



Food and Agriculture Climate Alliance

# CONSERVATION, RISK MANAGEMENT, AND CREDIT

**FARM BILL**

**POLICY PRIORITIES**

RECOMMENDATIONS TO THE 118TH CONGRESS



## OPPORTUNITIES IN THE 2023 FARM BILL

U.S. farmers, ranchers, and forest owners are at the forefront of national efforts to address climate change. But we cannot do it alone. Further reducing emissions throughout the agricultural and forestry supply chain will require a comprehensive effort involving financial and technical assistance, research investments, proactive response to innovation, public-private partnerships, and a commitment to equitable opportunities for all producers.

With that in mind, FACA has developed a suite of policy recommendations for the upcoming farm bill that would help our sectors achieve our climate mitigation potential while preserving and creating new economic opportunities. These recommendations reflect FACA's guiding principles and fall into six categories, which include:

- **Conservation, Risk Management, and Credit**
- **Energy**
- **Food Waste**
- **Forestry**
- **Livestock and Dairy**
- **Research, Extension, and Innovation**

FACA recognizes the enormous importance of farm bill programs and supports critical investments in the farm safety net and disaster assistance, as well as for conservation, forestry, rural development, market access and research programs. These programs are all vital to sustaining rural livelihoods and protecting our nation's ability to produce the most abundant, affordable, and safe food supply in the world.

FACA's 23-member Steering Committee developed farm bill policy recommendations to advance voluntary bipartisan climate solutions. We urge both chambers of Congress and the President to act this year to pass this essential legislation, which impacts every family in America.

## ABOUT FACA

The Food and Agriculture Climate Alliance (FACA) initially began as an informal dialogue between eight organizations discussing opportunities for the food, agriculture, and forestry sectors to help advance climate solutions across the supply chain. Since formally launching in 2020, FACA has grown into an 80+ member coalition.

Today, our broad membership represents farmers, ranchers, forest owners, agribusinesses, manufacturers, the food and innovation sector, state governments, higher education associations, sportsmen and sportswomen, and environmental advocates.

FACA has served as a resource to Members of Congress and Administration officials. Our past recommendations have been credited with shaping federal laws and programs.

FACA members are united in support of federal climate policies that:

1. **Are voluntary, market- and incentive-based;**
2. **Advance science-based outcomes;**
3. **Promote resilience and help rural economies better adapt to climate change;**
4. **Ensure equitable opportunities for all farmers, ranchers, and forest owners, including historically underserved and small producers; and**
5. **Are strongly bipartisan.**

## STEERING COMMITTEE MEMBERS:







# CONSERVATION, RISK MANAGEMENT, AND CREDIT

USDA conservation programs must remain voluntary, science- and incentive-based to help producers build upon current stewardship practices and foster resiliency to a changing climate.

FACA understands optimal implementation of a climate-smart agriculture policy framework will require deliberate consideration of the data, personnel, financial and technical assistance needed to support farmers and ranchers in their efforts. This would create a new, cutting-edge workforce, which could invigorate rural economies while also assisting farmers in making climate-smart investments.

To that end, FACA supports robust funding for financial and technical assistance in conservation programs, including the recent enactment of significant additional funding in

Title II programs. FACA urges Congress to preserve those investments in the 2023 Farm Bill. FACA also supports funding for programs and cooperative agreements that expand access to conservation assistance for historically underserved producers, including beginning farmers and ranchers, and military veterans.

Risk management tools including crop insurance are vitally important and can be the first line of defense for farmers and ranchers impacted by weather disasters exacerbated by climate change. As such, FACA supports strengthening crop insurance in the 2023 Farm Bill. FACA recommendations would help to ensure a strong, actuarially sound crop insurance program, while examining and addressing potential barriers to climate-smart innovation.

## POLICY RECOMMENDATIONS:

### CONSERVATION AND RISK MANAGEMENT

**Provide robust funding to continue Natural Resource Conservation Service (NRCS) support to farmers and ranchers to address a wide range of natural resource concerns in line with local conservation priorities that improve the quality of our air, water, soil, and wildlife habitat.**

- A. In particular, FACA supports utilizing the Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and the Regional Conservation Partnership Program (RCPP) to encourage practices that improve soil health, increase carbon sequestration, reduce emissions, and improve the resilience of farm and ranch operations.

#### NOTE:

Recommendations are numbered for ease of organization and review. Numeric position does not indicate order of importance.

### 2 Enhance conservation technical assistance to promote soil carbon and climate resilience outcomes.

- A. Set aside one percent of total farm bill conservation program mandatory funding for a new conservation technical assistance initiative focused on increasing climate resilience and reducing net greenhouse gas (GHG) emissions. The funds should be used to recruit and train additional technical service providers (TSPs) and staff to provide on-the-ground support.

### 3 Develop a streamlined program application process for historically underserved producers applying to all conservation programs.

- A. This program should be modeled after the Farm Service Agency (FSA) Microloan Program and would include resources set-aside for technical assistance by community-based organizations or TSPs with no less than 10 years of documented history of providing technical assistance for underserved producers, foresters, landowners, fishing operators, and beginning farmers and ranchers.

## **4 Streamline the NRCS conservation practice approval process.**

- A. Require NRCS to establish a proactive approach to updating standards that recognizes new practices and technologies in a timely manner. Currently, producers and stakeholders must petition NRCS through the local, state, and then national level to gain interim status for new practices and technologies.
- B. Require NRCS to conduct a science-based, comprehensive review of existing conservation practice standards to evaluate their effectiveness on climate mitigation and resilience that reflects the latest science.

## **5 Recognize and reward early adopters.**

- A. FACA encourages the continued recognition and incentivization of the ongoing work and environmental impact reductions achieved by early adopters when implementing NRCS and other USDA programs.

## **6 Strengthen public-private partnerships through greater flexibility in RCPP.**

- A. Achieve stronger program outcomes by reducing partnership contribution amounts and facilitating participation by cooperatives and other entities, including those that process farm commodities.

## **7 Offer more practices in EQIP and CSP to increase legumes, forbs, and pollinators in grazing systems.**

- A. This change should help these programs achieve greater carbon sequestration, and increased GHG reductions, biodiversity, and land resilience.

## **8 Support soil carbon monitoring efforts and mid-contract management opportunities in the Conservation Reserve Program (CRP).**

- A. CRP mitigates millions of metric tons of carbon and carbon equivalents, while also offering numerous additional environmental benefits to soil, air, and water quality, biodiversity, and wildlife habitat.
- B. Support investments in CRP to measure and monitor soil carbon sequestration and other benefits, which will improve the data and science for further public and private efforts moving forward.

- C. In all CRP offerings, utilize mid-contract management options requested by producers to address climate change mitigation and adaptation, carbon sequestration, and improvements in biodiversity, including plant diversity.
- D. FACA recognizes the impact that changes to CRP could have on economic opportunity in rural communities and land access for small and new producers, and encourages USDA and Congress to explore innovations that increase climate mitigation while preserving economic opportunities for farmers and ranchers.

## **9 Support the adoption of cropland conservation practices, including cover crops, through streamlined delivery of financial incentives.**

- A. Incentives should be administered through the USDA NRCS or FSA, based on annual crop reporting, a short checklist of practice requirements, and include practices that require limited technical assistance and conservation planning resources.
- B. Farmers would be eligible if the practice makes agronomic sense for their operation and assists with reduction of soil erosion, improves soil health, sequesters carbon, or reduces GHG emissions, enhances water supplies, improves water quality, increases wildlife habitat, or reduces damages caused by floods, drought, and other natural disasters.
- C. This approach would be in addition to and not replace existing working lands conservation programs. This approach should utilize a set payment structure of financial incentives based on acreage adopting the practice.

## **10 Support incentives for precision ag equipment purchases.**

- A. Precision ag technologies are critical tools that help America's farmers and ranchers maximize their yields and reduce their environmental footprint. However, the upfront costs to purchase new, cutting-edge equipment is often prohibitively expensive. FACA supports incentives that would encourage the adoption of these technologies.

## **11 Consider reforms to conservation programs that would strengthen focus on specialty crops.**

- A. FACA believes all of agriculture, regardless of commodity, size, or geographic region, should have access to financial and technical assistance through NRCS to promote conservation and climate outcomes.
- B. FACA encourages the consideration of reforms that would make conservation programs more inclusive to specialty crops and other crops that have traditionally been left out.

## **12 Recognize that cooperatives serve a critical resource gap for small, limited resource, and historically underserved producers and expand cooperative business engagement within conservation programs.**

- A. Fund programs and cooperative agreements that expand access to conservation assistance for historically underserved producers, including for beginning farmers and ranchers, socially disadvantaged producers, and military veterans.
- B. Expand USDA-wide recognition and funding of cooperatives.
- C. Expand cooperatively owned, local, and regional marketing infrastructure with access to diverse markets.

## **13 Establish a USDA grant program to help states improve soil health on agricultural lands.**

- A. The federal grant funds would be supplementary to assist states in their soil health efforts and eligibility would be limited to states or tribes that have enacted and are currently funding a state or tribal soil health program.

## **14 Reduce barriers to entry for the Agricultural Conservation Easement Program (ACEP) by increasing the federal match contribution and reducing transaction costs incurred by program participants.**

- A. Financial and technical assistance will help conserve agricultural lands and wetlands and their related benefits. It facilitates the protection of farmland and wetlands that have the potential to combat climate change, compared to other land uses.

## **15 Reduce barriers to the implementation of conservation adoption for rented land.**

- A. USDA conservation program eligibility requirements and the relative impermanence of rental agreements can disincentivize conservation program participation on rented land, especially for high impact, but high-cost soil health-focused practices. FACA supports increasing conservation practices on rented lands, with a particular focus on rented tribal land.

## **16 Study the interaction between crop insurance and climate smart ag practices.**

- A. As part of the study or studies, USDA must review the impact of climate-smart ag practices on crop productivity and on crop insurance coverage, liabilities, and premium rates. USDA should also identify potential policies or modifications to crop insurance that constrain the adoption of climate smart farming practices.
- B. The study or studies must be data-driven, and USDA must consult with growers, researchers and industry representatives as part of this process.
- C. This work will help identify additional ways to assist producers in adopting science-based climate stewardship practices, while ensuring that changes are driven by data and consistent with appropriate underwriting practices.

## **17 Use 508(h) to encourage the adoption and continued use of climate-smart ag practices in the form of new crop insurance policies and endorsements.**

- A. The 508(h) process ensures the actuarial soundness of including such practices in multi-peril crop insurance products and ensures that the agronomic and risk management benefits of such practices are accounted for.





## **18 Provide additional incentives for cover crops and other climate smart ag practices.**

- A. Support voluntary conservation efforts that allow producers to self-certify compliance with program requirements to FSA to be eligible for additional incentives, discounts, and/or acreage based payments for the adoption of climate-smart practices such as, but not limited to, cover crops.
- B. Consideration must also be given to the creation of incentives for climate-smart practices in addition to cover crops to reach additional producers, commodities and regions. No federal programs should preclude producers from participating in similar state programs.

## **19 AGI Limits.**

- A. FACA continues to support incentives for historically underserved producers within conservation programs, Title 1, and crop insurance and is not looking to further limit access to these programs by creating or tightening AGI limits. In the face of increasing risk from climate change, such limitations would only serve to hinder access to risk mitigation tools and conservation benefits and would also reduce the number of producers subject to conservation compliance.
- B. Given the urgency of climate change, support USDA Secretarial discretion to waive both AGI and FSA requirements for landscape level projects deemed of critical importance to advance conservation and climate outcomes.

## **CREDIT**

## **20 Raise the FSA Microloan Program limit from \$50,000 to \$100,000.**

- A. This increase would reflect increased costs associated with product, input, land access, and especially emerging climate-responsive practices.

## **21 Raise the FSA Direct Farm Operating loan limit from \$400,000 to \$600,000.**

- A. This increase would align with the FSA Direct Farm Ownership maximum loan amount and reflect increased costs associated with product, input, land access, and especially emerging climate-responsive production practices.

## **22 Increase funding for programs that assist historically underserved producers in acquiring land and clearing title issues.**

- A. This could help address barriers to conservation program participation.

