

2014 Farm Bill Conservation Title Overview

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Major New Features

- A smaller CRP (Conservation Reserve Program)
- Consolidation from 23 to 13 programs, with small programs wrapped into larger ones
- Crop insurance premium subsidies tied once again to conservation compliance
- Slightly lower funding relative to 2008 Farm Bill baseline

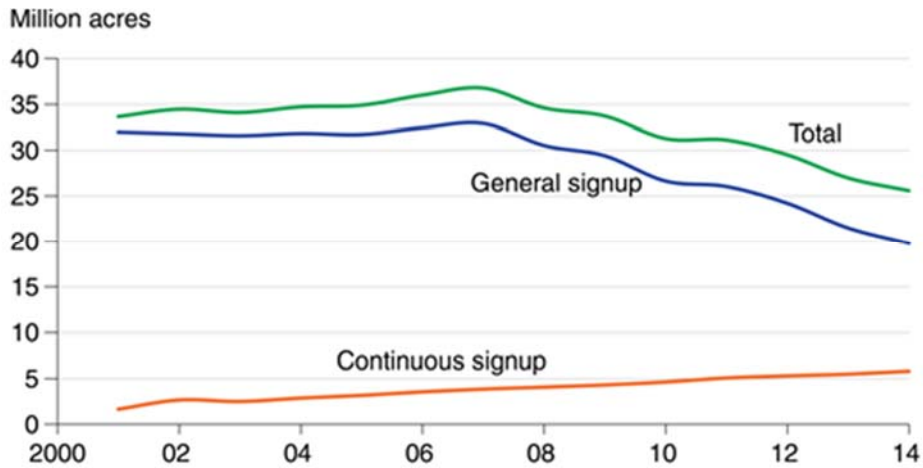
Smaller programs similar to CRP, EQIP or CSP combined with those programs

- WHIP repealed, folded into EQIP with 5% funding carve-out for wildlife habitat practices (similar to WHIP) now in EQIP
- Easement programs, Wetlands Reserve Program (WRP), Farmland Protection Program (FPP), and Grassland Reserve Program (GRP) repealed and consolidated to create Agricultural Conservation Easement Program (ACEP)
- Agricultural Water Enhancement Program (AWEP), Chesapeake Bay Watershed program, Cooperative Conservation Partnership Initiative (CCPI), and Great Lakes Basin program consolidated into the new Regional Conservation Partnership Program (RCPP)

Conservation Reserve Program (CRP)

- CRP enrollment cap to be reduced, so acreage falls from current 32 million acres to 24 million by FY2018.
- Under USDA 2023 baseline projections, CRP to decline to 26 million acres in 2014, then rise back to 32 million acres million acres toward end of period
- Suggests fewer acres retired and somewhat lower crop price projections

Conservation Reserve Program (CRP) Acreage, 2001-14



Conservation Reserve Program (CRP)

- Adds grasslands to list of eligible CRP lands
 - Caps grassland enrollment at 1.5 million acres from FY2014-FY2018
 - Gives expiring CRP acres priority enrollment for grassland contracts
 - at least one grassland sign-up must be offered each year
- Contract lengths for land in hardwood trees, shelterbelts, windbreaks, or wildlife corridors allowed beyond 10-15 years
- Allows incentive payments for tree and shrub maintenance (thinning) of no more than 150% of cost of practices

Conservation Compliance to Apply to Federal Crop Insurance Subsidies

- Insurance premium subsidies could be lost if producer
 - Produces a commodity on highly erodible land without an approved conservation plan or qualifying exemption
 - Converts a wetland to crop production
- Conservation compliance has existed since 1985 Farm Bill
 - Applied to most farm program benefits
 - Crop insurance premium subsidies exempt since 1996 Farm Bill

Conservation Compliance to Apply to Federal Crop Insurance Subsidies

- Acreage receiving payments to be used for an agricultural or conserving use, and not for a non-agricultural commercial, industrial, or residential use
- To receive payments, producer must annually report data on production in addition to acreage
- Producers must control noxious weeds and maintain sound agricultural practices

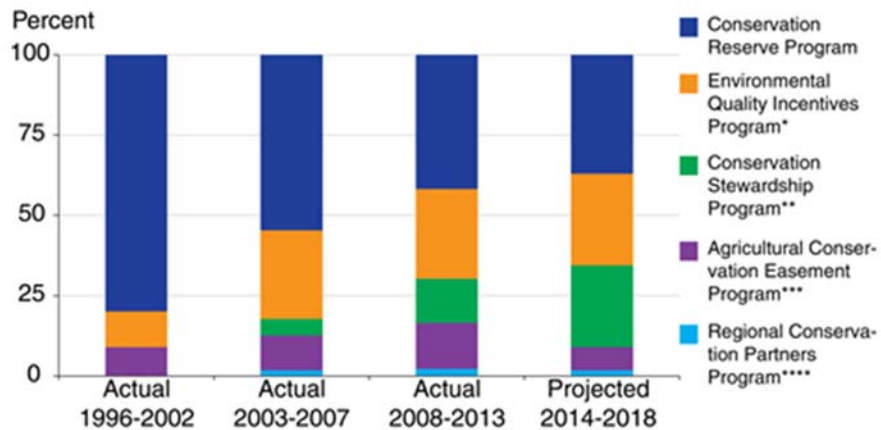
Environmental Quality Incentive Program (EQIP)

- Extends through FY2018 the requirement that 60% of payments be for livestock production.
- A minimum of 5% of funds go to payments benefiting wildlife habitat
- Includes an air quality funding carve-out of \$25 million annually through FY2014
- Authorizes mandatory EQIP funding:
 - \$1.35 billion (FY2014);
 - \$1.6 billion (FY2015);
 - \$1.65 billion (FY2016-FY2017);
 - \$1.75 billion (FY2018)

Conservation Stewardship Program (CSP)

- Provides payments to producers meeting stewardship requirements on agricultural and forest lands
- Enrollment set at 10 million acres / year, down from 12.769 million acres under 2008 Farm Act
- To meet stewardship threshold for CSP enrollment, producers must address at least two resource concerns

Share of Conservation Program Funding by Major Programs

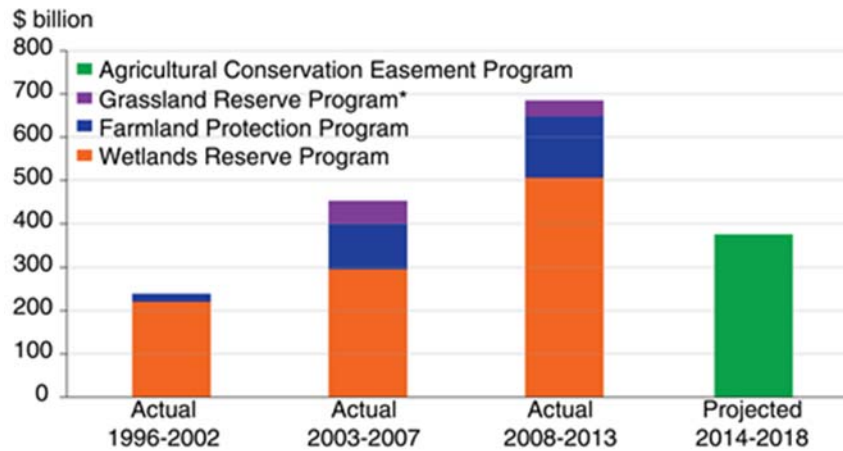


Source: USDA, ERS

Crop Production on Native Sod (Sodsaver)

- Applies only to native sod in Minnesota, Iowa, North Dakota, South Dakota, Montana, & Nebraska
- For producers tilling native sod, crop insurance premium subsidies reduced and yield or revenue guarantee available limited during the first 4 years of crop production on native sod not previously tilled
- Also, limits would be placed on noninsured crop disaster insurance

Annual Spending for Agricultural Conservation Easement Program Compared to Earlier Programs



Source: USDA, ERS

Miscellaneous Programs

- Adds a new voluntary land purchase grant program with authorization to receive \$25 million through appropriations to remain available until expended.
- Retains provisions for voluntary water purchases for desert terminal lakes, including the transfer of \$150 million of CCC funds to the Bureau of Reclamation

Miscellaneous Programs

- Requires report to Congress 90 days after enactment reviewing activities under CRP, EQIP, WHIP, Lesser Prairie-Chicken Initiative, & Western Association of Fish & Wildlife Agencies Candidate Conservation Agreement with Assurances for Oil & Gas

More Information

- *The 2014 Farm Bill (P.L. 113-79): Summary and Side-by-Side.* Congressional Research Service, 7-5700, R43076 www.crs.gov
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