

PROVIDING AN EFFECTIVE FARM AND NATURAL RESOURCE SAFETY NET

What is Conservation Compliance?

Conservation compliance requires producers who participate in most Federal agricultural programs to implement soil conservation plans on highly erodible cropland and refrain from draining wetlands for agricultural production, or risk losing most farm financial assistance.

To maintain eligibility for most agricultural programs, farmers must:

- Actively apply a Natural Resources Conservation Service (NRCS) approved soil conservation plan on “highly erodible” land (HEL) used for crop production (or Conservation Compliance);
- Refrain from cultivating HEL that was not already cropland in 1985 without applying an approved conservation plan (the Sodbuster provision), and
- Refrain from draining wetlands for crop production (the Swampbuster provision).

Farmers who violate these requirements could lose some or all of their commodity, conservation, and disaster payments, access to USDA farm loan and loan guarantee programs, and other agriculture related benefits.

Most agricultural programs are subject to compliance requirements, including Direct Payments, Countercyclical Payments, Loan Deficiency Payments, Marketing Loan Gains, Certificate Gains, Noninsured Disaster Program, Ad hoc disaster assistance programs, ACRE, Supplemental Revenue Assurance (SURE), FSA farm operating loans, Farm Storage Facility Loan Program, wool and mohair programs, dairy marketing assistance program, Conservation Reserve Program, Environmental Quality Incentives Program, Agricultural Water Enhancement Program, Conservation Stewardship Program, Wetland Reserve Program, Wildlife Habitat Incentive Program, Farm and Ranch Land Protection Program, Grassland Reserve Program, and the Watershed Protection Program. Notably missing from this list is eligibility for the crop insurance program assistance.

The Compliance provisions were enacted in the 1985 Farm Bill. Some believe that the elimination of Direct Payments in the upcoming Farm Bill debate will mean producers will forego the remaining financial payments in order to no longer be subject to these erosion control and wetland protection requirements. This contention is a matter of some debate. For example, farmers will receive conservation and NAP disaster payments, and they risk losing eligibility for those as well. In addition, new commodity programs, like ARC or RLC, which may be created as part of new farm legislation, could also be sufficiently attractive to farmers to keep them in the programs and subject to Compliance. Nevertheless, some believe the best way to ensure farmers are still complying is to apply compliance requirements on federally subsidized crop insurance.