



Media Contact: Cecelia Brackey
cbrackey@iatp.org, +1-651-328-4706

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USDA ENVIRONMENTAL QUALITY INCENTIVES PROGRAM DISPROPORTIONALITY FUNDS INDUSTRIAL AGRICULTURE PRACTICES OVER REAL CONSERVATION PRACTICES

New IATP report calls for reforms to Farm Bill-funded EQIP to better serve its intended purpose of conservation

MINNEAPOLIS—A new report from the Institute for Agriculture and Trade Policy (IATP) sheds light on how one U.S. Department of Agriculture conservation program, the Environmental Quality Incentives Program (EQIP), allocates funds and highlights the disproportionate level of funding received by industrial agriculture practices. As Congress debates and drafts the 2023 Farm Bill, the report offers recommendations on how EQIP, which is funded through the Farm Bill, should be reformed to build resilience for farms and farmers nationwide.

According to [*Waste and Water Woes: Popular conservation program should focus on small-scale and sustainable farms, not industrial-scale farms*](#), industrial practices receive an outsize share of EQIP funding. Two of the top 10 EQIP practices by total dollar amount spent — waste facility cover and waste storage facility — provide little to no conservation benefit. In 2022 alone, the two practices together received over \$100 million, despite their association with concentrated animal feeding operations (CAFOs), which produce harmful pollution and pose risks to the environment and public health. An additional six of the 10 highest-funded could be considered industrial, with practices targeted toward large-scale, animal or commodity crop operations.

Funding these expensive, industrial practices deprives other more popular, low-cost, true conservation practice of EQIP dollars. By redirecting funding from industrial practices toward lower-cost practices that help farmers adapt to a changing climate and conserve soil and water, EQIP can serve more farmers and bring more conservation benefits. This is especially important since USDA turned away roughly three in four farmers who applied for EQIP in 2022.

“The effects of climate change are real and happening now,” says IATP’s Michael Happ. “Farmers need funding to implement cost-effective, climate-resilient farming practices. Congress must protect funding for conservation agriculture outlined in the Inflation Reduction Act while instituting further reforms akin to the EQIP Improvement Act that divert funding away from costly, high emissions industrial-scale practices and toward proven practices that insulate farmers from the shocks of climate change.”

The report also addresses the state of water and agriculture in the U.S. in relation to EQIP. Irrigation-related practices remain popular and costly, with increasing demands expected due to climate change-induced droughts and depleting aquifers. Stronger regulation of water use nationwide would reduce the strain on EQIP. In addition, improvements in soil health, thoughtful crop rotation and learning from traditional ecological knowledge will help preserve the nation’s water resources.

The report is a follow up to IATP’s [*Payments for Pollution*](#) report. This update provides Fiscal Year 2022 data on practice usage and money spent, as well as takes a deep dive into EQIP practices nationwide, examining practices that may be common outside of the Midwest, such as irrigation.

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Based in Minneapolis with offices in Washington, D.C., and Berlin, Germany, the Institute for Agriculture and Trade Policy works locally and globally at the intersection of policy and practice to ensure fair and sustainable food, farm and trade systems. To learn more, visit: www.iatp.org.