Conservation Compliance

A Covenant between Farmers and Taxpayers

Reconnecting conservation compliance to crop insurance premium subsidies in the farm bill will ensure that taxpayer money encourages good stewardship.

- Conservation compliance prevents soil erosion and protects wetlands, both of which protect overall water quality.
- Conservation compliance is not a regulation; it is an eligibility requirement to receive federal subsidies.
- Conservation compliance is not a new concept; it has been required for participation in many farm bill programs since 1985.
- However, since 1996, conservation compliance has not been required for producers receiving taxpayer-funded crop insurance premium subsidies.
- In the next farm bill, direct payments will most likely be eliminated. Many farmers who were previously subject to conservation compliance will no longer be required to refrain from draining wetlands or to use conservation plans.
- We must close this loophole by reconnecting conservation compliance to crop insurance premium subsidies in the next farm bill. It is a simple and fair agreement that ensures individuals benefitting from a taxpayer-funded safety net do not harm public resources.

What is conservation compliance?

Conservation compliance includes two provisions:

Conservation Compliance = Wetland Conservation + Soil Conservation

Conservation compliance prevents farmers who drain wetlands, or those who farm highly erodible lands (HEL) without a conservation plan, from qualifying for certain farm bill subsidies.

Conservation compliance is not a new concept. Since the 1985 Farm Bill, it has been required for participation in many farm bill programs, including direct payments and conservation programs. However, farmers who receive taxpayer-funded premium subsidies on crop insurance are not currently required to meet conservation compliance provisions.


Farmers need a safety net, but so do our natural resources. Conservation compliance helps prevent erosion (left) and protect our remaining wetlands (right). Wetland losses are likely to accelerate in the coming years unless conservation compliance is coupled to crop insurance. Photo credits: NRCS and USFWS

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Why should we reconnect conservation compliance to crop insurance in the next farm bill?

Over the last 15 years, Congress has increased the subsidy amounts on crop insurance, making it the largest subsidy to agricultural producers. On average, taxpayers now fund 62% of individual crop insurance premiums.[1] The baseline budget for crop insurance is $90 billion over the next 10 years.[2] The next farm bill will most likely replace a system of direct payments with a crop insurance safety net. ***If conservation compliance is not linked to crop insurance, for the first time since 1985, the largest subsidies going to farmers will not be linked to basic stewardship measures.*** Taxpayers will be encouraging agricultural practices that put our country's natural resources at risk.

Conservation compliance is not a form of regulation.

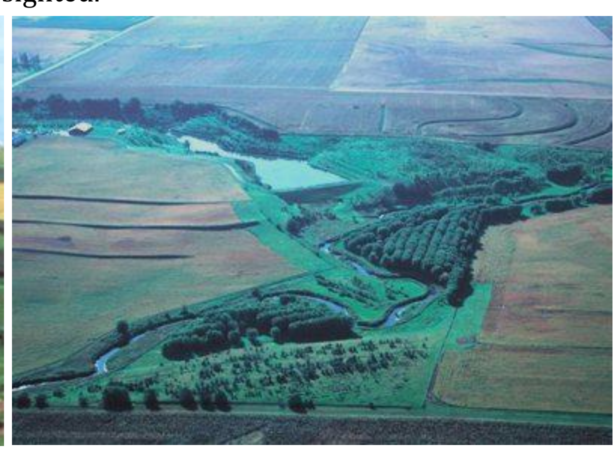
It is an eligibility requirement to receive taxpayer-funded support. Producers are free to drain wetlands on their property or farm highly erodible land without a conservation plan; however, by doing so, they forfeit their eligibility for federal subsidies on that land. It is only fair to protect the public from unsustainable soil loss, nutrient pollution, and wetland loss in return.

Conservation compliance works.

Conservation compliance can be credited with 295 million tons of soil reduction between 1982 and 1997.[3] After compliance was enacted in 1985, annual wetland loss was greatly reduced – from 235,000 acres per year to 27,000 acres per year from 1992 to 1997.[4] Conservation compliance will be even more effective if it is applied to crop insurance premium subsidies.

Conservation compliance is even more necessary during current budget constraints.

Conservation funding has been subject to tremendous cuts in recent years, but conservation compliance saves money. ***Without conservation compliance, the USDA estimates that 5.6 to 10.9 million acres of highly erodible land and 1.5 to 3.3 million acres of wetlands that are not currently farmed could be placed into production***, with potentially costly consequences to public resources.[5] In a time of ever tightening fiscal constraints, spending taxpayer dollars to subsidize harmful practices would be wasteful and short-sighted.



In contrast with the image on the front page, conservation practices protect nearby waterways from harmful erosion and nutrient pollution, and benefit the farmer in the long run by preserving soil and making the land more productive. Photo credits: Iowa State Extension (left) and Lynn Betts, NRCS (right).

[1] Congressional Research Service, 2012. *Federal Crop Insurance: Background and issues.*

[2] Congressional Research Service, 2012. *Previewing the Next Farm Bill.*

[3] Claasen, Roger. 2004. Conservation compliance may reduce soil erosion. Amber waves 2:3. Economic Research Service.

[4] Natural Resources Conservation Service. 2012. *Wetland Conservation Provisions: Swampbuster*.

[5] USDA Economic Research Service. 2009. *Conservation Policy: Compliance Provisions for Soil and Wetland Conservation.*