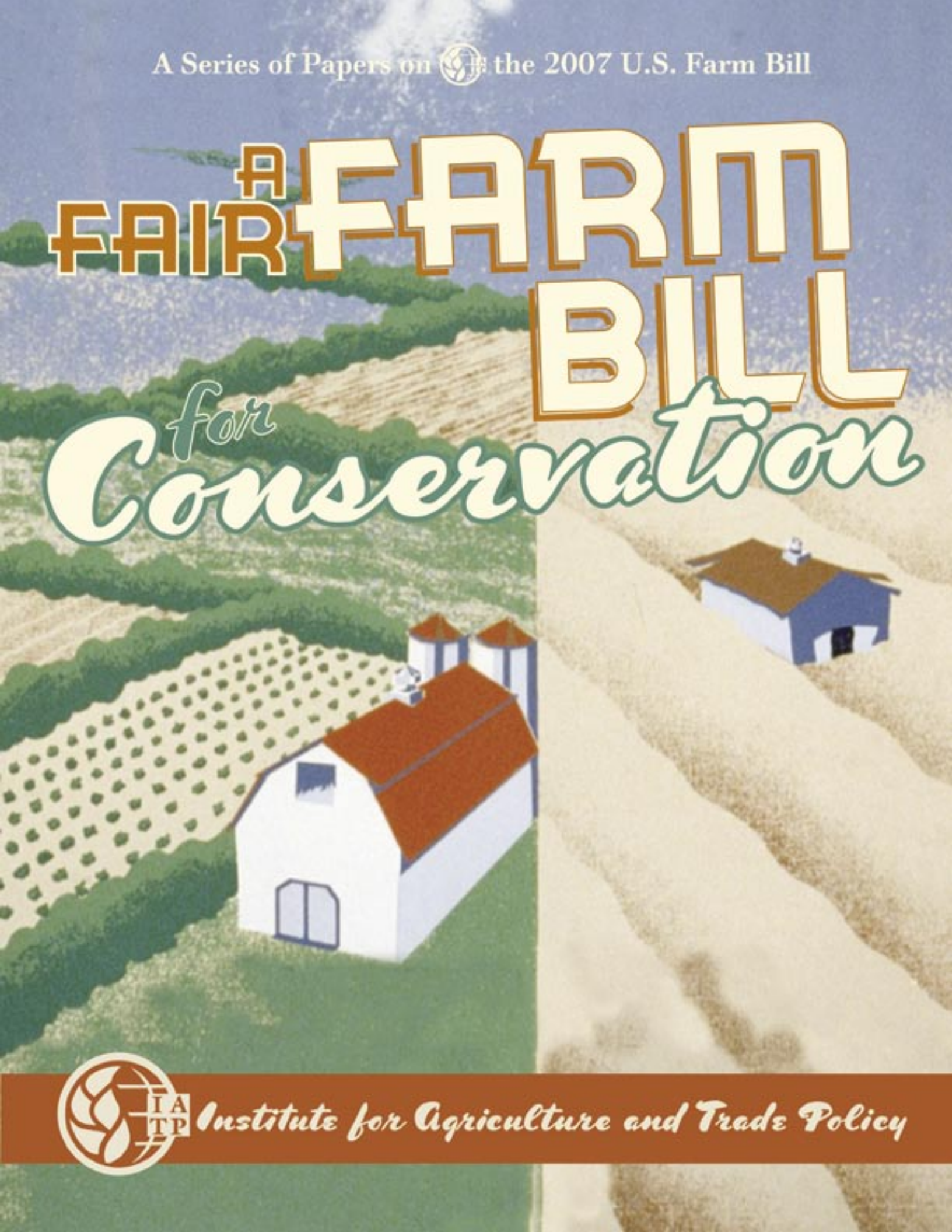
A Series of Papers on the 2007 U.S. Farm Bill

A FAIR FARM BILL for Conservation



Institute for Agriculture and Trade Policy

The Institute for Agriculture and Trade Policy promotes resilient family farms, rural communities and ecosystems around the world through research and education, science and technology, and advocacy.

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About this publication
A Fair Farm Bill for Conservation

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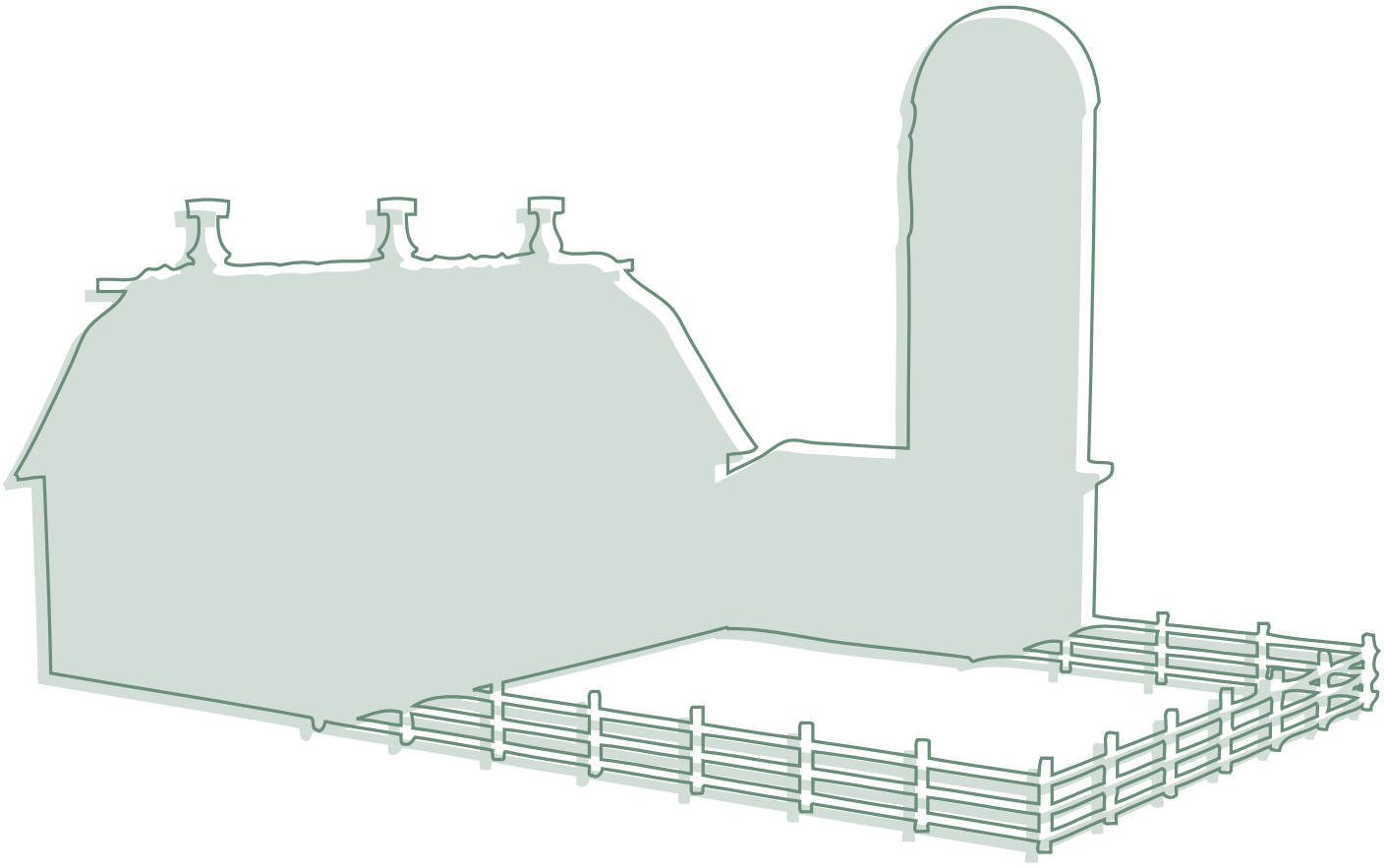
Cover: Artwork based on a poster for the Works Progress Administration, Illinois WPA Art Project, circa 1936-1940. For the Prairie States Forestry Project, Lincoln, Nebraska. By J. Dusek. Library of Congress, Prints and Photographs Division, WPA Poster Collection, LC-USZC2-815 DLC.

The landscape of the upper Midwest is one of the most altered in the world. Iowa, for example, ranks last of all states in public lands and has lost almost all of its native prairies and wetlands.[1] Much of the Midwest landscape is in row crops, dominated by ubiquitous corn and soybean. This came about from a progression of technologies, markets and national and state farm policies. Instead of promoting a diversity of crops that generate more ecological benefits, most public research and policy initiatives have focused on expanding the uses of the same row crop commodities. The recent emphasis on corn-based ethanol, for example, may further reduce crop diversity by shifting land out of hay, grazing, and conservation set-aside programs and into corn.

This row crop dominated landscape correlates with high rates of soil erosion, overabundance of nutrients in waters, loss of biodiversity, and rural depopulation with a subsequent economic collapse of rural communities. Farms have become larger, while farmers have declined in number.[2]

This paper analyzes the effectiveness of agricultural policy for providing clean water, healthy lakes and rivers, and enhanced biodiversity. We summarize the influences of technology, market development, and historic policies that have influenced the agricultural landscape. Finally, using data collected from a survey of farm policy experts, we recommend ways that the 2007 Farm Bill can better enhance conservation benefits while lowering taxpayer costs.



CONSTRAINTS ON AGRICULTURE

Agriculture is a high-risk enterprise. Just as in previous generations, changing markets, plant diseases, insects, and especially weather give farm planners pause when making cropping decisions. However, unlike previous generations, farm income is subject to greater volatility because many farming regions specialize in just a few crops or livestock. Poor corn yields or low corn prices, for example, are devastating for Iowa farmers because so much of their farm's economic viability is based on corn production. Further, chronic overproduction of corn and other feed grains often leads to prices below the costs of producing and harvesting the crop.

Yet the farmer is offered few alternative production models that provide an adequate economic return while assuring protection of the long-range environmental and social goals desired for agriculture. Farmers have used many approaches to minimize risk and increase income, such as expanding acreage, mechanization, irrigation, high-yielding varieties, and the liberal use of fertilizers and pesticides. Policymakers have attempted to address these farm income and economic risk issues through agricultural payments, opening international markets through trade agreements, and subsidies for irrigation, storage and transportation. These policies that drive down commodity prices have actually been more beneficial to agribusiness than to farmers, as they substantially reduce the cost of purchasing commodities for confinement livestock, sweeteners, edible oils and other food products.

THE START OF CONSERVATION IN THE FARM BILL

The economic collapse from 1929 to 1940, often referred to as the "Great Depression," devastated the U.S. farm sector. Farm income declined by more than half and dropped much faster than urban incomes. To address the economic crisis, President Franklin Delano Roosevelt, with the guidance of Iowa native and Secretary of Agriculture Henry A. Wallace, introduced the first farm bill, the 1933 Agricultural Adjustment Act (AAA).

Wallace focused on creating policy mechanisms that restored commodity prices, and he believed that managing the domestic supply of commodities provided an effective method of raising prices and getting more cash into agricultural communities. The AAA farm programs were effective at raising farm income, very popular and placed some requirements on farmers to reduce production and set-aside some acreage. The program was funded by a tax on commodities, but the Supreme Court declared the program unconstitutional, and President Roosevelt had to develop another method of revitalizing rural agricultural communities. This was when the government entered into conservation contracts with farmers.

The first conservation initiatives were designed to get around the tax issue through the Soil Conservation Act of 1935. The Soil Conservation Service (SCS) was created, and the legislation had strong public support because of the disastrous affect on agriculture caused by the Dust Bowl. The funding was significant (See Table 1 below). In constant dollars, nearly twice as much funding was available for conservation programs in 1937 as in 1999.

TABLE 1. CONSERVATION EXPENDITURES (IN MILLIONS OF CONSTANT 1996 DOLLARS)[3]

Year	1937	1999	Ratio, '37/'99
Financial assistance	$5,041.7	$231.4	21.8
Technical assistance	$261.9	$799.6	0.32
Land reserve	$17.7	$1,711.2	0.01
Total	$5,321.2	$2,742.1	1.9

CONSERVATION PROGRAMS EXPAND, FACE CHRONIC FUNDING CHALLENGES

World War II and the ensuing Cold War resulted in a substantial shift in agricultural policy, partly in response to new international pressures and opportunities. Farm income increased markedly, government programs emphasized production for balance of trade and foreign policy relations, and conservation took a back seat. The SCS continued its focus on local watershed projects that enhanced the visibility of soil conservation and habitat protection.

The Agricultural Act of 1956 initiated the Soil Bank, which took 29 million acres out of production. The intent of the legislation was to transfer soil bank acres into conservation practices and decrease surpluses. The Soil Bank successfully brought conservation benefits, but the program did not perform as well in terms of addressing overproduction and was ultimately terminated in 1958.[4] When farmers participate in programs that require land retirement, they astutely set aside their least productive land, and then invest in technologies that increase production on their remaining land. Land retirement is an effective (although expensive) policy tool for reducing soil erosion and increasing wildlife habitat, but the Soil Bank demonstrated that it is a poor supply management tool. The Soil Bank also illustrated the importance of limiting retirement on a per-county basis to avoid devastating local economies (a lesson not entirely learned in the current CRP) as well as the importance of a bid system rather than fixed payments.

Surpluses continued in the 1960s, and Wallace's supply management tools that worked well for 20 years were increasingly made ineffectual. Farm productivity grew by 49

percent between 1950 and 1970, largely through the adoption of hybrid corn, improved plant breeding, increased acres of row crops, and improved management, including fertilizers, pesticides and favorable weather.[5]

The Emergency Feed Grain Act of 1961 began a trend that paid farmers to replace production acres with conservation acres. In 1965, the Act was amended to provide for five- to ten-year contracts for farmers to take corn and grain sorghum out of production and use the land for conservation purposes. Again, farmers removed the least productive land from production and used the income for more inputs, thus commodity supplies continued to increase.

In the 1970s, a short-term rainbow turned into a long-term disaster for agriculture. The Soviet Union's grain supply was dangerously low and forced the Soviet government to go on a grain-buying spree. Grain prices rose dramatically and the infamous "fence row to fence row" policy was established by the U.S. Secretary of Agriculture, Earl Butz. The positive balance of trade in agricultural exports provided the capital to pay for imports of goods and fuel. Consequently, lands that the government had spent millions helping to establish in conservation uses went under the plow as soon as the conservation contracts expired. Row crop production expanded at the expense of pasturelands and woodlands, land prices skyrocketed, and the stage was set for the next farm crisis.

During this time farm programs continued to offer conservation benefits, and there were added allowances for payments to farmers for letting hunters and trappers use conservation lands. In 1973, language was added to authorize long-term (up to 25 years) conservation contracts.

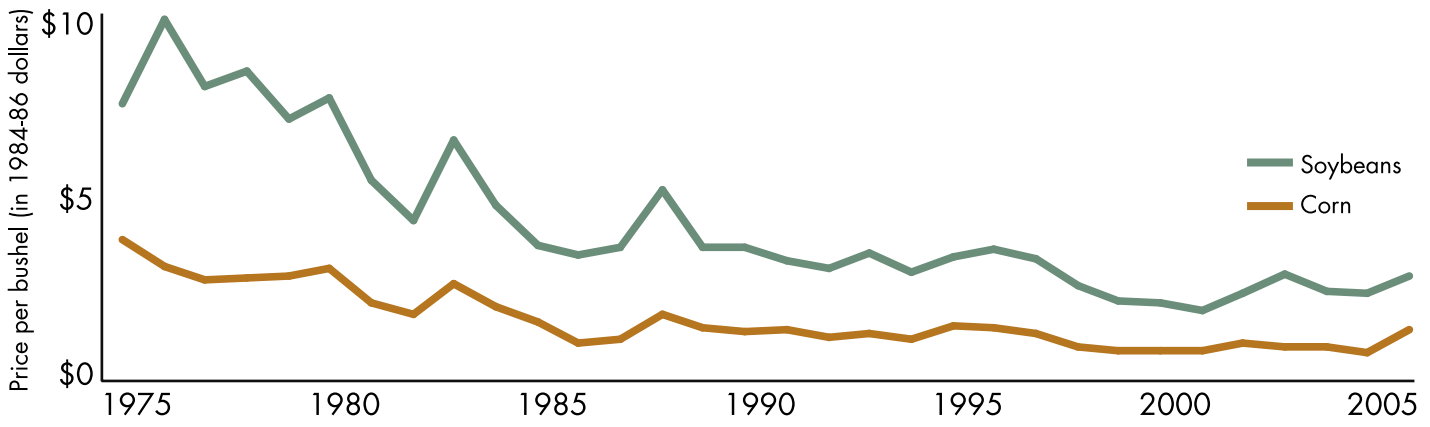
Because of growing concerns that land and water conservation issues were not adequately addressed, Congress enacted the Land and Water Resources Conservation Act of 1977 (P.L. 95-192), commonly referred to as the Resources Conservation Act, or RCA. To address continued erosion issues, the Act required the Soil Conservation Service to conduct a continuing appraisal of soil, water and related resources, and to use that appraisal as the basis for developing a national comprehensive soil and water conservation program under the Food and Agriculture Act of 1977.

The enhanced productivity of agriculture had a devastating effect on commodity prices (Figure 1). The real price of corn and soybeans has eroded significantly over the past three decades, and the market value of these crops is often less than what is required to produce the crop. Policymakers sometimes assume that low commodity prices send a price signal to farmers to produce less. Yet despite the low prices, the economic reality for many farmers is that they have too many fixed assets to let the land go idle, and consequently the land continues to be farmed.[6]

THE 1985 FARM BILL: A NEW ERA FOR CONSERVATION

Farm policy in the 1980s moved the conservation debate beyond erosion control and water quantity to issues such as soil quality, water quality, air quality, biodiversity and wildlife.[7] Sustainable agriculture programs were established. The environmental lobby became engaged, as they realized that agriculture had major impacts on environmental quality and that changes were easier under agricultural rather than environmental legislation. This set the stage for the conservation provisions of the 1985 Farm Bill. The 1985 Farm Bill was the first to have a true Conservation Title. Several conservation programs were established, including the Sodbuster, Swampbuster, Conservation Compliance, and the Conservation Reserve Program (CRP). Even the language used to describe soil conservation in the 1985 Farm Bill changed, as soil conservation was recognized as providing important benefits besides just maintaining agricultural productivity.

FIG. 1.REAL PRICE OF CORN AND SOYBEANS, 1975–2005



Source: USDA Economic Research Service, created by IATP

CONSERVATION COMPLIANCE

Also in 1985, it became increasingly clear to policymakers that the "fence row to fence row" philosophy adopted in the 1970s was exacerbating some of the environmental concerns with agriculture. Commodity policies were often working in opposition to the goals of conservation programs. So, the 1985 Farm Bill initiated conservation compliance requirements. These requirements were designed to improve the consistency between commodity and conservation programs. They required farmers to meet some minimum standard of environmental protection on environmentally sensitive land (primarily highly eroded land or wetlands) as a condition of eligibility for federal farm program payments.[8] Conservation compliance had a number of initial difficulties, including establishing the level of acceptable soil loss.

Ultimately, a more flexible approach was adopted. If owners of highly erodible lands (HEL) did not develop and implement a farm conservation plan by 1995, significant financial penalties could be set. If HEL were to be taken from permanent grass or legume, the Sodbuster provision required complete implementation of a conservation plan or all program benefits were lost. Wetland areas could not be converted to production under provisions of Swampbuster. Between 1992 and 1997, conservation compliance, along with adoption of other conservation measures independently such as no-till and conservation tillage, contributed to a reduction in soil erosion by up to 295 million tons per year.[9]

However, when conservation compliance provisions were enforced, a political uproar occurred. SCS employees ended up being cast as "soil cops," and enforcement was spotty and varied significantly between counties. That lesson cast a cloud on the conservation compliance provisions, and although the legislation still exists, it is rarely enforced.

Conservation Compliance may be getting renewed interest, as several conservation groups have made it a priority. A recent survey found farmers were accepting of reduced tillage compliance, but did not like required compliance on the entire farm.[10]

THE CONSERVATION RESERVE PROGRAM

CRP is the largest and most successful land retirement program in Farm Bill history. It was established in the 1985 Farm Bill and reauthorized in the 1990, 1996 and 2002 Farm Bills. While the stated purpose of the program is to convert highly erodible cropland or other environmentally sensitive acreage to resource-conserving vegetative cover, it also intended to reduce crop production. It operates by providing annual rental payments for 10 to 15 years to landowners through the Commodity Credit Corporation (CCC) based on the agriculture rental value of the land (as determined through competitive bids). The CRP also provides up to 50 percent cost share for approved conservation practices.

Currently, about 36 million acres are placed in conservation reserve, and it has become a useful soil conservation and wildlife enhancement program strongly supported by farmers and wildlife groups. The HEL provisions of CRP have contributed to a 25 percent reduction in soil erosion (as calculated by the Revised Universal Soil Loss Equation (RUSLE).

CRP plays an important role in protecting the water quality of the Upper Mississippi River Basin and the Gulf of Mexico. The five Mississippi River main stem states (Illinois, Iowa, Minnesota, Missouri and Wisconsin) currently have a total CRP enrollment of 7 million acres, or approximately 19 percent of the national CRP acreage. This represents 41 percent of the total number of CRP contracts, 40 percent of the total number of farms enrolled and 32 percent of the total annual CRP rental payments.[11] In 2007, nearly 39,000 CRP acres will expire, representing 29 percent of the CRP acres currently enrolled in these states. USDA estimates that virtually all of these contracts will be eligible for re-enrollment.

CRP ASSESSMENT

CRP has had many measurable benefits. CRP has generated as much as $500 million per year in conservation enhancements such as freshwater recreation and wildlife hunting and viewing.[12] A more recent national survey of CRP participants found that the current enrollment of about 36 million acres has led to substantial environmental and social benefits.[13] In addition to a reduction of surplus commodities, reducing soil erosion, protecting and improving soil quality and productivity, there were many pervasive benefits to wildlife.

The 2002 Farm Bill increased the CRP enrollment cap from 36.4 million acres to 39.2 million acres; some contracts could be extended up to 15 years. The general signup was announced in 2004, and two CRP initiatives were added–250,000 acres for bobwhite quail habitat and 250,000 acres of non-floodplain wetlands.[14]

The Congressional Budget Office estimated that CRP cost $1.9 billion in FY2004 and $2 billion in FY2005. The FSA estimated that compared with a 1982 baseline, CRP has reduced erosion by more than 44 million tons per year on the 36 million acres enrolled. Other documented benefits include more than 3.2 million acres of wildlife habitat and reduction in nitrogen and phosphorus nonpoint source pollution.

A main issue for CRP in the future is the expiration of more than 28 million acres under contract between 2007 and 2010, according to the USDA. Changes in grain prices, particularly corn, (Figure 1) with the advent of corn-based ethanol plants, could entice many farmers to return to growing corn on the expired CRP lands. CRP reenrollment to date would indicate that there will not be a mass movement out

of CRP. As of March 2007, 4.6 million of the 27.8 million eligible acres will be reenrolled, and in the Corn Belt states, only 1.4 million of the eligible acres will exit the program.[15] Other issues include how to address changes in the Environmental Benefits Index and more targeting to problem areas such as the lower Mississippi River Basin.

Using the environmental benefits index to target certain conservation goals is a key issue for CRP. Proponents claim that significantly greater environmental benefits can be achieved with the same amount of money if more emphasis were placed on targeting the program to specific outcomes. A recent study argues, for example, that improved wildlife habitat, improved water quality and a more aesthetic landscape could all occur if conservation programs were targeted toward increasing the amount of carbon in the soil.[16] Interestingly, from the standpoint of reducing hypoxia in the Gulf of Mexico, targeting CRP on erosion gives almost a three-fold reduction in soil loss and double the nitrate runoff reduction. Clearly, CRP is important to the basin, but it can be even more so if the re-enrollment is targeted.

THE CONSERVATION SECURITY PROGRAM

The 2002 Farm Bill embraced a new direction, nearly doubling promised conservation spending and creating a revolutionary new holistic conservation initiative called the Conservation Security Program (CSP). CSP rewards farmers who voluntarily implement effective conservation practices on their working lands, thus integrating production of economic products and environmental benefits. The goal is to improve a robust range of environmental concerns based on local priorities, including surface water quality, groundwater protection, air quality, fish and wildlife habitat, energy conservation, soil quality, biodiversity and genetic preservation. Farmers receive annual payments as they provide public benefits to the nation's natural resources and environment. Payments are graduated in a three-tier system, so that more rigorous conservation efforts are rewarded more.

CSP was envisioned as an entitlement program, so that any farmer who incorporates conservation practices can participate. Other conservation programs are targeted to changing behavior and therefore tend to ignore farmers who are already practicing good stewardship. The highest rewards in the CSP encourage sustainable land, energy and resource use over the long term, including diversified resource-conserving crop rotation systems, managed rotational grazing systems, conservation buffers and other multiple benefit conservation measures. Unlike most agricultural programs, all regions of the country and all types of agriculture can participate in CSP. Payments per farm are also capped at a modest amount annually so that large farms will not benefit disproportionately, but support will be ongoing for the life of the individual five- to ten-year conservation plan and contract, and contracts may be renewed.

Since its creation in 2002, CSP has been mired in inadequate funding. To date, it has not developed into an open entitlement program as envisioned, but instead has only been open to particular watersheds around the country. Instead of providing several billion dollars for conservation on working lands, total CSP expenditures in 2005 were only $125 million.[17]

HOW CSP WORKS[18]

The Conservation Security Program is structured around three tiers from which farmers may choose a level of involvement based on their own stewardship goals.

Tier I: Annual payments up to $20,000 for resolving to a non-degradation level at least one of the identified natural resources of concern on a selected part of the farm.

Tier II: Payments up to $35,000 annually for resolving to a non-degradation level at least one identified resource of concern on the entire farm.

Tier III: Payments up to $45,000 annually for resolving to non-degradation level all of the identified resource concerns on the entire farm.

Each locally approved conservation security contract will result in annual payments combining three payment components, but not to exceed the cap for the selected Tier. An enhanced payment will be a bonus to reward exceptional conservation plans that exceed requirements, address additional resource concerns, conduct research and demonstrations, are part of a larger watershed project or include monitoring and assessment.

OTHER RECENT CONSERVATION PROGRAMS

The 1990 Farm Bill initiated the Wetland Reserve Program (1 million acres) and the Agriculture Water Quality Protection Program (10 million acres). Ground water pollution, water quality and sustainable agriculture were addressed, and the landscape-, watershed- and ecosystem-level scales were acknowledged.

In 1996, the Environmental Quality Incentives Program (EQIP) was established, a new structural, vegetative and land management program. Half of EQIP's $200 million went to livestock producers with technical and cost-share assistance.

More details on other conservation programs can be found in Appendix A.

MEASURING THE EFFECTIVENESS OF CONSERVATION PROGRAMS

Quantifying the conservation benefits of particular conservation programs is notoriously difficult.[19] Conservation program payments may well induce farmers to adopt good conservation practices, but farmers will often adopt good conservation practices without receiving any payment, making it difficult to link programs to specific results. A 2006 study found that annual soil erosion on U.S. cropland declined 40 percent between 1982 and 1997, suggesting that compliance mechanisms encouraged greater soil conservation.[20] However, during this same time period soil erosion also declined on farms not subject to compliance mechanisms. After accounting for other factors, the ERS showed that only about 25 percent of the reduction in erosion could be directly attributed to conservation compliance. The successful practices incorporated by farmers participating in conservation programs, however, may have encouraged non-participating farmers to adopt those same practices.

SURVEYING EXPERTS ON CONSERVATION

To get a broad perspective on the effectiveness of various farm conservation programs, IATP conducted an informal survey of professionals with expertise in agriculture and conservation. We surveyed approximately 30 state and federal agency personnel, farmers and non-governmental organization experts to get their perceptions of eight different programs.

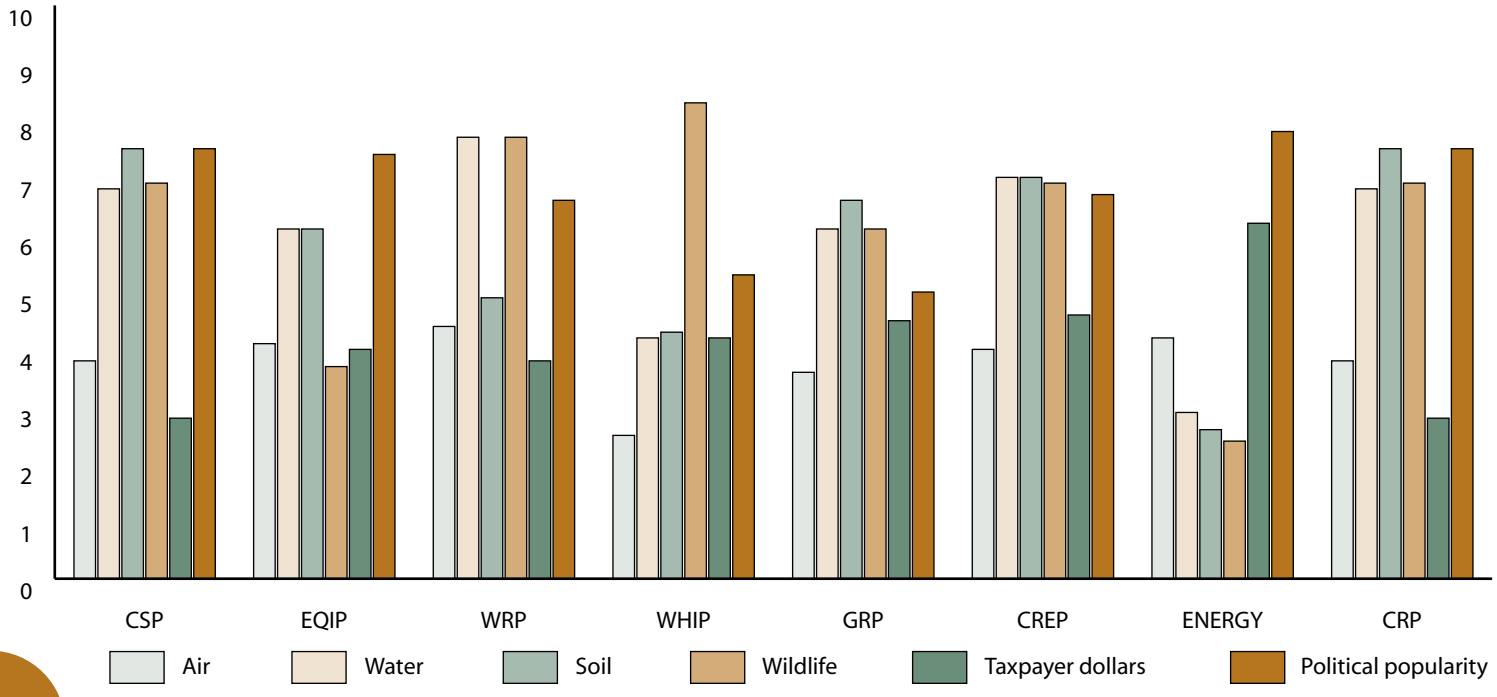
Generally, agricultural conservation programs fit in two broad categories. Set-aside programs, such as CRP, take land out of production for a period of time. Working lands programs, like CSP, attempt to incorporate conservation practices into a farmer's agricultural management system. Set-aside programs cost considerably more, but the benefits are more quantified and certain. Working lands programs are more cost-effective, but their effectiveness depends on the management skills of each particular farmer.

We asked each of the survey participants to rate on a scale from one to ten each of the conservation programs, how effectively each program addressed societal objectives for air quality, water quality, soil quality and wildlife. Additionally, we asked participants to rate the programs for how the benefits compare to the costs, as well as for political feasibility.

As one would expect, the benefits of a particular program depend on the conservation objective. The set-aside programs like CRP and WRP scored high for protecting water quality, but they scored relatively low for the cost of producing those benefits. And for wildlife benefits, programs like WHIP scored much higher than programs focused on working lands, like EQIP and CSP.

These data, of course, are simply people's perceptions of a program's effectiveness, rather than quantifiable assessments. It does demonstrate, for better or worse, that no single conservation program is considered a silver bullet for protecting natural resources. More details on survey responses can be found in Appendix B.

FIGURE 2. OVERVIEW OF EXPERTS' SURVEY RANKING CONSERVATION PROGRAMS (SCALE OF 1 TO 10) DETAILS IN APPENDIX B



RECOMMENDATIONS

The comments of the survey respondents, as well as a review of the available literature, indicate that a business-as-usual approach to conservation in the 2007 Farm Bill will not provide nearly enough protection of soil and water resources. And the explosive growth in demand for biofuel feedstocks could both add further pressure on natural resources and provide opportunities. Here are concrete steps for getting more conservation out of the Farm Bill:

- **Expand and enforce conservation compliance in the Farm Bill.** Reform commodity programs to establish a fair market price floor so that food companies, not taxpayers, pay their fair share to farmers. In return for receiving fair market prices, farmers should be required to develop and follow conservation plans that protect natural resources.
- **Build market demand for sustainable feedstocks for the biofuels and biobased materials industries.** The best way to encourage widespread adoption of sustainable agriculture practices is to develop long-term, stable markets for environmentally friendly crops. Ranging from biomass handling infrastructure support to low-interest loans, grants and incentive payments, there are multiple ways to create market access and demand for sustainable biomass crops.
- **Expand the Conservation Security Program with continual signups.** Funding farmer participation in Tier III, the most comprehensive level of conservation, should be a top priority. There should be enhanced payments for resource-conserving crop rotations, managed grazing systems, reduced fossil fuel use, and enhanced on-farm biological diversity
- **Support the integrity of the Conservation Reserve Program.** CRP must not be weakened in the rush to energy independence. To secure the continuing public environmental and wildlife benefits these crops can provide, Congress should offer incentives to farmers to keep acres that are not re-enrolled in native perennial plants. This could be achieved by encouraging landowners to enroll expiring CRP land into an expanded CSP.
- **Incorporate more performance-based criteria into programs.** Conservation programs tend to be prescriptive in nature, as they pay farmers for incorporating certain practices. Federal dollars would be more effective if they instead targeted specific outcomes, such as paying farmers for specific contributions to healthier soils and cleaner water. Unfortunately, it is generally difficult and expensive to quantify the impact of a farmer's actions on a natural resource like a stream or lake. More emphasis, however, should be placed on researching and incorporating performance-based criteria into conservation policies.

APPENDIX A

DESCRIPTIONS OF CURRENT FARM BILL CONSERVATION PROGRAMS

Conservation Reserve Enhancement Program (CREP): This program was initiated following the 1996 Farm Bill. CREP is a state-federal conservation partnership program targeted to address specific state and nationally significant water quality, soil erosion and wildlife habitat issues related to agriculture. The program offers additional financial incentives beyond the CRP to encourage farmers and ranchers to enroll in 10- to 15-year contracts to retire land from production. CREP is funded through CCC.

Conservation Reserve Program (CRP): Established in its current form in 1985 and administered by USDA's Farm Services Agency, CRP is the latest version of long-term land retirement programs used in the 1930s and 1960s. CRP provides farm owners or operators with an annual per-acre rental payment and half the cost of establishing a permanent land cover, in exchange for retiring environmentally sensitive cropland from production for 10-15 years. In 1996, Congress reauthorized CRP for an additional round of contracts, limiting enrollment to 36.4 million acres at any time. The 2002 Farm Act increased the enrollment limit to 39 million acres. Producers can offer land for competitive bidding based on an Environmental Benefits Index during periodic signups or automatically enroll more limited acreages in such practices as riparian buffers, field windbreaks, and grass strips on a continual basis. CRP is funded through the Commodity Credit Corporation.

Conservation Security Program (CSP): This newly created program will provide payments to producers for maintaining or adopting structural and/or land management practices that address a wide range of local and/or national resource concerns. As with Environmental Quality Incentives Program, a wide range of practices can be subsidized. The CSP focuses on land-based practices and specifically excludes livestock waste handling facilities. Producers can participate at one of three tiers; higher tiers require greater conservation efforts and offer higher payments. The lowest-cost practices that meet conservation standards must be used.

Environmental Quality Incentives Program (EQIP): EQIP was established by the 1996 Farm Bill as a new program to consolidate and better target the functions of the Agricultural Conservation Program, Water Quality Incentives Program, Great Plains Conservation Program, and Colorado River Basin Salinity Program. The objective of EQIP, like its predecessor programs, is to encourage farmers and ranchers to adopt practices that reduce environmental and resource problems through 5- to 10-year contracts. The program provides education, technical assistance and financial assistance, targeted to watersheds, regions or areas of special environmental sensitivity identified as priority areas. The 1996 Farm Act called for half of EQIP funds to be devoted to conservation practices related to livestock production and for maximized environmental benefits per dollar expended. EQIP is designed to consider all sources of conservation funding from CRP, Wetland Reserve Program, other federal programs, state or local programs, and nongovernmental partners. Proposed projects with greater funding from these sources receive more favorable scoring for EQIP funding. EQIP is run by Natural Resources Conservation Service and is funded through Commodity Credit Corporation.

Grassland Reserve Program (GRP): This new program established in the 2002 Farm Bill assists owners through long-term contracts or easements in restoring grassland and conserving virgin grassland. Up to 2 million acres of restored, improved or natural grassland, rangeland and pasture, including prairie, can be enrolled. Tracts must be at least 40 contiguous acres, subject to waivers. Eligible grassland can be enrolled under 10- to 30-year contracts or under 30-year or permanent easements.

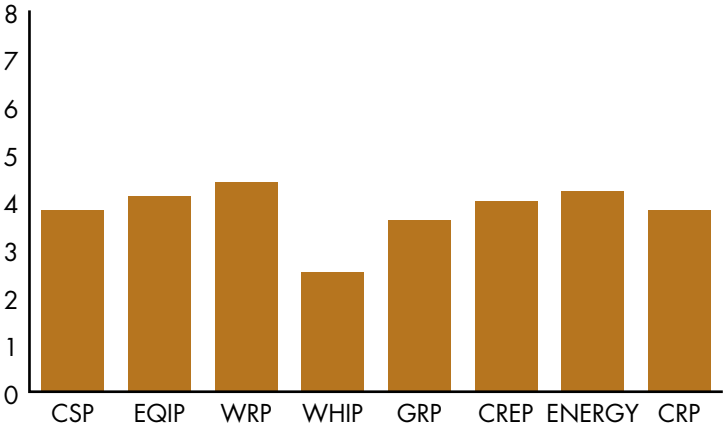
Wetlands Reserve Program (WRP): Congress authorized WRP under the 1985 Farm Bill. Natural Resources Conservation Service administers the program in consultation with USDA's Farm Services Agency and other federal agencies. WRP is funded through the Commodity Credit Corporation and has an enrollment cap of 1,075,000 acres. Landowners who choose to participate in WRP may sell a permanent or 30-year conservation easement or enter into a 10-year cost-share restoration agreement to restore and protect wetlands. The landowner voluntarily limits future use of the land yet retains private ownership. USDA pays 100 percent of restoration costs for permanent easements and 75 percent for 30-year easements and restoration cost-share agreements.

Wildlife Habitat Incentives Program (WHIP): The 1996 Farm Bill created WHIP to provide cost-sharing assistance to landowners for developing habitat for upland wildlife, wetland wildlife, threatened and endangered species, fish and other types of wildlife. Participating landowners, with the assistance of the Natural Resources Conservation Service district office, develop plans for installing wildlife habitat development practices and requirements for maintaining the habitat for the 5- to 10-year life of the agreement. Cost-share payments of up to 75 percent may be used to establish and maintain practices. Cooperating state wildlife agencies and nonprofit or private organizations may provide expertise or additional funding to help complete a project. WHIP funds are distributed to states based on state wildlife habitat priorities, which may include wildlife habitat areas, targeted species and their habitats, and specific practices.

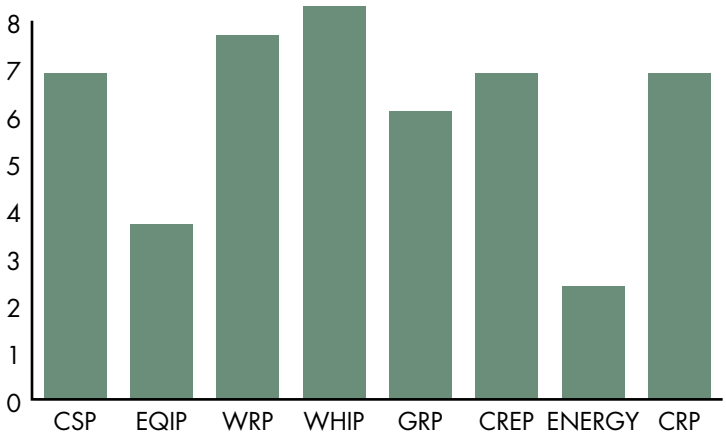
EXPERTS SURVEY ON CONSERVATION PROGRAMS

In 2006 and early 2007, the Institute for Agriculture and Trade Policy surveyed 30 state and federal agency personnel, farmers and non-governmental experts on their perceptions of eight different programs. Each participant was asked to rate on a scale from one to ten how each program addressed objectives for air quality, water quality, soil quality and wildlife, as well as cost and benefits for taxpayers and political feasibility.

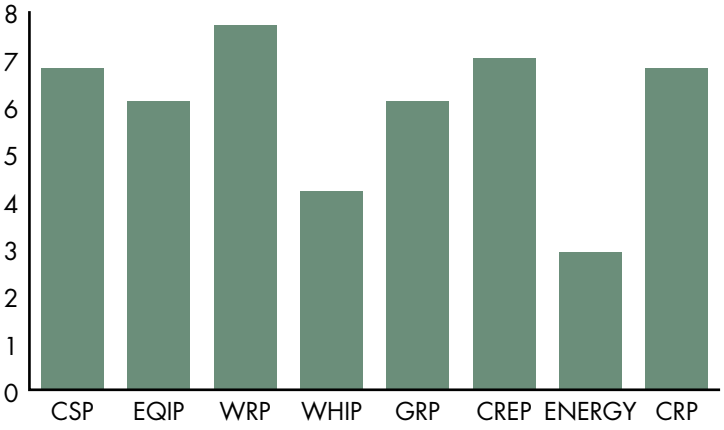
How well does each program protect **air** quality?



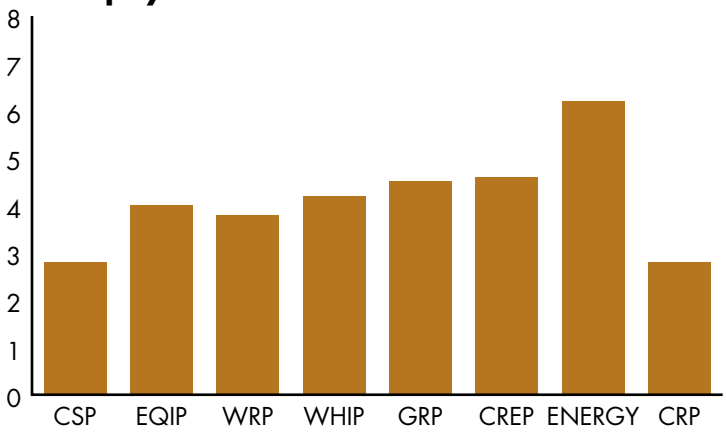
How well does each program protect **wildlife**?



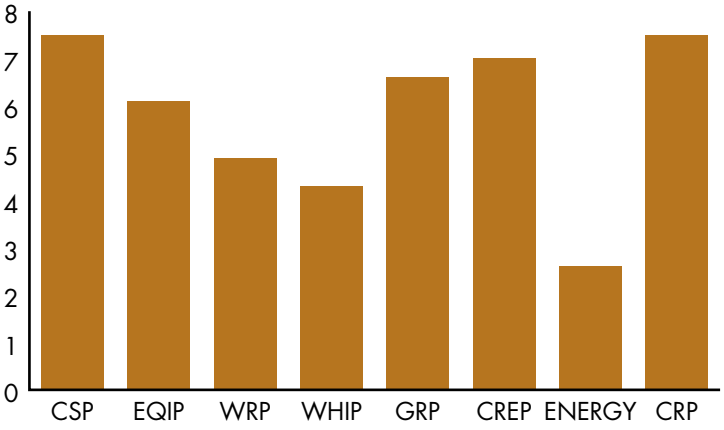
How well does each program protect **water** resources?



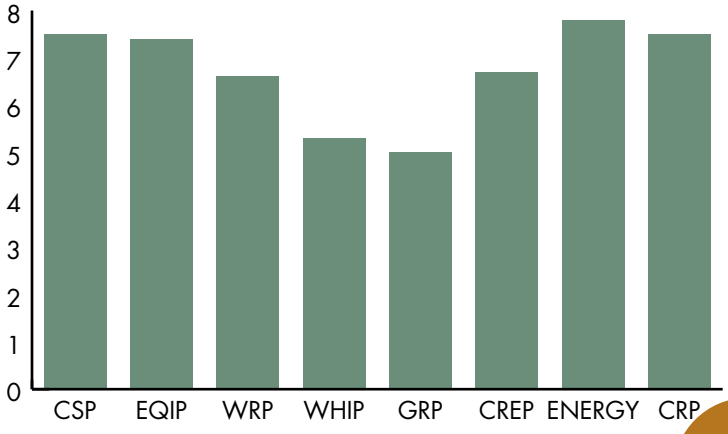
How effectively does each program use **taxpayer dollars**?



How well does each program protect **soil** resources?



How **popular** is each program politically?



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