

# USDA <sup>1996</sup> Farm Bill

April 1996

## Overview

# Conservation Provisions

United States Department of Agriculture

## The 1996 Farm Bill's Commitment To Conservation

**T**he conservation provisions in the 1996 Farm Bill will affect farmers well into the next century. The new provisions build on the conservation gains made by landowners over the past decade. They simplify existing programs and create new programs to address high priority environmental protection goals. Here is a quick summary of some of the key provisions:

- The new **Environmental Quality Incentives Program** consolidates the functions of four existing conservation programs into one and focuses assistance to locally-identified conservation priority areas or areas where agricultural improvements will help meet water quality goals. In fiscal year 1996, \$130 million will be available. After that, the program will be funded at \$200 million annually. Funds will pay for technical assistance and cost-sharing on conservation practices. Fifty percent of the funds are dedicated to conservation associated with livestock operations.
- The popular **Wetlands Reserve Program** and **Conservation Reserve Program** are extended through 2002. Changes provide landowners more options for protecting wetlands and highly erodible lands. In the Wetlands Reserve Program, landowners will now be able to choose either permanent or 30-year easements, or restoration only cost-share agreements.
- A new **Farmland Protection Program** will provide up to \$35 million to help farmers preserve their land in agriculture. The program provides assistance to states with existing farmland protection programs to purchase conservation easements.
- Current **Swampbuster** and wetlands provisions from the 1985 and 1990 Farm Bills were modified to provide farmers with more flexibility to meet wetland conservation compliance requirements. Changes include expanding areas where mitigation can be used, allowing mitigation by restoration, enhancement or creation, and changing the abandonment clause.
- The new **Wildlife Habitat Incentives Program** provides \$50 million over the next seven years to help landowners improve wildlife habitat on private lands.
- **Conservation Compliance** was changed to direct USDA employees who are providing on-site technical assistance to notify landowners if they observe potential compliance problems. Landowners will have up to one year to take corrective action. County Committees are authorized to provide relief in cases of economic hardship.
- A **Flood Risk Reduction Program** was established that allows farmers who voluntarily enter into contracts to receive payments on lands with high flood potential. In return, participants agree to forego certain USDA program benefits. These contract payments provide incentives to move farming operations from frequently flooded land.
- The **Emergency Watershed Protection Program** was amended to allow the purchase of **Floodplain Easements**.
- The new **Conservation of Private Grazing Land** initiative offers landowners technical, educational and related assistance on the Nation's 642 million acres of private grazing lands.
- The **National Natural Resources Conservation Foundation** is created as a nonprofit corporation to fund research, education and demonstration projects related to conservation.
- **Membership in the State Technical Committees**, the group which provides guidance on technical standards for conservation programs, was broadened to include agricultural producers and others knowledgeable about conservation.
- A new **Conservation Farm Option** was created for producers of wheat, feed grains, upland cotton, and rice who are eligible for Agriculture Market Transition Contracts. Under this pilot program, landowners may consolidate their CRP, WRP, and EQIP payments into one annual payment. The participants enter into a 10-year contract and agree to adopt a conservation farm plan.
- Under the interagency **Wetlands Memorandum of Agreement**, the definition of agricultural land was expanded to include not only cropland and pastureland, but also rangeland, native pastureland, other land used to support livestock production, and tree farms.



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### Conservation Provisions of the 1996 Farm Bill

**T**HE conservation provisions of the 1996 farm bill simplify existing conservation programs and improve their flexibility and efficiency. The bill also creates new programs to address high priority environmental protection goals.

The farm bill authorizes more than \$2.2 billion in additional funding for conservation programs, extends the Conservation Reserve Program and Wetland Reserve Program, and creates new initiatives to improve natural resources on America's private lands.

To qualify for market transition payments under basic commodity programs which replace traditional farm subsidies, farm operators must agree to abide by Conservation Compliance and Wetlands Conservation (Swampbuster) provisions in the 1996 farm bill.

### Umbrella Program Reform

The bill reforms an existing program, the Environmental Conservation Acreage Reserve Program (ECARP), which encompasses the existing Conservation Reserve Program, the new Environmental Quality Incentives Program, and the Wetland Reserve Program.

### Conservation Reserve Program

The CRP protects highly erodible and environmentally sensitive lands with grass, trees, and other long-term cover.

The farm bill:

- Allows up to 36.4 million acres to be enrolled at any one time. New enrollments can replace expired or terminated contracts.
- Allows owners or operators who entered into a contract before 1995 to terminate contracts on certain acres after giving written notice. Contracts must have been in effect for at least five years. Lands with high environmental values are not eligible for early release.
- Gives the Secretary discretionary authority to offer future early outs for CRP acres.

### Environmental Quality Incentives

The Environmental Quality Incentives Program (EQIP) is a new program which combines the functions of the Agricultural Conservation Program, Water Quality Incentives Program, Great Plains Conservation Program and the Colorado River Basin Salinity Control Program.

EQIP is funded at \$130 million in fiscal year 1996 and \$200 million annually thereafter. Livestock-related conservation practices will receive 50 percent of program funding.

The farm bill:

- Establishes conservation priority areas where significant water, soil, and related natural resource problems exist, in cooperation with state and federal agencies and with the state technical committees.
- Gives higher priority to areas where state or local governments offer financial or technical assistance, or where agricultural improvements will help meet water quality objectives.
- Establishes 5-to 10-year contracts to provide technical assistance and pay up to 75 percent of the costs of conservation practices such as manure management systems, pest management, and erosion control.
- Defines land eligible for EQIP contracts as agricultural land that poses a serious problem to soil, water, or related resources.
- Does not allow large livestock operations (to be defined through a public rule-making process) to be eligible for cost-share assistance for animal waste management facilities, but they do remain eligible for technical assistance.
- Requires activities under the contract to be carried out according to a conservation plan.
- Limits total cost-share and incentive payments to any person to \$10,000 annually, and to \$50,000 for the life of the contract.
- Phases in EQIP over the next six months, and then ends the Agricultural Conservation Program,

Colorado River Basin Salinity Control Program, Water Quality Incentives Program, and the Great Plains Conservation Program.

### **Wetland Reserve Program**

The WRP will have an enrollment cap of 975,000 acres. Program changes provide more flexibility and help landowners work toward a goal of no net loss of wetlands.

The revised WRP:

- Requires that, beginning October 1, 1996, one-third of total program acres be enrolled in permanent easements, one-third in 30-year easements, and one-third in restoration only cost-share agreements. Individuals may choose the category for their eligible land.
- Stipulates that effective October 1, 1996, no new permanent easements may be enrolled until at least 75,000 acres of temporary easements have entered the program.
- Provides landowners with 75 percent to 100 percent cost-sharing for permanent easements, 50 percent to 75 percent for 30-year easements, and 50 percent to 75 percent for restoration cost-share agreements. Cost-sharing will help pay for restoration.

### **Wetland Conservation (Swampbuster)**

The 1996 farm bill makes several policy changes to existing Swampbuster provisions to give farmers more flexibility in complying with wetland conservation requirements while protecting natural resources:

- Expands areas where mitigation can be used. This allows individuals to work with producers, conservation districts or other relevant entities to select the best area for mitigating wetlands.
- Provides more options for mitigation, including restoration, enhancement, or creation as long as wetland functions and values are maintained.
- Encourages effective and timely use of "minimal effect" determinations. This change allows the National Resources Conservation Service (NRCS), working with state technical committees, to identify practices that have a minimal effect on the environment and put them on a "fast track."
- Stipulates that wetland conversion activities, authorized by a permit issued under Section 404 of the Clean Water Act, which make agriculture production possible, will be accepted for farm bill purposes if they were adequately mitigated.

- Revises the concept of "abandonment" to ensure that as long as land is used for agriculture, a certified Prior Converted cropland designation remains in effect. When done under an approved plan, landowners with Farmed Wetlands (FW) and Farmed Wetlands Pasture (FWP) may allow an area to revert to wetland status, and convert it back to an FW or FWP for agricultural purposes without violating the Swampbuster provision.
- Requires wetland determinations to be certified by NRCS. Previous wetland determinations will be certified to verify their accuracy. A certified wetland determination will remain in effect as long as the land is used for agricultural purposes or until the owner or operator requests a review from the Secretary.
- Provides the Secretary with the discretion to waive penalties for ineligibility and to grant time to restore converted wetlands.
- Provides the Secretary with authority to identify for individual producers which programs are affected by Swampbuster violations and how much the penalty is.
- Establishes a pilot program for wetland mitigation banking in order to allow USDA to assess how well mitigation banking works for agriculture.

### **Wetlands Memorandum of Agreement**

The farm bill expands the definition of agricultural land contained in the interagency Wetlands MOA to include not only cropland and pasture land, but also tree farms, rangeland, native pasture land, and other land used for livestock production.

### **Conservation Research and Education**

The farm bill creates the National Natural Resources Conservation Foundation as a charitable nonprofit corporation to fund research and educational activities relating to conservation on private lands.

The foundation will promote innovative solutions to conservation problems through public-private partnerships. It will also accept private gifts of money or property to be used for conservation activities. Congress has authorized \$1 million annually from 1997 through 1999.

The new foundation will offer grants for research, education, and demonstration projects. Grants will also assist conservation districts in building resources to carry out local conservation programs.

The foundation will be administered by a nine-member board of trustees appointed by the Secretary.

### **Conservation Compliance**

The farm bill makes several policy changes in the operation of Conservation Compliance:

- Directs USDA employees who are providing on-site technical assistance to work with landowners to correct an observed potential compliance problem. Landowners will have up to one year to take corrective action before a violation is reported.
- Encourages farmers to maintain records of residue measurement, including those provided by a third party. Where appropriate, USDA will use these measurements when conducting annual status reviews to determine erosion levels.
- Authorizes county committees to provide relief in cases of undue economic hardship.
- Revises "good faith" to ensure penalties are commensurate with violations.

### **NRCS Technical Guide**

The farm bill requires public notice at the state level of future changes in the NRCS technical guide that affect Swampbuster and Conservation Compliance.

### **Conservation of Private Grazing Land**

The grazing lands provision is a new program to ensure technical, educational, and related assistance is provided to landowners on the nation's 642 million acres of private grazing lands. In fiscal year 1996, \$20 million is authorized. This amount increases to \$60 million by the third year.

### **Farmland Protection Program**

The Farmland Protection Program is a new program under which the Secretary will join with state or local governments to purchase conservation easements. Based on voluntary participation, it only applies to land which farmers want to preserve in agriculture.

The program:

- Protects between 170,000 and 340,000 acres of farmland.
- Authorizes up to \$35 million in total federal funding.
- Requires land to be subject to a pending offer from a state or local farmland conservation program in order to participate.

### **Task Force on Agricultural Air Quality**

The 1996 farm bill establishes a task force on agricultural air quality. The Chief of the Natural Resources Conservation Service will chair the task force.

### **Flood Risk Reduction**

This provision authorizes voluntary contracts that provide one lump sum payment to producers who farm land with high flood potential. The payment will equal 95 percent of the seven-year market transition payments, and other payments to offset estimated federal outlays on frequently flooded land.

In return, the producer agrees to comply with applicable wetlands and highly erodible land requirements and to forego commodity loans, crop insurance, conservation program payments, and disaster payments.

### **Wildlife Habitat Incentives Program**

This new provision will help landowners improve wildlife habitat on private lands. The program will have \$50 million in CRP funds for wildlife habitat improvement.

The program:

- Provides cost-sharing to landowners for developing habitat for upland wildlife, wetland wildlife, endangered species, fisheries and other wildlife.
- Provides for consulting with state technical committees to set priorities for cost-share measures and habitat development projects.

### **Emergency Watershed Protection Program Floodplain Easements**

The farm bill authorizes the Secretary to purchase floodplain easements under the Emergency Watershed Protection Program.

### **State Technical Committees**

State technical committees help develop technical standards for conservation programs. The farm bill requires public notice of meetings and expands committee membership to include representatives of non-government organizations such as agricultural producers, non-profit conservation organizations, agribusiness, and experts on the economic and environmental impacts of conservation techniques.

### **Conservation Farm Option**

This is a pilot program for producers of wheat, feed grains, upland cotton, and rice who are eligible for Agriculture Market Transition Contracts. Under this program, landowners may consolidate their CRP, WRP, and EQIP payments into one annual payment. The participants enter into a 10-year contract and adopt a conservation farm plan approved by the Secretary. Initially, \$7.5 million is authorized, increasing to \$62.5 million in 2002. Total authorized funding is \$197.5 million.

## **Resource Conservation and Development Program**

This program is reauthorized as is until 2002.

## **Forestry Incentives Program**

This program is reauthorized as is until 2002.

## **Soil Survey**

The farm bill provides flexibility in determining how soil survey information is communicated to the public.

## **Everglades**

The farm bill supports ongoing efforts to protect the Everglades ecosystem. This provision authorizes \$200 million for restoration activities including land acquisition. Authority is also provided to sell or exchange an additional \$100 million in federal land to help protect the Everglades.

## **Bypass Flows on Forest Service Lands**

A task force will be appointed to study the issue of bypass flows and related water rights on national forest land. In the interim, there will be an 18-month moratorium on bypass flow requirements during the renewal of Forest Service permits for water supply facilities.

