



**KEY AGRICULTURAL STATES  
STAND TO LOSE BILLIONS UNDER  
HOUSE BILL WORKING LANDS  
CONSERVATION PROPOSAL**

**Report Produced by:**

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**KEYWORDS AND PROGRAMS:** FARM BILL, CONSERVATION, CONSERVATION STEWARDSHIP PROGRAM (CSP), ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP), STATE ALLOCATIONS

**ABSTRACT:**

This special report analyzes the impacts of the House’s farm bill proposal to eliminate the Conservation Stewardship Program (CSP) and fold some of CSP’S funding into the Environmental Quality Incentives Program (EQIP). As a result of the different allocation formulas and functions of these two primary working lands conservation programs (CSP and EQIP), the analysis found that the implications of the House’s proposed shift would result in billions of dollars in conservation funding leaving the regions of the country that have historically relied on comprehensive conservation assistance. The most impacted states are also states with significant agricultural production and conservation needs. Additionally, the report illuminates the intersection between the states that stand to lose the most and the states with representation on the farm bill conference committee and House and Senate Agriculture Committees.

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**INRODUCTION:**

Farmers across America rely on technical and financial support from federal conservation programs to help keep their operations profitable and sustainable. The fate of these programs – and in many cases the fate of the farmers who rely upon them – currently rests with a group of congressional conferees who are working to reconcile the disparate House and Senate drafts of the 2018 Farm Bill. With the current farm bill (the 2014 Farm Bill) expiring on September 30, there is little time and a lot at stake for those vested in keeping farmland and our natural resources healthy and vibrant into the future.

The differences between the House and Senate draft farm bills are myriad. The House bill, for example, proposes to weaken or flat-out eliminate many successful food and farm

programs – including major conservation programs – while the Senate bill largely maintains or even expands such programs. The Conservation Title is no exception, particularly when it comes to each bill’s approach to our two most significant working lands conservation programs: the Conservation Stewardship Program (CSP) and Environmental Quality Incentives Program (EQIP).

The House bill [proposes to eliminate CSP](#) as an independent program and fold some of its funding into EQIP in order to create a new “stewardship contracts” option. Though House leadership has consistently claimed to be retaining the best parts of CSP in their proposed program reorganization, the fact is that the stewardship contracts approach lacks most of the key ingredients that allow CSP to support advanced conservation systems.

If the House bill were to be adopted, total working lands conservation spending would be reduced by \$5 billion over the next decade. Regardless of the shift of some CSP funds into EQIP, the overall effect would still be a huge net loss. Large as it may be, \$5 billion is only the tip of the iceberg. This figure still factors in the funds that Congress would have to spend to honor (pay) existing CSP contracts over the next five years. Once those contracts are over (and with no new CSP contracts enrolled), the total cut to working lands conservation funding becomes nearly twice as severe in the decade following the next five year farm bill cycle.

The Senate bill, in contrast, proposes to retain both EQIP and CSP as unique and complementary programs. The Senate also makes important policy improvements that increase conservation program access and environmental benefits, including increased support for cover crops, crop rotation, and managed grazing. Both bills, unfortunately, reduce working lands conservation funding. The Senate bill, however, would reduce funding by half the amount of the House bill over the next decade; it also refrains from any actions that would cause deeper, long-term funding cut after ten years.

For more details on the core differences between the two bills’ approaches to conservation, see NSAC’s comparative analysis [here](#).

### **CONSERVATION PROGRAM FUNCTIONS AND FUNDING ALLOCATIONS:**

CSP and EQIP, the nation’s two primary working lands conservation programs, are structured to deliver complementary – though unique – approaches to conservation. EQIP provides cost share assistance for individual practices, with a strong focus on structural practices and equipment. CSP offers comprehensive conservation assistance for farmers to help them to address multiple resource concerns across their entire agricultural operation. While EQIP offers producers an “on-ramp” to conservation, CSP is a comprehensive, whole-farm approach with a strong focus on environmentally beneficial management practices that go above and beyond basic EQIP standards.

There are no conservation eligibility requirements for EQIP, but CSP participants must meet basic stewardship thresholds to qualify for the program. EQIP can serve as a stepping-stone for individual practice assistance to help a participant increase their overall level of stewardship, and after a producer has achieved a base level of stewardship they can then qualify for CSP to implement more advanced practices.

Not only do CSP and EQIP function differently in terms of the type of conservation assistance they provide, but they also differ significantly in how the programs allocate funds to the states. Because CSP is an acreage-based program that provides comprehensive conservation assistance, the major factor in the allocation formula is each state's agricultural acreage in proportion to total agricultural acreage nationally. The CSP allocation formula is therefore simple and based on a fair metric.

The allocation formula for EQIP, by contrast, is based on a complex formula that reflects national priorities, natural resource concerns, and state assessments of conservation targets, among other factors. The EQIP formula also includes a mandatory minimum allocation per state and a strict limit on any annual changes away from historic norms. According to the nonpartisan Government Accountability Office, EQIP state allocations "are primarily influenced by historical funding amounts rather than environmental concerns or benefits."<sup>1</sup>

The following analysis outlines how the House approach will significantly move conservation funding away from states that have historically benefited heavily from CSP, and toward a few states that historically receive large shares of EQIP funding. Geographically, this will result in the shifting of billions of dollars in conservation funding away from the Midwest, the Delta, the Plains, and the Pacific Northwest. The primary beneficiaries will be states that have historically received the largest allocations of EQIP funding, primarily California and Texas. As a result, many major agricultural states that depend significantly on working lands conservation programs to meet sustainable production and nutrient loss goals will be left short.

### **SHIFTING CONSERVATION FUNDS – MORE WINNERS THAN LOSERS:**

The House draft farm bill's (H.R. 2) proposal to eliminate CSP would result in a significant geographic shift of total working lands conservation funding. The chart and map below illustrate which states would lose most significantly if the House proposal were to be adopted, and also highlights the members of the House and Senate Agriculture Committees whose constituents would be negatively impacted by shifting funding to a single rather than dual program allocation formula.

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<sup>1</sup> "USDA's Environmental Quality Incentives Program Could Be Improved to Optimize Benefits". U.S. Government Accountability Office. April 2017, page 21.

Table 1. States that Experience a Net Decrease in Working Lands Funding Over 10 Years under House Farm Bill\*

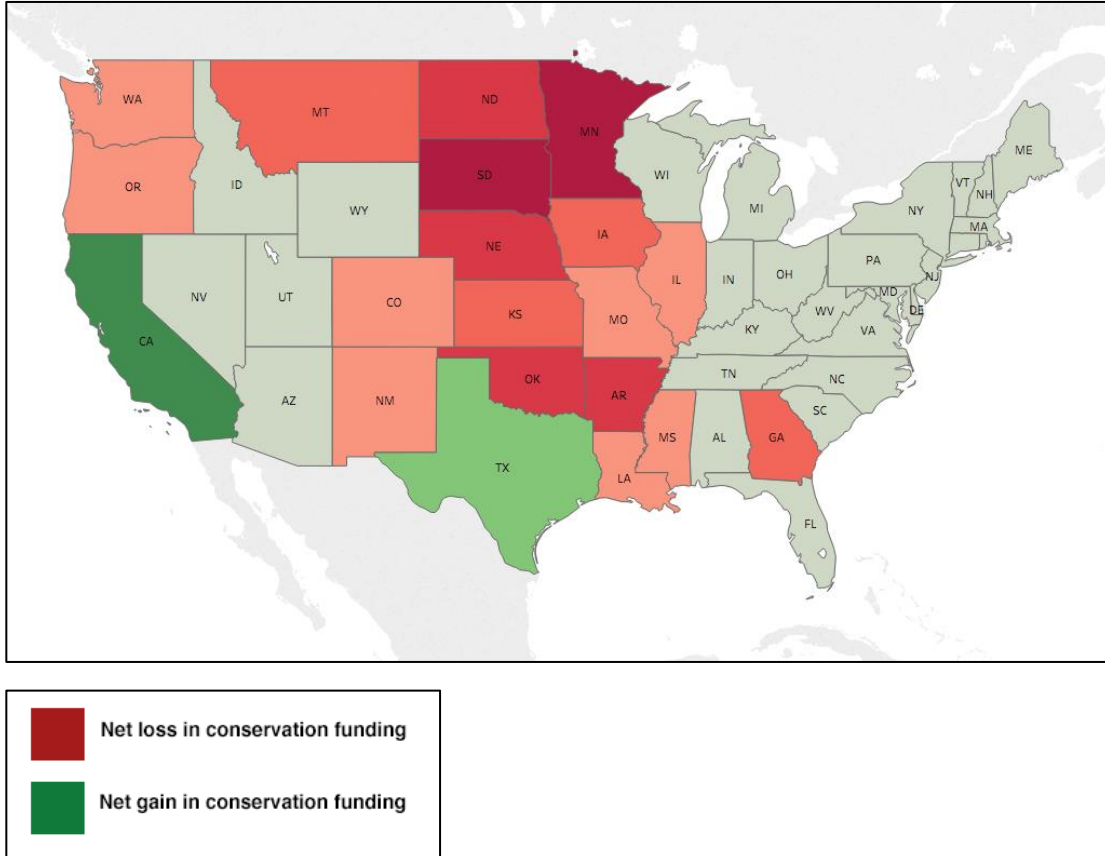
State	Net Decrease in Working Lands Funding under House Farm Bill	Agriculture Committee Member(s)
Minnesota	-\$801,754,337	Senate: Klobuchar, Smith House: <b>Peterson, Walz, Nolan</b>
South Dakota	-\$745,884,304	Senate: Thune
North Dakota	-\$729,752,264	Senate: <b>Hoeven, Heitkamp</b>
Nebraska	-\$563,717,105	Senate: Fischer House: Bacon
Arkansas	-\$556,604,423	Senate: <b>Boozman</b> House: Crawford
Oklahoma	-\$526,359,138	House: <b>Lucas</b>
Kansas	-\$446,404,923	Senate: <b>Roberts</b> House: <b>Marshall</b>
Iowa	-\$386,407,527	Senate: <b>Ernst</b> , Grassley House: King
Montana	-\$379,363,119	Senate: Daines
Georgia	-\$319,132,556	Senate: Perdue House: <b>A. Scott, D. Scott</b> , Allen
Illinois	-\$292,394,711	House: Bost, <b>Davis, Bustos</b>
Missouri	-\$216,694,135	House: <b>Hartzler</b>
Louisiana	-\$216,496,748	House: Abraham
Mississippi	-\$162,797,660	Senate: Hyde-Smith House: Kelly
Oregon	-\$148,679,778	
Washington	-\$139,425,040	
New Mexico	-\$137,266,048	House: <b>Lujan-Grisham</b>
Colorado	-\$112,955,042	Senate: Bennet

\*Farm bill conferees in bold

The map below illustrates the states that stand to lose the most in conservation funding (over or under \$100 million over the 10 year funding window): those located in the Midwest,

the Delta, the Great Plains, the Pacific Northwest, plus the state of Georgia. These states contribute significantly to the country's total agricultural production and also have considerable need when it comes to conservation assistance.

**Figure 1. Conservation Funding Net Change by State\***



*\*Darker colors indicate more significant net changes*

While 18 states stand to lose significant sums of conservation funding, just two would benefit on the same scale: California and Texas. California would be the biggest winner by far under the House bill, gaining \$524,791,871 in conservation funds. Texas also receives a large gain, though considerably than California, of \$202,101,490. Those two states come out winners largely because, thanks to the EQIP formula, they have historically been at the very top of the list for EQIP allocations. If California and Texas were to use more of their share of the initial CSP allocation, however, the differences between these two states and the rest would not be as great. Historically, however, they have chosen not to take their full CSP allocation, perhaps in part due to the fact that they have a great deal of EQIP funding to process each year.

**METHODOLOGY:**

To determine the shift in working lands conservation funding, we considered the state obligations for EQIP and CSP funding between 2009 and 2017, all of which were obtained

from USDA's Natural Resources Conservation Service (NRCS). The total percentage share that each state has received historically from these two programs was then identified; this figure is reflective of average utilization rates relative to all states. Each state's share of total EQIP or CSP funding was multiplied by the total increase for EQIP (\$7.69 billion) and total decrease for CSP (\$12.62 billion) under the House farm bill in order to calculate each state's share of the total EQIP increase and CSP decrease.

The total EQIP increase and CSP decrease were summed to determine the expected net change by state for working lands conservation funding, assuming that the House proposal to eliminate CSP were adopted in the 2018 Farm Bill. The map illustrating the estimated net gains and losses in conservation funding was shaded to reflect degree of net loss or gain from those states with the most significant funding shifts over the 10-year period. The gray states on the map would likely see small increases or decreases, but on a much smaller order of magnitude than the colored states.

We did not analyze the effect of the Senate bill's cuts in this report because the Senate bill leaves both CSP and EQIP intact and the cuts to the two programs were nearly comparable in size. The Senate bill therefore would not lead to any significant geographic shifts in funding distribution, as compared to current law.

Note: The Senate bill redistributes funding cut from EQIP and CSP to the Regional Conservation Partnership Program (RCPP) and the Agricultural Conservation Easement Programs (ACEP), keeping total funding for the Conservation Title level. While increases in funding for RCPP and ACEP are absolutely necessary in the next farm bill, cutting from one conservation program to fund another is not a sustainable strategy. Instead, the 2018 Farm Bill should restore the \$6 billion in conservation cuts made in the 2014 Farm Bill, thereby allowing for necessary program increases without harming other successful programs.

## **CONCLUSION:**

If the House's proposal to eliminate CSP and dramatically reduce overall conservation funding in the 2018 Farm Bill is adopted, a majority of American farmers will face dramatic decreases in conservation assistance and by extension the benefits associated with conservation activities. As depicted both in the previous table and color-coded map, the losers in this scenario far out number the winners. In fact, the losers include far more stakeholders than just those states and producers who will see a drop in conservation assistance funds.

Because stewardship efforts will drop overall, in some places more dramatically than others, all Americans will lose as our shared natural resources are put at unnecessary risk. Conservation programs protect the water, soil, and air on farms, but that assistance actually goes far beyond farmland and provides a net benefit to wildlife, local flora, and to neighbors

near and far who may share in that farm's natural resources. According to a [recent report](#) by the Union of Concerned Scientists, for every dollar of taxpayer money invested into CSP, roughly \$3.95 is generated in returned value. Using this calculation for return on investment, under H.R. 2 (which eliminates CSP) Americans would lose roughly \$4.7 billion dollars in CSP-generated benefits per year.

In order to keep our farms and our natural resources resilient for generations to come, the next farm bill must invest its working lands conservation dollars fairly, addressing the conservation needs of all regions of the country. Given the unique functions, structures, and allocation processes of EQIP and CSP, it is critical not only that funding is maintained for these important programs, but also that the farm bill protects the integrity of each respective program and funding allocations.

The Senate bill offers such a path forward that protects programs while simultaneously making improvements to EQIP and CSP that will increase access to and utilization of these programs nationwide.

#### **ADDITIONAL INFORMATION AND RESOURCES:**

For more background information of EQIP and CSP under the current farm bill, visit our [Grassroots Guide to Federal Farm and Food Programs](#).

- NSAC Blogs, Comments, and Resources on Working Lands Conservation:
  - [Conservation, Energy, and Environment Blogs](#)
  - [Path to the 2018 Farm Bill: Comprehensive Conservation Reform](#)
  - [The Facts about Working Lands Conservation in the House Draft Farm Bill](#)
  - [Farmers' Guide to the Conservation Stewardship Program](#)
  
- “What Congress Does Next Could Cost Farmers and Taxpayers Billions,” Union of Concerned Scientists. August 2018.

For questions regarding this report email: [info@sustainableagriculture.net](mailto:info@sustainableagriculture.net), or visit our website: [www.sustainableagriculture.net](http://www.sustainableagriculture.net)