Thank you for the opportunity to comment on the Environmental Quality Incentives Program Interim Final Rule.

The Institute for Agriculture and Trade Policy works at the intersection of policy and practice to ensure fair and sustainable agriculture and trade systems. IATP was born in response to the family farm crisis of the 1980s and we continue to build on our 33-year history of pursuing policy solutions that benefit family farmers, rural communities and the environment. Our strategic location in Minnesota lends a Midwestern perspective to our farm policy advocacy.

Conservation programs are an invaluable tool to incentivize farmers to adopt practices that are good for soil and water while helping them adapt to and mitigate climate change. EQIP is a key conservation program; over 380,000 farmers benefit from the program and have implemented conservation practices on over 115 million acres. Many EQIP-funded practices help build soil organic matter and sequester carbon, making EQIP a critical part of the fight to both mitigate climate change and help farmers build operations that are resilient in the face of extreme weather.

Farmers are struggling from climate impacts across the country. Rainfall patterns have already begun shifting, and extreme flooding in the Midwest in 2019 led to the latest planting on record. In 2012, more than two thirds of U.S. counties were declared disaster areas due to drought, which accounted for $14.5 billion in loss payments by crop insurance. And in 2018, Hurricane Florence led to breached manure lagoons across North Carolina, wreaking havoc on public health and the local economy. These impacts not only affect a farm’s viability; they are also impacting farmers’ mental health. Climate change is an existential threat to farming and we must take every action to both mitigate climate change and incentivize practices that make a farm more resilient, including many practices covered by EQIP.

Building soil health is a critical way to simultaneously sequester carbon and build a farm’s resilience to extreme weather. NRCS’s soil health building blocks are a surefire way to increase soil organic carbon, improve soil’s nutrient cycling and water holding capacity, and reduce the need for chemical inputs. All of these benefits help farms withstand drought and flood and avoid erosion all while contributing to the climate solution.

Soil health should be a fundamental strategy woven throughout USDA’s EQIP implementation. Providing the technical assistance and financial assistance to help farmers and ranchers adopt soil health strategies and suites of soil health practices should be USDA’s highest priority for EQIP funds. Our recommendations are as follows:

**Make Soil Health and Resilience an EQIP Priority**

NRCS’s new EQIP Interim Final Rule fails to prioritize soil health and climate resilience. The 2018 Farm Bill added soil health planning, resilience to weather variability, and drought resilience to EQIP statutory language. However, the Interim Final Rule’s list of national EQIP priorities in Section 1466.4 does not
include soil health or climate resilience. Working lands conservation programs must promote soil health and carbon sequestration, reducing greenhouse gas emissions, and increasing resilience for farmers struggling in the face of climate impacts. The NRCS National Priority List for EQIP must include these priorities.

We recommend that NRCS revise the list of EQIP National Priorities to add two more items: 1) protecting and enhancing soil health, soil organic matter and carbon sequestration, and 2) enhancing farm and ranch resilience to the impacts of increased weather variability.

**Help EQIP Farmers Graduate to CSP**

The EQIP Incentive subprogram provides 5-year EQIP contracts to address regional priority resource concerns. This subprogram too closely mimics the Conservation Stewardship Program and creates unnecessary redundancy. Unlike CSP, it does not include payments for the active management of ongoing conservation activities. CSP is the nation’s largest conservation program and supports advanced conservation activities. As such, it’s a preferable alternative to the EQIP Incentives subprogram. Given the EQIP Incentive subprogram already exists, it should be used as an opportunity to get producers to graduate from basic EQIP to the more advanced and long-term CSP.

We recommend that in Subpart D dealing with the new EQIP Incentive Contracts, NRCS amend Section 1466.41(a) as follows: “(a) NRCS will give priority to applications that address eligible resource concerns identified under Section 1466.40 and that are aimed at making the participant eligible for the Conservation Stewardship Program at the end of the contract period.”

**Require Progressive Implementation of Nutrient Management Plans for CAFOs**

Confined Animal Feeding Operations (CAFOs) harm the environment, rural communities, independent family farmers and public health and should not be eligible for conservation funding. Yet, CAFOs are eligible for EQIP dollars to build and expand animal waste storage. In fact, EQIP has a 50% set-aside for livestock operations, much of which goes to support CAFOs at the expense of small to mid-sized sustainable operations.

CAFOs pack thousands of animals into a small space, producing enormous amounts of manure that is liquefied and stored in lagoons. These lagoons are closely linked to water contamination, are a top emitter of methane, and severely harm quality of life for nearby communities, which are often minority and low-income. These operations should not be eligible for any public funding, but since they are under the most recent Farm Bill, they should at least meet strong requirements to minimize environmental damage.

Congress originally prohibited the participation of CAFOs in EQIP, but then changed the law to allow their participation in the 2002 Farm Bill. At that time, Congress also said that CAFOs needed to develop and implement a USDA-approved comprehensive nutrient management plan. Although these plans do not offset the overall harm that CAFOs cause, they do add a modicum of environmental protection.

The 2018 Farm Bill weakened this standard. It said that although CAFOs still require a comprehensive nutrient management plan, that plan no longer needs to reach the USDA standard requirements, it just must show progress toward that standard. This weakening in and of itself was deeply disappointing, but the EQIP Interim Final Rule weakens it even further by removing the requirement to implement a comprehensive nutrient management plan at all. It states that CAFOs must simply write a comprehensive nutrient management plan, and the plan doesn’t even need to be written until the very end of the EQIP contract period. This is completely contrary to the language of the Farm Bill and to the long-standing “progressive planning” policy of NRCS. The EQIP Interim Final Rule violates the law and must be changed.
We recommend that Section 1466.7, subsection (d) should be rewritten as follows:

“(d) If an EQIP plan of operations includes an animal waste storage or treatment facility or associated waste transport or transfer device, to manage manure, process wastewater, or other animal waste generated by an AFO, the participant must agree to develop a CNMP and demonstrate progressive improvement by the end of the contract period, and any conservation practices in the EQIP plan of operations must be implemented consistent with a CNMP.”

We thank you for the opportunity to comment on the EQIP Interim Final Rule.

Sincerely,

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