The recently authorized Farm Security and Rural Investment Act (2002 Farm Bill) has been described in editorials with terms ranging from “victory” to “boondoggle,” depending on the source of commentary. Controversy centers primarily on the price tag of the new bill, with full implementation costs estimated at $180 billion over the next decade. Yet, the one program area slated for the greatest increase in spending, conservation, is arguably the least contentious. Earlier farm bill proposals from both the House and Senate included conservation spending increases of 75% and 80% (respectively). The final legislation contains $17 billion additional dollars for expanding existing programs and establishing new programs of the conservation title. So what’s behind the growing support for conservation? Is the conservation movement some type of new fad being foisted on the farm policy arena?

There is a tendency to describe agricultural conservation as a policy era beginning with the Sodbuster and Swampbuster provisions of the 1985 Farm Bill. These provisions required farmers to protect highly erodible lands and wetlands in order to maintain eligibility for commodity payment programs. However, the concept of “conservation compliance” was not born in 1985. History reveals that conservation has been a tenet of U.S. farm policy for much longer than most people think:

“...the national interest will require that those obtaining benefit or price adjustment payments in connection with a (subsidy) program follow a system of farming that will more fully conserve the soil or control erosion than do their present systems...”

(George Tolly, 1940 Yearbook of Agriculture)

From Dust Bowl to Dead Zone
A decade before George Tolly penned his ideas on conservation compliance, the country was suffering from one of the worst periods of drought in a century. The effects of the drought were compounded by inadequate soil conditions due to years overproduction and poor land management. The result was tremendous crop and livestock losses for the “Dustbowl” farmers of the midwest. This was also the time of the Great Depression, with massive bank failures, rampant poverty, and unemployment rates as high as 30% in many rural areas. It was during this period of environmental and economic upheaval that the first U.S. Farm Bill was enacted.

The Agricultural Adjustment Act of 1933 was a core component of the New Deal Era of President Franklin D. Roosevelt. From the beginning, the Act was designed as a "social contract", a means for insuring the public with safe, consistent, and affordable food by investing in the stability of rural agricultural communities. But this contract was also predicated on environmental objectives. Indeed, by 1934 Congress had authorized formation of the Soil Conservation Service, an agency that would have increasing responsibilities in the subsequent Farm Bills of 1938, 1949, and 1954.

The 1956 Farm Bill created the Soil Bank Act (SBA) which authorized short-term and long-term removal of land from production. In effect, these were conservation easements, with annual rental payments to participants. Before its repeal in 1965, the SBA had established a Conservation Reserve Program (CRP) which would later serve as the model for the CRP of today.
Farm policy responded as additional repercussions of unconstrained development came to light in the early 1970s. In a period characterized by formation of the Environmental Protection Agency and the passage of the Clean Water Act, the Agricultural Acts of 1970 and 1973 included additional conservation initiatives, including an Environmental Conservation Program.

Despite these initiatives, American agriculture continued to account for disproportionate amount of negative environmental impact. For example, wetland conversions attributed to farming remained as high as 280,000 acres per year through the early 1980s. By then there was growing concern, especially among environmentalists, that widely-accepted agricultural activities were responsible for a number of environmental problems.

Clear evidence of this evolution came in 1994, when after 60 years under the same name, the Soil Conservation Service became the Natural Resources Conservation Service (NRCS).

The 1996 Farm Bill (Federal Agricultural Improvement and Reform Act) debate saw a growing number of consumer and environmental organizations participating in the farm policy arena. Additional conservation programs were developed to provide assistance for conservation on working lands, such as the Environmental Quality Incentives Program (EQIP) and the Wildlife Habitat Incentives Program (WHIP).

New concepts for resource management were emerging and conservation objectives had begun to expand beyond individual farms to watershed and ecosystem levels. The social contract between farmers and the American public was changing. Conservation was now viewed as the mechanism for addressing everything from urban sprawl to Gulf hypoxia.

Conservation vs. Commodities

Though conservation programming expanded significantly in the 1996 Farm Bill, spending on commodity payments was actually targeted for a major reduction. The intent was to reduce government intervention in commodity markets and begin a gradual process that would ultimately transition farmers away from dependence on government subsidies.

Movement towards the free market was quickly derailed, however, as the following years brought precipitous declines in world commodity prices. By 2000, Congressionally authorized emergency farm aid was accounting for a 50% share of net income for the average U.S. program-crop farmer. In Louisiana, that share was 80%.

Since 1996, big increases in government payments have been necessary to maintain farm income

Due to plummeting commodity prices, emergency farm aid was authorized in each year following the 1996 Farm Bill. Conservation payments have since been promoted as an alternative means for supporting farm income.
As the Farm Bill debate cycled up again in early 2001, commodity advocates began calling for a return to more traditional and consistent forms of government support. Meanwhile, public support for conservation was at an all-time high and conservation had become the centerpiece of many Farm Bill proposals. Conservation was touted as a more publicly supported alternative for stabilizing farm income. Some farmers viewed this notion with suspicion, concerned that new conservation spending would be a zero sum gain, a re-direction of dollars away from the commodity title.

**Something for Everyone?**
The 2002 Farm Bill ultimately proved generous in both the commodity and conservation titles. Commodity subsidies have increased significantly over the 1996 Farm Bill and authorized conservation spending has nearly doubled. The conservation compliance mechanisms of Sodbuster and Swampbuster remain intact and acreage authorizations for CRP and WRP have increased to 8% and 112%, respectively.

The big movers are the “working lands” programs, EQIP and WHIP, which were originally developed in response to criticisms that farm conservation policy had been “anti-production.” Indeed, until 1996 conservation was primarily achieved via production easements. The combined funding for EQIP and WHIP now stands at $10 billion through 2007, an 800% increase over 1996 levels. A new working lands initiative is also now available, the Conservation Security Program (CSP). The $2 billion CSP is designed to correct a policy disincentive in which independently conducted resource stewardship could disqualify farmers from conservation program assistance.

![Conservation emphasis will shift from land retirement to working lands](image)

Conservation programs targeting working lands are well-funded in the 2002 Farm Bill.

Many other new programs of 2002 are indicative of the movement of conservation policy towards the ecosystem-level. The Grasslands Reserve Program and Small Watershed Rehabilitation Program provide a quarter billion each for preserving native prairies and rehabilitating impaired watersheds.

The one program that is perhaps most foretelling of future conservation policy is the Farmland Protection Program (FPP). The FPP was developed in the 1996 Farm Bill for the simple purpose of keeping farmland in the hands of farmers. Approximately $1 billion (1000% increase) is now authorized under FPP to purchase the development rights of agricultural lands with prime, unique, or productive soil; farmlands with historical or archaeological significance; and farmlands adjacent to urban areas and thus threatened by urban sprawl.

![Photo: Philip Greenspun](image)

The conservation programs of today’s Farm Bill address a range of concerns, including: wetlands loss, habitat degradation, and the preservation of farmlands of historical and aesthetic significance.

**An Evolving Contract**
Since the days of the Dustbowl, soil and water conservation has been a major tenet of domestic U.S. farm policy. But the past 20 years have brought about a rapid advancement of the conservation agenda.

Today, less than 2% of the U.S. population is involved in production agriculture. New players and new resource management objectives are reshaping the rational and methods by which conservation is carried out. As farm policy changes, the primary goal will be to ensure that environmental integrity and economic viability remain compatible goals.

The American public has only just begun to recognize the value of farm-based conservation. Private landowners represent the most cost-effective and environmentally sound means of conserving our nation’s natural resources. Future support for conservation will require an evolving social contract and a new way of thinking about farm output.

“Meeting society’s demands for improved environmental quality requires a broader definition of farm “output” to include environmental amenities - such as rural landscape amenities, wildlife habitat, wetlands, and improved water and air quality - along with food, fiber, and timber production ...”

(From Food and Agricultural Policy: Taking Stock for the New Century, USDA 2001)
### Farm Security and Rural Investment Act of 2002

**Comparison of major conservation programs** to the 1996 Farm Bill

<table>
<thead>
<tr>
<th>Program History and Description</th>
<th>1996 Farm Bill</th>
<th>2002 Farm Bill</th>
</tr>
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<tbody>
<tr>
<td><strong>“Sodbuster”</strong></td>
<td>Compliance requirements continued.</td>
<td>Compliance requirements continued.</td>
</tr>
<tr>
<td>Sodbuster is a conservation compliance requirement that was established by the 1985 Farm Bill to discourage plowing of erosion-prone grasslands for use as cropland. Eligibility for program benefits is tied to approved conservation plan</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>“Swampbuster”</strong></td>
<td>Compliance requirements continued.</td>
<td>Compliance requirements continued.</td>
</tr>
<tr>
<td>Swampbuster was established in the 1985 Farm Bill as a conservation compliance mechanism to discourage draining of wetlands for use as cropland. Eligibility for program benefits can be lost for any wetlands converted after 12/23/85.</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Conservation Reserve Program (CRP)</strong></td>
<td>36.4 million acre cap.</td>
<td>Extends CRP acreage to 39.2 million acres through 2007 at a cost of $1.517 billion.</td>
</tr>
<tr>
<td>The 1985 Farm Bill established CRP as a voluntary program to protect highly erodible and environmentally sensitive lands. CRP nationwide is now more than 33.3 million acres, twice the acreage of the National Wildlife Refuge System. There was approximately 206,000 acres of CRP land in Louisiana as of 2001. The CRP has a positive value on rural environment by improving soil, water, and wildlife.</td>
<td></td>
<td>Extends a pilot sub-program called the Conservation Reserve Enhancement Program (CREP) that will provide for more state-specific program objectives.</td>
</tr>
<tr>
<td><strong>Wetland Reserve Program (WRP)</strong></td>
<td>1.075 million acre cap.</td>
<td>Extends WRP acreage to 2.275 million acres through 2007. Total program funding: $1.5 billion.</td>
</tr>
<tr>
<td>WRP is a voluntary program for wetland restoration, enhancement, and protection on private lands. WRP provides annual payments and restoration costs for 10-year, 30-year, or perpetual easements on prior converted wetlands. Louisiana leads the U.S. in WRP participation with approximately 140,000 acres as of 2001.</td>
<td></td>
<td>Extends a pilot sub-program called the Wetlands Reserve Enhancement Program (WREP) that will provide more state-specific program objectives.</td>
</tr>
<tr>
<td><strong>Environmental Quality Incentives Program (EQIP)</strong></td>
<td>$200 million per year average.</td>
<td>Extends EQIP funding to $967 million per year average funding level through 2007. Total program funding: $9 billion.</td>
</tr>
<tr>
<td>Provides a 75% or 90% cost share for environmentally beneficial structural and management alterations, primarily (60%) to livestock operations. EQIP is considered a “working lands” program. Approximately 5500 contracts funded in Louisiana for 590,000 acres as of 2001. Demand nationwide for EQIP has been very high, with only 25% of applications accepted prior to 2002.</td>
<td></td>
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</tbody>
</table>

* 2002 program acreage and funding represent authorized levels only. Actual program appropriation still pending.*

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*Louisiana Wetland News, Summer 2002, p. 4*
## Farm Security and Rural Investment Act of 2002

Comparison of major conservation programs* to the 1996 Farm Bill

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<tr>
<td><strong>Wildlife Habitat Incentives Program (WHIP)</strong></td>
<td>Provides a 75% or 90% cost share for the costs of wildlife habitat restoration and enhancement on private lands. Eligible to private property owners (and lessees) for installing riparian buffers, native pine &amp; hardwoods, wildlife corridors, and other wildlife enhancing measures. As of 2001, there were 203 WHIP contracts on 16,500 acres in Louisiana.</td>
<td>$13 million per year average.</td>
</tr>
<tr>
<td><strong>Conservation Security Program (CSP)</strong></td>
<td>New national incentive payment program for maintaining and increasing farm and ranch stewardship practices. The CSP is designed to correct a policy disincentive in which independently conducted resource stewardship has disqualified many farmers from receiving conservation program assistance.</td>
<td>No such program existed.</td>
</tr>
<tr>
<td><strong>Farmland Protection Program (FPP)</strong></td>
<td>Provides funding to purchase development rights and protect farmlands with prime, unique, or productive soil; historical or archaeological significance; or farmlands threatened by urban sprawl. Louisiana does not currently have any FPP contracts.</td>
<td>$18 million per year average.</td>
</tr>
<tr>
<td><strong>Grasslands Reserve Program (GRP)</strong></td>
<td>A new program to enroll up to 2 million acres of virgin and improved pastureland. GRP easements would be divided 40/60 between agreements of 10, 15, or 20-years and agreements and easements for 30-years and permanent easements</td>
<td>No such program existed.</td>
</tr>
<tr>
<td><strong>Small Watershed Rehabilitation Program (SWRP)</strong></td>
<td>Provides essential funding for the rehabilitation of aging small watershed impoundments that have been constructed over the past 50 years.</td>
<td>No such program existed.</td>
</tr>
</tbody>
</table>

* 2002 program acreage and funding represent authorized levels only. Actual program appropriation still pending.
New Conservation Security Program Could Reward Resource Stewardship

The $2 billion CSP corrects a policy disincentive in which independently conducted resource stewardship often disqualified farmers from obtaining conservation program assistance. Up until now, any landowner who developed and implemented conservation practices on his own was at a disadvantage when competing for program funding. Conservation programs were designed to fund new conservation – not to compensate for existing measures. The apparent rationale for CSP is that the possibility of compensation could be a sufficient motivator for encouraging the use of best management practices. Indeed, Louisiana’s new Master Farmer Program has seen increased enrollment in the past year as the opportunity for CSP funding has emerged (see page 7).

Regulations for implementing CSP are currently being developed. For now, the tables below provide some preliminary insight on how the program is to be administered. Additional information on CSP will be made available in the coming months as NRCS develops draft guidance and solicits public comment.

\[
\text{CSP payment} = \text{BP} + \text{CP} + \text{EP}
\]

Base Payment (BP) - % of the U.S. national avg. annual rental rate or a regionally appropriate rental rate

Conservation Practice (CP) - % of avg. costs for adoption and maintenance of conservation practice(s)

Enhancement Payment (EP) - an additional payment for practice(s) that exceed the minimum requirements of a particular program tier (e.g. on-farm demo, pilot, conservation research projects)

<table>
<thead>
<tr>
<th>Tier</th>
<th>Period</th>
<th>Annual Cap:</th>
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<tbody>
<tr>
<td>Tier 1</td>
<td>5 yrs</td>
<td>$20,000</td>
</tr>
<tr>
<td>Tier 2</td>
<td>5-10 yrs</td>
<td>$35,000</td>
</tr>
<tr>
<td>Tier 3</td>
<td>5-10 yrs</td>
<td>$45,000</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Tier</th>
<th>BP</th>
<th>CP</th>
<th>EP</th>
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<tr>
<td>Tier 1</td>
<td>$20,000</td>
<td>75% - 90%</td>
<td>$?</td>
</tr>
<tr>
<td>Tier 2</td>
<td>$35,000</td>
<td>75% - 90%</td>
<td>$?</td>
</tr>
<tr>
<td>Tier 3</td>
<td>$45,000</td>
<td>75% - 90%</td>
<td>$?</td>
</tr>
</tbody>
</table>

BP Limit | 25% | 30% | 30% |
Louisiana Farmers Learn To ‘Master’ Conservation in New Program
Source: L. Benedict, LSU AgCenter News

Louisiana farmers are back in the classroom learning the latest on conservation. And when they finish a newly developed three-year program of study, they will be certified as "Master Farmers."

The Louisiana Master Farmer program, co-sponsored by the LSU AgCenter and the Louisiana Farm Bureau Federation, officially started in January with the first class in Vermilion Parish.

So far, nearly 300 farmers in Southwest Louisiana are registered, representing more than 300,000 acres of cropland, according to Dr. William B. "Bill" Richardson, LSU AgCenter chancellor.

"No other state that we know of has an environmental education program statewide and as comprehensive as this one," Richardson said at a press conference June 28 as part of the Farm Bureau conference in New Orleans. "Louisiana is No. 1 with our Master Farmer program."

The program will move around the state, reaching farmers in all 12 watersheds, or drainage basins, over the next five years. The push behind the program is the need to reduce runoff into Louisiana’s waterways and bring the water quality up to standards established by the U.S. Environmental Protection Agency (EPA). If improvement can be documented over the next few years, then regulation may be avoided.

"If farmers can do this on their own, they can prevent federal regulators stepping in and forcing them to implement measures that may be inefficient and costly," said Dr. Paul Coreil, LSU AgCenter vice chancellor.

Although the incentive is water quality, the program gives the LSU AgCenter the opportunity to teach the latest in production, management and marketing to the farmers.

"Farming is big business. And with any good business, you have to have a continuing education program," said Dr. Ernest Girouard, a rice farmer in Vermilion Parish and one of the first to sign up. "This program will help bring us up to speed."

The first step to becoming a Master Farmer is to attend eight hours of instruction on environmental stewardship. "We usually break this up into two four-hour sessions," said Dr. Fred Sanders, an LSU AgCenter specialist who coordinates the program.

Then over the next couple of years, the farmer has to accumulate 28 hours of "credit" at approved events, such as field days, specialized classes and conferences.

The primary emphasis during the three years is for the farmer to master "best management practices," also known as BMPs. These include a wide variety of conservation measures, such as precision-leveling fields to conserve water, planting a crop into existing vegetation to reduce soil disturbance, and sampling soil to apply the appropriate amount of fertilizer.

Sanders said the timing of the Master Farmer program and the new Farm Bill, with its emphasis on conservation, is perfect "Because of this program, our farmers are ahead of many others and prepared to take advantage of the generous conservation incentives in the new Farm Bill," Sanders said.

Sanders will be setting up "model farms," and farmers will be expected to visit these as part of their certification. The farms actually will be those of participants who have implemented BMPs.

As farmers complete phases of the program, they will receive certificates. Full recognition as a master farmer will occur as part of the Farm Bureau conventions each summer, Sanders said.

Other agencies involved with the Master Farmer program include the U.S. Department of Agriculture’s Natural Resources Conservation Service, the Louisiana Association of Conservation Districts and the state departments of Environmental Quality, Agriculture and Forestry, and Natural Resources.

For more information contact Dr. Fred Sanders, Master Farmer Program Coordinator, Associate Professor, W. A. Callegari Environmental Center, Louisiana State University AgCenter, Baton Rouge, La. (225) 578-6998, fsanders@agctr.lsu.edu.

Learn more about the Master Farmer Program at: http://www.agctr.lsu.edu/Subjects/masterfarmer/
New in 2002: A Separate Title for Forestry

Forestry programs have finally received separate emphasis in agricultural policy. According to Mr. Buck Vandersteen, Executive Director of the Louisiana Forestry Association, “for the first time ever, Forestry has its own separate title in the Farm Bill.”

Title VIII. Forestry, combines the Forestry Incentives and Stewardship Incentives Programs into a single Forest Land Enhancement Program (FLEP). Funded at $100 million through 2007, the FLEP will provide a 75% cost-share for forestry practices that encourage long-term sustainability of non-industrial forestlands. Cost-share assistance is available for tracts of private forestland up to 1,000 acres. The landowner must agree to develop and implement for not less than 10 years a management plan that has been approved by the State Forester.

Louisiana is poised to benefit from the FLEP program because of the progressive actions of the Louisiana Forestry Association (LFA). This organization of 3000 landowners, foresters, loggers, and industry representatives has held sustainable forestry workshops for more than 10,000 participants since 1989. The LFA has also coordinated a Master Logger Program in which 1700 loggers and foresters have completed a 30 hour training module in forestry best management practices.

Vandersteen points out that while FLEP is a step in the right direction, its funding constitutes less than one half of one percent of the authorized budget of the 2002 Farm Bill. According to Vandersteen, this program discrepancy is especially visible in Louisiana, where forestry has a tremendous economic impact. Forestry contributes $3 billion annually to the state’s economy, or 42% of the total value of all Louisiana agricultural commodities. Future technical assistance with Farm Bill conservation programs will be available from NRCS-certified contractors.

Third Parties to Play Increasing Role in Conservation Technical Assistance

Mandates contained in the 2002 Farm Bill could support the development of a cottage industry of independent contractors that help farmers access and implement conservation programs. For almost 70 years, the Natural Resource Conservation Service has been the primary source of guidance and technical support to landowners engaged in conservation. Conservation Technical Assistance (CTA) as it’s called, includes a number of functions beyond merely dispensing program funding. The duties of CTA include everything from on-site evaluations to the development and implementation of specific conservation practices.

Yet funding for CTA has not kept pace with the tremendous increase in conservation programs over the past 20 years. Secretary of Agriculture Ann Veneman recently announced that USDA would be hiring 1000 new employees to assist with Farm Bill implementation. If each state gets an equal share of these new positions, Louisiana will add only 20 new USDA employees. A recent workload analysis determined that NRCS needs an additional 240 people annually to meet the needs of CTA in Louisiana alone.
Websites Facilitate Understanding of Farm Bill Conservation

How many acres does my parish have enrolled in the Wetland Reserve Program? What are the cost-share requirements for participating in the Wildlife Habitat Incentives Program? Where can I find a list of approved conservation practices? When is the sign-up period for the Conservation Reserve Program?

In previous years, most questions such as these could only be answered by a visit to the local USDA office or by hours of phone and mail correspondence. Thanks to the Internet, information on Farm Bill conservation initiatives is now readily available. Check out these websites to learn more:

Read the Conservation Title of the 2002 Farm Bill:
Learn more about the Farm Bill from USDA:
http://www.usda.gov/farmbill/
Compare the 1996 and 2002 Farm Bills
http://www.ers.usda.gov/Features/farmbill/
Get nationwide conservation information from NRCS:
http://www.nrcs.usda.gov/
Get information on conservation in La from NRCS:
http://www.la.nrcs.usda.gov/
View fact sheets on specific conservation programs:
Track conservation policy in Congress:
http://thomas.loc.gov/
Join an email list-server of current conservation issues:
http://www.fb-net.org/
Read about farmers views on conservation:
American Farm Bureau: http://www.fb.com/
Louisiana Farm Bureau: http://www.lfbf.org/
Family Farmer: http://www.familyfarmer.org/
Read about non-profit views on conservation:
Environmental Working Group: http://ewg.org/
National Association of Conservation Districts:
http://www.nacdnet.org/
American Farmland Trust: http://www.farmland.org/

LSU AgCenter Sponsors Farm Bill Conference

Over the past year, the LSU Agricultural Center has sponsored several field days and public meetings to discuss the emerging provisions of the 2002 Farm Bill. The most recent of these educational programs was held on June 14th in Alexandria, when over 230 members of the agricultural community turned out to hear speakers from the Department of Agricultural Economics and Agribusiness.

Presenters at this meeting discussed the intricacies of new program provisions for commodities, conservation, and rural development. Copies of their presentations and additional information regarding the Farm Security and Rural Investment Act of 2002 can be obtained from the Farm Bill section of the AgCenter website:
http://www.agctr.lsu.edu/Subjects/farmbill/

Louisiana Wetland News On-line

I am pleased to announce that since the beginning of 2002, an additional 103 people have requested to receive the Louisiana Wetland News via e-mail subscription. Eventually, I would like see this newsletter disseminated entirely through the web.

If you haven’t already requested your e-mail subscription, I encourage you to do so as soon as possible. To subscribe, simply send an e-mail to my address: rcaffey@agctr.lsu.edu In the message body simply type your full name and the words, “Subscribe LWN”.

I appreciate your cooperation, interest, and support.

Thanks again,

Rex H. Caffey
Associate Professor, Wetland & Coastal Resources
Rm 179, Dept. of Agricultural Economics & Agribusiness
LSU AgCenter and Louisiana Sea Grant
Baton Rouge, La 70803-5604
225-578-2266 (p)

Conservation on Louisiana’s Private Lands is one of many publications now available on the Internet for those persons seeking more information on Farm Bill programs.
http://www.la.nrcs.usda.gov/