Perspectives on the 2013 Farm Bill

Conservation Title:
Yoking Conservation Compliance and Crop Insurance

By Bruce Knight

Reaching reasonable compromises has been challenging for the current Congress. But I want to commend our elected officials for the common sense agreement they have forged in the Senate-passed version of farm legislation now before them. Environmental interests have joined forces with agricultural supporters to tie crop insurance subsidies to protecting the land.

Under the 2008 Farm Bill currently in force, safeguarding highly erodible land and wetlands on farm and ranchland is a prerequisite for participation in farm programs. Since the next farm bill will likely eliminate or reform these programs, so-called Sodbuster and Swampbuster requirements would also fall to the wayside. However, our legislators are proposing a new linkage between eligibility for crop insurance subsidies and maintaining minimal conservation measures on the land.

This new approach will ensure that the public receives an environmental benefit in exchange for helping farmers manage production risk through crop insurance. It's a sensible compromise because it preserves fundamental environmental progress while assuring producers of the support they need to balance the risks they face.

Farmers and ranchers who are currently in compliance with Sodbuster and Swampbuster provisions would not need to make any changes—just continue protecting highly erodible land and wetlands as they have in the past. This includes self-certification of compliance. USDA's Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) would continue to handle enforcement procedures.

Further, NRCS would give priority for conservation planning to newly covered producers who would have a transition period to develop a plan to bring them into compliance with basic conservation requirements. This opens the door for those who have not been receiving farm payments and who have put highly erodible land or wetlands into production since 1985. If these producers want to participate in the USDA-subsidized crop insurance program, they will need to mitigate the changes they've made to their land. Or, they can choose to purchase crop insurance on their own at the full, unsubsidized price.

I believe we need to help farmers manage risk without encouraging them to plant crops on land that is better left in grass or as wetlands. The current legislation strikes that balance by maintaining the current environmental protections in exchange for help with the cost of crop insurance.

Crop insurance began as an experiment back in the 1930s to help farmers recover from the Dust Bowl and the Great Depression. However, the modern program dates back to 1980 when the Federal Crop Insurance Act authorized a 30% premium subsidy to encourage participation. Additional changes in 1994 and requirements to purchase insurance to participate in other programs boosted participation. Today about 80% of farmers buy crop insurance, which helps them manage price volatility and weather variability. Currently farmers pay about 40% of the cost with taxpayers subsidizing the rest.

Tying crop insurance subsidies and environmental protection together has been encouraged by farm groups, conservation groups, crop insurance advocates and the environmental community. I found it most heartening to see these groups come together to promote a compromise that maintains an important safety net for producers and also encourages responsible stewardship of the land.

Crafting good legislation is a delicate balancing act, one that's become increasingly difficult in the current partisan atmosphere in Washington. I think the Senate-passed version of farm legislation now under consideration that yokes conservation compliance and crop insurance would offer a good deal for farmers and a good deal for the taxpayers. As the House-Senate conference committee begins consideration of the farm bill, I hope our elected officials will agree on this sensible compromise.

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PERSPECTIVES ON THE 2013 FARM BILL is a series of essays by thought leaders in agriculture, the food system and rural communities. The intent is to enrich discussion by presenting ideas and perspectives of on how to shape the 2013 farm bill legislation. This project is a collaboration of Farm Foundation, NFP and the National Center for Food and Agricultural Policy (NCFAP). The opinions expressed in these essays are solely the opinions of the authors, and not those of Farm Foundation or NCFAP. To read more essays, go to: http://www.farmfoundation.org/webcontent/Perspectives-on-the-2013-Farm-Bill-1863.aspx