

Chapter 3
Planned Conservation Systems Will Reduce
Erosion, but All May Not Be Implemented by
the Deadline

Table 3.1: Examples of Planned Soil Savings Under Each Conservation Alternative

Figures in tons per acre per year

Conservation alternative	Erosion before plan	Savings based on plan	Erosion after plan
Conservation reserve program			
Field 1	74.7	74.0	0.7
Field 2	41.6	41.3	0.3
Field 3	10.0	9.0	1.0
Conservation system to meet T level			
Field 4	74.7	67.8	6.9
Field 5	41.6	36.1	5.5
Field 6	10.0	5.0	5.0
Conservation system to meet alternative level			
Field 7	74.7	60.9	13.8
Field 8	41.6	34.9	6.7
Field 9	10.0	5.0	5.0

Estimated Soil Losses

While most conservation plans are designed to reduce erosion on cropland, our sample data show that some conservation plans were for sodbusting. In other words, some producers broke out new cropland and thus had to develop a conservation plan. Of the 354 fields contained in the conservation plans we reviewed for 58 farms, 13 sodbusted fields showed increased soil losses (i.e., soil erosion was higher after the development of the conservation plan for the sodbusted acres than it was prior to being converted to cropland). Plans to bring four fields to the T level indicated increases in expected losses ranging from 1 to 2 tons per acre per year. Plans for the nine remaining fields, which used the alternative level, indicated increased losses ranging from 4 to 5 tons per acre per year.

Producers May Not Be Able to Implement Conservation Plans by 1995 Deadline

SCS estimates that it will not have the staffing and cost-share funding needed to assist producers in implementing conservation plans (on the 135 million acres covered) by the deadline of January 1, 1995. SCS officials believe this may limit producers' ability to fully implement conservation plans by the required date, and they would like the deadline extended to about 2000. If plans are not implemented as required by the act, soil savings, associated with reduced erosion, will be less than anticipated.

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SCS has traditionally assisted producers in designing, laying out, and supervising the application and construction of conservation systems. SCS estimated the major conservation practices included in producers' conservation plans that it will help implement. Table 3.2 shows SCS' national estimate of the major conservation practices planned. These practices include agronomic and engineering applications. An agronomic practice involves changing farming practices. An engineering practice involves construction or changes to the layout of the land.

Table 3.2: SCS' Estimate of Major Conservation Practices Planned^a

Figures in thousands			
Applied practice		Unit of measure	Amount
Agronomic practices			
Cropping system		Acres	85,200
Crop residue		Acres	55,000
Conservation tillage		Acres	45,500
Contouring		Acres	25,800
Contour strips		Acres	3,300
Field strips		Acres	2,000
Critical area		Acres	552
Engineering practices			
Grassed waterways		Acres	1,300
Terraces		Miles	216
Sediment basins		Quantity	91
Structures		Quantity	46
Diversions		Miles	5

^aMore than one practice may be applied to the same field

On the basis of its estimated workload, SCS representatives estimate that SCS will not have sufficient staff to provide producers the technical assistance necessary to design and install the planned conservation systems. SCS representatives said that field office staffing will be 37 percent less than the estimated average 9,500 staff-years needed during each of fiscal years 1990 through 1994.

ASCS, SCS, and states have also traditionally assisted producers in paying for up to 75 percent of the cost of conservation practices and their installation. USDA has three programs—the Agricultural Conservation Program, the Great Plains Conservation Program, and the Watershed Protection and Flood Prevention Program—that provide cost-sharing

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assistance to producers in implementing conservation practices. In addition, states have various cost sharing conservation programs that are coordinated with USDA's administration of its cost-sharing programs.

SCS had not prepared a national estimate of the cost of installing conservation systems. However, SCS representatives in Iowa, Kansas, and Missouri estimated that the shortage of cost-share funding in their states during the next 5 years will be about \$409 million. Table 3.3 shows the SCS representatives' estimated total installation costs, federal and state cost-share funding, and the shortage of these funds.

Table 3.3: Estimated Cost-Share Funding Needed for Conservation Plans in Iowa, Kansas, and Missouri

Dollars in millions				
State	Total installation costs	Amount needed from federal/state sources	Amount projected to be available from federal/state sources ^a	Estimated shortage
Iowa	\$808	\$404 ^b	\$87	\$317
Kansas	134	67 ^c	46	21
Missouri	268	176 ^d	105	71
Total	\$1,210	\$647	\$238	\$409

^aBased on current funding projected for fiscal years 1990 through 1994.

^bBased on 50-percent of total costs.

^cBased on combined federal and state cost-sharing at 50 percent of total costs.

^dBased on combined federal and state cost-sharing at 50 to 75 percent of total costs. The percentage varies depending on the conservation practice and the county.

The extent that SCS shares the costs of implementing conservation plans with a producer varies between states. SCS can share up to 75 percent of the cost of specified conservation practices not to exceed an established maximum amount. However, SCS state and county offices may establish priorities and approve cost-sharing at less than 75-percent if they choose to do so. For example, the Missouri SCS office estimated it would share from 50 to 75 percent of the costs, while Kansas limited federal-state cost sharing to 50 percent of the costs so that assistance could be provided to more producers.

Providing additional cost-share funding may not necessarily enable SCS to assist producers in installing all the conservation systems planned by the 1995 deadline. For example, an SCS assistant state conservationist in Missouri said that additional cost-share funds could not be effectively utilized without the additional staff needed to provide the related technical assistance. An SCS state conservationist in Kansas also noted that

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even if the additional cost-share funds and needed staffing were provided, the state lacks sufficient contractors to install the conservation systems planned.

Conclusions

SCS has largely met the January 1, 1990, requirements of the Food Security Act of 1985 to (1) identify highly erodible cropland and (2) assist producers in developing conservation plans for reducing erosion on the land identified. However, according to SCS, meeting the January 1, 1995, requirement of implementing the conservation plans will be difficult because SCS estimates that it will not have enough staff and cost-share funds. As such, these limitations may make the deadline impractical for some farmers. As of July 1990, SCS had not determined what plans can be implemented by January 1, 1995, with the resources it will have available and had not developed a plan to use these resources most effectively.

Although one objective of the conservation provisions is to reduce soil erosion, SCS has not estimated soil savings resulting from the implementation of conservation plans. Without a national estimate of soil savings, SCS will not be able to determine how well conservation systems are working to reduce overall erosion on cropland in the United States.

In instances where sodbusting has occurred, soil erosion increased when the land was converted to cropland use. The increase is greater on land where SCS allowed producers to apply alternative conservation systems. These alternative systems do not reduce erosion to the level prior to sodbusting or the T level set by USDA.

Recommendations to the Secretary of Agriculture

We recommend that the Secretary of Agriculture direct the Administrator, SCS, to

- prioritize its limited cost-share funds so that the Department's resources are allocated in a manner that achieves the greatest conservation benefit and
- build on ongoing efforts and report accomplishments (soil erosion savings) achieved by implementing the conservation compliance and sodbuster provisions

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Matters for Congressional Consideration

If the Congress wishes to increase the protection of erodible lands, it may want to consider requiring that conservation systems applied to sodbusted land, whether or not they are converted from native vegetation, limit erosion to no more than the soil loss tolerance level. Land used for planting a nonagricultural crop during 1981-85 in a long-term rotation approved by SCS should be excluded.

Agency Comments and Our Evaluation

With regard to our first recommendation, we initially proposed that SCS determine which plans are likely to be implemented by 1995 in addition to prioritizing its cost-share funds. In commenting, USDA said that it believes that all plans are likely to be implemented, and that the SCS effort has been based on that assumption. In support of this belief, the Department noted that in many cases the continued eligibility for participation in USDA programs should be sufficient incentive for implementing the plans. USDA also commented that there is no requirement or expectation that cost-share funds would be sufficient to provide for all of the planned conservation practices.

As a result of the Department's comment on this recommendation, we removed our reference to SCS' determining which plans will be implemented since USDA believes all plans are likely to be implemented. However, because the Department believes that not all conservation practices can be funded, it is all the more important that its limited cost share funds are prioritized to achieve the greatest conservation benefit.

In commenting on our second recommendation, USDA noted that SCS is establishing a national sampling system for reporting progress so that details of accomplishments would be readily available. As a result of this comment, we made adjustments to the report where appropriate. However, we did not change our recommendation because this sampling system is not yet in place.

Implementation Delays and Inconsistently Applied Criteria May Result in Further Wetland Losses

Implementation of the act's swampbuster provisions lags behind those of the conservation compliance and sodbuster provisions. SCS gave priority to identifying highly erodible land and developing the conservation plans, rather than identifying wetlands, because the act required such plans by January 1, 1990.¹ Critical to saving the wetlands covered by the act is SCS' identification of wetlands so that ASCS, in checking compliance, can ensure that wetlands are protected. However, SCS has identified only about 7.5 million acres of wetlands of the estimated 82 million acres of wetlands on nonfederal lands in the continental United States.² USDA plans to make wetland determinations on only those lands on or near cropland of farm program participants. SCS expects to complete its wetlands identification by the end of 1991. As a result, some wetlands may have been converted to cropland that otherwise could have been protected.

Implementing the act's swampbuster exemption provision has, in some instances, been a source of controversy because the criteria used to make decisions for group projects have frequently changed.³ Further, application of the criteria has not always been consistent; the documentation provided does not, in many instances, support the exemption decisions; and consultation with the Fish and Wildlife Service was not always carried out as required by law.

Implementation of Swampbuster Provision Has Been Delayed

SCS has not identified and classified all wetlands. As of January 1990, SCS reported that it had made more than 860,000 wetland determinations and identified almost 7.5 million wetland acres in the process.⁴ USDA estimates, on the basis of its National Resource Inventory, 1987, that there are about 82 million acres of wetlands on nonfederal land in the continental United States. However, an SCS official responsible for overseeing USDA's wetland determinations said that SCS is not making determinations for all of this land. Wetland determinations are only being made for cropland and land adjacent to cropland on farms of USDA

¹Identification of wetlands refers to the process whereby USDA determines if a land area exhibits the soil, water, and plant characteristics that define a wetland.

²No data exist on the extent of nonfederal wetlands in Alaska. Therefore, our discussion is limited to the 48 continental states.

³Group projects involve two or more farmers or producers.

⁴Only one state we visited, North Dakota, had a complete inventory of its wetlands.

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participants. These wetlands would be most susceptible to cropland conversion. While this seems reasonable, SCS has no estimate of the amount of wetland acres it expects to identify for compliance with the act.

USDA officials told us that they were able to make only a limited number of wetland determinations because of constraints on staff resources and the fact that SCS gave priority to identifying highly erodible land and developing conservation plans to meet the January 1990 deadline set by the act. Nonetheless, most of the wetland determinations that have been made to date reflect only those cases where farmers have indicated that they had converted or planned to convert wetlands. When wetlands are drained, flood control and water quality can decrease, fish and wildlife habitat decline, and recreational opportunities can be lost. SCS' present goal is to complete wetlands determinations by the December 31, 1991 deadline.

Wetlands Exemption Criteria Changed Frequently

Wetland conversions started before the act's passage are exempted from its provisions. Exemptions are granted if the criteria for commenced conversion are met. However, the criteria for exemptions, notably those involving group projects, have changed frequently as ASCS developed the final program rules and regulations. The lack of firm and consistent criteria from the outset of the program has raised questions about some decisions and created controversy.

ASCS' latest national statistics reported that producers requested 5,259 exemptions for commenced conversions. Of these requests, 45 percent were approved, 13 percent were denied, and the remaining 42 percent were pending when national reporting was suspended in April 1989. USDA officials told us that reporting was suspended because they believed the data received from states were not accurate.

We found differences in reporting procedures that tend to overstate program statistics on the number of commenced conversion requests and exemptions granted. In two of the six counties visited, we found that the reported activity does not reflect the actual activity. For example, while 1 county reported that 84 commenced conversion requests were denied, our review of the files showed that the county had received only 4 requests. Another county reported the approval of 136 requests, but records showed that the county received just 10 requests. These discrepancies resulted from requests by water resource districts on behalf of a

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number of individuals within a group project area. For reporting purposes, the county recorded all persons involved in the projects even though the individuals did not file separate requests.

ASCS issued new instructions to state and county offices in March 1990 for summarizing commenced conversion activity that occurred prior to January 1990 and then reporting on this activity on a monthly basis. ASCS advised us that a new national report was planned, but that its issuance date was unclear.

Exemption Criteria

ASCS has amended or modified the exemption criteria for commenced conversion decisions several times since the publication of the interim rules in June 1986. These changes occurred for a variety of reasons, such as litigation by environmental groups and requests from special interests. Table 4.1 highlights changes in USDA's criteria between June 1986 and December 1989.

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Table 4.1: Changes in USDA Exemption
Criteria for Commenced Conversions

Date	Criteria
June 24, 1986	Defined that a wetland conversion was commenced if, before December 23, 1985, earth moving for purposes of draining was started, or substantial funds had been committed legally and financially by entering into a contract for earth moving, or otherwise, for the conversion.
Sept. 19, 1986	Added a provision that persons within the jurisdiction of a water resources board or similar group project could receive an exemption to drain a wetland if they met the following conditions in place of those spelled out on June 24, 1986: <ol style="list-style-type: none"> 1 They were or could be assessed for the activities of the drainage project. 2 Their plan was approved by a vote or approval of landowners within the project area before December 23, 1985. 3. An ASCS county committee determined that the approved plan reasonably contemplated such person's drainage activity.
Nov. 20, 1986	Added to the September 19, 1986, criteria a requirement that substantial funds for implementation must have been committed before the act's passage.
Feb. 4, 1987	Revised and restated criteria used to make wetland conversion decisions and included the following. <ol style="list-style-type: none"> 1. Deleting ASCS county committee's authority to approve cases that were reasonably contemplated, but were not included in the drainage plan. 2. Adding that one or more of the following requirements had to be met prior to December 23, 1985. <ul style="list-style-type: none"> — earth moving or land clearing had begun, — a contract for these activities had been signed, or — substantial funds had been legally committed. 3. Requiring that the person's drainage activity had to be specifically identified in the plan
Sept. 10, 1987	Eliminated the term "earth moving" and changed language to encompass activities such as draining, dredging, leveling, filling, or other manipulation that results in impairing or reducing the flow, circulation, or reach of water that was actually started before December 23, 1985. Further defined what acts constitute the legal commitment of funds to include those listed above, as well as purchasing construction supplies or materials for the primary and direct purpose of converting the wetlands. Added a provision that the Fish and Wildlife Service must be consulted on each request for a commenced determination. <p>Added the requirement that persons must show that the wetland conversion was the basis for a financial obligation, and a specific assessment for project construction or legal obligation to pay a specific assessment was made prior to December 23, 1985. Also, it must be shown that efforts toward the completion of the conversion activity have continued on a regular basis.</p>
Dec. 8, 1989	Added procedures for handling disagreements between SCS and the Fish and Wildlife Service on wetland matters and late filed requests

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Changing Criteria Resulted in Draining Wetlands

Because of the changing criteria and sometimes contradictory nature of commenced conversion decisions, county committees and other ASCS officials made decisions which would allow the draining of wetlands. The impacts of the changes, which have primarily affected group projects, and the differences in the application of the criteria are illustrated by the following example of an actual situation in one county we visited.

During the 5-year period, 1981 to 1985, assessed landowners voted for and approved the installation of five separate group drainage projects. In mid-1986, the county water resource district sought advice and clarification from ASCS on whether two of the projects met the commenced conversion criteria since earth moving had not been started, nor had a contract committing substantial funds for earth moving been entered into. Responding to this request, ASCS amended the provisions on September 19, 1986, so that persons assessed for the drainage activity would be exempt from swampbuster if the drainage plan was approved before December 23, 1985, and the ASCS county committee determined that the plan reasonably contemplated each person's drainage activity. Using this criterion, the ASCS county committee approved the requests on October 1, 1986.

As a result of requests from conservation groups, the criterion used to make commenced conversion decisions was changed in February 1987. Consequently, in March of that year the county committee was instructed by USDA to rescind its earlier approval. As a result, only those persons who took actions such as earth moving or contracting for earth moving between October 1, 1986, and the February 4, 1987 amendment, would be exempt. Other persons, in order to be exempt, would be required to meet the new criteria, including the specific identification of drainage activity in the plan. Subsequently, special interests convinced ASCS to reverse its decision in May 1987, and thus ASCS did not require the specific identification of wetlands to be drained.

Continuing concern about the exemptions prompted the National Wildlife Federation to request that ASCS review the decisions again. In its November 1988 response, ASCS concluded that neither of the projects met the commenced criteria in place at the time the projects were exempted. However, since some drainage had started on one of the projects on the basis of the earlier decisions, ASCS exempted this activity but would not allow any additional wetlands to be drained. However, in terms of the second project, ASCS determined that it was still in the planning phase, no funds had been spent toward converting wetlands, and therefore the exemption was being reversed.

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Less than a year later, in September 1989, ASCS received inquiries again from special interests and responded to the inquiries and appeals surrounding these projects by reversing itself. Concerning the first project, ASCS said that any wetlands identified to be drained in the project area could receive an exception, regardless of whether construction activities were underway. USDA also believed that the second project that was previously denied warranted an exemption because the project had been planned, the farmers in the assessed area had been identified, and the plan had been approved by vote before the act became law.

ASCS also concluded that, for both projects, the more appropriate basis to grant an exemption was that undue financial hardship would result in the absence of a commenced determination because individual landowners expended funds both before and after the act's passage, and became obligated for payment of the project costs incurred. This ASCS decision adds another dimension to the established criteria. Up to the time of this decision, only costs, obligations, or activities which took place before the act were considered in determining whether an exemption was warranted.

Documentation for
Exemptions Often Lacked
Sufficient Information

On the basis of 23 approved commenced conversion requests, we found that producers provided various types of documentation in the form of project plans, assessments, engineering or legal bills, or receipts and cancelled checks for construction work or supplies acquired before December 23, 1985. In 14 of the 23 cases, the documentation was sufficient to verify that funds had been committed, the installation of drainage measures had begun, or other criteria had been met. The nine other approved requests lacked specific documentation to make a commenced determination.

Of the requests lacking specific documentation, the primary support provided in most of the cases was the tax assessment and/or the project plan. However, the ASCS handbook specifically requires that the farmer provide documentation, such as cancelled checks, invoices, or contracts showing that the farmer has spent or is legally committed to spending funds for the primary and direct purpose of converting a wetland. Further, the documentation is to show to whom the funds were committed and the purpose of such funds. In one of the cases we reviewed, the producer furnished, and the county accepted, the tax assessment notice

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as proof of commenced activity.⁵ In another instance, the producer indicated that he had done all the work using his own equipment, and the only verification was by visual inspection—no documentation was provided. In none of the cases did the producer submit evidence such as construction receipts or cancelled checks indicating the commitment of funds prior to December 23, 1985, as required by the ASCS handbook.

ASCS Did Not Always Consult With the Fish and Wildlife Service

The final program rules dated September 17, 1987, specifically instruct ASCS to consult with the Fish and Wildlife Service on commenced determinations.⁶ Our review of records at the counties visited showed that often, such consultations are not held. Of the 27 cases we reviewed where ASCS county committees approved or denied requests (23 approved and 4 denied), we found that the Fish and Wildlife Service was not consulted on 18, or 67 percent, of the decisions. All of these instances occurred after the final program rules were implemented and the Fish and Wildlife Service was specifically designated as the Department of the Interior's consultation point.

Although the requirement for consultation has existed since the act's passage, county officials informed us that they were not aware of the need to consult until it was incorporated into the ASCS handbook in September 1987. In one instance, the state office advised the county that the Fish and Wildlife Service did not need to be consulted because its opposition to the project was already known. Nonetheless, ASCS's handbook specifically states that the Fish and Wildlife Service should be consulted for commenced conversion decisions.

Conclusions

Given its limited resources and the timetable imposed by law, the Department deferred making wetland identifications until after it developed conservation plans. By delaying the identification of wetlands, USDA's decision may have allowed some wetlands to be drained. Likewise, the lack of firm and clearly understood criteria for exempting certain wetlands and the inconsistent application of the criteria have resulted in additional wetland losses.

⁵The ASCS handbook does not allow tax assessment notices to be used as documentation for wetland conversion activities.

⁶USDA is required by the Food Security Act to consult with the Department of the Interior as of December 23, 1985, on all wetland commenced determinations.

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Exemptions to the swampbuster provisions because of commenced conversion determinations are sensitive issues, and require consistent decisions. These decisions can be enhanced by using the assistance available from the Fish and Wildlife Service. Consultation with the Fish and Wildlife Service, as required by the act and later through implementing regulations, might have avoided the problems and controversies sometimes accompanying ASCS decisions.

Recommendations to the Secretary of Agriculture

To prevent any further loss of wetlands and to improve program implementation of the swampbuster provisions, we recommend that the Secretary of Agriculture (1) monitor the application of the wetlands commenced conversion criteria so the decisions made are consistent and (2) enforce the requirements for the Fish and Wildlife Service consultations on commenced conversion decisions in order to utilize its expertise in the area.

Agency Comments and Our Evaluation

In terms of identifying wetlands, USDA noted that it needs to make wetland determinations only on those lands on or adjacent to cropland. Therefore, not all of the 82 million acres of wetlands in the United States would need to be identified according to USDA. Although we proposed a recommendation that SCS complete its wetland determinations by the end of 1991, USDA stated that it intends to complete wetland determinations as scheduled. Since USDA plans to meet its 1991 timeframe, we removed our recommendation. USDA also noted that the identification of wetlands will not prevent them from being converted.

We agree with USDA that the wetlands most likely to be converted will be located on or near cropland and that probably something less than 82 million acres would need to be identified. Nonetheless, we believe that until USDA identifies wetlands, it will be difficult for ASCS to enforce the swampbuster provisions of the act and prevent wetlands from being converted. Therefore, it is important that the Department complete its identification of wetlands as scheduled.

USDA also noted that we did not adequately recognize its ongoing efforts to review and correct previous commenced conversion decisions. Specifically, the Department told us that all commenced conversion decisions are being reconsidered, that the Fish and Wildlife Service is being consulted in instances where they were previously overlooked, and that questionable commenced conversion decisions were being reopened.

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While USDA has undertaken these actions, they have not been completed and as such we did not change our recommendations. Further, as a result of previous ASCS commenced conversions decisions, some wetlands have been converted to cropland that otherwise would have been protected.

Enforcement Needs Improvement

As a result of USDA's enforcement activities, the Department estimates that farmers forfeited \$1.8 million in farm program benefits. However, USDA's procedures do not ensure that all farm program participants are included in annual compliance reviews. Because of the way conservation compliance is currently administered, some producers do not file the necessary forms needed by the Department to enforce these provisions of the act. Further, USDA has no current national statistics on sodbuster and swampbuster violations or on benefits lost due to violations. Data presently used by the Department may not accurately reflect sodbuster and swampbuster violations.

Weaknesses in ASCS' Compliance Monitoring

ASCS is the USDA agency responsible for determining whether producers comply with the conservation provisions, and is to obtain two documents from producers each year that are key to its compliance-monitoring process. These are the producers' (1) certification of compliance with the conservation provisions of the act and (2) land use report. However, our review indicates that ASCS does not always obtain these documents. Further, in one state we visited, ASCS had not followed up on suspected swampbuster violations reported by the Fish and Wildlife Service.

On annual compliance certifications (Form AD-1026), producers must identify land they have sodbusted or swampbusted or plan to convert to cropland. ASCS reviews the certifications for indications of possible violations and, if necessary, follows up to determine whether there has been a violation. Our review of 1989 certifications required from ASCS, FCIC, and FmHA program participants in four Iowa, Kansas, Minnesota, and Missouri counties showed that ASCS did not have certifications from 6 of the 100 ASCS participants, 9 of the 50 FCIC participants, and 7 of the 50 FmHA participants that we checked. Annual certifications could be filed with ASCS, FCIC, or FmHA before 1990. Beginning in 1990, the certification must be filed with ASCS.

Each year, ASCS also selects a sample of 15 percent of the farms of producers who file land use reports (Form ASCS-578) to check their compliance with the conservation provisions. Participants in ASCS programs must submit land use reports and others may voluntarily submit them, but the report is not generally required from producers who only participate in FCIC or FmHA programs. As a result, the universe from which ASCS selects its sample may not include all participating producers' farms. Therefore, some producers who only participate in FCIC and FmHA

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programs may not be subject to being selected for this compliance verification.

Although not required by law, the Fish and Wildlife Service in both Minnesota and North Dakota has reported suspected swampbuster violations to ASCS. The Fish and Wildlife Service reported 203 suspected swampbuster violations to the Minnesota state ASCS office in June 1989, but ASCS had not followed up on the suspected violations as of December 1989. We did not identify this condition in the other states visited. As of December 1989, Minnesota and North Dakota required county offices to complete a report detailing the investigation and disposition of suspected violations reported by the Fish and Wildlife Service and other outside parties, to maintain a file of the reports, and to notify the state office of any violations arising from the investigations.

**Sodbuster, Swampbuster
Data Are Not Current and
May Not Accurately
Reflect Violations**

Until April 1989, ASCS had reported national data that showed the extent to which sodbusting and swampbusting violations were identified and benefits withheld. However, ASCS representatives said that national reporting was suspended because they believed that county and state offices were incorrectly interpreting reporting instructions and therefore the accuracy of the reports was questionable. ASCS issued new reporting instructions in March 1990 and plans to resume national reporting.

ASCS' system for counting sodbuster and swampbuster violations actually counts potential violations and their ultimate disposition. The potential violation may be resolved with ASCS county office representatives if the producer presents additional evidence. In addition, producers can appeal ASCS determinations of violations first to ASCS county committees, then to ASCS state committees, and finally to the ASCS Deputy Administrator for State and County Operations.

As shown in table 5.1, ASCS' latest national report, as of April 1989, showed that most reported violations were resolved in favor of producers.

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Table 5.1: Violations Reported and Resolved

Violations	Sodbuster	Swampbuster
Reported	584	427
Appealed	386	393
Decided in favor of producer	330	243
Decided against producer	31	71
Not yet decided	25	79

Our review of reported sodbuster and swampbuster violations showed that they were resolved in favor of the producer for reasons such as the following: (1) violations were reported in error, (2) land was not highly erodible, (3) land was cropped during 1981 to 1985, and (4) a conservation system was being applied. Because these are all legitimate reasons for resolving reported violations in favor of producers, these USDA data tend to overstate the extent of violations. On the other hand, because reporting has been suspended, additional violations could be occurring but are not being identified through USDA's enforcement and reporting process. USDA's report further shows that benefits that had been or would be withheld totaled \$970,598 for sodbusting and \$843,265 for swampbusting. The number of producers that had benefits withheld was not identified.

ASCS issued new instructions to state and county offices in March 1990 for reporting enforcement activity that occurred prior to January 1990 and monthly activity thereafter. ASCS advised us that a new national report is planned, but that its issuance date is unclear.

Conclusions

ASCS' procedures do not adequately monitor participating producers for violations of the conservation provisions. All participants do not file annual compliance certifications as required, and all participants are not included in ASCS' universe from which producers are sampled for compliance.

Recommendations to the Secretary of Agriculture

To improve ASCS' enforcement of the conservation provisions, we recommend that the Secretary of Agriculture require ASCS to

- develop controls to verify the compliance of all USDA farm program participants who fail to certify their compliance annually with ASCS and

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- develop a procedure to ensure that all USDA farm program participants, including those participating in FCIC or FmHA programs, are included in ASCS' universe for sampling participants' compliance.

**Agency Comments and
Our Evaluation**

In response to our recommendations, USDA noted that (1) it will be on alert for potential violations of swampbuster or sodbuster provisions during the course of its normal business, including random spot checks and (2) it requires all producers requesting USDA benefits to file forms AD-1026 and AD-1026A. Thus, the Department believes that all producers requesting benefits will be represented in the ASCS computer system and subject to spot checks. However, current ASCS procedures are such that not all program participants are involved in its sampling universe.

Appendix I

Sampling Methodology

A total of 95 farms were sampled—20 farms were selected from Macon County, Missouri, and 15 farms were selected from each of the other 5 counties. However, only those farms (58) that had conservation plans are discussed in chapter 3 or reflected in table I.1 below.

Table I.1: Sample of Farms With Conservation Plans

County & state	Universe with conservation plans		Sample with conservation plans	
	Farms	Acres	Farms	Acres
Poweshiek, Iowa ^a	1,298	226,704	13	2,012
Dickinson, Kansas	1,316	126,173	13	1,495
Stearns, Minnesota	531	15,629	7	322
Macon, Missouri	768	90,513	15	2,980
Grand Forks, North Dakota	294	28,784	3	49
Wells, North Dakota	368	60,386	7	683
Total	4,575	548,189	58	7,514

^aPoweshiek County, Iowa, reports on a tract basis. The number of farms in the universe was derived by dividing 2,077 tracts with conservation plans in Poweshiek County by the average tracts per farm in that county, 1.6. Our sample included 16 tracts on 13 farms.

Appendix II

Major Contributors to This Report

Resources,
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