

## Summary of Key Conservation Provisions in the Farm Bill Conference Report:

### Drinking Water Provisions

#### Prioritizing Drinking Water Protection Across Conservation Programs (Section 2503(d), pp. 95-96)

Section 2503 stipulates that no less than 10 percent of funds from all conservation programs (except the Conservation Reserve Program) be targeted at source water protection. It also directs the Secretary to encourage practices that protect sources of drinking water and protect against public health threats; directs the Secretary to work collaboratively with community water systems and State technical committees to identify priority areas and encourage conservation practices that protect drinking water sources; and authorizes the Secretary to provide increased incentives and up to 90 percent higher payment rates than are otherwise statutorily authorized for conservation practices that protect source water.

#### Addressing PFAS Contamination in Rural Drinking Water (Section 6404, p. 275)

Section 6404 makes it a priority for USDA's rural water technical assistance and training programs to address the contamination of drinking water and surface water supplies by emerging contaminants, like the growing toxic fluorinated, or PFAS, contamination crisis. In addition, Sections 6403-6405 increase funding for the suite of USDA's rural water utility programs.

#### Interagency Task Force on Rural Water Quality (Section 6407, p. 277)

Section 6407 requires that the Secretary establish an interagency task force within 90 days of enactment to examine drinking water and surface water contamination in rural communities, particularly rural communities that are in close proximity to active or decommissioned military installations in the United States. Section 6407 requires the task force to submit a report to Congress within one year of enactment.

#### Sense of Congress on Non-Point Source Water Pollution (Section 2410, p. 89)

Section 2410 expresses the Sense of Congress that the Federal Government should recognize and encourage partnerships at the watershed level between nonpoint sources and regulated point sources to advance the goals of the Federal Water Pollution Control Act and provide benefits to farmers, landowners and the public.

### Environmental Quality Incentives Program (EQIP) Provisions

#### Higher Cost-Share Rates for High-Priority Practices (Section 2304(b)(2)(“7”), p. 70)

Section 2304(b)(2) allows States to identify 10 highly effective conservation practices – including practices that reduce farm pollution in sources of drinking water – to be eligible for higher 90 percent cost-share payments through EQIP. Under current law, states are only allowed to offer higher 90 percent cost-sharing for new and beginning, veteran or socially disadvantaged farmers. All other producers are eligible for only up to 75 percent cost-sharing.

#### Lowered EQIP Carveout for Livestock Operations (Section 2304(c)(1), p. 70)

Section 2304(c) lowers the amount of EQIP funds required to flow to livestock operators from 60 percent to 50 percent. A recent GAO [report](#) found that the process for allocating EQIP funds to state offices was not based primarily on environmental concerns but instead influenced heavily by the requirement that 60 percent of EQIP funds be directed to livestock. Lowering the livestock carveout

will provide states with greater discretion to allocate EQIP funds more freely based on environmental need, as recommended by GAO.

Increased Funding Available to Producers Transitioning to Organic (Section 2304(f), p. 72)

Section 2304(f) increases the amount of money organic and transitioning producers are eligible to receive in financial and technical assistance through the EQIP Organic Initiative. Under the 2014 Farm Bill, EQIP OI participants could receive no more than \$80,000 over a six-year period and no more than \$20,000 annually, whereas producers participating through the general EQIP program can receive up to \$450,000 over a five-year period with no annual limit. The provision removes the arbitrary annual payment limit and creates a new five-year payment limit of \$140,000.

Establishing Conservation Incentive Contracts (Section 2303(4), p. 68; Section 2304(j), pp. 72-73)

Section 2203(4) and Section 2304(j) establishes new Conservation Incentive Contracts within EQIP. The provision requires the Secretary to identify watersheds or areas within a State that will be the subject of incentive contracts and to identify no more than three priority resource concerns for each relevant land use within each watershed or area. The Secretary will enter into conservation incentive contracts to adopt practices that address at least one applicable priority resource concern. Contracts are for five-to-10-year periods and will come with annual and cost-share payments for adoption, installation, required management and maintenance of incentive practices. Report language states that the Managers anticipate incentive practices with broad resource benefits (including, but not limited to, cover crops, transition to resource-conserving crop rotations, and incorporation of precision agriculture technologies into agriculture operations) will be available to producers within the program.

Soil Health and Carbon Sequestration Provisions Section 2307(c)(“c”), pp. 74-77)

Section 2307(c) authorizes USDA’s on-farm conservation innovation trials within the Conservation Innovation Grant program to allow for partnerships between farmers, NGOs and governmental organizations on developing new or innovative conservation practices to increase soil carbon levels, develop new cover crops and crop rotations. Section 2307(c) also establishes a soil health demonstration trial managed by USDA to promote the use of advanced farming practices to improve soil health and increase carbon levels in the soil as well as establish protocols for measuring carbon levels. \$15 million is authorized to be spent on the demonstration trial.

Establishing a Conservation Database Section 2307(c)(“d”), p. 77)

Section 2307(c) requires the Secretary to establish a conservation database that will track and compile data regarding conservation funding; provide analysis of the environmental effectiveness of practices for soil health, nutrient management and source water protection; and provide a recommended list of new and effective conservation practices.

Considering the Environmental Effectiveness of Conservation Practices (Section 2503(a)(3), p. 94)

Section 2503(a)(3) requires the Secretary to report on whether the payment rates for EQIP and CSP conservation practices sufficiently encourage the implementation of the most effective practices to address local natural resource concerns.

**Conservation Stewardship Program (CSP) Provisions**

Incentivizing Most Effective Drinking Water & Soil Health Practices (Section 2308(d), pp. 79-81)

Section 2308(d) increases the payment rates under the Conservation Stewardship Program for cover crops, management-intensive rotational grazing and resource-conserving crop rotations. Currently there are over 150 different practices that producers choose from for a CSP contract. Resource-

conserving crop rotation is the only practice that currently qualifies for a special payment. Increasing the payment rate for cover crops, as proposed in Section 2308(d)(4)(“5”), and making management-intensive rotational grazing eligible for a supplemental payment along resource-conserving crop rotations, as proposed in Section 2308(d)(5), will help incentivize more producers to adopt these practices that are highly effective at improving the quality of drinking water and soil health.

Comprehensive Conservation Planning (Section 2308(d)(6)(“e”), p. 81)

Section 2308(d)(6)(“e”) provides a one-time payment to producers for developing a comprehensive conservation plan.

Using CSP to Help Producers Transition to Organic (Section 2308(d)(8)(“h”), p. 81)

Section 2308(d)(8)(“h”) authorizes the Secretary to allocate funding to States to support organic and transitioning producers, ensuring that CSP can be fully used as a tool for farmers who want to transition to organic.

### **Conservation Reserve Program (CRP) Provisions**

Clean Lakes, Estuaries and Rivers Initiative (Section 2201(3), pp. 45-46 & Section 2204, pp. 50-53)

Section 2201(3) Establishes a new Clean Lakes, Estuaries and Rivers (CLEAR) Initiative within the continuous category of CRP that will enroll producers through long-term contracts devoted to water quality practices like riparian buffers, prairie strips or grass sod waterways in watersheds most heavily impacted by sediment and nutrient loading or by harmful algae blooms. CLEAR enrollments receive priority among the continuous categories, and 40 percent of the acres enrolled through the continuous CRP sign-up will go to CLEAR. Section 2204 establishes a CLEAR 30 Pilot Program that authorizes 30-year contracts. Unlike general CRP contracts, which pay farmers to convert large tracts of land to grass for 10 years and then return to production, CLEAR 30 will result in longer-lasting environmental and public health benefits in watersheds that are significantly impacted by farm pollution, like the Western Lake Erie Basin and Chesapeake Bay.

Establishing Minimum Number of Acres Enrolled Through Continuous CRP (Section 2201, p. 46)

Section 2201 establishes for the first time a minimum number of acres to be enrolled through the continuous enrollment categories of CRP, like CREP and CLEAR. The continuous enrollment categories target the most environmentally sensitive lands – often along rivers or streams or in critical watersheds – and enroll producers on a continual basis (rather than through an annual sign-up) through longer-term contracts to establish high priority practices that reduce farm runoff, conserve natural resources or protect wildlife. The bill requires that no fewer than 8 million acres be enrolled through continuous CRP in 2019, and no less than 8.6 million acres in 2023.

Improvements to the Conservation Reserve Enhancement Program (Section 2202, pp. 47-50)

Section 2202 formally establishes the Conservation Reserve Enhancement Program (CREP) – a program within CRP that promotes federal-state conservation agreements that pay producers to establish buffers of trees and grasses along rivers and streams to reduce farm runoff. Section 2202 allows NGOs, cities, counties and tribes to formally participate in CREP agreements and to meet the financial match requirements through in-kind contributions and technical assistance. Section 2202 seeks to incentivize more enrollment of riparian buffers, including forested riparian buffers, in CREP by authorizing the Secretary to make cost-share payments for forested riparian buffer maintenance throughout the length of the CREP agreement and to cover up to 100 percent of the cost incurred by the owner or operator. Expanding eligible participants will help increase the number of producers participating in CREP and improve the delivery of technical assistance.

### Improvements to CRP Transition Incentives Programs (Section 2208, pp.62-63)

Section 2208 (pp.62-63) reforms the CRP Transition Incentives Program to expand participation to anyone with land exiting a CRP contract, not just retired or retiring land owners. It also allows new and beginning, veteran and socially disadvantaged producers participating in TIP to begin transitioning the eligible land to organic farming or ranching three years before the expiration of the CRP contract.

The final farm bill increases the overall CRP cap from 24 million acres, in 2019, to 27 million acres by 2023 (Section 2201, p. 44) and it also establishes a 2 million acre floor for CRP grasslands initiative.

Section 2204 (p. 53) establishes a Soil Health and Income Protection Program.

## **Regional Conservation Partnership Program**

### Dedicated Funding for Partnership Projects and Grants (Section 2705, p. 112)

Section 2705 increases dedicated funding for the Regional Conservation Partnership Program from \$100 million to \$300 million and will no longer pull funding from “donor” conservation programs like ACEP, CSP and EQIP to provide additional funding for the program. Prior to this change, RCPP pulled 7 percent of the funds from donor programs. This not only created funding conflicts within those programs, it also at times stymied the innovative nature of RCPP proposals. Report language clarifies that NRCS shall run RCPP as a stand-alone program.

### Protecting Sources of Drinking Water (Section 2701, p. 107 & Section 2707, p. 114)

Section 2701 makes protecting sources of drinking water an eligible activity under RCPP, which will allow more projects to pull together farmers to adopt conservation practices that specifically reduce farm pollution in sources of drinking water. Section 2707 establishes that it is a priority for partnership projects to address nutrient pollution in major bodies of water of regional, national or international significance, like the Great Lakes or the Chesapeake Bay.

Section 2704 (p. 110) allows eligible partners to bundle and submit applications to the Secretary on behalf of producers.

## **Crop Insurance**

### Encouraging Greater Adoption of Cover Crop (Section 11107, p. 442)

Cover crops, typically cool-season grasses, can hold down soil and help it absorb nutrients during the winter and spring months. This is proven to help reduce the sediment, nitrate and phosphorus runoff that pollutes waterways, contaminates drinking water and is the main source of the burgeoning dead zone in the Gulf of Mexico. However, farmers have long complained that the current crop insurance program can actually discourage the practice of cover cropping and could put the producer at risk of losing their crop insurance coverage if the cover crops are not terminated according to given guidelines.

Section 11107 states that the voluntary practice of cover-cropping shall be considered good farming practice that does not require any additional consideration for insurability purposes. The provision also specifies that cover crop termination shall not impact insurability as long as it is carried out in a manner consistent with NRCS standards.