

Conservation in the Farm Bill: A Sound Investment The Economic Benefits of Conservation Programs

When taxpayer dollars are invested in our prairies, wetlands, and soils, Americans see a financial return on those investments from reduced costs and increased economic activity.

Conservation reduces the cost of restoring degraded natural resources.

Benjamin Franklin said that “an ounce of prevention is worth a pound of cure.” Conservation provides a return on investment by preventing the cost of restoring our natural resources after they have been degraded. For example, by conserving soil from eroding into streams, we preserve our natural soil resource and also prevent runoff from polluting streams and rivers. The New York City Watershed Agreement is one well-known example of choosing the investment in conservation over the cost of downstream water filtration. In 1997, the city was faced with potential costs of \$4-6 billion to install a water filtration plant to clean the water flowing from its upstate watershed.¹ Instead, the City and 30 watershed communities entered into the New York City Watershed Agreement to improve the water quality upstream, for a total cost of \$1.4 billion, which included about \$700 million for conservation easements and other agricultural and forestry projects, saving the city billions.¹

Conservation creates economic opportunities.

Wildlife viewing and recreation activities, including hunting and fishing, are a \$145 billion dollar industry in the United States, providing considerable economic benefits and enjoyment for millions of Americans.² Farm Bill conservation programs make an important contribution to this industry.

Conservation practices also require technology and equipment, creating economic opportunities for small businesses. For example, cover crops are one conservation practice that has benefitted local seed dealers who sell seeds and equipment specifically for farmers planting cover crops.

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Photo (left): Credit – Ray McCormick. Cover crops are a conservation practice that provides economic opportunities for local businesses. (right) Credit – Lynn Betts, NRCS. Conservation practices improve water quality by preventing pollution and reducing downstream water filtration costs.



Return on taxpayers' conservation investment from Farm Bill programs

Example #1: Conservation Reserve Program

One of the largest and oldest Farm Bill conservation programs, the Conservation Reserve Program, provides around \$1.4 billion per year in monetized benefits, not including the value of benefits such as improved water quality and reduced loss of topsoil.³ The CRP also plays a key role in providing habitat for wildlife and is critical for protection of the water quality. The USDA Economic Research Service valued CRP wildlife recreation benefits at \$348 million per year for wildlife viewing, \$80 million per year for pheasant hunting, and \$36 million for freshwater-based recreation.⁴

Example #2: Wetland Protection and Rehabilitation

Programs like the CRP and Wetlands Reserve Program (WRP) restore wetlands, which filter up to 80% of applied nutrients and chemicals from agricultural runoff. This reduces operating costs to downstream water utilities serving millions of residents. Wetlands also provide increased water storage to prevent or reduce downstream flooding, saving communities from the cost of damage and disruption. Finally, wetlands provide habitat central to wildlife tourism and hunting economies, generating local revenue. Estimated net benefits of the WRP alone from FY2009-FY2012 equal \$859 million dollars.⁵

Example #3: Working Lands Conservation Practices

Programs like the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) provide cost-share and technical assistance for conservation practices such as cover crops, no-till, and nutrient management. These practices reduce erosion and nutrient loss and increase residue and growing plants, which increases the value to wildlife. The NRCS estimates that conservation practices in the Chesapeake Bay reduced sediment loss by 55%, loss of nitrogen by 42% and the loss of phosphorus by 41%.⁶

According to a USDA study, EQIP projects that address erosion provide over \$54 per acre in value by reducing nutrient replacement costs for farmers and avoiding costs for public works to develop alternative ways to clean up polluted waters.⁷



Photo Credit: Ray McCormick
Wildlife tourism and hunting revenue is a multi-billion dollar industry in the United States. Restoring wetlands, conservation easements, and wildlife-friendly practices on working lands contribute to the economic opportunities that this industry provides.

¹Nickens, Eddie. 1998. "A watershed paradox." *American Forests* 103, no. 4:21

²US Fish & Wildlife Service. 2012. *2011 National Survey of Fishing, Hunting, and Wildlife-Associated Recreation*.

³Cowan, Tadlock. 2010. *Conservation Reserve Program: Status and Current Issues*. Congressional Research Service.

⁴Feather, Peter; Hellerstein, Daniel; and Hansen, LeRoy. 1999. "Economic Valuation of Environmental Benefits and the Targeting of Conservation Programs: The Case of the CRP." Resource Economics Division, Economic Research Service, U.S. Department of Agriculture. Agricultural Economic Report No. 778.

⁵NRCS. 2009. "Interim Final Benefit-Cost Analysis for the Wetlands Reserve Program (WRP)."

⁶NRCS. 2011. "Assessment of the Effect of Conservation Practices on Cultivated Cropland in the Chesapeake Bay Region."

⁷NRCS. 2010. "Final Benefit-Cost Analysis for the Environmental Quality Improvement Program."