

RE-COUPLING CONSERVATION COMPLIANCE AND CROP INSURANCE

A Contract Between America's Farmers and Taxpayers



Background

For the past three decades, conservation compliance has been linked to most U.S. agricultural commodity programs to reduce soil erosion and deter wetland drainage. In exchange for taxpayer-funded commodity supports, farmers have agreed to farm the most productive lands, while minimizing impacts to highly erodible soils and wetlands. This long-standing agreement between American taxpayers and farmers has served as an effective partnership model to promote sustainable land use, conserve wildlife habitat, protect drinking water and provide flood protection.

However, as part of the 2012 Farm Bill, Congress has proposed several fundamental changes to federal farm policy that would eliminate many direct commodity supports and bolster crop insurance. Since 1996, these basic conservation measures have not been linked to federal crop insurance programs.

Ducks Unlimited supports this long-standing agreement and encourages Congress to relink these basic conservation provisions to federal crop insurance and disaster programs. Our nation's wetlands, waterfowl populations and hunting heritage depend on it.

"If the landowner is doing something to help us, they deserve to be compensated for doing that. We support that, we advocate for that and we think it's extremely important to do it. But we also think that it's important to have a deal be a deal. If we go out there and try to work with the landowner, let's make sure that crop insurance doesn't provide incentives to go destroy habitat."

- Dale Hall, Ducks Unlimited CEO

What's at risk without future conservation compliance?

- 7-14 million acres of highly erodible lands and 1.5-3.3 million acres of wetlands across the U.S. that aren't currently being farmed could be impacted¹.
- Nearly 1.4 million wetlands could be drained in the eastern Dakotas of the Prairie Pothole Region—an area of continental significance for waterfowl and other migratory birds².
- This wide-spread habitat loss would reduce the landscape breeding capacity for nearly 3 million breeding ducks—a 37% reduction from current conditions².

Future Solutions: Renewing the Contract

- More than 90% of producers already participate in USDA conservation compliance programs³.
- In 2011, more than 264 million acres of U.S. farmland were insured with federal crop insurance³.
- On average, taxpayers provide roughly 60% of crop insurance premium supports to farmers, although subsidies can range as high as 80%³.
- Over the next decade, baseline budget projections for crop insurance supports will increase to \$90 billion.
- If producers believe the cost of conservation compliance outweighs the benefits of taxpayer-supported crop insurance, they can opt out of the program at any time.



Data Sources:
1USDA Economic Research Service. 2012. Conservation Policy Compliance Provisions for Soil and Wetland Conservation. <http://www.ers.usda.gov/Briefing/ConservationPolicy/compliance.htm>
2Bryndals, P.E., T.L. Shaffer, T.L. C.R. Loesch, and R. R. Cox, Jr. 2006. The Farm Bill and Duck Production in the Prairie Pothole Region: Increasing the Benefits. Wildlife Society Bulletin 34: 963-974.
3Classen, R. 2012. The Future of Environmental Compliance Incentives in U.S. Agriculture: The Role of Commodity, Conservation, and Crop Insurance Programs. EIB-94, U.S. Department of Agriculture, Economic Research Service.