Recommendations for the 2018 Farm Bill

Forests in the Farm Bill Coalition

July 2017

Forests: The Backbone of Rural America and our Environment

Private forests contribute to a

$282

billion sector in America's economy, **supporting more than 2.4 million jobs.**[1]

Forests in the United States filter drinking water for **more than 180 million people**,

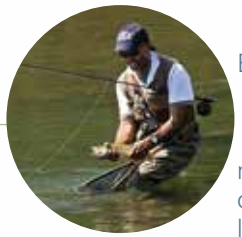
56%

of the U.S. population.[2]

In the United States, forests absorb and hold more than

10%

of carbon emissions.[3]

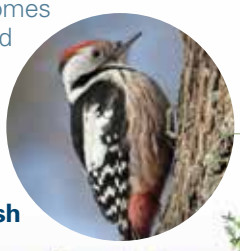


Every year, about

160

million engage in outdoor activities, largely in our forests, **stimulating more than $646 billion in economic activity.**[4]

Forests are homes for endangered wildlife, with Southern forests alone **home to 224 forest-dependent fish and wildlife threatened species.**[5]



Trade in forest products contributes

$30.3

billion to the U.S. economy.[6]

1 in 4

rural Americans **is a family forest owner.**[7]

All forests, owned by federal, state, and local governments, private landowners, and tribes, provide these important public benefits and must be well-managed.

How Do We Sustain and Grow Benefits from Forests?

We must tackle a suite of pressing forest threats:

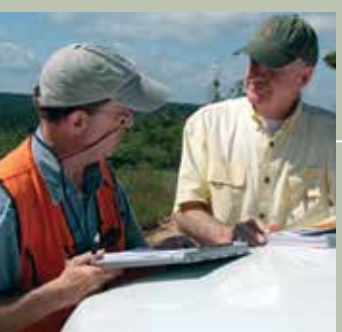
Market shifts: Even as pressure to develop and other growing challenges make owning and managing land difficult, forest products markets are shifting and disappearing in some parts of the country. Without income, landowners will have difficulty managing and keeping their forest as forests.

Growing number of at-risk species that rely on forests: While mostly attributed to non-forestry activities, there is the potential, particularly in the South, to nearly double the number of listed species subject to the Endangered Species Act; without timely conservation through voluntary programs, such listings could limit forest management opportunities.[8]

Pressure to develop: More than 55 million acres of private forest lands, are predicted to experience a substantial increase in housing density between 2000 and 2030.[9]

Catastrophic wildfires are increasing: The ten year average number of acres burned increased 214% from 1986 to 2016. Wildfires are currently burning an average of 7 million acres of forestland annually, with some years burning up to 10 million acres.[10] In the West, more than one-third of the high wildfire risk acres are family-owned lands, largely because these families lack resources and markets to reduce fire risk.[11]

Insects, disease, and invasive pests and pathogens: Approximately 81 million acres of forests are subject to increased mortality from insects, disease and invasive plant infestation.[12]



Limited technical assistance: While the pressures on forests grow, especially for the family and private forests, only 25.8 percent of the 20.6 million[13] family forest owners have worked with a professional forester to manage their forests.[14]

The 2018 Farm Bill Can Help

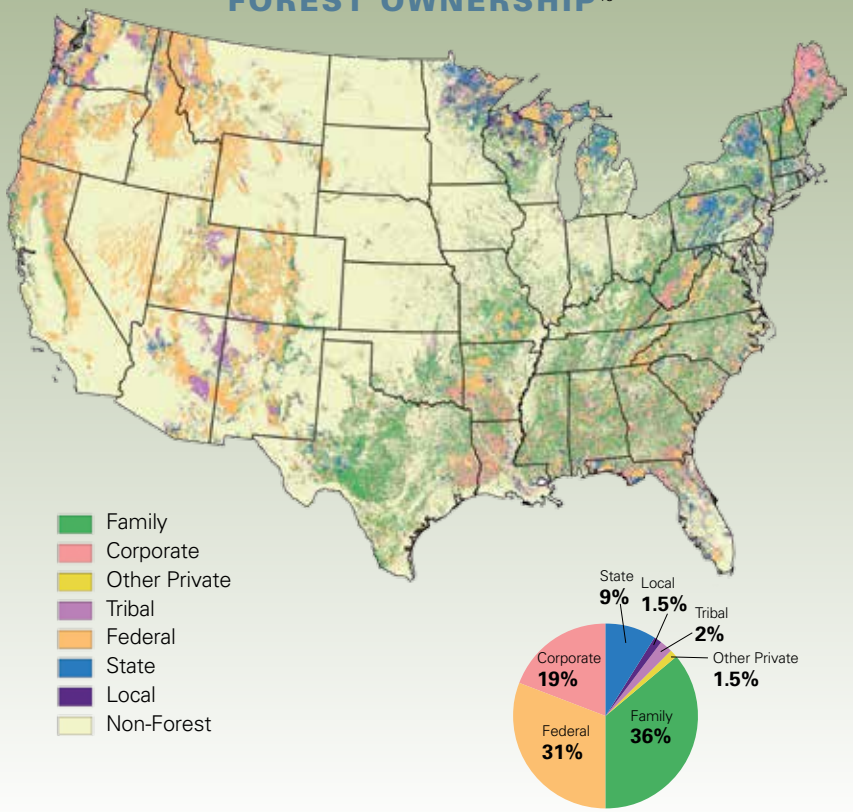
Addressing these issues requires a combination of:

- **Strong markets and continued innovation;**
- **Effective technical and financial assistance;**
- **Informed forest landowners, land managers, and communities; and**
- **Continued research and education.**

Significant progress was made in previous Farm Bills, progress that has increased our collective ability to address the above noted challenges.

We ask that Congress build on this progress, and enact a 2018 Farm Bill that addresses these challenges.

FOREST OWNERSHIP[15]



To address many of the issues noted in this document, the wildfire funding issues currently plaguing the U.S. Forest Service must be dealt with. As wildfires grow, the increased costs of fighting these wildfires consumes an increasing portion of the Forest Service budget. Today, wildfire fighting costs consume over 50% of the budget, up from only 16% of the Agency's budget in 1995 and, if unchecked, is projected to increase to 67% by 2025. Additionally, because wildfire costs are increasing, the Agency often runs out of funds and is forced to borrow from non-fire accounts, causing significant disruptions in forest management activities. With more funds going to fight wildfires, fewer funds are available for Forest Service programs and activities that support the management of the nation's public and private forests and forest industry.

While much of the solution to this funding challenge lies in other Committee jurisdictions, we urge the Agriculture Committees to continue to serve as advocates to fix this issue so improvements made in the upcoming Farm Bill can be fully achieved. We support a comprehensive wildfire funding fix that:

- Addresses the continued erosion of agency budgets that results from the increasing ten-year average and stabilizes the level of funding for suppression;
- Provides access to disaster funding for extraordinarily costly fires including those that may be calculated as part of the ten-year average; and
- Reduces the necessity of transferring funds from non-fire accounts.

In addition to solving these funding challenges, there is a need to increase hazardous fuels reduction and restoration activities in the nation's forests, including federal forests, to reduce the risk of wildfire and begin to reduce these rising costs. We have a number of policy recommendations below that will help address these concerns on both public and private lands.

2018 Farm Bill Funding Priorities for Forests

As in the past, we understand the challenge of limited budgets. Given the work the House and Senate Agriculture Committees have already done to reduce Farm Bill spending, we urge Congress to resist additional cuts to Farm Bill programs that will limit opportunities to craft responsive forest policy.

We ask that Congress include mandatory funding for the following priorities in the 2018 Farm Bill, along with associated policy improvements to these programs outlined below, as important investments in the nation's forests, forest owners, and forest products sector.

Mandatory Funding Recommendations			
Program	**Farm Bill Title**	**2018 Funding Level (as authorized in 2014 Farm Bill)**	**Funding Request**
Environmental Quality Incentives Program (EQIP)	Conservation	$1.75 billion annually	At a minimum, maintain funding
Conservation Stewardship Program (CSP)	Conservation	Add 10 million acres annually	At a minimum, maintain acreage levels
Conservation Reserve Program (CRP)	Conservation	Total program acreage of 24 million	At a minimum, maintain acreage levels
CRP incentive payments for pine stand management	Conservation	$10 million over life of the bill	$10 million over life of the bill
Agriculture Conservation Easement Program (ACEP)	Conservation	$250 million annually	At a minimum, restore funding to 2017 authorized level of $500 million
Conservation Innovation Grants (CIG)	Conservation	$25 million annually	At a minimum, maintain funding
Regional Conservation Partnership Program (RCPP)	Conservation	$100 million plus 7% of covered programs	At a minimum, maintain funding
Healthy Forests Reserve Program (HFRP)	Conservation	$0**, except for funds provide through RCPP	$12 million annually in mandatory funding, and allow RCPP funding
Rural Development Programs	Rural Development	$218 million over life of bill	At a minimum, maintain funding
Community Wood Energy Program (CWEP)	Energy	$0***	$50 million annually in mandatory funding
Biomass Research and Development Program	Energy	$0****	At a minimum, restore funding to 2017 authorized level of $3 million
Bio-based Markets Program	Energy	$3 million annually	At a minimum, maintain funding
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program	Miscellaneous	$10 million annually	At a minimum, maintain funding
Total		**$2.183 billion annually***	**2.499 billion annually***

*This does not include costs for acre-based programs, as funding levels are not available. Assumes the $218 million for Rural Development is spread equally over the 5 years of the bill, at $43 million in annual cost. Assumes the $10 million for CRP management incentives is spread equally over 5 years of the bill.
**has a discretionary authorization of $12 million annually.
***has a discretionary authorization of $5 million annually.
****also has a $20 million discretionary authorization.

2018 Farm Bill Policy and Program Improvement Recommendations

Grow Jobs and Rural Economies Through Forestry

To increase rural employment, manufacturing, sustainable forest management, and support a strong forest products industry, we recommend:

- Enacting the Timber Innovation Act (HR 1380/S 538).
- Continuing authority for U.S. Department of Agriculture (USDA) Research & Promotion Programs (a.k.a. "check-offs") in their current form.
- Maintaining mandatory funding for Rural Development business, housing, and utilities programs and making the programs more accessible to forest-related entities and businesses by broadening the categories of eligible matching funds and clarifying that logging equipment is eligible for loan guarantees.
- Maintaining mandatory funding for the Biomass Research and Development Initiative and the Bio-based Markets Program as important economic development tools in heavily forested regions.
- Reauthorizing and revising the Community Wood Energy Program and providing $50 million in annual, mandatory funding to:
  - Support capital investments for advanced wood energy and combined heat and power in public AND private facilities;
  - Support other uses of low value, low quality wood with a preference for projects that use forest management byproducts and byproducts of wood products manufacturing; and
  - Prioritize projects in areas that need markets for this low value, low quality wood or have limited access to pipeline natural gas.

Conserve and Enhance Habitat for Forest-Dependent Wildlife

To conserve and enhance wildlife habitat through voluntary conservation activities, particularly habitat for at-risk species, to prevent the need to list species under the Endangered Species Act, we recommend:

- Reauthorizing and providing $12 million in annual mandatory funding for the Healthy Forests Reserve Program (HFRP), maintaining HFRP program eligibility within the Regional Conservation Partnership Program, and amending HFRP to:
  - Ensure land that is restored and providing current species' benefits (vs only land to be restored) is eligible;
  - Include habitat conservation for species of greatest conservation need in State Wildlife Action Plans and Forest Action Plans;
  - Ensure forests that already provide suitable habitat but are at risk of conversion are eligible for easements;
  - Clarify that restoration can be achieved through forest management; and
  - Allow tribes to sell permanent easements on lands they own in fee.

- At a minimum, maintaining Conservation Reserve Program (CRP) acreage levels and strengthening and improving CRP's forest-related components to:
  - Ensure wildlife habitat resource concerns continue to be met throughout the life of the CRP contract by ensuring mid-contract management activities address wildlife habitat goals and objectives in state and regional plans, including State Wildlife Action Plans and Forest Action Plans;
  - Limit re-enrollment of CRP tree practices only for contracts where necessary management activities have been completed to the maximum extent practical, consistent with wildlife objectives identified in State Wildlife Action Plans and State Forest Action Plans;
  - Continue funding for incentive payments for management of existing pine stands, including thinning and prescribed burning, at $10 million;
  - Limit new forest contracts to one re-enrollment (for total of 30 years, maximum), with the option to transition into a working lands program like the Conservation Stewardship Program (CSP) or Environmental Quality Incentives Program (EQIP), while encouraging the Agency to maintain forestland acreage enrollment consistent with historic levels; and
  - Target forest enrollment to areas:
    - That are prioritized in large-scale conservation initiatives including State Forest Action Plans, State Wildlife Action Plans, and private sector initiatives; and
    - That have the forest market conditions to sustain management of the CRP acres over the life of the contract and beyond.

Keep Forests as Forests

To encourage the retention and perpetuation of forestland and associated values, goods, and services, we recommend:

- Developing a 5-year dedicated National Reforestation Initiative that establishes a priority for such purposes within Forestry Title programs and directs the Forest Resource Coordinating Committee (FRCC) to put together a plan for incentivizing reforestation within priority areas (regions projected to experience forest loss from the pressure of rapid land development, as identified in the USDA Forest Service (USFS) Resources Planning Act Assessment and/or State Forest Action Plans/State Wildlife Action Plans), using Natural Resource Conservation Service (NRCS), Farm Service Agency (FSA), and USFS programs.

- Requiring the Secretary of Agriculture to establish a federal government-wide technical and policy working group, with key science, economics, industry, and citizen participation, to produce a plan within 18 months that identifies existing, and recommends additional, federal and private sector funding and cost share efforts that provide private forest land owners resources to implement management actions that protect downstream water quality and enhance regulated flows of flood waters. The report will evaluate costs and benefits of forest treatments, and evaluate potential impacts on water users, including agricultural producers and municipal consumers.

- Restoring the Agricultural Conservation Easement Program (ACEP)/Agricultural Land Easement Program (ALE) funding level to $500 million annually, through the life of the Farm Bill and modifying the program to:

  - Explicitly include forests, including ownerships that are solely forestland, by allowing the Secretary to waive the current rule, which limits enrollments to no more than two-thirds of property in forest, when the Secretary determines such a waiver is necessary to protect forests with important conservation benefits;

  - Allow the eligibility of land owned by non-governmental organizations on a temporary basis, to facilitate a "buy-protect-sell" model of conservation (vs "buy-sell-protect");

  - Allow a co-eligible entity process to account for two entities that are typically involved in an easement process: the entity that develops the easement and the entity that holds the easement;

  - Allow forests of special significance, determined by the Secretary, to be eligible for up to 75 percent cost share assistance; and

  - Require forestland projects to have a forest management plan.

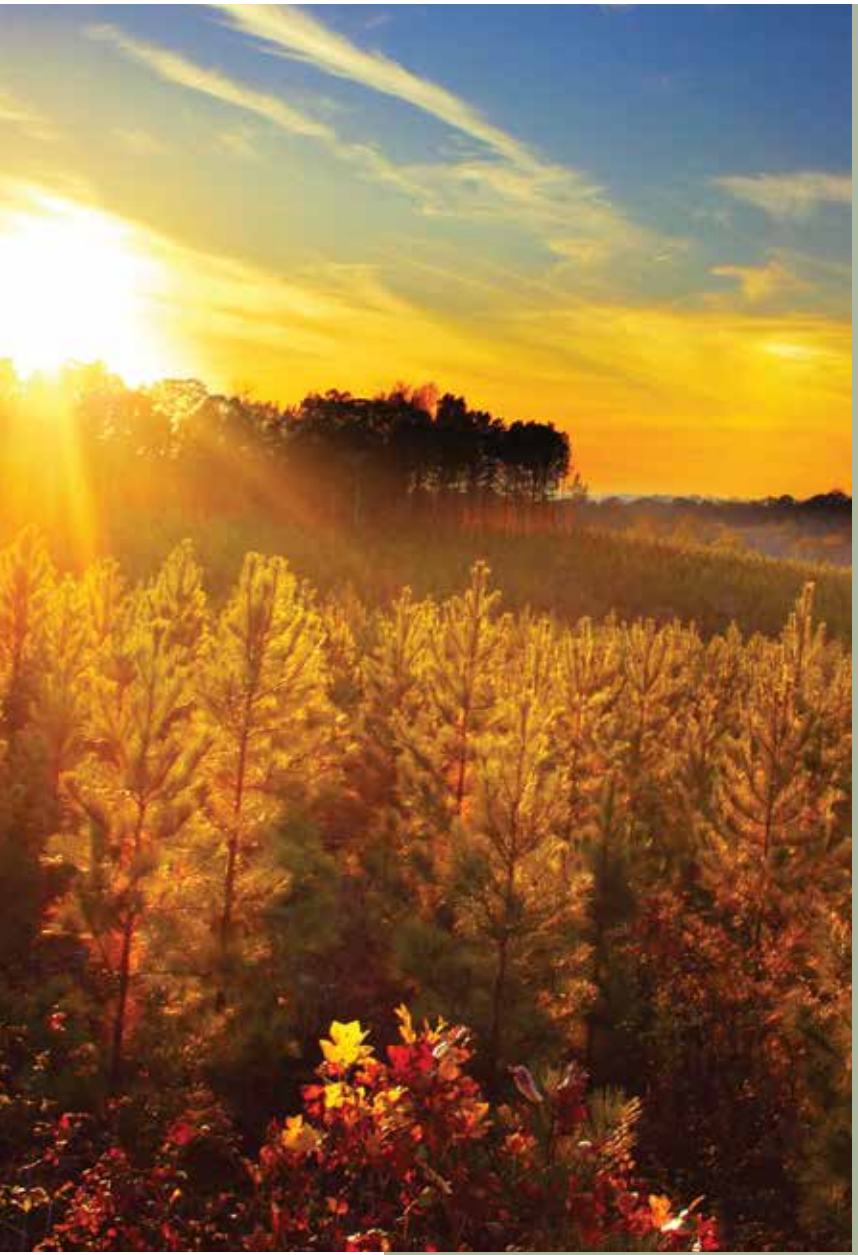
Address Fire and Forest Health

To achieve effective long-term protection of forest resources from threats such as wildfires, insects, and disease, we recommend:

- Increasing prescribed fire occurrence on forested lands where appropriate by:
  - Authorizing State Prescribed Fire Teams, consisting of prescribed fire oversight and implementation agencies (including federal), relevant stakeholders, businesses and contractors, and landowners (including tribal owners);
  - Establishing a competitive Farm Bill program with a $5 million authorization level to fund innovative strategies and activities to increase the use of prescribed fire on public and private lands; and
  - Encouraging State Prescribed Fire Teams to submit applications to this fund, in competitive funding cycles, for $250,000-$500,000, with a funding match, for 2-3 years.
- Supporting cross-boundary work to reduce hazardous fuels by allowing a portion (20 percent or $20 million, whichever is greater) of US Forest Service wildland fire hazardous fuels funding, when amounts exceed $300 million, to be used by states, private landowners, and non-governmental organizations, for work on cross-boundary projects on non-federal lands, prioritizing high risk areas (modeled after Stevens authority).
- Increasing access to funding for emergency invasive forest pest response before they have a direct impact on trees in North America by amending the Plant Protection Act to clarify the Secretary's authority to use up to $10 million from existing sources of funds (Commodity Credit Corporation) to deal with invasive species emergencies, including when the immediate threat to agriculture is "indirect" – i.e., urban trees.
- Prioritizing long-term funding for research to restore forest tree species severely damaged by non-native pests within the USDA National Institute of Food and Agriculture to support research through competitive grants.
- Creating authority for Accelerated Landscape Scale Restoration on National Forest System lands with the following characteristics:
  - Collaboratively designating large landscapes where enabling conditions support restoration at a large scale;
  - Including sideboards that focus work on ecologically-based restoration;
  - Undergoing a full National Environmental Policy Act (NEPA) review at the landscape level (report language to support NEPA Strike Teams with USFS);
  - Requires consultation take place as the Environmental Impact Statement (EIS) progresses;
  - Allowing project implementation without further review provided projects and its impacts are within the scope of the landscape plan analyzed in the NEPA documents; and
  - Applying Healthy Forest Restoration Act judicial review.

Improve and Streamline Forest and Conservation Programs

To help address all of the issues noted above and, more generally, support active forestry on public and private forests we recommend:



- Allowing the Secretary to waive Adjusted Gross Income limitations for all Conservation Title programs if the Secretary determines such a waiver is necessary to fulfill the objectives of the program and address high priority, high impact conservation projects with multiple resource benefits.

- Increasing payment limitations on Conservation Title programs to reflect changing economic conditions in agriculture and forestry that, if not increased, would reduce program participation.

- Providing continued funding for forest owner assistance for obtaining clear title and estate planning that encourages long-term retention of forest land, through the Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers Program, authorized in Section 2501 of the Farm Bill.

- Codifying the US Forest Service Landscape Scale Restoration (LSR) program to support state Forest Action Plans, including establishing a system for measuring results of the Program consistent with systems of other federal programs delivered by State Foresters, allowing levels above a base level of competitive funding (suggestion $14 million) to be allocated for flexible non-competitive projects, and ensuring the competitive portion is higher than the flexible funding portion.

- Modifying the permanent Good Neighbor Authority (GNA) included in the 2014 Farm Bill to allow states to perform road reconstruction, restoration, and repair as part of GNA agreements.

Improve and Streamline Forest and Conservation Programs (Continued)

- Improving stewardship contracting authorities by:
  - Expanding to all other federal land management agencies;
  - Allowing up to 5 percent of stewardship retained receipts for planning and NEPA for future stewardship projects within the same region/forest, with an appropriate tracking mechanism; and
  - Expanding land management goals to allow for road maintenance to improve public safety and enhance public access (not to be expanded to road building).
- Streamlining forest management plan requirements in conservation programs by:
  - Eliminating the need for agencies to require landowners to have duplicative forest management plans to participate in the USFS Forest Stewardship Program and NRCS programs; and
  - Allowing landowners who utilize an area-wide or landscape-scale multi-ownership plan, developed by or in partnership with state forestry or wildlife agencies, to qualify for USDA Conservation Programs without also needing an individual forest management plan or Forest Stewardship Plan.
- Amending conservation program authority, including RCPP, to allow NRCS to pilot test aggregating financial assistance payments in priority landscapes to a landowner cooperative or similar non-governmental entity, where the aggregation allows leveraging of non-governmental organization and/or water utility funds for practices that enhance or maintain water quality and quantity from forested landscapes.

Support Forest Research, Education, and Information Needs

To ensure forest management decisions, on both public and privately owned lands, are informed by the latest science and information, we recommend:

- Directing the US Forest Service Forest Inventory and Analysis Program to incorporate remote sensing technologies when appropriate and to implement a nationwide sample-based assessment design with an annual reporting of results for the Timber Products Output Program. Further encourage the US Forest Service to continue delivering a strong Forest Inventory and Analysis program, with specific focus on meeting the requirements of 20 percent annual plot re-measurement and continuing to implement the National Woodland Owner Survey.

- Reauthorizing McIntire-Stennis and Renewable Resources Extension Act (RREA) authorities, maintaining funding authorization levels, and allowing Tribal Colleges to be eligible for funding under RREA and McIntire-Stennis provided they meet the same requirements as other eligible entities and if funding above current funding levels is provided to accommodate these colleges.

- Requiring 10-year updates of State Forest Action Plans and establishing a funding authorization to assist state agencies and their partners with the plan updates.

Forests in the Farm Bill Coalition

Resources:

[1] http://nafoalliance.org/images/documents/task-groups/communications/Forest2Market_Economic_Impact_of_Privately-Owned_Forests_April_2016.pdf

[2] https://www.fs.fed.us/managing-land/national-forests-grasslands/water-facts

[3] https://www.nrs.fs.fed.us/niacs/carbon/forests/carbon_sequestration/

[4] http://www.outdoorfoundation.org/pdf/ResearchParticipation2016Topline.pdf

[5] https://www.forestfoundation.org/aff-nfwf-partnership-southern-wildlife

[6] http://www.afandpa.org/issues/issues-group/international-trade-and-competitiveness

[7] Based on an analysis by the American Forest Foundation and the USDA Forest Service

[8] https://www.forestfoundation.org/stuff/contentmgr/files/1/7947a526cb2ff17daec756b86b866549/misc/aff_southernreport_web.pdf

[9] https://www.fs.fed.us/rm/pubs/rmrs_gtr327.pdf

[10] https://www.nifc.gov/fireInfo/fireInfo_stats_totalFires.html

[11] https://www.forestfoundation.org/stuff/contentmgr/files/1/3d98bbe1b03a0bdf4c726534d438b0ab/misc/final_fire_report.pdf

[12] https://www.fs.fed.us/science-technology/invasive-species-pests-disease

[13] B. J. Butler, US Forest Service, Personal Communication

[14] https://www.nrs.fs.fed.us/pubs/50674

[15] USDA Forest Service

Forests in the Farm Bill Coalition:

Aldo Leopold Foundation
American Chestnut Foundation
American Forest Foundation
American Forests
American Wood Council
American Woodcock Society
Appalachian Mountain Club
Arkansas Forestry Association
Association of Fish and Wildlife Agencies
Audubon New York
Audubon North Carolina
Audubon Vermont
Binational Softwood Lumber Council
Biomass Thermal Energy Council
Blackfoot Challenge
California Forestry Association
CarbonVerde, LLC
Center for Invasive Species Prevention
Connecticut Forest & Park Association
Drax Biomass Inc.
Empire State Forest Products Association
Environmental and Energy Study Institute
Environmental Defense Fund
Florida Forestry Association
Forest & Woodland Association of Missouri
Forest Investment Associates
Forest Landowners Association
Forest Resources Association
Forestry Association of South Carolina
Green Diamond Resource Company
Green Forests Work
Hancock Natural Resource Group
Hardwood Federation
Indiana Forestry & Woodland Owners Association
International Paper
Kansas Forestry Association
Kentucky Forest Industries Association
L&C Carbon
Land Trust Alliance
Louisiana Forestry Association
Louisiana-Pacific Corporation
Michigan Forest Association
Mississippi Forestry Association
Montana Forest Owners Association
Montana Tree Farm System
National Alliance of Forest Owners
National Association of Conservation Districts
National Association of Forest Service Retirees
National Association of State Foresters
National Association of University Forest Resources Programs
National Audubon Society
National Bobwhite Conservation Initiative
National Wild Turkey Federation
National Wildlife Federation
National Wooden Pallet & Container Association
National Woodland Owners Association
New England Forestry Foundation
New York Forest Owners Association
North Carolina Forestry Association
Northern Forest Center
Ohio Forestry Association, Inc.
Oregon Small Woodlands Association
Pellet Fuels Institute
Pinchot Institute for Conservation
Potlatch Corporation
Rayonier, Inc.
Resource Management Service, LLC
Ruffed Grouse Society
Sazerac Company
Sierra Pacific Industries
Society for the Protection of New Hampshire Forests
Society of American Foresters
Southeastern Lumber Manufacturers Association
Sustainable Forestry Initiative Inc.
Sustainable Northwest
Tennessee Forestry Association
Texas Forestry Association
The Center for Heirs' Property Preservation
The Conservation Fund
The Forest Stewards Guild
The Longleaf Alliance
The Lyme Timber Company
The Nature Conservancy
The Trust for Public Land
The Westervelt Company
The Wilderness Society
Theodore Roosevelt Conservation Partnership
Trees Forever
U.S. Industrial Pellet Association
Vermont Woodlands Association
Virginia Forestry Association
Wallowa Resources
Washington Farm Forestry Association
Washington Forest Protection Association
Watershed Research & Training Center
Western Landowners Alliance
Western Pennsylvania Conservancy
WestRock
Weyerhaeuser Company
Wildlife Mississippi

FIFB COALITION STEERING COMMITTEE:

Rita Hite
American Forest Foundation
rhite@forestfoundation.org

Gary Schiff
National Association of State Foresters
gschiff@stateforesters.org

Joel Pedersen
National Wild Turkey Federation
jpedersen@NWTF.net

Cecilia Clavet
The Nature Conservancy
cclavet@tnc.org