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What are the Major Conservation Programs?

BACKGROUND

The three major categories of conservation programs are land retirement programs, working land programs, and conservation easements.

Land retirement programs provide federal payments to agricultural landowners for temporary changes in land use or management in order to achieve environmental benefits. The largest of these programs is the Conservation Reserve Program (CRP), but the category also encompasses the Conservation Reserve Enhancement Program (CREP) and the Farmable Wetlands (FW) program.

Working lands programs allow private land to remain in production, while implementing various conservation practices to address natural resource concerns specific to the area. Program participants receive some form of conservation technical assistance and planning to guide the decision on the most appropriate practices to apply, given the natural resource concerns and land condition. If selected, 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 contract. The two main working lands programs are the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP). The category also includes the Agricultural Management Assistance (AMA) program.

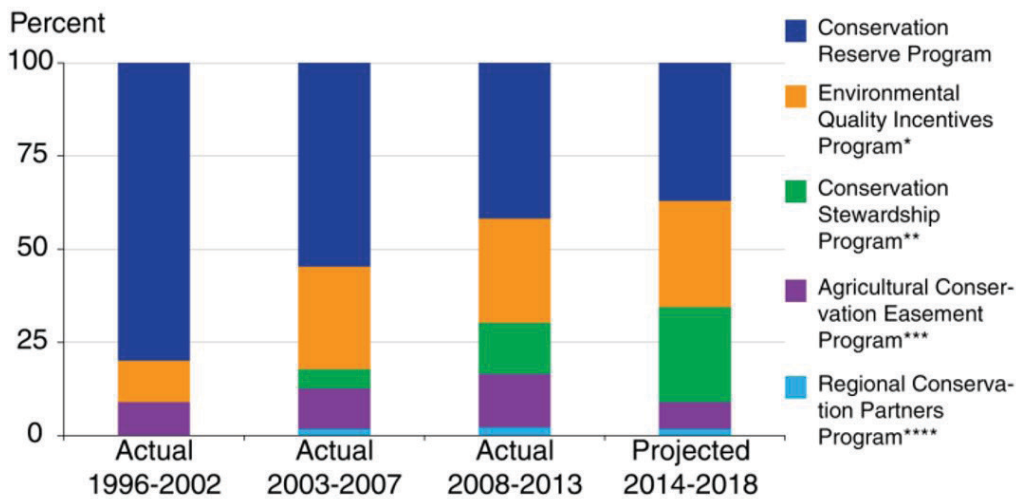
Conservation easement programs impose a permanent land-use restriction that is voluntarily placed on the land in exchange for a government payment. The Agricultural Conservation Easement Program (ACEP) establishes two types of easements: agricultural land easements and wetland reserve easements.

Other conservation programs that do not fit within the three categories include:

- The Regional Conservation Partnership Program (RCPP) creates partnership opportunities to allow local organizations to work with USDA to improve soil quality, water quantity and quality, or wildlife habitat in a specific area. Partners are required to supply a significant portion of the overall cost of the project. RCPP was established in 2014 when four programs (the Agricultural Water Enhancement Program, Chesapeake Bay Watershed Program, Cooperative Conservation Partnership Initiative, and Great Lakes Basin Program) were combined.
- Technical Assistance Programs provide landowners with science-based conservation information and technical expertise (e.g., engineering and biological) unique to the region and land use type. Financial assistance is not usually included.
- Emergency Programs provide disaster assistance for farmland rehabilitation and impairments to watersheds. Programs are usually funded through supplemental appropriation acts. These are the Emergency Conservation Program (ECP), Emergency Watershed Protection (EWP) program, and Emergency Forest Restoration Program (EFRP).

The following graphs show conservation spending under recent Farm Bills.

Share of conservation spending by major programs and predecessors in the 2014 and previous farm acts



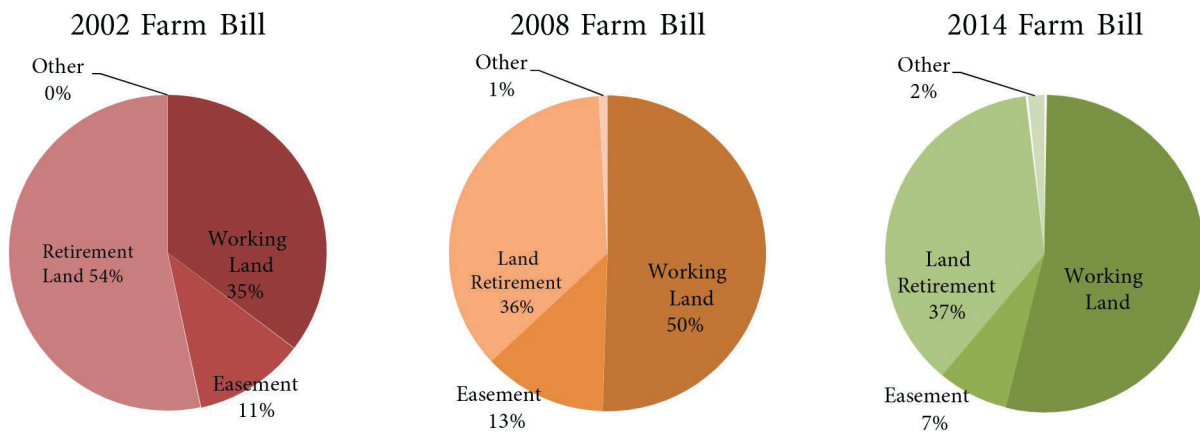
*Includes EQIP and the Wildlife Habitat Incentives Program for 1996-2013.

**Includes the Conservation Security Program for 2002-2007.

***Includes the Wetland Reserve Program, Farmland Protection Program, and Grassland Reserve Program (easement portion) for 1996-2013.

****Includes the Agricultural Water Enhancement Program, Chesapeake Bay Watershed Program, Cooperative Conservation Partnership Initiative, and Great Lakes Basin Program for 1996-2013.

Sources: ERS analysis of Office of Budget and Policy Analysis data on actual expenditures for 1996-2013; spending levels provided in the 2014 Farm Act and Congressional Budget Office estimates for 2014-2018.



As shown in the above graphs, the four major conservation programs are:

Environmental Quality Incentives Program (EQIP)

EQIP is authorized at \$8 billion between FY2014 and FY2018. The program provides financial and technical assistance to producers and landowners to plan and install structural, vegetative, and land management practices on eligible lands to alleviate natural resource problems. Eligible producers enter into contracts to receive payment for implementing conservation practices. Approved activities are carried out according to an EQIP plan developed in conjunction with the producer that identifies the appropriate conservation practice(s) to address resource concerns on the land. Contracts last up to 10 years with a \$450,000 payment limitation (a farmer's ability to waive the payment limitation has been removed).

The 2002 Farm Bill removed the restriction on providing assistance to large confined livestock operations to construct animal waste management facilities and required NRCS to direct 60 percent of EQIP assistance to livestock producers. The 2014 Farm Bill maintained this provision.

Congress also combined the Wildlife Habitat Incentives Program (WHIP) with EQIP in 2014, targeting five percent of program funding for this category.

The general EQIP, also known as state and local EQIP, provides opportunities to address priority local or state resource concerns. National EQIP incentives include a number of initiatives, including Air Quality, On-Farm Energy, Organic, Strikeforce, High Tunnel System, Landscape, Conservation Innovation Grants (CIGs), and the Colorado River Basin Salinity Project.

Conservation Stewardship Program (CSP)

CSP provides financial and technical assistance to producers to maintain and improve existing conservation systems and adopt additional conservation activities. Under CSP, participants must meet a “stewardship threshold” for a set number of priority resource concerns when they apply for the program, and then must agree to meet or exceed the stewardship threshold for additional priority resource concerns by the end of the five-year contract. In exchange, participants receive annual payments that are based, in part, on conservation performance.

The program is limited by the number of acres available for enrollment each fiscal year, not total funding. Enrollment is offered through a continuous sign-up and applications are accepted year-round. Participants in CSP are required to address two priority resource concerns upon entry and meet or exceed one additional priority resource concern by the end of the contract. Contract renewal participants must meet the threshold for two additional priority resource concerns or exceed the threshold for two existing priority resource concerns.

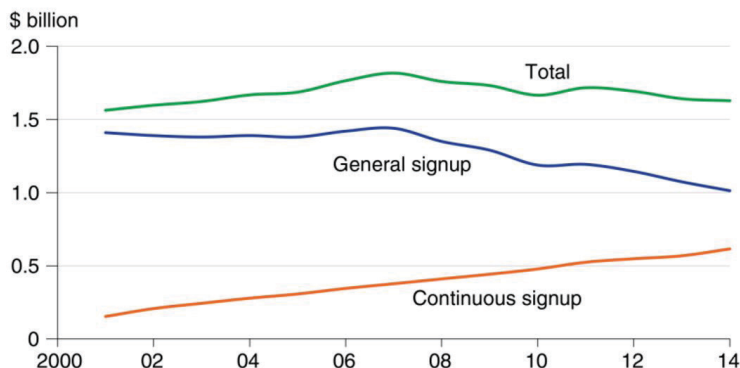
Enrollment in CSP can be up to 10 million acres annually. At the end of FY2013, 59 million acres were enrolled in CSP.

Conservation Reserve Program (CRP)

CRP is the largest federal, private-land retirement program. It costs approximately \$2 billion annually. The program provides financial compensation for landowners (annual rental rate) to voluntarily remove land from agricultural production for an extended period (typically 10 to 15 years) for the benefit of soil and water quality improvement and wildlife habitat. CRP enrollment is capped each year, with the final and lowest cap kicking in at 24 million acres in FY2018.

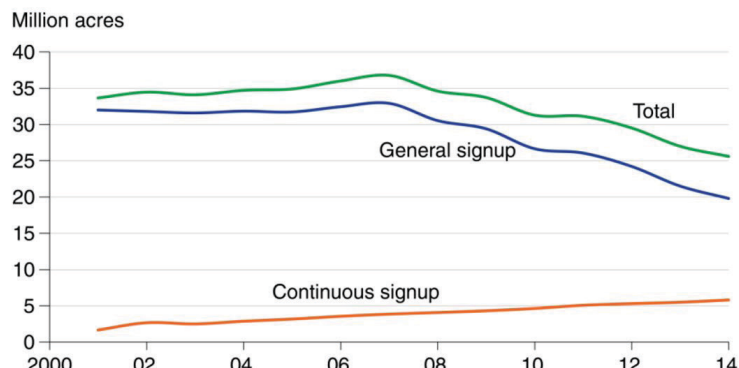
Emergency harvesting, grazing, and other use of forage are permitted, in some cases, without a reduction in rental rate, as well as livestock grazing for a beginning farmer or rancher. Other approved activities, such as annual or routine grazing, may continue to require a reduction in rental rates. CRP participants may terminate their contract early if the land has been enrolled longer than five years and does not contain environmentally sensitive practices.

Conservation Reserve Program annual payments, 2001-2014



Notes: General CRP signups are competitive and generally enroll whole fields or whole farms. They are announced on a periodic basis by the Secretary of Agriculture; there is no fixed schedule. Environmentally desirable land devoted to certain conservation practices (including riparian buffers, field-edge filter strips, grassed waterways, wetland restoration, and others) may be enrolled in CRP at any time, without competition, under continuous signups. Source: ERS, based on data from Farm Service Agency CRP summaries.

Conservation Reserve Program acreage, 2001-2014

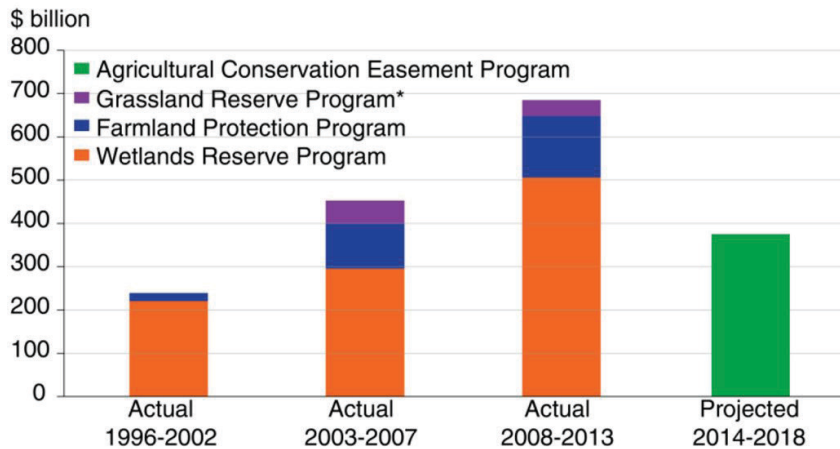


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Agricultural Conservation Easement Program (ACEP)

ACEP is a voluntary program that is used to protect land from development with permanent or long-term easements. Participants are compensated based on a fair market easement value of the conservation easement. ACEP requires USDA to enter into partnership agreements with eligible entities to purchase agricultural land easements. Agreements with certified entities are a minimum of five years with a review and recertification required every three years thereafter. Agreements with non-certified entities are three to five years in length. The entities agree to share the cost of the easement, purchase easements according to USDA's requirements and enforce and monitor easements purchased. Agricultural land easements allow production to continue on the land while prohibiting nonagricultural uses.

Average annual spending for Agricultural Conservation Easement Program and predecessor programs¹



¹In constant dollars (2012), assuming 2 percent inflation for 2014-2018.

*Includes only easement portion (60 percent of GRP program funding).

Sources: ERS analysis of Office of Budget and Policy Analysis data on actual expenditures for 1996-2013; spending levels provided in the 2014 Farm Act for 2014-2018."