



LSP *Myth Buster* #50

An ongoing Land Stewardship Project series on ag myths and ways of debunking them.

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→ **Myth:** Conservation Compliance is Saving Soil

→ **Fact:**

Tax dollars are channeled to farmers via various federal programs. One of the expectations that comes with such

support is that the public shouldn't be subsidizing practices that are harmful to the land. That's why, since the 1985 Food Security Act was passed, farmers wishing to be eligible for programs administered by the Farm Service Agency, Risk Management Agency and the Natural Resources Conservation Service (NRCS) must be "conservation compliant."

Specifically, conservation compliance requires approved conservation systems be used on highly erodible land; it also bans agricultural production on converted wetlands. Just about any participation in federal agriculture programs is covered, including farm storage loans and conservation program payments. The 2014 Farm Bill added farmers who wish to receive premium subsidies through the federal crop insurance program to the list of those that must be conservation compliant.

The way conservation compliance is supposed to work is that prior to receiving USDA benefits, farmers self-certify that they are utilizing an approved conservation plan. The NRCS randomly selects a small percentage of relevant farms for follow-up in-depth reviews, including field visits.

Unfortunately, conservation compliance has long had the reputation for providing little actual control of land abuse. Those suspicions were verified in 2016 when the USDA's Office of Inspector General conducted an audit that found the program is being poorly run. Of particular concern to the audit's investigators was the way gully erosion was handled by the NRCS. How the agency addresses this problem is important, given that it produces at least 40 percent of all agricultural erosion in this country. There are two types of gully erosion: ephemeral and classical. An ephemeral gully is a shallow channel cut by concentrated runoff. In general, these channels can be smoothed over with farm machinery. A classical gully is a deeper ditch that can't be crossed with farm equipment, and therefore can be more permanent in nature.

But the audit found that NRCS national guidelines only addressed ephemeral gully erosion, creating a

situation where a farm could be compliant even though significant classical gully erosion existed on the land. In fact, the auditors found just that when they visited specific farms as part of the investigation.

But perhaps an even more troubling issue with conservation compliance is that the annual reviews fall far short of providing an accurate snapshot of who is in compliance. For example, in 2015, the Farm Service Agency provided the NRCS around 1.3 million records of farms that were enrolled in USDA programs and were eligible for conservation compliance reviews. A list of operations that would undergo in-depth reviews was supposed to be drawn from that data. However, the audit found numerous duplications and other errors. Once those were corrected, it turned out the number of tracts subject to review was cut in half to 600,000. Even worse, no farms from 10 states, including Minnesota, Iowa, Illinois, Indiana Michigan and Missouri, were included in the conservation compliance review process. Historically, these states are some of the top participants in USDA programs. In Minnesota alone, over 89,000 farms that fell under conservation compliance provisions were never subject to being picked for a review. Despite opportunities to correct the situation, neither the NRCS nor the Farm Service Agency took steps to do that, the audit determined.

The auditors expressed particular concern that the 2015 compliance review was such a mess. Remember, the 2014 Farm Bill instituted the requirement that premium subsidies for crop insurance be subject to conservation compliance provisions. As a series of Land Stewardship Project white papers make clear, federally subsidized crop insurance can take the risk out of farming land too steep, wet or otherwise environmentally vulnerable to produce a profitable yield. Making sure crop insurance program participants are utilizing good conservation is key to protecting water and wildlife habitat.

An inadequate conservation compliance program is costly in ways that go beyond the environment. The USDA makes payments subject to conservation compliance requirements somewhere north of \$14

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billion per year. USDA participants in the 10 states left off the 2015 list received over \$4 billion in Farm Service Agency and NRCS payments for fiscal year 2014. Surveys show farmers are willing to put in place good conservation in return for public support. But a government program that at best, sends mixed signals as to what is considered good conservation, and at worst, allows public dollars to be spent with little or no accountability, is an economic and environmental disaster.

The good news is that the Office of Inspector General audit may be having some concrete impacts on how conservation compliance is implemented. All six of the audit's recommendations for fixing the initiative were accepted by the agencies involved. The fixes ranged from making sure all states are included when determining who is reviewed, to clarifying the levels of treatments required to address all types of gully erosion.

As a direct result of the audit, in late September the NRCS in Iowa announced that farmers can't just disk over ephemeral gullies if they wish to be conservation

compliant—more proactive practices like no-till and grassed waterways would be required to handle such problems. Another soil-friendly practice, cover cropping, was also mentioned as a way to deal with gullies. That's a particularly positive step, since such a method doesn't just prevent the kind of unsightly erosion that scars the landscape after harvest. As LSP's new *Soil Health, Water & Climate Change* pocket guide illustrates, it can actually build the kind of long-term soil health that benefits farms and the landscape in a way that goes beyond a plan that just looks good on paper.

More Information

- The USDA's Office of Inspector General audit, "USDA Monitoring of Highly Erodible Land and Wetland Conservation Violations," is at www.usda.gov/oig/webdocs/50601-0005-31.pdf.
- LSP's series of white papers on crop insurance, "How a Safety Net Became a Farm Policy Disaster," is at www.landstewardshipproject.org/organizingfor-change/cropinsurance.
- More information on LSP's new *Soil Health, Water & Climate Change* pocket guide is at <http://landstewardshipproject.org/smartsoil>.