



# LSP *Myth Buster* #65

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

Updated: June 2024

## → **Myth:** ‘Climate-Smart’ NRCS Practices are all ‘Climate-Smart’

### → **Fact:**

Government policy is full of unintended consequences, something that economists sometimes refer to as the “cobra effect.”

This term comes from a period when the British ruled India as a colony and decided to pay people a bounty to bring in dead cobras as a way to thin out the population of the sometimes-troublesome reptile. Some enterprising folks responded by breeding cobras so there were more of the snakes available to turn in for the bounty. The cobra’s population ballooned; not exactly the result officials had in mind.

Unintended consequences could result from certain climate-friendly agricultural practices that the federal government supports via cost-shares, grants, subsidies, low interest loans, tax breaks, and other incentives. That comes to mind while scanning the latest list of “Climate-Smart Agricultural and Forestry Mitigation Activities” published by the USDA’s Natural Resources Conservation Service (NRCS). This is a listing of the practices eligible to be funded with nearly \$20 billion available through the Inflation Reduction Act’s (IRA) climate-smart initiative. That the IRA is targeting agriculture’s role in addressing the climate crisis is significant. After all, farm activities produce at least 9.4% of greenhouse gas emissions in the U.S., according to the Environmental Protection Agency. And farmers are on the front lines when it comes to facing climate havoc.

Indeed, the NRCS’s list of what it considers “climate-smart” farming includes key practices that build soil carbon while making the land more climate resilient: cover-cropping, crop rotations, no-till, prescribed grazing, more perennials, silvopasturing, and composting. Because these activities are on the list, they are eligible to be supported through IRA funding via programs like the Environmental Quality Incen-

tives Program (EQIP) and the Conservation Stewardship Program (CSP).

However, also on the list is the practice of using anaerobic digesters to produce energy from manure. Unfortunately, as we described in *Myth Buster* #60 ([bit.ly/3xNGsbW](https://bit.ly/3xNGsbW)), by supporting the construction of these incredibly expensive facilities and the “green payments” that purchase the energy, the American taxpayer may be party to making the climate problem worse.

That’s because liquid manure, by having a “climate-smart” price tag attached to it, could become a more valued commodity than, for example, the milk produced by a large factory farm. So, owners of large concentrated animal feeding operations (CAFOs) will have increased incentive to expand their herds, crowding out small and medium-sized farmers and creating more potential for water and air pollution, as well as greenhouse gas emissions. In other words, they will be producing more of the problematic product that government programs were hoping to reduce in the first place.

And taxpayers are helping foot the bill for making the problem worse. According to agricultural economist Aaron David Smith, a new digester on a dairy farm, for example, costs roughly \$1,130 per cow, when capital costs, operating costs, and gas trucking costs are included. This practice is far and away the priciest of the almost 60 “climate-smart” EQIP practices listed by the NRCS. In 2022, seven EQIP contracts were issued by NRCS for digesters at an annual amount of \$283,424. The average cover crop and fencing contracts, in contrast, amounted to \$8,307 and \$5,882, respectively. The conservation math is striking: think about how many acres of land could

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*NRCS climate-smart practices are vulnerable to the “cobra effect.”*  
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be cover-cropped or rotationally grazed with all that money spent on digesters?

Demand for programs like EQIP and CSP far outstrip the funds available. During the 2023 fiscal year, a little over a quarter of EQIP applicants and 30% of CSP applicants were successful in getting funding. As an Institute for Agriculture and Trade Policy analysis points out, that's an improvement over previous years. But thousands of farmers (representing tens of thousands of acres of land) who want to undertake stewardship practices are being stymied as CAFOs gobble up expensive contracts.

Several practices on the NRCS climate-smart list promote CAFO farming and are of dubious environmental value, according to an Environmental Working Group analysis. The NRCS, for its part, says that some practices are "provisional" — meaning they have no proven climate benefits yet and will be reviewed to determine if they remain listed. But all eight of the provisional practices on the 2023 list remain there for

2024, and are still tagged as "provisional."

As Congress drafts the next Farm Bill, debate swirls around what conservation practices will be supported via this legislation. That makes it even more critical that practices that have proven to be environmental winners through science and real-world farm experience should be on the NRCS's climate-smart list. For example, prescribed grazing, or managed rotational grazing as it's commonly called, is on the list for good reason: research shows that, in areas ranging from the Upper Midwest to the Southern Great Plains, this system supports the kind of perennial biomes that are net carbon sinks.

In a sense, promoting regenerative practices like managed grazing has already come with its own unintended consequence. When pioneers in this technique got started decades ago, they were just looking for low-cost ways to feed their livestock longer during the grass season. An unintended consequence was carbon being sequestered beneath all those hooves. That's a snake in the grass we can all live with.

### More Information

- "Are Manure Subsidies Causing Farmers to Milk More Cows?" Ag Data News, [bit.ly/3xFKWBb](https://bit.ly/3xFKWBb)
- "Many newly labeled USDA climate-smart conservation practices lack climate benefits," Environmental Working Group, [bit.ly/4b3buuE](https://bit.ly/4b3buuE)
- "Waste and Water Woes," Institute for Agriculture & Trade Policy, [bit.ly/3W7CYei](https://bit.ly/3W7CYei)
- "GHG Mitigation Potential of Different Grazing Strategies in the United States Southern Great Plains," Sustainability, Sept. 2015, [bit.ly/44bipj1](https://bit.ly/44bipj1)

### More Myth Busters

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### LSP Fact Sheets

Want a quick primer on everything from regenerative farming techniques and the negative repercussions of factory farming to how to write a letter-to-the-editor and make sure a lease agreement meets your stewardship goals? Check out the Land Stewardship Project's collection of fact sheets on our website at <https://landstewardshipproject.org/fact-sheets>. For paper copies, contact Brian DeVore at 612-816-9342 or [bdevore@landstewardshipproject.org](mailto:bdevore@landstewardshipproject.org).