



Highlights of [GAO-07-370T](#), testimony before the Committee on Agriculture, Nutrition, and Forestry, U.S. Senate

Why GAO Did This Study

The Environmental Quality Incentives Program (EQIP) and the Conservation Security Program (CSP), administered by the U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS), are designed to promote conservation goals. In recently issued reports on these programs, GAO assessed (1) NRCS's process for allocating EQIP funds to the states to optimize environmental benefits, (2) NRCS's measures to monitor EQIP's performance, and (3) the legislative and regulatory measures available to prevent duplication between CSP and other conservation programs, such as EQIP.

What GAO Recommends

GAO recommended that NRCS (1) ensure that the factors and weights used in EQIP's general financial assistance formula are documented and linked to program priorities, and data sources are accurate and current, (2) continue to analyze and use information from its performance measures to revise the financial assistance formula, and (3) develop a comprehensive process to preclude and identify duplicate payments between CSP and other conservation programs. USDA agreed that the EQIP financial assistance formula needed review and said it has improved oversight to cross-check payments to determine if duplicate payments have been made. USDA did not agree that the EQIP funding process lacked a clear link to the program's purpose.

www.gao.gov/cgi-bin/getrpt?GAO-07-370T.

To view the full product, including the scope and methodology, click on the link above. For more information, contact Lisa Shames, (202) 512-3841, ShamesL@gao.gov.

AGRICULTURAL CONSERVATION

USDA Should Improve Its Management of Key Conservation Programs to Ensure Payments Promote Environmental Goals

What GAO Found

Because farmers and ranchers own and manage about 940 million acres, or about half of the continental United States' land area, they are among the most important stewards of our soil, water, and wildlife habitat. EQIP provides assistance to farmers and ranchers to take new actions aimed at addressing identified conservation problems, whereas CSP rewards farmers and ranchers who already meet very high standards of conservation and environmental management on their operations. In fiscal year 2006, EQIP and CSP provided about \$1 billion and \$260 million, respectively, in financial and technical assistance to farmers and ranchers. Efficient and effective management of these programs by NRCS is especially important in light of the nation's current deficit and growing long-term fiscal challenges. GAO found the following weaknesses in the management of EQIP and CSP:

- NRCS's process for providing EQIP funds to states is not clearly linked to the program's purpose of optimizing environmental benefits; as such, NRCS may not be directing funds to states with the most significant environmental concerns arising from agricultural production. To allocate most EQIP funds, NRCS uses a general financial assistance formula that consists of 31 factors and weights. However, NRCS does not have a documented rationale for how each factor contributes to accomplishing the program's purpose. In addition, some data that NRCS uses in applying the formula are questionable or outdated.
- NRCS has begun to develop long-term, outcome-oriented performance measures for EQIP. Such measures can provide information to better gauge program performance and also help NRCS refine its process for allocating funds to the states by directing funds to areas of the country that need the most improvement. However, NRCS did not have plans to link these measures to the EQIP funding allocation process.
- Despite legislative and regulatory provisions, it is still possible for producers to receive duplicate payments through CSP and other USDA conservation programs because of similarities in the conservation actions financed through these programs. However, NRCS did not have a comprehensive process to preclude or identify such duplicate payments. In reviewing NRCS's payments data, GAO found a number of examples of duplicate payments.

Ensuring the integrity and equity of existing farm programs is a key area needing enhanced congressional oversight. Such oversight can help ensure that conservation programs, such as EQIP and CSP, benefit the agricultural sector as intended and protect rural areas from land degradation, diminished water and air quality, and loss of wildlife habitat.