2018 FARM BILL PRIORITIES

Policy Recommendations to Benefit Working Southern Forests
INTRODUCTION

The Farm Bill represents an important and regularly-occurring opportunity for addressing policies and programs which impact state forestry agencies and the private landowners they serve. The 2018 Farm Bill comes at a critical time, both for the forestry sector and for the federal government more broadly.

The 2016 elections made it clear that federal government is being asked to run leaner and more efficiently by the American taxpayer. There needs to be a clear case for why it is in the government’s best interest to authorize and appropriate the programs that is does; however, this is also a critical time for our nation’s private forests and landowners. The challenges have never been greater for our forests and foresters—mitigating forest health impacts from increasing wildfire, insects and disease; sustaining forest sector jobs; managing for ecosystem benefits such as water quality and wildlife habitat; and thinking forwardly about projected forest conversion to other land uses, just to name a few.

Investing federal dollars in the private forests and forest owners in the South has been shown time and again to be wise fiscal stewardship. Forests cover more than 40 percent of the land in the southern U.S., or 232 million acres. Of these forests, over 86 percent are privately owned, the majority of those by non-industrial forest owners. Forestry and the forest products industry generate approximately $230.6 billion annually in the region, or over 2 percent of regional economic output. Through technical and financial assistance programs provided by the Natural Resources Conservation Service, the U.S. Forest Service and the Farm Services Agency, the millions of family forest owners in the South, collectively served by their state forestry agencies, are able to keep their forests working amidst many ecological and economic challenges and keep this vital economic engine running.

The following recommendations from the Southern Group of State Foresters represent a suite of Farm Bill ideas which we feel will make an important difference in the health of our forests and forest-based communities, and do so in a way that prioritizes limited federal resources on the most critical issues facing our forests.
Retaining programmatic and funding authorizations for programs critical to forest conservation is essential. Within the Natural Resources Conservation Service (NRCS), the Environmental Quality Incentives Program (EQIP) and Conservation Stewardship Program (CSP) provide vital cost-share assistance to landowners to help manage their forests. In addition, the Regional Conservation Partnership Program (RCPP), created in the 2014 Farm Bill, has been highly successful at leveraging partner investments and creating efficiencies in program delivery on the ground. **SGSF supports funding reauthorization for the EQIP, CSP, and RCPP programs at historical levels that meet the needs and demand of forest owners.**

The Cooperative Forestry Assistance Act (CFAA) programs within the USDA Forest Service (USFS) are also essential in supporting state agencies and private landowners. In particular, the Forest Stewardship, Urban & Community Forestry, Rural Fire Protection (State and Volunteer Fire Assistance), Forest Health and Forest Legacy programs allow for states to manage forest landscapes and support millions of private forest owners’ management objectives. Over 5 million private forest owners across the South own over 200 million acres of forest land, 86 percent of the total forested area in the South. The majority of those private owners are non-industrial and family forest owners. **SGSF supports ongoing authorization and funding for CFAA programs to enable state forestry engagement in priority forest conservation and retention efforts.**

The federal wildfire funding budget has grown drastically in the past 20 years. The percent of USFS funding dedicated to wildfire suppression has grown from 20 percent to more than 50 percent over the past two decades, and is projected to go even higher unless the current policy is changed. With fires getting larger, fire seasons getting longer, and more houses being built in close proximity to the forest, the cost of wildfire suppression is projected to continue its upward trajectory. Appropriations that fund critical forest management and assistance to private forest owners should not be used to fund wildfire control. Funding to control our nation’s largest wildfires needs to be budgeted for similar to other natural disasters, such as hurricanes, tornadoes and floods. **SGSF supports Farm Bill playing a role in helping Congress reach a comprehensive solution to the wildfire funding issue. The solution should address fire transfers (fire borrowing) and the continued erosion of Forest Service non-fire program budgets over time due to the increasing cost of the 10-year rolling average.**
The 2010 Resources Planning Act Assessment (RPA) outlines the magnitude of the conversion challenge facing America’s private forests – between 16 and 34 million acres projected to be lost to urban sprawl and development by 2060. The Southern Forest Futures report also highlights the regional impact of this issue, with up to 21 million acres projected to be lost in the South alone. The impacts of a loss of this magnitude will be felt across all the ecosystem services and economic benefits forests provide to the region – clean air and water, rural jobs and economic stimulus, wildlife habitat and more. This challenge necessitates a dedicated and robust policy intervention.

**National Reforestation Initiative**

SGSF proposes a 5-year dedicated reforestation initiative to help address the current economic incentive structure to convert forest land to developed uses. The role of reforestation and associated incentives to establish and maintain sustainable forest cover is important, particularly on the rural landscape where forest fragmentation is increasingly problematic. The initiative would include:

A. Bill and/or report language recognizing the dedicated 5-year initiative and establishing the priority for such purposes within Forestry title programs,

B. Direction to the USDA Forest Resource Coordinating Committee (FRCC) to put together a plan for increasing reforestation within priority areas (regions experiencing rapid land development and forest loss, as identified in RPA and/or State Forest Action Plans), using NRCS, FSA and USFS programs, and

C. Establishment of a landowner option of tax credit or deduction for reforestation costs.

**Programmatic Recognition of the Importance of Supporting Local Planning Decisions**

The key to the loss of forestland across the country lies in many individual local land use planning decisions, thus there is a need to support information delivery to local planners and decision makers. RPA finds that a variety of analytical tools exist that can be used to evaluate management and policy options to maintain intact natural ecosystems. **SGSF proposes that the Farm Bill articulate an authority and funding provision within the USFS Forest Stewardship and Urban and Community**
Forestry Programs that provides special technical assistance services and analysis capabilities to local governments to utilize data, models and analytical tools developed by RPA and other research institutions to promote interpretation of forest resource data in growth management planning.

Supporting Historically Underserved Landowner Forest Retention

Only 60 percent of family forest owners have estate plans. Additionally, many landowners (often minority or socially disadvantaged landowners) do not have clear title to their land. Without clear title to their land, landowners are barred from obtaining technical and financial assistance for managing their land and it is at a greater risk of being sold, fragmented and converted to other uses. **SGSF supports 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 Farmer and Rancher Program, authorized in Section 2501 of the Farm Bill.**

Forest Conservation Easement Programmatic Changes

There are currently significant barriers to conservation easement funding for forested lands among Farm Bill programs (conservation and forestry titles), notably the NRCS Agricultural Conservation Easement Program (ACEP) and Healthy Forest Reserve Program (HFRP). **SGSF supports changes to both the ACEP and HFRP programs to make them more viable for forest conservation easements**, in particular removal of the 2/3rds forested acreage limit placed on ACEP parcels which is a barrier to forest enrollment.

Tax Credit for Land Managed Under a Forest Stewardship Plan

In many states, greenbelt or present-use valuation programs exist to support the retention of working forests on the landscape through preferential property tax treatment; however, no similar tax incentives exist in federal tax code. Since loss of forest land is considered an issue of national and regional consequence, federal tax recognition of the economic challenges of keeping forests on the landscape is appropriate, especially as market values or highest-use assessments of land increase and there is a greater incentive to convert these lands to other developed uses. **SGSF proposes a federal tax credit instead of a deduction for property tax paid on forestlands that are enrolled in the Forest Stewardship Program or comparable programs which show ongoing sustainable management.**
Support Source Water Protection and Stormwater Management

Provision of water quality and management of stormwater runoff are two critical benefits provided by well-managed forests, and are thus a key piece to keeping forests on the landscape. Forests cover 27 percent of the total land area of the South, while providing 34 percent of the total available water yield. Many major population centers are highly dependent on water originating on forested lands.

Facilitating Private Capital for Source Water Protection

The financial resources needed to maintain healthy forest cover (and associated hydrological benefits) amidst the challenges of land conversion, urban development and declining forest health is greater than the federal government alone can support. There is need for coordinated programming and policy to be built around leveraging non-federal financial resources to assist those who manage forested water resources that impact the southern population at large. SGSF proposes report language that authorizes the creation of an interdepartmental working group to review current public-private funding mechanisms supporting privately owned forest management for water quality and to recommend a streamlined path forward on the issue. In particular, this working group should examine financial support opportunities for state water quality and silvicultural Best Management Practices (BMP) programs that have been shown to be highly effective across the South in protecting water quality. The last program survey showed a 92 percent implementation rate across the region.
Support States in Efficient and Targeted Forest Planning

With the scope and diversity of challenges facing our southern forests, robust and collaborative planning for where to make the best use of limited financial and human resources is critical. Challenges differ from state to state, thus planning efforts and prioritization need to be carried out at the local levels to be most efficient and successful.

Dedicated Funding Authorization for State Forest Action Plan Updates

The 2008 Farm Bill established the requirement for States to complete statewide forest resource assessments and strategies, which have become known as State Forest Action Plans. It also established a funding authorization of $10 million annually to assist states with developing and implementing these plans. The state updates will be due in 2020, and in order to update the plans in the robust and collaborative manner envisioned by the authorizing Farm Bill legislation, it is imperative to have dedicated funding above and beyond that provided by annual CFAA program levels and state forestry agency funding levels, similar to that provided to state wildlife agencies for updates of state Wildlife Action Plans. **SGSF proposes establishment of a 10-year updating requirement for State Forest Action Plans, and establishment of a dedicated funding authorization to assist state agencies and their forestry partners with the plan updates.**

Codification of Landscape Scale Restoration Program

Within CFAA programs of the USFS, the value of setting aside a portion of program funds to support states in addressing the most critical forest-related challenges in their state has been recognized for some time. Through a current competitive grant process, state agencies in partnership with other organizations ensure that this portion of CFAA funding is going to the most critical projects of regional and national importance as determined by state forest action plans. While receiving line item funding since 2014 as “Landscape Scale Restoration,” this priority grant program has existed without formal authorization. **SGSF proposes codification of the Landscape Scale Restoration program, highlighting the importance of State Forest Assessments and Strategies (Forest Action Plans) and focusing funding on the highest regional and national priorities in those plans.**
Strengthen the Role of State Forestry Agencies

State forestry agencies represent the “boots on the ground” across the South with respect to engaging with private landowners and getting sound forest management accomplished. Farm Bill policy should be used to strengthen the role of State forestry agencies on the landscape, especially using state personnel and expertise as a way to supplement and increase the efficiency of federal programs.

Increasing Efficiency in Post-Disaster Forest Restoration

Natural disasters pose many significant threats to southern forests and forest landowners. Hurricanes, tornadoes, floods, wildfires and pest outbreaks annually result in significant loss of timber value and other ecosystem services in areas of the South, and the timeliness and efficiency of Emergency Forest Restoration Program (EFRP) assistance is critical to recovery. **SGSF proposes improving EFRP by allowing the State Forester, or equivalent official, to request funds directly from the Farm Service Agency, on behalf of landowners in areas affected by natural disasters, based on an assessment of damage.** SGSF encourages FSA to work with state foresters, to utilize data collected by state forestry agencies following natural disasters, and to generally streamline program operations.

Prioritization Within the Forest Inventory and Analysis Program

The 2014 Farm Bill directed the USFS to revise the Strategic Plan for Forest Inventory and Analysis (FIA). FIA is the nation’s forest census, and is critical for tracking forest health as well as making private forest industry investment decisions. The revised plan lays out a number of options for program focus. **SGSF encourages the Farm Bill to recognize FIA Strategic Plan Option B (Full implementation of the 1998 Farm Bill’s strategic plan) as the most critical and basic ongoing function of the FIA program, and as such encourage USDA to ensure Option B is fully implemented in a given fiscal year before dedicating resources to other plan options.** Option B has a specific focus on meeting the requirements for federally funding annual plot re-measurement every 7-years in the South, including using state crews to collect field data where appropriate.
Expansion of Good Neighbor Authority

The 2014 Farm Bill created the Good Neighbor Authority (GNA), allowing the USFS to contract with state forestry agencies to do work on federal lands, including timber harvesting, hazardous fuels mitigation, restoration, and more. This authority is intended to allow for more active management to be done on federal lands through the efficiency of using state crews, thus benefiting the adjacent state and private lands through reduced risk of fire, insects, diseases and more. **SGSF proposes expanding opportunities to utilize Good Neighbor Authority by removing the “exception” for reconstruction and maintenance of forest roads in the 2014 Farm Bill.**

Increasing Cross-Boundary Hazardous Fuels Mitigation

Across the South, federal forests are intermingled with other ownerships including state, private, county, and more. However, both wildfire and forest pests and insects know no boundaries. Solutions to our communal forest health challenges must necessarily be accomplished collaboratively and across ownership boundaries. **SGSF supports codification of the ability for federal forest management agencies to focus a portion of hazardous fuels program funding across boundaries on adjoining state and private lands using existing authorities in close coordination with the State Forester and the state Forest Action Plans.**

Retention of Professional Forester Requirement Under EQIP

One of the essential aspects of Farm Bill technical assistance provision to forest landowners is that it is delivered by a trusted forestry professional. Current law as well as NRCS policy recognizes this necessity to ensure that a professional forester approves any plan that would impact the condition of a landowner’s forest resources receiving EQIP funding; however, there is ongoing advocacy supporting professionals in other disciplines being allowed to craft such plans for forested land. **SGSF supports retaining legislative requirements that forest management plans be prepared by state forestry personnel or other professional foresters to qualify for federal funding.**
EXPAND AND DIVERSIFY FOREST PRODUCTS MARKETS

One of the keys to keeping southern forests growing and healthy is having strong and diverse forest products markets. The South is known as the “woodbasket of the world”, supplying fiber to support timber, paper, plywood, biomass and many other products to consumers across the globe. Strong markets provide important economic stimulus and rural jobs to our southern economy, but somewhat counterintuitively also keep forests on the landscape through incentivizing landowners to replant after harvest. Through support for research, incentivizing private innovation, and creating a policy environment that supports wood products, the Farm Bill can play a critical role in maintaining southern forest-based economies.

Inclusion of Timber Innovation Act Language

SGSF supports inclusion of the Timber Innovation Act (HR 1380 and S 538) in the farm bill as a way to grow the market for forest products and to bring jobs to rural America. The Timber Innovation Act (TIA) contains several key provisions, including:

- Authorization to continue the tall wood buildings contest at USDA
- Directing research and development to innovative wood products in wood building construction
- Making advancing the use of innovative wood products a priority in existing USFS grant programs

Supporting Domestic Wood in Federal Procurement Policy

There have been ongoing issues with Environmental Protection Agency (EPA) policies on wood procurement for federal projects. Agency policy does not recognize all respected forest certification schemes in its procurement policy, and thus disadvantages American wood and American landowners. SGSF supports amending EPA’s procurement policy by clarifying that the USDA Biopreferred program sets all federal government procurement policy for purchasing forest products.
ADDRESS ADMINISTRATIVE BARRIERS TO FORESTRY

In addition to making legislative changes that support improving and streamlining federal programs delivering forestry assistance, the Farm Bill also plays an important role in strongly encouraging the Administration to take certain actions. In this manner, the intent of Congress is clear when the Administration and its partners implement the tools and funding that the Farm Bill authorizes.

Growing Forestry Assistance Through EQIP

There has been a growing demand for and use of forestry practices by landowners using NRCS-EQIP cost-share assistance; however, while the demand appears fairly spatially uniform across the South, the use of and priority placed on forestry practices varies substantially from state to state. There are a number of potential reasons for this (i.e. familiarity with practices, technical proficiency, interpersonal relationships, etc); however, it is critical that forestry assistance is available to interested landowners in all states. SGSF encourages NRCS to think programmatically about how to foster growth of forestry cost-share assistance in all states, especially those where forestry assistance has not traditionally been embraced as a priority but in which landowner demand exists.

Forest Management Plan Compatibility

One of the current issues facing landowners receiving federal forestry assistance is the lack of compatibility between NRCS-EQIP and USFS forest management plans in some states, and a frustration with having to develop seemingly duplicative plans. SGSF encourages USDA to continue working with state foresters, both programmatically at the national level and by fostering in-state discussions between state foresters and state conservationists, to streamline planning requirements on landowners seeking federal cost-share funding. SGSF encourages recognition that state approved Forest Stewardship Plans, developed based on national FSP guidelines, are equivalent to the requirements laid out in the NRCS CPA-52 evaluation form. When a landowner has a FSP plan, the CPA-52 evaluation would not need to be completed, eliminating duplicative processes.