



What are the Benefits of More Strategic Incentives Programs for the Agriculture and Forest Industries and for the Agencies that Support them?

There are two common perspectives on the purpose for programs that provide conservation incentives on private farm and forest lands: For some, at least part of the purpose of these programs is to help farmers and foresters find alternative sources of business revenue by helping the environment while keeping their land in production. For others, conservation incentive programs should be designed to address and correct specific environmental problems.¹

It is important to acknowledge that these two perspectives are somewhat in tension. To the extent that programs currently seen as a line of business for industry become more targeted to specifically address what are seen as key, specific environmental needs, the result could be a reduction of available support for some less “targeted” geographical areas seen as generating fewer problems. This could be unpopular for those less “favored” areas. How are commercial farm and forest landowners to view such a potential development?

Overall, targeting incentive programs and making them more effective would seem to be very much in the interests of the agriculture and forestry industries and for the agencies that serve and support them. This is true for several reasons. Among these:

1. Better targeting will increase funding support:

Current funding for conservation incentive programs is quite limited and is not nearly sufficient to meet demand. Of course the level of funding for a program mirrors its political support. And much of the political support for incentive programs clearly depends on the level of public and policy community confidence that they are effective in addressing immediate, identifiable environmental issues. There are many examples of incentives being used with excellent on-the-ground effect. But these nearly always occur where a substantial concentrated effort and considerable resources were focused on dealing with a specific problem in a limited area – exactly what strategic targeting requires. As the environmental community, the voting public, and political officials gain confidence that private conservation incentives are effective in addressing specific problems, it is likely that funding could be dramatically increased, to the great benefit of the farm and forest industries.

2. Targeting the environmental need also targets the farm or forest business need:

Those locales or landscapes where the environment is most sensitive, also tend to be the locales where the most significant environmental burdens are being placed on private landowners. Thus those areas are the ones where the farm and forest communities have the most need for financial and technical assistance. For example, in those geographical

¹ For a good analysis of this issue see: ERS Economic Brief Number 5: “Conservation Program Design – Rewarding Farm Practices versus Environmental Performance;” M. Weinberg and R. Claassen; USDA Economic Research Service; March 2006; www.ers.usda.gov/publications/eb5. See also /eb1, . . . /eb2, . . . /eb3, . . . and /eb4.

locations where salmon streams are most plentiful or most troubled, the landowners located there may face the greatest salmon restoration challenges. Targeting assistance to those areas helps both the salmon and the most burdened landowners. Such targeting should, therefore, work to the benefit of the farm and forest industries as well as of the environment.

3. Targeting voluntary programs requires that they be made more desirable for landowners:
Conservation incentive programs are, by definition, voluntary. To make them more strategic will require that landowners in targeted areas find them more appealing and useful. If there is no landowner interest, targeting cannot succeed. An essential element of strategic targeting, therefore, is identifying the ways in which incentives can be made of greater value to and hence more interesting for landowners. This may be because payment levels are increased, it may be because better technical assistance is provided, or it may be because the type, timing, nature, and package of offerings made available more appropriately addresses landowners needs. Whatever the improvements, they would produce stronger incentives programs that are more advantageous for all landowners who use them.

4. Effective, well-funded incentives programs are critical to the future of private farming and forestry:

If voluntary conservation incentives programs do not come to be seen as genuine and effective solutions to critical environmental problems, policy-makers will continue to underfund them and to be driven, instead, toward regulation. Our private farm and forest businesses face difficult competition from an ever-increasingly global marketplace. Their future economic survival may depend upon there being strong, effective, well-respected, and well-funded conservation incentive programs that can help to avoid or to relieve that regulatory pressure.

For all of these reasons, it is very much in the interest of the agriculture and forestry industries, and of the agencies and groups whose mission is to serve them, that improvements are made in private conservation incentives programs. Conversely, to make those improvements, will require the active and supportive participation of the agriculture and forestry industries, and of their support agencies and organizations, since targeting these programs requires that the programs be designed in a way that truly meet the needs of the members of those industries – the private landowners we hope will take advantage of them.

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