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Farm Bill Primer: Conservation Title

The conservation title of a farm bill generally contains reauthorizations, amendments, and new programs that encourage farmers and ranchers to voluntarily implement resource-conserving practices on private land. Starting in 1985, farm bills broadened the conservation agenda to include addressing multiple natural resource concerns. Although the number of conservation programs has increased and techniques to address resource problems continue to emerge, the basic approach has remained unchanged: provide financial and technical assistance to implement conservation systems supported by education and research programs.

As Congress considers authorizing the next farm bill, areas of possible interest in the conservation title may include funding for programs and climate strategies for the agricultural sector.

Conservation Program Portfolio

Conservation programs are administered by the U.S. Department of Agriculture (USDA) and can be grouped into the following categories: working lands programs, land retirement programs, easement programs, partnership and grant programs, and conservation compliance (see text box and CRS Report R40763, *Agricultural Conservation: A Guide to Programs*).

Other types of conservation programs—such as watershed programs, emergency land rehabilitation programs, and technical assistance—have been authorized outside the farm bill. Most of these programs have permanent authorities and receive appropriations annually through the discretionary appropriations process. These programs generally are not addressed in farm bill legislation unless amendments to the program are proposed.

Title II (Conservation) of the Agricultural Improvement Act of 2018 (2018 farm bill; P.L. 115-334) reauthorized and amended portions of most conservation programs, although there was focus on the large-cost programs, namely the Conservation Reserve Program (CRP), Environmental Quality Incentives Program (EQIP), and Conservation Stewardship Program (CSP). Most farm bill conservation programs are authorized to receive mandatory funding (i.e., they do not require an annual appropriation).

In 2022, Congress passed the bill commonly referred to as the Inflation Reduction Act of 2022 (IRA; P.L. 117-169). As part of this bill, Congress provided additional funding to selected farm bill conservation programs and extended the authority for those programs through FY2031. Conservation programs not included in the IRA had authorities that expired with other farm bill programs at the end of FY2023. Congress enacted two one-year extensions through FY2025 and crop year 2025 (P.L. 118-22, Division B, §102; and P.L. 118-158, Division D, §4101). For additional information, see CRS Report R47659, *Expiration of the 2018 Farm Bill and Extension for 2025*.

Funding for Conservation

The conservation title is one of the larger non-nutrition titles of the farm bill, accounting for $58 billion in projected 10-year mandatory funding (FY2025-FY2034). Spending for agricultural conservation programs generally has increased from $2.3 billion in FY2002 ($3.7 billion when adjusted for inflation) to an estimated $5.3 billion in total outlays in FY2024 (**Figure 1**).

Selected Farm Bill Conservation Programs

Working lands programs allow private land to remain in production while agriculture producers implement various conservation practices to address natural resource concerns specific to the area.

- Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and Agricultural Management Assistance (AMA)

Land retirement programs provide payments to private agricultural landowners for temporary changes in land use and management to achieve environmental benefits.

- Conservation Reserve Program (CRP)—includes Conservation Reserve Enhancement Program (CREP); Farmable Wetland Program; Clean Lakes, Estuaries, and Rivers (CLEAR30) Pilot; Soil Health and Income Protection Program (SHIPP); and Transition Incentives Program (TIP)

Easement programs voluntarily impose a permanent or long-term restriction on land use in exchange for a payment.

- Agricultural Conservation Easement Program (ACEP) and Healthy Forests Reserve Program (HFRP)

Partnership and grant programs use partnership agreements and grants to leverage program funding with nonfederal funding.

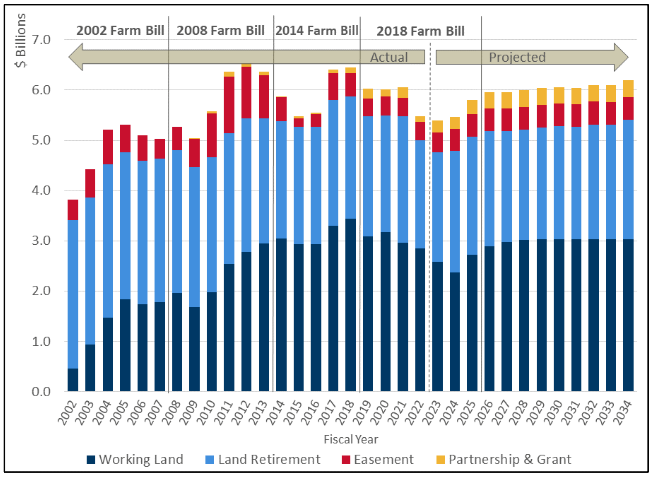
- Regional Conservation Partnership Program (RCPP), Conservation Innovation Grants (CIG), On-Farm Conservation Innovation Trials, Feral Swine Eradication and Control Pilot Program (Feral Swine), Voluntary Public Access and Habitat Incentive Program (VPAHIP)

Conservation compliance prohibits or limits a producer from receiving selected federal farm program benefits (including crop insurance premium subsidies) when conservation program requirements for highly erodible lands, wetlands, and production on native sod are not met.

- Highly erodible lands conservation ("Sodbuster"), wetland conservation ("Swampbuster"), and "Sodsaver"

Figure 1. Farm Bill Conservation Program Actual and Projected Mandatory Spending, FY2002-FY2034

Outlays in billions of dollars (actuals adjusted for inflation)



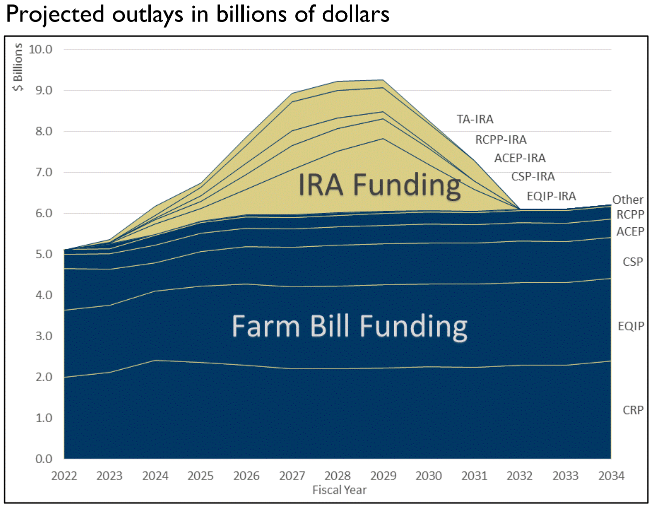
Sources: CRS, using Congressional Budget Office (CBO) baseline data, FY2003-FY2024; and Office of Management and Budget, Table 10.1: "Gross Domestic Product [GDP] and Deflators Used in the Historical Tables: 1940-2029," March 2024.

Notes: FY2002-FY2022 are actual spending levels, and FY2023 is an estimate. FY2002-FY2022 are adjusted for inflation to 2023 dollars using the GDP price deflator. FY2023-FY2034 are projected spending levels in current-year dollars. Chart does not include sequestration or supplemental funding.

The IRA provided an additional $17 billion for selected farm bill conservation programs (**Figure 2**), specifically EQIP, CSP, ACEP, and RCPP. Program funds are directed to climate-change-related conservation practices that improve soil carbon; reduce nitrogen losses; or reduce, capture, avoid, or sequester greenhouse gas emissions associated with agricultural production. The IRA also provided additional funding for conservation programs and activities typically conducted through non–farm bill authorities, such as conservation technical assistance.

Figure 2. Conservation Funding: Farm Bill and IRA

Projected outlays in billions of dollars



Source: CRS, using CBO, "CBO's June 2024 Baseline from Farm Programs," June 2024.

Notes: TA = technical assistance. See the text for explanation of other acronyms.

Climate Change

Current agriculture sector strategies for addressing climate change, through both adaptation and mitigation, rely on the delivery of voluntary conservation technical assistance and financial support programs. Most farm bill conservation programs are designed to address multiple concerns through locally adaptable practices. No existing conservation program is specific to climate change adaptation or mitigation, but most programs can integrate adaptation to changes in climate within their current structure.

Congress may evaluate how existing farm bill conservation programs assist producers in achieving climate-change-related goals, especially in light of the IRA's additional funding and requirement for funds to go toward climate-change-related practices. How USDA implements the IRA funds and other department-wide climate-focused initiatives may influence the conservation title of the next farm bill.

Use of IRA Supplemental Funding

Changes to mandatory spending authorized in a farm bill are measured against a *baseline* projection at a particular point in time that assumes current law continues unchanged. **Figure 1** shows the projected baseline for farm bill conservation programs over a 10-year period (FY2025-FY2034). Funding provided through the IRA is supplemental and not considered part of the farm bill baseline (see CRS In Focus IF12233, *Farm Bill Primer: Budget Dynamics*, for additional information). Thus, once IRA funding is obligated by FY2031, only the farm bill baseline funding for conservation would remain (see FY2032 and thereafter in **Figure 2**). In the 118th Congress, the farm bill ordered to be reported by the House Agriculture Committee (H.R. 8467) and the Senate-introduced farm bill (S. 5335) would have rescinded unobligated IRA funding and added it to the farm bill baseline. The bills differed on whether this change would have increased funding for conservation programs and how much should have been directed to climate-change-related practices, as currently required in the IRA, or whether the funding should have been used to increase other titles of the farm bill unrelated to conservation or climate-change-related activities. Without congressional action, IRA funds continue to be obligated until expended as directed through the conservation programs identified in the IRA.

Programs with No Baseline

Nineteen provisions in the 2018 farm bill, including three in the conservation title, received mandatory budget authority but are not assumed to receive such funding in the budget baseline beyond the original expiration of the 2018 farm bill (see CRS In Focus IF12115, *Farm Bill Primer: Programs Without a Budget Baseline*). These three programs received $130 million in mandatory funding in the 2018 farm bill and were extended with funding authority in the FY2024 extension. The FY2025 extension did not include funding; therefore, the programs have ceased to operate. Under current budget rules, if policymakers want to continue these programs, they would need to pay for them with offsets.

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