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Farm Bill Primer: The Conservation Title

The conservation title of a farm bill generally contains a number of reauthorizations, amendments, and new programs that encourage farmers and ranchers to voluntarily implement resource-conserving practices on private land. Starting in 1985, farm bills have greatly broadened the range of topics considered to be conservation. While the number of conservation programs has increased and techniques to address resource problems continue to emerge, the basic approach has remained unchanged: financial and technical assistance supported by education and research programs.

Conservation Program Portfolio

Administered by the U.S. Department of Agriculture (USDA), these programs can be grouped into the following categories based on similarities: working land programs, land retirement programs, easement programs, partnership programs, conservation compliance, and other overarching provisions (see text box and CRS Report R40763, *Agricultural Conservation: A Guide to Programs*).

Other types of conservation programs—such as watershed programs, emergency land rehabilitation programs, and technical assistance—are authorized in other non-farm-bill legislation. Most of these programs have permanent authorities and receive appropriations annually through the discretionary appropriations process. These programs are not generally addressed in the context of a farm bill unless amendments to the program are proposed.

Title II of the Agricultural Act of 2014 (2014 farm bill; P.L. 113-79) reauthorized, repealed, consolidated, and amended a number of conservation programs. Most of the farm bill conservation programs are authorized to receive mandatory funding (i.e., they do not require an annual appropriation) and include authorities that expire with other farm bill programs at the end of FY2018.

Budget and Baseline

The conservation title is one of the larger non-nutrition titles of the farm bill, accounting for 6% of the total projected 2014 farm bill cost, or $58 billion of the total $956 billion in 10-year mandatory funding authorized (FY2014-FY2023). Budgetary constraints may be an important consideration in the debate over conservation in a new farm bill as was the case during debate on the 2014 farm bill, which was influenced in part by the demand for fiscal restraint. Ultimately the 2014 farm bill reduced the conservation title by $3.97 billion over 10 years, or 24% of the total farm bill reductions. In addition to a reduction in mandatory authorization, the conservation title continues to be affected by budgetary dynamics such as sequestration and reductions through annual appropriations (see CRS Report R41245, *Reductions in Mandatory Agriculture Program Spending*). It remains uncertain what impact these reductions will have on a new farm bill's baseline. While most producers are in favor of conservation programs, it is unclear how much of a reduction in other farm program spending they would be willing to support to expand or maintain these efforts.

Select Farm Bill Conservation Programs

Working lands programs allow private land to remain in production while implementing various conservation practices to address natural resource concerns specific to the area.

- Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and Agricultural Management Assistance (AMA).

Land retirement programs provide payments to private agricultural landowners for temporary changes in land use and management to achieve environmental benefits.

- Conservation Reserve Program (CRP)—includes the Conservation Reserve Enhancement Program, Farmable Wetland Program, and Transition Incentives Program.

Easement programs impose a permanent or long-term land use restriction that is voluntarily placed on the land in exchange for a payment.

- Agricultural Conservation Easement Program (ACEP) and Healthy Forests Reserve Program (HFRP).

Partnership programs create opportunities to target and leverage existing conservation program funding for specific areas and resource concerns.

- Regional Conservation Partnership Program (RCPP)

Conservation compliance prohibits a producer from receiving select federal farm program benefits (including conservation assistance and crop insurance premium subsidies) when conservation program requirements for highly erodible lands and wetlands are not met.

- Highly erodible land conservation (Sodbuster), wetland conservation (Swampbuster), and Sodsaver.

Other conservation programs and provisions include Conservation Innovation Grants, the Grassroots Source Water Protection Program, Voluntary Public Access, and the Habitat Incentive Program.

Program Backlog

Arguments for expanding conservation programs in earlier farm bills proved particularly persuasive in light of documentation that large backlogs of interested and eligible producers were unable to enroll because of a lack of funds. Debate on a new farm bill could see similar arguments, as demand to participate in many of the conservation programs exceeds the available program dollars several times over.

In FY2016, 27% of the applications received for EQIP and 39% of the applications received for AMA were funded. The FY2016 CRP general sign-up resulted in 1.9 million acres offered for enrollment and 411,000 acres accepted (22%). Easements under ACEP also faced a limited acceptance rate, with agricultural land easements enrolling 14% of applications and wetland reserve easements accepting 16% of offers in FY2016. The new RCPP also experienced high demand, accepting 88 of the 147 projects proposed (60%) in FY2017 and 84 of the 265 project proposed (32%) in FY2016. Large, ongoing backlogs could provide a case for additional funding, while other policy mechanisms could be proposed to reduce demand.

Working Land or Land Retirement

Land retirement programs (e.g., CRP) provide producers with financial incentives to temporarily remove from production and restore environmentally sensitive land. In contrast, working lands programs (e.g., EQIP) allow land to remain in production and provide producers with financial incentives to adopt resource-conserving practices. Over time, high commodity prices, changing land rental rates, and new conservation technologies have led to a shift in farm bill conservation policy toward an increased focus on conservation working lands programs. Some of this shift had already occurred in the last decade and was continued in the 2014 farm bill as the percentage of mandatory program funding for land retirement programs declined relative to working lands programs. With lower commodity prices, a new farm bill could shift this focus again, potentially increasing funding for land retirement programs. Most conservation and wildlife organizations support both land retirement and working lands programs, but the appropriate "mix" continues to be debated. That said, it is likely that environmental interests would not support a reduction in one without an increase in the other.

Targeting and Partnerships

Interest is increasing in programs that partner with state and local communities to target conservation funding to local areas of concern. A number of these partnership programs were repealed in the 2014 farm bill and replaced with the new RCPP. The program receives $100 million annually in mandatory funding and redirects 7% of the funding from other programs—EQIP, ACEP, CSP, and HFRP—to partnership agreements. Now in its fourth year of project selection, RCPP has received considerable interest. Some praise the program's ability to leverage non-federal funding and incorporate the use of other state and local partners in a targeted effort. Others question whether the program redirects funds to areas with the greatest established support rather than those with the greatest resource concerns.

The 2014 farm bill largely removed references that targeted geographic and natural resource concerns (e.g., wildlife) from the conservation title. Some such were removed through repeal and replacement (e.g., the Chesapeake Bay Watershed Program was repealed and replaced with RCPP) while others were consolidated (e.g., the Wildlife Habitat Incentives Program was consolidated into EQIP). These measures largely made the conservation programs geographically and resource neutral while providing substantial discretion to USDA to allocate funding. This shift resulted in some states and regions receiving more funding than previous years and others receiving less. Potentially smaller budget baselines and large application backlogs could make it more difficult for Congress to target areas or resources in a new farm bill, although support for this generally continues.

Compliance Requirements

The Food Security Act of 1985 (1985 farm bill, P.L. 99-198) created the highly erodible lands conservation and wetland conservation compliance programs, which tied various farm program benefits to conservation standards. The provision has since been amended numerous times to remove certain benefits and add others. Most recently, the 2014 farm bill added crop insurance premium subsidies as a program benefit that could be denied if conservation standards were not met. In 2015, USDA issued a requirement that to remain eligible for crop insurance premium subsidies, producers must certify their compliance with the conservation compliance provisions through a standard form. Following the 2015 deadline, USDA reported a 98.2% certification rate, suggesting that those not certified were likely no longer farming or had filed forms with discrepancies that may still be reconciled. Despite this high compliance rate, many view the conservation compliance requirements as burdensome, and they continue to be unpopular among producer groups. Since its introduction in the 1985 farm bill, conservation compliance has remained a controversial issue, and debate will likely continue.

Reporting Requirements

Federal grant recipients must comply with government-wide financial management policies and reporting requirements when receiving federal grants and agreements. Many of these reporting requirements are not new for USDA programs and have been in place for a number of years. Interested stakeholders raised concerns when a number of the USDA conservation programs were designated as grants (rather than direct payments) under a 2010 regulation. This designation triggered the use of a Data Universal Numbering System (DUNS) number and System for Award Management (SAM) registration. The DUNS number requirement and SAM registration do not affect individuals or entities that apply for conservation programs using a Social Security Number. Rather, it applies only to those applying as an entity with a Taxpayer Identification Number or Employee Identification Number.

The initial adjustment to this requirement affected thousands of conservation contract participants and generated considerable interest in Congress. Additional anecdotal evidence of concerns with these requirements has also been presented to Congress, including delayed applications, privacy concerns, and reduced program participation.

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