

# Conservation Provisions in the Farm Bill

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# Acknowledgements

- Presentation give by Jim Pease (Va. Tech University) and Brad Lubben (U. of Nebraska) based on *Choices* article “Conservation and the Agricultural Act of 2014”
- Amanda Smith (U. of Georgia) “The Agricultural Act of 2014: Conservation” presentation.



# 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- 23 conservation programs combined/repealed into 13 programs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

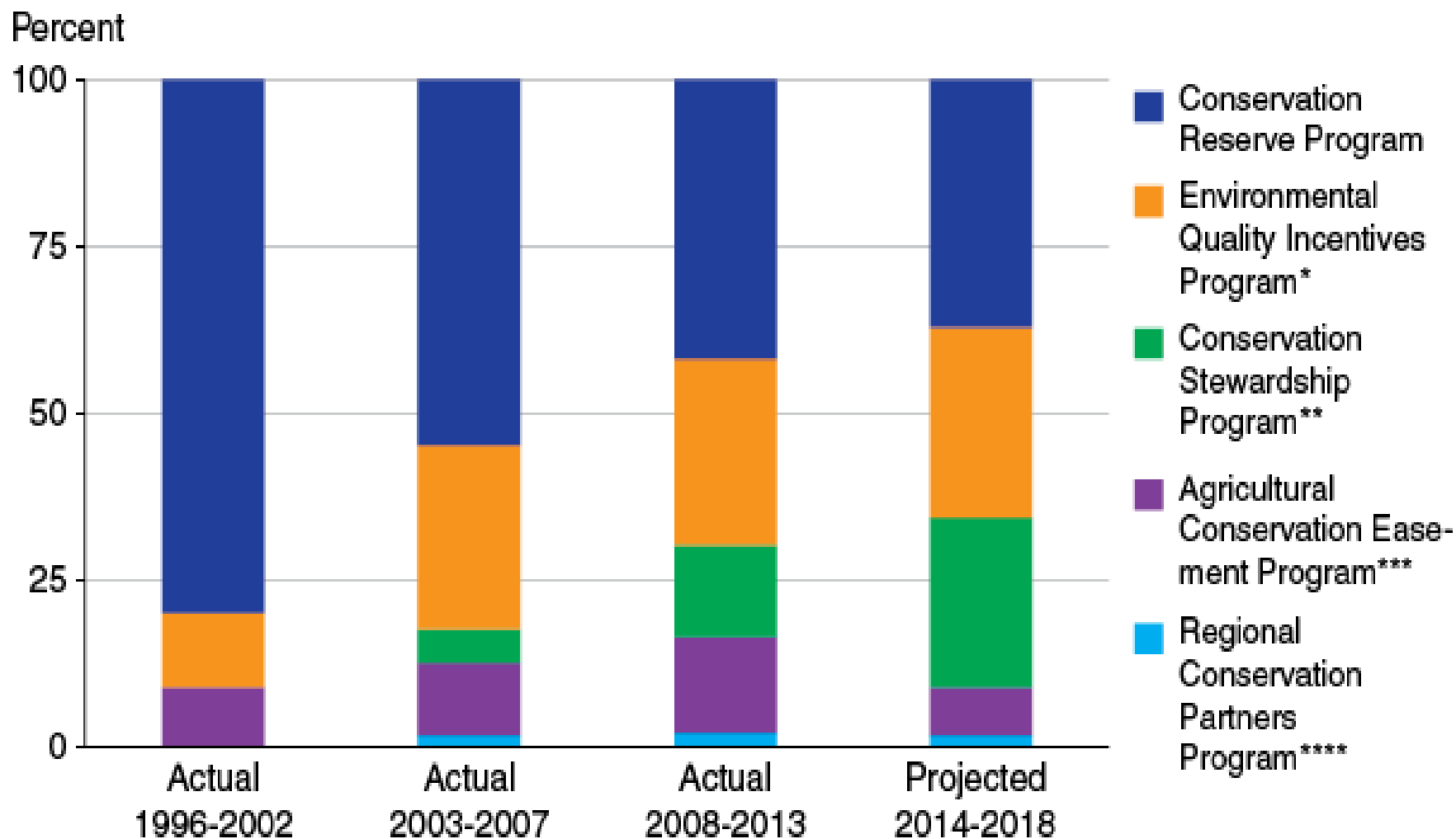


# Repealed Programs

- 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



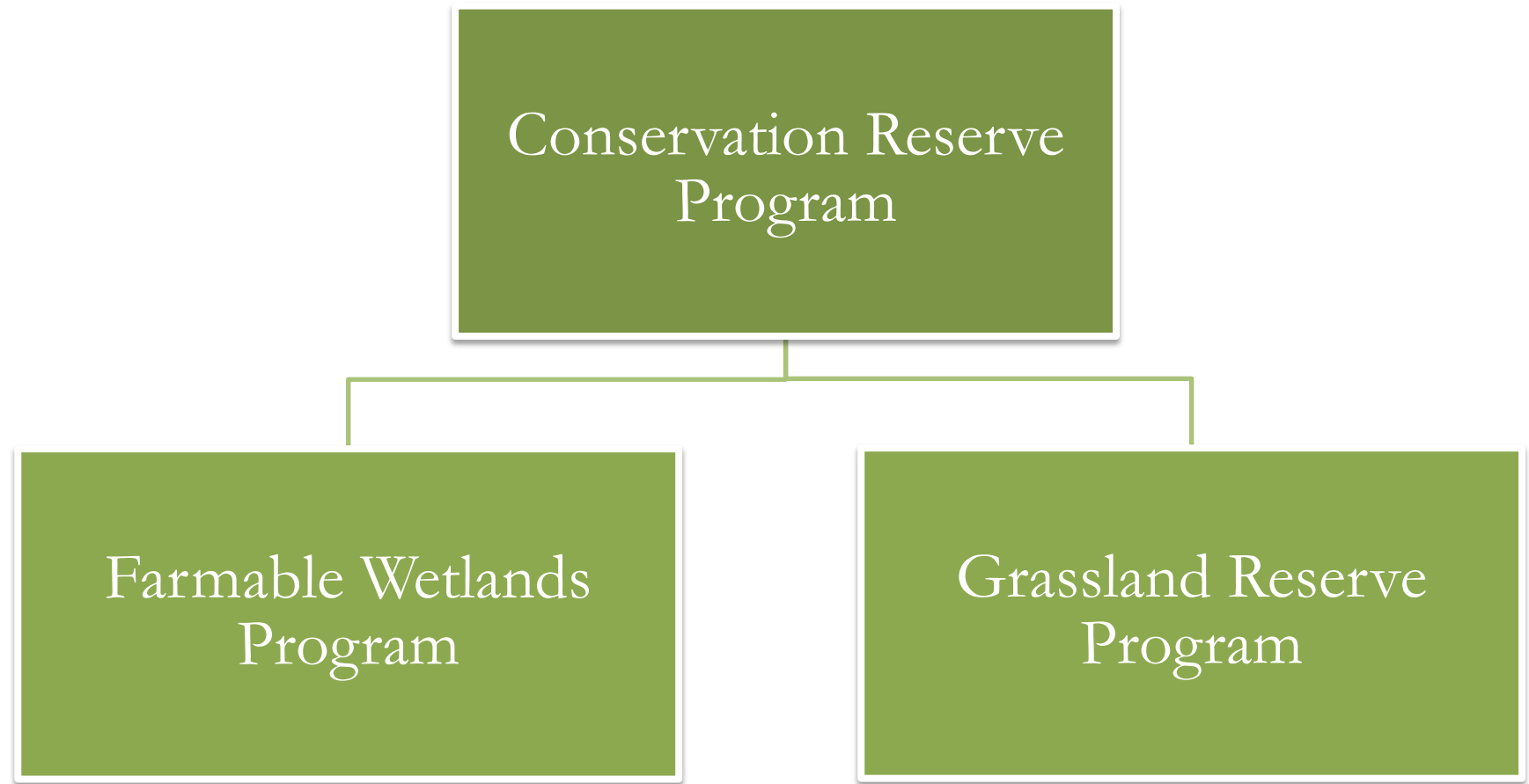
# Share of Total Conservation Program Spending



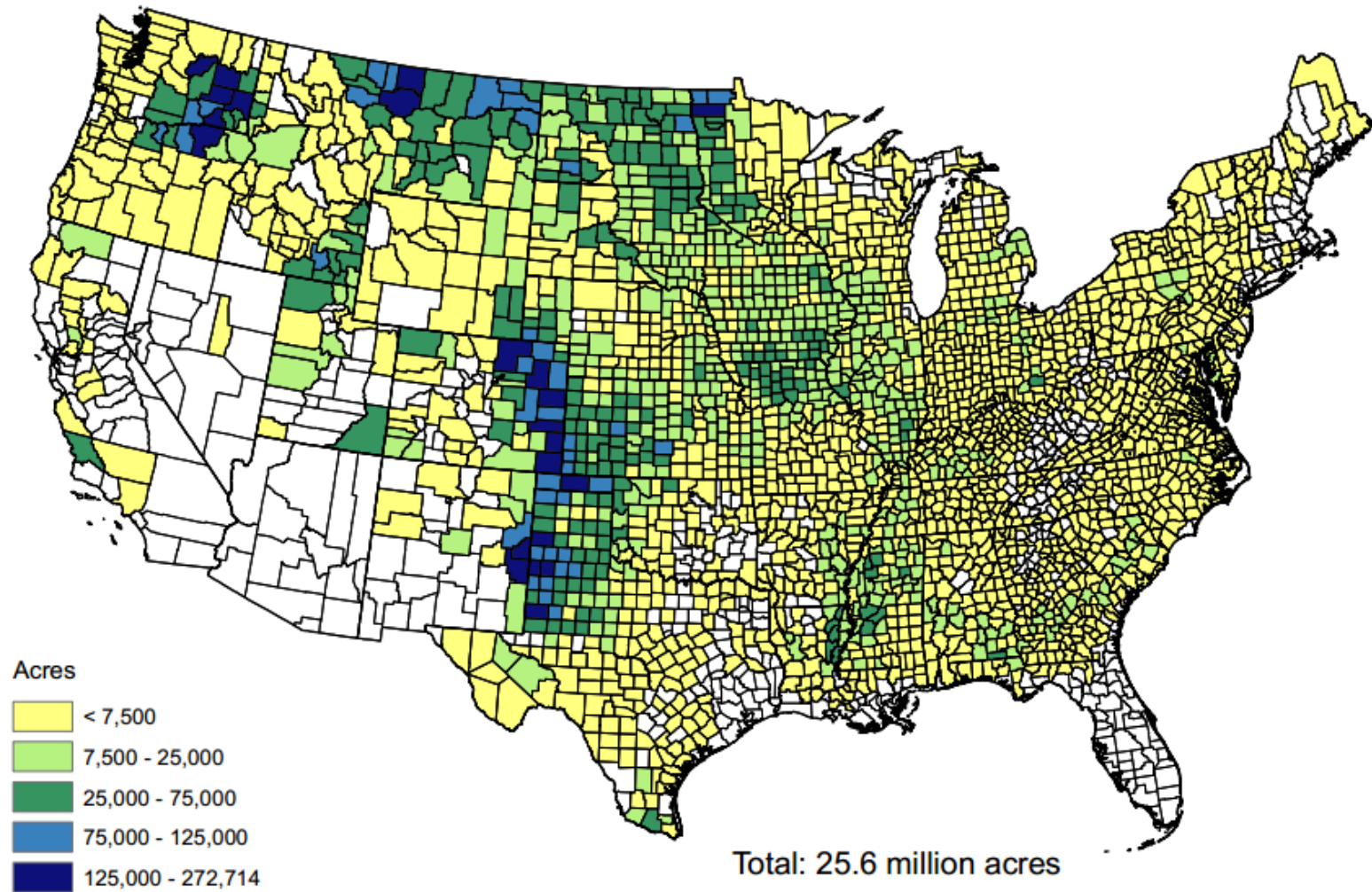
Source: Claassen, R. 2014 "2014 Farm Act Continues Most Previous Trends In Conservation", Amber Waves



# Land Retirement Programs Merged



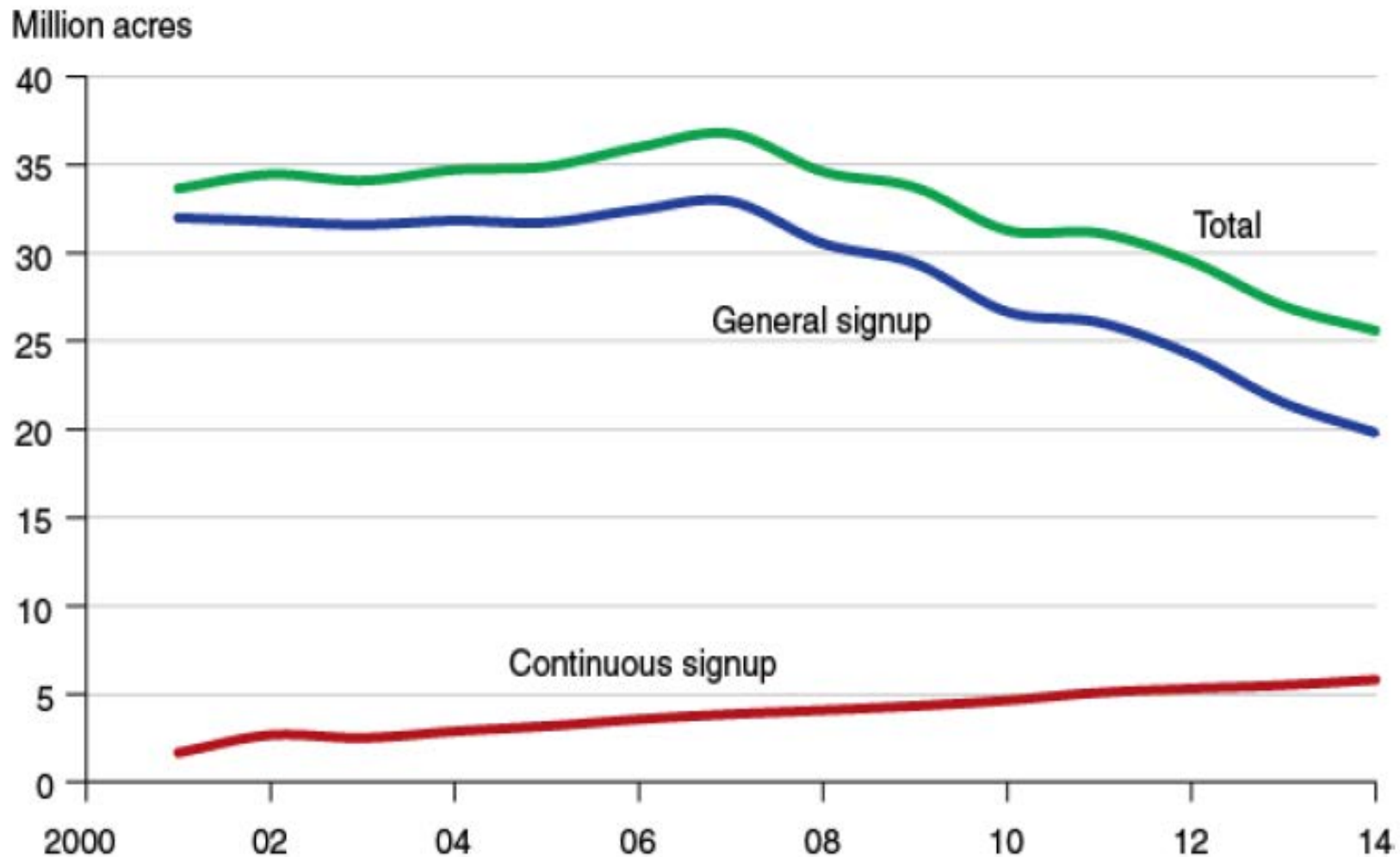
## CRP Enrollment - November 2013



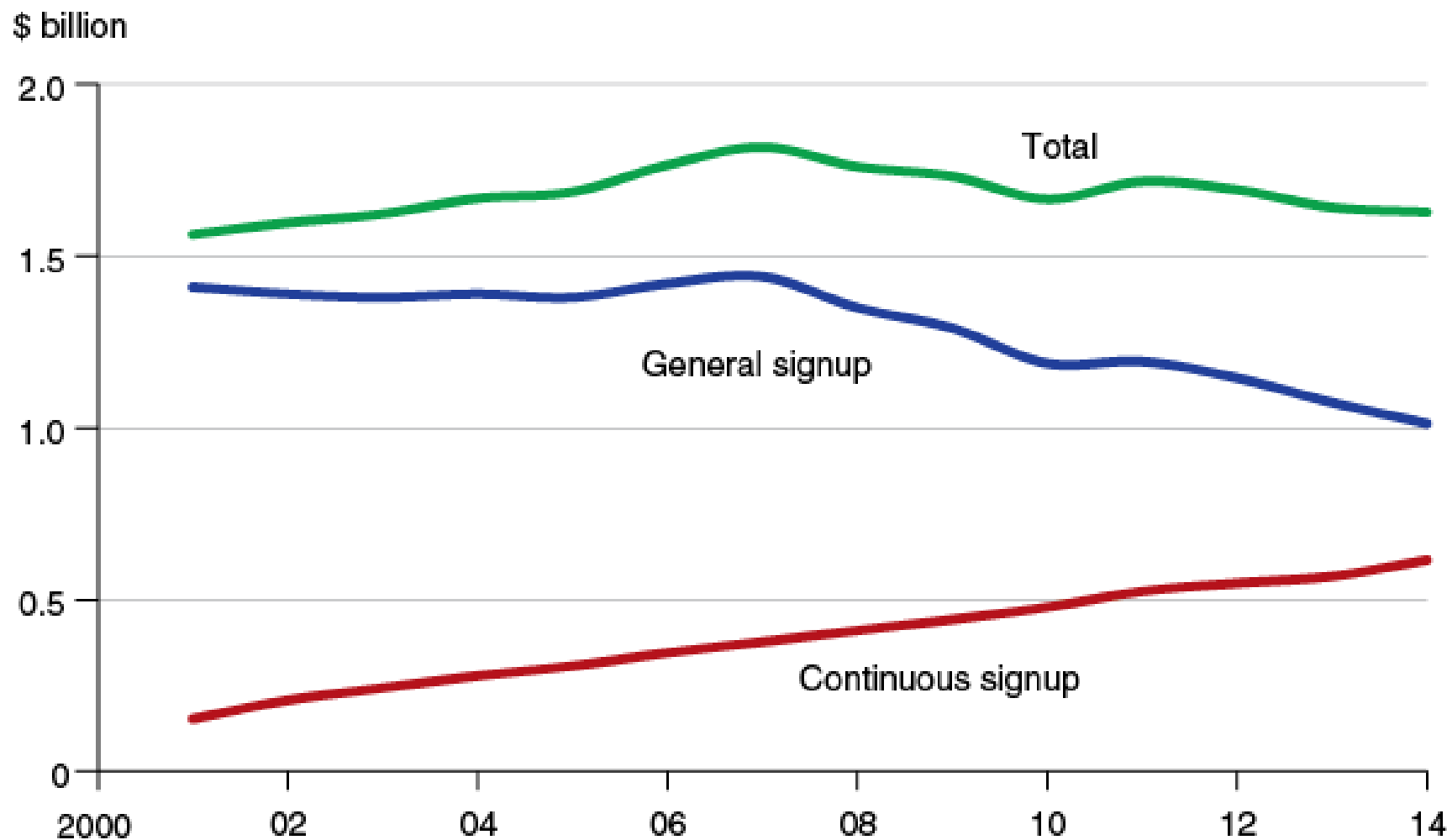
Prepared by FSA/EPAS/NRA



# CRP Acres Enrolled

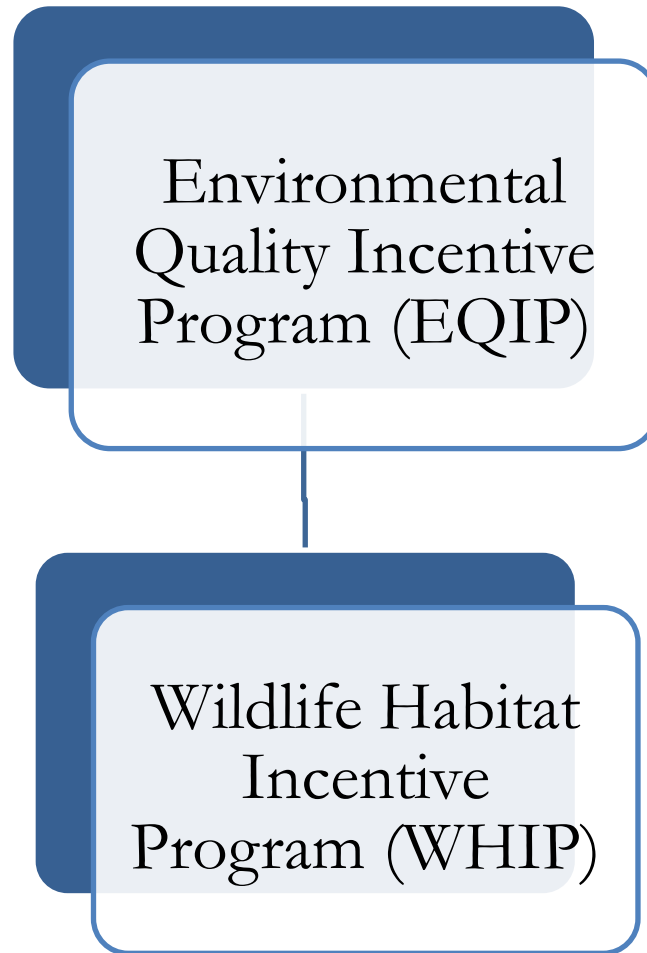


# CRP Annual Payments 2001-2014



# Farm Bill 2014

## Working Lands Programs Merged



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
- Coast Guard
- Reserves
- Army National Guard
- Air National Guard



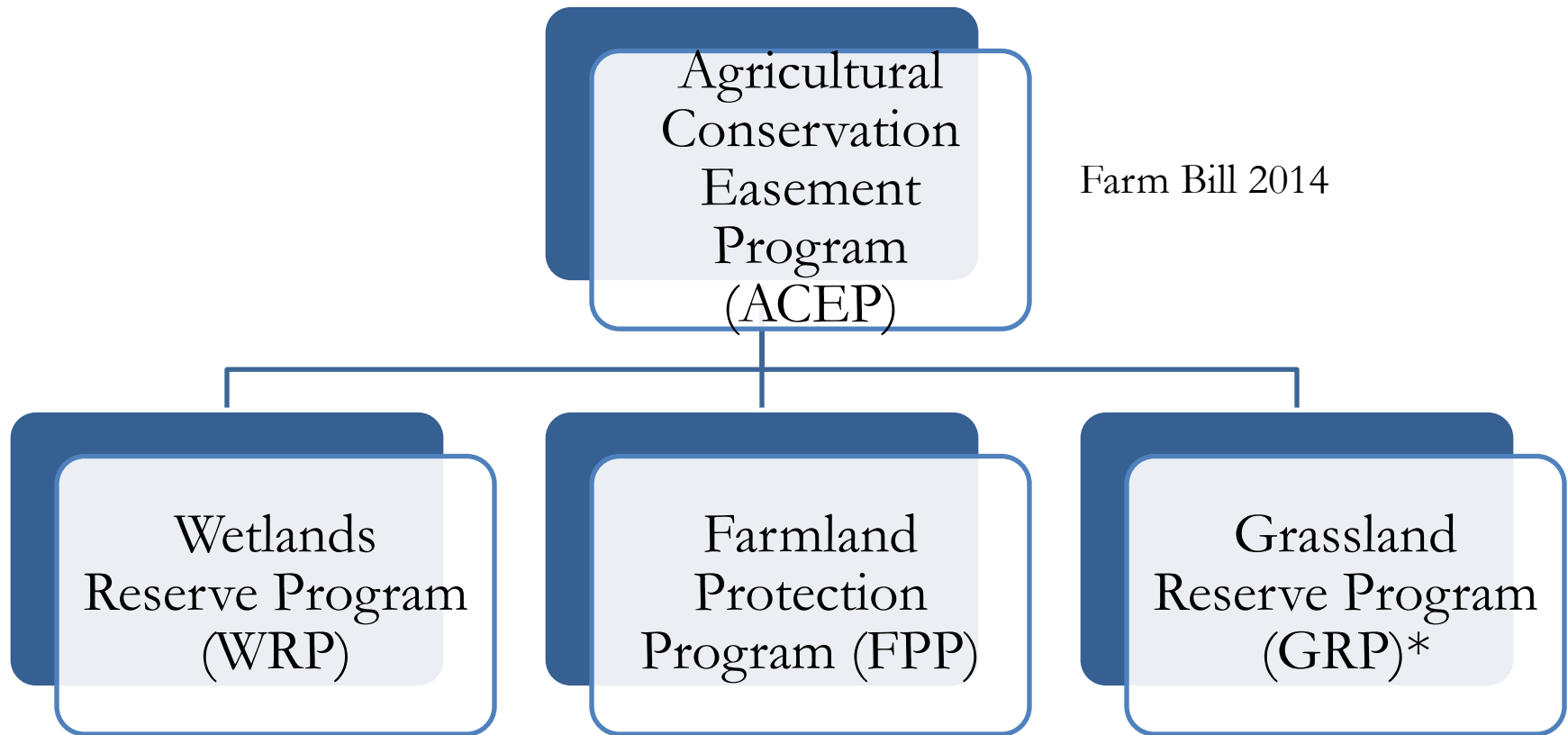
# CSP in Farm Bill 2014

- CSP enrollment cap limited to 10m acres/year.
- Payment limit of \$200K for FY2014-2018.
- 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

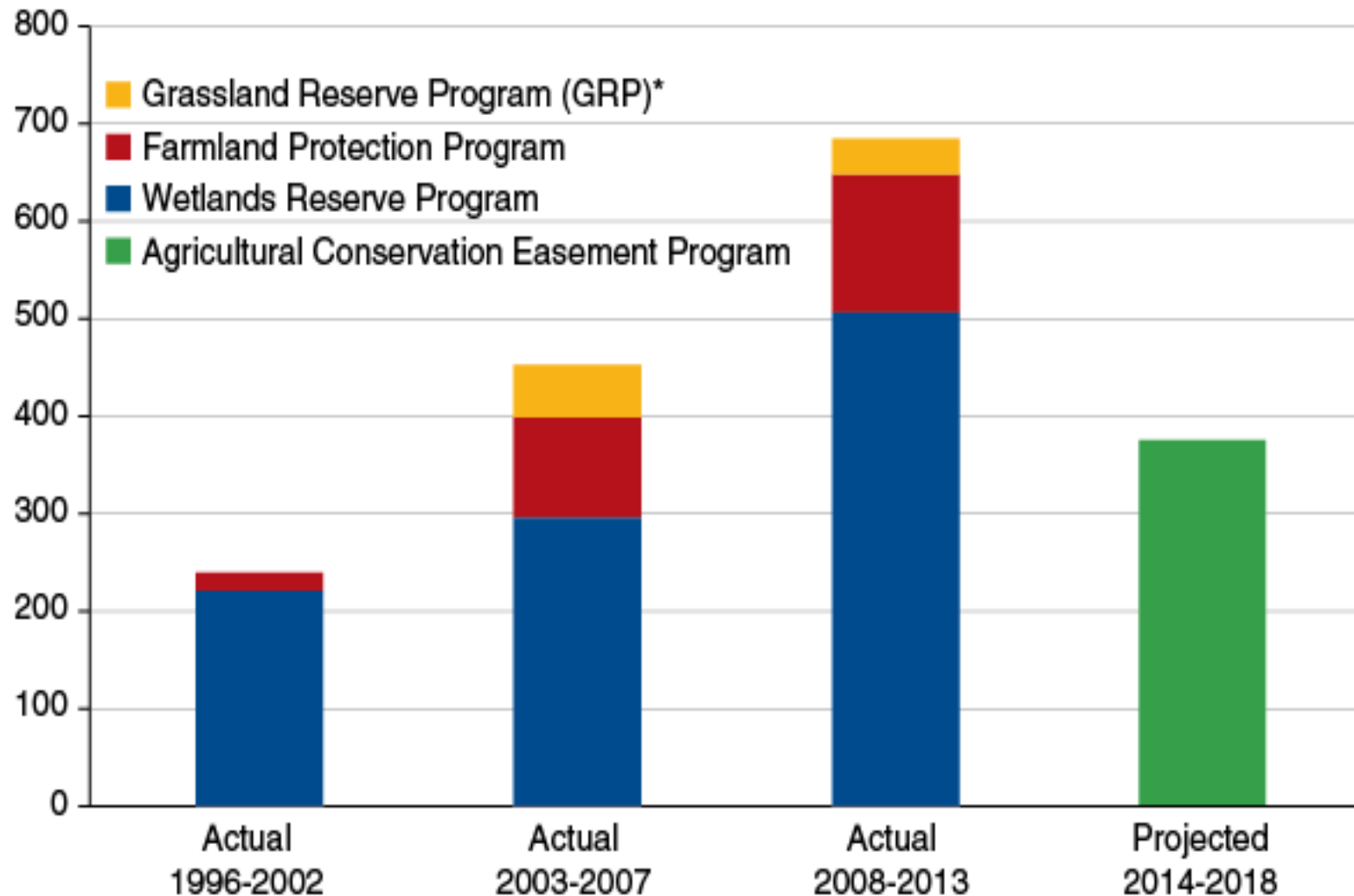


Pre-2014 Farm Bill Programs



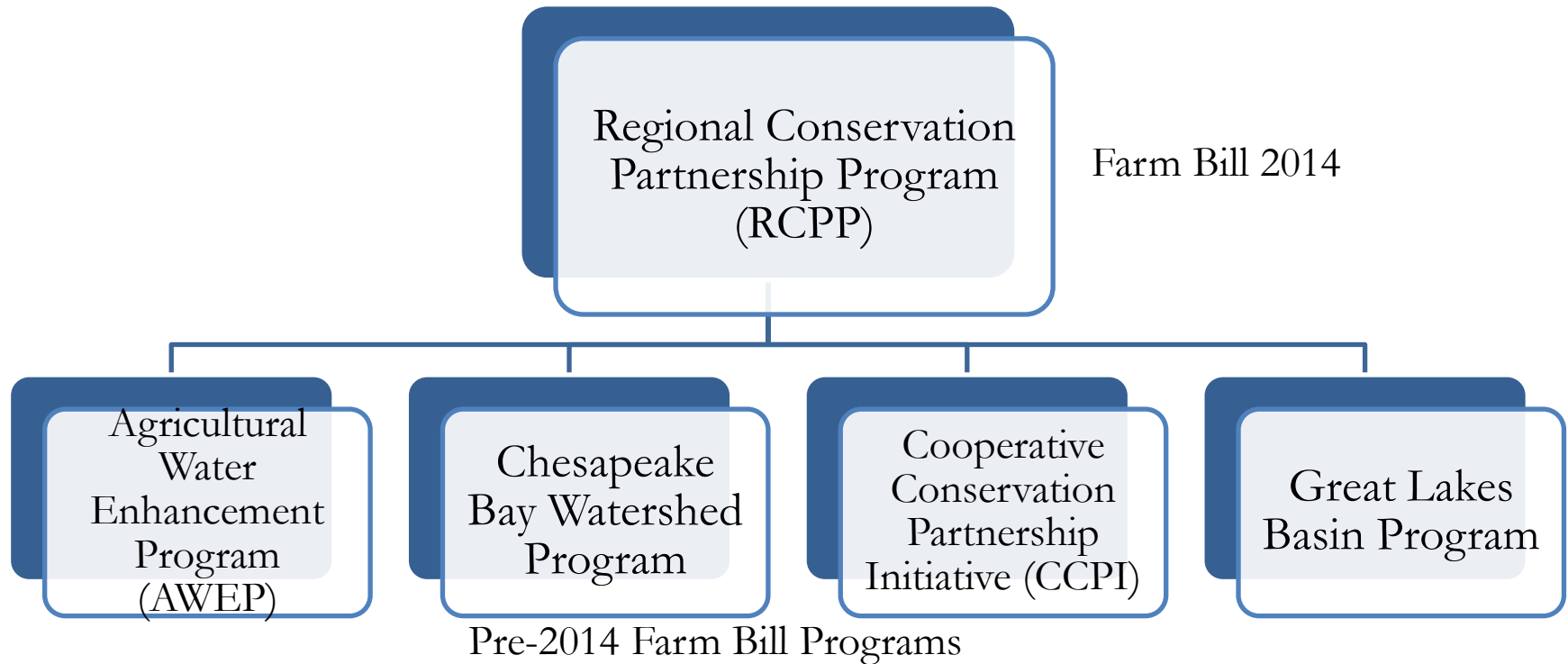
# Easement Programs Reduced Funding

\$ million (2012)



# Farm Bill 2014

## Other Programs Merged



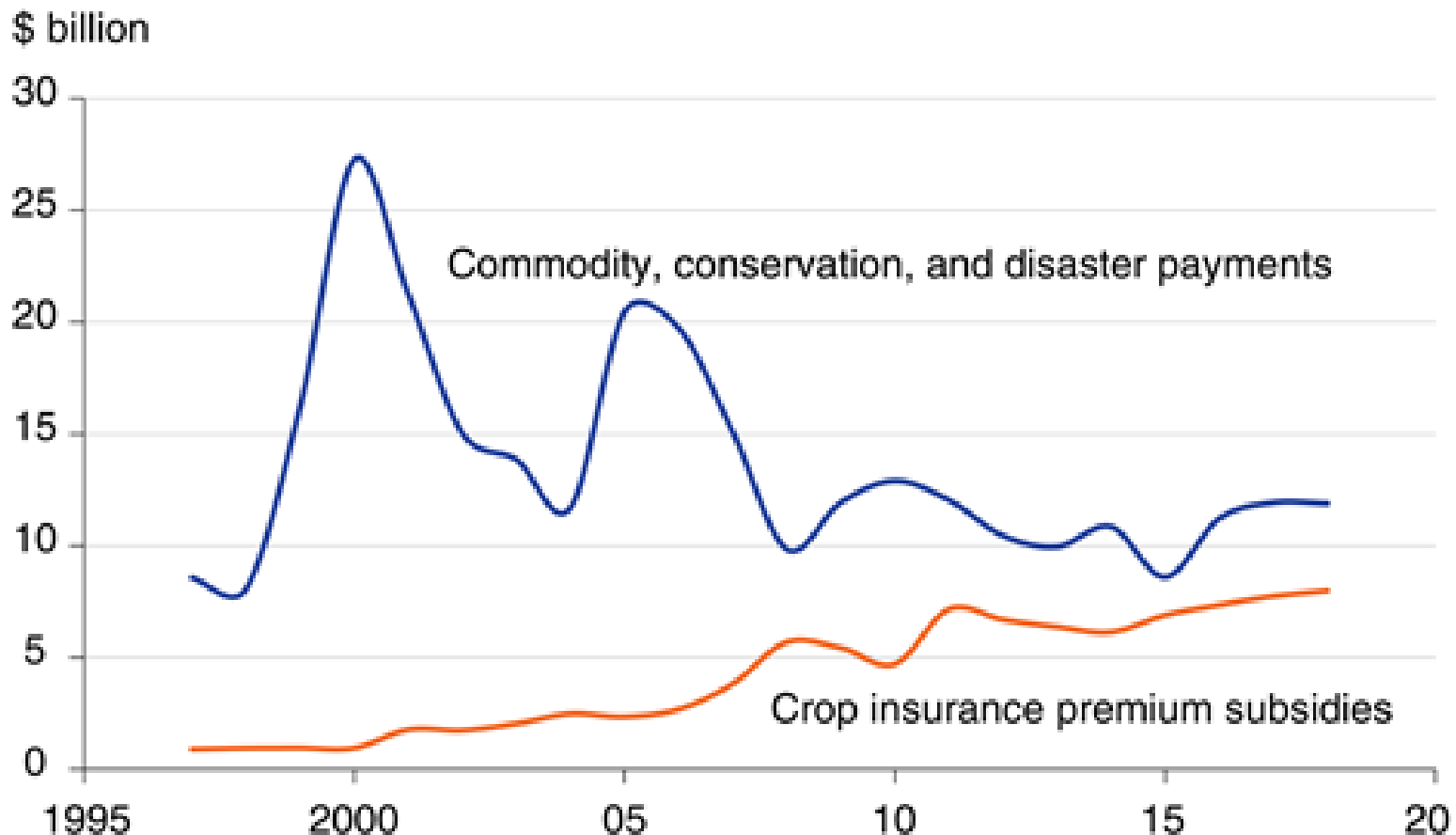
# Conservation Compliance and Crop Insurance

- 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

Conservation Programs	
CRP annual rental payment and incentive payment.	\$50,000 2/
ECP (per disaster event)	\$200,000
EFRP (per disaster event)	\$500,000
CSP	\$200,000 3/
EQIP	\$450,000 4/
AMA	\$50,000 5/

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.

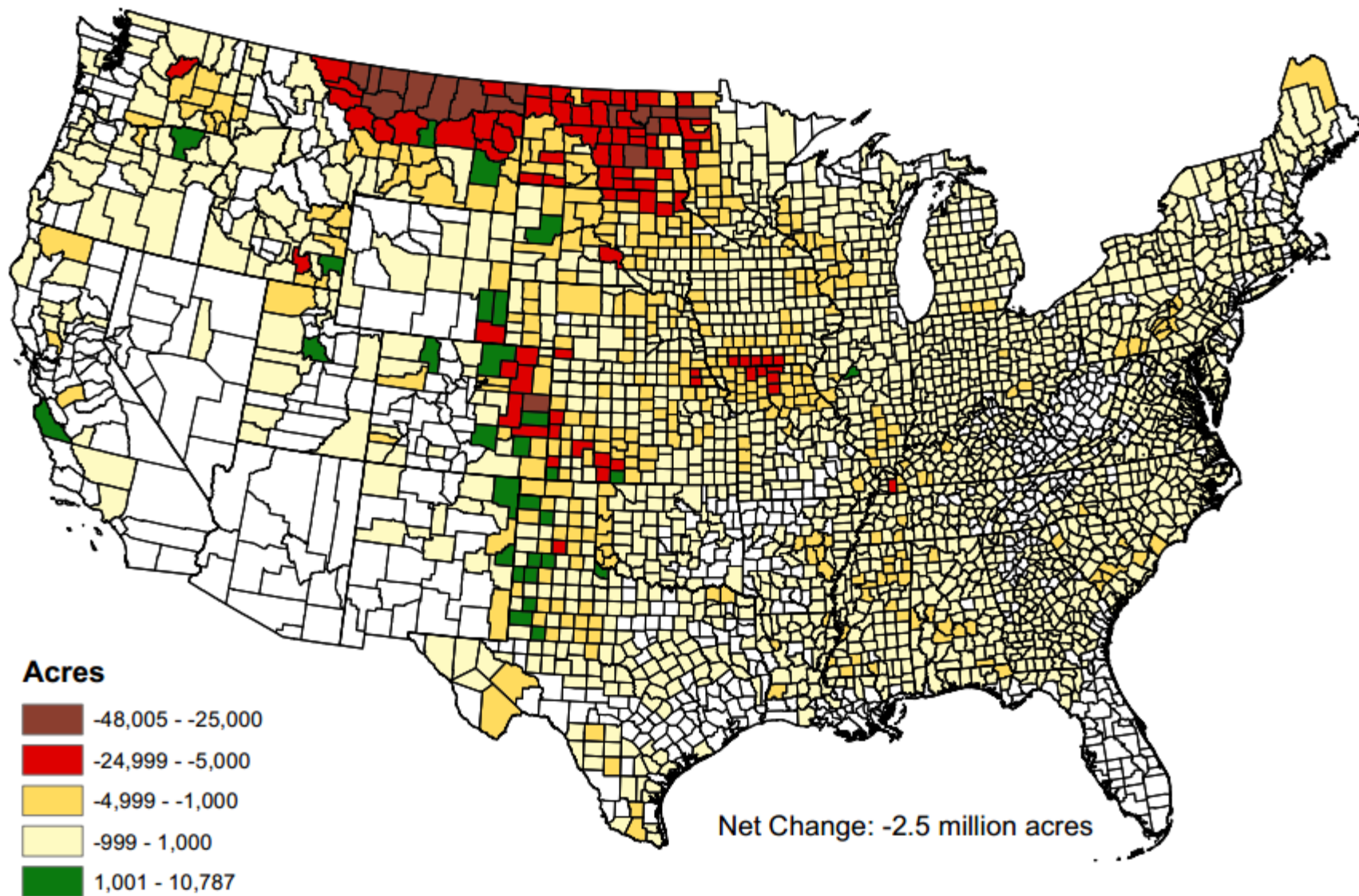
The \$200,000 limitation is the total limit under all CSP contracts entered into subsequent to the enactment of the 2014 Farm Bill during fiscal years 2014 through 2018.

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 1/



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

Prepared by FSA/EPAS/NRA

# CRP Payment Types

**Table 1. CRP Payments**

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

**Sources:** 16 U.S.C. 3834, 7 C.F.R. 1410.40-1410.42, and USDA, FSA, *Conservation Reserve Program Continuous Sign-Up*, Fact Sheet, July 2010, [http://www.fsa.usda.gov/Internet/FSA\\_File/crp\\_contsignup\\_072610.pdf](http://www.fsa.usda.gov/Internet/FSA_File/crp_contsignup_072610.pdf).



# Top 5 CRP Conservation Practices

**Table 2. Top Five Conservation Practices Installed on CRP Acres**  
(current as of December 2013)

Practice Code	Practice Description	Acres Enrolled	Leading States
CP2	Establishment of permanent native grasses	6,775,593	Texas, Colorado, Kansas
CP10	Already established vegetative cover (grasses and legumes)	4,313,003	Texas, Colorado, Montana
CP1	Establishment of permanent introduced grasses and legumes	3,370,969	Missouri, Montana, Texas
CP4D	Permanent wildlife habitat	2,132,166	Colorado, North Dakota, Kansas
CP25	Rare and declining habitat	1,718,011	Kansas, Nebraska, Montana

**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)*

<b>Farm Bill Program</b>	<b>2008 Funding</b>	<b>2014 Funding</b>
Beginning Farmer and Rancher Development Program	\$75	\$100
Outreach and Assistance for Socially Disadvantaged Farmers and Ranchers and Veteran Farmers and Ranchers	\$75	\$50
Conservation Reserve Program Transitions Incentive Program	\$25	\$33
Federal Crop Insurance Premium Reductions	n/a	\$84*

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

