# FIND YOUR VOICE

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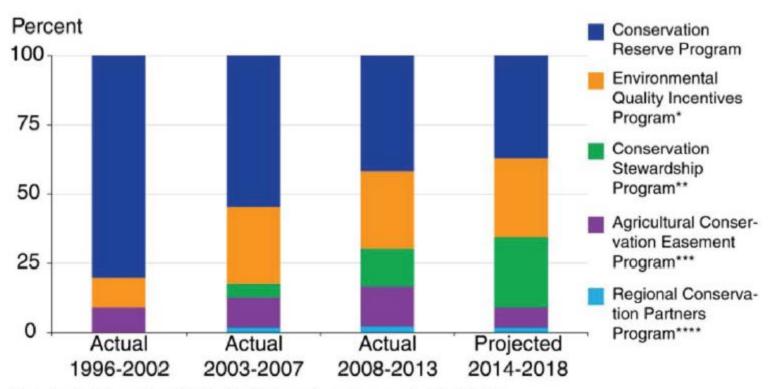
### **Questions to Consider**

- What are the goals for Indiana's future in agriculture?
- Given the farm economic conditions, what do farmers need help with?
- What are your farm's priorities moving forward?
- What role do you see yourself having in the next years related to agriculture?
- What role would you like to see the Farm Bill play?

## II. Conservation

CRP EQIP DUNS and SAMs Wetlands Determination Efficiency Prioritizing Conservation The following graphs show conservation spending under recent Farm Bills.

#### Share of conservation spending by major programs and predecessors in the 2014 and previous farm acts



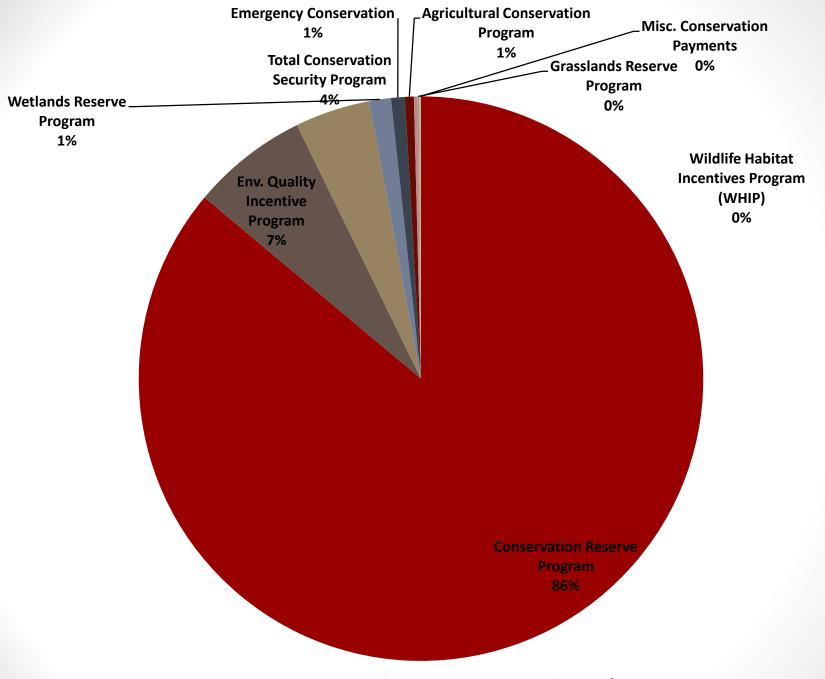
\*Includes EQIP and the Wildlife Habitat Incentives Program for 1996-2013.

\*\*Includes the Conservation Security Program for 2002-2007.

\*\*\*Includes the Wetland Reserve Program, Farmland Protection Program, and Grassland Reserve Program (easement portion) for 1996-2013.

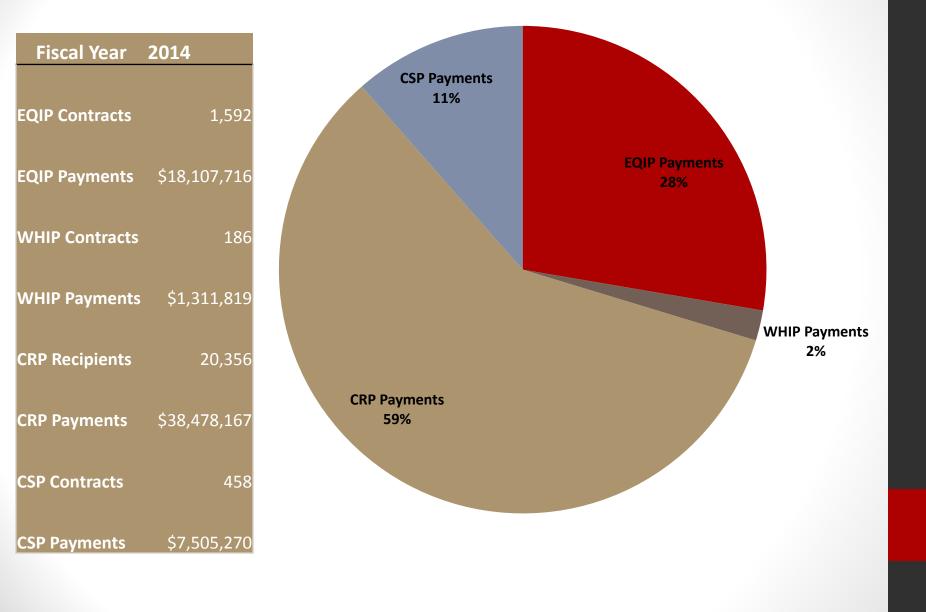
\*\*\*\*Includes the Agricultural Water Enhancement Program, Chesapeake Bay Watershed Program, Cooperative Conservation Partnership Initiative, and Great Lakes Basin Program for 1996-2013.

Sources: ERS analysis of Office of Budget and Policy Analysis data on actual expenditures for 1996-2013; spending levels provided in the 2014 Farm Act and Congressional Budget Office estimates for 2014-2018.

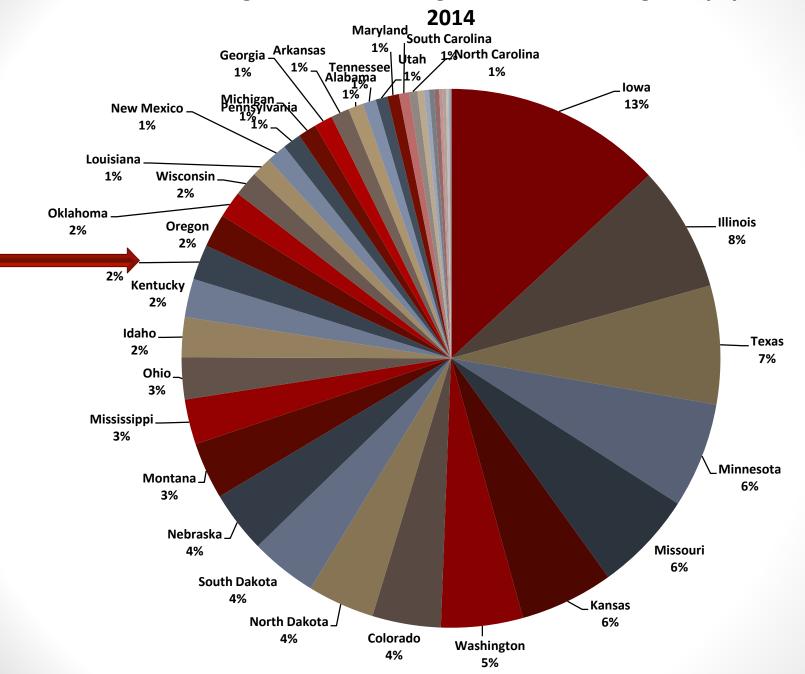


#### **Conservation Payments by Program in Indiana from 1995-2014**

#### All Conservation payments by program in Indiana, 2014

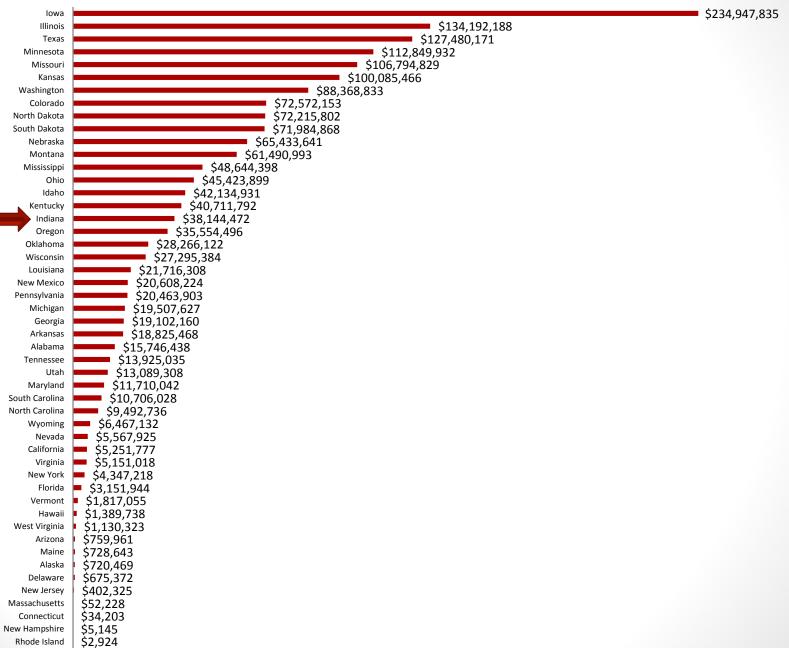


#### States Receiving Subtotal Percentage, Conservation Programs payments,

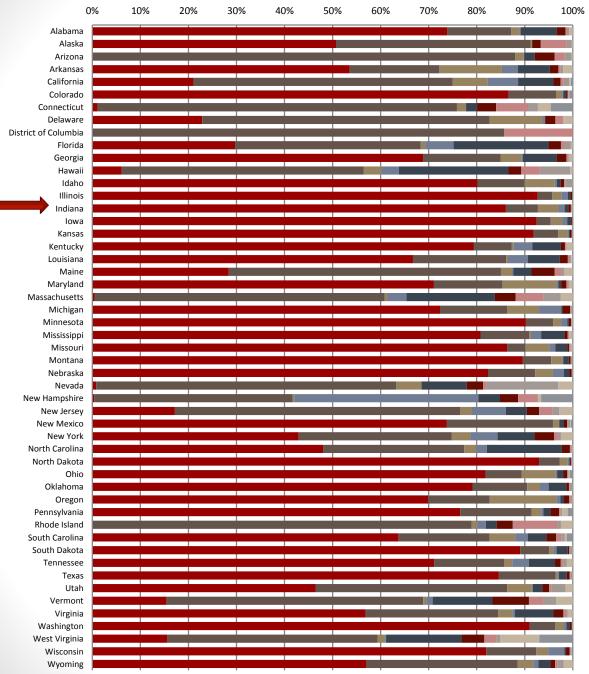


#### States Receiving Subtotal, Conservation Programs payments,

2014



#### Conservation Payments by Program in United States from 1995-2014



Conservation Reserve Program
Env. Quality Incentive Program
Total Conservation Security Program
Wetlands Reserve Program
Emergency Conservation
Agricultural Conservation Program
Wildlife Habitat Incentives Program (WHIP)
Grasslands Reserve Program
Misc. Conservation Payments
Water Bank Program
Farmland Protection Program (fpp)

### **Conservation Programs Prioritized**

Issue: With conservation compliance tied to crop insurance premium subsidies and participation, <u>should this be a</u> <u>higher priority?</u>

### Tying Conservation Compliance to Crop Insurance

- In exchange for a farmer to be eligible to receive crop insurance premium discounts, he/she must maintain a minimum level of conservation on highly erodible land and not convert wetlands into crop production
- Issue: Compliance violations have penalty imposed in the following year, rather than current
  - No denial of premium assistance until USDA appeals are exhausted
  - No provisions ("claw back") to allow violation occurred between 2008-2013 to be captured or penalized
  - If a producer is out of compliance, no premium discounts received until back in compliance
  - 5-year grace period to develop and apply a conservation plan for new participants
  - No grace period for draining a wetland, but a 2-year period for mitigation is granted to retain eligibility in premium assistance, and mitigation is required
  - If wetland converted is less than 5 acres of the entire farm, the farmer can pay an amount equal to 150% of the cost of mitigation, complete mitigation, and not lose premium discounts.
  - Current protections and enforcement procedures between agencies will be applicable to any newly covered persons and land
  - Producers self-certify eligibility for premium discounts on FSA form AD 1026

### Tying Conservation Compliance to Crop Insurance

More Issues

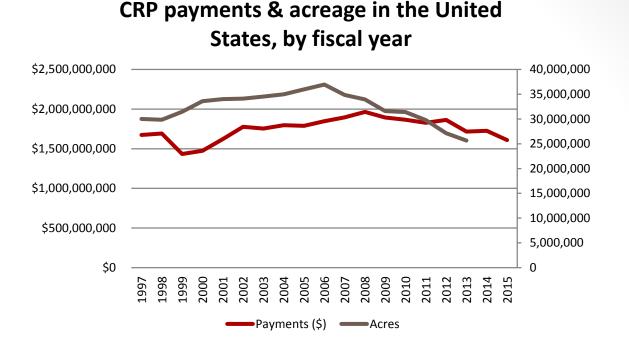
- Producers newly covered receive priority NRCS conservation technical assistance in developing and applying conservation plan and priority financial assistance
- Tenant farmer found in violation would have ineligibility limited only to the farm the basis for ineligibility, provided good faith efforts meet conservation requirements are made, the landlord refused to meet requirements, and no evidence of fraud to avoid compliance is evident.
- Conversion of a wetland in good faith has 1 reinsurance year to begin mitigation.
  - Knowingly converting a wetland creates premium discount ineligibility beginning next crop insurance year
- For a newly available crop insurance policy, 5 crop insurance years are given to comply for highly erodible land
- The farmer is not at fault for USDA process, or lack thereof

### **Conservation Reserve Program**

- Aimed at conserving soil, water, and wildlife resources by removing highly erodible and environmentally sensitive lands from agricultural production and installing resource conserving practices for 10-15 years
- Yearly rental payment
- Competitive general sign-ups during select times
- Continuous sign-ups are not competitive, always open for enrollment, and offer additional financial incentives to those qualified
- CREP (Conservation Reserve Enhancement Program) is the largest and most well-known as it partners with states to address ag-related environmental concerns in specific geographic regions.

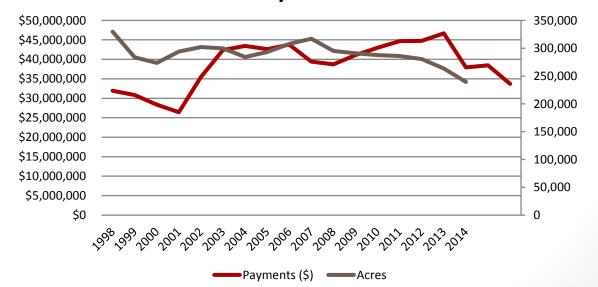
### **Conservation Reserve Program**

- 4 Factors that make CRP highly competitive:
  - Declining cap on CRP enrollment
  - Sustained decline in commodity prices
  - Inclusion of acreage in CRP that was eligible in Grassland Reserve Program
  - Level of interest in re-enrolling expiring CRP contracts
- Most recent enrollment period saw lowest percentage of applications accepted with highest Environmental Benefit Index (EBI) numbers



#### CRP payments & acreage in Indiana, by fiscal

year



#### CRP Acreage by Practice in Indiana, 2014

### CRP Acreage in the United States, 2014

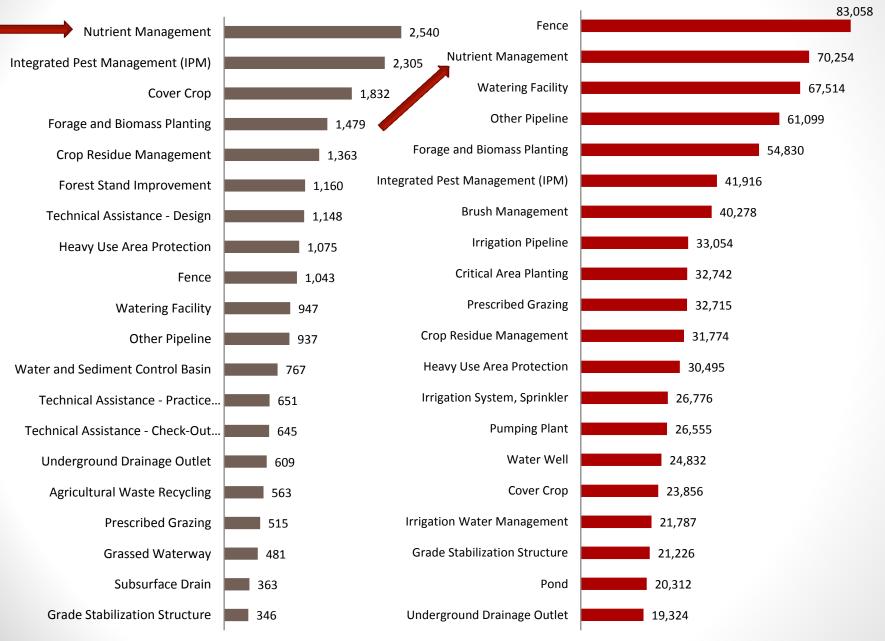
		4,536,72	21
Filter strips	53,001 Vegetative cover, such as gra 24,986 Establishment of permanent		
Vegetative cover, such as grass,	21 1/5		
Fatablish want of some set	20,652 Permanent wildlife habitat, no 20,652 Rare and Declin		
Establishment of permanent	10,007	lining Habitat 1,679,786 d Restoration 889,438	
Hardwood tree planting	18,521	Filter strips 871,914	
Permanent wildlife habitat, non	8,508 Rip	parian buffer 831,465	
	5,693 State Acres for Wildlife Enh	. ,	
Riparian buffer	= 5,671 Hardwood t	tree planting 565,473	
Wetland Restoration	5.548	Tree planting 545,064	
	<ul> <li>4,051</li> <li>3,480</li> <li>Vegetative cover, such as tree</li> </ul>	· · · · · · · · · · · · · · · · · · ·	
State Acres for Wildlife	<ul> <li>3,072 Wetland restoration. nor</li> </ul>		
Field windbreak establishment,	<ul> <li>2,333</li> <li>2,011</li> <li>Duck Nes</li> </ul>	esting Habitat 💻 266,770	
	■ 1,318 Habitat for u	upland birds = 248,622	
Tree planting	1,021 Farmable Wetland		
Wildlife food plot	1,016 Grass waterways, no 720	-, -	
·	600 Longleat Pi	Pine Initiative 119,173	
Expired hardwood tree planting	526 Marginal pastureland wildlife ha		
Farmable Wetland Pilot Wetland	435 Establishment of permanents		
	324 Bottomland timber established	, -	
Permanent wildlife (corridors),	243 Establishment of permanent 237 Emergency Forestry - Soft	- ,	
State Acres for Wildlife	70		
	75 FIEld WINDFEAK Establist		
Marginal wetland buffer	63 Farmable Wetland Pi 47 Pollin:		
Alternate perennial	32 Establishment of normanon	nator Habitat   66,608	
	25	nt vegetative 1 58,792 Ilife food plot 1 56,602	
Field windbreak establishment	25	etland buffer   47,109	
Emergency Forestry - Softwood	19 Permanent will	,	
FWP Aquaculture Wetland			
FVVP Aquaculture vvellanu	14Shelterbeit establishment, no3Shallow water areas		
Establishment of permanent salt	2 Emergency Forestry - Mixed Tre		
Living snow fence	2 Emergency Forestry - Softwore	- ,	
	1 Emergency Forestry - Longlea		
Permanent wildlife habitat	1 Emergency Forestry -		
Erosion control structure	1 State Acres for Wildlife Enh	hancement 17,280	
	0 FWP Aquaculture Wetland	d Restoration 16,677	
Establishment of permanent	0 FWP Flooded Prai	airie Wetland   12,327	

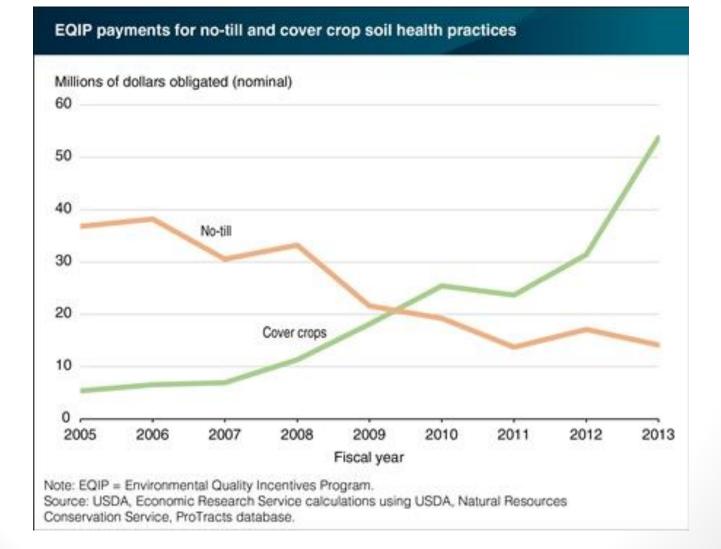
### Environmental Quality Incentives Program (EQIP)

- Voluntary program to provide financial and technical assistance to ag producers to plan and implement conservation practices that improve soil, water, plant, animal, air, and related natural resources on ag land and no-industrial private forestland
- Eligible: owners of land in ag or forest production or persons engaged in livestock, agricultural, or forest production and have natural resource concern on that land (cropland, rangeland, pastureland, non-industrial private forestland, other farm/ranch lands)
- Must be an ag producer, control or own eligible land, and have an adjusted gross income of less than \$900,000, be in compliance with highly erodible land and wetland conservation requirements, and develop NRCS EQIP plan of operation to address at least 1natural resource concern
- No longer had restriction in providing assistance to large confined livestock operations to construct animal waste management facilities
- Required 60% of EQIP assistance to livestock producers
- Assists producers meeting National Organic Program requirements in the transition process limited to \$20,000 annually and \$80,000 in 6-year period
- 5% of funds allocated to Wildlife Habitat Incentives Program (WHIP)
- Conservation Innovation Grant program falls within EQIP

#### Most commonly used practices for EQIP contracts in Indiana

### Most commonly used practices for EQIP contracts in the United States





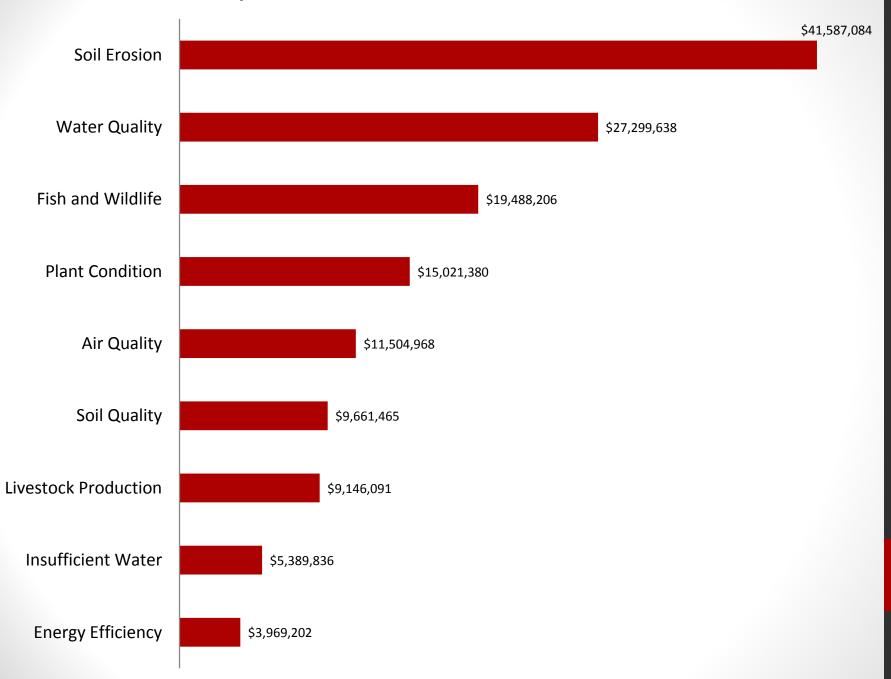
#### EQIP practice suite payments in Indiana, 1997-2015

#### EQIP practice suite payments in the United States, 1997-2015

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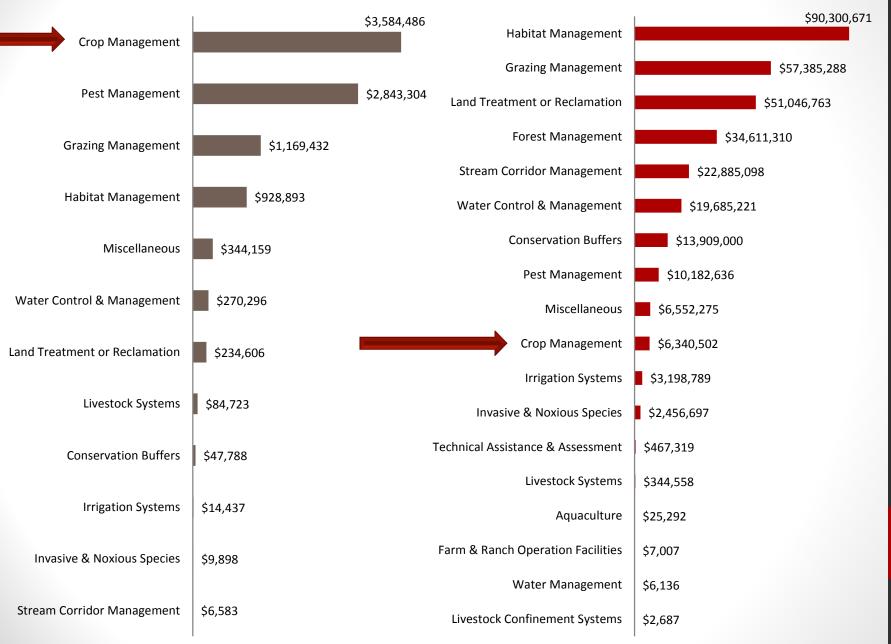
Crop Management		\$59,446,492 Irrigation Systems		\$1,613,020,481
Livestock Confinement Systems	\$19,160,605	5 Grazing Management		\$1,320,742,632
Water Control & Management	\$14,450,872	Water Control & Management		\$1,180,681,456
Livestock Systems	\$12,537,786	Crop Management		\$1,050,628,288
Grazing Management	\$12,488,350	Livestock Confinement Systems		\$1,043,602,887
Pest Management	\$9,468,164	Livestock Systems	\$291,150,895	
Forest Management	\$3,307,888	Land Treatment or Reclamation	\$262,075,005	
Conservation Buffers	\$2,085,261	Forest Management	\$221,038,398	
Technical Assistance &	\$1,919,987	Pest Management	\$166,989,435	
Miscellaneous	\$1,243,674	Conservation Buffers	\$128,598,923	
Farm & Ranch Operation		Air Quality	\$119,736,094	
Air Quality	\$850,684	Farm & Ranch Operation Facilities	\$109,645,842	
Irrigation Systems	\$829,886	Stream Corridor Management	\$99,177,340	
Land Treatment or Reclamation	\$632,222	Habitat Management	\$86,132,785	
Water Management	\$515,624	Energy	\$79,313,788	
Stream Corridor Management	\$351,000	Miscellaneous	\$77,222,462	
Energy		Water Management	\$58,725,765	
	\$181,197	Technical Assistance & Assessment	\$33,956,864	
Habitat Management	\$149,579	Invasive & Noxious Species	\$11,967,682	
Invasive & Noxious Species	\$50,178	Aquaculture	\$1,742,330	

#### EQIP impact on resource concerns in Indiana, 1997-2015



#### WHIP practice suite payments in Indiana, 2004-2015

### WHIP practice suite payments in the United States, 2004-2015



### Changes to Use DUNS and SAMs

- DUNS (Data Universal Numbering System)
- SAMs (System for Award Management) numbers

Issue:

- DUNS and SAM requirements act as barriers to participation in NRCS programs
- Result in farmers losing current funding or denied access to entry in the program
- Current law provides exemption for "individuals" but not farms organized as a business entity
- SAM must be registered again each year to receive NRCS assistance, but is only offered electronically

# Speed and Efficiency of Wetland Determinations

Issue: Producers have faced significant backlog in wetland determinations, and if a property is determined a wetland, certain changes are not allowed without a landowner losing participation in Farm Bill programs.

- Legislation has been introduced to address backlog of wetland determinations and enact permanent reforms for determination process to be efficient, accountable, and transparent.
- Ensures timely determinations by limiting USDA to 60 days
- Makes appeals process more efficient
- Allows third parties to be better utilized as resources to shrink backlog
- Improves transparency by clarifying NRCS's responsibility to share information used to make determination