

Environmental Quality Incentives Program (EQIP)

Helping farmers and ranchers implement conservation measures on their land

Increased Investment in Resource Conservation

Agricultural conservation in the United States is a partnership between the government and farmers and ranchers to improve our environment. EQIP is an important vehicle to help private landowners apply measures on the landscape that yield public benefits—water quality, water conservation, soil quality, wildlife habitat, air quality and open space. American Farmland Trust proposes improving this program's performance to:

- Maximize public benefits;
- Deliver cost effectiveness and increased environmental performance.

Status Quo

Needs Are Not Being Met

Farmers and ranchers need some form of financial assistance to apply conservation practices or systems on their land. The demand for assistance historically has been well in excess of available funding. With most applications unfunded, some producers are giving up, as revealed by the drop in number of applications in 2005.

In addition, the public expects meaningful improvements in soil, water, and wildlife habitat in return for taxpayer investment in conservation.

Currently, consistent criteria are not in place to guide the Natural Resources Conservation Service, states and state technical committees. While states need to set their own priorities in terms of resource concerns, they need to factor in cost effectiveness, comprehensive treatment of the resource concern, higher levels of environmental management and improving performance on existing operations when ranking applications. The status quo does not insure that applications address national, state and local priorities to the maximum extent possible while addressing the producers' needs—resulting in some benefits stopping at the farm gate.

No Incentive for Strong State Performance

The existing fund allocation formula to state offices does not reflect any consideration for which states carry out the program with greater effectiveness or with broader participation in the process. States doing the best job of administering the program do not have a significant incentive to strengthen efforts to fully satisfy public expectations. These expectations include: evaluation of offers, multi-producer efforts, collaboration with other agencies and groups, effective program delivery, supporting innovative approaches, leveraging EQIP funds with matching state and local resources, and outreach to beginning, limited resource, and historically low participation producers.

In 2004, there were over 180,000 applications from farmers for EQIP financial assistance. Three out of four—totaling \$2.09 billion—were unfunded.

Reaping Benefits for Producers and the Public

The added financial resources from doubling EQIP funding could help at least 41,000 more producers apply conservation measures on over 40 million more acres—providing increased benefits of at least \$1.2 billion per year. This boost to conservation on the ground would result in cleaner water, improved wildlife habitat, less erosion and nutrient runoff and improved air quality—all public benefits from a healthier landscape, now and into the future.

Strengthening EQIP—How It Works

Since the EQIP program already exists, the following improvements are important refinements that build on the current structure. These refinements help extend the program to more participants—reducing the large number of unfunded applications—and improve cost effectiveness and environmental performance through a better program at the state level.

- **Increased funding for EQIP**... to better meet needs. The funding would increase EQIP from the \$1.27 billion currently authorized for FY 2007 to \$2.0 billion each year the program is carried out in the future. This increase would include funding for innovation grants and ground and surface water conservation.
- **Include specific criteria in the law**... to strengthen the implementation process by putting greater emphasis on cost effectiveness and environmental performance. State conservationists and state technical committees would continue to set priorities for the program in their state, while also including, in the evaluation of EQIP offers, the following factors: 1) cost effectiveness, 2) comprehensive treatment of resource concerns, 3) advanced levels of management, 4) inclusion of priorities at the federal, state, and local level, and 5) environmental performance for existing operations.
- **Reward success**... by providing added funding for states that are most effective, innovative, inclusive, and collaborative in managing the EQIP program. The added funding would come from a 10 percent holdback of program funding. This would provide the criteria in statute and be open to all rather than be handled administratively and subject to potential variation from year to year.

With adequate funding, improvements to stress cost effectiveness and environmental performance and help for states that have strong EQIP programs, the nation can better address pressing resource concerns. And the public will be well served with better soil, less runoff, improved air quality, added wildlife habitat, more carbon sequestration and open space.

For more information about this or any of the policies recommended in *Agenda 2007*, please visit AFT's Web site at www.farmland.org or send an email to info@farmland.org.

March 2007

AMERICAN FARMLAND TRUST

1200 18th Street, NW, Suite 800, Washington, DC 20036 • (202) 331-7300 • www.farmland.org