Congressional Research Service
Informing the legislative debate since 1914

Agricultural Conservation and the Next Farm Bill

March 20, 2023

Congressional Research Service
https://crsreports.congress.gov
R47478

CRS REPORT
Prepared for Members and
Committees of Congress

Congressional Research Service
Informing the legislative debate since 1914

SUMMARY

R47478

March 20, 2023

Megan Stubbs
Specialist in Agricultural Conservation and Natural Resources Policy

Agricultural Conservation and the Next Farm Bill

The agricultural conservation title of omnibus farm bills contains authorizing and amending language to existing and new voluntary resource conservation efforts on productive farm and ranch lands. Most of the conservation programs and provisions in a farm bill include technical and financial assistance for agricultural operators to carry out various conservation measures designed to address local natural resource concerns on their land. Typically renewed about every five or six years, a farm bill provides an opportunity for Congress to address agricultural and food issues, including conservation efforts. Programmatic issues related to the existing conservation programs could be debated as well as other overarching concerns for the conservation title, such as funding, reauthorization, program participation, technical assistance, and compliance.

The U.S. Department of Agriculture (USDA) administers conservation programs authorized in farm bills, which can be grouped into the following categories: working lands programs, land retirement programs, easement programs, partnership and grant programs, and conservation compliance. Title II (Conservation) of the Agricultural Improvement Act of 2018 (2018 farm bill; P.L. 115-334) reauthorized and amended portions of most conservation programs with a focus on the large-cost programs, namely the Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), and Conservation Stewardship Program (CSP).

Most 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 FY2023. Subsequent legislation, has extended the funding authority for some conservation programs, including EQIP, CSP, Agricultural Conservation Easement Program (ACEP), and the Regional Conservation Partnership Program (RCPP). Other conservation programs, namely CRP is still set to expire at the end of FY2023. Budgetary concerns continue to drive the farm bill reauthorization discussion, with additional interest in supplemental funding provided to conservation programs in recent years. The reconciliation bill commonly referred to as the Inflation Reduction Act of 2022 (P.L. 117-169) directed $17 billion in additional funding toward farm bill conservation programs. The Infrastructure Investment and Jobs Act (P.L. 117-58) also provided nearly $1 billion to watershed conservation programs. Both measures were supplemental and in addition to mandatory funding authorized in the farm bill baseline. The supplemental funding could impact the debate on how much funding is provided through the conservation title and to which category of conservation programs.

Ongoing concerns about how climate change affects agriculture and how producers are able to respond to these changes could impact the conservation title. Most farm bill conservation programs integrate adaptation to changes in climate within their current structure. Additional funding provided under the Inflation Reduction Act directed USDA to prioritize climate change mitigation activities under the farm bill conservation programs. Congress may evaluate how the conservation programs assist producers in achieving climate change-related goals and whether adjustments are necessary. Since the 2018 farm bill, Congress passed legislation requiring USDA to establish a greenhouse gas technical assistance provider and third-party verifier program, and establish contribution accounts for public-private partnership projects. USDA has also created several initiatives related to climate change, including the Partnerships for Climate-Smart Commodities, which uses the Commodity Credit Corporation to fund partnerships for production practices and markets that promote climate benefits. How USDA implements these climate-focused initiatives and enacted laws since the 2018 farm bill may influence development of the conservation title.

Application acceptance rates and backlogs for conservation programs can vary by program and year. Arguments for expanding conservation program funding because of high numbers of eligible unfunded applications have been successful in past farm bill debates. Debate on a new farm bill could see similar arguments as demand to participate in many of the conservation programs exceeds available program dollars several times over in some programs.

Other programmatic changes could also be considered such as how the conservation programs incentivize participation from historically underserved producers (e.g., beginning, socially disadvantaged, and limited resource farmers and ranchers), how technical assistance is provided and funded through the conservation programs, and whether additional interest in the watershed programs could warrant additional funding changes.

Contents

Current Conservation Portfolio 1
Working Lands Programs 2
Land Retirement Programs 2
Easement Programs 2
Partnership and Grant Programs 3
Conservation Compliance 3
Funding for Conservation 3
Potential Issues for the Next Farm Bill 4
Budget and Baseline Issues 4
Conservation Programs with No Baseline 5
Supplemental Funding 6
Shifts in Funding for Conservation Programs, by Category 8
Programmatic Issues 8
Climate Change and Carbon Markets 8
Unfunded Applications and Interest 10
Funding and Program Expiration 10
Historically Underserved Producers 13
Technical Assistance 14
Watershed Programs 16
Conservation Compliance 16

Figures

Figure 1. Farm Bill Conservation Program Mandatory Spending, FY2002-FY2033 4
Figure 2. Conservation Program Funding: Farm Bill and Inflation Reduction Act 7
Figure 3. Farm Bill Conservation Program Budget Authority by Type 8
Figure 4. FY2023 Total Estimate of NRCS Technical Assistance, by Program 15

Tables

Table 1. Conservation Programs in the 2018 Farm Bill with No Baseline 6
Table 2. Conservation Program Funding Authority Expiration Dates 11
Table 3. Historically Underserved Producer Data: Selected Conservation Programs 13

Contacts

Author Information 17

The conservation title of a farm bill generally contains 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 broadened the conservation agenda to include addressing multiple natural resource concerns, such as soil health, water quality, air quality, and wildlife habitat. Although the number of conservation programs has increased and techniques to address resource problems continue to emerge, the basic approach to agricultural conservation has not changed: provide financial and technical assistance to implement conservation systems supported by education and research programs.

As Congress begins the process of authorizing the next farm bill, areas of possible interest in the conservation title may include funding for programs, climate strategies for the agricultural sector, the backlog of unfunded applications, program participation by historically underserved producers, and technical assistance.

Current Conservation Portfolio

The U.S. Department of Agriculture (USDA) administers conservation programs through either the Natural Resources Conservation Service (NRCS) or the Farm Service Agency (FSA). Agricultural conservation programs can be grouped into the following five categories: working lands programs, land retirement programs, easement programs, partnership and grant programs, and conservation compliance (see text box).

Categories of 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—Conservation Incentive Contracts; Conservation Stewardship—Grasslands Conservation Initiative; and Agricultural Management Assistance

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

- Conservation Reserve Program—Conservation Reserve Enhancement Program, Farmable Wetland Program, Grassland Contracts, Clean Lakes Estuaries and Rivers Pilot (CLEAR30), Soil Health and Income Protection Pilot, and Transition Incentives Program

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

- Agricultural Conservation Easement Program—Agricultural Land Easements and Wetland Reserve Easements; and Healthy Forests Reserve Program

Partnership and grant programs use partnership agreements and grants to leverage federal funding with nonfederal funding.

- Regional Conservation Partnership Program, Conservation Innovation Grants, On-Farm Conservation Innovation Trials, Feral Swine Eradication and Control Pilot Program, Voluntary Public Access and Habitat Incentive Program, and Urban Agriculture and Innovative Production

Conservation compliance prohibits a producer from receiving selected federal farm program benefits (including 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 types of conservation programs—such as watershed programs, emergency land rehabilitation programs, and technical assistance—are authorized in nonfarm-bill legislation. Most of these programs have permanent authorities and receive appropriations annually through the discretionary appropriations process. These programs generally are not addressed in farm bill legislation unless amendments to the program are proposed.

Title II (Conservation) of the Agricultural Improvement Act of 2018 (2018 farm bill; P.L. 115-334) reauthorized and amended portions of most conservation programs with a focus on the large-cost programs, namely the Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), and Conservation Stewardship Program (CSP). Most 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 FY2023. For additional information on conservation programs in the 2018 farm bill, see CRS Report R45698, *Agricultural Conservation in the 2018 Farm Bill*.

Working Lands Programs

Working lands conservation programs implement various conservation practices to address natural resource concerns specific to an area while allowing private land to remain in production. Program participants receive some form of conservation planning and technical assistance to guide their decision on the most appropriate practices to apply, given the natural resource concerns and land condition. Participants receive federal financial support to defray a portion of the cost to install or maintain the vegetative, structural, or management practices agreed to in the terms of the program contract.

The two main working lands programs are EQIP and CSP; combined, they account for more than half of all conservation program funding. EQIP funds a percentage of the cost to implement approved conservation practices according to a conservation plan. EQIP participants can address resource concerns on all or a portion of their operation through one or more EQIP contract that pays upon completion of the practice(s). CSP provides annual and cost-share payments for adopting new conservation practices and continuing existing conservation efforts. CSP contracts are for five years with the possibility of renewal. CSP requires enrollment of a producer's entire operation.

Land Retirement Programs

Land retirement programs authorize USDA to make payments to private landowners to voluntarily retire land from production for less-resource intensive uses. The primary land retirement program is CRP. The program provides financial compensation (i.e., annual rental rate, incentive payments, and cost-share) for landowners to voluntarily remove land from agricultural production for an extended period, typically 10-15 years, for the benefit of soil and water quality improvement and wildlife habitat. CRP enrolls land through three types of enrollment options—general, continuous, and grasslands. CRP includes numerous subprograms and pilot programs that redirect portions of CRP to specific conservation goals, resource concerns, and land uses. Enrollment in CRP is limited to a national cap on the total number of acres allowed in the program in a given year.

Easement Programs

Easement programs impose a permanent or long-term land-use restriction on the land in exchange for a government payment. The primary conservation easement program is the Agricultural Conservation Easement Program (ACEP), which provides financial and technical assistance through two types of easements—agricultural land easements (ALE) and wetland reserve easements (WRE). ACEP-ALE limit nonagricultural uses on productive farm or grasslands by entering into partnership agreements with eligible entities to purchase permanent easements from willing landowners. ACEP-WRE protect and restore wetlands through 30-year easements, contracts, or permanent easements.

Partnership and Grant Programs

The farm bill authorizes agricultural conservation programs that provide grant or partnership opportunities to leverage federal funding with private funding to achieve specific conservation objectives or target specific geographic regions. The primary partnership program is the Regional Conservation Partnership Program (RCPP), in which USDA enters into agreements with eligible partners to deliver conservation projects in specific geographical areas. Within an RCPP project, producers enter into contracts and agreements with USDA to carry out eligible conservation activities similar to other conservation programs (e.g., EQIP, CSP, and ACEP).

Other grant programs, such as Conservation Innovation Grants (CIG) and On-Farm Conservation Innovation Trials, offer competitive grants to support the development of innovative tools, approaches, practices, and technologies on agricultural land. The Feral Swine Eradication and Control Pilot Program and the Voluntary Public Access and Habitat Incentive Program offer grants to states for wildlife control and recreation activities.

Conservation Compliance

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. This provision has been amended numerous times to remove certain farm program benefits and add others. The 2018 farm bill made few changes to compliance requirements.

Funding for Conservation

The majority of farm bill conservation programs are funded through USDA's Commodity Credit Corporation (CCC) as mandatory spending.[1] Mandatory spending can be thought of as multiyear appropriations in authorizing legislation (e.g., a farm bill). These authorizations do not require an annual appropriation. Mandatory conservation programs receive either a statutorily authorized level of funding (e.g., $1.75 billion available for a conservation program during a fiscal year) or an acreage allotment (e.g., enroll up to 32 million acres nationally). Mandatory funds from the authorizing law are available unless they are expressly reduced to smaller amounts by a subsequent act of Congress, usually initiated in the appropriations process or by the authorizing committees.

The conservation title is one of the larger non-nutrition titles of the farm bill. It accounts for 7% of the total projected 2018 farm bill cost at enactment, or $60 billion of the total $867 billion in 10-year mandatory funding it authorized (FY2019-FY2028). Spending for agricultural conservation programs generally increased from $2.3 billion in FY2002 to over $5.1 billion in total outlays in FY2022 (unadjusted for inflation). Annual projected outlays beyond FY2026 are projected to plateau around $6 billion (**Figure 1**) assuming programs are reauthorized with no changes.[2]

In addition to funding authorized in the 2018 farm bill, Congress provided nearly $17 billion for selected farm bill conservation programs in the reconciliation bill commonly referred to as the

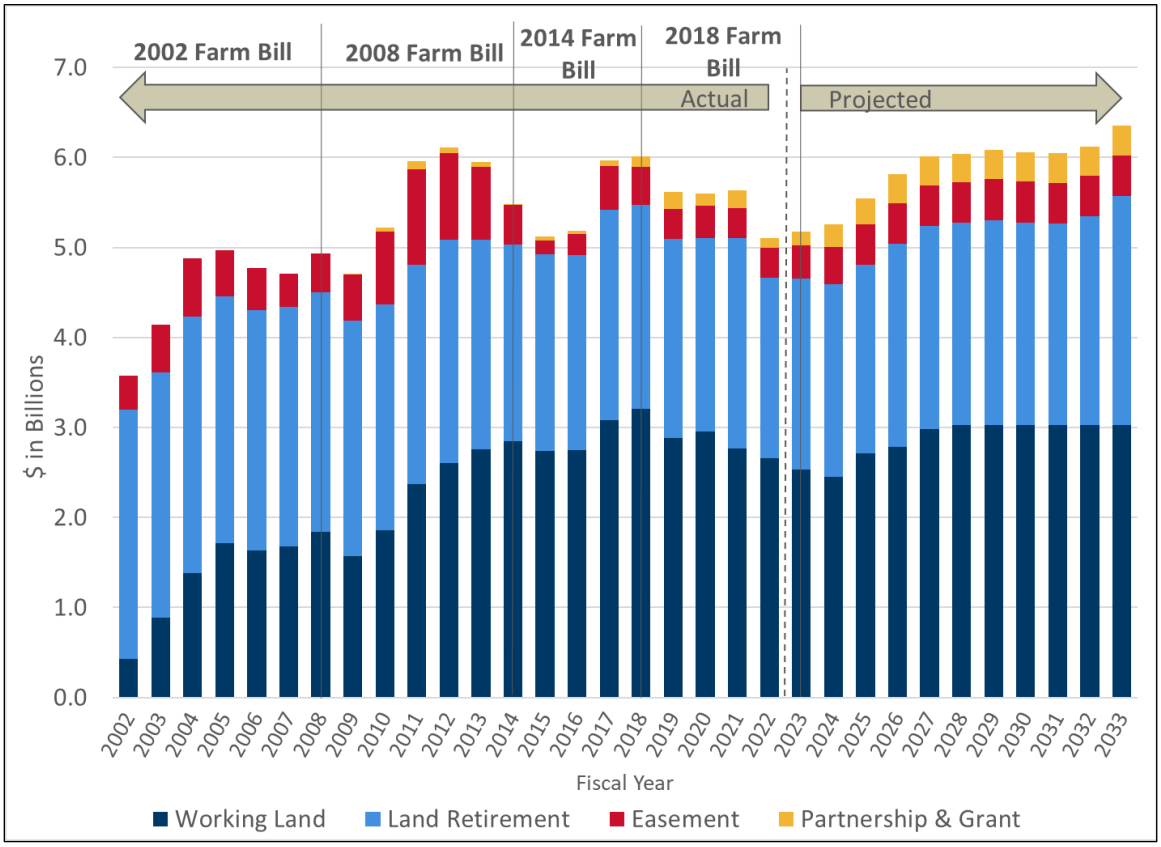
[1] For additional information on the CCC, see CRS Report R44606, *The Commodity Credit Corporation (CCC)*.

[2] For additional information, see CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*.

Inflation Reduction Act of 2022 (IRA; P.L. 117-169). Funding in the IRA was primarily directed toward EQIP, CSP, ACEP, and RCPP and is available until expended through FY2031.[3]

Figure 1. Farm Bill Conservation Program Mandatory Spending, FY2002-FY2033

Outlays in billions of dollars (actuals adjusted for inflation through FY2022)



Sources: CRS using Congressional Budget Office (CBO) baseline data, FY2001-FY2023; and Office of Management and Budget, Table 10.1—Gross Domestic Product [GDP] and Deflators Used in the Historical Tables: 1940-2028, March 2023.

Notes: FY2002-FY2022 include actual spending levels adjusted for inflation to 2022 dollars using the GDP price deflator. FY2023-FY2032 are projected spending levels in current year dollars. Chart does not include sequestration or savings from repealed programs.

Potential Issues for the Next Farm Bill

Budget and Baseline Issues

Budgetary constraints and baseline funding may affect conservation in the next farm bill. Most conservation programs authorized in farm bills receive mandatory funding. The conservation title has experienced both increases and decreases in recent farm bills but generally remains about 7%

[3] For additional information, see CRS Insight IN11978, *Inflation Reduction Act: Agricultural Conservation and Credit, Renewable Energy, and Forestry* and the "Supplemental Funding" section.

of total mandatory spending in the bill.[4] Overall, the 2018 farm bill was budget neutral over the 10-year baseline; the conservation title was one of three titles that experienced a reduction in mandatory program funding.[5] The majority of this reduction came from changes to CSP. If Congress chooses to expand the conservation title in the next farm bill, under current budget rules, it would need to pay for the expansion with offsets from other sources or farm bill titles. Conversely, reductions to the conservation title could serve as offsets for other congressional priorities.

Conservation Baseline and Score

Most conservation programs receive an authorization (budget authority) for mandatory funding in omnibus farm bills. Generally, the bill authorizes and pays for the mandatory funding (expressed as outlays) with a multiyear budget estimate when the law is enacted. The Congressional Budget Office (CBO) determines the official cost/savings estimate when bills are considered based on long-standing budget laws and rules.[6]

The budgetary impact of mandatory spending proposals is measured relative to an assumption that certain programs continue beyond the end of the farm bill. The benchmark is the CBO baseline—a projection at a particular point in time of future federal spending on mandatory programs under current law. The baseline indicates future funding levels if policymakers decide that programs should be reauthorized, or if not, the baseline can be reallocated to other programs, or used as an offset for deficit reduction. Generally, most large conservation programs, such as CRP and EQIP, are assumed to continue in the baseline as if there were no change in policy and they did not expire. However, some of the smaller conservation programs, such as the Feral Swine Eradication and Control Pilot, are not assumed to continue beyond the end of a farm bill.

The most recent CBO baseline was released in February 2023. It projects that if farm bill conservation programs were extended, it would cost $57.5 billion over the next 10 years (FY2024-FY2033). Most of this amount, 90%, is in three programs—EQIP, CSP, and CRP.

When a new bill is proposed that would affect mandatory spending, CBO estimates the score (cost impact) in relation to the baseline. Changes that increase spending relative to the baseline have a positive score; those that decrease spending relative to the baseline have a negative score. Budget enforcement rules use these baselines and scores to follow various budget rules. When a new law is passed, the projected cost at enactment equals the baseline plus the score. This sum becomes the foundation of the new law and may be compared with future CBO baselines as an indicator of how actual spending transpires as the law is implemented and market conditions change.

Conservation Programs with No Baseline

Nineteen provisions in the 2018 farm bill received mandatory budget authority but are not assumed to receive such funding in the budget baseline beyond the original expiration of the 2018 farm bill (FY2023).[7] Of these 19 provisions, three are for programs within the conservation title (**Table 1**). These three programs received $130 million in mandatory funding in the 2018 farm bill. Under current budget rules, if policymakers want to continue these programs they would need to pay for them with offsets.

[4] For additional information, see CRS Report R45425, *Budget Issues That Shaped the 2018 Farm Bill* and CRS Report R42484, *Budget Issues That Shaped the 2014 Farm Bill*.

[5] The other two titles reduced in the 2018 farm bill were Rural Development (-$2.5 billion) and Crop Insurance (-$104 million) over the 10-year baseline.

[6] For additional information, see CRS Report 98-560, *Baselines and Scorekeeping in the Federal Budget Process*.

[7] For additional information, see CRS In Focus IF12115, *Farm Bill Primer: Programs Without Baseline Beyond FY2023*.

Table 1. Conservation Programs in the 2018 Farm Bill with No Baseline

2018 Farm Bill Section	Program	CBO Score in 2018, time of enactment	Program Description (*U.S. Code* Citation)
2405	Grassroots Source Water Protection Program	$5 million	Provides funding to the National Rural Water Association for technical assistance to operate state source water protection programs (16 U.S.C. §3839bb-2(b)(3)).
2406	Voluntary Public Access and Habitat Incentive	$50 million	Provides grants to states and tribal governments to encourage private landowners to voluntarily make land available for public access hunting and fishing programs (16 U.S.C. §3839bb-5(f)(1)).
2408	Feral Swine Eradication and Control Pilot	$75 million	Requires USDA to study the extent of damage from feral swine, develop eradication and control measures and restoration methods, and provide cost-share funding to agricultural producers in established pilot areas (7 U.S.C. §8351 note).

Source: CRS using P.L. 115-334 and Congressional Budget Office (CBO), H.R. 2, Agriculture Improvement Act of 2018, December 11, 2018, at https://www.cbo.gov/publication/54880.

Note: Programs without baseline are identified as having mandatory budgetary outlays during FY2019-FY2023 but no budget authority beyond FY2023.

Supplemental Funding

The IRA provided an additional $17 billion in budget authority for farm bill conservation programs.[8] Funding in the IRA was primarily directed toward EQIP ($8.0 billion), CSP ($3.1 billion), ACEP ($1.3 billion), and RCPP ($4.7 billion) and is available until expended through FY2031.[9] Program funds are directed to climate change-related conservation practices that improve soil carbon; reduce nitrogen losses; or reduce, capture, avoid, or sequester greenhouse gas emissions associated with agricultural production.[10] The IRA also provided additional funding for conservation programs and activities typically conducted through nonfarm bill authorities, including conservation technical assistance ($1.0 billion), the carbon sequestration and greenhouse gas emissions quantification program ($300 million), and administrative expenses ($100 million).

The funding provided in the IRA for conservation programs is supplemental and in addition to mandatory funding authorized to the conservation programs as part of the farm bill baseline (**Figure 2**). Unlike the farm bill authorized funding for agricultural conservation, IRA funding is temporary and may not be expended beyond FY2031.[11] The additional IRA funding is expected to influence the farm bill debate for conservation funding, though the actual impact is uncertain.

[8] Congressional Budget Office (CBO), "Table 2. Estimated Budgetary Effects of Title II, Committee on Agriculture, Nutrition, and Forestry, of P.L. 117-169, to Provide for Reconciliation Pursuant to Title II of S. Con. Res. 14," September 7, 2022.

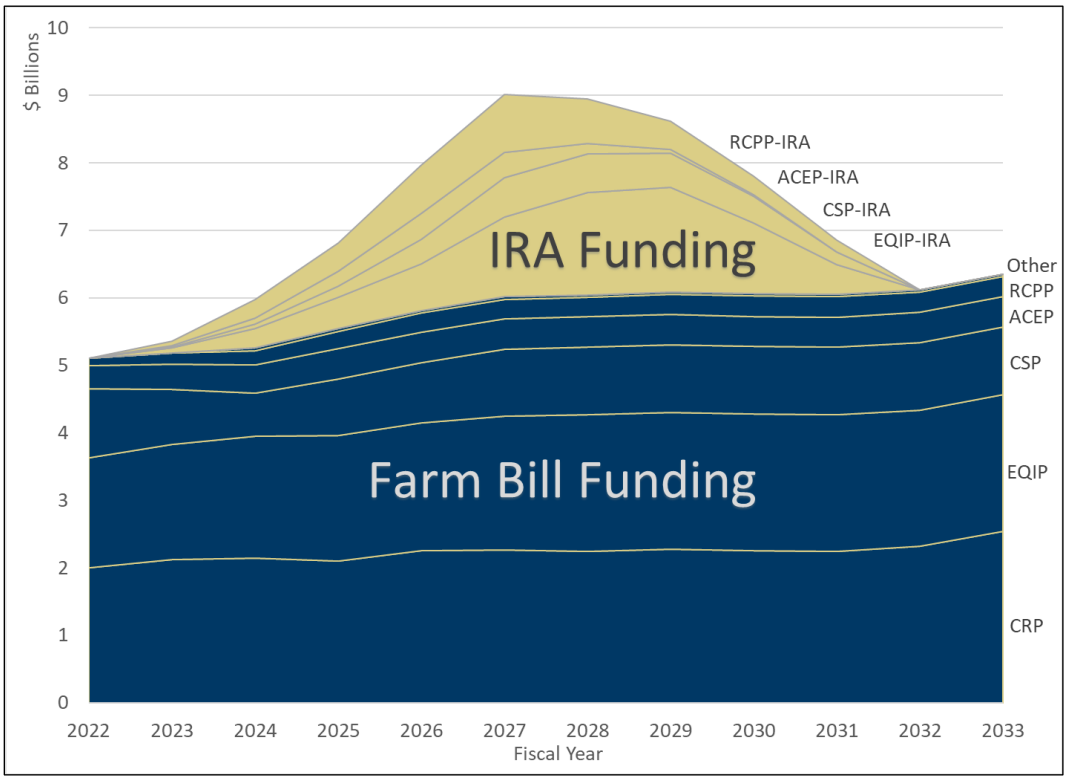
[9] CBO, "CBO's February 2023 Baseline from Farm Programs," February 2023. The CBO score for budget authority under EQIP, CSP, ACEP, and RCPP differs from funding amounts listed in the IRA. For additional information, see CRS Insight IN11978, *Inflation Reduction Act: Agricultural Conservation and Credit, Renewable Energy, and Forestry*.

[10] P.L. 117-169, §21001.

[11] P.L. 117-169, §21002.

Figure 2. Conservation Program Funding: Farm Bill and Inflation Reduction Act

FY2022-FY2033



Source: CRS using Congressional Budget Office (CBO), "CBO's February 2023 Baseline from Farm Programs," February 2023.

Notes: ACEP = Agriculture Conservation Easement Program; CRP = Conservation Reserve Program; CSP = Conservation Stewardship Program; EQIP = Environmental Quality Incentives Program; IRA = Inflation Reduction Act of 2022 (P.L. 117-169); and RCPP = Regional Conservation Partnership Program. "Other" includes mandatory spending for the Agricultural Management Assistance, Emergency Forestry Conservation Reserve Program, Grassroots Source Water Protection, Feral Swine Eradication, Voluntary Public Access and Habitat Incentive Program, Watershed and Flood Prevention Operations, Watershed Rehabilitation, and reductions from the transfer of amounts to the Farm Production and Conservation Business Center.

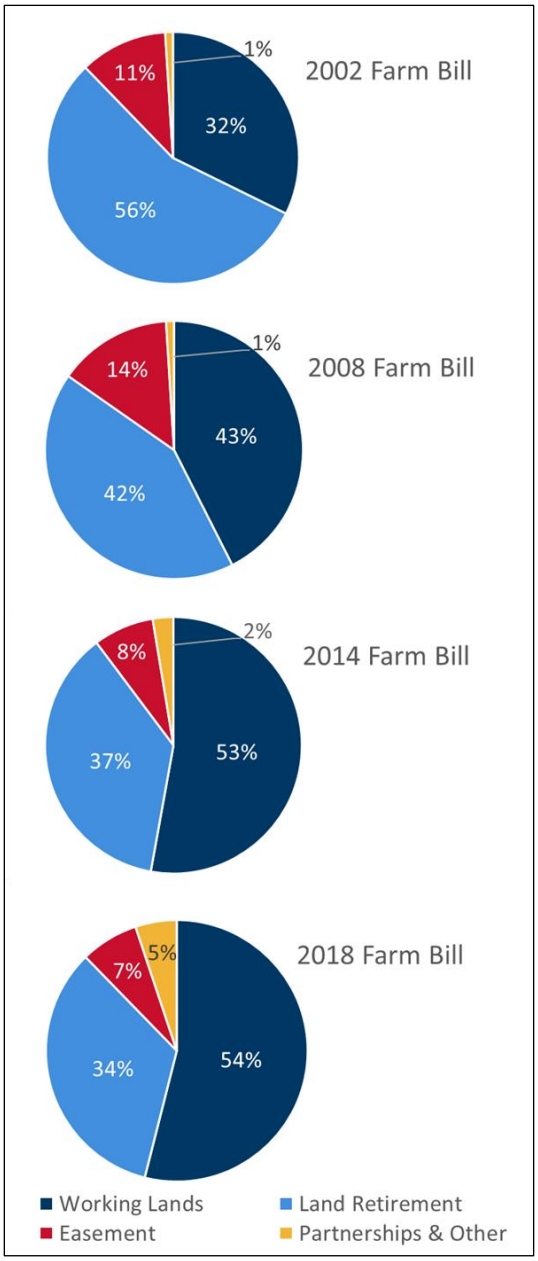
Additional supplemental funding was also provided for the NRCS watershed programs in the Infrastructure Investment and Jobs Act (IIJA, P.L. 117-58, Division J, Title I). The IIJA provided $500 million to the Watershed and Flood Prevention Operations (WFPO) program, $118 million for the Watershed Rehabilitation Program, and $300 million for the Emergency Watershed Protection program.[12] The watershed programs were enacted outside of farm bill legislation and historically receive annual appropriations. The 2018 farm bill, however, authorized $50 million in permanent annual mandatory funding for WFPO and the Watershed Rehabilitation Program. Similar to the IRA funding, the IIJA funding is supplemental and outside of the farm bill baseline. Unlike the IRA funding, USDA has announced the obligation of over $719 million of the IIJA funding, making it less likely to be rescinded or repurposed for other farm bill spending.[13]

[12] For additional information, see CRS In Focus IF11990, *Infrastructure Investment and Jobs Act (IIJA): Funding for USDA Broadband, Watershed, and Bioproduct Programs*.

[13] Announced funding according to data downloaded on March 1, 2023, from the General Services Administration's website, "D2D: Data to Decisions," at https://d2d.gsa.gov/report/bipartisan-infrastructure-law-bil-maps-dashboard.

Figure 3. Farm Bill Conservation Program Budget Authority by Type

2002, 2008, 2014, and 2018 farm bills



Source: CRS using CBO baseline data, FY2001-FY2023.

Notes: Figure includes mandatory funding for farm bill authorized conservation programs. The 2002, 2008, and 2014 farm bill charts cover the period after enactment to the next bill's passage and are adjusted for reductions, rescissions, and sequestration. The 2018 farm bill chart is based on the CBO estimate of budget authority for the life of the farm bill (FY2018-FY2023). Funding for conservation education, extension and research, and discretionary spending are not included.

Shifts in Funding for Conservation Programs, by Category

The overall farm bill baseline can limit the total funding available to write a farm bill; however, how this total funding is divided by title and program can vary with congressional priorities. The amount of funding authorized in the conservation title increased with each farm bill until the 2018 farm bill (**Figure 1**). How that funding has been allocated to different conservation program types has shifted over time (**Figure 3**).

Since the 2002 farm bill, land retirement programs, namely CRP, make up a smaller percentage of the conservation title portfolio. In contrast, funding has increased for working lands programs (i.e., EQIP and CSP) as well as partnership programs (i.e., RCPP). Supplemental funding from the IRA that funded EQIP, CSP, ACEP, and RCPP but not CRP further magnifies this shift in programs. Some of this shift can be attributed to external factors that can affect participation, such as high commodity prices that can cause interest in land retirement programs to decline. Other factors, such as advances in conservation technology can increase interest in working lands programs that allow land to remain in production while achieving environmental goals. The increased use of partnership programs that leverage federal funding could continue depending on congressional support. If spending limits restrict the overall size of the conservation title then debate could center on the mix of conservation program funding that makes up the conservation title portfolio.

Programmatic Issues

Climate Change and Carbon Markets

Current agriculture sector strategies for addressing climate change, through both adaptation and mitigation, rely on the delivery of voluntary conservation technical assistance and financial support programs. Most farm bill conservation programs are designed to address multiple concerns through locally

adaptable practices. Thus, no existing conservation program is specific to climate change adaptation or mitigation, but most programs can integrate adaptation to changes in climate within their current structure.

As part of the next farm bill, Congress may evaluate how well farm bill conservation programs assist producers in achieving climate change-related goals and how additional funding provided through the IRA could affect achievement of these goals. The IRA provided $17 billion in additional funding for EQIP, CSP, ACEP, and RCPP (see **Figure 2**). Funding is directed to conservation practices and enhancements that achieve climate change-related goals and prioritize mitigation activities. For example, funding provided to EQIP is required to be for one or more agricultural conservation practices or enhancements that USDA determines would directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester greenhouse gas emissions, associated with agricultural production.[14] Investments in measuring and monitoring the effects of the NRCS conservation practices funded through the working lands programs have resulted in the identification of a suite of conservation practices that may deliver quantifiable reduction in greenhouse gas emissions, increases in carbon sequestration, or both.[15] NRCS refers to these as "climate-smart mitigation activities."[16] From FY2018 through FY2022, NRCS practice data indicate that approximately $2.6 billion has been obligated to NRCS identified climate-smart mitigation activities.[17] This is roughly 35% of all reported program obligations during the same period.[18]

In addition to the increased funding provided in the IRA, the 117th Congress debated and enacted legislation related to carbon markets and the role agriculture could play in them. The Consolidated Appropriations Act, 2023 (FY2023 appropriation; P.L. 117-328) included two new provisions. The first provision requires USDA to establish a greenhouse gas technical assistance provider and third-party verifier program.[19] The role of agriculture in carbon markets has produced a variety of perspectives, including support for and opposition to a USDA role in standardizing voluntary carbon markets for agriculture and forestry.[20] This debate could carry into the next farm bill, including what role the conservation title could play in assisting producers to generate carbon credits or support carbon markets. The second provision in the FY2023 appropriation amends the farm bill conservation title requiring USDA to establish contribution accounts for public-private partnership projects.[21] These projects can address natural resource

[14] P.L. 117-169, §21001(a)(1)(B)(iii).

[15] USDA, Natural Resources Conservation Service (NRCS), "NRCS Practice Standards for Greenhouse Gas Emission Reduction and Carbon Sequestration," at

https://www.nrcs.usda.gov/sites/default/files/2022-09/Climate_Smart_Agriculture_and_Forestry_Booklet.pdf.

[16] For more information on how these can be applied to agricultural operations, see NRCS, COMET-Planner, at http://comet-planner.com/.

[17] Practice and obligation data reported by NRCS are likely undercounting the actual level of funding spent on these practices as some data was suppressed if too small of a count occurred. For example, anaerobic digesters are funded through Environmental Quality Incentives Program (EQIP) in FY2014-FY2021, but funding is reported only in FY2016; all other years are reported as being suppressed. USDA, NRCS, "RCA Data Viewer," at https://www.nrcs.usda.gov/resources/data-and-reports/rca-data-viewer.

[18] Total FY2018 through FY2022 obligations for all practices are approximately $7.4 billion. USDA, NRCS, "RCA Data Viewer," at https://www.nrcs.usda.gov/resources/data-and-reports/rca-data-viewer.

[19] P.L. 117-328, §201, Title I, Division HH.

[20] For additional information, see CRS Report R46956, *Agriculture and Forestry Offsets in Carbon Markets: Background and Selected Issues*.

[21] P.L. 117-328, §202, Title I, Division HH.

priorities, including but not limited to climate change and carbon sequestration, and leverage existing conservation program funds.

Congress may also assess USDA initiatives related to climate change, including the Partnerships for Climate-Smart Commodities. In September 2022, USDA announced the selection of 70 projects, totaling $2.8 billion in funding, in the initiative's first funding pool.[22] USDA announced a second funding pool in December 2022 and included an additional 71 projects totaling $325 million.[23] The initiative finances partnerships that implement climate-smart production practices; measure, quantify, and verify greenhouse gas benefits associated with climate-smart practices; and develop markets that promote the resulting climate benefits.[24] How USDA implements these climate-focused initiatives and pilot projects may influence development of the conservation title.

Unfunded Applications and Interest

Arguments for expanding conservation programs in earlier farm bills were persuasive in light of evidence that large numbers of unfunded, eligible applications were unable to enroll in conservation programs due to a lack of funds. Debate on a new farm bill could see similar arguments. Demand to participate in many of the conservation programs exceeds available program dollars several times over in some programs.

Acceptance rates and backlogs for conservation programs vary by program and program type. In general, working lands programs continue to experience low acceptance rates, whereas recent sign-ups under land retirement programs have had higher acceptance rates. For example, in FY2022, USDA funded 56% of eligible program applications received for EQIP, an increase from FY2021 and FY2020, which funded 54% and 44% of eligible applications respectively.[25] By comparison, the 2022 CRP general sign-up had nearly 2.3 million acres offered for enrollment and almost 2.1 million acres were accepted (90%).[26] Policy issues beyond funding levels can affect application acceptance rates. Large, ongoing backlogs of unfunded applications could provide a case for additional funding, whereas other policy mechanisms could be proposed to reduce demand.

Funding and Program Expiration

For many conservation programs, program authority is permanent. Therefore, it is the authority to receive funding that is of most interest since funding authority could affect the program's operation the most if that authority were to expire. Discretionary spending is authorized through the farm bill for some conservation programs. However, since most appropriations law allows the

[22] USDA, "USDA Announces Historic Investment in Partnerships for Climate-Smart Commodities," September 14, 2022, at https://www.youtube.com/watch?v=-fVZ1wca5sM.

[23] USDA, "Biden-Harris Administration Announces an Additional $325 Million in Pilot Projects through Partnerships for Climate-Smart Commodities, for Total Investment of $3.1 Billion," press release, December 12, 2022, at https://www.usda.gov/media/press-releases/2022/12/12/biden-harris-administration-announces-additional-325-million-pilot.

[24] USDA, "USDA to Invest $1 Billion in Climate Smart Commodities, Expanding Markets, Strengthening Rural America," press release, February 7, 2022, at https://www.usda.gov/media/press-releases/2022/02/07/usda-invest-1-billion-climate-smart-commodities-expanding-markets.

[25] USDA, *FY2024 Budget Explanatory Notes—Natural Resources Conservation Service*, p. 120, USDA, *FY2023 Budget Explanatory Notes—Natural Resources Conservation Service*, p. 109, and USDA, *FY2022 Budget Explanatory Notes—Natural Resources Conservation Service*, p. 103.

[26] Farm Service Agency, "Sign-Up 58 State Acceptance," May 4, 2022, at https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdafiles/Conservation/Excel/SU58StateAcceptance.xlsx.

continued operation of a program where only appropriation action has occurred, it is generally the programs that rely on mandatory funding that are most impacted when funding authority expires.[27] Without reauthorization or an extension, these mandatorily funded programs would cease to operate or undertake new activities following the expiration of funding authority.

Most farm bill authorized conservation programs have program and funding authority that runs for the duration of the farm bill, typically four to six years in duration.[28] Many of the programs authorized in the 2018 farm bill were authorized through FY2023. The IRA extended certain conservation programs and their funding authority through the IRA's 10-year budget window—through FY2031. This has resulted in some conservation programs expiring at the end of FY2023 and others at the end of FY2031. **Table 2** includes the expiration date of most farm bill conservation programs by type of funding authority—mandatory or discretionary.

Table 2. Conservation Program Funding Authority Expiration Dates

	Expiration of Funding Authority			
Program	**Sept. 30, 2023**	**Sept. 30, 2031**	**One-Time**	**No Expiration**
Programs Authorized to Receive Mandatory Funding				
Agricultural Conservation Easement Program (ACEP)		X		
Agricultural Management Assistance				X
Conservation Reserve Program (CRP)	X			
CRP – Conservation Reserve Enhancement Program	X			
CRP – CLEAR30	X			
CRP – Farmable Wetlands	X			
CRP – Grasslands	X			
CRP – Soil Health and Income Protection Program (SHIPP)	X			
Conservation Stewardship Program (CSP)		X		
CSP – Grassland Conservation Incentive	X			
Environmental Quality Incentives Program (EQIP)		X		
EQIP – Conservation Innovation Grants (CIG)		X		
EQIP, CIG – On-farm Conservation Innovation Trials		X		
Feral Swine Eradication and Control Pilot Program			X	
Grassroots Source Water Protection Program			X	
Regional Conservation Partnership Program		X		
Voluntary Public Access and Habitat Incentive Program			X	

[27] For additional information, see CRS Report R42388, *The Congressional Appropriations Process: An Introduction*.

[28] CRS Report R45210, *Farm Bills: Major Legislative Actions, 1965-2018*.

Program	Expiration of Funding Authority			
	Sept. 30, 2023	Sept. 30, 2031	One-Time	No Expiration
Programs Authorized to Receive Discretionary Funding				
Emergency Conservation Program				X
Emergency Forest Restoration Program				X
Emergency Watershed Protection program				X
Grassroots Source Water Protection Program	X			
Healthy Forest Restoration Program	X			
Water Bank Program				X
Watershed and Flood Prevention Operations				X
Watershed Rehabilitation Program	X			
Wetlands Mitigation Banking	X			

Source: CRS using various statutory authorities.

Notes: Some mandatory farm bill conservation programs were authorized to receive a specific amount of one-time mandatory funding. In some cases no fiscal year is specified or only one fiscal year is identified. Funds are to remain available until expended. These funds are referred to in the table as "One-Time."

The IRA extended only certain policy provisions within the funded conservation programs. Therefore, some programs that are extended through FY2031 contain policy provisions that expire at the end of FY2023. Without reauthorization or extension, policy provisions expiring in FY2023 would no longer apply to funds provided for the overall program that continues. For example, under EQIP, the following policy provisions were either extended through FY2031 or will expire at the end FY2023:

Expires in FY2023

- **Livestock funding.** Requires 50% of funding be used for payments related to livestock practices.
- **Payment limits.** Limits total EQIP payments to $450,000 per person or legal entity for the duration of the 2018 farm bill.
- **Organic payment limits.** Limits total EQIP payments related to organic production to $140,000 per person or legal entity for the duration of the 2018 farm bill.

Extended to FY2031

- **Wildlife habitat funding.** Requires 10% of funding be used for payments related to wildlife habitat.
- **Air quality funding.** Requires $37.5 million annually be used for payments for air quality concern practices.
- **On-Farm Conservation Innovation Trials.** Requires that $25 million annually be used to carry out on-farm conservation innovation trials.

Historically Underserved Producers

Beginning with the Farm Security and Rural Investment Act of 2002 (2002 farm bill; P.L. 107-171), programs within the conservation title of farm bills have included provisions providing preference to select farmers and ranchers. The type of agricultural producers receiving preference has expanded over time to include beginning, socially disadvantaged, limited resource, and veteran farmers and ranchers—collectively referred to as *historically underserved*.[29] Some of the conservation programs, namely EQIP, CSP, and RCPP, include additional incentives or designated funding levels for these producers. Many of these provisions were reauthorized in the 2018 farm bill and some were extended as part of the IRA. For example, annually 5% of EQIP and CSP funds are allocated to beginning farmers or ranchers and another 5% to socially disadvantaged farmers or ranchers with preference given to veterans.[30] This allocation originated in the 2008 farm bill, was reauthorized in in the 2014 and 2018 farm bills, and extended by the IRA through FY2031.[31]

According to available data (**Table 3**), participation by historically underserved producers varies by program. Both EQIP and CSP include specific incentives for historically underserved farmers and ranchers, such as higher cost-share rates, advanced payment options, and funding set-asides. In the absence of additional information, it is unclear to what extent these additional incentives contribute to the participation rates of historically underserved, and to what extent other factors, such as the total amount of funding available for a program and program's purpose, are influential.[32]

Table 3. Historically Underserved Producer Data: Selected Conservation Programs

FY2014-FY2022

Program	Contract Acres	Contract Count	Dollars Obligated	Percentage of Total Obligations
AMA	9,078	1,874	$22,290,116	56.9%
CSP	16,657,197	18,480	$985,619,085	14.6%
CSP-GCI	104,497	1,622	$9,412,843	8.0%
EQIP	25,147,610	125,046	$3,536,934,354	37.8%
RCPP	1,006,764	3,079	$114,586,103	23.7%

Source: USDA, "NRCS Financial Assistance Program Data Download," accessed March 15, 2023.

Notes: AMA = Agricultural Management Assistance program; CSP = Conservation Stewardship Program; GCI = Grassland Conservation Initiative; EQIP = Environmental Quality Incentives Program; and RCPP = Regional Conservation Partnership Program. Includes active and completed contract data from FY2014 through FY2022. EQIP includes data from the Wildlife Habitat Incentives Program (WHIP) and the Agricultural Water Enhancement Program (AWEP). Both WHIP and AWEP were repealed and reorganized under EQIP in the 2014 farm bill. RCPP includes contracts made related to EQIP and CSP. FY2022 is the most recent data available.

Other provisions, such as those included in CRP, provide land access to selected individuals through the Transition Incentives Program (TIP). TIP facilitates the transfer of CRP acres from a

[29] For definitions, see USDA, NRCS, "Historically Underserved Producers," at https://www.nrcs.usda.gov/getting-assistance/underserved-farmers-ranchers. Gender is not included under the socially disadvantaged definition for conservation programs.

[30] 16 U.S.C. §3841(h).

[31] See P.L. 110-246, §2704; P.L. 113-79, §2604; P.L. 115-334, §2501(e); and P.L. 117-169, §21001(c)(5)(C)(ii).

[32] Data are not available to compare conservation program participation rates with total U.S. agriculture producers meeting the collective *historically underserved* definition.

retiring owner to a beginning, socially disadvantaged, or veteran producer to return land to production. In exchange, the retiring owner receives up to two additional years of annual CRP rental payments following expiration of the CRP contract. The 2018 farm bill limited TIP to $50 million for the duration of the farm bill (FY2019-FY2023), including $5 million for outreach.

Each successive farm bill has added to the type of producers included as historically underserved and/or the provisions allocating incentives or funding to a particular group. Additional incentives could be sought for historically underserved producers in the upcoming farm bill. Similarly, additional flexibilities for groups under the current definition of historically underserved could be sought. For example, some tribal nations are seeking an expansion of alternative funding arrangements under EQIP and CSP through which funding can be directly provided to tribes.[33] Environmental interest groups are seeking increased conservation funding in the next farm bill, including priority for the needs of historically underserved producers.[34]

Technical Assistance

Technical assistance is provided as part of all farm bill conservation programs, primarily by NRCS.[35] This assistance provides conservation knowledge to producers and landowners and includes information, technical expertise (e.g., engineering, biological, and agronomic), and a local delivery system (e.g., county offices) for assisting landowners and users to conserve and use natural resources.[36] At the landowner's request, NRCS provides technical assistance through a network of federal staff located throughout the United States, that serve as technical conservation experts with knowledge of local conditions. Other USDA and non-USDA agencies also may provide technical assistance to address resource concerns, though this assistance may not necessarily be in connection with farm bill programs.[37]

Technical assistance for agricultural conservation is funded through both mandatory and discretionary sources (see **Figure 4**). The Conservation Operations account is the primary discretionary account that funds NRCS technical assistance activities through the Conservation Technical Assistance (CTA) program.[38] Funds support salaries and expenses for NRCS staff, technology development, conservation system design, compliance reviews, grants to partners for additional technical assistance capacity, and resource assessment reports.

---

[33] Native Farm Bill Coalition, "2022 NFBC Webinar on Title II: Conservation," February 25, 2022, at https://www.nativefarmbill.com/post/friday-february-25-2022-nfbc-webinar-on-title-ii-conservation.

[34] Letter from Alabama Rivers Alliance, Alliance for the Great Lakes, and Alliance of Nurses for Healthy Environments, et al. to Members of Congress, June 23, 2022, at http://protectcleanwater.org/wp-content/uploads/2022/06/CWfA-Farm-Bill-Letter.pdf.

[35] The statutory authority for NRCS to provide conservation technical assistance is derived from the Soil Conservation and Domestic Allotment Act of 1935 (P.L. 74-46; 16 U.S.C. §590 et seq.) Farm bills require that conservation technical assistance be funded through the farm bill authorized programs as well (16 U.S.C. §3841). The farm bill also authorizes third parties in certain circumstances to provided technical assistance (16 U.S.C. §3842).

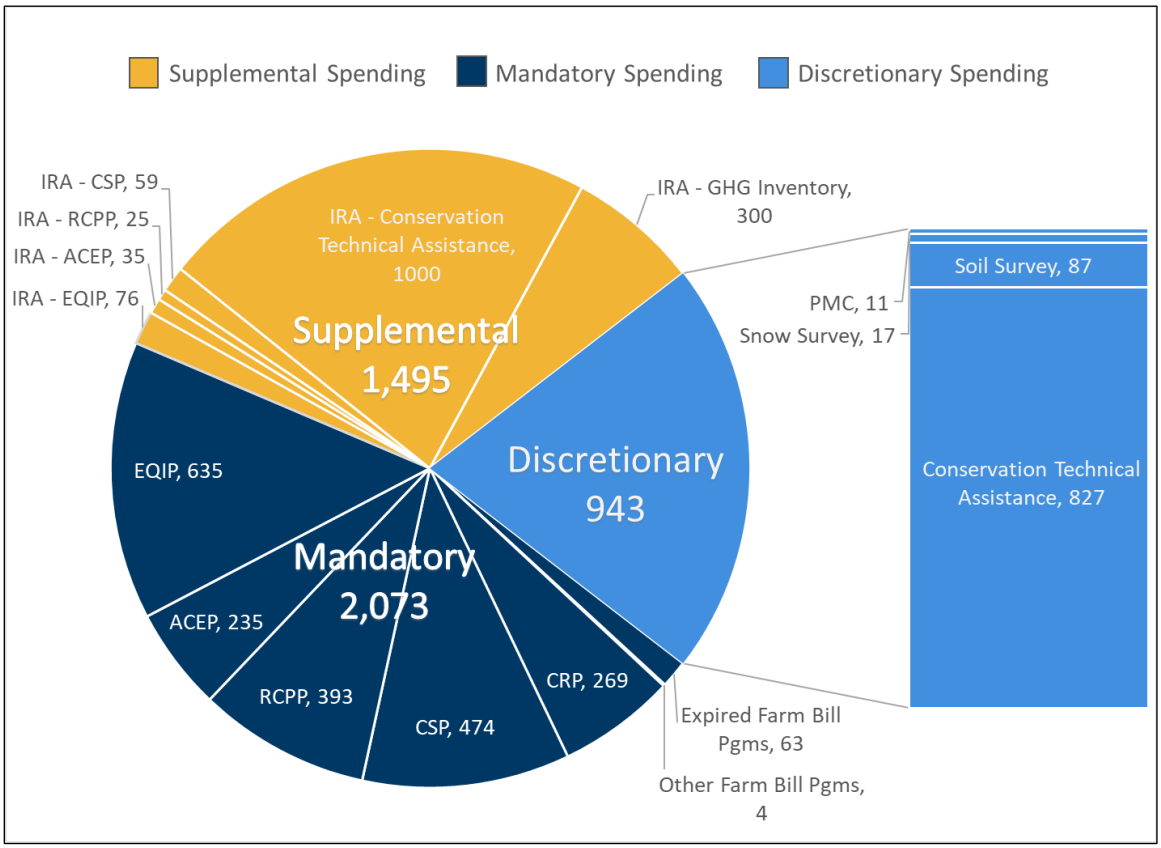
[36] 16 U.S.C. §590j.

[37] For example, the Economic Research Service (ERS) found that among four major commodity crops (soybeans, oats, cotton, and wheat) reporting resource concerns, 67% received technical assistance from NRCS. Others received technical assistance from USDA's Cooperative Extension System, local conservation districts, and state agencies. Andrew Rosenberg and Steven Wallander, *USDA Conservation Technical Assistance and Within-Field Resource Concerns*, USDA, ERS, EIB 234, May 2022.

[38] Conservation Operations and subsequently the Conservation Technical Assistance (CTA) program is funded through annual appropriations. For additional information, see CRS Report R46971, *Agricultural Conservation: FY2022 Appropriations*.

Figure 4. FY2023 Total Estimate of NRCS Technical Assistance, by Program

Budget authority in millions of dollars



Source: Figure created by CRS using USDA, *FY2024 Budget Explanatory Notes—Natural Resources Conservation Service*, p. 31.

Notes: Numbers may not add due to rounding. NRCS = Natural Resources Conservation Service; ACEP = Agricultural Conservation Easement Program; CSP = Conservation Stewardship Program; EQIP = Environmental Quality Incentives Program; GHG = Greenhouse Gas; IRA = Inflation Reduction Act of 2022 (P.L. 117-169); PMC = Plant Material Centers; and RCPP = Regional Conservation Partnership Program. The Agricultural Act of 2014 (P.L. 113-79) repealed and consolidated several farm bill conservation programs. The repealed and consolidated programs are no longer authorized, but have valid contracts that continue to require technical assistance. These programs are referred to as Expired Farm Bill Programs and include Agricultural Water Enhancement Program, Chesapeake Bay Watershed Program, Farm and Ranchland Protection Program, Grassland Reserve Program, Wetlands Reserve Program, and Wildlife Habitat Incentives Program. Other Farm Bill Programs include the NRCS portion of Agricultural Management Assistance, Voluntary Public Access and Habitat Incentive Program, Feral Swine Eradication and Control Pilot, and Healthy Forest Reserve Program.

Technical assistance is also funded through the farm bill conservation programs that receive mandatory funding. Most technical assistance activities within mandatory programs support the delivery of some level of financial assistance as part of a contract or agreement. These activities could include providing designs, standards, and specifications needed to install approved conservation practices and activities. Generally, technical assistance prior to a producer entering into a contract for financial assistance is considered part of CTA. After a producer signs a contract for financial assistance, technical assistance is funded from the individual mandatory program rather than CTA. Once the financial assistance contract is complete, most mandatory program funds are no longer available to support ongoing assistance in maintaining the conservation plans, practices, and activities implemented under the mandatory program.

Increased mandatory funding for the farm bill conservation programs, therefore generally require a corresponding increase in discretionary funding since technical assistance prior to a financial assistance contract generally is funded through discretionary spending accounts (i.e., CTA). For example, the IRA which increased farm bill conservation programs, provided additional funding for CTA.[39] Proposals to further increase conservation programs in the next farm bill without an increase in discretionary spending accounts could hinder implementation. Additionally, Congress could consider how technical assistance is currently funded and whether additional changes could be made to the current accounting structure.

Watershed Programs

While originally enacted as stand-alone legislation and not typically amended through a farm bill, increased interest in the USDA watershed programs could drive further amendments or funding in the next farm bill. USDA provides assistance for watershed activities under three primary programs that are administered by NRCS. The Watershed and Flood Prevention Operations (WFPO) program authorizes NRCS to provide technical and financial assistance to state and local organizations to plan and install measures to prevent erosion, sedimentation, and flood damage and to conserve, develop, and utilize land and water resources.[40] The Watershed Rehabilitation Program funds rehabilitation projects for dams previously constructed under WFPO in order to bring them into compliance with applicable safety and performance standards or to decommission the dams so they no longer pose a threat to life and property.[41] The Emergency Watershed Protection (EWP) program provides technical and financial assistance to reduce hazards to life and property in watersheds damaged by natural disasters.[42]

The 2018 farm bill authorized $50 million annually in permanent mandatory funding for WFPO and Watershed Rehabilitation Program activities. The mandatory funding is in addition to discretionary funding usually provided through annual appropriations. All three watershed programs were provided additional funds through the Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58).[43] These additional funds have renewed interest from local project sponsors in the watershed programs and could result in expanded congressional interest during the next farm bill debate.

Conservation Compliance

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. This provision has been amended numerous times to remove certain farm program benefits and add others. The 2018 farm bill made relatively few changes to compliance requirements. Some view these conservation compliance requirements as burdensome, and they are unpopular among producer groups. Conservation compliance has

[39] The IRA §21002(a)(1) provided $1 billion for CTA to remain available through FY2031.

[40] The Watershed and Flood Prevention Operations (WFPO) program consists of two authorities—Watershed Protection and Flood Prevention Act of 1954 (P.L. 83-566) and Flood Control Act of 1944 (P.L. 78-534). For additional information, see CRS Report R46471, *Federally Supported Projects and Programs for Wastewater, Drinking Water, and Water Supply Infrastructure*.

[41] For additional information, see CRS Report R47383, *Federal Assistance for Nonfederal Dam Safety*.

[42] For additional information, see CRS Report R42854, *Emergency Assistance for Agricultural Land Rehabilitation*.

[43] The Infrastructure Investment and Jobs Act (IIJA; P.L. 117-58) provided $918 million in total for the three watershed programs. For additional information see CRS In Focus IF11990, *Infrastructure Investment and Jobs Act (IIJA): Funding for USDA Broadband, Watershed, and Bioproduct Programs*.

remained a controversial issue since its introduction in the 1985 farm bill, and debate on its existence and effectiveness is likely to continue.

Author Information

Megan Stubbs
Specialist in Agricultural Conservation and Natural Resources Policy

Disclaimer

This document was prepared by the Congressional Research Service (CRS). CRS serves as nonpartisan shared staff to congressional committees and Members of Congress. It operates solely at the behest of and under the direction of Congress. Information in a CRS Report should not be relied upon for purposes other than public understanding of information that has been provided by CRS to Members of Congress in connection with CRS's institutional role. CRS Reports, as a work of the United States Government, are not subject to copyright protection in the United States. Any CRS Report may be reproduced and distributed in its entirety without permission from CRS. However, as a CRS Report may include copyrighted images or material from a third party, you may need to obtain the permission of the copyright holder if you wish to copy or otherwise use copyrighted material.