

The 2008 Farm Bill: Recommendations and Reality

The Izaak Walton League of America was closely involved in the multi-year negotiations that ultimately became the Food, Conservation, and Energy Act of 2008. Throughout the process, our commitment was to farm policy that supported prosperity for rural communities and farm families, stewardship of our natural resources, and fairness in the allocation of federal funding.

The Congressional Budget Office has determined that the 2008 Farm Bill overwhelmingly approved by congress will spend \$25 billion for conservation programs and \$35 billion for commodity programs (with \$209 billion for nutrition programs) between 2008 and 2012. Overall, a significant commitment was made to conservation in the legislation, but serious missteps are present, too.

Below are the League's original recommendations at the outset of the Farm Bill process compared to the bill's final outcomes.

IWLA Farm Bill Policy Priorities The Izaak Walton League of America's vision for the new Farm Bill focuses on aligning careful reforms to the commodity title with a renewed commitment to the conservation title. (Jan. 2007)	The Food, Conservation, and Energy Act of 2008 (+) positive result, (-) negative result, (~) somewhere in between. (May 2008)
Commodity Title Proposals <ul style="list-style-type: none"> ▪ Close payment loopholes by eliminating the three-entity rule and unlimited gains from commodity loan certificates and forfeitures. ▪ Fully fund conservation programs with savings from commodity title reform. 	(+) The legislation does eliminate the three-entity rule as we had advocated, and improves the process for verifying payment attribution to individuals. (-) Unfortunately, in regard to commodity loan certificates and forfeitures, the bill simply removes any limit whatsoever on total amount of payments a producer may receive. This is a serious step backward and is strongly opposed by IWLA. Additionally, the new legislation contains limits on payments to individuals based on Adjusted Gross Income. Specifically, the means test installed provides that individuals with AGI from non-agricultural income of greater \$500,000 will not be eligible for any commodity payments (marketing loan program, counter-cyclical payments, direct payments, etc.). The previous cap was \$2.5 million in non-agricultural AGI. For agriculturally derived income, the bill sets an AGI limit of \$750,000 but specifies ineligibility for Direct Payments only (all other, and unlimited, commodity payments will continue to be made). Finally, as is currently law, the income limits apply separately to both partners in a marriage,

thereby doubling the AGI maximums for married couples. The result is that a couple that has an AGI up to \$2.5 million (\$500,000 ea. in off-farm income and \$750,000 ea. in on-farm income) will still receive all taxpayer provided production subsidies.

The League did not propose an AGI means-test in our recommendations, first, because income can be sheltered in many manners, and second, because the provisions (especially the extremely generous AGI provision contained in the final bill) do not strike at the key problem we identified in the commodity subsidy system. The problem our research identified and defined was the presence of loopholes allowing unlimited total payments to an agricultural operation. The lack of a maximum cap on commodity production payments drives consolidation in agriculture, reducing opportunity, jobs, and population in farm communities, and increasing the intensity of environmental degradation of soil, water, air and habitat. Rather than the personal wealth of recipients, it is limitless production payments that distort commodity markets, warp rural economies, and increase environmental threats. This Farm Bill fails completely in addressing the real economic and environmental problem created by production subsidy policy.

Conservation Compliance Proposals

- Enact a Sodsaver provision that specifies any land without a prior cropping history will be ineligible for all Farm Bill supports—including commodity, crop insurance, conservation, and disaster payments.
- Re-establish the loss of crop insurance subsidies under Conservation Compliance penalties.
- Create state-level independent review boards for waivers issued for non-compliance determinations.
- Extend compliance requirements to all cropland receiving federal farm program benefits that experiences leaching and runoff of pollutants and nutrients, or soil erosion at excessive levels.

(-) Both the House and Senate Farm Bills authorized a nationwide Sodsaver program that prohibited crop insurance subsidies and disaster payments on any of the nation's remaining native sod that is converted to crops. But, after closed-door dealings, Sodsaver has been reduced to applying only to the portion of 5 states (MT, ND, SD, MN, IA) that is within the Prairie Pothole Region—and only if the Governors of those states explicitly choose to allow the program in their states. Rather than applying to all farmland on an equal footing, the provision now provides no deterrent of any kind in 45 states, and in portions of five states it risks being a perverse incentive to rush to convert sensitive grasslands upon which wildlife and ranchers depend. Furthermore, the nationwide Sodsaver provision was scored as saving taxpayers \$130 million. The final bill's provision scores \$0 savings.

(+) In perhaps the most direct achievement for the League in the

	<p>entire bill, we did succeed in gaining upper-level review of waivers for non-compliance determinations (waivers of citations for draining wetlands and excessive soil erosion). This effort specifically began with IWLA, and is one result that the League can take pride in knowing would never have happened if we had not originated and championed the much-needed provision.</p>
<p>Agricultural Energy Proposals</p> <ul style="list-style-type: none"> ▪ Develop research programs and projects for bioenergy development that will establish sustainability standards to optimize energy crop production in line with conservation benchmarks (see “Conservation Security Program” below). ▪ Prioritize wildlife, energy efficiency, and resource conservation in bioenergy production standards and facility development. 	<p>(~) The bill establishes a Biomass Crop Assistance Program that provides incentives and assistance for establishing, producing and marketing biomass and cellulosic energy crops, including but unfortunately not limited to perennials. The four-year, \$70 million program can provide important information on the impacts of perennial energy crop production, but it does not specifically contain sustainability standards.</p>
<p>Conservation Title Proposals</p> <ul style="list-style-type: none"> ▪ Require that two percent of total annual conservation title funding be dedicated to mandatory monitoring and evaluation of conservation programs. ▪ Authorize a public access option for conservation easements that provides landowner incentives on a voluntary basis for allowing public access for hunting, fishing, hiking, bird watching, and other recreational amenities that do not conflict with the conservation goals of the programs. ▪ Reauthorize Technical Assistance funding for conservation programs as a percentage of each program’s total funding stream using mandatory Commodity Credit Corporation dollars. 	<p>(+) We were also successful in achieving an “Open Fields” provision that provides for landowner incentives on a voluntary basis for allowing public access for hunting, fishing, hiking, bird watching, and other recreational amenities.</p>
<p>Policy Priorities specific USDA Conservation Programs</p>	
<p>Conservation Reserve Program (CRP)</p> <ul style="list-style-type: none"> ▪ Reauthorize and maintain designated 39.2 million acre level. ▪ Maintain existing rule of date restrictions for establishing historical base in order to prevent newly broken land from being cropped and becoming eligible for later enrollment in CRP. 	<p>(-/~) CRP was reduced to a maximum of 32 million acres from the previous maximum of 39.2 million. With expanding production characterizing the current agricultural cycle, CRP has recently seen decreasing acreage totals. However, USDA has also not conducted any new sign-ups or addressed the inequities between rental rates offered through the program and those in the marketplace—thereby playing a role in ensuring acreage reductions. It is noteworthy that the acreage reduction did make an additional \$2.5 billion thereby available for funding other conservation investments.</p> <p>(+) Properly, no universal update of historical base was included in the bill (new program crops were added).</p>

<p>Conservation Security Program (CSP)</p> <ul style="list-style-type: none"> ▪ Retain CSP as the primary stewardship incentives program to reward superior conservation systems on land in agricultural production. ▪ Ensure an adequate and protected funding supply to enable voluntary enrollment for eligible participants nationwide. ▪ Use fish and wildlife professionals to enhance fish and wildlife elements of the program in keeping with local characteristics and concerns. ▪ Integrate a conservation-based energy crop production component to establish perennial crops, sustainability standards, and wildlife protection in bioenergy production. 	<p>(+) CSP was retained (and renamed the Conservation Stewardship Program) and made a nationwide, continuous sign-up program with a targeted enrollment of 115 million acres in 10 years. The program was further simplified and streamlined to focus on higher environmental standards. In American agriculture's current and continuing expanding-production cycle, CSP may play the most important conservation role of any USDA program.</p>
<p>Environmental Quality Incentives Program (EQIP)</p> <ul style="list-style-type: none"> ▪ Re-instate prohibition of contracts that pay for CAFO construction expenses. ▪ Realign payment cap to a maximum level not greater than \$150,000 in any 5-year period, and maintain direct attribution of payments to real persons. ▪ Ensure that contracts for water conservation achieve quantity gains that are not lost to expanded use of the water resource. Create a system for recording net water gains for stream flows and groundwater. 	<p>(~) EQIP saw its funding nearly double, while maintaining provisions that allow for conservation dollars to be misspent on building and expanding livestock confinement factories. However, the previous, and exorbitant, payment cap on EQIP contracts of \$450,000 has been lowered to a maximum of \$300,000 per person, regardless of the number of contracts, over 6 years.</p>
<p>Wetland Reserve Program (WRP)</p> <ul style="list-style-type: none"> ▪ Reauthorize at 250,000 acres/year and 3,500,000 acres nationwide. ▪ Prioritize perpetual easements. 	<p>(~) It is important to note that WRP and GRP faced \$0 in funding going into the bill, so the continuation of the program is ultimately a victory. However, the final bill reauthorizes WRP at a reduced 185,000 acres/year compared to the 250,000 annually authorized in the previous Farm Bill.</p>
<p>Wildlife Habitat Incentives Program (WHIP)</p> <ul style="list-style-type: none"> ▪ Reauthorize program in coordination with State Wildlife Action Plans, National Fish Habitat Action Plan, and other local or regional plans to optimize delivery. 	<p>(~) WHIP was reauthorized, but restricted eligibility to only agricultural production land.</p>
<p>Grassland Reserve Program (GRP)</p> <ul style="list-style-type: none"> ▪ Reauthorize as a nationwide program with commensurate increase in funding. ▪ Allow the restoration of native grasslands, and encourage perpetual easements. 	<p>(+) GRP, facing the same \$0 funding as WRP, was reauthorized at a level to enroll 1.2 million acres from 2009-2012 and prioritized 60 percent of funds for easements.</p>
<p>Farm and Ranch Lands Protection Program (FRPP)</p> <ul style="list-style-type: none"> ▪ Reauthorize the program and require Resource Management 	<p>(~) FRPP was reauthorized (as the Farmland Protection Program, FPP), but maintains impervious surface allowances that lesson</p>

<p>Systems (RMS)-level plan, including Soil, Water, Air, Plants, and Animals (SWAPA) to be eligible.</p>	<p>conservation benefits.</p>
<p>CONCLUSION</p> <p>The Izaak Walton League of America’s vision for the next Farm Bill focuses on aligning careful reforms to the commodity title with a renewed commitment to the conservation title. Commodity-restricted production payments without effective limits and safeguards negatively impact rural America’s economy and natural resources. Alternatively, effective conservation programs enhance the economic viability of rural communities while improving the health of production lands and habitat for fish and wildlife.</p> <p>Eliminating just those elements of commodity production policy that have negative economic, social, and environmental impacts will provide financial resources to increase the beneficial results of effective conservation programs. In short, we can remove destructive, wasteful spending to expand protective, beneficial results.</p> <p>Success is achievable without radical reforms or inflated spending. It is imperative that the 2007 Farm Bill establishes the path toward an agricultural future that serves all Americans.</p>	<p>Conclusion</p> <p>(~/+) A preliminary analysis of the 2008 Farm Bill reveals some realities we always knew would occur: this Farm Bill includes some negative components that will do harm. The bill also fumbled excellent opportunities to achieve real benefit and protection. Still, the giant piece of legislation contains refinements that improve on previously existing aspects of federal farm policy. And, finally, the bill contains provisions and elements that are directly beneficial—including items that only exist because the Izaak Walton League of America committed itself to originating policy, working with elected officials, and joining with colleagues in the effort to defend the soil, air, woods, waters and wildlife of this nation. We have established a path toward an agricultural future that serves all Americans.</p>

Questions?

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For further information see:

Izaak Walton League of America, *The 2007 Farm Bill: Stewardship, Prosperity, and Fairness*
http://www.iwla.org/publications/agriculture/Farm_Bill_2007_WEB.pdf

H.R. 2419, Food, Conservation, and Energy Act of 2008
<http://agriculture.house.gov/inside/Legislation/110/FB/Conf/CRLang.pdf>

Joint Statement of Managers, H.R. 2419, Food, Conservation, and Energy Act of 2008
http://agriculture.house.gov/inside/Legislation/110/FB/Conf/statement_of_managers.pdf

Founded in 1922, the Izaak Walton League of America protects America's outdoors through community-based conservation, education, and the promotion of outdoor recreation.