

## **Performance Based Conservation: The Journey toward Green Payments**

J. Douglas Helms, Historian  
Natural Resources Conservation Service  
Washington, D.C.

### **Executive Summary**

The Farm Security and Rural Investment Act of 2002, the most recent farm bill, includes a provision for a Conservation Security Program (CSP). The purpose of this program is the conservation and improvement of the quality of soil, water, air, energy, plant and animal life. The characteristic that distinguishes CSP from other financial cost-share programs is that CSP recognizes producers' past performance in attaining conservation objectives and provides incentives for implementing additional practices that maintain and improve natural resource quality. The emphasis is on the benefits of the total package rather than on individual practices.

Some elements of the Conservation Security Program may be regarded in the context of "green payments," a term adopted to denote a system of payments supporting farming systems that provide environmental benefits. The concept of green payments has antecedents in the quarter-century of conservation policy discussions that commenced with passage of the Soil and Water Resources Conservation Act of 1977 (RCA). This act directed the U. S. Department of Agriculture to assess the status and trends of the Nation's soil and water and related natural resources, and to develop programs for addressing conservation problems. Early discussions in USDA, considered some variations on a "green payment" program approach, but turned toward the "red ticket," or conservation compliance approach. The latter concept, enacted in the Food Security Act of 1985, required landowners who received benefits from USDA to implement conservation farming systems.

In farm bills since 1985, Congress has reauthorized the conservation title of the 1985 farm bill with some modifications. During consideration of the farm bills of 1990, 1996, and 2002 two other themes received much thought and analysis: green payments and decoupling. The concepts can be linked in legislation in farm programs and program implementation to a lesser or greater degree. Decoupling sought to separate farm program payments from strict requirements to maintain base program crop acreage and annual set-asides, which many believed encouraged unsustainable production systems and generated adverse environmental effects. Farm organizations, commodity groups, and conservation groups see several advantages in decoupling. Farmers could farm for the market. They would not be tempted to farm highly erodible land or drain wetlands in order have fairly nonproductive farm land to set aside. Also, relaxing the rule was expected to encourage farmer to utilize more cover crops and crops rotations.

The Boren-Boschwitz Bill introduced for consideration in 1985 included a decoupling concept which Congress did not enact. The 1990 farm bill included some incremental steps toward decoupling in the flex acres provision and the pilot Integrated Farm Management Option. Also, leading up to the passage of the 1996 act, the National Corn Growers Association argued for decoupling. The Freedom to Farm provision in the 1996 farm bill provided for predetermined annual payments based on cropping history, and decoupled payment from annual plantings and deficiency payments.

Many of the conservation advocacy groups such as the Henry A. Wallace Institute of Alternative Agriculture and the American Farmland Trust favored merging the concepts of green payments and decoupling by essentially making green payments for conservation a substitute for the commodity payments. Most commodity groups and general farm organizations opposed the substitution. In the renewal of the farm bill in 2002, USDA and the Soil and Water Conservation Society and an alliance of commodity groups proposed a form of green payments, not as a substitute, but in addition to commodity payments. The agricultural and conservation groups could find common ground in the proposal since it did seek to increase the environmental benefits produced by conservation-oriented farming systems, but did not seek to alter farm structure by promoting small farms or altering production practices.

In the past quarter century, academics and conservation groups have had considerable impact on the conservation program and policies by putting new ideas on the agenda for Congressional consideration. But general farm organizations retain considerable influence in the writing of farm bills. When the two groups reach common ground, as was the case with the Conservation Security Program, it makes considerable impact in the policy debate and provides a strong signal to policymakers.

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### Introduction

The Conservation Security Program (CSP), established by Congress in the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill), is the latest of numerous strategies enacted to enhance conservation on farmlands. CSP supplements other programs and adds the aspect of management of agricultural systems to maintain and produce environmental benefits. Most previous financial assistance available to farmers has been based on sharing the cost of particular conservation practices, while CSP payments reflect producers' past performance in achieving measures of conservation and willingness to maintain or improve those measures. Conservation policy discussions during development of previous farm bills have included concepts, sometimes referred to as green payments, similar to those found in the CSP today.

The groundwork for the CSP began with the Nation's earliest conservation efforts founded on recognition that soil conservation was in the public interest and that society should contribute toward the cost of maintaining soil and water resources. Congress passed laws in the 1930s making financial and technical assistance available to farmers for conservation. Beginning in 1936, U.S. Department of Agriculture (USDA) provided cost sharing to farmers on selected conservation practices through the Agricultural Conservation Program (ACP). Economists, sociologists, and other policy experts gave considerable thought to the responsibilities of the various parties in this arrangement. As first authorized in the Soil Conservation and Domestic Allotment Act, 1936, ACP emphasized shifting land from so-called soil-depleting crops to soil-saving crops. Later in its history, Congress added numerous conservation practices that were eligible for cost share payments.

In the late 1970s, Congress passed the Soil and Water Resources Conservation Act of 1977 (RCA). The RCA directed the Secretary of Agriculture to appraise the Nation's soil and water resources continuously and to develop policies and programs that would advance their conservation. The RCA process appraised the previous four decades of conservation program experience and offered ideas on needed reforms and new policies. The earliest RCA efforts occasioned a dialogue between USDA and public and private parties interested in natural resource conservation. USDA analyzed alternative conservation proposals and issued drafts for public comment. Variations on some of the program alternatives and policy reforms analyzed under the RCA did find their way into subsequent legislation.

The lively, ongoing conservation policy and legislation discussions over the last quarter century, informed by the RCA process and the thoughtful input from academia and a wealth of agricultural and environmental organizations, have provided the antecedents of the CSP. This paper examines these discussions and the historical context of the ideas contained in the CSP.

### The Green Ticket Emerges

At its most elemental, the "green ticket" idea emerged from the unintended consequences of the commodity programs – the imperative of maintaining cropping history to remain eligible for price support payments hindered the use of soil conservation practices such as crop rotations. Also, conservation program rules all too often focused on the behavior of the least conservation minded and seldom on rewarding those for doing a good job of conservation.

How does one devise a program that makes it practicable for farmers to practice conservation? In 1978, Neil Sampson, Executive Vice President of the National Association of Conservation Districts (NACD), recommended a Conservation Incentives Program, which “could help overcome the current tendency of farm programs either to ignore farmers who practice good conservation or to penalize them economically through the loss of crop history or the lack of credit for voluntary land conversions.”<sup>1</sup> In his article in the *Journal of Soil and Water Conservation*, Sampson emphasized that conservation required continuous attention and maintenance, and went on to explain:

The implications of such a “green ticket” program are many. If conservation farmers were given a new green ticket each year for adequate conservation management on their land, the basic idea behind federal conservation program could change from an “install-it-and-leave-it” practice application to “design-it-and-manage-it” conservation systems. Some continuity of incentive would exist that is now absent from the annual, one-practice-at-a-time cost-sharing approach.<sup>2</sup>

“Green ticket” had entered the lexicon of the public policy discussions. Charles Benbrook, then a graduate student at the University of Wisconsin, considered how a “green ticket” approach might work as one option in the article “Integrating soil conservation and commodity programs: a policy proposal in the July-August 1979 issue of the *Journal of Soil and Water Conservation*.<sup>3</sup>

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<sup>1</sup> R. Neil Sampson, “Constant-care maintenance: A new approach to soil conservation programs,” *Journal of Soil and Water Conservation* 33 (September-October 1978): 207-208.

<sup>2</sup> Sampson, “Constant-care,” p. 208.

<sup>3</sup> Charles Benbrook, “Integrating soil conservation and commodity programs: A policy proposal,” *Journal of Soil and Water Conservation* 34 (July-August 1979): 160-167.

At the same time, USDA was initiating its new RCA responsibilities and had created a steering committee to guide the resource appraisal and to develop the national conservation program. The steering committee considered many options, including the “green ticket.” They also considered the obverse of that concept, or the “red ticket.” The red ticket concept would deny USDA assistance, including crop support payments, to farmers who did not utilize conservation practices. A representative from the Office of Management and Budget (OMB) attended the coordinating committee meetings and made clear that the Executive Department would not welcome programs that required new funding. By the time USDA released *Appraisal 1980: Review Draft, Part II* for public comment in 1980, the term “cross compliance” had been adopted for the red ticket concept.<sup>4</sup> The “green ticket” concept was not included,<sup>5</sup> likely stalling further efforts to frame the green ticket concept. The OMB attitude apparently steered the committee more toward the compliance alternative.<sup>6</sup>

One interested party kept the green ticket idea alive in the period leading up to the passage of the 1985 farm bill. In its critique of the *Appraisal 1980: Review Draft, Part II*, NACD suggested including several conservation strategies discussed in the RCA process, but omitted in the draft appraisal. Among the NACD recommendations were a special areas conservation program, the conservation loan fund, and “A program to test the ‘Green Ticket’ concept at the local, state, and

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<sup>4</sup> *Appraisal 1980, Soil and Water Resources Conservation Act Review Draft Part II* (Washington, D.C.: U. S. Department of Agriculture, 1980), pp. 6-14.

<sup>5</sup> Cross compliance initially received a negative reception from most farm groups, but as the climate changed and the farm economy worsened, the concept became more acceptable to farmers and was ultimately incorporated into the 1985 Farm Bill (Food Security Act of 1985).

<sup>6</sup> Conversation with Richard Duesterhaus, September 23, 2003; and Norman Berg, September 23, 2003.

federal levels with the objective of evaluating alternative versions of the 'bonus' strategy outlined in the draft RCA documents." <sup>7</sup>

The green ticket approach envisioned by NACD assigned a critical role to the local conservation districts. The local conservation districts would certify that the landowner, with the assistance of SCS staff, had developed a technically sound conservation system. According to Neil Sampson, "the agreement would form the basis for issuing an annual conservation certificate, or Green Ticket, to the land user." The Green Ticket would then make the cooperator eligible for certain benefits from the Federal, State, and local government. Among the benefits discussed were reduced real estate taxes, reduced crop insurance premiums, and certification of compliance with regulations such as clean water provisions. Also there might be funds available for additional conservation practices.<sup>8</sup>

NACD and their spokesman Sampson were concerned about the prospects of conservation compliance being the only strategy in the farm bill. They believed that some operators, due to interactions of farm size, crops, and soil properties, might not be able to achieve the requirements of cross compliance. A "green ticket" approach could help some of these people. Furthermore, they feared the triumph of a primarily regulatory approach. <sup>9</sup>

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<sup>7</sup> "NACD Viewpoints on the 1980 RCA Program," NACD District Outlook Committee, Steve Brunson, Chairman, July 10, 1980, ring binder volume, "RCA History, 1981-1982, History Office, Natural Resources Conservation Service.

<sup>8</sup> R. Neil Sampson, *Farmland or Wasteland: A Time To Choose* (Emmaus, Pennsylvania: Rodale Press, 1981), p. 318.

<sup>9</sup> R. Neil Sampson, *For Love Of The Land: A History of the National Association of Conservation Districts* (League City, Texas: the National Association of Conservation Districts, 1985), p. 286. Sampson refers

Although the 1980 Appraisal failed to include an analysis of the "green ticket approach," the "National Program for Soil and Water Conservation" released in 1982, contained a pilot project provision, which was to have some influence on the "green ticket" approach.<sup>10</sup> SCS sponsored a pilot project in Pipe County, Wisconsin, in which farmers who installed conservation practices received a tax benefit. Other projects tested elements of the soon-to-be-established Conservation Reserve Program.

While the RCA process influenced the inclusion of a conservation title in the Agriculture and Food Act of 1981 (PL97-98) (the first farm bill to include a conservation title), neither the green ticket approach nor the "red" ticket found a place in the law. With the exception of the NACD proposals, the green ticket concept also did not seem to be much of a priority in the discussions leading up to the Food Security Act of 1985 (PL99-198). For instance, the American Farmland Trust did not include green ticket in their blueprint for the 1985 farm bill, *Soil Conservation In America: What Do We have to Lose?* The conservation initiatives of the 1985 farm bill focused on conservation compliance concepts, including the "Highly Erodible Land Conservation" and "Wetland Conservation" provisions, as well as land retirement in the form of the Conservation Reserve Program. This legacy was reinforced in the debates leading to the next farm bill (Food, Agriculture, Conservation, and Trade Act of 1990) where conservationists concentrated on preserving and enhancing the 1985 conservation provisions. They largely succeeded.

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to the "green ticket" as "one idea that NACD developed." Conversation with R. Neil Sampson, July 17, 2003.

<sup>10</sup> *A National Program for Soil and Water Conservation: 1982 Final Program Report and Environmental Impact Statement* (Washington, D. C.: U. S. Department of Agriculture, 1982), p. 35.

### Decoupling and the Boren-Boschwitz Bill of 1985

In 1985, Senator David Boren (D-Oklahoma) and Senator Rudy Boschwitz (R-Minnesota) introduced the Family Farm Protection and Full Production Act, better known as the Boren-Boschwitz Bill, reflecting a new vision for farm policy – decoupling farm payments from crop production. Senator Boschwitz explained that the “bill protects the income of family farms by providing direct “transition payments’ based on past production.”<sup>11</sup> . Boschwitz argued for protection of family farms, which he believed had “... been trampled in the rush to assist an economy as large and diverse as agriculture.”<sup>12</sup>

Under the Boren-Boschwitz plan farmers would transition to responding to market signals, rather than maintaining historical acreage base. Drastically lowering the loan rates to market-clearing levels would prevent the build up of surpluses, which were accused of fostering land retirement programs. Some argued, as they had during the Soil Bank of the 1950s, that land retirement programs hurt local economies, diminished the global competitiveness of U. S. agriculture, and encouraged foreign countries to further develop their agricultural capacity. Other observers believed that the set-aside requirements encouraged farmers to drain wetlands and farm highly erodible land so as to enroll these low productivity lands into the annual set-aside.<sup>13</sup>

Ten years later in debates surrounding the 1996 farm bill, the environmental community rallied around the concept of decoupling, but with a conservation rationale. The 1996 farm bill ushered in “Freedom to Farm.” The decoupling concept

presented innumerable alternate means of implementation. Therein lay the rub, as farm groups and environmentalists could have divergent views on program rules and objectives.

### Integrated Farm Management Option

In the Food, Agriculture, Conservation, and Trade Act of 1990 (FACTA), Congress took an incremental step toward decoupling. The Senate recognized that farmers who used management practices and crop rotations tended “to receive substantially fewer farm [program] benefits, a significant disincentive for the adoption of resource conserving management practices.”<sup>15</sup> The Integrated Farm Management Option in FACTA allowed farmers to devote at least 20 percent of their base acres to an approved resource-conserving crop. Farmers would still receive payments for those acres, as though the land were planted in a program crop. Also, the cropping history of base acres would be maintained. The program was limited in that it emphasized only one conservation tool, crop rotations, and was capped at five million acres in any given year, with a 5-year maximum of 25 million acres. During the first three years farmers enrolled only 215,247 base acres; half of which was enrolled in Alabama and Texas.<sup>16</sup>

FACTA included another flexibility provision. Under the 1990 act, farmers could plant up to 25 percent of base acres in selected crops, other than the program crop, without losing base. Of that 25 percent, 15 percent of the acres, the Normal Flex Acres, were not eligible for deficiency payments. The other ten percent would be eligible for deficiency payments if planted to the program crop.<sup>17</sup>

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Duffy, “Integrated Farm Management 1990 Farm Bill Option,” in Sorenson, A. Ann (ed.) *Agricultural Conservation Alternatives: The Greening of the Farm Bill* (DeKalb, Illinois: American Farmland Trust, October 1994), p. 61.

<sup>16</sup>Duffy, “Integrated Farm Management 1990 Farm Bill Option,” p. 60.

<sup>17</sup> *Full Farm Flexibility: A Program Option for the 1995 Farm Bill*. Prepared by John M. Urbanchuk, AUS Consultants for the National Corn Growers Association, August 1, 1995, pp. 1. Copy in files of the Legislative

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<sup>11</sup> U.S., Congress, Senate, *Congressional Record*, 99<sup>th</sup> Cong. 1st. 1985, 131, pt. 8: 10112.

<sup>12</sup> *Ibid.*

<sup>13</sup> Bruce Knight, Chief of the Natural Resources Conservation Service, holds this view. Conversation with Bruce Knight, September 18, 2003.

<sup>15</sup> U.S., Congress, Senate, *Food, Agriculture, Conservation and Trade Act of 1990*. 101<sup>st</sup> Cong. S. Rept. 101-357, p. 227. Also, quoted in Michael D.

### Green Payments and the 1996 Farm Bill

“Green payments” surfaced again in the policy discussions leading up to the reauthorization of the Farm Bill in 1996, scheduled to expire in 1995. General farm organizations, commodity organizations and the conservation advocacy groups organized work groups, issued draft “white” papers, and finally published policy statements and recommendations for the upcoming bill. The conservation advocacy groups did not restrict their agenda to merely preserving conservation compliance, the Conservation Reserve Program, and other programs. They suggested some significant innovations to Congress.

In 1993 the American Farmland Trust formed an Agricultural Conservation Alternatives Working Group with representatives from a broad array of groups including government conservation agencies, commodity groups, the agricultural press, commodity groups, mainstream farm groups and other conservation public advocacy groups. The working group developed a list of topics for white papers. Selected white papers were sent out for review and comment and finally were published in *Agricultural Conservation Alternatives: The Greening of the Farm Bill*.

Charles Benbrook, a consultant and former executive director of the Board on Agriculture of the National Research Council, elaborated on green ticket certification and green payments. Benbrook assumed continuation of conservation compliance and then discussed green payment certification and green payments for environmentally beneficial actions beyond the basic minimal requirements. Benbrook saw the green payments as another step in the journey begun with the 1985 farm bill. Benbrook and other agricultural economists of the day saw the 1995 deliberations in the light of 1985 farm bill, when a dire farm economy proved to be a favorable legislative climate for

conservation innovations. He foresaw or hoped that an alliance of farmers and environmentalists might enact the green ticket certification, stating:

More so than before, the conventional agricultural community needs environmentalist to defend income transfers, and the environmental community needs the agricultural community's acquiescence in order to re-direct pure commodity subsidies in order to continue the CRP, expand the wet-land reserve, for a major water quality initiative, and/or for Green Payments, perhaps coupled with GTC.<sup>18</sup>

There seemed a possibility that farmers' concern over Congress' deficit reduction impulse would make farm groups more receptive to environmentally motivated revisions in the commodity programs. This proved illusory as commodity groups retained great influence with Congress.

Also, in the publication *Agricultural Conservation Alternatives: The Greening of the Farm Bill*, Otto Doering of Purdue University discussed another decoupling approach, “The Guaranteed Revenue Approach to Farm Programs.” Doering's revenue insurance program would be based on historical production, rather than base acreage and set-asides, which some felt encouraged cropping of low quality agricultural lands. Consequently, it would remove some of the negative environmental side effects associated with farm payments, and held the hope of lower government expenditures... Doering also believed that payments based on an insurance formula might be more acceptable under the General

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Affairs Division, Natural Resources Conservation Service.

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<sup>18</sup>Charles Benbrook. “Credit Where Credit Is Due: Green Ticket Certification,” in Sorenson, A. Ann (ed.) *Agricultural Conservation Alternatives: The Greening of the Farm Bill* (DeKalb, Illinois: American Farmland Trust, October 1994), p. 19

Agreement on Tariffs and Trade (GATT).<sup>19</sup> In 1994, the United States and other countries signed the GATT, which created the World Trade Organization (WTO). Among other objectives, GATT and the WTO sought to reduce trade distortions and disparities caused by price support payments. Green payments attracted attention as a means of providing financial assistance to agriculture through payments for environmental benefits. Politicians and analysts began considering green payments as a means of complying with GATT and at the same time continuing financial support to rural, agricultural America.

In 1994, the National Center for Food and Agriculture Policy organized six work groups to develop proposals for the reauthorization of the farm bill.<sup>20</sup> The working groups included representatives from groups such as the Henry A. Wallace Institute for Alternative Agriculture, American Farmland Trust, and Soil and Water Conservation Society staff member served on each others working groups and wrote policy papers. The working groups also included representatives from commodity groups, governmental, and academia. During each round of the farm bill reauthorization since 1985, the combination of staffers for conservation groups and agricultural economists in the academy seem to have winnowed ideas down to a few themes. In this round the policy papers included variants on the two themes of green payments and decoupling.

In 1994, Katherine R. Smith, of the Henry A. Wallace Institute for Alternative Agriculture chaired the working group on Land Use, Conservation and Environment, whose mission it was to develop conservation policy options for the upcoming farm bill. The broad-based group included representatives from USDA, most of the conservation advocacy groups, namely the

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<sup>19</sup> Otto Doering, "The Guaranteed Revenue Approach to Farm Programs," in *Agricultural Conservation Alternatives: The Greening of the Farm Bill*, pp. 1-15.

<sup>20</sup> Conversation with Norman A. Berg, September 23, 2003.

American Farmland Trust (Tim Warman), Soil and Water Conservation Society (Max Schnepf), Leopold Center for Sustainable Agriculture (Dennis Keeney), and Sustainable Agriculture Coalition (Ferd Hoefner). James Moseley, USDA assistant secretary for natural resources and environment during the George H. W. Bush Administration, also served on the committee. He brought his experience supervising implementation of the 1985 farm bill and writing the 1990 farm bill to the workgroup deliberations.<sup>21</sup> The Henry A. Wallace Institute for Alternative Agriculture, the American Farmland Trust, and the World Resources Institute all issued publications discussing versions of greening agriculture.<sup>22</sup> In these iterations of greening, the objective was not simply some additional payments for worthy farmers so that they might do additional conservation work, but more complex mechanisms to shift farm programs toward more environmentally oriented objectives.

The Henry A. Wallace Institute for Alternative Agriculture proposed some of the first green payment program ideas for the replacement of the 1990 farm bill. In December 1994, the Wallace Institute issued *Lean, Mean and Green...Designing Farm Support Programs in a New Era*, written by Katherine R. Smith, formerly of the Economic Research Service, and Sarah Lynch. Also, in December 1994 the Institute issued a volume of supporting analytical articles by Ralph E. Heimlich, C. Ford Runge, Sandra S. Batie, and Jerry R. Skees titled *Designing Green Support Payments*.

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<sup>21</sup> Kitty Smith to Land Use, Conservation and Environment Work Group Members, January 11, 1995 File 04.04.01A to 04.04.99A, Legislative Affairs Office, NRCS, Washington, D. C.

<sup>22</sup> Paul Faeth, *Growing Green: Enhancing the Economic and Environmental Performance of U. S. Agriculture* (Washington, D. C.: World Resources Institute, April 1995); A. Ann Sorensen (ed.), *Agricultural Conservation Alternatives: The Greening of the Farm Bill* (DeKalb, Illinois: American Farmland Trust, Center for Agriculture and the Environment, October 1994); Sarah Lynch and Katherine R. Smith, *Lean, Mean and Green: Designing farm Support Programs in a New Era*. (Greenbelt, Maryland, Henry a. Wallace Institute for Alternative Agriculture, December 1994).



Speaking for herself, Katherine Smith of the Henry A. Wallace Institute for Alternative Agriculture favored a program “in which farm subsidies are replaced by ‘green payments’—income incentives to farmers to encourage them to operate in an environmentally sound manner. ‘Greening’ the farm bill could help to secure farmer’s livelihoods, prevent the degradation or depletion of natural resources, and stabilize, if not cut, the costs of farm programs.”<sup>23</sup> Smith emphasized that “green payments” could either supplement commodity price support or replace them. Advocates for small and family farms wanted to move away from payments based on total production to payments that helped maintain the owner-operator population. Beneficiaries of the existing income support structure based upon farming large acreages and producing large volumes would oppose a system in which payments were more evenly distributed to the individual farm or farm family. Green payments, as with other farm policies, would have to be negotiated in the cacophony of often conflicting and confusing objectives.

During 1995, various organizations endorsed “green payments.” The Campaign for Sustainable Agriculture released its proposals for the upcoming farm bill. Foremost were the recommendations to convert some of the program payments to “green payments.”<sup>24</sup> The “campaign” was a coalition of 365 national and local groups, and included the National Farmers Union, the Izaak Walton League of America, the National Catholic Rural Life Conference, the Sierra Club’s National Agricultural Committee, and the Henry A. Wallace Institute for Alternative Agriculture. The Natural Resources Defense Council also supported the “green payments” as a substitute for the more traditional price support payments. They generally endorsed

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<sup>23</sup> Katherine R. Smith, “Time to ‘green’ U. S. farm policy,” *Science and Technology* 11 (Spring 1995): 71-78.

<sup>24</sup> “The Campaign for Sustainable Agriculture has released its goals for the 1995 farm bill,” *Sustainable Farming*. Vol. 93. Iss. 3 (Mid-February 1995): 70.

the conservation provisions of the Lugar-Leahy bill, S. 854, but along with the National Audubon Society, the Environmental Working Group, and the Campaign for Sustainable Agriculture advocated more drastic reforms.<sup>25</sup>

#### National Corn Growers Association and Decoupling

In addition to the “green payments” concepts, the farm bill renewal discourse in 1995 also included some precedents for “Freedom to Farm.” The earliest proposals built upon a 1990 farm bill flexibility provision that allowed producers to shift a certain percentage of acreage to non-program crops without losing base acreage, and included eligibility for deficiency payments on part of that acreage when planted to the program crop. In August 1995 the National Corn Growers Association (NCGA) proposed that in the upcoming farm bill producers be allow to plant any crop on their farm and receive deficiency payments for 75 percent of the enrolled base acres.<sup>26</sup> Utilizing a model developed by the Food and Agricultural Policy Research Institute at the University of Missouri-Columbia, the NCGA projected the program cost and shifts in crops planted.

#### Political Setting for the 1996 Farm Bill

The elements of green payments and decoupling found in the 1996 farm bill must be examined in light of the economic and political climate. Republicans had captured the Senate and the House of Representatives in the 1994 elections, and reducing the deficit was a centerpiece of the campaign. Normally, Democrats and Republicans from farming areas could be expected to continue financial support to agriculture and farmers expected legislators

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<sup>25</sup>“Farming for the future: NRDC helps shape the 1995 Farm Bill,” *The Amicus Journal*. Vol. 17, Iss. 2 (Summer 1995):50.

<sup>26</sup> *Full Farm Flexibility: A Program Option for the 1995 Farm Bill*. Prepared by John M. Urbanchuk, AUS Consultants for the National Corn Growers Association, August 1, 1995, pp. 1. (Copy in files of the Legislative Affairs Division, Natural Resources Conservation Service.

to continue commodity payments. However, urban representatives joined by strict free-market advocates constituted an anti-commodity payments group. Free-market conservatives, such as the new House of Representatives majority leader Dick Armey, favored dismantling price supports as an out-dated vestige of the New Deal. Because of his larger role in representing the party, however, Mr. Armey toned down his criticism of the farm programs.<sup>27</sup>

On the Senate side, Richard Lugar, Chair of the Senate Committee on Agriculture, Nutrition, and Forestry, had long spoken out that US agriculture needed to move toward a free market. Lugar faced opposition in both parties and from the Democratic President. Lugar believed that "To the extent that we begin to plant for the market as opposed to the government...we will do better in American agriculture."<sup>28</sup> But, his view that the American farmer would be better off in the long-term was a minority view among farm-state Senators and Representatives, who saw near-term stress and uncertain, perhaps bleak, long-term prospects. Lugar recognized the legacy of the decades of support programs, namely that "land values incorporate those prices and those policies..." and recommended modest annual reductions in target prices as "a glide path to the market...."<sup>29</sup>

Nonetheless farm-state representatives were not enthusiastic about the proposal to reduce target prices three percent annually for a total of 15 percent over the life of the farm bill.

#### Lugar-Leahy Bill

The bill introduced by Senator Lugar (S 854) maintained most of the conservation gains made in the farm

bills of 1985 and 1990. It continued funding for conservation at \$2.1 billion annually, rather than exacting drastic cuts; it created a funding system that freed conservation programs from annual battles over discretionary spending; and included an Environmental Quality Incentives Program to consolidate the financial assistance programs for conservation and to focus on problem areas and activities. Conservation groups generally favored shifting some of the funding for agriculture from commodity programs to conservation, but commodity groups sensed this trend in the bill and rejected it. Ross Hansen, president of the National Association of Wheat Growers told a Senate hearing, "Conservation is deserving of public support, but not at the expense of basic commodity programs."<sup>30</sup>

#### U.S. Department of Agriculture Proposals for the 1996 Farm Bill

One of USDA's farm bill working groups, the Conservation and the Environment Subgroup, met in 1994 to develop proposals for the farm bill reauthorization. Department priorities were 1) to preserve the gains made in the 1985 and 1990 bills, and 2) to consolidate and simplify conservation programs. Members of the groups favored consolidating existing cost share programs into one program and consolidating all land retirement programs into one. Without using the term "targeting" they nonetheless wanted to focus land retirement and cost-sharing programs on clearly defined natural resources programs.

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<sup>27</sup> David Hosansky, "Freshman Republicans Attempt To Fence Off Farm Subsidies," *Congressional Quarterly*, Vol. 53, No. 24 (June 17, 1995): 1732.

<sup>28</sup> David Hosansky, "Lugar's Farm Plan Poses Test For Fellow Republicans," *Congressional Quarterly* Vol. 53, No. 17 (April 29, 1995): 1167.

<sup>29</sup>U.S., Congress, Senate, Committee on Agriculture, Nutrition, And Forestry, *Farm Programs: Are Americans Getting What They Pay For*, Hearing, 104<sup>th</sup> Cong. 1<sup>st</sup> sess. March 9, 1995, p 2.

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<sup>30</sup> David Hosansky, "Opposing Forces Prepare For Farm Bill Debate," *Congressional Quarterly*, Vol. 53, No. 23 (June 10, 1995): 1631.

<sup>31</sup> John H. Stierna to Farm Bill Steering Team, May 4, 1995, File 04.04.11A, Legislative Affairs Office, Natural Resources Conservation Service, Washington, D. C.

In 1995, USDA had neither adopted nor expressed a position on any of the green payment proposals put forth by the public policy conservation groups. Sensing that green payments would receive attention in the renewal of the farm bill, John Stierna of the Natural Resources Conservation Service prepared an analysis of the various green payment proposals to inform Department leadership of the advantages and disadvantages of the various proposals. The major proposals were those prepared by the American Farmland Trust, the Henry A. Wallace Institute for Alternative Agriculture, and the National Association of Departments of Agriculture. The analysis grouped the green payments programs into four categories:

- Payments to producers as an “add on” program over and above current commodity and conservation programs
- Payments to producers as a consolidated replacement for current conservation programs, but in addition to current commodity programs
- Payments to producers as a consolidated replacement for current commodity programs, but in addition to current conservation programs
- Payments to producers as a consolidated replacement for both current commodity and conservation programs”<sup>32</sup>

Generally most of the proposals did not account for total costs or administrative details. USDA staff often performs this required work after legislation is enacted.

In May 1995 the Department of Agriculture offered its ideas to the agricultural committees in the so-called blue book, *1995 Farm Bill: Guidance of the Administration*. They advocated planting flexibility by combining all crop bases into a total acreage base. The Administration recommended gradually increasing the percentage of base

acres that could be planted in alternative crops from the existing 15 percent to 100 percent. The Department also recommended a Conservation Farm Option in which producers in priority areas could receive assured commodity program payments in exchange for producing a whole-farm conservation plan.<sup>33</sup>

#### Positions of Farm and Conservation Groups on the 1996 Farm Bill

The Senate Subcommittee on Forestry, Conservation, and Rural Revitalization held hearings on “Resource Conservation,” while the Subcommittee on Production on Price and Competitiveness held hearings on “Commodity Policies.” However, the linkage between commodity programs and the “green payment” concept was never fully explored. Nonetheless some farm groups and conservation groups stated their positions on the conservation provisions and offered new ideas.

Gary Mast of Ohio spoke on behalf of the National Association of Conservation Districts (NACD), and endorsed the merging of the cost-sharing programs, under the title of a Conservation Incentives Program. (The final title would be the Environmental Quality Incentives Program). Mast did not use the term green payments, but clearly supported a system of payments based on environmental performance, that at least partially substituted for commodity payments. Speaking for NACD Mast stated:

An environmental credits program could offer better ways to support agriculture and, as the same time, protect and improve the environment by rewarding good stewardship.

Many agricultural producers feel that existing conservation programs are flawed: They reward primarily those

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<sup>32</sup> John Stierna, “Green Payment Proposals: A Preliminary Assessment of Available Information. Draft—For Discussion Only. Files of the Legislative Affairs Division. Natural Resources Conservation Service, Washington, D.C.

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<sup>33</sup> *1995 Farm Bill: Guidance of the Administration* (Washington, D. C.: Department of Agriculture, May 1995), p. xi.

farmers who have not managed their land well. Few programs offer incentives or rewards to landowners who have avoided natural resource programs by practicing good stewardship.<sup>34</sup>

NACD's plan naturally assigned a large role to the local conservation districts in approving these "voluntary site-specific, ecosystem-based plans."<sup>35</sup> NACD's version also envisioned the trading of environmental credits among farmers. A conservation credits program could apply to practically all farmers, not just those growing commodity crops on highly erodible lands. This plan could clearly be considered a type of green payments program.

The National Association of State Departments of Agriculture (NASDA) believed that eligibility for the newly proposed Environmental Quality Incentives Program, (EQIP) should be based on a whole farm management plan, which NASDA dubbed a "Voluntary Agricultural Resource Management Plan." NASDA favored no linkage of commodity payments with green payments. They stated for the record:

*A voluntary agricultural resource management plan is NOT a tradeoff for continued government commodity support programs. Environmental enhancement assistance must be in addition to current income support programs.*<sup>36</sup>

NASDA in fact used the term "green payments" in their testimony, but viewed it as a payment for "actions such as reduced pesticide use."<sup>37</sup> Certainly, as used by some of the other interested parties, green

payments had a broader connotation, and included other long-used conservation practices.

Ross Hansen of the National Association of Wheat Growers spoke out against the Conservation Farm Option proposed by the Department of Agriculture. He stated:

We oppose the Secretary's proposed Conservation Farm Option which would lead to the transformation of deficiency payments into stewardship or "green" payments. Commodity programs serve specific food security and farm income stabilization purposes, and must not be confused with distinct and separate conservation objectives.<sup>38</sup>

#### Freedom to Farm

In the House of Representatives, Chairman of House Agriculture on Committee, Congressman Pat Roberts, R-Kansas, introduced the so-called Freedom to Farm Act (HR2854). "Freedom to Farm" cleverly merged a trend in agricultural policy, decoupling, with the mandates from the budget committees. Lyle P. Schertz and Otto C. Doering have recounted the making of the 1996 farm act. The agricultural committees and agricultural appropriations subcommittees of the Senate and House of Representatives considered renewal of the farm bill in light of caps on total outlays mandated by the budget committees.

Operating under the goal of delivering a balanced budget by 2002, the budget committees were in a position to impose their will upon the agriculture committees. Normally the Commodity Credit Corporation made deficiency payments, which varied from year to year depending upon the gap between market prices and target prices. One way to stay within budget constraints was to predetermine the annual payments

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<sup>34</sup> U.S., Congress, Senate *Resource Conservation*. S. Hrg. 104-496, 104<sup>th</sup> Cong. 1<sup>st</sup> sess. (Washington: Government Printing Office, 1996), p. 75.

<sup>35</sup> *Ibid.* p. 77.

<sup>36</sup> *Ibid.* p. 96.

<sup>37</sup> *Ibid.* p. 96.

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<sup>38</sup> *Ibid.* p. 59.

to be made to farmers. This was possible because the guidance from the budget committee served as an authorization, as well as a cap, for the upcoming seven years.

Congressman Pat Roberts, chairman of the House Agricultural Committee, proposed a "Freedom to Farm" variation of the decoupling idea. Farmers would receive annual payments calculated upon their base acres during the previous five years. The payments were frontloaded and declined during the seven years of the farm bill. The "freedom to farm" phrase referred to the fact that farmers were free to plant crops of their choosing without any acreage restrictions, but would still have to comply with conservation provisions from the 1985 farm bill. The farm bill passed during a time of high commodity prices, when the market prices of some commodities exceeded the target price. During the early years farmers received higher payments under "Freedom to Farm" than they would have under the price support payment scenario.<sup>39</sup> While normally the House Committee on Agriculture debated and proposed a bill to the full House membership, the House version of the farm bill passed in the rather unique form of a budget reconciliation bill.

#### Federal Agriculture Improvement and Reform Act of 1996

In crafting the Federal Agricultural Improvement and Reform Act of 1996, conferees from the Senate and House included significant conservation provisions from the Senate's Lugar-Leahy Bill. In addition to the Environmental Quality Incentives Program the law also included the Conservation Farm Option.

Elements of the Conservation Farm Option (CFO) fit into the earlier green ticket concept. The Secretary could make this pilot program available to producers of wheat, feed grains, cotton, and rice. Producers who participated in the agricultural market transition program established under the

Agricultural Market Transition Act (AMTA) were eligible. Producers might sign a ten-year contract with an option to renew for up to another five years. Producers and USDA developed a conservation farm plan as part of the contract. Producers would receive annual payments rather than participating in the Conservation Reserve Program, the Wetlands Reserve Program, and the Environmental Quality Incentives Program. Congress authorized funding for CFO. Due to delays in issuing the program rules during the first year, Congress and the Department agreed to reprogram the funding to other issues. In subsequent years, Congress did not appropriate funds, even after the rules were officially developed and issued. However, this preparatory work on CFO and other farm bill formulations advanced the future Conservation Security Program.

The 1996 Farm Bill ushered in "Freedom to Farm." Under this plan, farmers received payments based on past participation in USDA commodity programs, but were left free to determine acreage and crops planted. The hope was to decouple price supports for particular crops and income support to agriculture, thereby providing income support without encouraging overproduction. The farm bill did not really link the CFO to decoupling, but both concepts were included and threw additional light on the potential for payments in exchange for environmental benefits rather than for crop production.<sup>40</sup>

#### Background to the 2002 Farm Bill

As had been the case before the 1996 farm bill, the conservation, commodity, and general farm groups began considering reauthorization far in advance of 2002. They planned to have some influence on the bills introduced by Senators and Representatives, and which would be considered in the hearings phase of farm bill reauthorization. Despite the fact that the Conservation Farm Option had not been fully implemented, the conservation groups

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<sup>39</sup> Lyle P. Schertz and Otto C. Doering III, *The Making Of The 1996 Farm Act* (Ames: Iowa State Press, 1999), 61-65

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<sup>40</sup> For a discussion of the writing of the 1996 farm bill please see Schertz and Doering, *The Making of the 1996 Farm Bill*.

would undoubtedly advocate “green payments” provisions that would include more options, and more sophisticated approaches to program design. “Green payment” concepts intersected with two other issues of agricultural policy. Legislators were likely to give greater attention to impact of farm programs on the GATT agreements, and the public was expressing increasing interest in the open space and farmland preservation movement. Based on surveys sponsored by the American Farmland Trust in 2000 and 2001, J. Dixon Esseks and Steven E. Kraft concluded that, for three important environmental objectives, there was “considerable agreement between what voters wanted from agriculture and what owners of farms and ranches on the urban edge said that they were doing currently or would undertake in response to financial incentives: 1) managing their crop or livestock operations so as to avoid pollution of surface and groundwater, 2) protecting or improving habitat for wildlife, and 3) preserving the land for agricultural use rather than selling it for development purposes.”<sup>41</sup> In its formative stage, the farmland preservation movement had emphasized maintaining land in agricultural uses. This AFT study merged the farmland protection and green payments concepts.

Among the conservation advocacy groups, the Soil and Water Conservation Society (SWCS) was particularly active. Craig Cox, SWCS Executive Director, and staff member Max Schnepf held five regional workshops where eighty-two state and local leaders discussed the strengths and weaknesses of conservation policies and suggested alternatives.<sup>42</sup> Cox and Washington DC-based representative of the Society, Norman

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<sup>41</sup> J. Dixon Esseks and Steven E. Kraft, *Are Owners of Urban-Edge Agricultural Land Willing to Provide Environmental Benefits that Urban and Suburban Residents Value?* (De Kalb, Illinois: Center for Agriculture in the Environment, American Farmland Trust, 2002), p. 2.

<sup>42</sup> “Seeking Common Ground for Conservation: A Farm Bill Policy Project Conducted by the Soil and Water Conservation Society.” Copy in History Office, Natural Resources Conservation Service, Washington, D.C.:

A. Berg promoted the recommendations among other farm and commodity groups and with the newly appointed USDA administration. During the time the Administration was developing its food and agricultural policy, Berg and Cox met with key members, such as James Moseley, the new Deputy Secretary, who had a history of being a strong proponent of conservation and who would likely support reasonable proposals. Berg and Cox held discussions with other key policy makers in USDA including J. B. Penn, Under Secretary for Farm and Foreign Agricultural Services, Mark E. Rey, Under Secretary for Natural Resources and Environment, and Keith Collins, Chief Economist. SWCS also informed members of the relevant agricultural committees in the House of Representatives and the Senate about the results of their study and their recommendations.

The new Republican administration of the Department of Agriculture, under Secretary Ann M. Veneman, issued its major policy document in September 2001, *Food and Agricultural Policy: Taking Stock for the New Century*. The report endorsed a wide range of conservation policy instruments. The report especially referred to the “current imbalance favoring land retirement,” and suggested there might be more “cost-effective benefits from conservation spending on working lands.” As a possible new policy option the report suggested a “market-based stewardship program” for lands that remained in crop production. The Department believed that the payments could be regarded as “green payments” under the WTO obligations.<sup>43</sup> USDA staff, especially employees of the Natural Resources Conservation Service provided information about green payments and other conservation options to Congress. NRCS staff worked with staff of Senator Tom Harkin, D-Iowa, and Representative John Thune, R-South Dakota who introduced the Conservation Security Act into the Senate and House, respectively.

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<sup>43</sup> *Ibid.*, p. 86.

Support by Former Chiefs of the Soil Conservation Service and Natural Resources Conservation Service

Several former Chiefs of the Soil Conservation Service and Natural Resources Conservation Service had continued to be active in the conservation field and publicly supported green payments and the concept of the Conservation Security Program. Norman A. Berg, since retiring as SCS Chief in 1982, had held joint positions as senior advisor with the American Farmland Trust and as Washington representative of the Soil and Water Conservation Society. He was actively involved in developing and promoting the Society's green payments concepts for the 2002 farm bill. Paul W. Johnson, NRCS Chief during the Clinton Administration, testified for the conservation provisions of the 2002 farm bill.<sup>44</sup> Bill Richards remained a very active spokesman for conservation after serving as Chief of SCS during the George H. Bush Administration. He served on the National Association of Conservation Districts task force on the 2002 farm bill, which was emphasizing green payments or stewardship program. Richards was optimistic that the benefits of the concept could hardly be ignored, and was quoted as saying, "The biggest question is whether we'll get a stewardship incentive program in the 2002 farm bill or during 2001 in a separate law."<sup>45</sup> After passage of the law, Richards continued to speak out that it be funded and implemented, calling it "total conservation on the land, something a lot of us have been working on for many years." Farmers should be educated about the program. He believes that "farmers will embrace it if they understand it. The rules need to be tough, but they cannot be so tough that they turn people off."<sup>46</sup>

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<sup>44</sup> U.S., Congress, Senate, Committee on Agriculture, Nutrition, and Forestry, *Conservation* 107th Cong. 1st sess., S. Hrg. 107-225, pp. 98-100, 182-184.

<sup>45</sup> Darrell Smith, "A Second Chance for Conservation," *Top Producer* (February 2001). Quoted from version on National Association of Conservation Districts web page.

<sup>46</sup> Mike McGrath, "National Conservation Leader says CSP a Concept Long Overdue," *The Whole Farm Planner*, Vol. 8, Number 2 (July 2003): 1.

Commodity Group Perspectives on the 2002 Farm Bill

A coalition of major commodity groups, including the National Corn Growers Association (NCGA), the American Soybean Association, the National Association of Wheat Growers, the National Cotton Council and the National Barley Growers Association held meetings before the hearings and presented a unified position in their testimony on the conservation provisions of the bill. Speaking for the group Bill Horan told the House of Representatives agriculture subcommittee on Conservation, Credit, Rural Development and Research that the group favored continuation of the Conservation Reserve Program, Wetlands Reserve Program, and Wildlife Habitat Incentives Program. They wanted the Environmental Quality Incentives Program modified so that more producers could participate. The selection of priority areas under the 1996 legislation had left some farmers outside priority areas, and thus not eligible for the cost-share payments.

The coalition of commodity groups also endorsed the concept of what became the Conservation Security Program under the title of the Conservation Environmental Incentive Payment Program. One justification proffered for the public expenditure was to meet the increasing federal and state regulations. The required conservation management practices were sometimes costly and risky.<sup>47</sup> Horan made clear that such a conservation stewardship program was by no means a substitute for a fully funded commodity program. The new program should "provide voluntary, incentive-based options for producers, but not replace or serve as a substitute for the commodity program ...." The American Farm Bureau Federation (AFBF), in the testimony of John Lincoln, also favored an approach that provided "a guaranteed payment to participants who implement a voluntary management program to provide specific

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<sup>47</sup>U.S., Congress, House, Committee on Agriculture, *Formulation of the 2002 Farm Bill*, 107<sup>th</sup> Cong. 1<sup>st</sup> sess., Hearings, Serial No. 107-10 (Washington, "U. S. Government Printing Office, 2001), pp. 25-27.

public benefits by creating and maintaining environmental practices.”<sup>48</sup> The AFBF also recognized that these payments would comply with green box strictures of the World Trade Organization.<sup>49</sup>

The primary conservation groups also testified and worked to maximize the impact of their perspectives and proposals. The Soil and Water Conservation Society released their report, *Seeking Common Ground for Conservation: An Agricultural Conservation Policy Project*, on the morning that Craig Cox, SWCS Executive Director, testified before Congress. Among several recommendations based on grass-roots meetings, the report proposed a “minimum of \$3 billion annually for a stewardship-based farm and ranch program that rewards producers for utilizing their land, labor, and capital to enhance the environment.”<sup>50</sup> In his testimony Cox emphasized stewardship payments as a way “to keep people on the land and care for the land at the same time....”<sup>51</sup> SWCS did not advocate elimination of the CRP and WRP, but thought there should be a better balance between funds for stewardship and funds for land retirement, as well as between stewardship and commodity payments. Obviously, farm groups and commodity groups would object to a comprehensive substitution of stewardship payments for commodity, or Freedom to Farm payments, based on the producer's historic average. Wisely, SWCS offered something of a middle ground, or to use their phrase, “common ground.” Producers would have the option to substitute stewardship payments for commodity payments. Stewardship payments also made producers of the non-program crops eligible. The array of farm

policy tools might still need to include crop insurance and a minimum countercyclical program to serve as a safety net.<sup>52</sup>

The Conservation Security Program did not engender opposition from grain traders and processors, as the Conservation Reserve Program had. Because CRP shifted land away from crop production, opponents argued that it encouraged foreign producers to expand acres and would over time cause the United States to lose market share. However, land in the Conservation Security Program, sometimes referred to as “working lands” would remain in production.<sup>53</sup> By not substituting green payments for commodity payments the Conservation Security Program drew support from commodity and environmental groups. The 2002 approach also did not mix or contain multiple objectives, did not try to shift farm structure toward small farms, or favor alternative agriculture approaches over conventional production practices. These differences in the 2002 proposals from earlier versions of green payments won support from commodity groups and mainstreamed the idea. The Senate version of the 2002 farm bill included the Conservation Security Program, whereas the House versions did not. However, in crafting the Farm Security and Rural Investment Act of 2002, the conferees retained the Conservation Security Program with some modifications.<sup>54</sup>

USDA is in the process of formulating the program rules for implementing the Conservation Security Program. The purpose of this program is the “conservation and improvement of the quality of soil, water, air, energy, plant and animal life, and any other conservation purpose, as determined by the Secretary.”<sup>55</sup> While the details remain

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<sup>48</sup> *Ibid.* page 29.

<sup>49</sup> *Ibid.* pages, 28, 37, and 40-41. The commodity groups also endorsed the Conservation Security Program in the Senate. See U.S., Congress, Senate, Committee on Agriculture, Nutrition, and Forestry, *Conservation* 107th Cong. 1st sess., S. Hrg. 107-225, pp. 244-246.

<sup>50</sup> *Seeking Common Ground For Conservation: An Agricultural Conservation Policy Project* (Ankeny, Iowa: Soil and Water Conservation Society, 2001), p. 6.

<sup>51</sup> *Formulation of the 2002 Farm Bill*, p. 106.

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<sup>52</sup> *Formulation of the 2002 Farm Bill*, p. 118.

<sup>53</sup> *Food and Agricultural Policy: Taking Stock for the New Century* (Washington, D.C.: U. S. Department of Agriculture, September 2001), p. 73.

<sup>54</sup> U.S., Congress, House, *Farm Security and Rural Investment Act of 2002, Conference Report to accompany H. R. 2646*, 107<sup>th</sup> Cong. 2d sess., Report 107-424. pp. 477-479.

<sup>55</sup> *Farm Security and Rural Investment Act of 2002, Conference Report to accompany H. R. 2646*, p. 94.



to be developed, the legislation combines some of the traditional cost-share approaches with the rewards for stewardship first posited in the Conservation Incentives Program of the early 1980s. The legislation provides for base, enhancement, and maintenance payments, recognizing producers that are already doing a good conservation job and who agree to maintain their systems that produce environmental benefits. Also, it provides for the additional payments to enhance the levels of benefits. The legislation established three tiers or levels of participation. Much work remains in writing the rules to ensure that the spirit of the legislation is met and a workable program is delivered.

## **Conclusion**

The Conservation Security Program has its antecedents more than a quarter century of conservation policy discussions that commenced with passage of the Soil and Water Resources Conservation Act of 1977. During this time, agricultural and conservation policy specialists from academia, conservation advocacy groups, and government agencies have offered a plethora of alternatives to traditional farm programs. Some ideas were promising enough to be introduced as legislation after gaining the support of legislators. Farm organizations such as the American Farm Bureau Federation and the National Farmers Union and commodity organizations such as the National Corn Growers Association (NCGA), the American Soybean Association, the National Association of Wheat Growers, the National Cotton Council and the National Barley Growers Association weighed in with positions and proposals and more importantly with their influence with farm state Representatives and Senators. While conservation groups and academic-based analysts put forth ideas and have an influence on the agenda, the influence of the commodity groups is critical to conservation policy success in farm bills. The actions of the commodity groups in forming a coalition, and presenting a unified position in favor of the Conservation Security Program proved critical to its inclusion in the 2002 farm bill.

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