



LSP *Myth Buster* #52

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

Updated: March 2018

→ *Myth:* Working Lands Conservation Programs Don't Pay

→ *Fact:*

Almost since their inception, federal farm conservation programs have served a double purpose. For example,

soon after the U.S. Supreme Court ruled an early form of crop and livestock production control—the Agricultural Adjustment Act—unconstitutional, then-secretary of agriculture Henry Wallace pushed through the Soil Conservation and Domestic Allotment Act of 1936 as a way to get around the decision. Through this act, farmers were paid to replace soil-depleting crops with grasses and legumes. Since such perennial plant systems prevent erosion and build soil biology, one could call this a conservation policy. But it was also a blatant attempt to prop up crop prices by limiting production. It was an effective way to address two catastrophes American farmers were grappling with during the 1930s: an economic depression and the Dust Bowl.

Since then, federal programs that are ostensibly developed to protect soil, water and wildlife habitat have consistently served double-duty as ways to control commodity production, and thus support sagging prices. Sometimes it's difficult to tell where conservation begins and supply suppression ends when it comes to implementation of such programs. For example, when the Conservation Reserve Program (CRP) was launched in 1986, it was a way to pay farmers to “retire” highly erodible acres. It was no coincidence that this land retirement program came about at a time when overproduction of corn and other commodity crops had helped tank the agricultural economy.

The Conservation Stewardship Program is a new twist on agricultural policy. The precursor to this program, called the Conservation Security Program, was the brainchild of the late Minnesota farmer Dave Serfling, along with other members of the Land Stewardship Project's Federal Policy Committee; it was launched by the 2002 Farm Bill. CSP, as it's called, pays farmers to put in place practices on working farmland that can help protect water quality and build soil health, while producing habitat for pollinators and other forms of wildlife. Practices that get rewarded under CSP include managed rotational grazing, integrated pest management, cover-cropping and systems

that in general reduce reliance on chemical pesticides and fertilizers. Farmers enrolled in five-year CSP contracts are rewarded for actively managing current conservation practices, as well as implementing additional ones.

CSP, along with the Environmental Quality Incentives Program (called EQIP, this latter program provides cost-sharing to farmers who want to, for example, set up rotational grazing systems), are bright spots of diversity in an otherwise monocultural farm policy landscape.

And despite problems with red tape and complaints that the program too often emphasizes payment for practices that a farmer promises to put in place rather than current stewardship methods, CSP has proven to be very popular with farmers, and is now the USDA's largest conservation program. Currently, 72 million acres across the country, representing roughly 8 percent of all agricultural land, is enrolled in the program. In recent years, government officials have had to turn away as many as 75 percent of qualified candidates because of lack of funding resources.

But because programs like CSP and EQIP are used on working farmland, in some ways they have a hard time being justified in the bigger economic picture. Usually, cover crops are planted in conjunction with—not in place of—row crops like corn and soybeans. Managed rotational grazing systems are often established on pastures that already exist. In short, these are not the kind of programs that can be used to manipulate grain supplies, and thus grain prices.

That may be one reason CSP is so vulnerable to the budgetary chopping block. The 2014 Farm Bill reduced CSP's annual enrollment from 12.8 million acres to 10 million acres, which resulted in thousands of qualified farmers being turned away from the program. There have been repeated attempts on the part of Congress to gut the CSP budget completely. As Congressional agriculture leaders begin drafting the 2018 Farm Bill, CSP may face its biggest threat yet. There are indications it could be severely cut or even eliminated.

Undervaluing a conservation program's worth

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based on its inability to manipulate markets is short-sighted, and reinforces the myth that there's nothing wrong with our farm economy that a higher price for corn won't fix. It goes against what good farm policy should be about: promoting diversity—agronomically and economically.

And it turns out a program like CSP produces numerous economic benefits. For example, there's the millions of dollars it sends straight into the pocket-books of farmers—farmers who are managing working agricultural acres that remain on the tax rolls. In 2016, LSP and other members of the National Sustainable Agriculture Coalition successfully advocated for the minimum CSP payment to be set at \$1,500 per year for all successful applicants. That helps make going through the application process worthwhile for small farmers who may be raising specialty products or produce. Under the 2017 sign-up, more than 800 contracts included the minimum payment option.

But getting too focused on the direct economic impact of an initiative like CSP ignores why it was created in the first place: to improve the environment. Ecological services produced by sustainable farming practices are often hard to gauge, but we do know that practices supported by CSP—managed rotational grazing and cover cropping, for example—produce significant benefits in terms of greenhouse gas sequestration and cleaner water. Pollution is costly, so indirectly, that's money in the bank.

The journal *Environmental Research Letters* published a study in 2015 showing that nitrogen pollution imposes a median annual cost on the U.S. of \$210 billion per year in the form of massive algal blooms, fish kills and contaminated drinking water, among other problems. Agriculture contributes 75 percent of that nitrogen pollution. In the European Union, it's estimated damages from agricultural nitrogen pollution exceed economic benefits of increased agricultural production by up to fourfold. As LSP's publication *Soil Health, Water and Climate Change* reports, cover cropping and diverse rotations have proven to be extremely effective at reducing the "leakage" of nitrogen and other pollutants into water. Therefore, any government program that supports such techniques is money well spent. As economist Erik Lichtenberg wrote in an analysis of farm conservation programs, "There are clear economic efficiency grounds for policies that address environmental externalities in agriculture."

But working lands farm conservation programs can go beyond cleaning up a local lake, river or aquifer. They can also be a long-term investment in the very people that will be putting in place good stewardship practices for decades to come. The 2008 and 2014

Farm Bills required that 5 percent of enrolled CSP acres be reserved for beginning farmers and ranchers, and another 5 percent for socially disadvantaged producers. The percentage of total CSP acres controlled by these groups of farmers has been on an upward trend during the past half-dozen years. In 2017, 13 percent of CSP acres were enrolled by beginning farmers and ranchers, and 15 percent socially disadvantaged producers. As surveys of graduates of LSP's Farm Beginnings course show, it's that younger generation that will be more likely to adopt and maintain innovative systems that are good for the environment.

Given all those benefits, CSP should be, if anything, expanded and strengthened. That's why in this next Farm Bill LSP is calling for a bigger CSP, as well as improvements such as putting greater value on "existing" conservation practices. The program could also be made accessible to more farmers by closing loopholes and enforcing the \$40,000 annual contract limit. The point of a working lands initiative like the Conservation Stewardship Program is, as its name implies, to "conserve" and "steward" the environment. Sometimes you can't put a financial price tag on such benefits.

More Information

- The NSAC report, "Analysis of CSP Enrollment in FY 2017" is at <http://sustainableagriculture.net>.
- "Cost of reactive nitrogen release from human activities to the environment in the United States" is in the Feb. 17, 2015, edition of *Environmental Research Letters*, <http://iopscience.iop.org>.
- "The Farm Bill, Conservation, and the Environment," by Erik Lichtenberg is at www.aei.org/publication/the-farm-bill-conservation-and-the-environment.
- For more on LSP's work related to federal farm policy, see <https://landstewardshipproject.org>.

More Myth Busters

More Land Stewardship Project *Myth Busters* on a variety of topics are available at <https://landstewardshipproject.org/about/libraryresources/mythbusters>. Paper copies are available by contacting Brian DeVore at 612-722-6377 or bdevore@landstewardshipproject.org.

Give it a Listen

On episode 204 of the Land Stewardship Project's *Ear to the Ground* podcast, LSP executive director Mark Schultz talks about how members "working from the ground up" helped create the Conservation Stewardship Program: www.landstewardshipproject.org/posts/podcast/1050.