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Working Land Conservation Programs are a Higher Priority than Retirement Land Programs

ISSUE

The conservation title of the Farm Bill provides important assistance to producers and landowners to adopt conservation activities on agricultural and forest lands. This assistance provides funds for adopting practices to protect and improve water quality and quantity, soil health, wildlife habitat, and air quality by addressing natural resource issues and benefiting productivity of agricultural working lands.

While Farm Bureau supports many types of conservation programs, budget realities make it likely that the House and Senate Ag Committees will have to establish funding priorities in the 2018 Farm Bill. If this proves to be the case, Farm Bureau will focus on supporting funding for working land programs rather than retirement land programs. We also support maintaining the cap of 24 million acres in the Conservation Reserve Program.

BACKGROUND

The major conservation programs are:

Environmental Quality Incentives Program (EQIP)

EQIP is the primary agricultural conservation program for working farms and ranches. EQIP provides financial and technical assistance to encourage adoption of farming systems that conserve resources and enhance environmental performance. Contracts last up to 10 years with a \$450,000 payment limit. Sixty percent of EQIP assistance is directed to livestock producers.

Conservation Stewardship Program (CSP)

CSP provides financial and technical assistance to farmers and ranchers recognized as exemplary land stewards. It helps farmers improve existing conservation systems and facilitates the adoption of additional conservation practices. CSP contracts have a minimum annual payment of \$1,500 with contracts lasting five years. CSP includes the option to renew if the producer successfully fulfills the contract and agrees to additional conservation objectives.

Conservation Reserve Program (CRP)

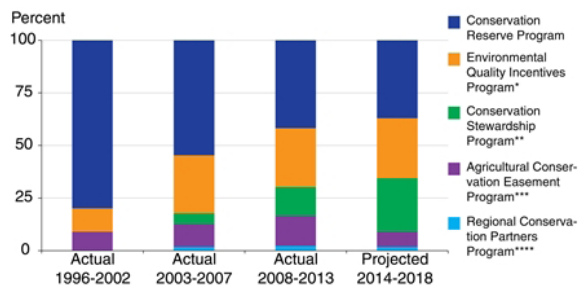
CRP is a voluntary conservation program aimed at conserving soil, water, and wildlife resources by removing highly erodible and environmentally sensitive lands from agricultural production. CRP is capped at 24 million acres. Contracts are for 10 to 15 years and provide yearly rental payments for removing these lands from production.

Regional Conservation Partnership Program (RCPP)

RCPP attempts to streamline the process for multi-state and regional projects to address watershed or regional needs. The program supports projects that improve soil quality, water quantity, and quality of wildlife habitat. RCPP projects are selected through a competitive, merit-based process with partner resources leveraged to achieve project goals.

Federal expenditures for conservation have shifted during the past two decades. Declines in the CRP acreage cap have caused the share of expenditures attributed to the CRP to decline. From 1996 to 2014, expenditures for other conservation easement programs have increased, although these expenditures are declining within the framework of the current Farm Bill. Retirement and easement programs once accounted for more than 80 percent of conservation expenditures. By 2018, retirement programs will account for less than 50 percent of conservation funding. The EQIP and CSP programs, both broadly considered as “working lands programs”, have seen their funding share grow from less than 15 percent of conservation funding in 1996 to more than 50 percent of funding by 2018.

Share of conservation spending in major programs and predecessors in 2014 and previous farm acts



POSITION

Each type of conservation program has been designed to exhibit various strengths and limitations. Land retirement programs are likely to be the most cost effective solution when dealing with cropland with very highly erodible soils, where costs necessary to achieve acceptable levels of erosion control likely exceed the value of the crops. Also, these programs generally are considered the primary option for restoring cropped wetlands and providing habitat areas for species requiring large contiguous areas for species recovery. However, they often have negative impacts on the local rural economy as expenditures on production inputs and services are reduced. More targeted use of land retirement programs such as along stream buffers and installation of grassed waterways can often provide many of the water quality benefits of broad-based land retirement programs without enrollment of whole tracts or fields. The Conservation Reserve Enhancement Program (CREP) has been an example of this.

The application of cooperative conservation practices on working lands may achieve environmental benefits at lower program cost (less than the full agricultural value of land), since land remains in production. A wide range of environmental concerns can be addressed on the vast area of U.S. farmland and rangeland in active production. Improved practices can help maintain the long-term productive capacity of agricultural resources and the viability of agricultural activities. Working-land programs may also help producers mitigate the cost of federal and state regulatory requirements (e.g., manure-nutrient management).

In this time of declining budgets, addressing environmental concerns through land retirement poses challenges. The cost of land retirement is relatively high, as payment rates generally reflect the full agricultural value of the land. Rural communities may be adversely affected by large adjustments in farm production, farm input and processing activities, and tax base, especially if more than 25 percent of a county’s land is enrolled in retirement programs.

The trend over the last 20 years has been toward additional incentives for working lands programs. With the large amount of acreage in agricultural production in the U.S., substantial environmental progress is more likely primarily through conservation on working lands. With limits on available funding in land retirement programs, cost-share and incentive mechanisms that leverage private sector investment are important in achieving national environmental goals.

FARM BUREAU POLICY

Farm Bureau policy supports:

- “working lands conservation programs over retirement lands programs;”
- “maintaining funding for federal conservation programs which maintain environmental benefits;” and
- “maintaining the current prioritization of the Environmental Quality Incentives Program (EQIP) funding being targeted to livestock producers.”