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IRA EXPANDED ACCESS TO LEADING CONSERVATION PROGRAMS, DEMAND STILL NOT MET

New report reveals that while CSP and EQIP awards increased in 2023, programs still need reform to close gap

MINNEAPOLIS—A new report from the Institute for Agriculture and Trade Policy (IATP) examines the effectiveness of the Inflation Reduction Act (IRA) in enhancing access to key federal conservation programs in Fiscal Year 2023. *Opening the door for more conservation* highlights the urgent need for continued funding to meet the overwhelming demand for the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP). As Congress drafts the next Farm Bill, the report's findings make clear that additional conservation funding from the IRA must be protected to ensure greater farmer access.

The IRA dedicated a combined \$11.7 billion over four years for USDA climate-smart practices within EQIP and CSP. In Fiscal Year 2023, the first year of IRA funding distribution, the report reveals progress toward addressing the oversubscription issue faced by these programs but underscores persistent challenges.

Overall, the proportion of applicants to contracts awarded did not change significantly from the previous year for EQIP and CSP. While the total number of applicants awarded contracts increased, so too did the number of applicants. Demand for both programs still far exceeds capacity.

- **EQIP:** In FY23, 25.45% of EQIP applicants nationwide were awarded contracts, down from 25.9% in FY21 and FY22. Only 34,222 applicants were awarded contracts out of 134,450 total applicants an increase of 2,366 applicants from the previous year.
- **CSP:** In FY23, 11,038 applicants out of 35,683 were awarded contracts (30.93%), a 6% increase in contracts awarded compared to FY22.

"EQIP and CSP are in high demand among farmers striving to integrate conservation into their operations. As Congress shapes the next Farm Bill, preserving dedicated IRA funding for conservation programs is crucial, ensuring sustained support for these vital initiatives," said report author Michael Happ, IATP program associate for climate and rural communities.

The report analyzes data nationwide and by state, revealing major variations in how different states awarded contracts in 2023. States such as Rhode Island, West Virginia and Ohio excel in connecting applicants with contracts, while Mississippi, Minnesota, Georgia and Arkansas lag.

The report also emphasizes the need for increased staffing in local Natural Resources Conservation Service (NRCS) offices. Staff size growth and investment in hiring and retention is needed to provide farmers with the support they need to apply for and be awarded conservation contracts. Increased staffing means greater potential for outreach to underserved groups and capacity for granting additional smaller contracts.

The report also advocates for better data transparency on invalidated applications to identify gaps in the application process and target technical resources for farmers effectively.

"EQIP and CSP applications can be complicated and require lots of time and effort to complete — both of which are in short supply for busy farmers. The more trained professionals we have in county offices to help farmers through these applications, the better our outcomes will be, especially for those who need assistance the most," said Happ.

To match more interested farmers with conservation contracts, additional resources and policy changes are needed. IATP recommendations include expanding NRCS staff and paying staff fairly; placing a \$150,000 cap on EQIP payments to distribute the limited spending available more fairly; eliminating the requirement that 50% of EQIP funds go toward livestock practices. Find more policy recommendations in the report.

<u>Opening the door for more conservation</u> is the third report in a series of reports on the acceptance rates of CSP and EQIP. Read <u>Closed Out</u> (2021) and <u>Still Closed Out</u> (2023).

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