

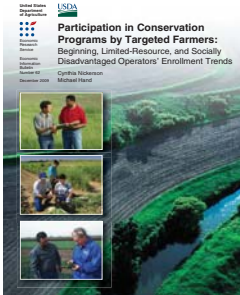


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Participation in Conservation Programs by Targeted Farmers: Beginning, Limited-Resource, and Socially Disadvantaged Operators' Enrollment Trends

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Targeted farmers include those with 10 or fewer years of experience, farmers with limited farm sales and income, and farmers belonging to segments of the population that have historically been subject to discrimination, such as African American, American Indian, Alaskan Native, Hispanic, Asian American, or Pacific Island farmers. Targeted farmers make up as much as 40 percent of all U.S. farms, and, although many participate in conservation programs, targeted farmers typically have not participated in government agricultural programs at the same rate as other farmers. To help offset potential barriers to participation, USDA offers targeted farmers more favorable payment and enrollment terms in conservation programs than are available to other farmers.

What Is the Issue?

Farm legislation in both 2002 and 2008 encouraged targeted farmers to participate in conservation programs by making them eligible for more favorable payment and enrollment terms than other farmers received. Such Federal provisions can alter program outcomes in unintended ways if targeted farmers adopt different conservation practices, address different environmental needs, or operate land that is more or less environmentally sensitive than the land operated by other farmers. Targeting certain farmer types could result in tradeoffs between environmental performance, cost-effective delivery of program benefits, and improved access to Federal conservation programs. This report addresses this issue by examining participation patterns in the Environmental Quality Incentives Program (EQIP), Conservation Reserve Program (CRP), and Wetlands Reserve Program (WRP) to provide information on the types of farmers who enroll, the geographic distribution of participants, the types and costs of conservation practices they implement, the resource issues they address, the natural resource characteristics associated with their farms, and whether different types of farmers participate in different ways. Participation rates are measured based where possible on both the number of farms and acres enrolled in conservation programs, as these two measures can provide very different pictures of targeted farmer participation. Those three conservation programs account for 74 percent of authorized conservation spending in the 2008 Farm Act.

What Did the Study Find?

During 2004-07, targeted farmers participated differently in conservation programs than did other farmers. While not definitive, evidence shows that targeted farmers tended to operate more environmentally sensitive land than other farmers, had different conservation priorities, and received different levels of payments. Those differences suggest that economic and environmental outcomes could change if the proportion of targeted farmers enrolled in the programs increases significantly.

Enrollment Patterns

Beginning and limited-resource farmers—two of the three targeted-farmer groups—were less likely to participate in EQIP than was the U.S. farm population as a whole (data on socially disadvantaged farmer participation in EQIP were not available). These two farmer types operated about 27 percent of all farms in 2006 but held 12 percent of EQIP contracts. This participation trend was observed in

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nearly every region of the country, suggesting that policies that make it easier for these farmers to enroll could increase participation. One new policy aimed at encouraging participation, however, is likely to have little effect. The 2008 Farm Act requires that 5 percent of EQIP funds be set aside annually for beginning farmers, but beginning farmers have typically received more than 10 percent of EQIP payments annually in recent years.

Like their participation patterns in EQIP, targeted farmers enrolled disproportionately fewer farms in conservation programs that retire land from production. Twenty-two percent of farms operated by all three groups of targeted farmers were enrolled in the CRP and WRP, even though they operate 31 percent of all farms. A different pattern emerges, however, when the amount of enrolled acreage is evaluated instead of the number of enrolled farmers: Targeted farmers enrolled disproportionately more acreage in CRP and WRP than other farmers. Targeted farmers operated 15 percent of farmland acres in 2007 but controlled 17 percent of acres enrolled in these programs.

Environmental Problems and Priorities for Treatment

Beginning farmers in the Delta region (the only area for which we could analyze soil data) who participated in EQIP tended to enroll more highly erodible land than other participating farmers. This trend suggests that conservation efforts by these farmers could provide more program benefits than efforts by other farmers. The available data, however, make it difficult to determine with certainty if targeting these farmers would increase program benefits because the characteristics of program participants may not represent this farmer group as a whole. If, in general, few beginning farmers operate highly erodible land (and the few that do have “self-selected” and have already chosen to enroll), targeting more of these farmers for enrollment may not provide more conservation benefits than are provided by other farmer types.

Conservation priorities of farmers participating in conservation programs differ by farmer type. Beginning and limited-resource farmers enrolled in EQIP addressed livestock forage and health needs and plant productivity/quality issues more often than did other farmer types. And although both beginning and limited-resource farmers participating in EQIP were more likely to farm closer to quality-impaired waters, the limited-resource farmers were less likely to address water quality problems. Several possible reasons may explain these tendencies. First, limited-resource farmers may face financial or other constraints in adopting practices that might improve water quality. Second, these farmers may derive more direct benefits by focusing on other issues (like improving plant health and vigor). Finally, limited-resource farmers tend to operate smaller farms that are not subject to the same regulatory requirements facing larger farm operators who use EQIP to fund water pollution reduction practices (e.g., pollutant discharge regulations for concentrated animal feeding operations). In land retirement programs, targeted farmers of all types were more likely than other farmer types to be located in areas where proposed conservation efforts were expected to achieve the greatest reduction in soil erosion and the greatest improvement in water quality.

Costs of Treatment

The size of conservation payments varied among farmer groups.

- In EQIP, average payments (which represent the cost to government) to beginning farmers were significantly higher than the average payments to other farmers, while payments to limited-resource farmers were significantly lower. Both beginning and limited-resource farmers implemented a larger number of conservation practices than other farmers did, but the scale of those practices tended to be smaller.
- In CRP and WRP, targeted farmers enrolled a greater share of operated acreage and received smaller per acre payments, but the number and types of conservation practices adopted did not differ significantly from those of other farmers.

How Was the Study Conducted?

The analysis relied on USDA data from EQIP and CRP administrative records, the 2007 Census of Agriculture, and the National Resources Inventory (NRI). The analysis also used data from the Agricultural Resource Management Survey (ARMS), which is conducted annually by the National Agricultural Statistics Service and the Economic Research Service. The EQIP and CRP contract data identified the resource problems that received treatment and, for EQIP, how payments and adoption of practices varied between beginning/limited-resource producers and other participant types. The analysis used the ARMS data from 2004-07 to analyze payment and acreage enrollments in CRP and WRP by farmer type and to summarize the characteristics of targeted farmers. The 2001 ARMS data on conservation practice adoption (the most recent year data were available) were used to examine conservation practice adoption patterns in land retirement programs. The census, NRI, and other data characterized the distribution of farmer types relative to measures of environmental conditions.

EQIP, CRP, ARMS, NRI, and census data were used to characterize differences among current conservation program participants and to suggest that targeted and other farmers may differ in their ability to provide environmental benefits cost effectively. Providing firm answers about the impacts of favoring particular farmer types would require more information, including quantitative estimates of the environmental benefits provided by different farmer types and whether targeted participants are more cost-effective providers of benefits than nonparticipants. Also, targeted farmers' acreages are disproportionately small, and information about program participants' farm sizes would be needed to distinguish whether differences between farmer types are due to the type of farmer or farm size.