

Conservation Provisions of the 2014 Farm Bill

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National Association for Agriculture and Food Policy

Farm Bill Decision Aid Training

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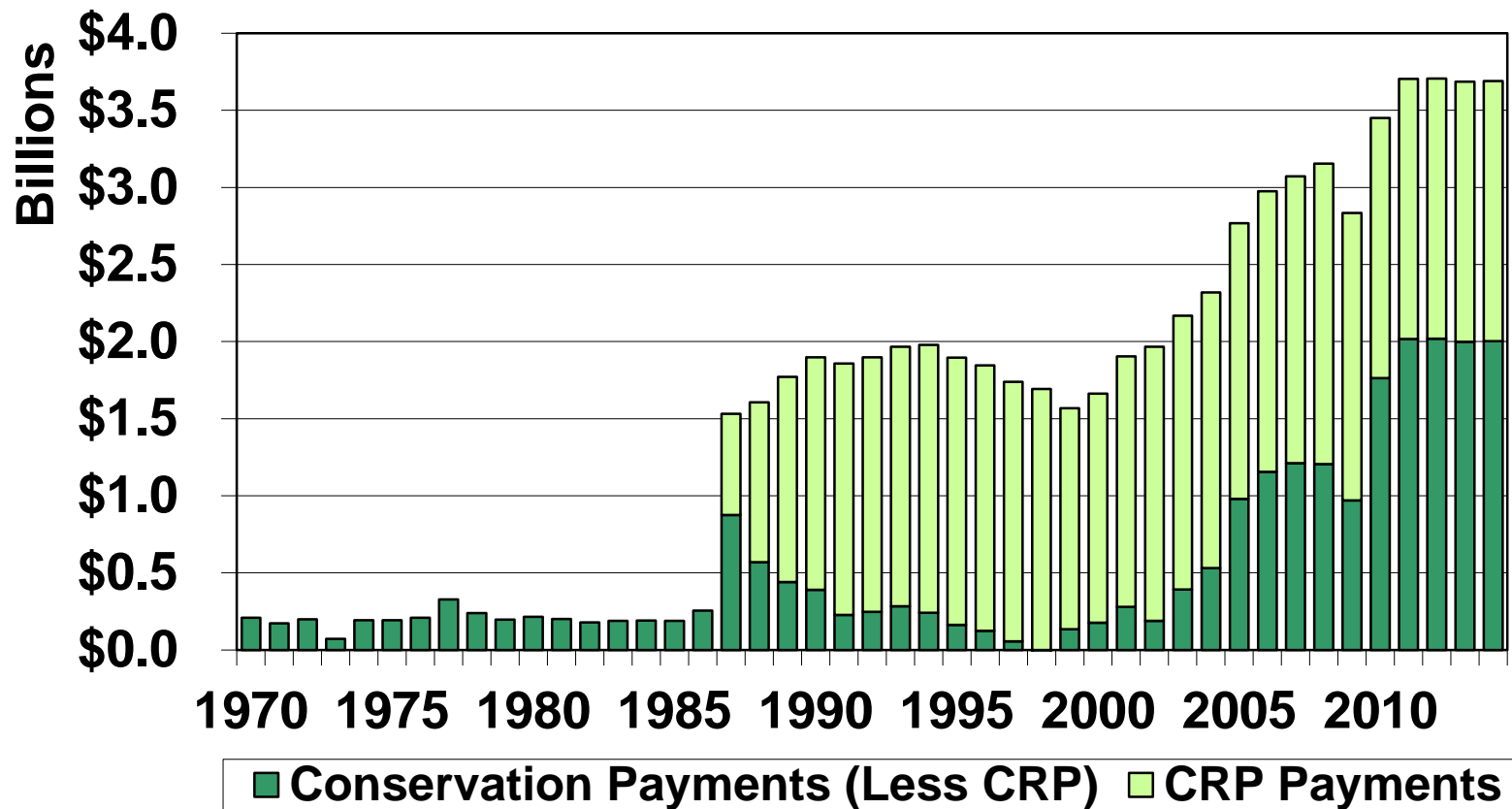
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Conservation Program Payments



Source: USDA-ERS



Farm Bill Budget

Area	Original 2014-2023 Baseline	Senate Proposal (\$954)	House Proposal (HR1947/ 3102)	Agricultural Act of 2014 (HR2642)*	
	(\$ billions)	(change in \$ billions)	(change in \$ billions)	(change in \$ billions)	(\$ billions)
Commodities	\$58.8	-\$17.4	-\$18.7	-\$14.3	\$44.5
Crop Insurance	\$84.1	+\$5.0	+\$8.9	+\$5.7	\$89.8
Conservation	\$61.6	-\$3.5	-\$4.8	-\$4.0	\$57.6
Nutrition (SNAP)	\$764	-\$3.9	-\$39.0	-\$8.0	\$756
Other Titles	\$4.0	+\$1.9	+1.7	+\$4.1	\$8.1
Total	\$973	-\$17.9	-\$51.9	-\$16.5	\$956

* HR 2642, the "Agricultural Act of 2014" as reported out of Conference on January 27, 2014 passed the House on January 29, 2014 by a 251-166 vote, passed the Senate on February 4, 2014 by a 68-32 vote, and was signed by the President on February 7, 2014.



Farm Bill Overview

- Title II: Conservation
 - Baseline spending reduced from \$61.6 to \$57.6 billion (6.5% reduction) over FY2014-2023
 - Portfolio of programs streamlined
 - Major programs/categories
 - CRP
 - Working lands programs – EQIP and CSP
 - Easement programs – ACEP
 - Partnership programs – RCPP
 - Conservation compliance extended to crop insurance



Resource and Environmental Policy

Voluntary Programs

- **Land retirement programs**
 - **Conservation Reserve Program (CRP)**
- **Working lands programs**
 - Environmental Quality Incentives Program (EQIP)
 - Conservation Stewardship Program (CSP)
- **Easement programs**
 - Agricultural Conservation Easement Program (ACEP)
 - Wetland Reserve Easements
 - Former Wetland Reserve Program
 - Agricultural Land Easements
 - Former Farmland Protection Program
 - Former Grassland Reserve Program
- **Regional Conservation Partnership Program**



Land Retirement Programs Merged



Land Retirement Programs

Conservation Reserve Program

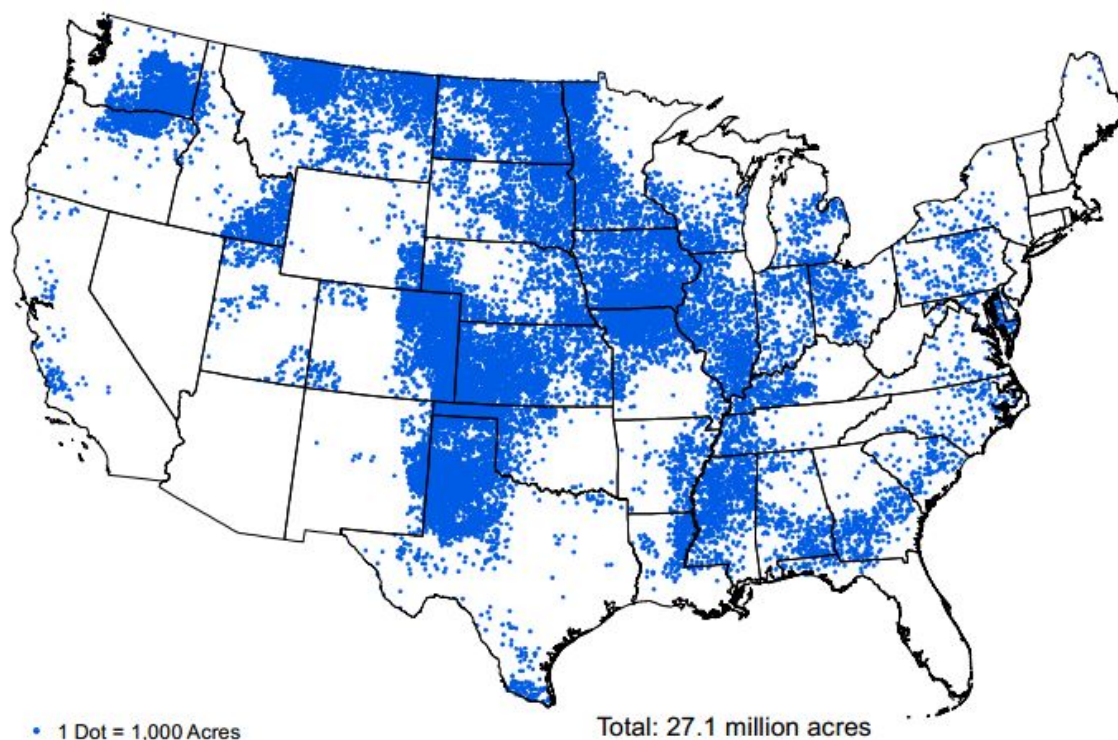
- First authorized in the 1985 Farm Bill
- Goals
 - Protect land from water and wind erosion
 - Soil productivity
 - Sedimentation
 - Air quality
 - Protect groundwater and surface water
 - Sedimentation
 - Nutrient runoff
 - Increase wildlife habitat
 - Habitat quality
 - Targeted species
 - Cropland retirement and supply control
- Sign-up
 - General competitive sign-up
 - Continuous non-competitive sign-up for high priority practices
 - Enhancement programs for specific priorities
- Scale
 - 25.4 million acres at present
 - Over \$45 billion paid out to date



Conservation Reserve Program

Current Enrollment

CRP Enrollment - December 2012



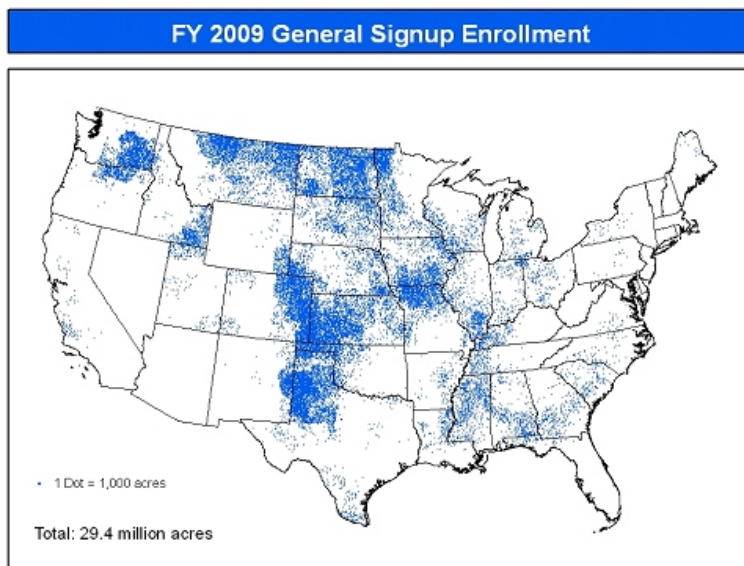
Prepared by FSA/EPAS/NRA



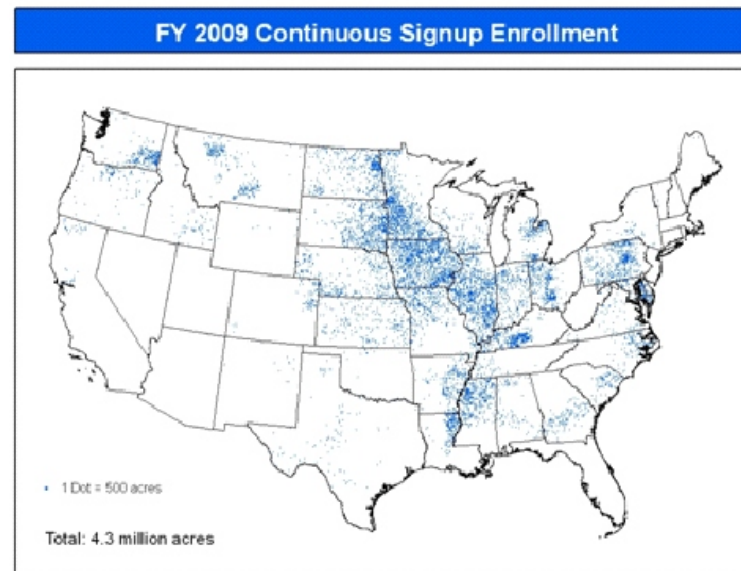
Conservation Reserve Program

Current Enrollment

General Signup

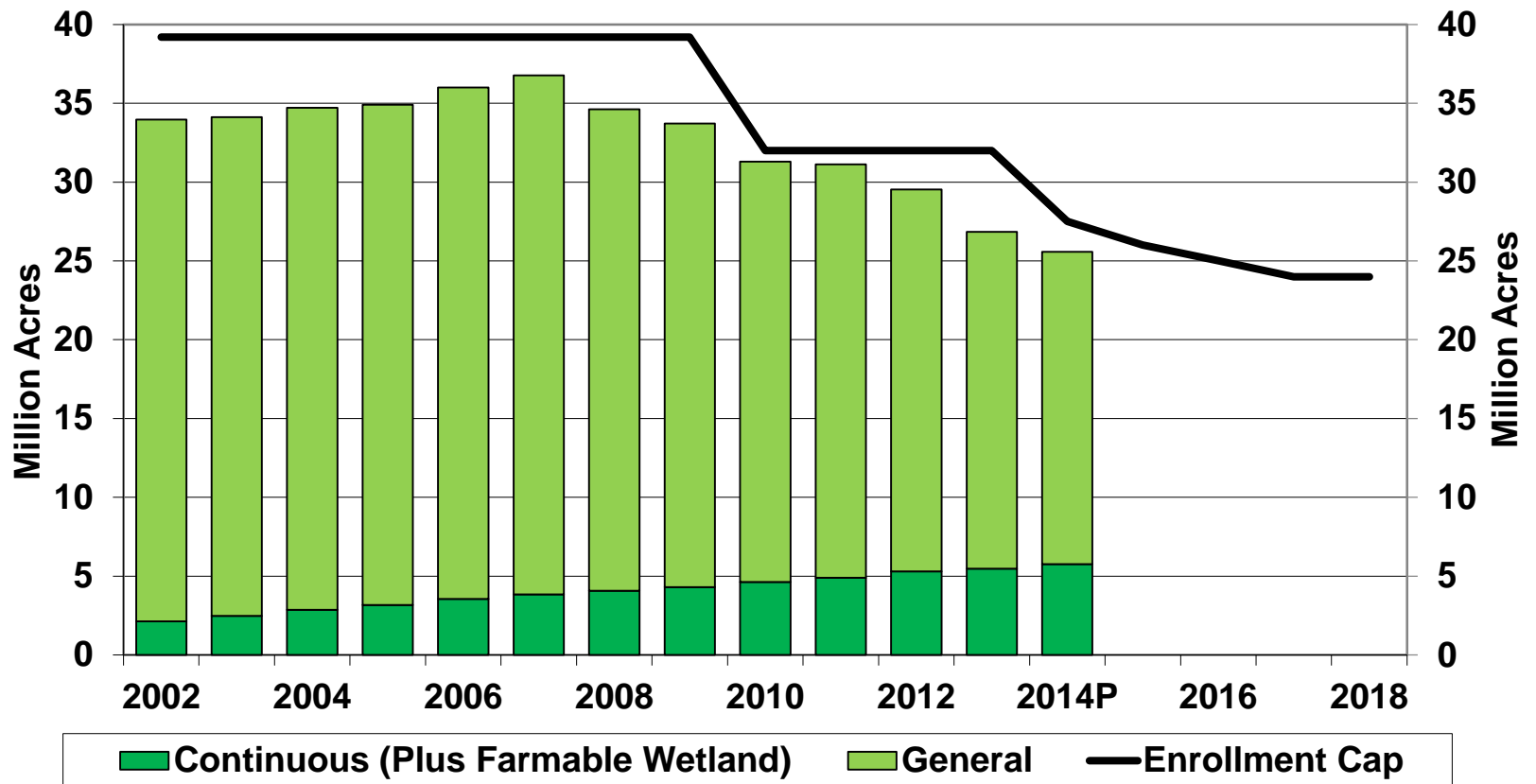


Continuous Signup



Conservation Reserve Program

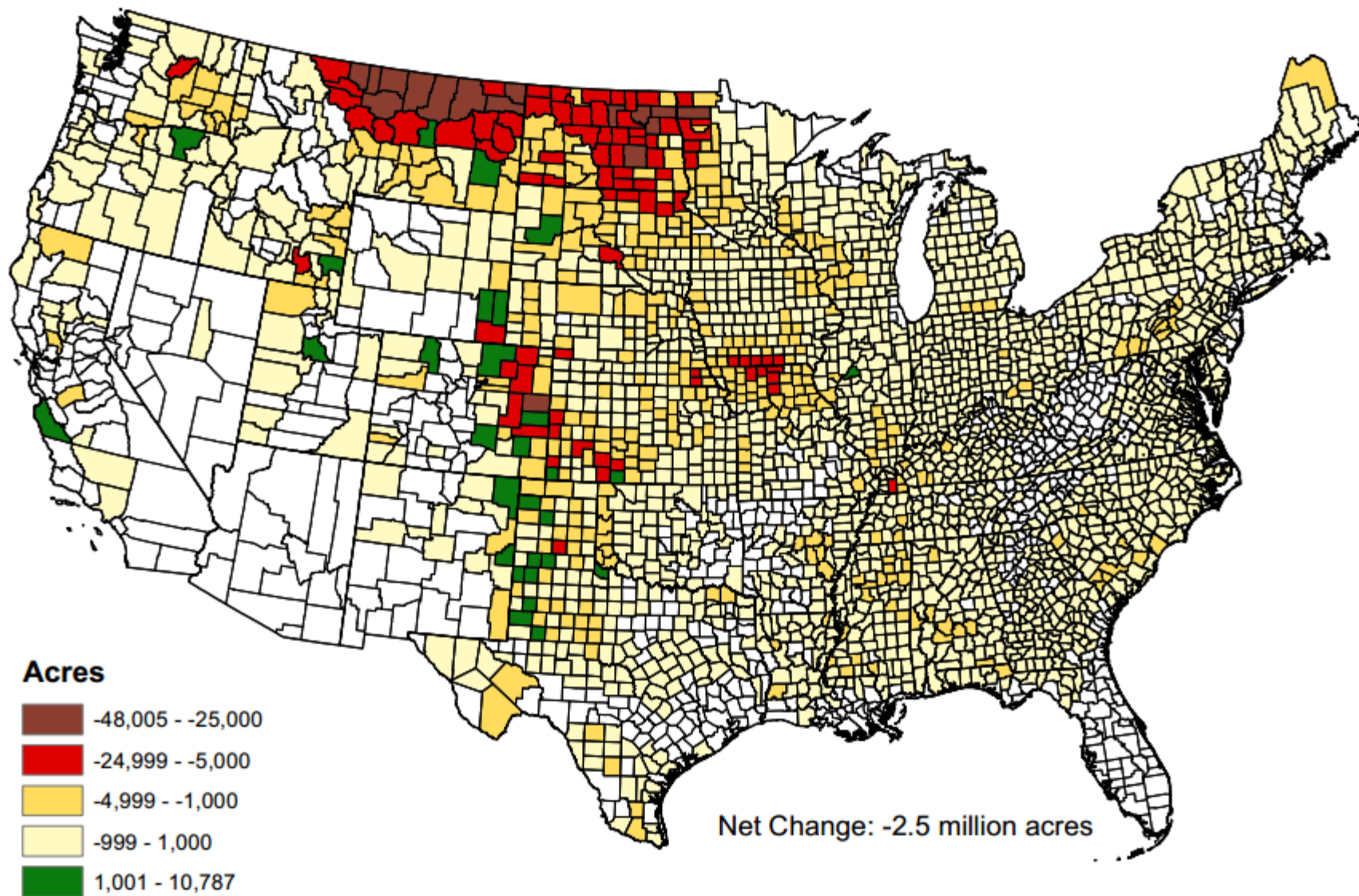
Enrolled Acreage and Caps



Source: USDA-FSA



CRP Change in Enrollment from September to October 2012 1/



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

Prepared by FSA/EPAS/NRA

Resource and Environmental Policy

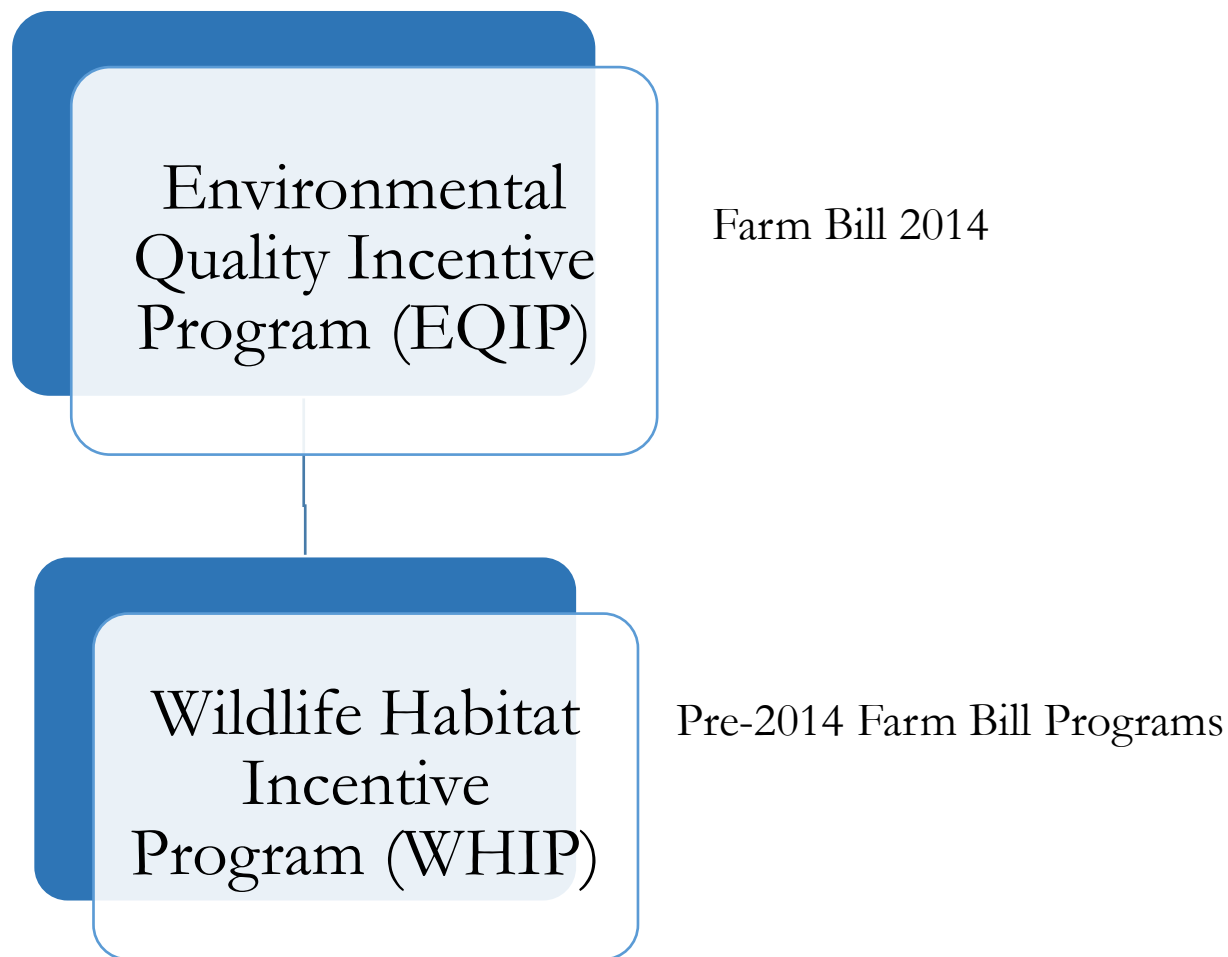
Voluntary Programs

- Land retirement programs
 - Conservation Reserve Program (CRP)
- **Working lands programs**
 - **Environmental Quality Incentives Program (EQIP)**
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Farm Bill 2014

Working Lands Programs Merged



Working Lands Programs

Environmental Quality Incentives Program

- First authorized in the 1996 Farm Bill
- Goals
 - New structural practices
 - New management practices
- National Priorities
 - Water quality
 - Ground and surface water conservation
 - Air quality
 - Soil erosion and sedimentation reduction
 - Wildlife habitat for at-risk species
- Sign-up
 - Continuous sign-up
 - Periodic cutoff, ranking, and approval process
- Assistance
 - Cost-share assistance
 - Up to 75%
 - Up to 90% for targeted audiences
 - Technical assistance
 - Incentive payments for some practices
- Results for FY12
 - 44,778 active/completed contracts
 - \$1.38 billion total obligations



Working Lands Programs

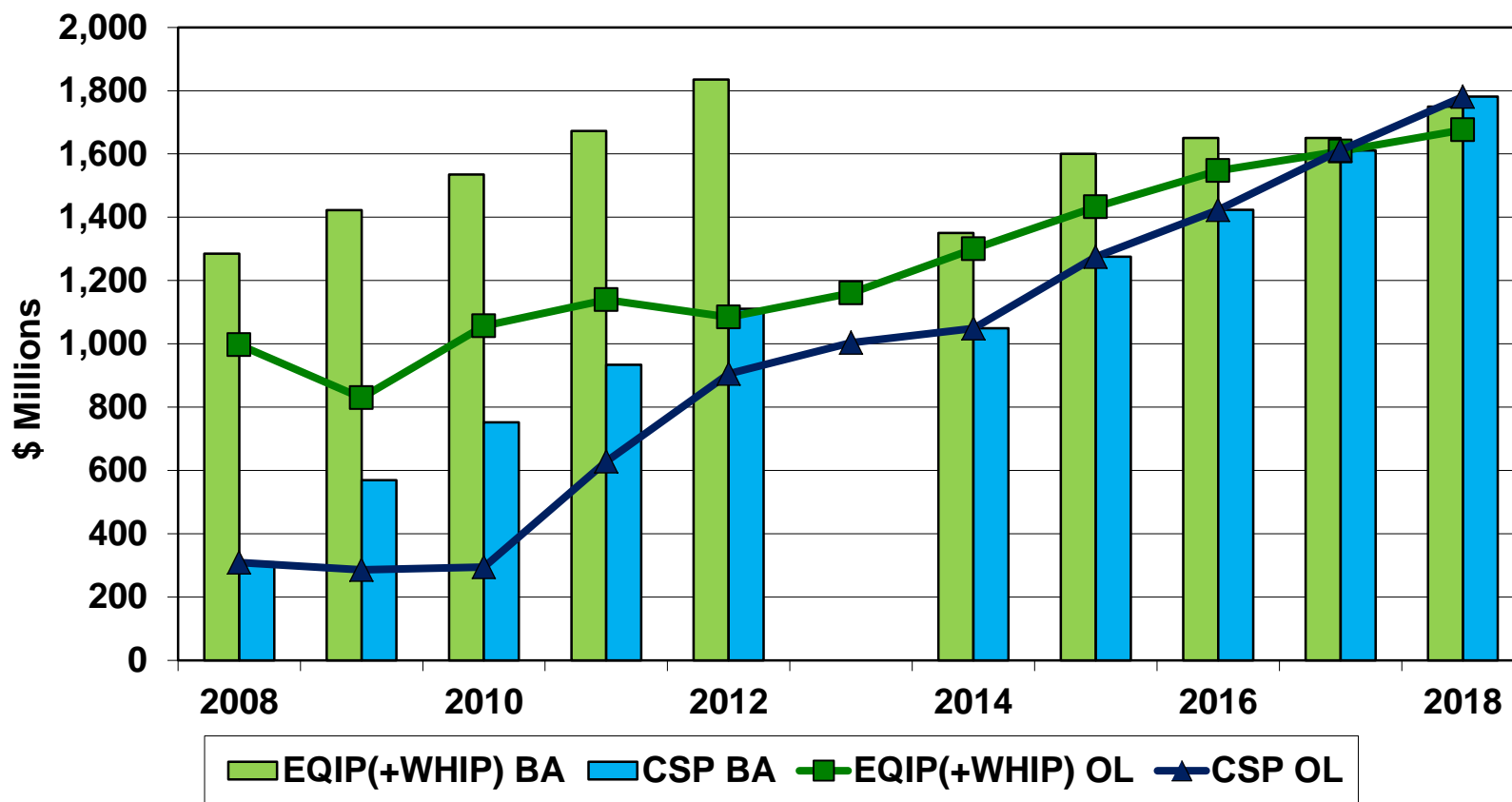
Conservation Stewardship Program

- First authorized in the 2002 Farm Bill
 - Originally the Conservation Security Program
 - Revised as Conservation Stewardship Program in 2008 Farm Bill
- Goals
 - Installing and adopting new conservation activities
 - Improving, maintaining, and managing existing conservation activities
- Sign-up
 - Continuous sign-up
 - Periodic cutoff, ranking, and approval process
- Payments
 - Annual payments for installing new and maintaining existing conservation activities
 - Supplemental payments for adoption of resource-conserving crop rotations
- Scale
 - 12.8 million acres per year
 - \$230 million per year
- Results for FY12
 - 9,036 contracts
 - 12.1 million acres
 - \$741.6 million total obligations



Working Lands Programs

Budget Authority (BA) and Outlays (OL)



Source: USDA-NRCS and Congressional Budget Office



Resource and Environmental Policy

Voluntary Programs

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Land Retirement Programs

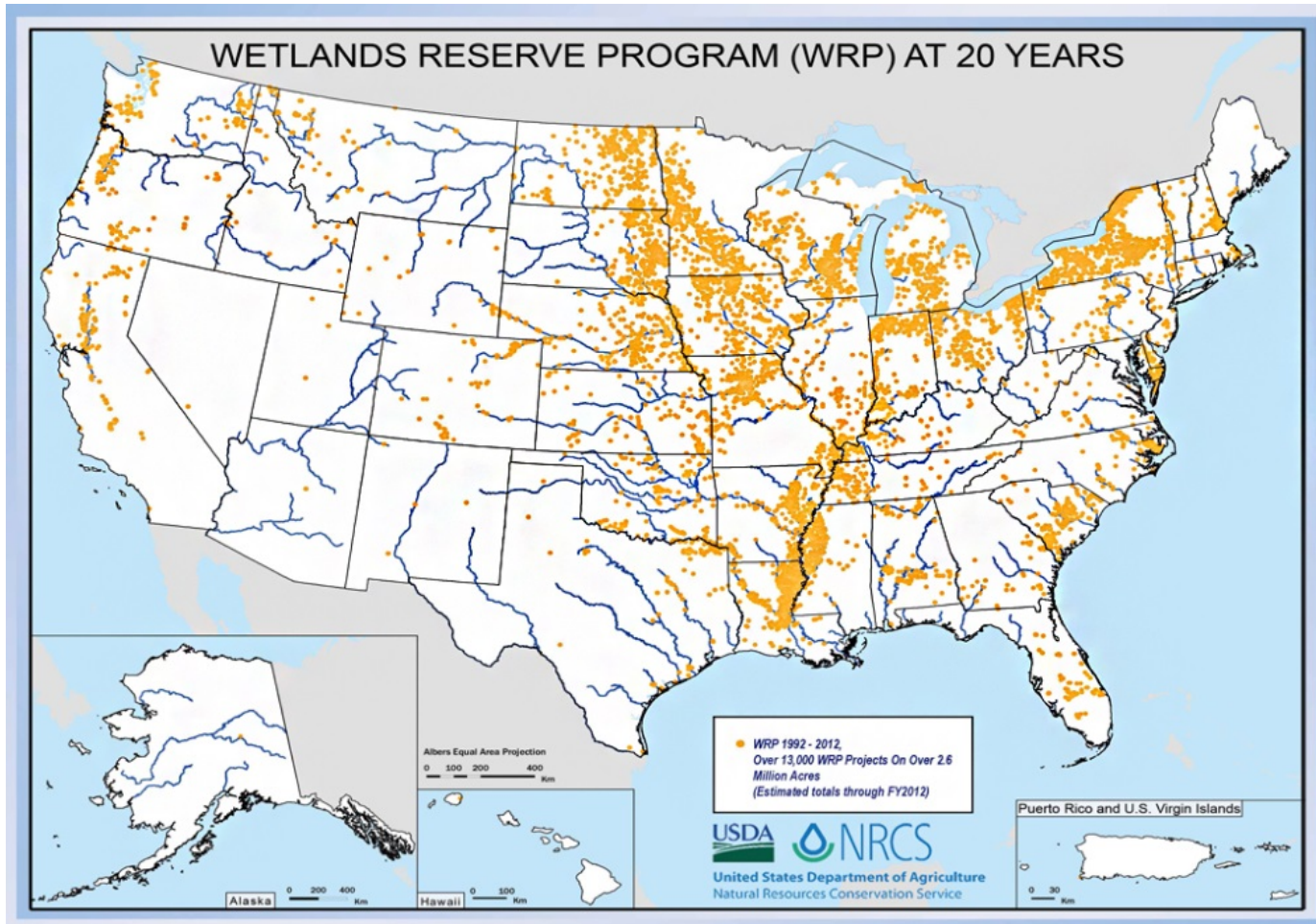
Wetlands Reserve Program

- First authorized in the 1990 Farm Bill
 - Restore, protect, and enhance wetlands
- Goals
 - Wildlife habitat
 - Water quality
 - Flood mitigation
 - Groundwater recharge
 - Biological diversity
 - Complementary activities
- Sign-up
 - Permanent easement
 - Up to 100% of value and restoration costs
 - 30-year easement
 - Up to 75% of value and restoration costs
 - Restoration cost-share agreement
 - Up to 75% of the restoration costs
 - Enhancement programs for targeted areas
- Scale
 - 2.65 million acres enrolled through FY12



Wetlands Reserve Program

Cumulative Enrollment



Source: USDA-NRCS



Land Preservation Programs

Farm and Ranch Lands Protection Program

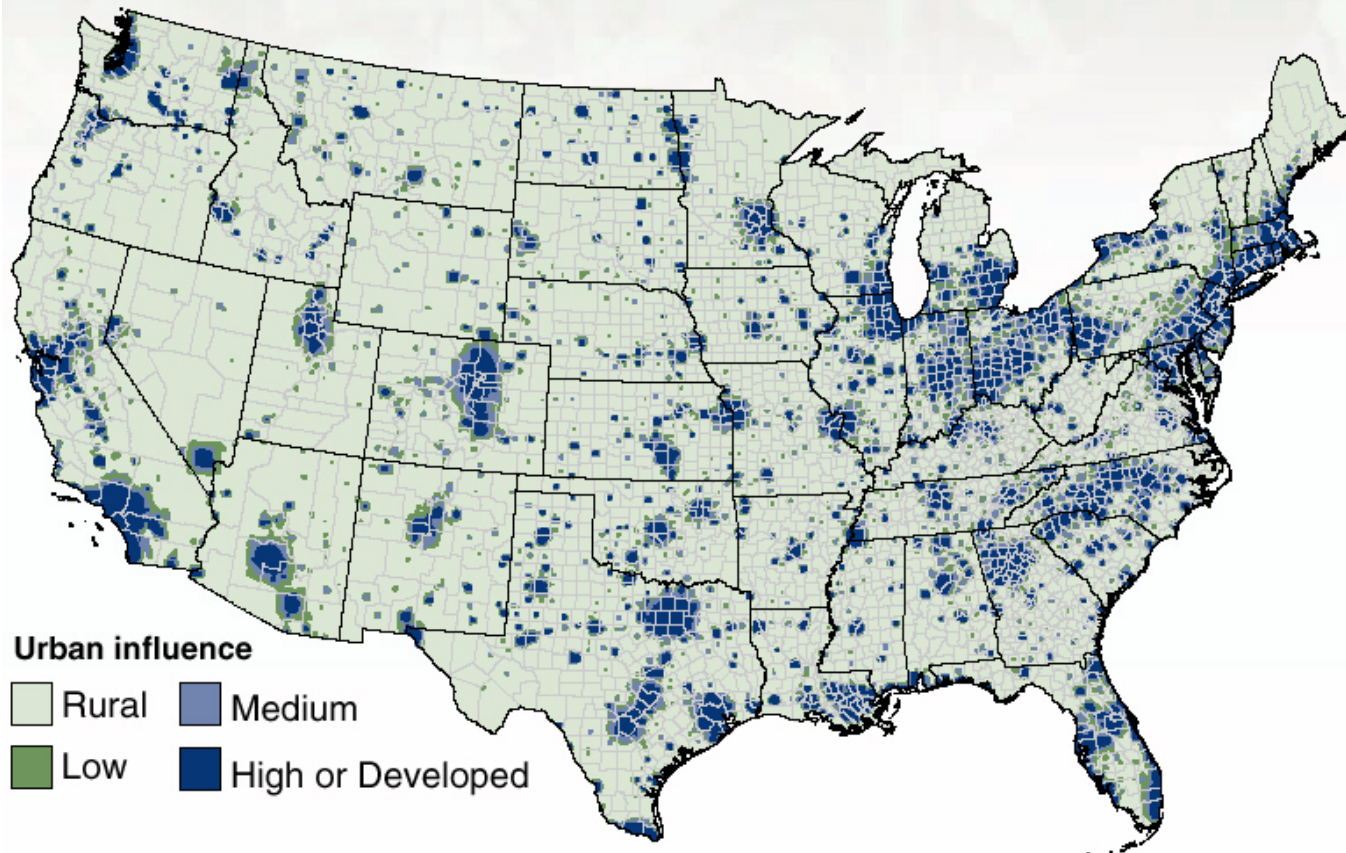
- First authorized as pilot program in the 1990 Farm Bill
- Goals
 - Protect farmland
 - Prevent non-farm development of productive farmland
- Sign-up
 - Easement program
- Scale through FY12
 - 4249 easements
 - 1.125 million acres



Land Preservation Programs

Economic Pressure for Conversion – Political Pressure for Preservation

Degree of urban influence, 2000

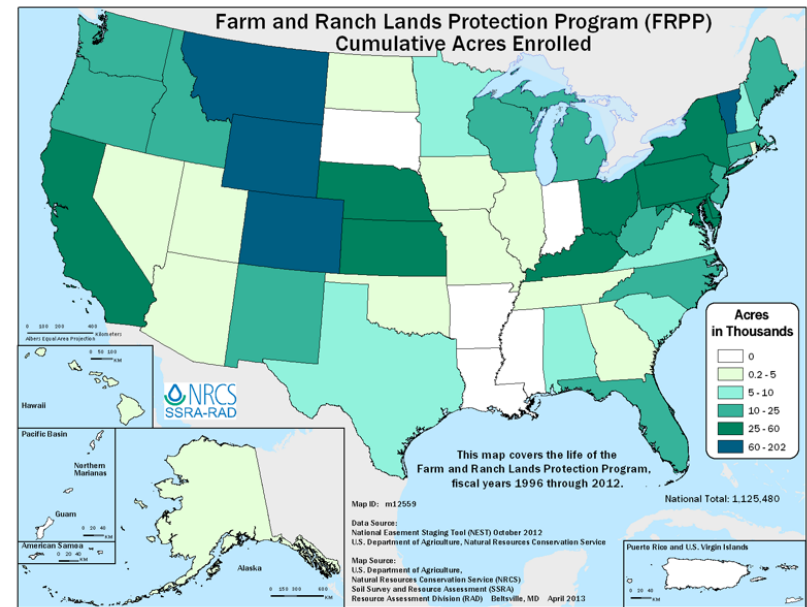
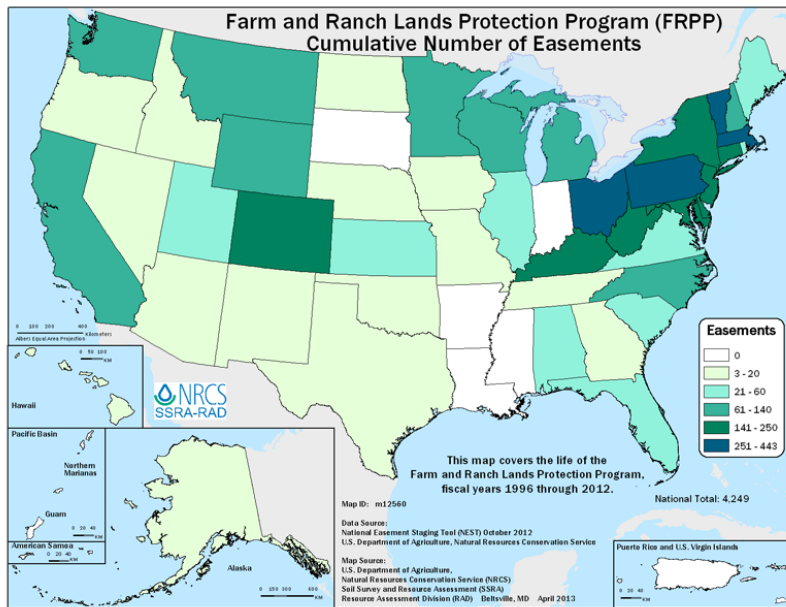


Source: USDA-ERS



Land Preservation Programs

FRPP Enrollment



Source: USDA-NRCS



Land Preservation Programs

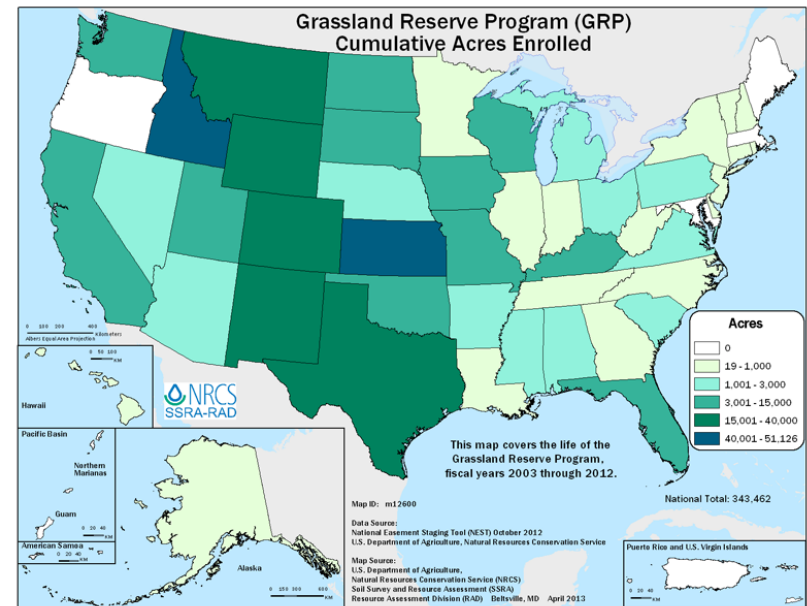
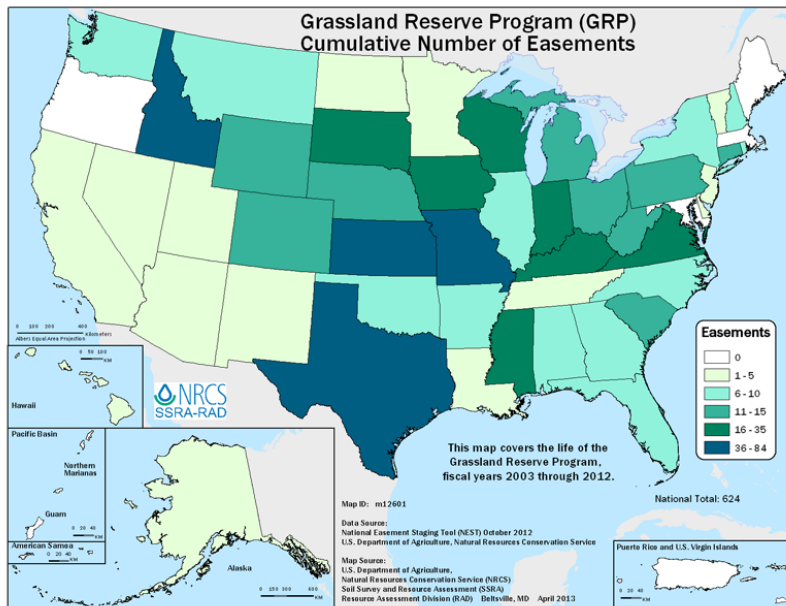
Grassland Reserve Program

- First authorized in the 2002 Farm Bill
- Goals
 - Restore and conserve grassland
 - Prevent conversion of grassland for any use other than haying or grazing
- Sign-up
 - Permanent easements
 - 10-20 year rental agreements
- Scale
 - Authorized up to 2 million acres for 2002-2007, but limited in enrollment
 - National
 - 761,620 acres
 - Nebraska
 - 5,471 acres
 - Authorized additional 1.22 million acres in for 2009-2012
 - National – 2009-2012
 - 965,154 total acres
 - 250,220 easement acres
 - 714,964 rental acres

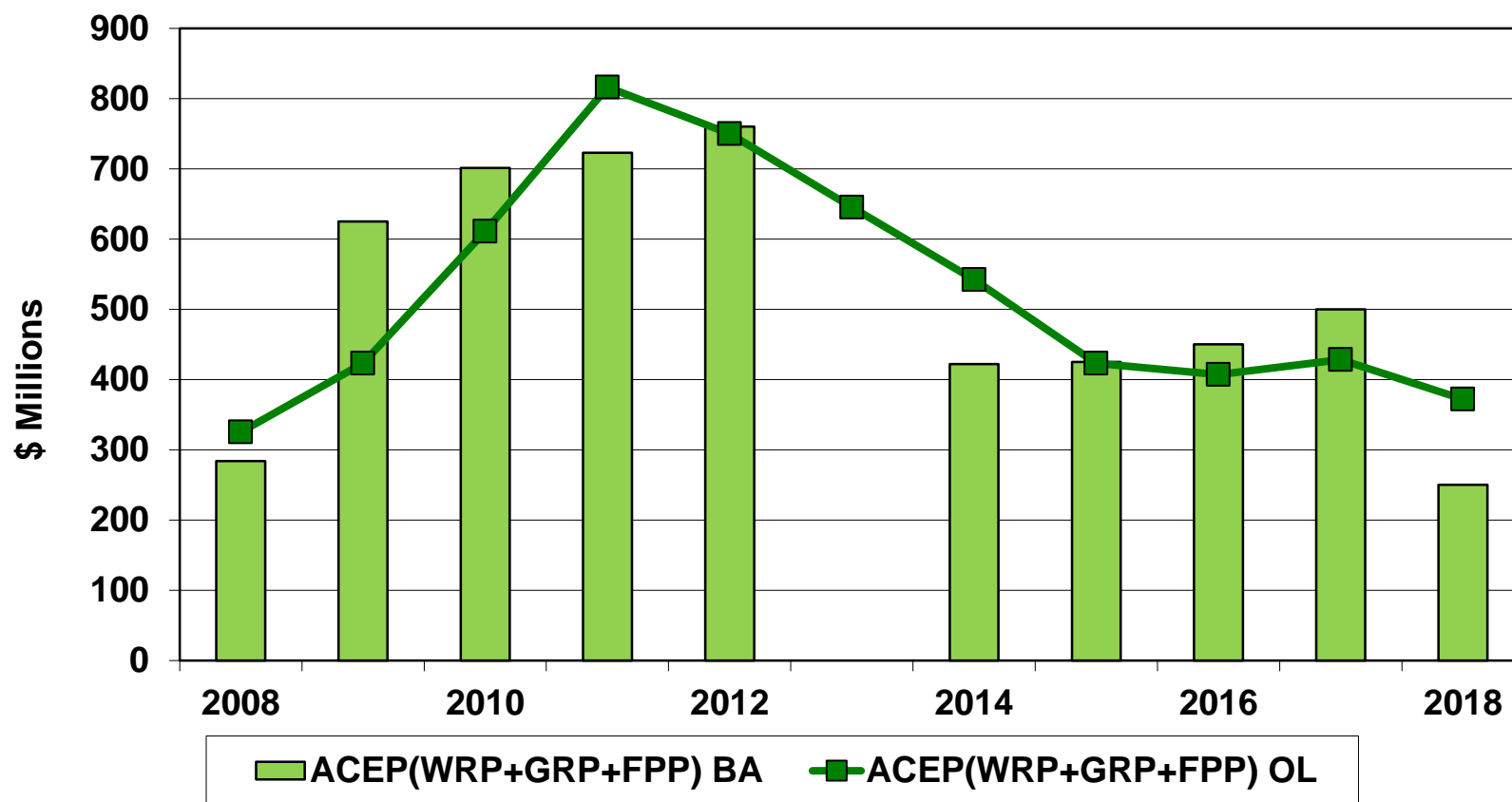


Land Preservation Programs

GRP Enrollment



Agricultural Conservation Easement Program Budget Authority (BA) and Outlays (OL)



Source: USDA-NRCS and Congressional Budget Office



Resource and Environmental Policy

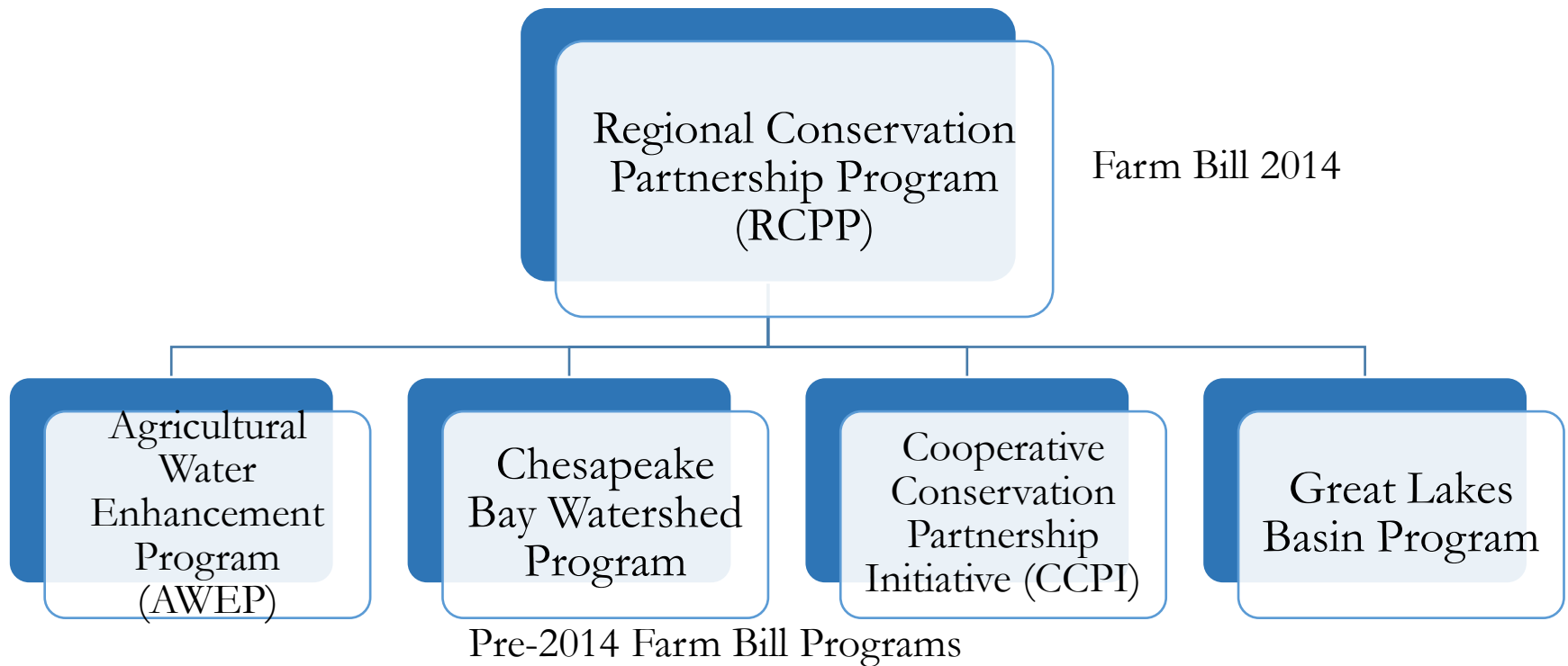
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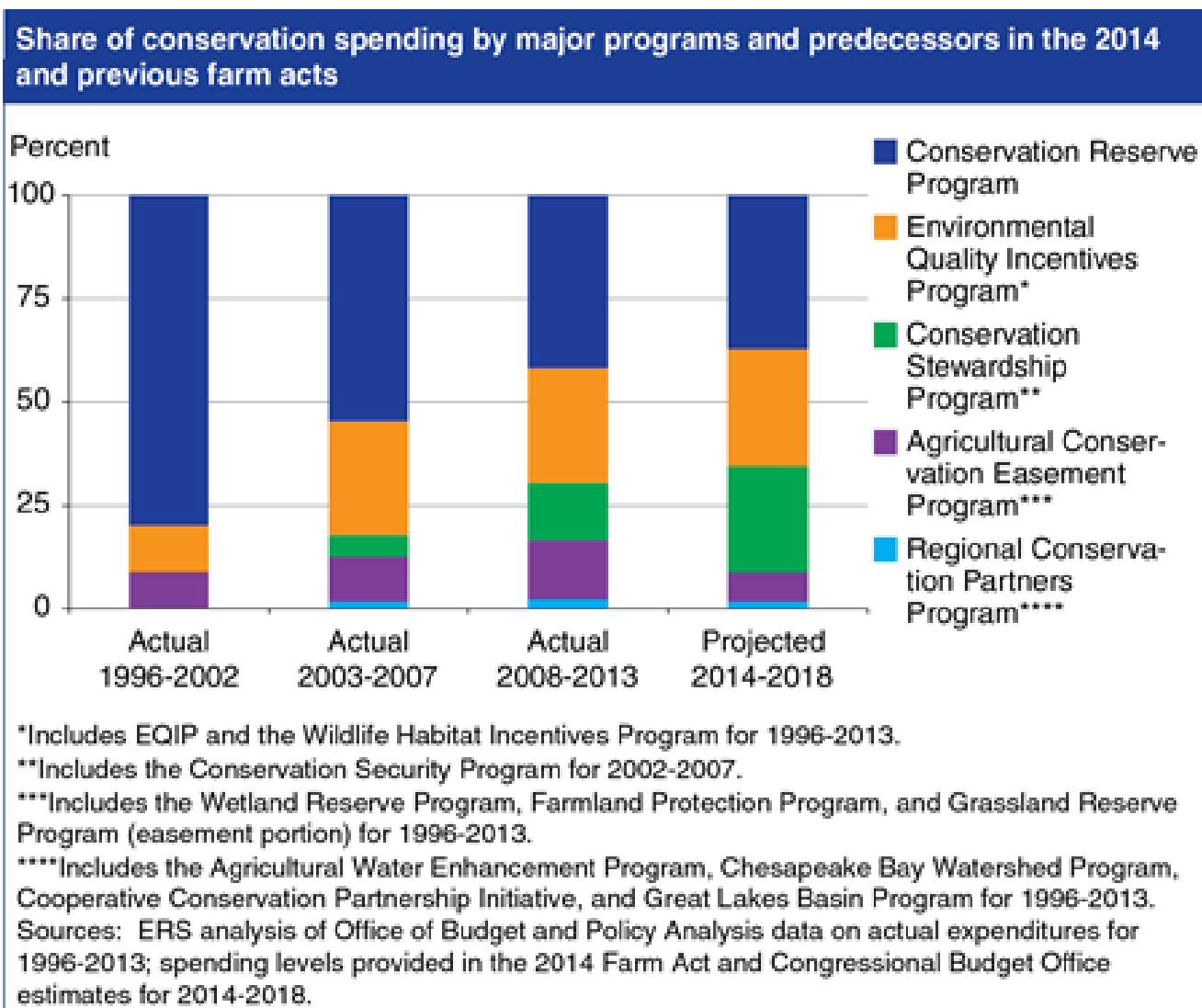


Farm Bill 2014

Other Programs Merged



Conservation Program Payments



Source: USDA-ERS



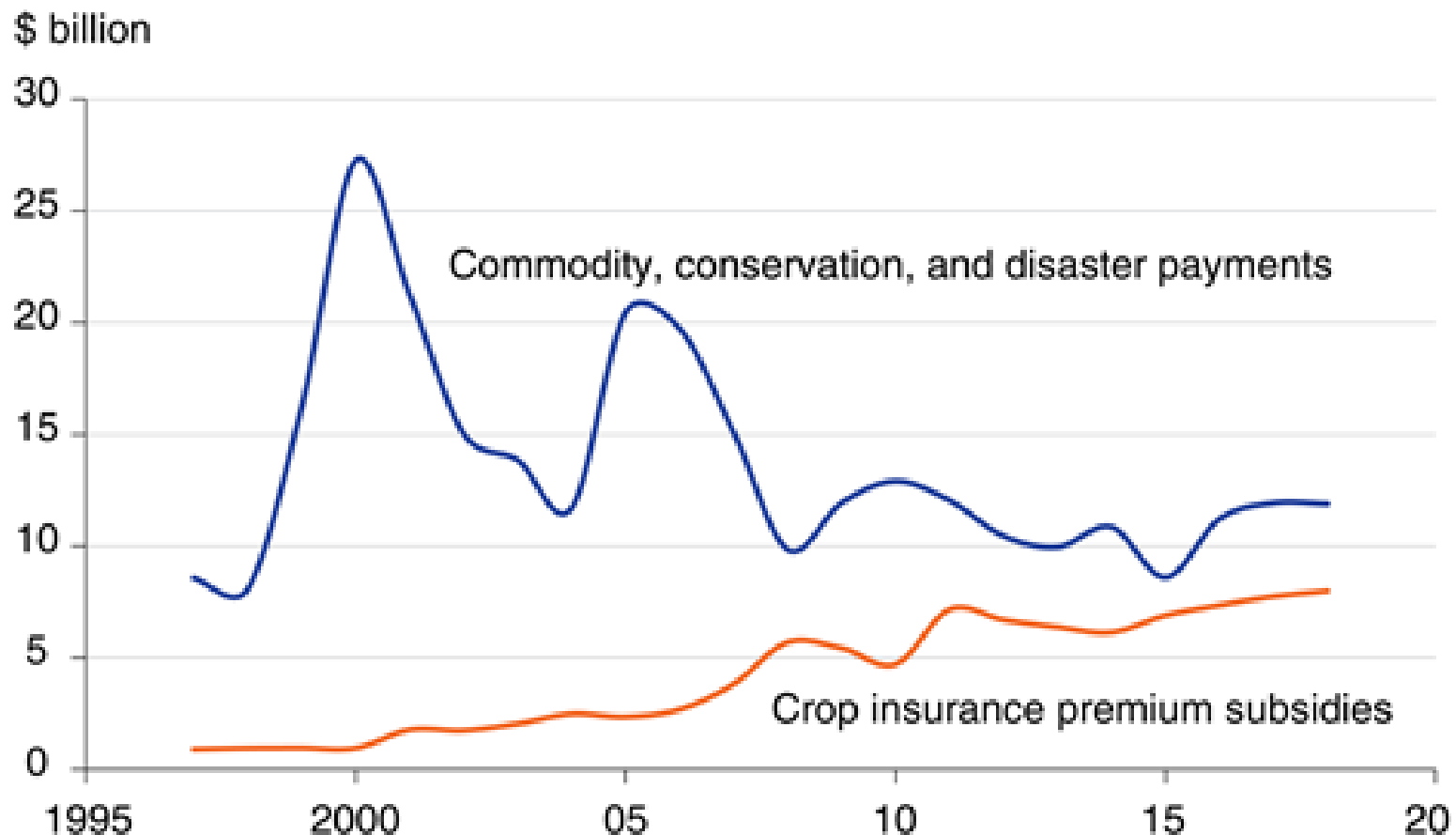
Conservation Compliance and Crop Insurance

- 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.
 - New grandfather date of February 7, 2014 for prior conversion of wetlands for crop insurance benefit eligibility only



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.



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Acknowledgements

- Jim Pease (Va. Tech University) and Brad Lubben (U. of Nebraska) presentation at the 2014 Farm Bill Education Conference in September based on *Choices* article “Conservation and the Agricultural Act of 2014”
- Nathan Smith presentation at the Farm Bill Decision Aid Training in Atlanta in October 2014

