

September 26, 2025

Agricultural Conservation After Enactment of the FY2025 Budget Reconciliation Law (P.L. 119-21)

In July 2025, Congress passed the FY2025 budget reconciliation law (P.L. 119-21). This was a reconciliation act pursuant to directives included in the FY2025 budget resolution (H.Con.Res. 14). Title 1 (Committee on Agriculture, Nutrition, and Forestry) of P.L. 119-21 made changes to nutrition assistance, farm support, conservation, and other types of programs typically authorized and funded through omnibus legislation referred to as *farm bills*.

The Congressional Budget Office (CBO) estimated that Title I of P.L. 119-21 reduces the projected amount of future federal mandatory spending for farm bill authorized programs by a net of \$121.0 billion over 10 years (FY2025-FY2034). This net change includes reductions to nutrition assistance and conservation and increases to commodity support, disaster assistance, crop insurance, and other farm bill-related programs. CBO estimated that the net changes to agricultural conservation programs in P.L. 119-21 (§10601) are \$1.8 billion less outlays over the 10-year period compared with what would have happened without enactment of the law.

The new law rescinded and repurposed additional funding for some agricultural conservation programs and funded conservation programs without a budgetary baseline, among other changes. *Baseline* refers to the CBO estimate of future federal spending and revenue under the assumption that current law continues. P.L. 119-21 did not address some farm bill conservation programs and provisions, which are set to expire at the end of FY2025 without further action by Congress.

State of the Farm Bill and Authorization

The most recent farm bill, the Agricultural Improvement Act of 2018 (2018 farm bill; P.L. 115-334), expired in 2023 and was extended twice to cover FY2024 and FY2025 and the 2024 and 2025 crop years (P.L. 118-22, Division B, §102, and P.L. 118-158, Division D, §4101). In the 118th Congress, the House Committee on Agriculture ordered to be reported H.R. 8467, as amended, which did not advance to the floor. The Senate Committee on Agriculture, Nutrition, and Forestry's chair introduced S. 5335, but the bill was not considered by the committee. A farm bill has not been introduced in the 119th Congress.

Rescind and Repurpose

In 2022, Congress passed legislation commonly referred to as the Inflation Reduction Act of 2022 (IRA; P.L. 117-169). As part of the IRA, Congress provided additional funding available from FY2022 through FY2031 to selected farm bill conservation programs and extended the authority for those programs through FY2031. These programs include

the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), Agricultural Conservation Easement Program (ACEP), and Regional Conservation Partnership Program (RCPP). Funding provided through the IRA was additional through FY2031 and was not considered part of the farm bill baseline. Thus, only the farm bill baseline funding for conservation would remain after FY2031.

In total, the CBO January 2025 Baseline (Appendix A) estimated that the outlays from funding authorized in the IRA for these four farm bill conservation programs for FY2025-FY2031 was \$16.1 billion (net of sequestration). Of the remaining projected outlays in IRA funding, approximately \$7.5 billion were from EQIP, \$3.0 billion from CSP, \$1.3 billion from ACEP, and \$4.4 billion from RCPP. P.L. 119-21 rescinded unobligated IRA funds for EQIP, CSP, ACEP, and RCPP and repurposed them among the conservation programs, with the effect of adding funds to the permanent farm bill baseline (**Figure 1**).

Conservation Programs with Rescinded and Repurposed Funding in P.L. 119-21

EQIP and CSP are private agricultural land programs that incentivize the implementation of various conservation practices to address natural resource concerns.

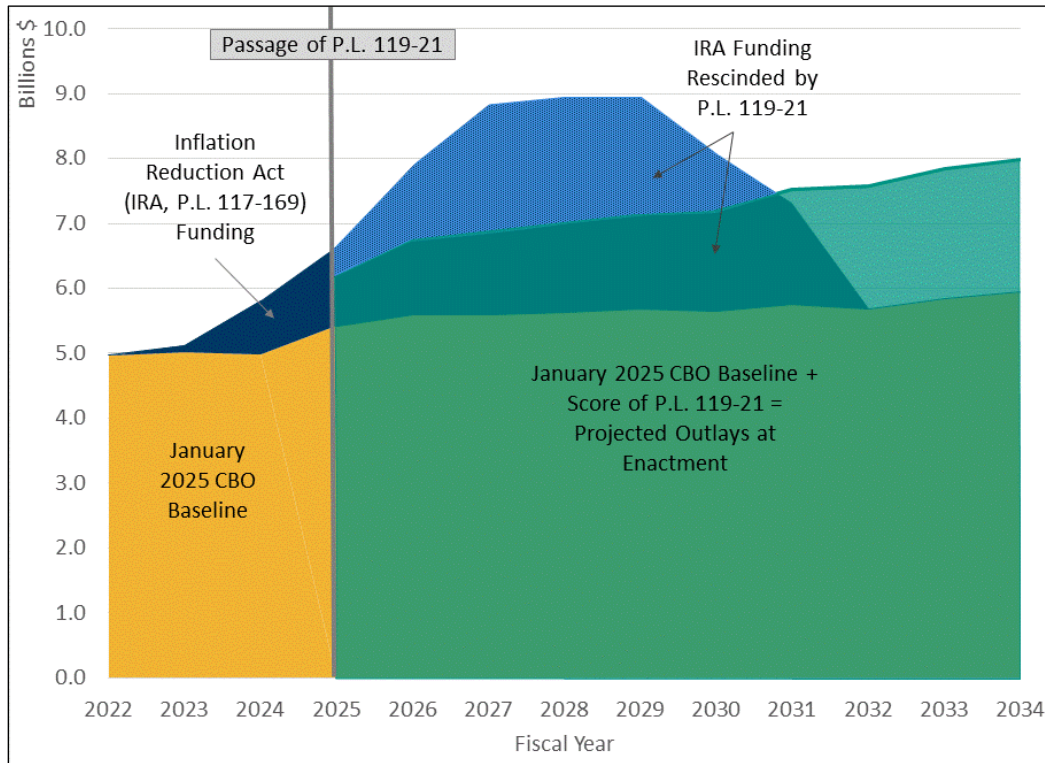
ACEP is an easement program that funds permanent or long-term restrictions on land use in exchange for a payment to either limit development on agricultural lands or protect and restore wetlands.

RCPP uses partnership agreements and grants to leverage program funding with nonfederal funding to support conservation activities with eligible producers and landowners.

P.L. 119-21 redistributed the funds provided to the four programs, giving a greater percentage to EQIP, CSP, and ACEP and a lower percentage to RCPP than those provided under the IRA. The law also did not retain the language in the IRA that required the additional funds be used for 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.

P.L. 119-21 also repurposed some of the rescinded conservation funding from the IRA to other conservation programs that did not receive funding in the IRA. Programs included the Watershed Protection and Flood Prevention Operations (WFPO) program and farm bill programs that did not have a budgetary baseline (see "Funding Programs Without Baseline").

Figure 1. Farm Bill Conservation Program Funding: Farm Bill, IRA, and P.L. 119-21
(actual and projected outlays in billions of dollars)



Source: CRS, using Congressional Budget Office (CBO), CBO's *January 2025 Baseline from Farm Programs*, January 2025; and CBO, *Estimated Budgetary Effect of P.L. 119-21, to Provide for Reconciliation Pursuant to Title II of H. Con. Res. 14, Relative to CBO's January 2025 Baseline*, July 21, 2025.

Notes: FY2022 and FY2023 are actual reported outlays, and FY2025 through FY2034 are projected outlays. CBO projects the net change to agricultural conservation programs in P.L. 119-21 (§10601) is \$1.8 billion less in outlays, which is visually indistinguishable in the figure.

WFPO assists state and local organizations with planning and installing measures to prevent erosion, sedimentation, and flood damage. The 2018 farm bill authorized the program to receive \$50.0 million annually in permanent mandatory funding. P.L. 119-21 increased this funding authority beginning in FY2026 to \$150.0 million annually, to remain available until expended.

The remaining reductions in projected outlays from the rescission of the IRA funding for farm bill conservation programs (§10601), \$1.8 billion in total, count toward offsets in the agriculture title of P.L. 119-21 or the law's overall deficit reduction amount.

Funding Programs Without Baseline

Some farm bill programs receive mandatory budget authority but are not assumed to receive such funding in the budget baseline beyond the original expiration of the 2018 farm bill. These programs are referred to as *programs without baseline*. The conservation title of the 2018 farm bill included three of these programs, with a total of \$130.0 million in mandatory funding. P.L. 119-21 reauthorized and funded these programs at levels similar to the 2018 farm bill. P.L. 119-21 funded the following programs, along with the additional budget authority:

- Grassroots Source Water Protection Program—\$1.0 million in FY2026, to remain available until expended;

- Voluntary Public Access and Habitat Incentive Program—\$70.0 million total for FY2025-FY2031; and
- Feral Swine Eradication and Control Pilot Program—\$105.0 million total for FY2025-FY2031.

Expiring Programs and Provisions

Authorities for conservation programs not included in the IRA or P.L. 119-21 expired with other farm bill programs at the end of FY2023 and subsequently were extended through FY2025. The largest conservation program that is set to expire at the end of FY2025 is the Conservation Reserve Program (CRP). CRP provides financial compensation (i.e., annual rental, incentive, and cost-share payments) for landowners to voluntarily remove land from agricultural production for an extended period, typically 10-15 years, for the benefit of soil and water quality and wildlife habitats. CRP outlays approximately \$2.0 billion annually, according to CBO. Other provisions contained within the conservation title of the 2018 farm bill also are set to expire in FY2025 (e.g., allocation of EQIP funds for livestock practices, 16 U.S.C. §3839aa-2(f)(1)), which could impact the function of agricultural conservation programs, regardless of their funding.

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