2014 Farm Bill Conference Report Analysis

The final 2014 farm bill isn't perfect, but overall, it is a very strong bill that supports conservation, wildlife, and renewable energy and includes critical funding for programs that benefit soil, water, and wildlife. The major highlight of the bill is that it includes a link between conservation compliance and crop insurance, ensuring that in exchange for receiving crop insurance premium subsidies, farmers will have to practice basic soil and wetland conservation measures on environmentally sensitive land. The inclusion of this important provision is a huge win for wildlife; not only does it save taxpayer dollars from being used to subsidize environmentally-harmful practices, but it will help to prevent the destruction of millions of acres of wetlands and the erosion of millions of tons of soil. Other highlights of the bill include: an innovative new regional conservation partnership program to protect critical areas of conservation need, an increase of potentially millions of dollars of funding to help farmers create wildlife habitat on working lands, mandatory funding for on farm renewable energy programs , continued funding for successful conservation easement programs, and, significantly, the removal of numerous anti-environmental riders that were included in the House version of the Farm Bill and would have weakened environmental protections. We are disappointed that the final farm bill included a significant cut in conservation program funding, provisions that weaken wetland protections, and that the final bill included a regional, rather than a national sodsaver provision to protect native grasslands. All said, however, we believe that the final 2014 Farm Bill is a good compromise bill that will undoubtedly be a net benefit to our nation's soil, water, and wildlife. NWF is strongly supporting this bill.

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Key provisions:

- **Conservation compliance:** The huge success story of the farm bill is a key conservation provision that requires farmers to practice commonsense soil and wetland conservation measures on vulnerable lands in exchange for receiving crop insurance premium subsidies. This measure is a top priority for NWF and many others in the conservation community and its inclusion in the final farm bill is a major conservation victory that will prevent the destruction of millions of acres of wetlands and the erosion of countless tons of soil. Unfortunately, however, the bill weakens wetland protections by providing federal subsidies to help farmers "mitigate" the destruction of their wetlands by aiding in the establishment of wetland mitigation "banks" of restored wetlands. While we are disappointed in this provision, we believe that overall, this is a huge win for conservation and will go a long way to protect soil, wetlands, and wildlife habitat while saving taxpayer dollars.

- **Sodsaver:** This farm bill contains a provision known as sodsaver that helps to protect our last remaining native prairies by limiting subsidies on land that is converted to cropland from previously unplowed and unplanted grasslands. Under this provision, farmers can still convert native grassland to cropland, but they must do so at their own risk and with only very limited subsidies. The Senate version of the bill included a national sodsaver, but the House version included only a limited regional version that would apply to parts of five states within the Prairie Pothole region. The final bill represents a compromise provision- sodsaver will apply to six full states that have prairies that are at-risk of conversion: North Dakota, South Dakota, Montana, Iowa, Minnesota, and Nebraska. These states have critically important wildlife habitat, and in the past few years, have lost grasslands at alarming rates. While it is disappointing that sodsaver will not apply nationwide, the end result is still a win for wildlife and a significant first step that can be expanded upon in the next farm bill.

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- **Funding for Conservation**: This farm bill provides $57.6 billion for conservation programs over the next 10 years. This number represents a compromise between the House and Senate versions. While we are disappointed with the overall size of the cuts to conservation programs and particularly the cuts to land retirement/easement programs that the final bill includes, we also understand that this is a compromise bill and a bill that provides deficit reduction savings. Without the swift passage of this farm bill, we'd very likely be facing a future of farm bill expirations and extensions; a future that would provide very little funding for conservation programs. This farm bill ensures that popular and effective conservation programs that help farmers conserve and protect soil, water, and wildlife habitat will continue into the future.

- **Anti-Environmental Riders:** The House version of the Farm Bill included a large number of harmful anti-environmental riders that would have undermined some of our nation's most important environmental laws. Most of these provisions were removed from the final bill, including a dangerous provision known as the King amendment that would have prevented states from setting their own standards for farm and food production, and would have invalidated hundreds of state laws, including those regulating the movement of invasive species. While the final bill did include a provision that exempts stormwater runoff from roads associated with silvicultural activities from requiring a permit under a Clean Water Act, a provision that NWF opposes, the bulk of the anti-environment riders included in the House bill did not make it into the final bill.

Conservation Title Programs

- **Conservation Reserve Program:** The Conservation Reserve Program (CRP) is the "holy grail" of habitat on the agricultural landscape. There are several species that would be listed as endangered if not for the habitat provided by this program. CRP acreage took a huge cut in the last farm bill – dropping from a cap of 39 million acres to a cap of 32 million acres. Unfortunately this 2014 Farm Bill gives the program an even bigger haircut, ratcheting the cap down to 24 million acres, as shown in the table to the right. High commodity prices have reduced demand for CRP in recent years, however, recent reductions in commodity prices, if they continue, could mean that this smaller acreage cap would not be enough to meet the demand for the program. In terms of specific provisions within the CRP program, the bill does allow for one time penalty-free early contract terminations by participants. While NWF is opposed to these "early outs" for CRP, the provision is limited only to certain types of land, and thus the impact will be very limited.

CRP Acreage Caps	
Current	**32 million acres**
2014	**27.5 million acres**
2015	**26 million acres**
2016	**25 million acres**
2017	**24 million acres**
2018	**24 million acres**

- **Environmental Quality Incentives Program (EQIP):** The EQIP program provides technical and financial assistance to farmers and ranchers to implement conservation practices on their lands. The funding levels in the final conference report are shown in the table on the right. The lower number for 2014 reflects the cut to EQIP made during the appropriations process. Overall, these are very strong funding levels for the EQIP program, and it will be critical to make sure that the appropriations process does not continue to cut into EQIP dollars. The Wildlife Habitat Incentives Program (WHIP), a successful and popular program that provides cost share for farmers and landowners to create wildlife habitat on their land, was combined into EQIP in this bill. Importantly, the final bill includes a minimum amount of EQIP funding to be used for WHIP, not a maximum as was in the House bill, which would have been a major net loss to wildlife habitat funding. By allowing at least 5% of EQIP funding to go to wildlife practices, this is a big win for wildlife that will ensure that millions of dollars of funding can be used to help farmers create habitat for wildlife on their lands.

EQIP Funding Levels	
2014	**$1.35 billion**
2015	**$1.6 billion**
2016	**$1.6 billion**
2017	**$1.65 billion**
2018	**$1.75 billion**

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- **Regional Conservation Partnership Program:** One of the high points for conservation in this farm bill is the newly created Regional Conservation Partnership Program, which creates a competitive, merit-based process to target conservation funding in areas of greatest conservation need. As a result, resources can be targeted to reduce pollution in America's Great Waters, like the Great Lakes and Chesapeake Bay. There were some differences in the program between the House and Senate bills in terms of eligibility criteria, and the final bill maintains nutrient management and water quality priorities, as well as air quality improvement. Overall, the language is an equitable compromise between the two versions. Funding for this program is $100 million plus 7% taken from certain other conservation programs. In total, this will be around $275 million available to fund locally-led conservation projects that will improve soil quality, water quality and quantity, and/or wildlife habitat in specific regions. Of the available funding, 35 percent will go to eight critical conservation areas, 40 percent will be given to projects through a competitive federal grant program, and 25 percent to states through a competitive process. The funding breakdown is estimated below.

States (competitive process)	25%	$68.75 million	$ 1.38 million per state
Competitive Grants (federal)	40%	$ 110 million	TBD
8 Critical Conservation Areas	35%	$ 96.25 million	$ 12 million per area

- **Agricultural Conservation Easement Program (ACEP):** This farm bill consolidates the current Grassland Reserve Program, Wetlands Reserve Program, and Farm and Ranchland Protection Program into one larger easement program known as ACEP. This bill provides funding and authority for these conservation easement programs through a 10 year baseline; this means that once this farm bill expires, if Congress decides to extend the bill instead of authorizing a new one (as it did last year), there will be funding available for easements into the future-something that we do not have now. This in itself is a hugely important win for conservation. We are, however, disappointed that the funding provided for this program is less than was set out in either the House or the Senate bill. Funding levels are shown on the right, with a comparison to the House and Senate Bills provided. On the positive side, the House had provided an allocation between the easements that would have limited the amount of easements available for wetlands; the final bill does not include this limitation. Additionally, the final bill includes a waiver for cost-share for grasslands of special environment significance; this provision will be critical for the conservation of many grasslands in areas that may not have land trusts or funding for cost shares.

Funding for the Agriculture Lands Easement Program			
	Senate bill	House bill	Conference Report
2015	$475 million	$450 million	**$425 million**
2016	$500 million	$475 million	**$450 million**
2017	$525 million	$500 million	**$500 million**
2018	$250 million	$200 million	**$250 million**
Total	$2.2 billion	$2.05 b	**$2.025 billion**

- **Conservation Stewardship Program (CSP):** CSP is a working lands conservation program that pays farmers for their conservation performance. The final bill caps CSP at 10 million acres per year- this is less than the acreage allowed in the Senate bill (10.348 million acres/year) as well as significantly less than the current acreage allowed (12.8 million acres/year), however, it is a great deal higher than the cap provided in the House bill (8.695 million acres/year). In addition to this change is acres enrolled, this new farm bill also made changes to the program in order to help improve implementation.

- **Voluntary Public Access Program:** This program provides competitive grants to states to encourage landowners to make their land accessible to the public for hunting, fishing, and other wildlife-based recreational opportunities. In the 2008 Farm Bill it was funded at $17 million per year; this bill contains $40 million in mandatory funding (for 5 years); this is a significant increase from the $30 million in the House bill.

Energy Title Programs:

The final bill provides mandatory funding for the energy title at $881 million over 5 years- this is an incredible end result given that the Senate bill provided $800 million in mandatory funding and the House bill did not provide any mandatory funding. NWF's top priorities in the energy title are the Biomass Crop Assistance Program (BCAP) and the Rural Energy for America Program (REAP), both of which were given mandatory funding. BCAP is funded in this bill at $25 million per year- this is a reduction from the Senate version ($38.6 m/yr), and a huge reduction from the 2008 bill, which provided "such sums as necessary". The final bill includes also includes a provision in the project area portion that could make previous projects that would prioritize previously-funded projects over those requesting funding for the first time. This is something that the industry had been pushing and that NWF opposes. Additionally, we do not think that the bill does enough to limit the Collection, Harvest, Storage, and Transportation portion of the program, which has been highly criticized and much less valuable than the project area portion of BCAP. However, the bill does include language that strengthens the prohibition on planting invasive or potentially invasive species for bioenergy production within the BCAP program- earlier drafts of the Farm Bill had actually *removed* this prohibition, so the inclusion of this strengthened language to ensure that crops grown under BCAP do not become invasive is a huge win. Funding for the REAP program under this bill is provided at $50 million in mandatory funding per year and an additional $20 million in discretionary funding that can be appropriated each year. Additionally, the bill includes a prohibition on using REAP to fund ethanol blender pumps – this is something that NWF strongly supports.

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Other provisions:

- **Feral swine:** The bill includes a "sense of the Congress regarding feral swine eradication" recognizing the threat that feral swine pose and that eradication of feral swine should be a high priority for USDA. Feral swine are a highly destructive invasive species and there is a real need to stop their spread; this provision is a great step forward.

- **No year conservation funding:** This bill includes a provision that removes fiscal year limitations on conservation funding, allowing for conservation program funding that is not used in a fiscal year to be used in a future year for that program, instead of getting returned to the Treasury. This ensures that conservation program funding can be used fully for conservation.

Keeping this provision in place helps to secure the future of farm bill conservation programs

- **Permanent law**: The House version of the farm bill would have repealed 1949 and 1938 laws which have provided an effective backstop for bi-partisan farm bill reauthorizations to be completed over the past 40 years. Repeal of permanent law would likely mean no reauthorization of farm policy in the foreseeable future which would be disastrous for conservation programs, as other programs such as crop insurance would continue fully funded into the future, but conservation programs would simply run out of funding. Keeping this provision in place helps to secure the future of farm bill conservation programs.

- **Technical Assistance:** The final farm bill includes a provision that transfers the decision-making authority regarding technical assistance from the Office of Management and Budget to the U.S. Department of Agriculture. This is a common-sense measure that will put decision-making authority closest to the people who are the most familiar with the unique resource needs across the landscape.

- **Organic Provisions:** The final farm bill includes a number of measures that provide support for organic farmers, including a change that makes federal crop insurance more available to organic farmers, funding for research in organic agriculture, and a federal program to market organic food.

NWF believes that, on the whole, this farm bill is a strong, conservation-friendly bill that supports healthy soil, clean water, and abundant habitat for wildlife.