



## Congress Poised To Cut Conservation Funds That Aided Farm Bill's Passage

By Craig Cox, Midwest Vice President, September 2008

Behind the thin green gloss Congressional leaders spread across the subsidy-laden 2008 farm bill, key Democratic lawmakers are hacking away at promises to expand conservation and other environmental programs.

When the bill became law on June 18, House Speaker Nancy Pelosi boasted that it would represent "historic new investments" in programs to protect water quality and wildlife. Those investments helped mute the opposition of many in Congress and some interest groups, who objected to the bill's continuation of hefty subsidies to large, wealthy farm operators now earning record incomes in the ongoing commodity boom.

But within weeks of the farm bill's passage, the Senate appropriations committee sent to the Senate floor a spending bill (S.3289) that would slash conservation measures by \$331 million in fiscal year 2009.

Commodity subsidies that provide billions to the richest farmers each year remained untouched.

This farm bill bait-and-switch routine by the Democratic Congress mirrors a longstanding Republican tradition of broken promises where pledges to increase money for environmental programs are followed by systematic and dramatic cuts that have left conservation programs billions short over the past decade.

For every \$10,000 in crop subsidies Congress sends to the most heavily polluting counties in the Corn Belt, just one dollar is spent on conservation. In the 124 counties that cause 40% of spring nitrate fertilizer pollution, the ratio between subsidies and conservation spending is 500 to one.<sup>1</sup> Tens of thousands of farmers are turned away from USDA conservation programs every year because Congress cuts the budgets.

It is no wonder, then, that agriculture remains the number one source of water pollution in the nation.

And the situation is likely to get worse. High commodity prices and the Congressional ethanol mandates and subsidies have brought millions more acres into production. Corn acreage, potentially the most environmentally damaging, hit a 50-year high in 2007. As farmers plant fencerow to fencerow to take advantage of subsidies and a strong market, conservation funding is needed more than ever before.

With final action pending, Congress can—and must—restore funding for conservation programs that legislators were lauding just months ago as a major farm bill improvement.

## Vital Programs Cut

The Environmental Quality Incentives Program (EQIP) takes the brunt -- 86 percent -- of the conservation cuts (Table 1). EQIP is the centerpiece of the nation's effort to help producers conserve soil, improve water quality, and enhance wildlife habitat on their working farms and ranches. Yet the Senate Committee cuts this critical program by 21 percent, denying \$285 million to farmers and ranchers who want to improve the way they are conserving resources and protecting the environment. In 2007, lack of funding forced the U.S. Department of Agriculture's Natural Resource Conservation Service to turn away 40,000 producers who wanted to participate in EQIP.<sup>2</sup> The cuts Congress is proposing would increase that funding shortfall from \$860 million to over \$1.2 billion.

Other important programs are also slated for significant spending reductions: Wildlife Habitat Incentive Program (WHIP) cut 13 percent, Grassland Reserve Program (GRP) cut 23 percent, Agricultural Management Assistance (AMA) cut 33 percent, and the Farmland and Ranchland Protection Program cut by 12 percent.

**Table 1: Pending Conservation Program Cuts**

<b>S.3289 CONSERVATION CUTS (\$ Millions)</b>				
Program	Pledged in Farm Bill	Pending Appropriations Level	Cut	Percent Cut
<b>Conservation Stewardship Program</b>	\$230	\$230	\$0	0
<b>Environmental Quality Incentive Program</b>	\$1,337	\$1,052	-\$285	-21%
<b>Agricultural Water Enhancement Program</b>	\$73	\$73	\$0	0%
<b>Conservation Reserve Program</b>	\$1,859	\$1,859	\$0	0%
<b>Wetlands Reserve Program</b>	\$283	\$283	\$0	0%
<b>Wildlife Habitat Incentive Program</b>	\$85	\$74	-\$11	-13%
<b>Grazingland Reserve Program</b>	\$63	\$48	-\$15	-24%
<b>Agricultural Management Assistance</b>	\$15	\$10	-\$5	-33%
<b>Farmland and Ranchland Protection Program</b>	\$121	\$106	-\$15	-12%
<b>Chesapeake Bay Watershed</b>	\$23	\$23	\$0	0%
<b>TOTAL</b>	<b>\$4,089</b>	<b>\$3,758</b>	<b>-\$331</b>	<b>-8%</b>

The Senate panel has left intact the farm bill's new Conservation Stewardship Program, which provides for payments of up to \$200,000 over 5 years to farmers who pledge to increase their commitment to conservation. But farmers who want to participate will be unable to receive aid for months while the U.S. Department of Agriculture comes up with rules, guidance and sign-up procedures. Senate appropriators went along with the farm bill's plan to fund the Chesapeake Bay Watershed Program, a new initiative, at \$23 million for fiscal year 2009. But that gain will be offset by the Chesapeake Bay States' share of the cuts the Senate committee has proposed.

The Wetlands Reserve Program (WRP), a perennial candidate for cutbacks in past appropriations cycles escaped the appropriations committee axe; garnering the full farm bill spending level of \$283 million for FY 2009.

## Soil, Water and Wildlife Threatened

Conservation funding is dwindling just as threats to natural resources and the environment are multiplying:

- The commodity boom is inducing farmers to intensify production to profit from historically high crop prices.
- Federal laws pushing increased use of renewable biofuels, derived largely from corn and soybeans, are driving fence-row-to-fence-row production to meet growing demand for food, feed and fuel.
- Storms are becoming more frequent and severe, a trend most scientists predict will accelerate with global warming, aggravating both soil erosion and agricultural chemical runoff.

The U.S. Department of Agriculture estimates that producers took 2.7 million acres of environmentally sensitive land out of the Conservation Reserve Program (CRP) in 2007 and predicts that another 9.3 million acres will leave the CRP by 2010. If these projections prove accurate, the CRP will shrink by nearly one-third -- threatening wildlife habitat and exacerbating the risk of soil erosion and polluted runoff.

Even before the commodity boom kicked in, conservation measures undertaken on farms and ranches over the past decade have been inadequate:

- The USDA's National Resources Inventory for 2003 reports that U.S. farmers have made no significant progress in reducing erosion since 1997.<sup>3</sup>
- According to surveys conducted by the Conservation Technology Information Center, farmers used no-till practices on only 22 percent of crop acres in 2004.<sup>4</sup>
- The USDA Economic Research Service (ERS) reported an increase in conventional tillage on highly erodible land between 1996 and 2002.<sup>5</sup>
- ERS Agricultural Resource Management Survey reports that in 2005, the most recent data available, farmers chose autumn -- the worst time environmentally -- to apply nitrogen on one-third of U.S. corn acres. In Iowa and Illinois, the top two corn producing states, over half the corn acres received fall applications of nitrogen.<sup>6</sup>

As these data attest, U.S. farm policy must focus on helping thousands more farmers through voluntary conservation programs. Instead, Congress is short-changing conservation programs and erecting barriers that will only frustrate the tens of thousands of farmers who want to participate in these programs.

## More of the Same

Congressional farm leaders of both parties have a long history of breaking environmental funding promises written into farm bills to make them more politically palatable to the full House and Senate. Congressional appropriators, for example, spent \$1.7 billion less on conservation programs than the 2002 farm bill authorized (Table 2). Between 2003 and 2007, appropriations for the Environmental Quality Incentives Program fell short of its farm bill authorization by \$692 million, the Wetlands Reserve Program by \$424 million, the Conservation Security Program (predecessor of the new Conservation Stewardship Program) by \$278 million and the Wildlife Habitat Incentive Program by \$141 million.

The Congressional Budget Office estimates that if Congressional appropriators spend all the money authorized by the 2008 farm bill, conservation programs will receive \$3.8 billion in additional funds between 2008 and 2012.<sup>7</sup> But 45 percent of that so-called "new money" for conservation represents what Congress promised in 2002 -- but never actually delivered. If the Senate agriculture appropriators prevail, 55 percent of the "new money" for conservation will be needed just to cover the conservation shortfall left over from the 2002 farm bill.

If the funding cuts for the environment stick, all of the Congressional leadership's claims of progress protecting water supplies and wildlife will be seen as bogus -- come-ons aimed at snagging votes and silencing skeptics of bloated subsidies programs. Congress must fully restore conservation funding to authorized levels. We can't afford more of the same.

**Table 2: 2002 Farm Bill Conservation Shortfalls**

<b>FUNDING SHORTFALLS 2003 THROUGH 2007 (\$ Millions)</b>			
<b>PROGRAM</b>	<b>PROMISED</b>	<b>PROVIDED</b>	<b>SHORTFALL</b>
<b>CSP</b>	\$1,039	\$761	-\$278
<b>EQIP</b>	\$6,000	\$5,308	-\$692
<b>Ground and Surface Water</b>	\$310	\$274	-\$36
<b>CRP</b>	\$11,412	\$11,412	\$0
<b>WRP</b>	\$2,121	\$1,697	-\$424
<b>WHIP</b>	\$360	\$219	-\$141
<b>GRP</b>	\$293	\$293	\$0
<b>AMA</b>	\$110	\$60	-\$50
<b>FPP</b>	\$597	\$498	-\$99
<b>TOTAL</b>	\$22,242	\$20,522	-\$1,720

## References

<sup>1</sup> Environmental Working Group. "Dead in the Water." April 2006.

<sup>2</sup> U.S. Department of Agriculture, Natural Resources Conservation Service. EQIP Program Data. [http://www.nrcs.usda.gov/programs/eqip/2007Contracts/2007\\_EqipUnfunded.html](http://www.nrcs.usda.gov/programs/eqip/2007Contracts/2007_EqipUnfunded.html)

<sup>3</sup> U.S. Department of Agriculture, Natural Resources Conservation Service. 2003 Annual National Resources Inventory. <http://www.nrcs.usda.gov/TECHNICAL/NRI/2003/nri03eros-mrb.html>

<sup>4</sup> U.S. Department of Agriculture, Economic Research Service. "Agricultural Resources and Environmental Indicators 2006 Edition." EIB-16 2006.

<sup>5</sup> Kim C.S., W. Quinby and T. Payne. "ARMS Data Highlights Trends in Cropping Practices." Amber Waves. July 2006. <http://www.ers.usda.gov/AmberWaves/July06SpecialIssue/DataFeature/>

<sup>6</sup> U.S. Department of Agriculture, Economic Research Service. Agricultural Resource Management Survey Dataset. <http://www.ers.usda.gov/data/arms/app/crop.aspx>

<sup>7</sup> Congressional Budget Office. Food, Conservation, and Energy Act of 2008 Conference Agreement Compared to March 2007 Baseline. May 12, 2008.