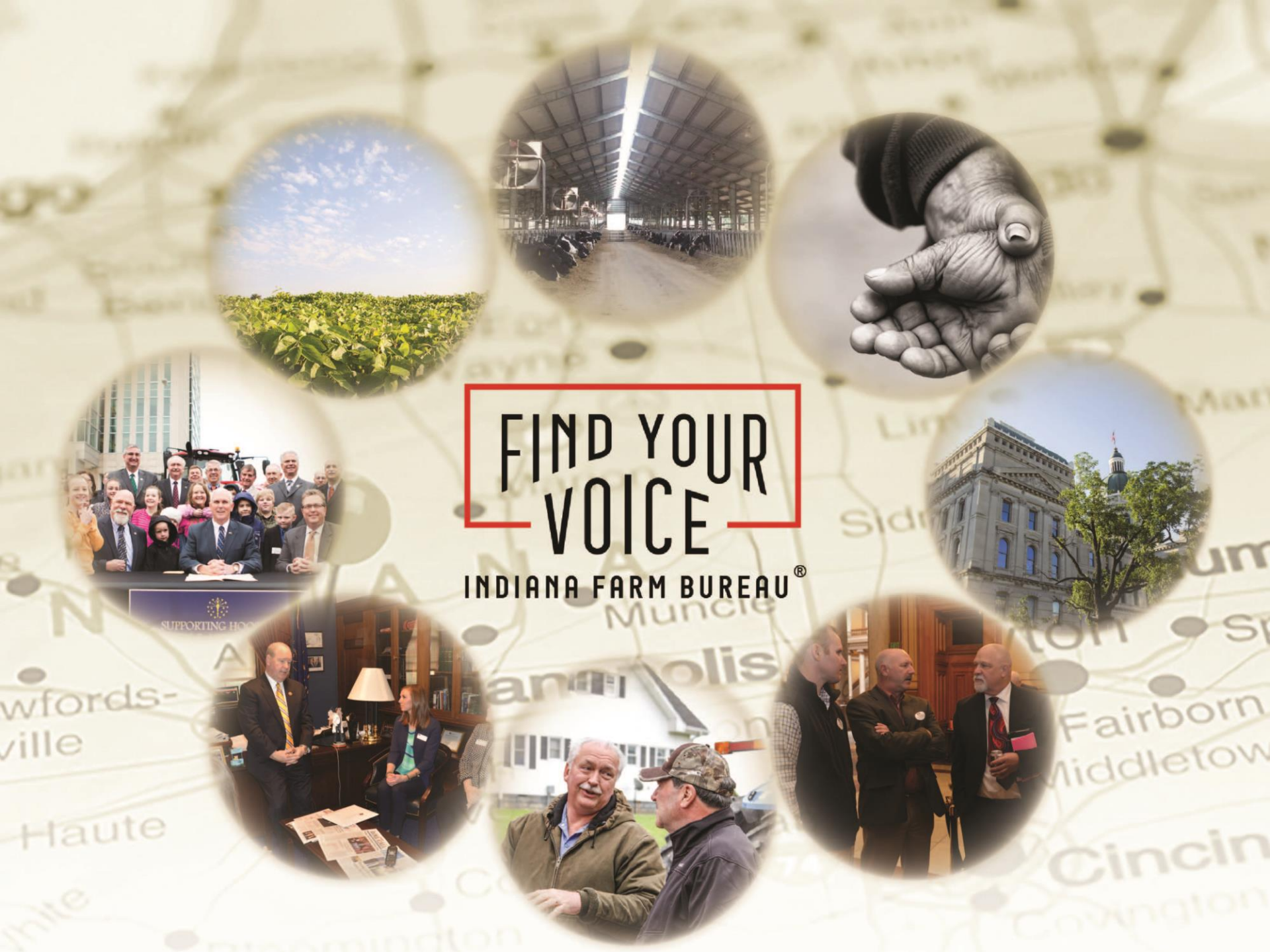




# FIND YOUR VOICE

INDIANA FARM BUREAU®



# 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

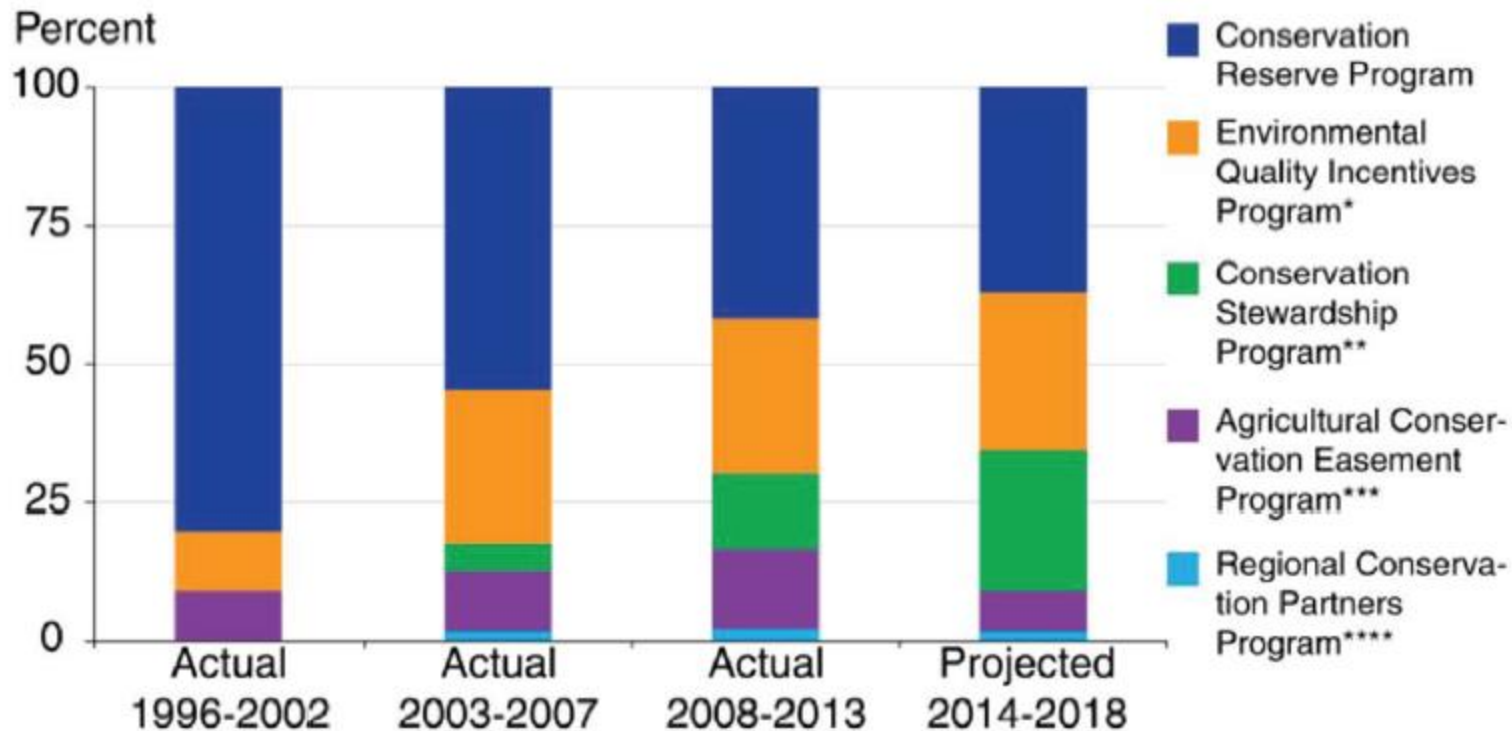
DUNS and SAMs

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



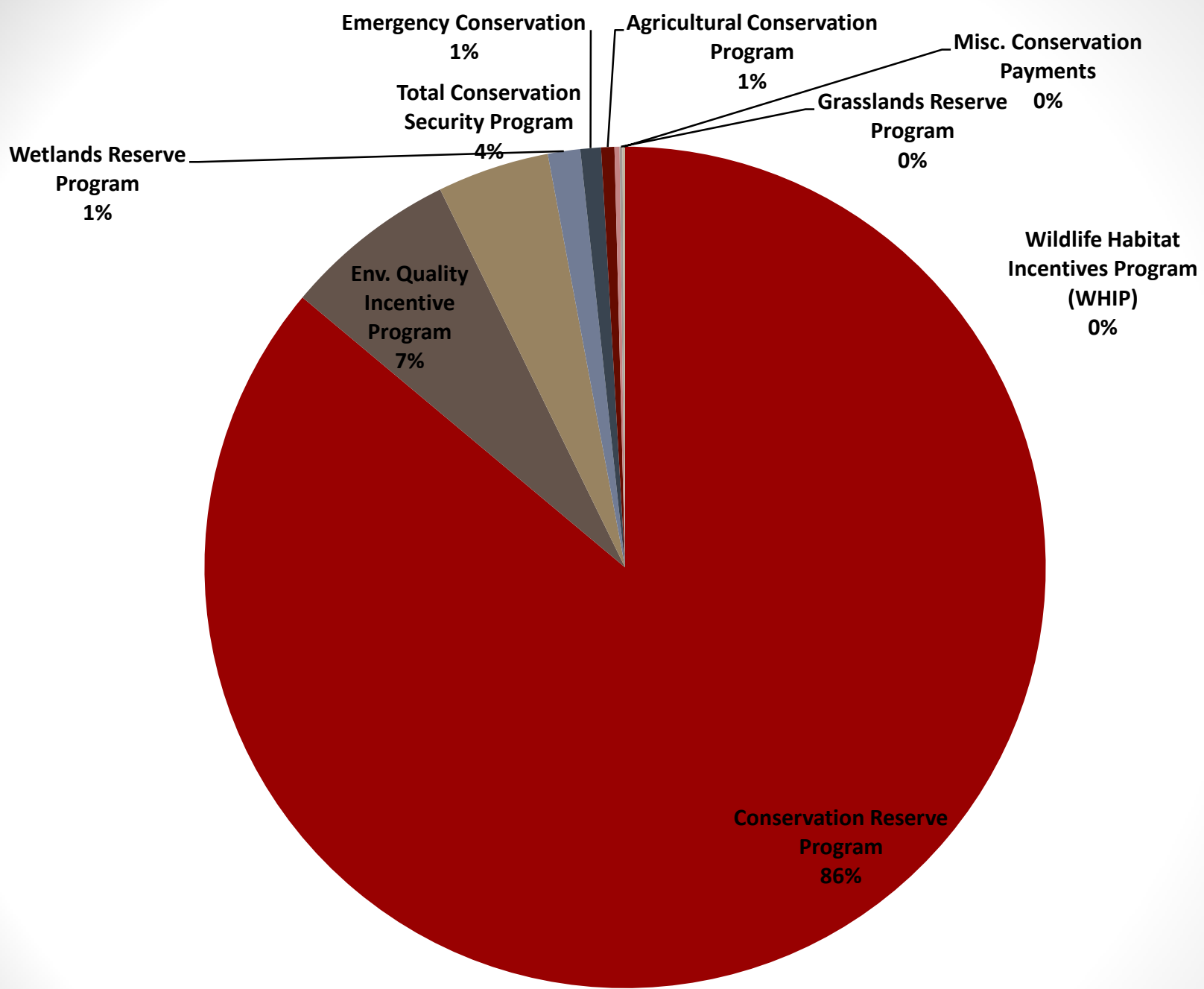
\*Includes EQIP and the Wildlife Habitat Incentives Program for 1996-2013.

\*\*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.

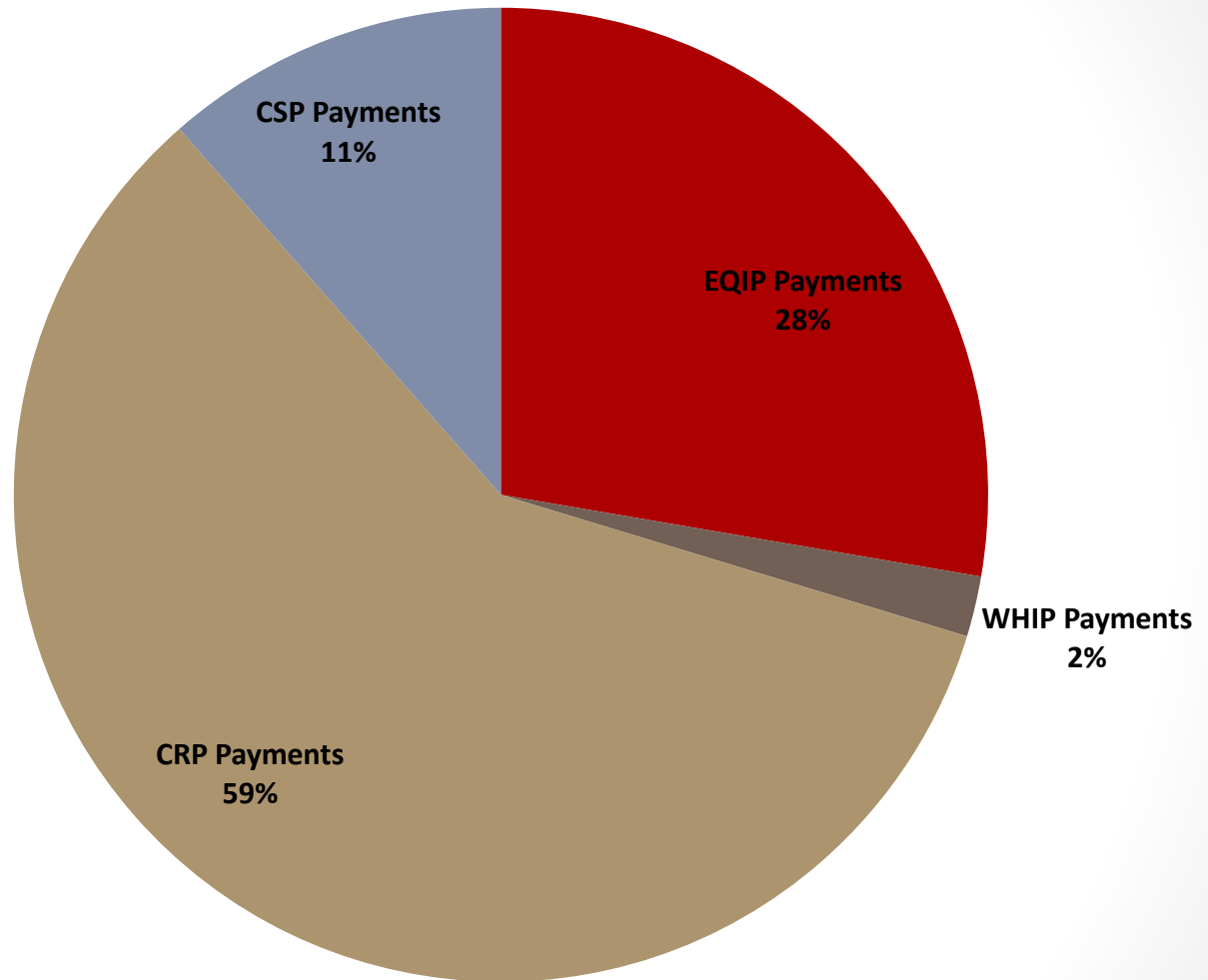
Sources: ERS analysis of Office of Budget and Policy Analysis data on actual expenditures for 1996-2013; spending levels provided in the 2014 Farm Act and Congressional Budget Office estimates for 2014-2018.



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

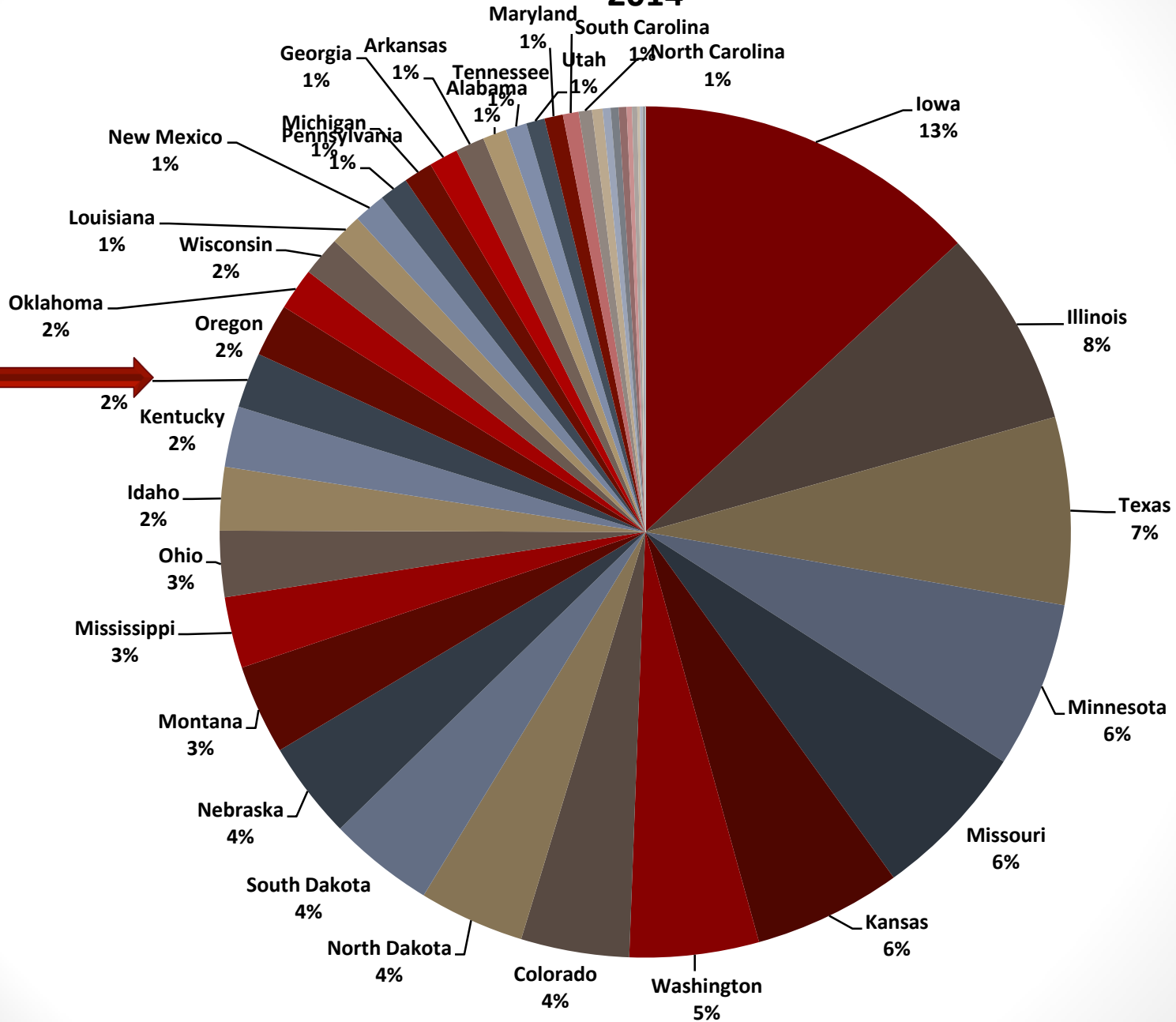
# All Conservation payments by program in Indiana, 2014

Fiscal Year	2014
EQIP Contracts	1,592
EQIP Payments	\$18,107,716
WHIP Contracts	186
WHIP Payments	\$1,311,819
CRP Recipients	20,356
CRP Payments	\$38,478,167
CSP Contracts	458
CSP Payments	\$7,505,270

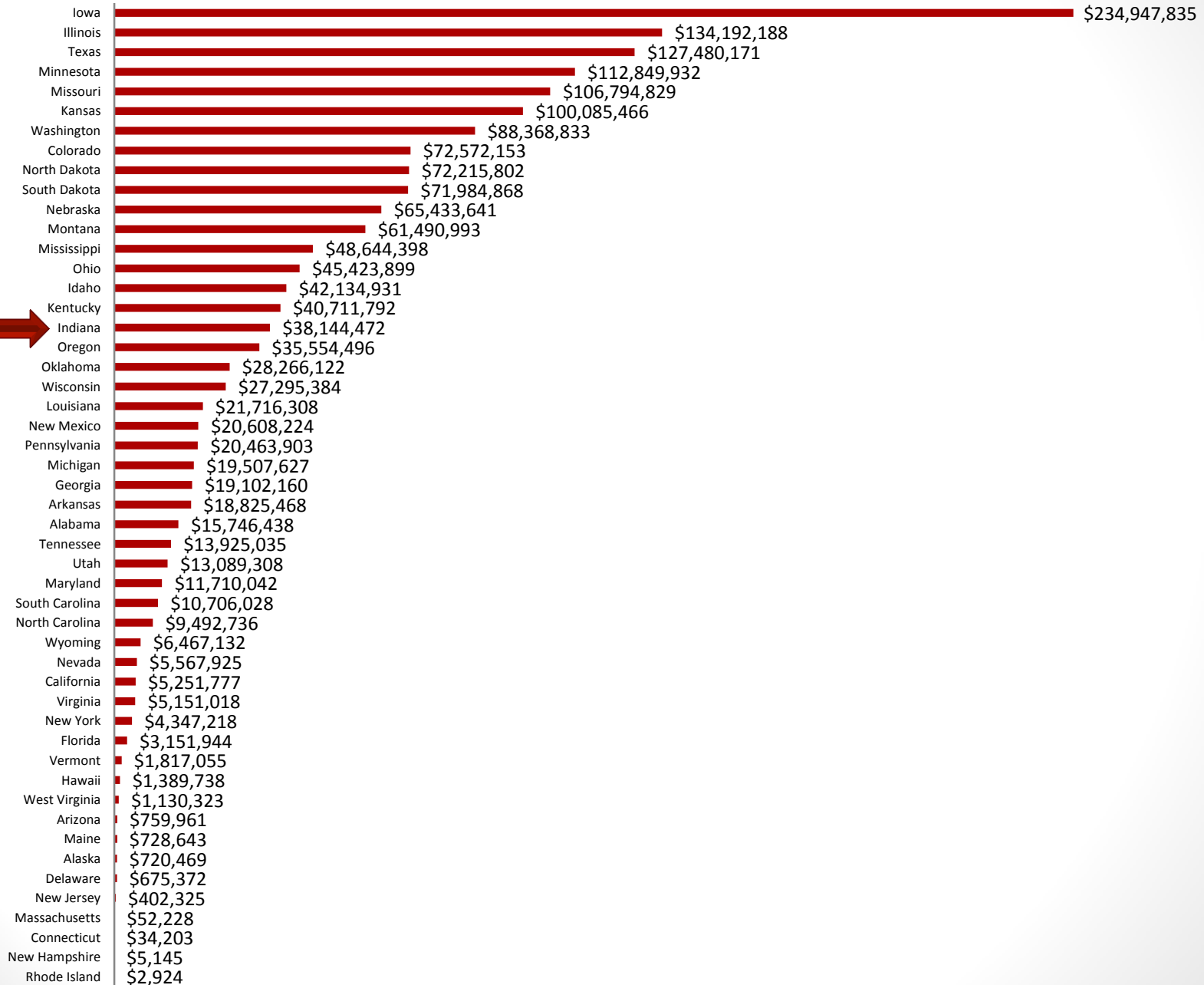




# States Receiving Subtotal Percentage, Conservation Programs payments, 2014



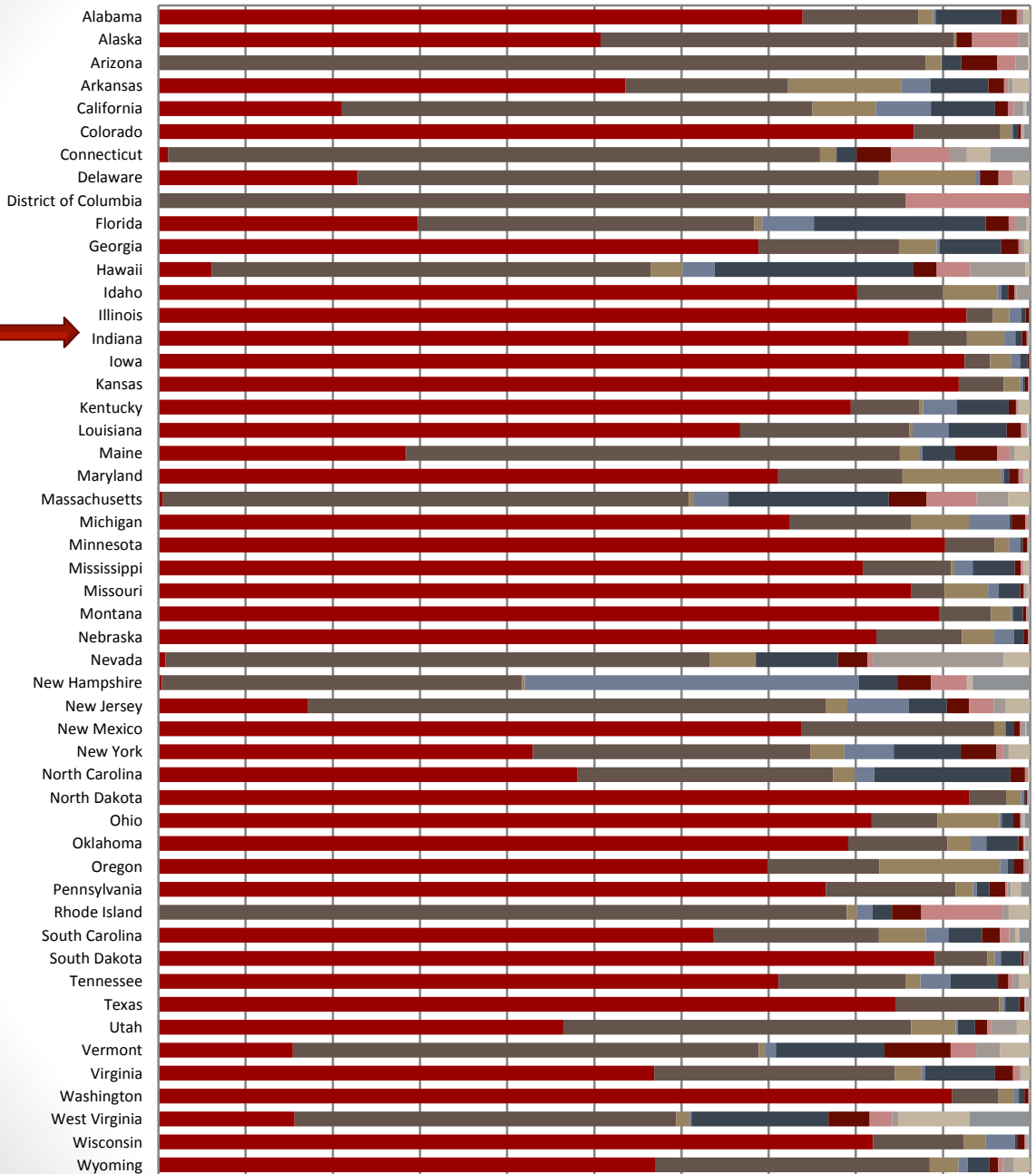
# States Receiving Subtotal, Conservation Programs payments, 2014





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

0% 10% 20% 30% 40% 50% 60% 70% 80% 90% 100%



- 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, should this be a higher priority?

# 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

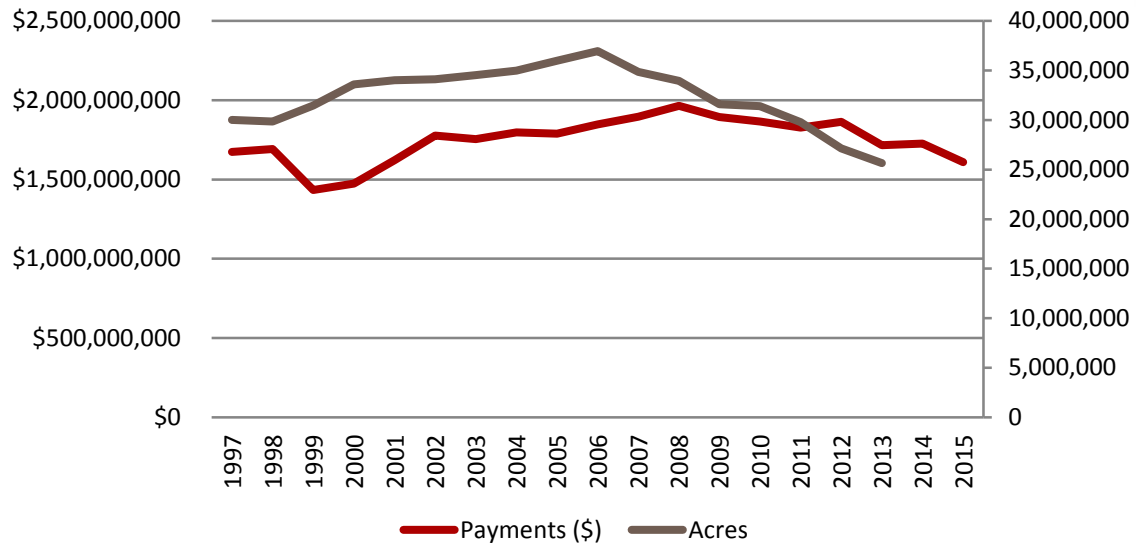
# Conservation Reserve Program

- 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.

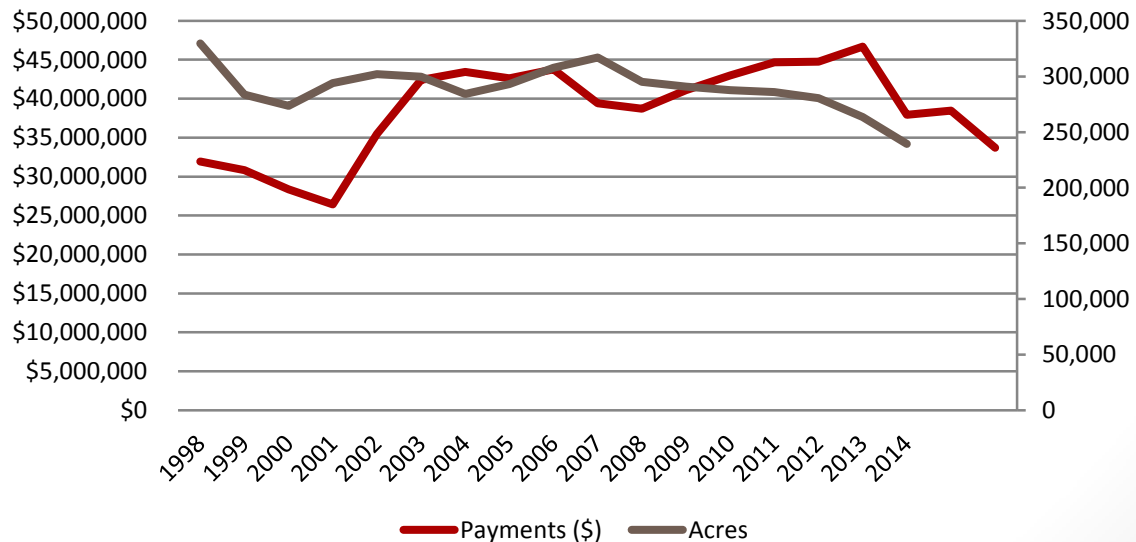
# Conservation Reserve Program

- 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 the United States, by fiscal year



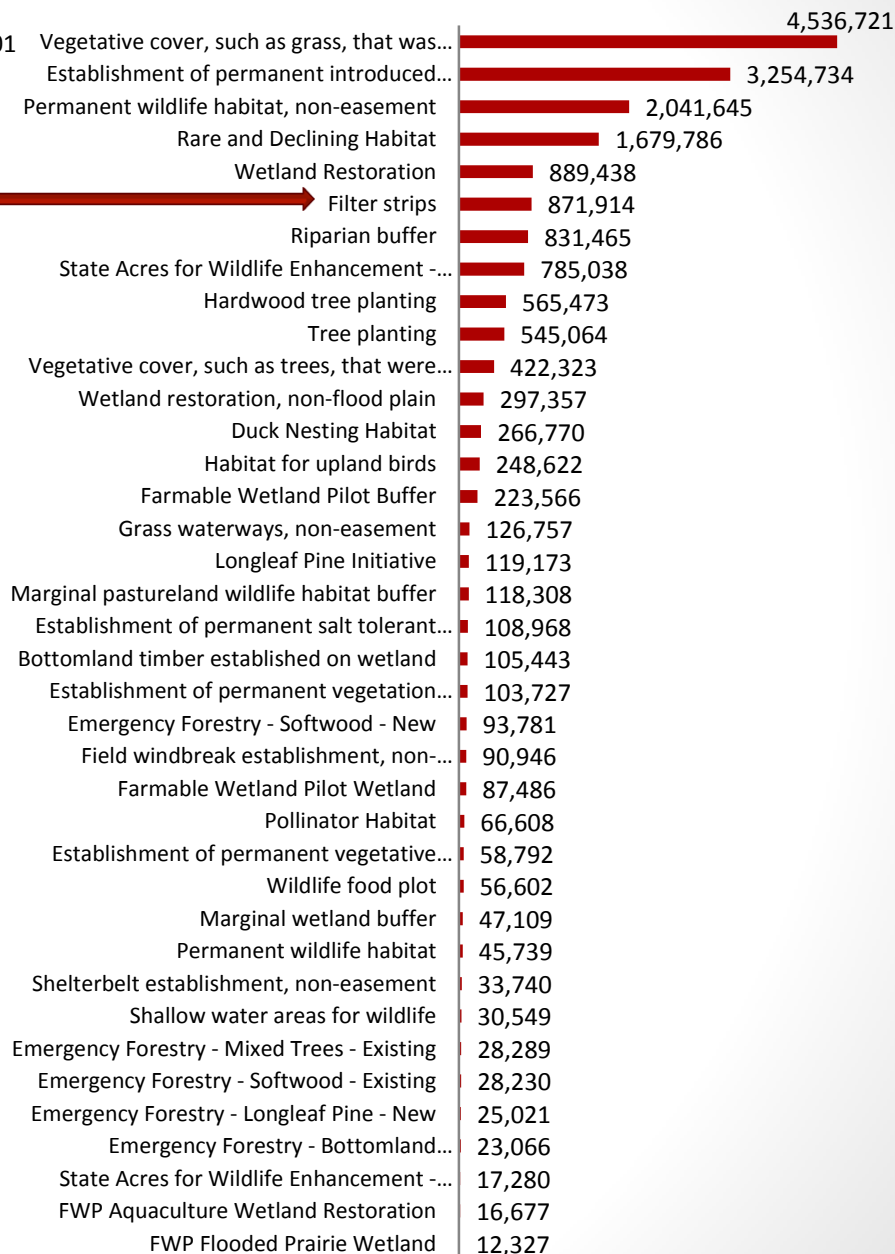
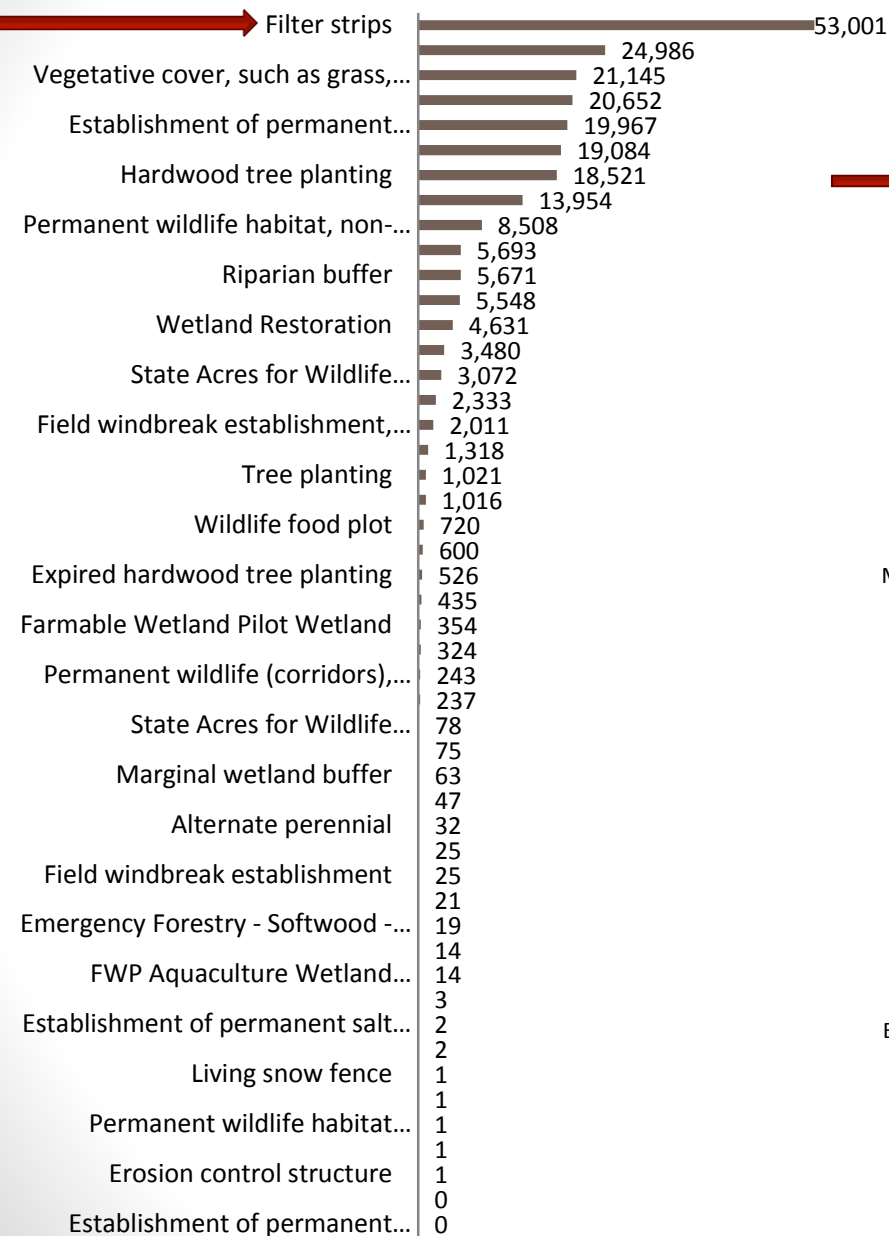
## CRP payments & acreage in Indiana, by fiscal year





## CRP Acreage by Practice in Indiana, 2014

## CRP Acreage in the United States, 2014

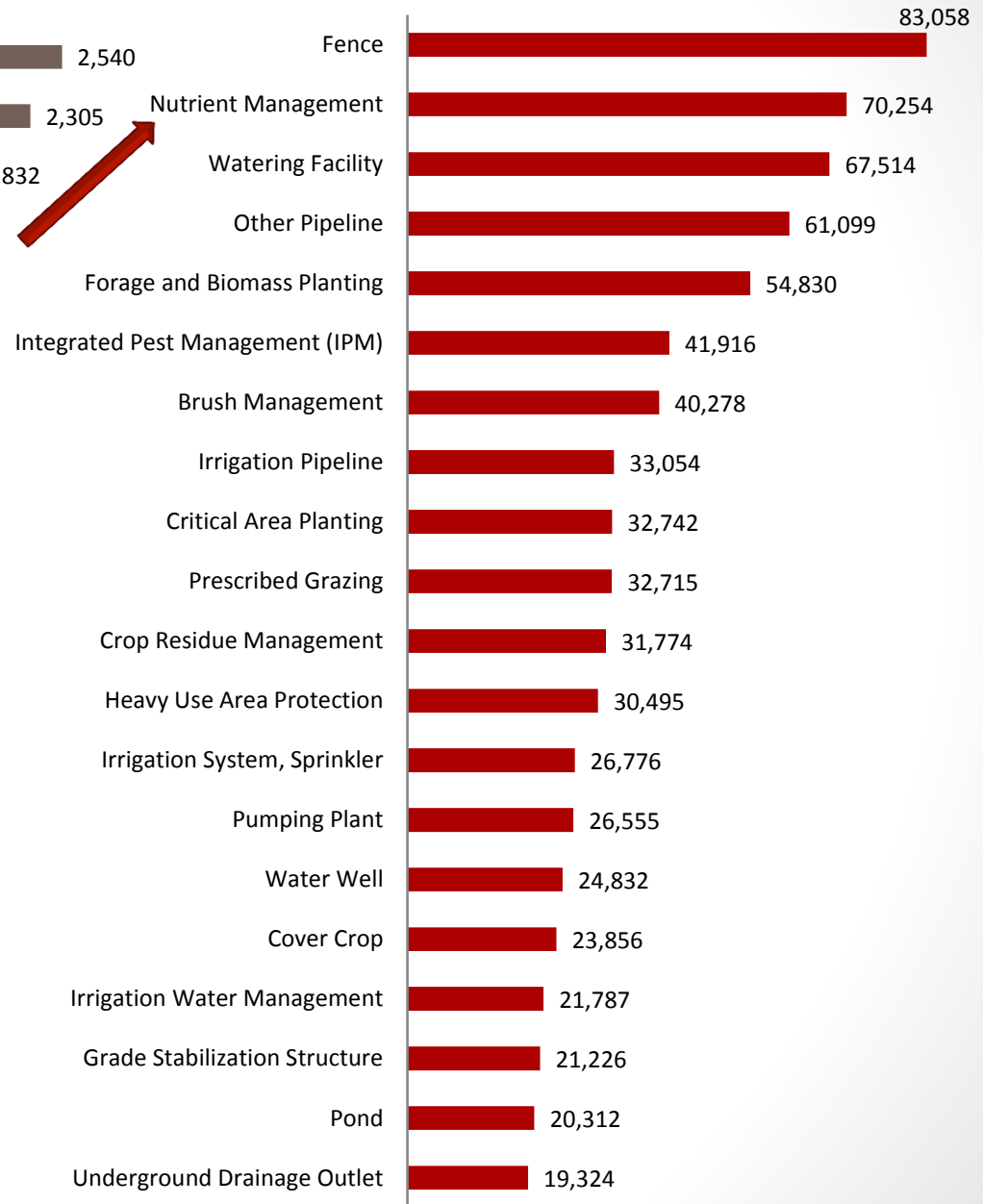
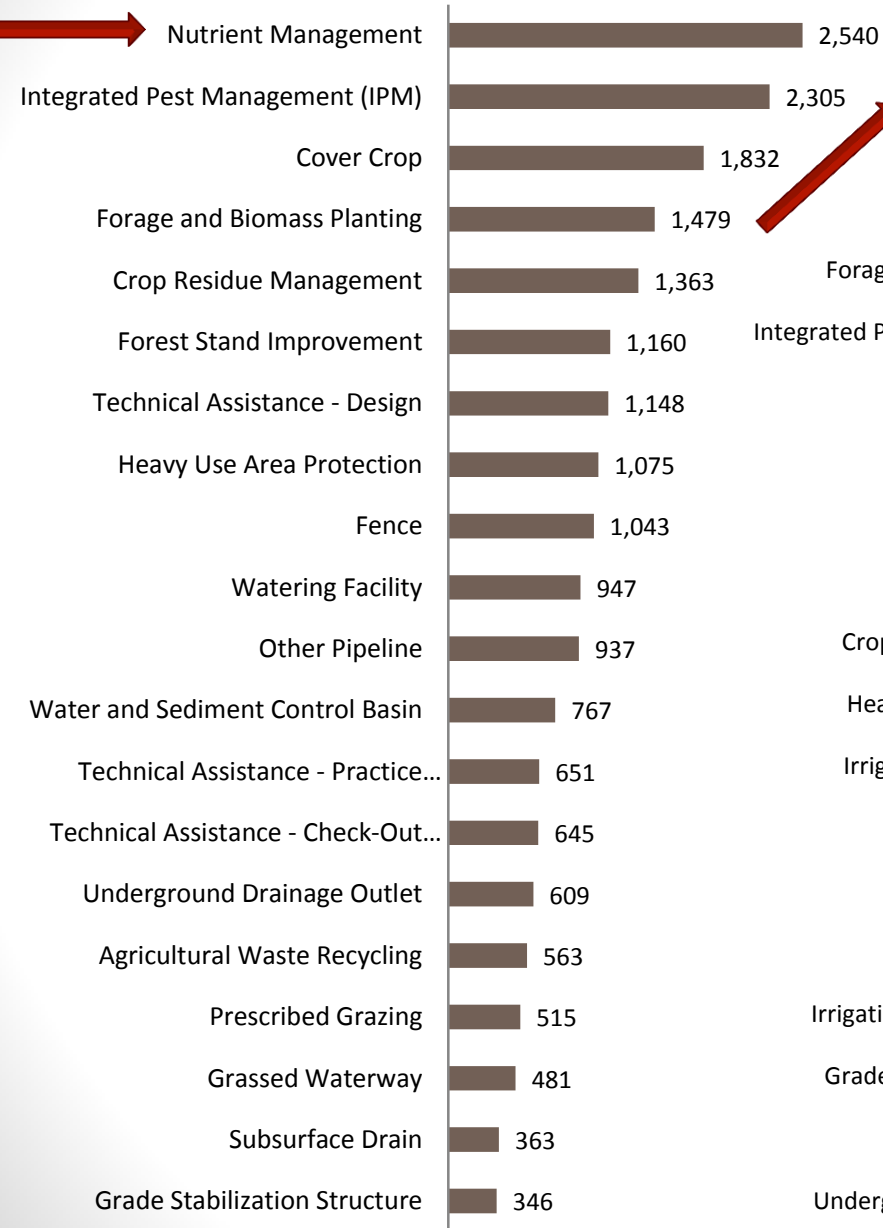


# Environmental Quality Incentives Program (EQIP)

- 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 non-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 1 natural 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

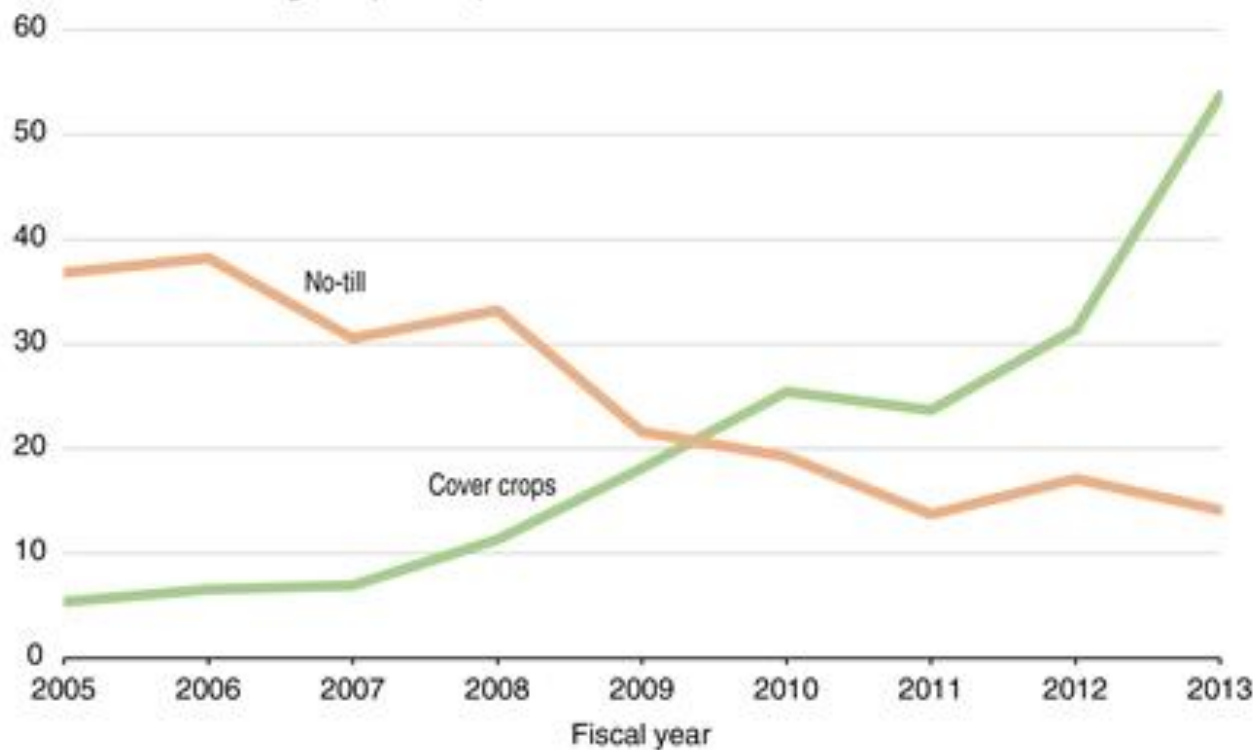
## Most commonly used practices for EQIP contracts in Indiana

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



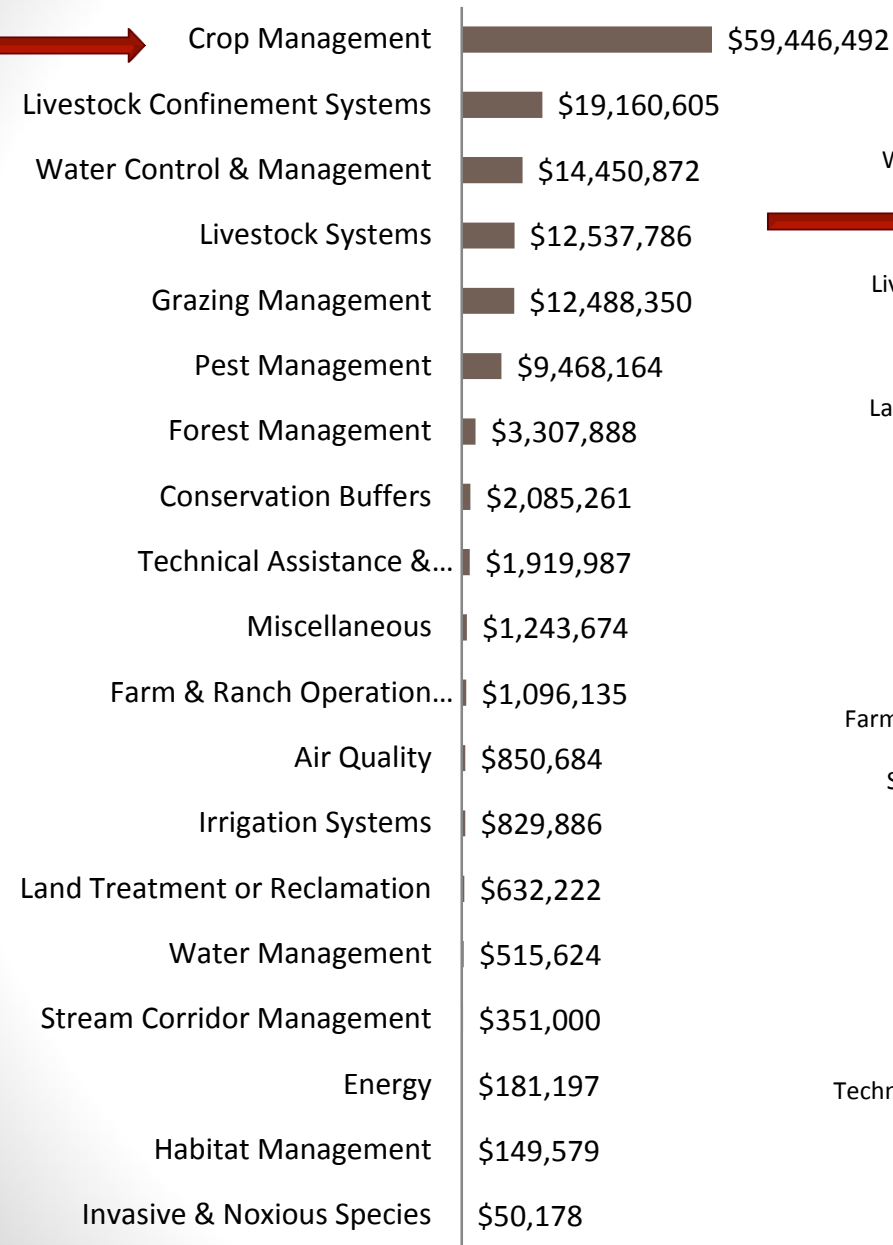
## EQIP payments for no-till and cover crop soil health practices

Millions of dollars obligated (nominal)

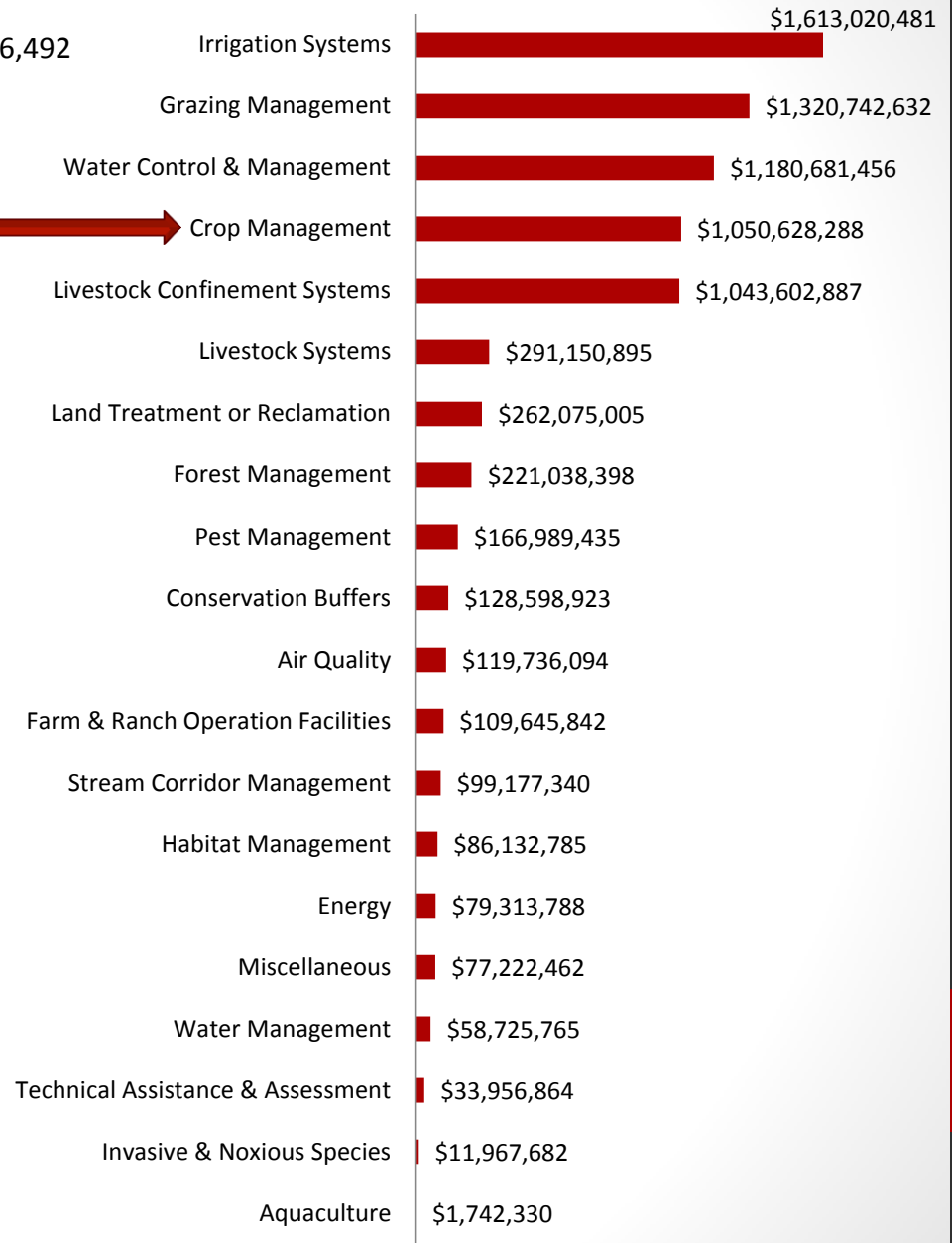


Note: EQIP = Environmental Quality Incentives Program.  
Source: USDA, Economic Research Service calculations using USDA, Natural Resources Conservation Service, ProTracts database.

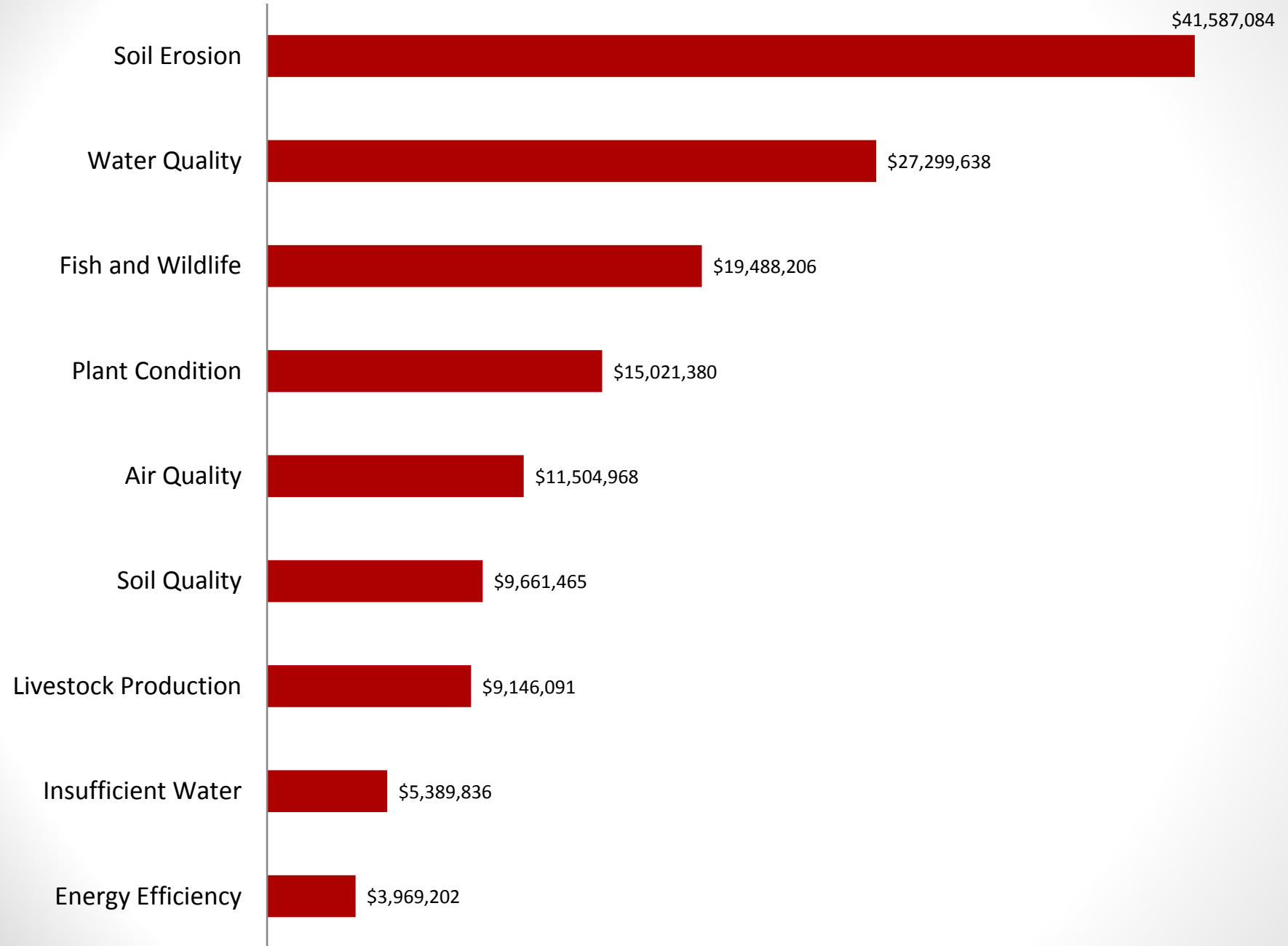
## EQIP practice suite payments in Indiana, 1997-2015



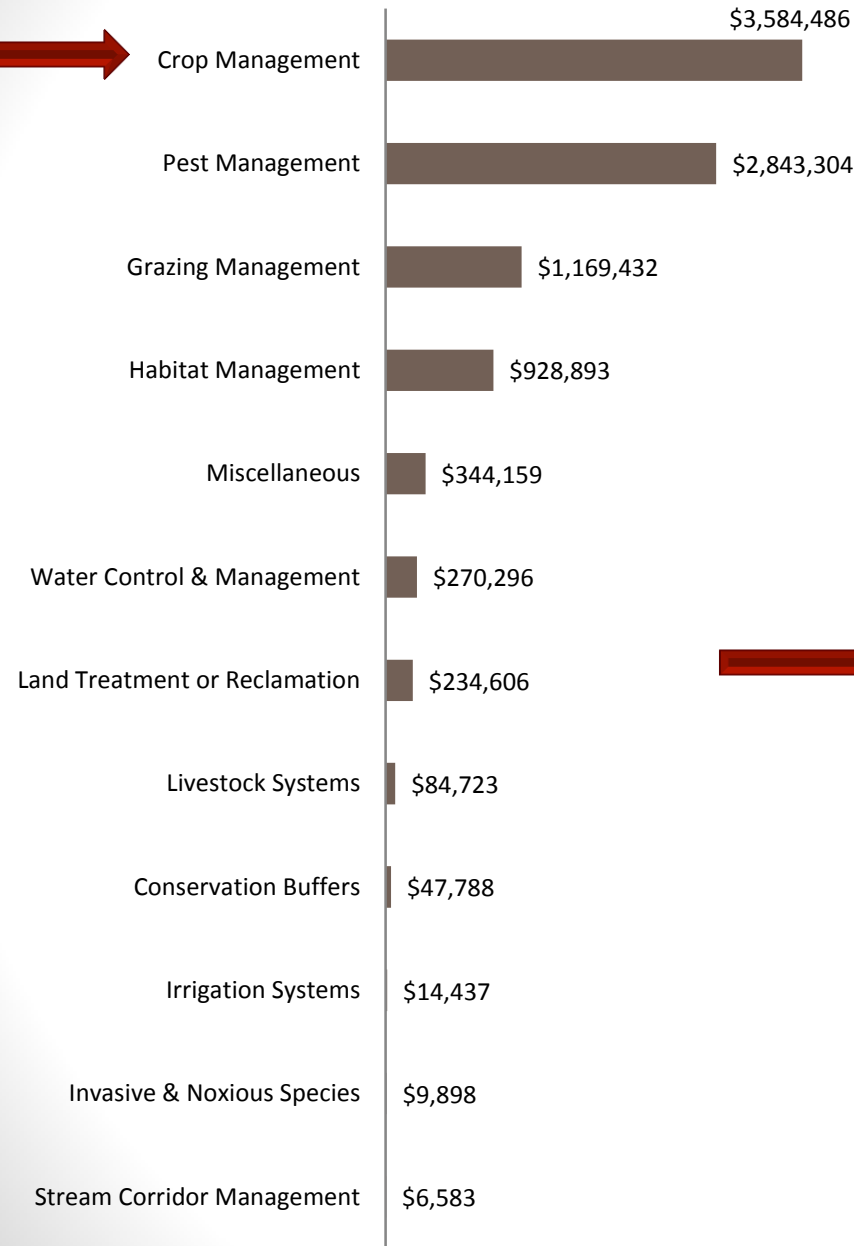
## EQIP practice suite payments in the United States, 1997-2015



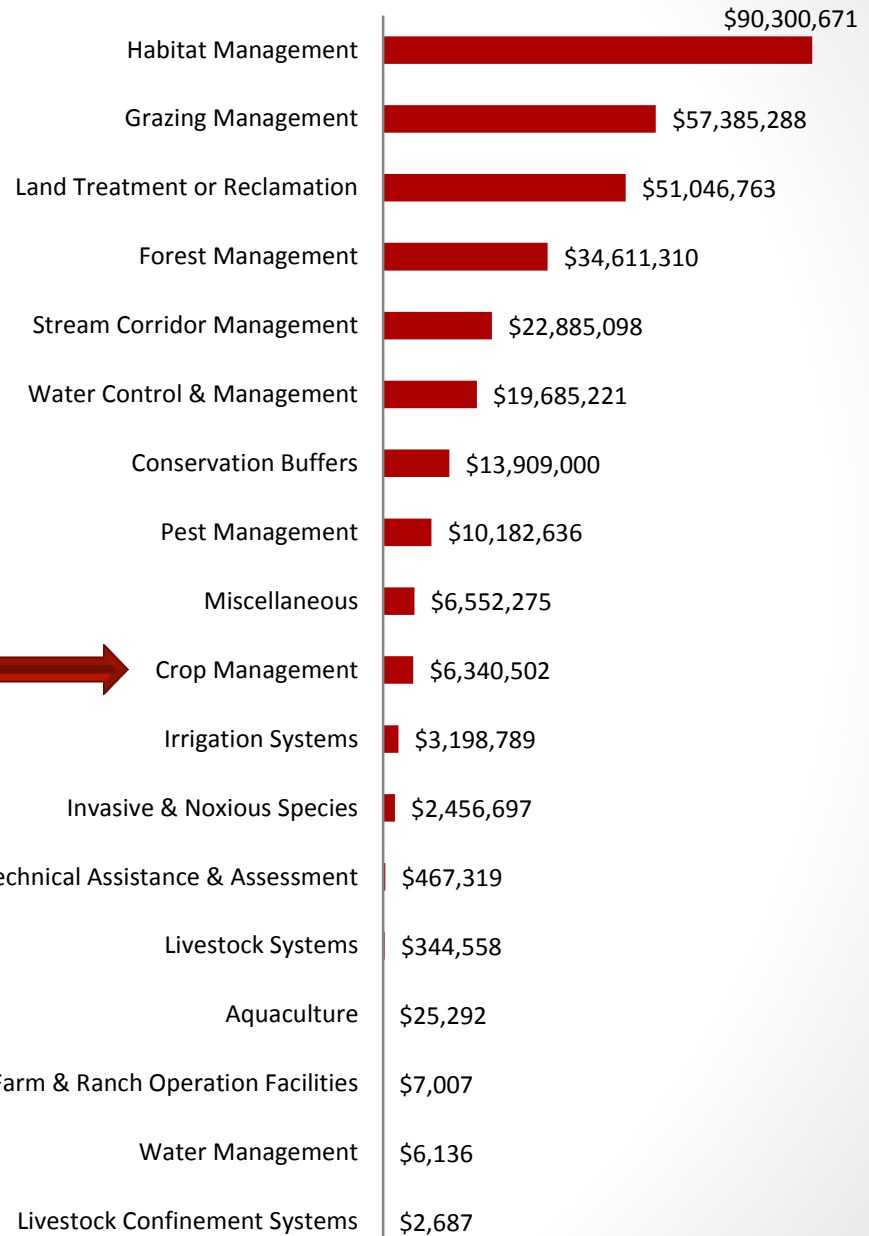
# EQIP impact on resource concerns in Indiana, 1997-2015



## 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