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FOOD, CONSERVATION AND ENERGY ACT OF 2008: COMPARISON OF 2002 AND 2008 CONSERVATION PROGRAMS

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There are fifteen titles in the Food, Conservation, and Energy Act of 2008 (known as the 2008 Farm Bill). Our focus is the conservation title, Title II, which has seven main conservation programs: the Conservation Reserve Program (CRP), the Wetlands Reserve Program (WRP), the Wildlife Habitat Incentives Program (WHIP), the Environmental Quality Incentives Program (EQIP), the Conservation Stewardship Program (CSP), the Farmland Protection Program (FPP), and the Grassland Reserve Program (GRP). All of these programs are continuations of programs from the 2002 Farm Bill or earlier. These conservation programs are of three basic policy types: land retirement programs that remove lands from agricultural production, working lands programs that encourage environmentally appropriate production practices, and agricultural preservation programs that focus on the nonagricultural socially desirable aspects of relatively low intensity agricultural land uses.

The 2008 Farm Bill continues the trend from the 2002 Farm Bill of moving away from land retirement programs and towards working lands programs and agricultural lands protection programs that are less costly per acre because the land can remain in productive use while the use practices themselves become better-suited to environmental preservation. Experts predict that these trends will persist beyond the next Farm Bill as well (see, for example, Cain and Lovejoy 2004 and Pease *et al* 2008). The average funding on these seven programs for the 2002 Farm Bill was $3,279 million per year. For the 2008 Bill, the forecast average funding for these programs is $5,104 million per year. Average annual funding is forecast to increase on all titles for the 2008 Farm Bill. Furthermore, all other programs (CSP, WRP, WHIP, EQIP, GRP, FPP) increase as a proportion of CRP funding in 2008, indicating that CRP is becoming relatively less important. The Adjusted Gross Income (AGI) provisions have also changed for 2008. Eligible landowners are now participating individuals or entities with an AGI less than or equal to $1 million for the three tax years preceding the year in which the contract is approved. An exception is made when at least 2/3 of AGI comes from farming, ranching, or forestry operations.

The following two charts show funding for the major conservation titles for the 2002 Farm Bill and projected funding for the 2008 Farm Bill. The Conservation Reserve Program is still by far the most funded program; however, it is gradually becoming a smaller proportion of conservation program funding.

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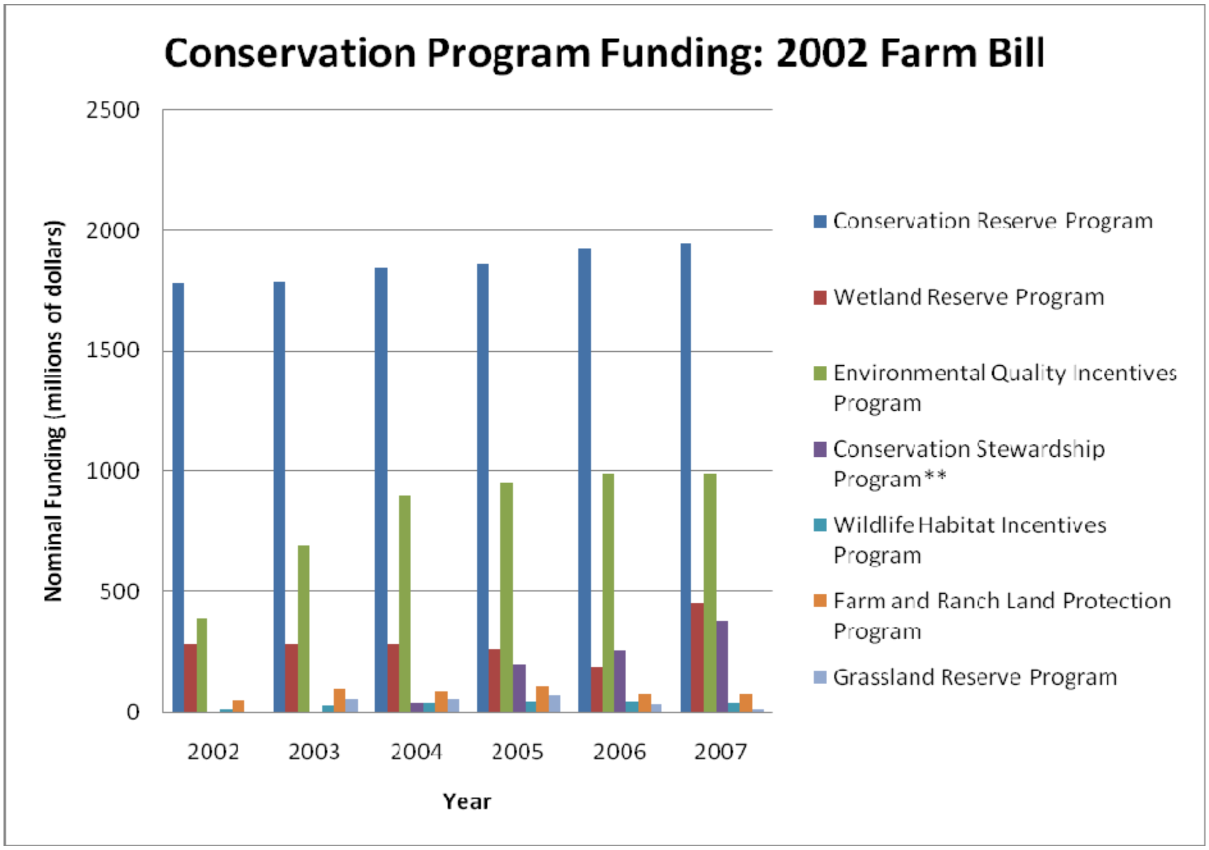

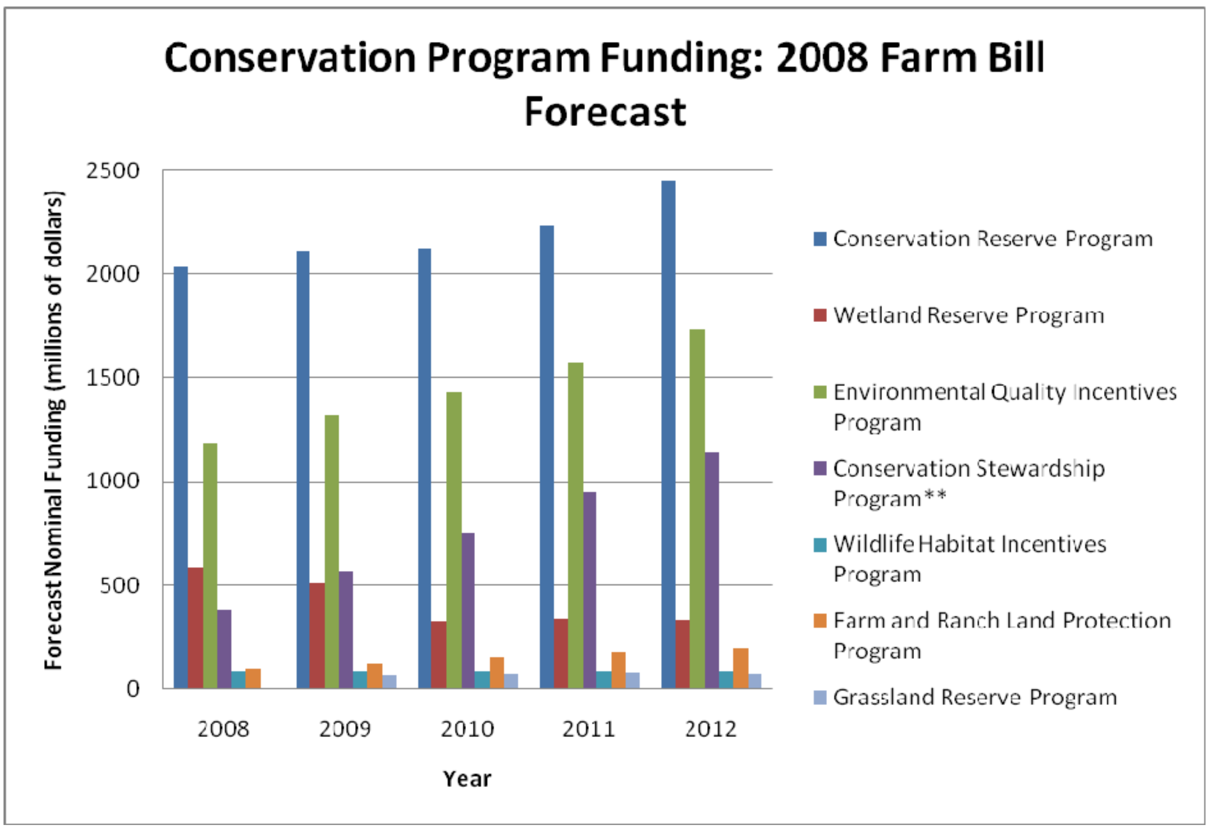

Source: USDA Office of Budget and Program Analysis (OBPA) Annual Budget Summaries

The following discussion compares the seven main Title II conservation programs in 2002 versus 2008.

Land Retirement Programs

CRP

The Conservation Reserve Program (CRP) is a voluntary program designed to encourage farm owners and operators to retire environmentally sensitive farmland from production for a set amount of time, between ten and fifteen years. Participants contract to receive annual rental payments and cost-share agreements through the Commodity Credit Corporation (CCC) for the duration of the agreement. The CRP encourages establishing long-term resource-conserving vegetative covers that reduce runoff, provide wildlife habitat, and help preserve groundwater quality. Examples include riparian buffers, field windbreaks, and grass strips. Average annual funding for the CRP was $1,861 million for the 2002 Farm Bill (fiscal years 2002-2007). Under the 2008 Farm Bill (fiscal years 2008-2012), the CRP is forecast to receive $2,187 million annually. The CRP is the most well-funded program under both Farm Bills, with an average one and a half times more funding allocated to CRP than the second-most funded program, EQIP, for 2008-2012.

One of the most important changes to CRP in 2008 is that landowners with expiring CRP contracts are now encouraged to put these lands back under CRP contract with a five-year extension or into one of the other conservation programs.

CRP: A Comparison of 2002 and 2008 provisions	
Previous Legislation	**2008 Farm Bill**
Capped CRP area at 39.2 million acres. As of April 2008, total enrollment was 34.7 million acres.	Authorizes program through fiscal year (FY) 2012. Caps program area at 32 million acres starting on Oct 1, 2009. Program purposes now explicitly recognize "addressing issues raised by State, regional, and national conservation initiatives."
Land was eligible if it met 1 or more of following criteria: • Highly erodible cropland that was cropped in 4 of 6 years prior to 2002 • could contribute to onsite or offsite environmental threat to soil, water, or air quality • was included in expiring CRP contract • was considered cropped wetland • was associated with or surrounding noncropped wetlands • was devoted to highly beneficial environmental practice (e.g., filter strips) • was subject to scour erosion • was located in national or State CRP conservation priority areas • was marginal pastureland in riparian areas • was certain marginal pastureland that was enrolled in the Water Bank Program.	Modifies eligibility requirements: • land cropped in 4 of 6 years prior to 2008 (rather than 2002) • alfalfa and other multi-year grasses and legumes in a rotation practice, approved by Secretary, are to be considered agricultural commodities • clarifies that alfalfa grown in approved rotation practice is to be considered an agricultural commodity and can be used to fulfill requirement that eligible land be cropped in 4-of-6 previous years
Secretary could have used different criteria in different States and regions for determining acceptability of CRP offers. Criteria were to be based on extent to which water quality or wildlife habitat could have been improved, erosion abated, or other environmental benefits provided.	Adds local preference criterion. To maximum extent practicable, program should accept offer from owner or operator who is resident of county (or contiguous county) where land is located, provided land provides at "least equivalent conservation benefits to land under competing offers."

Acreage limitations required no more than 25% of a county's cropland could be enrolled in CRP and WRP. Limit could have been waived provided action would not adversely affect local economy, or if operators in county were having difficulties complying with conservation plans. About 100 counties exceeded the limit, typically by less than 5%.	Adds additional authority to waive cropland limit in cases limited to continuous or CREP enrollment provided that county government agrees.
Administrative changes allowed holders of CRP contracts set to expire during 2007-10 to opt to re-enroll or extend their contracts. Contracts with highest Environmental Benefits Index (EBI) scores could have been re-enrolled under new 10- or 15-year contracts. On contracts with lower EBI, holders could opt for extensions of 2, 3, 4, or 5 years.	Retains authority.
Rental payments authorized to be paid at amount necessary to encourage participation. FSA sets offer specific bid maximums based on available county average cropland rental rates, adjusted for field-specific agricultural productivity.	Requires Secretary to annually survey county average dryland and irrigated market rental rates.
Allowed managed haying and grazing (including harvest of biomass) and placement of wind turbines (with commensurate reduction in payment) at Secretary's discretion if consistent with conservation of soil, water quality, and wildlife habitat.	Adds new authority for routine grazing. Frequency of routine grazing is decided by local resource conditions. Adds prescribed grazing for control of invasive species as permissible activity.
No similar provision.	For trees, windbreaks, shelterbelts, and wildlife corridors, permits cost-share payments for thinning to improve condition of resources on the land. Authorizes $100 million in funding for FY 2009-12 for these cost share payments.
No similar provision.	Special treatment of CRP land transitioning from retiring farmer or rancher to beginning or socially disadvantaged farmer or rancher includes: • beginning 1 year prior to contract termination date, allow new farmer or rancher to make land improvements and begin organic certification process • new farmer must develop and implement conservation plan • provide new farmer opportunity to enroll in Conservation Stewardship Program and Environmental Quality Incentives Program • allow them to re-enroll certain partial field conservation practices • requires landowner to sell CRP land to beginning or socially disadvantaged farmer on contract termination date • retiring farmer may receive up to 2 years of additional payments Authorizes $25 million in funding for FY 2009-12 to facilitate these transitions.

Source: USDA ERS (2008)

WRP

The Wetlands Reserve Program (WRP) helps landowners cost-effectively address environmental concerns about natural resources, such as wetlands, wildlife habitat, water, and soil. This voluntary program provides financial incentives and technical assistance to landowners who agree to restore and protect wetlands by removing marginal lands from agricultural production.

Average funding for the WRP over the course of the 2002 Farm Bill was $295 million annually. For the 2008 Farm Bill, this is forecast to increase to $419 million annually. WRP funding has tended to decrease in absolute terms during the last Farm Bill (with the exception of fiscal year 2007) and will probably decrease during the 2008 Farm Bill. This is in line with the trend of decreasing funding to land retirement programs.

WRP: A Comparison of 2002 and 2008 provisions

Previous Legislation	**2008 Farm Bill**
Capped WRP area at 2.275 million acres. Through FY 2007, 1.947 million acres were enrolled.	Raises WRP area cap to 3.041 million acres through FY 2012.
Wetlands could be restored through permanent easements, 30-year easements, restoration cost-share agreements, or any combination of these options. Easement payments were based on agricultural value of land prior to 2005. Subsequently, they have been based on market value of land.	Retains provisions. Adds 30-year contract for Indian tribes. Prohibits enrollment of land if ownership has changed during previous 7 years with certain exceptions.
Acreage limitations required total WRP and CRP acreage not exceed 25% of county's farmland acreage.	Retains and expands acreage limitations to require that in addition to overall cap, WRP easements are not to exceed 10% of county's farmland acreage.
Eligibility included farmed wetlands or land that was previously converted from wetland to farmland, and buffer acreage adjacent to wetlands. Lands converted from wetland to agricultural production after Dec 23, 1985, were not eligible for WRP enrollment.	Expands eligible land in WRP to include cropland or grassland that was used for agricultural production prior to flooding from natural overflow of closed basin lake or pothole.
Secretary determined acceptability of easement offers based on: • extent to which purposes of easement program would be achieved • productivity of the land • on-farm and off-farm environmental threats of using land for agricultural production	In addition, when evaluating landowner offers, Secretary may consider: • environmental benefits • cost-effectiveness with goal of maximizing benefits relative to costs • whether landowner offers to contribute financially to cost of easement • likelihood of success of easement, offsite environmental benefits, and damages avoided by wetland restoration.

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For easements, compensation was not to exceed fair market value of land less fair market value encumbered by easement. Compensation could be provided in not less than 5, nor more than 30, annual payments of equal or unequal size, as agreed to by owner and Secretary.	Easement payments are not to exceed lowest of: • fair market value of land, as determined by Secretary using appraisal or area-wide market analysis or survey • geographical cap, as determined by Secretary • offer made by landowner • Easements greater than $500,000 are to be paid in 5 to 30 annual installments, unless Secretary grants waiver allowing lump-sum payment, to further purposes of program. Easements of less than $500,000 will continue to be paid in 1 to 30 installments. Limits total restoration cost-share payments to $50,000 annually to an individual or legal entity, directly or indirectly.
No similar provision.	Creates Wetland Reserve Enhancement Program that allows States (including political subdivision or agency of State), nongovernmental organizations, or Indian tribes to partner with USDA in selection and funding of contracts, as long as selected contracts meet purposes of WRP. WREP includes pilot program that allows landowners to retain grazing rights when consistent with long-term wetland enhancement and protection goals.
No similar provision.	Requires Secretary to submit report, no later than Jan 1, 2010, that evaluates implications of long-term nature of easements on USDA resources. Report to include data on: • number and location of easements • assessment of impacts that oversight of agreements has on resources, including technical assistance • assessment of uses and values of agreements with partner organizations • any other information relevant to program costs and impacts

Source: USDA ERS (2008)

Working Lands Programs

WHIP

The Wildlife Habitat Incentives Program (WHIP) encourages voluntary habitat conservation and rehabilitation on agricultural lands, especially those that are privately owned. WHIP provides up to 75 percent cost-share and technical assistance for these habitat programs through the USDA's Natural Resources Conservation Service (NRCS).

Participants create a wildlife habitat development plan, typically for five to ten years duration, which describes how they will preserve and improve habitat for target species. Based on this plan, the participant enters a cost-sharing assistance agreement with the NRCS for the duration of the project.

Average annual funding for WHIP for the 2002 Farm Bill was $35 million; it was the least-funded conservation program. For the 2008 Farm Bill, the forecast funding is $85 million per year. WHIP funding outstrips GRP funding for the 2008 Farm Bill.

WHIP: A comparison of 2002 and 2008 provisions	
Previous Legislation	**2008 Farm Bill**
WHIP expenditures for FY 2002-07 totaled $213 million. Subject to Regional Equity provision.	Reauthorizes WHIP through FY 2012 with CCC funding of $85 million/year. Continues to be subject to Regional Equity provision.
Contracts were generally 5-10 years in length, depending on practices installed. Shorter term agreements could be used to meet wildlife emergencies.	No change.
Up to 15% of available funding could be allocated for long-term agreements of 15 years or more that provide higher level of cost-share assistance to producer for lands with essential plant and animal habitat.	Increases funding cap on long-term agreements—providing higher levels of cost-share assistance for priority habitat land—to 25%.
No similar provision.	Priority may be given to projects that address State, regional, and national conservation initiatives
No similar provision.	Limits individual annual payments under program to $50,000. Restricts participation to private agricultural land, nonindustrial private forest land, and tribal lands.

Source: USDA ERS (2008)

EQIP

The Environmental Quality Incentives Program (EQIP) is a voluntary program designed to promote agricultural production and environmental quality as dual goals by aiding agricultural producers who face environmental threats to their lands. Under EQIP, the NRCS provides assistance to producers to optimize environmental benefits.

EQIP receives the most funding of any Title II program besides CRP. For the 2002 Farm Bill, EQIP funding levels were 44 percent of what CRP funding levels were; this is forecast to increase to 66 percent of CRP in the 2008 Farm Bill. In fiscal years 2002-2007, EQIP funding averaged $820 million per year; this is projected to increase to $1,446 per year for fiscal years 2008-2012.

CSP

The Conservation Stewardship Program (CSP) rewards farmers and ranchers with the best conservation and stewardship practices on their working lands by providing them with financial and technical assistance. The CSP covers various areas of conservation, including soil, water, air, energy, and plant an animal life. CSP differs from other USDA conservation programs because it focuses on operations that have already addressed environmental problems while keeping the land in production, whereas other programs focus on addressing environmental problems through financial assistance, by retiring the land from production, or by preventing land from being developed.

When ranked by funding amount, the CSP is the third-largest conservation program. Under the 2002 Farm Bill, CSP funding averaged $147 million per year. The CSP is projected to have over five times as much funding under the 2008 Farm Bill as it did previously, with new average annual funding projected at $758 million. CSP funding has consistently increased since 2004 and is projected to continue increasing.

EQIP: A comparison of 2002 and 2008 provisions	
Previous Legislation	**2008 Farm Bill**
EQIP funding was $4.92 billion for FY 2002-07. Subject to Regional Equity provision.	Mandates Commodity Credit Corporation (CCC) funding of $7.325 billion for FY 2008-12. Subject to conservation access provision requiring 5% of funds be made available for beginning farmers and another 5% for socially disadvantaged producers. Continues to be subject to Regional Equity provision.
Purpose was to promote agricultural production and environmental quality as compatible goals and to optimize environmental benefits.	Revises purpose to "promote agricultural production, forest management, and environmental quality as compatible goals."
Nearly all types of agricultural land were eligible for EQIP, but 60% of funding was set aside for livestock producers. Eligibility of livestock farms was no longer limited by number of animal units.	Retains provision
No similar provision.	Conservation practices related to organic production and transition are now eligible, but payments to producers or entities are limited to $20,000 annually and $80,000 over 6-year period.
Participants were required to develop conservation plan stating intended practices and describing environmental purposes. Confined livestock feeding operations also had to prepare comprehensive nutrient management plan.	Retains provision
Contracts were for 1-10 years.	Contract length is unchanged.
Cost sharing for most structural and vegetative practices was at 50% rate, but cost sharing could be as high as 75% (90% for limited-resource or beginning farmer or rancher). Land management practices and comprehensive nutrient management plans were eligible for 3 years of incentive payments in amounts necessary to induce adoption.	Extends cost sharing to include land or forest management practices and development of conservation or comprehensive nutrient management plans. Limits payments for any practice to 75% of practice costs and 100% of income foregone from practice installation. Beginning, limited-resource or socially disadvantaged farmers or ranchers are eligible for cost-share rates at least 25% above otherwise applicable rates (up to 90%) and advance payments of up to 30%.
EQIP payments were not subject to annual limit, but were limited to $450,000 for any individual or entity, directly or indirectly, during any 6 year period.	Limits EQIP payments in aggregate to $300,000/ person or legal entity during any 6-year period. For projects of special environmental significance, Secretary may allow payments up to $450,000 during any 6-year period.
Criteria for ranking program applications included national conservation priorities and cost-effectiveness of practices. Removed provision that allowed applicants to be assigned higher priority if producer offered to accept lower payments ("bidding down" option) and precluded prioritizing on basis of least cost.	Additional ranking criteria include how comprehensively project addresses resource issues, and whether it improves or completes conservation system. To the extent practicable, similar crop and livestock applications are to be grouped for evaluation purposes. Maintains "bidding down" prohibition on prioritizing on basis of least cost.

CSP: A Comparison of 2002 and 2008 provisions	
Previous Legislation	**2008 Farm Bill**
Predecessor program was Conservation Security Program.	Replaces Conservation Security Program with new, but similar, Conservation Stewardship Program. Existing Conservation Security Program contracts to continue as written, but no new contracts will be initiated after Sept 30, 2008. CCC funds, as necessary, to be available to fund these contracts.
Conservation Security Program funded through CCC as "capped" entitlement program, with program spending capped at $794 million for FY 2002-07. Limited annual enrollment to selected watersheds; total of 331 watersheds for FY 2002-07. If not all applications could be funded, applicants were ranked using category system based largely on producer stewardship.	Authorizes new Conservation Stewardship Program for FY 2009-12. Enrollment of acreage into program is authorized through FY 2017. Directs Secretary to enroll 12.77 million acres/year at average cost of $18/acre/year, including financial assistance, technical assistance, and other expenses. Subject to conservation access provision requiring 5% of acres be made available for beginning farmers and another 5% of acres for socially disadvantaged producers.
All cropland and grazing land was eligible for Conservation Security Program enrollment, except: • cropland must have been cropped in 4 of 6 years prior to 2002 • land enrolled in CRP, WRP, or Grasslands Reserve Program was not eligible	All privately owned cropland and grazing land (including land under jurisdiction of Indian tribe) is generally eligible for enrollment, except: • cropland must have been cropped in 4 of 6 years prior to 2008 (except land in long-term rotation) • land enrolled in CRP, WRP, or Grasslands Reserve Program is not eligible • Nonindustrial private forest land incidental to agricultural operation is also eligible but cannot account for more than 10% of acres enrolled in any given year.
No similar provision.	Program acreage to be allocated to states based primarily on each state's proportion of total national eligible acres, but also taking into account: • extent of conservation needs in each state • degree to which CSP can help address these needs • other considerations in order to achieve equitable distribution of funds, as determined by Secretary
Producers could participate at 1 of 3 tiers. Higher tiers required greater conservation effort but offered larger payments. Tier I: Producer had to address soil quality and water quality concerns on at least part of agricultural operation; contracts were for 5 years Tier II: Producer had to address soil quality and water quality on entire operation and agree to address additional resource concern (e.g., wildlife habitat); contracts were for 5-10 years and could be renewed Tier III: Producer had to fully address all resource concerns (e.g., soil quality, water quality, wildlife habitat, etc.) on entire operation; contracts were for 5-10 years and could be renewed	Requires producer contract offers to include all eligible land within farm. At minimum, contract offers must: • demonstrate that stewardship threshold is being met for at least 1 resource concern • agree to address at least 1 priority resource concern by end of stewardship contract Contract offers to be ranked for program enrollment according to: • level of existing conservation treatment on all resource concerns present at time of CSP application, measured as much as possible using conservation measurement tools • level of proposed treatment of priority resource concerns, measured as much as possible by conservation measurement tools • number of priority resource concerns that would be addressed to stewardship threshold • extent to which other resource concerns would be addressed • extent to which environmental benefits are provided at least cost (although producers cannot improve their rank by offering to take lower payment) All Conservation Stewardship Program contracts are to be 5 years in length and can be renewed for 1 additional 5 year period if producer demonstrates compliance with contract terms and agrees to adopt new conservation activities, as determined by Secretary.

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No similar provision.	Requires Secretary to establish means for producers to initiate organic certification while participating in new CSP. Requires Secretary to ensure that outreach and technical assistance are available to organic and specialty crop producers and that program specifications are appropriate for participation of these producers.
Producers could receive 4 types of payment: 1) Annual Stewardship Payments based on tier level were percentage of local (county) average land rental for specific land use: • 1.25% for tier I • 5% for tier II • 11.25% for tier III 2) Annual Existing Practice Payments (for maintenance of existing practices) were 25% of Stewardship Payment. 3) New Practice Payments were up to 50% of cost of new conservation practices applied as part of CSP contract (65% for beginning and limited-resource producers). 4) Annual Enhancement Payments were based on adoption of additional conservation practices that enhanced resources beyond basic conservation standards or addressed local resource concerns Annual overall payments limits ranged from $20,000 (Tier 1) to $45,000 (Tier III). Additional limits applied to specific payments and payment components.	In Conservation Stewardship Program, payments to compensate producers for: • installing and adopting additional conservation activities • improving, maintaining, and managing conservation activities already in place • adoption of resource-conserving crop rotations Payment amounts are to be based on: • cost of installing, adopting, or maintaining conservation activities • income forgone by producer • expected environmental benefits as determined by conservation measurement tools. Payments cannot be made for expenses associated with animal-waste storage or treatment facilities or related waste transport or transfer devices for animal feeding operations. Total CSP payments to any 1 person or legal entity cannot exceed $200,000 during any 5-year period.

Source: USDA ERS (2008)

Agricultural Lands Protection Programs

FPP

Congress established the Farmland Protection Program (FPP) in the 1996 Farm Bill to limit nonagricultural uses of certain agricultural lands. The program was renamed the Farm and Ranch Land Protection Program (FRPP) for the 2002 Farm Bill, and changed back to the FPP in 2008.

The objective of the Farmland Protection Program is to help farmers and ranchers keep their working agricultural land in agriculture. Producers voluntarily sell conservation easements for their land in exchange for rental payments. Purchasing organizations for the conservation easements include the USDA itself, state and local government organizations, Tribes, and non-governmental organizations. These easements are a contract with landowners to keep their land in agricultural uses for the term of the contract (typically perpetual) and develop conservation plans for highly erodible lands. Landowners retain agricultural rights to the land; funding comes from the Commodity Credit Corporation (CCC). State, local, or Tribal governments or non-governmental organizations may supplement their share of the easement costs through a landowner's donation.

Funding for the FPP is forecast to be $149 million annually for the 2008 Farm Bill. This is almost double the average funding under the 2002 Farm Bill, which was $83 million a year. However, the FPP remains a small program relative to most of the other conservation programs, especially EQIP and CRP.

FPP: A Comparison of 2002 and 2008 provisions	
Previous Legislation	**2008 Farm Bill**
Provided $499 million in CCC funding for FY 2002-07. Subject to Regional Equity provision.	Mandates $743 million in funding for FY 2008-12. Continues to be subject to Regional Equity provision.
Program purpose was to protect topsoil by limiting nonagricultural uses of land. Eligible land explicitly included cropland, rangeland, grassland, pastureland, and incidental forest land that was part of agricultural operation. Farm had to contain at least 50% of soil that is prime, unique, or important locally or Statewide to be eligible.	Changes program purpose from focus on topsoil to protecting agricultural use and conservation values of land by limiting nonagricultural uses. Eligible land now includes forest land and other land that contributes to economic viability of agricultural operation or that serves as buffer from development.
Limited Federal share of easement cost to 50% of appraised fair market value of easement. Eligible cooperating entity could include, as part of its share of purchase price, donation by landowner of up to 25% of fair market value.	Continues Federal share cap at 50% of appraised fair market value of easement. Cooperating entity share must be at least 25% of purchase price; landowner donations contributed as part of cooperating entity share are no longer capped. Allows entity to designate terms and conditions for their deed and to choose appraisal methodology, subject to approval of Secretary.
Priority could not be assigned to applications solely on basis of lesser cost for applications that were otherwise comparable in achieving program purposes.	Retains provision.
Generally limited impervious surfaces to 2% of easement area but could be up to 6% under certain conditions. Required highly erodible land to have conservation plan	Allows eligible entities to specify limit on impervious surfaces. Retains conservation plan requirement.
Easements were purchased by eligible entities, and Federal government purchased right to enforce easement if entity failed to do so.	Retains provision.

Source: USDA ERS (2008)

GRP

The Grassland Reserve Program (GRP) is a voluntary program to assist farmers and ranchers to maintain grasslands as grazing land and prevent conversion of grassland into other uses, such as cropping or urban development. The program focuses on supporting working grazing operations, protecting grassland, and enhancing biodiversity through provision of habitat. Normal haying and grazing activities are allowed under GRP. Producers must also restore and maintain appropriate grasses, forbs, and shrubs and address resource concerns such as soil erosion.

Participants apply for an easement or rental agreement with the NRCS or the Farm Service Agency (FSA). Once they have an easement or rental agreement in place, the participant agrees to limit future development and cropping activities but retain rights to grazing activities and haying activities (subject to restrictions, especially during bird nesting season).

The GRP is currently the smallest conservation program in terms of annual funding. Under the 2002 Farm Bill, average annual funding for GRP was $38 million; this increases to $60 million forecast for the 2008 Farm Bill.

GRP: A Comparison of 2002 and 2008 provisions	
Previous Legislation	**2008 Farm Bill**
Could have enrolled restored, improved, or natural grassland, rangeland, and pasture, including prairie	Eligible land to also include grassland tracts containing historical or archaeological resources.
Could have enrolled up to 2 million acres during FY 2003-07, but CCC funding was limited to $254 million. For FY 2003-06, $217 million of CCC funding was provided. Subject to Regional Equity provision.	Authorized additional 1.22 million acres for enrollment during FY 2009-12. CCC funding is authorized, but not explicitly limited. Continues to be subject to Regional Equity provision.
Tracts had to be at least 40 contiguous acres. Waivers were available for smaller parcels in cases of exceptional acreage that met purposes of program.	Retains provision.
Could have enrolled eligible grassland under: • rental agreements of 10, 15, 20, or 30 years • 30-year or permanent easements or • easement for maximum duration allowed under state law	No longer authorizes 30-year rental agreements and 30-year easements.
Could have used up to 60% of funds for 30-year rental contracts or 30-year and permanent easements. Up to 40% was available for 10-, 15-, and 20-year contracts.	To extent feasible, 60% of funds are to be used for easements.
No similar provision.	Gives expiring CRP land priority, if land has high ecological value and is under significant threat of conversion to uses other than grazing. But this priority applies to no more than 10% of acreage enrolled in calendar year.
Under rental contracts, annual rental payments could not exceed 75% of grazing value. Permanent easements were purchased at fair market value, less grazing value. Easements of 30 years were purchased at 30% of fair market value, less grazing value.	Retains payment rate on rental contracts. Easement payments to be lowest of: • fair market value less grazing value • geographical cap determined by Secretary or • offer from landowner
Participants could receive cost sharing of up to 75% of restoration costs on restored grassland and up to 90% on virgin grassland. No similar cap on payments.	Caps restoration cost shares at 50%. Limits rental payments and restoration cost sharing (separately) to $50,000/person or legal entity/year.
Secretary could transfer easement ownership to State or local governments, Indian tribes, or eligible nongovernmental organizations for monitoring and enforcement of easement terms.	Retains provision. Secretary may also enter into cooperative agreements with State or local governments, Indian tribes, or eligible nongovernment organizations for monitoring and enforcement of easement terms.

Source: USDA ERS (2008).

Conclusions

Conservation programs are, and are likely to remain, an important component of the Farm Bill. Under the Food, Conservation, and Energy Act of 2008, conservation spending on the seven main programs discussed above is approximately 1.5 times greater than it was under the 2002 Farm Bill. All of the above programs see an absolute increase in average annual funding based on USDA Office of Budget and Program Analysis forecasts. Spending on land retirement programs (the CRP and WRP) is becoming relatively less important, while working lands and agricultural land protection programs are becoming relatively more important. Future challenges that must be faced to make these conservation programs even more effective include maximizing environmental impact by targeting program dollars to the most environmentally sensitive lands first and ensuring that the availability of technical assistance keeps pace with program funding so that taxpayer money spent is used most effectively.

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