Acknowledgements

• Presentation given by Jim Pease (Va. Tech University) and Brad Lubben (U. of Nebraska) based on *Choices* article “Conservation and the Agricultural Act of 2014”

Overview for Conservation

• Funded at $57.6B, reduced by $4 B over ten years ($6.1 B w/sequestration)

• Reauthorized large existing programs (CRP, EQIP and CSP) and rolled smaller/similar programs into large ones

• Authorized 2 new programs (ACEP and RCPP) that were previously 7 separate programs

• Requires Conservation Compliance to any farmer who receives crop insurance premium subsidies
Highlights
Conservation Programs in Farm Bill 2014

• Mandatory spending is reduced by less than 1% 2014-2018, but by 6.4% over 2014-2023 (in addition to sequestration), and spending is redirected.
• 23 conservation programs combined/repealed into 13 programs
• Reduces CRP enrollment to 24m acres by 2017. Grassland enrollment authorized up to 2 m acres
• More than 50% of conservation funding directed to Working Lands programs
• Conservation Compliance required as condition of premium subsidies for crop insurance
Repealed Programs

- Comprehensive Conservation Enhancement Program
- Emergency Forestry Conservation Reserve Program
- Wetlands Reserve Program
- Farmland Protection Program
- Grasslands Reserve Program
- Agricultural Water Enhancement Program
- Wildlife Habitat Incentives Program
- Great Lakes Basin Program
- Chesapeake Bay Watershed Program
- Cooperative Conservation Partnership Initiative
- Environmental Easement Program
Share of Total Conservation Program Spending

Source: Claassen, R. 2014 “2014 Farm Act Continues Most Previous Trends In Conservation”, Amber Waves
Land Retirement Programs Merged

- Conservation Reserve Program
  - Farmable Wetlands Program
  - Grassland Reserve Program
CRP Enrollment - November 2013

Total: 25.6 million acres

Prepared by FSA/EPAS/NRA

Farm Bill 2014

Working Lands Programs Merged

Environmental Quality Incentive Program (EQIP)

Wildlife Habitat Incentive Program (WHIP)

Farm Bill 2014

Pre-2014 Farm Bill Programs
EQIP in Farm Bill 2014

- Authorizes EQIP funding rising to $1.75B by FY2018. 60% of EQIP funding must go to practices related to livestock. Payment limit of $450K for FY2014-2018
- 5% cut-out funding for wildlife habitat to replace WHIP
- Advance payment terms and rates for conservation practices of beginning, socially disadvantaged and veteran farmers
- 5% cut-out funding authorized for beginning farmers
- Reauthorizes Conservation Innovation Grants (CIG) program within EQIP; $25m/year air quality funding cut-out
**Veteran Farmer and Rancher**

**Definition**
- Farmer or rancher who has served in the Armed Forces and who has not operated a farm or ranch; or has operated a farm or ranch for not more than 10 years

**Armed Forces**
- Army
- Navy
- Marine Corps
- Air Force
- Reserves
- Army National Guard
- Air National Guard
CSP in Farm Bill 2014

- CSP enrollment cap limited to 10m acres/year.
- Required priority resource concerns addressed increase from 1 to 2 for entry
- Authorizes 5% funding to beginning farmers and additional 5% to socially disadvantaged farmers
Farm Bill 2014

Easement Programs Merged

Agricultural Conservation Easement Program (ACEP)

Wetlands Reserve Program (WRP)

Farmland Protection Program (FPP)

Grassland Reserve Program (GRP)*

Pre-2014 Farm Bill Programs
Easement Programs Reduced Funding

Source: Claassen, R. 2014 “2014 Farm Act Continues Most Previous Trends In Conservation”, Amber Waves
Farm Bill 2014
Other Programs Merged

Regional Conservation Partnership Program (RCPP)

Agricultural Water Enhancement Program (AWEP)
Chesapeake Bay Watershed Program
Cooperative Conservation Partnership Initiative (CCPI)
Great Lakes Basin Program

Pre-2014 Farm Bill Programs
Conservation Compliance and Crop Insurance

• Re-establishes requirement to be in compliance with Highly Erodible Land and Wetland provisions in order to receive premium subsidy for crop insurance.

• The requirements are expected to be the same as those currently in place to participate in commodity programs.
Crop Insurance Subject to Conservation Compliance

Crop insurance premium subsidies and other payments subject to environmental compliance

Conservation Compliance (Sodbuster/HELC and Swampbuster/Wetlands Conservation)

• Both require compliance of crop insurance participants receiving government premium subsidies. Self-certification of compliance.

• Wetlands violations have varying subsidy penalties. Wetlands mitigation could still require greater than 1:1 acres mitigated.

• Loss of premium subsidy not retroactive, only takes effect after appeals exhausted. Farmers never before subject to compliance have 5 years to comply.

• USDA estimated maximum of 2% of farms could be subject to compliance rules for first time.
Thank You
## Payment limitations

<table>
<thead>
<tr>
<th>Conservation Programs</th>
<th>Limitation</th>
</tr>
</thead>
<tbody>
<tr>
<td>CRP annual rental payment and incentive payment.</td>
<td>$50,000 2/</td>
</tr>
<tr>
<td>ECP (per disaster event)</td>
<td>$200,000</td>
</tr>
<tr>
<td>EFRP (per disaster event)</td>
<td>$500,000</td>
</tr>
<tr>
<td>CSP</td>
<td>$200,000 3/</td>
</tr>
<tr>
<td>EQIP</td>
<td>$450,000 4/</td>
</tr>
<tr>
<td>AMA</td>
<td>$50,000 5/</td>
</tr>
</tbody>
</table>

CRP contracts approved prior to October 1, 2008 may exceed the limitation, subject to payment limitation rules in effect on the date of contract approval.

The $200,000 limitation is the total limit under all CSP contracts entered into subsequent to the enactment of the 2014 Farm Bill during fiscal years 2014 through 2018.

The $450,000 limitation is the total limit under all EQIP contracts entered into subsequent to the enactment of the 2014 Farm Bill during fiscal years 2014-2018.

5/ The $50,000 limitation is the total limit that a participant may receive under the AMA program in any fiscal year.
CRP Change in Enrollment from September to October 2012

Net Change: -2.5 million acres

1/ Contracts expire Sept. 30; most new contracts begin Oct. 1.

Prepared by FSA/EPAS/NRA
# CRP Payment Types

<table>
<thead>
<tr>
<th>Payment Type</th>
<th>Description</th>
<th>Limit</th>
<th>Sign-up Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Payment</td>
<td>Annual payment to participants. Based on soil productivity for each county and the average dryland case rental rate.</td>
<td>$50,000 annually for any person or legal entity</td>
<td>general and continuous sign-up</td>
</tr>
<tr>
<td>Cost-share Payment</td>
<td>Payment for a percentage of installing or establishing an eligible practice.</td>
<td>No more than 50% of the actual or average cost of establishing the practice.</td>
<td>general and continuous sign-up</td>
</tr>
<tr>
<td>Maintenance Incentive Payment</td>
<td>Reimburses participants for the average annual cost of certain practice maintenance.</td>
<td>$5 per acre per year</td>
<td>certain continuous sign-up practices</td>
</tr>
<tr>
<td>One-time Sign-up Incentive Payment (SIP)</td>
<td>One-time incentive payment made to participants that enroll certain practices.</td>
<td>$10 per acre per year (not to exceed 10 years)</td>
<td>certain continuous sign-up practices</td>
</tr>
<tr>
<td>One-time Practice Incentive Payment (PIP)</td>
<td>One-time incentive payment for eligible installation costs for certain practices.</td>
<td>40% of the eligible cost of practice installation</td>
<td>certain continuous sign-up practices</td>
</tr>
<tr>
<td>Other Financial Incentive</td>
<td>Additional incentives, as part of annual rental payments, for windbreaks, grass waterways, filter strips, and riparian buffers</td>
<td>Up to 20% of the annual rental payment</td>
<td>certain continuous sign-up practices</td>
</tr>
</tbody>
</table>

Top 5 CRP Conservation Practices

<table>
<thead>
<tr>
<th>Practice Code</th>
<th>Practice Description</th>
<th>Acres Enrolled</th>
<th>Leading States</th>
</tr>
</thead>
<tbody>
<tr>
<td>CP2</td>
<td>Establishment of permanent native grasses</td>
<td>6,775,593</td>
<td>Texas, Colorado, Kansas</td>
</tr>
<tr>
<td>CP10</td>
<td>Already established vegetative cover</td>
<td>4,313,003</td>
<td>Texas, Colorado, Montana</td>
</tr>
<tr>
<td>CPI</td>
<td>Establishment of permanent introduced</td>
<td>3,370,969</td>
<td>Missouri, Montana, Texas</td>
</tr>
<tr>
<td></td>
<td>grasses and legumes</td>
<td></td>
<td></td>
</tr>
<tr>
<td>CP4D</td>
<td>Permanent wildlife habitat</td>
<td>2,132,166</td>
<td>Colorado, North Dakota, Kansas</td>
</tr>
<tr>
<td>CP25</td>
<td>Rare and declining habitat</td>
<td>1,718,011</td>
<td>Kansas, Nebraska, Montana</td>
</tr>
</tbody>
</table>

Source: USDA, FSA, Conservation Practices Installed on CRP (acres), Cumulative, December 2013.

Note: Based on total acres enrolled in practices for all sign-up types.
### NSAC Summary of Funding Changes for Beginning/Disadvantaged Farmers

**Summary of Additions to Mandatory Funding for**

*Beginning and Socially Disadvantaged Farm Bill Provisions*

(5-year totals; $ millions)

<table>
<thead>
<tr>
<th>Farm Bill Program</th>
<th>2008 Funding</th>
<th>2014 Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>Beginning Farmer and Rancher Development Program</td>
<td>$75</td>
<td>$100</td>
</tr>
<tr>
<td>Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers</td>
<td>$75</td>
<td>$50</td>
</tr>
<tr>
<td>Conservation Reserve Program Transitions Incentive Program</td>
<td>$25</td>
<td>$33</td>
</tr>
<tr>
<td>Federal Crop Insurance Premium Reduction</td>
<td>n/a</td>
<td>$84*</td>
</tr>
</tbody>
</table>

*The ten year cost of the federal crop insurance premium reduction for beginning farmers is $261 million.*