

FARM FOUNDATION

December 4, 2013 Strategic Conservation Solutions

Glickman



- Former U.S. Agriculture Secretary Dan Glickman:
“The world’s farmers, ranchers and fishers will be expected to produce more food in the next 40 years than they have had to in the last 8,000 years combined.”

Global population projections



- **UN global population projections¹**
 - 6.92 billion in 2010
 - 7.72 billion in 2020
 - 8.42 billion in 2030

¹Population Division of the Department of Economic and Social Affairs of the United Nations Secretariat (2013). World Population Prospects: The 2012 Revision. New York: United Nations.

Growth of the global middle class



- **According to a study by OECD², the global middle class will also continue to grow:**
 - ▣ 1.85 billion in 2010
 - ▣ 3.25 billion in 2020
 - ▣ 4.89 billion in 2030

² Kharas, Homi (2010). The Emerging Middle Class in Developing Countries. *Organisation for Economic Co-operation and Development*.

Sustainable Intensification



- Producing more on the very best land
- Maximizing production while minimizing risk of environmental impact
- Sustainable intensification is driven mostly by the marketplace and by individual decisions;
- Conservation community is concerned about the implications of this wave of intensification and struggling to understand the impacts.

Sustainable Intensification

Last Generation

- Genetic
- Mechanical
- Labor

Next Generation

- Inch vs. Acres
 - ▣ Water
 - ▣ Fuel
 - ▣ Nutrients
 - ▣ Sunlight
 - ▣ Space

Sustainable Intensification Drivers



- Market place – demand for food, feed, fuel and fiber
- Productivity efficiency
- Policy Impacts?
 - ▣ Farm Programs
 - ▣ Trade Policy
 - ▣ Research
 - ▣ Crop Insurance
 - ▣ Conservation

Acreeage in the U.S. 2013



- 95.3 million acres of corn
- 76.5 million acres of soybeans
- 56.2 million acres of wheat
- 27.1 million acres of CRP
- 10.3 million acres of cotton
- 8.1 million acres of sorghum
- 2.5 million acres of rice

Farm Bill – Where have we been?



- 1985 – Farm Crisis
- 1990 – Still recovering
- 1995-6 – Strong prices – Freedom to Farm
- 2002 – Strong budget – New programs, new \$
- 2008 – More of the same
- 2013 – Fiscal austerity and Partisanship
- “Congress tends to write farm bills looking in the rearview mirror”

2013 Farm Bill



- Both the Senate (S. 954) and House (H.R. 2642) bills reduce funding over the next 10 years and consolidate the number of conservation programs
- Senate bill – \$3.5 billion reduction in mandatory funding over next 10 years
- House bill – \$4.8 billion reduction in mandatory funding over next 10 years

Conservation & the 2013 Farm Bill



- Conservation Reserve Program
 - Reduces acreage enrollment cap (currently 32 million) to 25 million acres (Senate) and 24 million (House)
- Environmental Quality Incentives Program
 - Senate bill reduces funding by almost \$1 billion over 10 years; House includes no reduction in funding
- Conservation Stewardship Program
 - Reduces acreage enrollment cap (currently 12.8 million) to 10.3 million (Senate) and 8.7 million (House)

Conservation & the 2013 Farm Bill



- Both bills create two new programs
 - ▣ Agricultural Conservation Easement Program (ACEP)
 - Wetlands Reserve Program, Farmland Protection program, and Grasslands Reserve Program are repealed and consolidated within ACEP
 - ▣ Regional Conservation Partnership Program (RCPP)
 - Agricultural Water Enhancement Program, Chesapeake Bay Watershed program, Cooperative Conservation Partnership Initiative, and the Great Lakes Basin program are repealed and consolidated within RCPP.

Conservation Compliance and 2013 Farm Bill



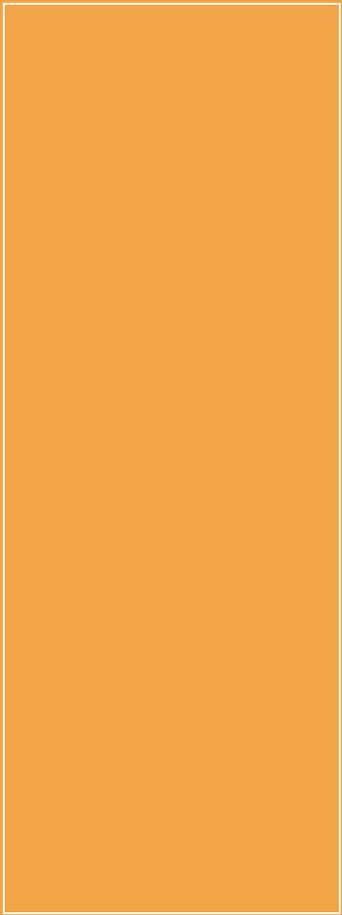
- Significant difference between House and Senate
- Compliance linked to crop insurance in Senate, but not in House package
- Compliance linked to shallow loss and marketing loans in both bills

Conclusion



- Conservation program consolidation will be a positive.
- Conservation groups are resigned to the budget reductions.
- Conservation compliance is one of the thorniest debates in the farm bill, and the issues are more philosophical than practical.
- Time to move from farm bill debate to rule making and implementation.

Thank you



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