An Update:

CHANGES ABOUND IN FORESTRY COST-SHARE ASSISTANCE PROGRAMS

By Robert J. Moulton

There have been some major changes in the line-up and funding for federal incentive programs that provide technical and financial assistance to non-industrial private forest (NIPF) landowners since I last reported on this subject ("Sorting Through Cost-Share Assistance Programs," Nov./Dec. 1994 *Tree Farmer*). The purpose of this article is to bring you up to date on some of those changes.

EFFORTS IN 1994

In 1994 private forest landowners set the pace — as they have in all previous years — by planting just over 2.1 million acres of trees, or 85 percent of the total of 2.5 million acres planted on all ownerships in the United States (see figure). Accomplishments within the private sector were equally divided between companies in the forest products industry and NIPF owners, as each group planted about 1.1 million acres.

USDA forestry cost-share programs, delivered in the field through the respective state forestry agencies, directly assisted NIPF owners with the planting of trees on 378,000 acres or 38 percent of all tree planting on these ownerships in 1994 (see table on page 13). The Forestry Incentives Program (FIP) contributed 188,000 acres, the Agricultural Conservation Program (ACP) was used on 134,000 acres, and the then-newcomer Stewardship Incentive Program (SIP) added another 56,000 acres.

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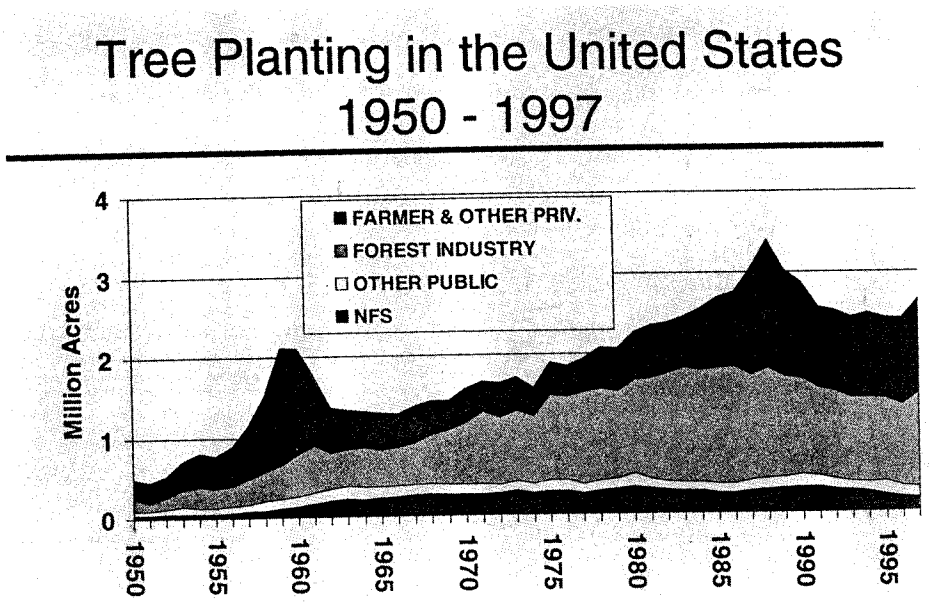

Source: USDA Forest Service Annual Reports

In the context of the early to mid-1990s, ACP and FIP were often considered to be baseline programs. After all, ACP had been around helping Tree Farmers and other private forest landowners combat soil and water problems and to promote woodland management since 1936. By 1994 ACP tree planting totaled 7.1 million acres — more acres of trees than had been done under the combined efforts of much better-known programs, including the Civilian Conservation Corps (2.3 million acres in the mid-1930s to 1940s), the Soil Bank (2.2 million acres in 1956-62), and the Conservation Reserve Program (2.5 million acres from 1986 through 1994). Note that the CCC and CRP programs created peaks in tree planting, which can be readily seen in the tree planting figure.

By 1994 FIP had also attained 20-year veteran status, as it was first authorized in 1974, and it had planted more than 3 million acres of trees on NIPF ownerships to enhance the nation's supply of timber and to provide other environmental benefits.

In contrast with ACP and FIP, SIP was a new program, authorized in the Forestry Title of the 1990 Farm Bill to encourage joint public and private investments on NIPF ownerships to enhance all forest resources, including fish and wildlife, timber, riparian areas and forested wetlands, recreation, and soil and water resources. The USDA Forest Service had long had legal authority to provide technical assistance to NIPF landowners for multi-resource management, but SIP was a breakthrough, in that it allowed the Forest Service to provide both technical and cost-share assistance on private lands.

SIP differed in one important respect from ACP and FIP, which require project plans only for the acres to be treated, in that in order to be eligible for SIP owners were required to have State Forestry Agency-approved, whole-forest-property multiple-resource plans — known as Forest Stewardship Plans — that had been prepared by foresters, wildlife biologists, or other resource professionals.

All and all, things looked pretty good for federal cost-share programs in 1994: The various programs with their different objectives gave a variety of tools to meet varying resource situations and NIPF landowners' individual needs and objectives; the delivery of federal forestry programs through the State Forestry Agencies was a model of federal-state-

Seek Financial Assistance to Improve Your Land for Wildlife

Privately owned woodlands provide important habitat for wildlife in the United States. Many opportunities exist to make these forests even better places for fish and wildlife. And you don't have to go it alone. Several government agencies and private conservation groups offer incentives to help you protect and improve wildlife habitat on your Tree Farm.

Here we have described some of the programs available and identified the organizations sponsoring them. (Find the local offices for these agencies in your phone book under "United States Government, Department of Agriculture" or through your state Department of Fish and Game or Fish and Wildlife Service.)

As you consider these programs, here are some important things to remember:

• All programs are voluntary and you can get help applying. Agencies and organizations offer both technical and financial assistance, and volunteer labor may be available in some areas. People are available to help you choose the most beneficial improvements and practices and combine them into an approved plan.

• You continue to control public access to your land. All of the assistance programs mentioned here focus on habitat improvement. Although you'll be encouraged to offer the public some controlled use of your land, the agreements don't require public access.

• Sometimes, out-of-pocket expenses can be reduced by combining two or more programs. Generally the USDA federal programs cannot be linked with each other, but often they may be joined with other federal, state, or privately sponsored programs.

• Additional financial assistance is available through private conservation organizations. For example, national groups such as Trout Unlimited, Pheasants Forever, National Wild Turkey Federation, Ducks Unlimited, Quail Unlimited, Ruffed Grouse Society, Quality Deer Management Association, Rocky Mountain Elk Foundation, and the Foundation for North American Wild Sheep have money and/or assistance available to private landowners, as do some local wildlife clubs.

• Donated conservation easements provide long-term habitat and may offer significant financial benefits. If you want to avoid or reduce estate and income taxes and maintain your property in an undeveloped state, you may want to investigate donating a conservation easement to non-profit groups such as The Nature Conservancy or other land trust organizations, including special state and local groups.

The agencies and groups listed below will provide assistance for shrub and tree plantings, shelterbelts, protective fencing, streamside and wetland improvement, and conservation buffers. Qualifying projects vary depending on the sponsor.

CONSERVATION RESERVE PROGRAM

PURPOSE: To establish long-term vegetative cover on highly erodible cropland or other environmentally sensitive land to improve soil, water, and wildlife.

SPECIAL EMPHASIS: Highly erodible land, riparian and wetland habitats, and those for rare plant and animal species, especially areas with Columbian sharp-tailed grouse.

LENGTH OF OBLIGATION: 10- to 15-year contracts.

FINANCIAL ASSISTANCE: Annual rental payments for the contract term and up to 50 percent of the cost of establishing permanent vegetation and other conservation practices.

ENROLLMENT: Continuous sign-up for conservation buffers, shelterbelts, and other special conservation practices. Specific sign-up periods for other eligible land.

ELIGIBILITY: Cropland, cropped wetlands, marginal pasture.

ADMINISTERING AGENCY: USDA Farm Service Agency.

WILDLIFE HABITAT INCENTIVE PROGRAM

PURPOSE: To develop and improve fish and wildlife habitat and improve habitats of state or national significance and of rare species.

SPECIAL EMPHASIS: Restore native vegetation on riparian, wetland, shrub steppe, and grassland habitats. Restore habitat for rare plant and animal species.

LENGTH OF OBLIGATION: Five- or 10-year contracts or longer.

FINANCIAL ASSISTANCE: Up to 75 percent of the cost of installing, replacing, or maintaining wildlife habitat practices.

ENROLLMENT: Continuous sign-up.

ELIGIBILITY: Must own or control land.

LIMITATIONS: Land is not eligible for WHIP if it is currently enrolled in the Conservation Reserve Program or Wetland Reserve Program. However, WHIP can be combined with state and private programs. Total cost-share is limited to $10,000 per contract.

ADMINISTERING AGENCY: USDA Natural Resources Conservation Service.

ENVIRONMENTAL QUALITY INCENTIVE PROGRAM

PURPOSE: To help meet priority soil and water resource concerns on farm or ranch land.

SPECIAL EMPHASIS: Targeted to priority resource concern areas. Practices include manure, nutrient, and wildlife habitat management.

LENGTH OF OBLIGATION: Five- or 10-year contracts.

FINANCIAL ASSISTANCE: Up to 75 percent of costs of certain conservation practices.

ENROLLMENT: Specific sign-up periods; applications accepted throughout the year.

ELIGIBILITY: People engaged in livestock or agricultural production.

LIMITATIONS: Payments limited to $10,000 per person per year and $50,000 for length of contract.

ADMINISTERING AGENCY: USDA Natural Resources Conservation Service.

WETLAND RESERVE PROGRAM

PURPOSE: To protect and restore wetlands on private land.

SPECIAL EMPHASIS: Areas with the most environmental benefits.

LENGTH OF OBLIGATION: Permanent or 30-year easements or 10-year contracts.

FINANCIAL ASSISTANCE: Permanent easement will pay 100 percent of the value of the land plus 100 percent of restoration costs; 30-year easement will pay 75 percent of what would be paid for permanent easement plus 75 percent of restoration costs; 10-year contract will pay 75 percent of restoration cost.

ENROLLMENT: Continuous sign-up.

ELIGIBILITY: Wetlands and other land restorable and suitable for wildlife benefits. Must own the land.

ADMINISTERING AGENCY: USDA Natural Resources Conservation Service.

TREE PLANTING UNDER FEDERAL COST-SHARE PROGRAMS
(Thousands of Acres)

PROGRAM	YEAR							
	1991	1992	1993	1994	1995	1996	1997	1998
Forestry Incentives Program (FIP)	176	162	176	188	141	106	106	82
Agricultural Conservation Program (ACP)	135	119	131	134	199	76	-0-	-0-
Stewardship Incentive Program (SIP)	-0-	4	38	56	79	63	38	70
Total	311	285	344	378	419	245	144	152

private sector cooperation; and various research studies showed a high rate of retention of installed practices and that the programs were accomplishing their objectives in an economically efficient manner.

To be sure, by 1994 funding for FIP and ACP had been relatively constant in actual dollars for several years, and hence, was reduced in real purchasing power and what could be done on the ground. But SIP gave a new infusion of funds. Plus, other factors appeared favorable for increased funding for all forestry programs on private lands including, for example, growing concerns about decreased levels of timber harvesting on federal lands and increased concerns about global climate change.

The National Forests had been the major federal suppliers of timber. By 1994 timber harvest had dropped to 5.9 billion board feet from a high of 12.7 billion board feet in 1987 and 10.5 billion board feet in 1990. Sales of new timber from the National Forests were only 3.1 billion board feet in 1994, signaling further reductions in future harvests from these lands. The market responses to decreased sales of timber from public lands were:

- Rapid increases in timber and lumber prices — especially for softwood timber used for housing construction.
- Increased imports of wood from other countries (especially from Canada), which rose from 11.3 billion board feet in 1991 to 18 billion board feet by 1996. This was not viewed as an especially favorable development for the United States, which was already the world's largest importer of wood and wood products.
- Increased timber harvesting on NIPF lands. This development in combination with higher stumpage prices was, of course, favorable from a financial point of view to NIPF owners with timber to sell, but the question soon arose as to whether this could lead to over-harvesting on these ownerships. NIPF owners were already producing one-half of our domestic timber supply. Could they handle the increased demand?

The USDA Forest Service assessment of the domestic timber supply situation was that NIPF owners could supply the needed additional timber in an environmentally sound way, providing there were continuing and expanding federal programs offering technical and financial assistance to NIPF owners.

Increased concerns about global climate change. In October 1993 President Clinton released the U.S. Climate Change Action Plan, which listed almost 50 voluntary actions intended to reduce U.S. emission greenhouse gases to their 1990 levels by year 2000. Several forestry actions were featured in the plan, including increasing tree planting on NIPF ownerships from the baseline of 300,000 acres per year currently done with FIP (175,000 acres/year) and ACP (125,000 acres/year) to 525,000 acres per year through federal cost-share programs.

THE CURRENT SITUATION

As shown in the table, tree planting in 1998 under FIP, ACP, and SIP totaled 152,000 acres, 40 percent of the 378,000 acres planted under these programs in 1994, and only one half of what was previously considered as the baseline of 300,000 acres planted annually under FIP and ACP.

Beginning in 1995, congressional funding for FIP was reduced by 50 percent. FIP has now stabilized at 82,000 acres, or about one half of its former level of 175,000 acres per year, but continued funding for this program is uncertain from year to year.

Congressional funding for ACP was also reduced by 50 percent in 1995, and ACP was subsequently terminated by the 1996 Farm Bill. Consequently, no ACP tree planting was completed in 1997 or 1998.

You might note that neither FIP nor ACP tree planting declined immediately in 1995, when the funds were cut, and actually took a couple of years to drop to one half of their former level. This lag is due to the fact that cost-share payments are not made to landowners until the work is completed and certified as being done to standard. Given the seasonal nature of site preparation and planting activities, much of the work reported as completed in any given year commonly was scheduled and paid for with funds from prior years.

The ACP program does live on to the extent that it along with three other

programs — the Water Quality Incentive Program, the Great Plains Forestry Program, and the Colorado River Basin Salinity Program — were combined into a new program of the 1996 Farm Bill, known as the Environmental Quality Improvement Program (EQIP). Forestry practices are authorized under EQIP, but this program is still in its start-up phase and detailed reports are not yet available.

Things are different today than when ACP was administered by the Farm Service Agency and the Forest Service and state foresters were full partners in program delivery. Today the program is delivered by the Natural Resource Conservation Service through the state conservationists with no national requirement for federal or state forestry agency participation.

THE FUTURE OF COST-SHARE PROGRAMS

There are some bright spots for cost-share programs. First and foremost, as federal program funding has declined, several states have increased the funding for existing state-funded cost-share programs, and other states have created new state-funded programs. And, while federal government programs to address global climate change are on hold in accordance with a Senate resolution urging the Administration to take no actions until developing nations agree to participate in a meaningful way, electrical utility companies have been working with the state forestry agencies to plant trees to increase the storage (sequestration) of carbon in a number of states, and this activity is likely to increase. Furthermore, in its recent report *Forested Landscapes in Perspective* the National Research Council of the National Academy of Sciences recognizes the importance of privately owned forest lands to the sustainability of America's forest resources and urges the strengthening of federal programs providing assistance and protection.

Forest landowners who are interested in finding out more about cost-share programs available in their local areas should contact their local state service forester for current information.

Robert J. Moulton is a forest economist with the USDA Forest Service in Durham, North Carolina.

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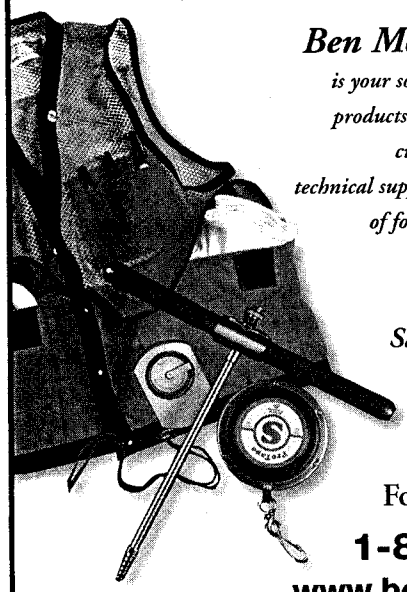

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Shared Streams is a cooperative conservation partnership with Trout Unlimited and is a cornerstone program of the F_2W_2 initiative. It provides funding and assistance to Tree Farmers for voluntary cold water stream improvement projects. Four "flagship" projects are currently underway in New York, Michigan, Minnesota, and Oregon.

Forested Flyways is a new program of the F_2W_2 initiative that focuses on improving waterfowl and bird habitat, wetlands and migratory corridors. The first *Forested Flyways* project partners Skeet and Gail Burris, 1996 Southern Region Outstanding Tree Farmers, with Ducks Unlimited wetland scientists and International Paper wildlife biologists. A free landowner educational field day on October 30 on the Burris Tree Farm in Cummings, South Carolina, will demonstrate a variety of wetland conservation and forest management techniques to forest owners, loggers, conservation scientists, and forest managers.

For more information about F_2W_2 demonstration projects and field days, or for your Tree Farm to be considered for a stream or wetland improvement project, contact Brian Smith at 1-888-889-4466 or visit the Tree Farm System web site at <www.treefarmsystem.org/tfinaction/conservation/index.html>.