

Recommendations for Investing in Working Lands Conservation

Exponentially increasing regenerative farming practices on American agricultural land represents an incredible opportunity to generate benefits for the environment, agricultural producers, and society at large. America's working lands represent 40% of the nation's acreage¹. Responsible, increased investments in working lands conservation and regenerative agriculture are critical to help the Biden administration reach its goal of negative emission farming and engaging 30% of the nation's land and water in conservation², as well as to reaching a growing number of climate commitments made by farm groups and food companies. A responsible balance between working and idle land conservation is the common-sense approach to reduce greenhouse gas emissions, improve soil health and water quality and quantity, and increase agricultural productivity. We can do this in a way that makes economic sense for producers and advances equitable access to federal conservation programs. **We need to expand the network of technical assistance providers and expertise available to farmers and ranchers. To accomplish these goals, we need to exponentially increase funding for existing conservation programs.** Ultimately, these recommendations will help USDA expand and streamline existing conservation programs for maximum impact.

CFAD has released two additional resources: USDA Research and Science Recommendations and a concept note for the development and operation of a USDA National "Climate Bank." Sustainable, climate-smart agriculture requires a suite of policies and a

About CFAD

AGree's [Climate, Food, and Agriculture Dialogue](#) brings together a diverse group of farmers, ranchers, and foresters; environmental NGOs; supply chain companies; and former government officials. CFAD members have divergent views of the issues and opportunities facing U.S. agriculture, but we share a common view that **climate change demands ambitious and durable federal policy solutions that are commensurate with the urgency and scale of the problem.** We see U.S. food and agriculture system as a crucial source of solutions to address climate change and the degradation of nature, which includes our land and water resources. These solutions must provide transparency and promote affordability while distributing costs and benefits in such a way that promotes equity and value to land managers. The scientific consensus that the climate is changing at an increasingly rapid pace is incontrovertible. The timeframe for taking meaningful action to avoid catastrophic impacts is running short. Our guiding principles for federal policy on climate change and food systems can be viewed [here](#).

¹ https://www.nass.usda.gov/Publications/Todays_Reports/reports/fnlo0220.pdf

² Outlined in President Biden's [Executive Order on Tackling the Climate Crisis at Home and Abroad](#).

systems approach to bring lasting management changes. **CFAD is committed to working with USDA and Congress as they develop policy and programs that work for producers, the environment, and society.**

Introduction

Policies to expand conservation practices must be grounded in the perspective of farmers and ranchers, with an understanding of the barriers that a range of producers face to joining new federal programs. We know that many farmers and ranchers make farm management decisions on an annual basis, informed by current crop and livestock prices and their years of experience, in order to maximize their farm's production and profitability. Barriers to joining new programs include a backlog of applications and long waiting lists; a lack of clear, concise communication on the costs and benefits of conservation practices and programs; the complexity and paperwork involved in program enrollment; and, in some places, a technical assistance network that is stretched too thin or lacks the relevant expertise in nutrient management, irrigation management, feed management, soil health, organic transition, and new conservation technologies that producers need to make the best management decisions for their operation. The following policy recommendations are targeted to address these challenges and expand the federal conservation incentive and support system to effectively educate and enroll the greatest number and diversity of farmers.

The U.S. Department of Agriculture (USDA) and Congress have several immediate opportunities to promote climate smart agriculture throughout the United States. This set of policy recommendations outlines how USDA and Congress can:

- I. Exponentially increase conservation program funding,
- II. Elevate a focus on conservation and climate solutions at USDA,
- III. Tailor existing conservation programs to maximize effectiveness and promote whole-farm conservation planning,
- IV. Expand and improve technical assistance for conservation adoption, and
- V. Align financial incentives to recognize the financial and risk-reduction benefits of conservation.

As USDA considers how to best align farm programs and financial mechanisms towards promoting conservation, the following guideposts should be kept in mind:

1. **Ensure farmer profitability is at the forefront of efforts to expand conservation practice adoption.** Creating new economic opportunities for farmers is critical to expanding voluntary adoption of conservation practices and creating a successful and resilient agricultural system.
2. **Ensure that the full diversity of American agricultural producers can participate in incentive programs**, with a particular focus on including Black and Indigenous farmers, young and beginning farmers, small and midsize farmers, and farmers who grow a diversity of crops and/or integrated crop-livestock systems.

3. **Create ecosystem services, maintain or increase biodiversity, and reduce the overall footprint of farming**, while considering environmental impacts beyond just sequestering carbon to include other greenhouse gas emissions reductions, soil health improvements, water quality and quantity enhancements, and wildlife and pollinator habitat protection.
4. **Start with incentivizing practices that we know are effective based on best science and evidence** (e.g., cover cropping, crop rotations, rotational grazing, nutrient management, manure management, irrigation management, etc.) in order to start making progress while research continues on other critical practices.
5. **Invest in systems to monitor and measure the outcomes of practices and programs.** This is critical to ensure that the benefits of conservation programs are being realized. Landscape-level monitoring is essential to build consensus that USDA programs are effective tools for reducing greenhouse gas emissions. In addition to further developing USDA tools such as [COMET Planner](#), there is a need for more regional and industry-specific modeling tools to effectively measure practice outcomes across diverse geographies, climates, soil types, and production systems.
6. **Consider the long-term adoption of conservation practices, permanence of ecosystem services, and the advantages of early action by farmers.** Congress and USDA should continue to incentivize early adopters to maintain the benefits of their practices and encourage further innovation that can lay the groundwork for scalable adoption of more practices.
7. **Strive to incentivize continuous improvements.** Programs such as the Conservation Stewardship Program (CSP) help support lasting change, continual improvement, and measurable impact through long-term, renewable contracts.
8. **Avoid sending mixed signals or creating perverse incentives.** There is a need to create shared, understood objectives for agriculture policy to ensure different policies do not work at cross-purposes.

The policy recommendations outlined herein advance these principles by centering the advice and guidance from producers to design programs that will work for them, by suggesting ways to expand and improve our current conservation delivery system to advance whole-farm ecosystem planning and by providing thought leadership about the challenge of incentivizing early adopters to maintain their historic practices and progress. If implemented, the policy recommendations outlined in the following pages will advance these ideals and support our transition towards more climate-resilient and profitable agricultural and forestry systems.

I. Exponentially Increase New Funding for Existing Conservation Programs

Congress should provide USDA a three- to five-fold increase in new funding for conservation programs in order to expand adoption of conservation practices as quickly as possible on working lands. The

2021 fiscal year budget for NRCS conservation programs is \$3.9 billion³, therefore we suggest increasing funding to between \$11.7 - \$19.5 billion to accomplish our climate goals. Increasing conservation program funding is critical to expanding conservation adoption, especially because the last increase in program funding occurred in the 2008 farm bill, and program dollars have levelled off or decreased since then⁴. A significant increase in conservation funding is the quickest strategy to immediately increase conservation adoption, directly benefit farmers and ranchers, and begin delivering immediate increases in carbon sequestration, emissions reductions, and other environmental benefits that working lands provide. Furthermore, a growing number of policymakers and agricultural groups support this idea⁵.

The Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and Regional Conservation Partnership Program (RCPP) are three voluntary, incentive-based conservation programs that we know are effective in expanding conservation on the ground. In 2020, EQIP contracts enrolled 3.8 million acres of farmland in at least one cropland soil quality practice⁶, and the CSP program had 6.4 million acres enrolled in active, comprehensive, whole-farm conservation contracts⁷. A review of 26 research trials conducted by Sustainable Agriculture Research and Education program (SARE) suggests that cover crops have the potential to sequester 3 metric tons of CO₂-equivalents (CO₂e) per acre per year⁸. Using this metric, **increasing cover crop adoption by 30 million acres through increased conservation program funding could sequester an additional 90 million tons of CO₂e annually.**

The Regional Conservation Partnership Program (RCPP) is unique in that it allows NRCS to partner with local organizations and communities to address natural resource goals at the regional level. Since 2014, RCPP has funded over 375 high-impact projects across the U.S., bringing in an estimated \$2 billion in matching funding from partners⁹. RCPP is a model for leveraging partnerships and partner funding to achieve maximum impact from federal conservation dollars and could be expanded, particularly through the program's Alternative Funding Arrangements (ARA), with a focus on targeting climate-smart agricultural practices.

Despite the success of NRCS conservation programs, they have long waiting lists and low acceptance rates due to lack of funds. Historically, USDA has only been able to accept one-quarter of applications received for conservation programs. Exponentially increasing conservation program funding will allow

³ <https://www.usda.gov/sites/default/files/documents/usda-fy2021-budget-summary.pdf>

⁴ <https://www.ers.usda.gov/topics/natural-resources-environment/conservation-programs/>

⁵ A growing number of policymakers and agricultural groups support an increase in conservation program funding. [A recent letter](#) signed by 133 leading farm groups recently suggested a doubling of conservation program funding. The Food and Agriculture Climate Alliance (FACA), consisting of almost 70 agriculture, food, forestry, and environmental organizations, has suggested a 20% increase in program funding. Senator Cory Booker and Congresswoman Abigail Spanberger introduced the [Climate Stewardship Act](#), which calls for nearly doubling the Conservation Reserve Program to 40 million acres a year and increasing funding for both the Conservation Stewardship Program and the Environmental Quality Incentives Program to \$7 billion a year. The Agriculture Resilience Act introduced by Congresswoman Pingree and Senator Heinrich also calls for robust investments in federal conservation programs. In addition, Senate Agriculture Chairwoman Debbie Stabenow has made [public remarks](#) pushing for a major increase in conservation program funding.

⁶ https://www.nrcs.usda.gov/Internet/NRCS_RCA/reports/fb08_cp_eqip.html

⁷ https://www.nrcs.usda.gov/Internet/NRCS_RCA/reports/fb08_cp_cstp.html

⁸ <https://www.sare.org/publications/cover-crops/ecosystem-services/cover-crops-and-carbon-sequestration/>

⁹ <https://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/rcpp/>

NRCS to fund and execute more contracts, hire additional technical assistance personnel, and ultimately leverage NRCS's existing infrastructure to expand conservation, carbon sequestration, and environmental benefits as quickly as possible.

Ensuring Equitable Access to USDA Resources

In addition to exponentially increasing conservation program funding, measures should be taken to ensure these resources are accessible to small, beginning, Black, Indigenous, and People of Color (BIPOC), and socially or economically disadvantaged farmers and ranchers. USDA's history of discrimination against BIPOC farmers in allocating loans and conservation payments has led to a lack of trust with producers of color, which USDA must take steps to address. In addition, producers with less time and fewer resources to learn about and navigate USDA programs are often left out of funding and cost-share opportunities. However, we know that engaging the full diversity of U.S. agriculture in climate-smart practices is critical to addressing climate change and ensuring the benefits of new funding are equitably distributed.

In order to reduce barriers for small, beginning, and BIPOC farmers and ranchers to engaging in USDA programs, we suggest USDA place a high priority on expanding funding for non-traditional technical assistance providers that already work with these producers. For example, the Intertribal Agriculture Council plays a key role in assisting Indian producers in accessing and using USDA programs and services. In addition, streamlining existing conservation programs, fast-tracking approval and funding for conservation plans that propose to implement well-understood practices, and offering producers assistance with creating whole-farm conservation plans can help reduce barriers to engaging in USDA programs and support conservation planning for producers with fewer resources. These policy ideas are further explored later in this document.

II. Elevate a Focus on Conservation and Climate Solutions at USDA

To ensure that climate efforts at USDA are effective, strategic, and widely supported, USDA should revise the mission statement and goals for each USDA agency to create a clear and prominent focus on climate-smart agricultural practices. Agencies should be directed to prioritize conservation practices that not only sequester carbon but include co-benefits for nature including improved soil health, water quality, and wildlife habitat. Articulating a department-wide vision for on-farm outcomes (both economic and environmental) and conservation outcomes at the landscape and watershed levels would help to drive strategic decision making by individual agencies and programs.

Taking steps to improve data collection, analysis, and sharing between agencies will help USDA achieve these conservation and climate goals. Increased integration and analysis of this agricultural data is key to understanding how the food and agriculture sector can develop and implement solutions

to climate change (read CFAD's [Research Recommendations](#) for more detailed recommendations about USDA research and science on climate-smart agriculture). Existing tools such as [COMET-planner](#) can be used to provide guidance for the most impactful practices by farming systems to prioritize, as well as create proxies for measuring practice outcomes while more comprehensive monitoring and measurement systems are developed.

As USDA works to advance its data infrastructure and analysis, the agency should ensure that data architecture for USDA conservation planning and programs provides value back to producers.

Producers should be able to electronically access the data they provide to USDA and all available USDA planning tools and incentives available to them. USDA data systems should be aligned with the tools and technologies producers need to use to participate in ecosystem services markets. USDA should expand efforts toward data interoperability to enable producers to enter data once and use it many times. This is critical to building the value proposition for producers to share their data.

III. Tailor Existing Conservation Programs to Maximize Effectiveness and Promote Whole-Farm Conservation Planning

USDA should adjust existing conservation programs to streamline program enrollment and administration, reduce barriers to enrolling in conservation programs, better communicate the benefits of climate smart farming practices, and provide assistance for farms to optimize conservation benefits. While current conservation programs are generally effective, adjusting contract structures can reduce the significant administrative burden currently facing NRCS staff, freeing up more time to work directly with farmers on conservation planning and implementation. In addition, a stronger focus on conservation and climate planning can support farmers and ranchers in understanding how their farm management can most effectively contribute to climate mitigation efforts. Improving USDA program accessibility and ensuring support for conservation planning is widely available can help small, beginning, and BIPOC producers access program benefits.

CFAD policy recommendations to achieve this goal include:

- **Offer assistance for farms to develop conservation plans specifically tailored to optimize environmental benefits and increase production resilience to climate change impacts** while considering the economic realities of each farm. USDA should move immediately to implement a provision included in the 2018 farm bill to provide producers a one-time payment for comprehensive conservation planning. Current programs such as EQIP and CSP can also promote a holistic understanding of climate mitigation and encourage the adoption of practices with environmental benefits beyond carbon sequestration, such as nutrient and irrigation management. This can also be advanced by creating bundles of climate practices and enhancements that, when combined, will decrease emissions, increase carbon sequestration, and provide long-term farm resiliency for participating farmers and ranchers. This could include bundles for feed management for livestock to reduce emissions, rice system management to reduce methane emissions, crop rotations to improve soil health, and/or a nutrient management program to increase nitrogen use efficiency.

- **Fast-track conservation plans and contracts for conservation practices that are well-understood, easy to implement, and scalable, such as cover cropping, conservation tillage, and irrigation management.** This must be done in combination with a significant increase in conservation program funding, so farmers who have been waiting to have contracts processed are not disadvantaged. Whole-farm conservation plans should not be a pre-requisite for producers interested in adopting specific conservation practices, since these can present a roadblock to conservation adoption and discourage participation.
- **Prioritize the implementation of a narrower range of individual practices with scientifically supported impact values (e.g., climate, water, and biodiversity) among certain farming systems in specific regions.** A shorter list of “climate practices” will help various and diverse producers choose the most impactful practices to assist in building their own distinct agricultural management systems. States and regions can choose the practices that are most practical for the farm-systems that operate in specific areas.
- **Create multi-year EQIP contracts with declining payments over time,** whereby a producer receives a smaller cost share payment each year as transaction costs decline. Implementing some conservation practices can have a high up-front cost, but as practices become established, they begin to produce greater benefits over time. A declining payment structure provides a greater incentive upfront, when it is needed by producers, and then declines to reflect the reduced cost and increasing benefits to the farm. Farmers who are starting their conservation journeys could apply for an EQIP contract, and after one or two contracts, farmers could then be eligible to “graduate” to CSP to maintain and expand their conservation practices.
- **Prioritize multi-practice, multi-year incentive contracts.** For example, EQIP and CSP contracts focusing on climate impacts and/or soil health should prioritize producers who desire to adopt multiple practices for multiple years, therefore increasing the odds of measurable impact and lasting behavior change. Prioritizing multi-practice, multi-year contracts reduce the need for additional transactions in the future, thereby streamlining program administration. The CSP program provides multi-year, renewable contracts to support lasting change, continual improvement, and measurable impact.

IV. Expand and Improve Technical Assistance for Conservation Adoption

USDA and Congress should increase funding for technical assistance, invest in training and technology dissemination, and expand the use of partnerships to bolster and improve technical assistance.

Technical assistance is critical to providing the information and guidance needed for producers to feel confident in adopting new practices and to supporting new, beginning, and BIPOC farmers in enrolling in USDA programs. Producers need clear, streamlined communications from USDA about what programs are available and what support they can access. Creating additional flexibility and resources for NRCS field office personnel to partner with agricultural extension offices, local conservation districts, and non-traditional technical service providers can help expand capacity and address gaps in NRCS expertise. In addition, there may be creative opportunities for cross-training and expertise sharing within programs at USDA. For example, a partnership between NRCS and the USDA National Organic Program could enlist

accredited organic certifying agents to deliver technical assistance to conservation during the production off-season.

Many NRCS field offices have limited expertise in several areas critical for climate planning, including livestock feed management, improved nutrient management for crops, irrigation management, pasture and advanced grazing management, soil fertility, cover crops, perennial agriculture, diverse cropping systems, new technologies that can help mitigate the environmental impacts of farming, and the economic return on investment for regenerative farming practices. Immediately addressing these expertise gaps is essential to providing farmers and ranchers the best available information for improving the profitability and climate resilience of their operations.

CFAD recommendations to improve and expand technical assistance include:

- **Increase funding for technical assistance.** Increase technical assistance funding and support for NRCS field offices, conservation districts, and technical assistance cooperators. Additional funding is needed to expand overall capacity and ensure additional technical assistance support does not affect conservation incentives provided through EQIP and CSP.
- **Invest in training and technology dissemination for NGOs, conservation community, extension, and NRCS personnel.** There is an immediate and urgent need to train NRCS field staff and technical assistance cooperators on climate issues, programs, policies, and emerging technologies (e.g., manure management) that can help drive adoption of climate solutions on working lands.
- **Invest in programs such as 4-H, Future Farmers of America (FFA), and the National Conservation Foundation Envirothon that create a pipeline for young people to become interested in agricultural extension.** In order to expand interest in and continue the legacy of a strong U.S. agricultural industry, we need to build and train a generation of smart, motivated young people who are excited to work as farmers, technical assistance providers, and extension agents.
- **Expand technical assistance partnerships through:**
 - **Increasing the use of cooperative agreements to provide non-federal partners more flexibility** and avoiding the complexity and underutilization of the current Technical Service Provider certification process. These cooperative relationships should be designed to expand NRCS's capacity to provide climate resilience and carbon management expertise.
 - **Utilizing Conservation Stewardship Program (CSP) enhancements or Crop Assistance Program (CAP) payments to pay for the use of third-party advisors for climate management.**
- **Support and promote peer-to-peer farmer networks.** Farmers sharing their experiences and knowledge with one another is a powerful strategy to build momentum and support for climate-smart agriculture.
 - One model for creating these opportunities through USDA programs is the NRCS [Grazing Lands Conservation Initiative](#), which enlists state committees and grassroots coalitions

that find opportunities to increase technical assistance and create public awareness of activities that maintain or enhance grazing land resources. This model could be replicated to leverage the knowledge and experiences of early adopters to build trust and expand climate-smart agricultural practices.

- The [Climate Adaptation Fellowship](#) is another peer-to-peer model that provides farmers, foresters, and advisors the information they need to adapt to climate change. This curriculum was developed through a partnership between several universities, the USDA Northeast Climate, NRCS, and other partners, and is another model for collaborative extension efforts.

V. Align Financial Incentives for Conservation

The purpose of federal conservation programs is to incentivize and support farmers and ranchers in adopting new conservation practices that provide societal and environmental benefits. Producers who receive this support should then be enabled to monetize the environmental benefits through enrolling in private ecosystem service markets. **The role of the government is to provide support where there is a failure of private markets to reward public goods. This includes creating financial incentives for producers who are transitioning to new conservation practice adoption and for early adopters.** It is also important to note that any policy that USDA develops must allow for and recognize existing private markets and not adversely impact, interfere or duplicate private sector efforts. To align incentives for conservation, CFAD recommends:

- **Transition payments for producers adopting new conservation practices.** Producers transitioning to new conservation practices may experience temporary declines in farm profitability (e.g., no-till has a 5–7-year transition period), during which the ecosystem benefits of practices are also not fully realized and cannot be monetized. USDA’s organic transition payment program could be expanded to include a conservation transition payment to support producers as they make this transition. The recommendations above to streamline conservation programs, reduce barriers to entry, and lower transaction costs will also help increase the number of producers transitioning to conservation practice adoption.
- **Create crop insurance discounts or premium reductions that recognize the increased soil health and reduced agricultural risk of farms implementing conservation practices to provide financial incentives for early adopters to continue their practices.** Similar incentives for the Noninsured Crop Disaster Assistance Program (NAP), Whole Farm Revenue Program (WFRP), and Agricultural Management Assistance (AMA) Program should also be developed to ensure that non-row crop and diversified farmers can access these benefits. Designing incentives for early adopters of conservation practices to maintain the environmental benefits they have already created is critical to reward these public goods and prevent backsliding as producers adopting new practices are rewarded through private ecosystem service markets. **However, not all farmers utilize crop insurance, so this strategy is not a silver bullet and must be combined with other strategies to reward early adopters for the ecosystem services they provide.**
- **Clarify that all NRCS conservation practices and standards are Good Farming Practices (GFP).** Farmers who implement conservation practices and enhancements in line with NRCS

standards should not find themselves in conflict with RMA rules as a result. Conservation is a key element of risk management, and RMA rules and policies should reflect this understanding. RMA and NRCS, two Farm Production and Conservation (FPAC) agencies, should coordinate so that neither issues a contradictory rule or recommendation that impacts farmers.

Two unresolved challenges are how to ensure that tenant farmers can access conservation programs and incentives, and how to design robust incentives for early adopters of conservation practices to maintain the environmental benefits they have already created. Benefits already generated by early adoption of conservation will be difficult, if not impossible, to reward through private markets. CFAD has outlined a suite of policy options for USDA and Congress to consider, including rewarding early adopters through crop insurance discounts and/or through a [USDA National Climate Bank](#) (see CFAD's Climate Bank Concept Note for more information about how this could be done). As policy conversations continue, we will stay abreast of these challenges and provide more robust recommendations and thought leadership in the future.

Conclusion

Climate change solutions must be grounded in the perspective of agricultural producers who are key to driving conservation on working lands. An exponential increase in funding for existing conservation programs is required to drive the conservation practice adoption needed in a timely, voluntary, and incentive-based way. An integrated, USDA-wide focus on climate-smart conservation practices, improved agriculture data systems, expanded technical assistance for conservation adoption, and aligned financial incentives to recognize the financial and risk-reduction benefits of conservation can help reach these goals. Furthermore, investments in measuring and monitoring the outcomes of conservation programs and practices will build the confidence that programs are delivering the public benefits they promise. Ultimately, expanding, improving, and targeting existing conservation programs can build the business case for climate-smart agricultural practices and drive the management changes needed across millions of acres of U.S. working lands.