

February 18, 2020

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Re: Environmental Quality Incentives Program Interim Rule, NRCS-2019-0009 (Fed. Reg. Vol. 84, No. 242, DEC. 17, 2019, page 69272)

To Whom it May Concern:

Taxpayers for Common Sense appreciates the opportunity to provide comment to the Natural Resources Conservation Service regarding implementation of changes to the Environmental Quality Incentives Program (EQIP) directed by the Agriculture Improvement Act of 2018 (2018 Farm Bill).

Taxpayers for Common Sense is a nonpartisan budget watchdog serving the American taxpayer. We support a federal safety net for American farming and ranching businesses, provided tax dollars are invested wisely and efficiently. Federal investments should focus on assisting those farmers and ranchers in need of financial assistance, be directed only at risks that are too costly or complex to manage independent of Washington, and when investments have a tangible, quantifiable impact on achieving critical public resource concerns.

As the most expensive working lands conservation program, EQIP has the potential to provide significant returns to both taxpayers and agricultural producers. Yet the interim final rule as written fails to maximize taxpayer and producer return on investment. The rule's elimination of AGI means test and doubling of the payment limit to \$900,000 for a select few entities will limit the pool of available funds for an already over-prescribed program. In addition, NRCS's failure to make soil health and climate resilience explicit program priorities will hinder the ability of EQIP to become an effective tool for producers to build their individual physical and financial resilience to increasingly volatile production conditions.

An increasing body of evidence is documenting that adoption of conservation practices can make farmers and ranchers more physically and financially resilient to production and price risk, increasing their profitability while reducing dependence on federal income subsidies. While the specific benefits derived from conservation practices depends on a complex interaction of variables including conservation practice, soil type, operational efficiency, and length of application, a wealth of USDA and private sector research is clearly showing that producers focused on building soil health end up building financially healthier businesses. There are, however, barriers to conservation adoption. Conservation practices require investments leading to immediate costs but not necessarily immediate returns. Practices can be outside the technical capabilities of some producers. Education, adoption, and maintenance require time and financial commitments for producers that are already stretched. EQIP has the potential to tackle this.

But the greatest barrier is the failure to focus USDA conservation programs on helping farmers help themselves. In the 2018 Farm Bill Congress explicitly directed USDA to make soil health and climate resilience national priorities for EQIP. The interim final rule fails to follow this direction. This failure is unfortunate because making these two issues priorities would enable producers, that voluntarily participate in the program, to take steps to increase the viability of their operations that they may otherwise be incapable of taking without EQIP support.

The interim rules doubling of statutory payment limits (to \$900,000) for select operations will also limit taxpayer returns from this program by concentrating benefits on a smaller number of farming and ranching businesses. We believe the current payment limit of \$450,000 from FY19-FY23 and the AGI limit should be applied for all parties regardless of their corporate structure, resource concern, or geographical location.

Thank you for the opportunity to comment on implementation of the Agriculture Improvement Act of 2018. Through proper implementation, NRCS can help create a more cost-effective, accountable, transparent, and responsive farm safety net. To do this, conservation programs must be focused on helping a larger number of operations help themselves to becoming more environmentally and financially resilient. If you have questions, please feel free to contact me at 202-546-8500 or josh [at] taxpayer.net.