S. Forest Service (USFS) land. The USFS generally grants a conditional use waiver for the rural water system lines to cross its property; however, it has the authority to and does charge rural water systems a rental fee, even if the rural water system allows USFS the use of hydrants to fight fires.

Because most rural water systems provide water to underserved rural areas, including Indian reservation land, these USFS rental fees add additional costs for rural water users in these areas.

Thune's bill would prohibit USFS from charging a rental fee under a conditional use agreement when rural water system lines cross USFS land.