Executive Summary

For the last two and half decades, farmers have agreed to practice basic conservation practices on designated vulnerable lands in return for receiving certain federal benefits. As a result, farmers have saved millions of acres of wetlands and kept billions of tons of soil on farms, ensuring that millions of acres of marginal, erosion-prone soil have remained healthy and productive. As Congress reauthorizes the farm bill, it is critical that the conservation gains that have made over the last 25 years be maintained by reattaching the crop insurance premium assistance to conservation compliance.

Conservation compliance is a reasonable expectation in exchange for the significant benefits the public provides for producers. As direct payments are eliminated or reduced in favor of increased insurance support, the link between conservation compliance and federal subsidies to farmers must be maintained by including the crop insurance premium assistance from USDA. It is a reasonable expectation that producers with vulnerable lands either continue to follow a conservation plan, or, if newly covered, develop and apply a conservation plan as the farm safety net evolves.

Conservation compliance has been highly successful. Because conservation treatments have been applied to over 140 million acres, farmers have saved 295 million tons of soil per year—soil that has been held in place and kept from entering our rivers, lakes, and streams. Further, an estimated 1.5 million to 3.3 million acres of vulnerable wetlands have not been drained as a result of compliance.

Most producers are already in compliance. At the present time, mainly due to current Title I benefits, most crop producers on highly erodible land are already subject to conservation compliance and thus already have a conservation plan for vulnerable areas. In 2009, less than 2 percent of corn production, 2 percent of soybeans, and 5 percent of wheat production was covered by crop insurance but not already included in compliance. For cotton and rice, it is less than one percent.

Re-attaching crop insurance premiums to conservation compliance will lead to minimal administrative burden. USDA agency responsibilities and procedures for compliance are already clearly spelled out and this established process would continue to be used going forward. Producers would typically self certify that they are in compliance and would continue to receive USDA program benefits, including premium assistance. USDA procedures are the same regardless of what program benefits are covered by compliance until the very last step—denial of benefits—and that would only apply if a producer chooses not to follow a conservation plan on highly erodible lands or drains a protected wetland.

Conservation compliance includes common-sense protections for farmers. Under the proposal a producer who is newly covered by compliance requirements has five years to develop and implement an approved conservation plan. Any newly covered producer would have the full set of exemptions and protections as producers currently covered by compliance. Producers out of compliance could still purchase crop insurance—they just would no longer receive the premium subsidy.

Conservation compliance saves money. Re-establishing the link between compliance and crop insurance would save about $55 million in federal outlays over ten years.

The protection of highly erodible cropland and wetlands should be viewed as a responsible tradeoff in exchange for the public support provided to producers—including the premium subsidy for crop insurance. Ultimately, this important step in protecting our natural resources must be recognized as the right thing to do for farmers and for the public.
Over the last 25 years, one of the least publicized conservation efforts may have actually been one of the most effective. Known as conservation compliance, for the last two and half decades, farmers have agreed to basic conservation practices on certain vulnerable lands in return for receiving certain federal subsidies. The results of this “conservation compact” between farmers and taxpayers have been astounding. Data show that millions of acres of wetlands have been saved, billions of tons of soil have stayed on farms instead of entering waterways, and millions of acres of marginal, erosion-prone soil have remained healthy and productive.

As Congress reauthorizes the farm bill, it is critical that the conservation gains made over the last 25 years be retained. Unless included in the farm bill, there is a possibility that, for the first time in a quarter century, conservation compliance provisions will no longer be attached to the largest federal payment program supporting producers.

As federal farm policy is updated, it is increasingly likely that some commodity programs will be phased out in favor of a strengthened crop insurance program that is becoming the core component of the farm safety net. Therefore, in the view of the author, it seems essential that conservation compliance also be updated to include the crop insurance premium assistance. This paper specifically addresses the core questions surrounding this important public policy issue and presents important facts that can dispel some of the rhetoric opposing such action.

There is a great deal at stake: Approximately 100 million acres of U.S. cropland (about 25 percent of all cropland) are considered highly erodible according to the U.S. Department of Agriculture (USDA). At the same time, the National Resources Inventory shows there are around 26 million acres of wetlands on cropland, pastureland, Conservation Reserve Program (CRP) acres, and rangeland—some of which are at risk of being converted to agricultural production. These vulnerable lands are protected – and must continue to be protected – through the combination of incentive based programs and conservation compliance provisions.

### History

Conservation compliance was first established in the 1985 Food Security Act (the 1985 Farm Bill) in large part to reduce the adverse effects that some USDA programs were having in encouraging farming on vulnerable lands. It established a five year period for covered producers to develop a conservation plan for highly erodible acres and another five year period for implementing the conservation plan on those acres. In subsequent farm bills, a series of protections and waivers were established as a means to ensure reasonable protection for farmers for things beyond their control (like weather events) or for unintended and minor infractions. USDA, working with a range of stakeholders, put in place a system that effectively assists producers today, helping them come into and stay in conservation compliance. Through this system, producers not only remain eligible for USDA program benefits by staying in compliance, they also help protect vulnerable lands and wetlands.

The 1985 Farm Bill included crop insurance among the list of USDA program benefits that were tied to conservation compliance provisions. In the 1996 Farm Bill, however, federal crop insurance benefits were removed from this list. This was due to an effort by lawmakers to encourage producers to participate in federally subsidized crop insurance, a major policy goal of the 1996 legislation to reduce government disaster programs for farmers. About 100 million acres of cropland were covered in 1990 and 280 million acres thus far in 2012 (as of September 3, 2012). Importantly, however, most of this increase occurred prior to the 1996 Farm Bill and thus cannot be logically attributed to the removal of crop insurance premium subsidies from the benefits linked to compliance.

As demonstrated in Figure 1, a large increase in acreage covered by crop insurance occurred in 1994-95, from 99.7 to 220.6 million acres, likely due to the passage of the Federal Crop Insurance Reform Act of 1994, which improved the insurance program—but removing crop insurance from conservation compliance did not increase insured acreage in crop insurance.

USDA programs—specifically the farm safety net—have a significant impact on how producers decide to use their land. The safety net programs tend to encourage producers to expand production on marginal lands of crops with greater risk of erosion, unless protected with conservation practices. Therefore, as the farm safety net evolves, the programs and benefits linked to conservation compliance must also evolve in order to protect vulnerable lands and wetlands.
Conservation compliance has two main components: wetlands conservation and highly erodible lands conservation.

Wetlands conservation, commonly called swampbuster, would deny loans or payments to a person who either:

1) produces an agricultural commodity on a wetland converted after December 23, 1985, or
2) converts a wetland after November 28, 1990 to make production of an agricultural commodity possible.

There are numerous exceptions, such as minimal effect and mitigation through wetland restoration. Wetland conservation requirements help preserve the functions and values of wetlands.

Highly erodible land (HEL) conservation is a provision that disallows USDA loans or payments to persons growing an annually tilled agricultural commodity on highly erodible land with prior cropping history unless the person is following a conservation plan that substantially reduces erosion on that land.

A special case of highly erodible land conservation, commonly called sodbuster, is where the highly erodible land was converted from native vegetation for growing an annual agricultural commodity. In this case, a conservation system must be followed that does not substantially increase soil erosion but in no event can it exceed the soil loss tolerance.

A field is considered highly erodible if the highly erodible soil map units in a field make up one third or more of the field or if the highly erodible land in the field totals 50 acres or more. Noncommercial production on two acres or less is exempt.

Figure 1: Participation in crop insurance 1989-2012

Removing crop insurance from compliance in 1996 did not increase participation in crop insurance. Insured acreage fell by 22 million acres from 1996 to 1997.

Source: Risk Management Agency, USDA

WHAT IS CONSERVATION COMPLIANCE?

Conservation compliance has two main components: wetlands conservation and highly erodible lands conservation.

Wetlands conservation, commonly called swampbuster, would deny loans or payments to a person who either:

1) produces an agricultural commodity on a wetland converted after December 23, 1985, or
2) converts a wetland after November 28, 1990 to make production of an agricultural commodity possible.

There are numerous exceptions, such as minimal effect and mitigation through wetland restoration. Wetland conservation requirements help preserve the functions and values of wetlands.

Highly erodible land (HEL) conservation is a provision that disallows USDA loans or payments to persons growing an annually tilled agricultural commodity on highly erodible land with prior cropping history unless the person is following a conservation plan that substantially reduces erosion on that land.

A special case of highly erodible land conservation, commonly called sodbuster, is where the highly erodible land was converted from native vegetation for growing an annual agricultural commodity. In this case, a conservation system must be followed that does not substantially increase soil erosion but in no event can it exceed the soil loss tolerance.

A field is considered highly erodible if the highly erodible soil map units in a field make up one third or more of the field or if the highly erodible land in the field totals 50 acres or more. Noncommercial production on two acres or less is exempt.
Keeping Up With the Times

Currently, producers enrolled in Title 1 and Title 2 farm bill programs, as well as various other USDA benefit programs, may be subject to conservation compliance. In exchange for these benefits, producers with highly erodable land or wetlands must satisf[y conservation compliance requirements. With the proposed 2012 Farm Bill, a significant part of the current farm safety net—direct payments—is being repealed. This means that the largest program by far linked to conservation compliance will be removed. From a Federal policy standpoint, there is a real risk that some farmers will consider forgoing other, smaller program payments in order to no longer be subject to conservation compliance, particularly when high crop prices are an economic incentive to plant crops on vulnerable lands. These producers would still benefit from subsidized crop insurance, which is increasingly becoming the central component of the farm safety net in place of direc[t payments. The federal crop insurance premium assistance for 2011 in the aggregate amounted to $7.46 billion, and covers on average 62 percent of the total insurance premium for a producer.6,12

The Senate-passed version of the 2012 Farm Bill in the last Congress included an amendment offered by Senator Saxby Chambliss (R-GA) that would re-attach conservation compliance requirements to the federal premium subsidy for crop insurance. This amendment, which passed in a bipartisan vote, includes some common sense provisions for producers. For instance, it allows those producers who have never been subject to compliance a five year grace period to help smooth the transition, as was the case in the beginning of conservation compliance in the 1985 legislation.

Re-attaching conservation compliance provisions to crop insurance premium subsidies would help ensure that federal support for crop insurance encourages producers with vulnerable lands to maintain the compliance gains that have been in place for decades.

Conservation Compliance: A Reasonable Expectation

Conservation compliance is a reasonable expectation of farmers who receive USDA benefits, including assistance for crop insurance premiums. If a producer has highly erodable land (HEL), there are no restrictions on any agricultural use of that land; the only requirement is that the producer must develop and implement a responsible conservation plan on those acres. The producer is still eligible for any and all USDA program benefits, including the crop insurance premium assistance, and vulnerable lands and wetlands are protected.

For those producers who already participate in the conservation compliance program, there is no additional burden or requirements. Most producers with HEL are currently covered because they receive direct payments or other benefits under Title I farm bill programs. It can be expected that these producers can simply continue to follow their existing conservation plan even as the farm safety net evolves more towards insurance. This is because the additional cost of compliance—if the crop insurance premium is included among covered programs—is essentially zero to the producer already following a conservation plan on their vulnerable lands.

Benefits of Conservation Compliance

During the decades since it was established, conservation compliance has been a highly successful example of a social contract between farmers and the public. With help from USDA, producers have developed and implemented more than a million conservation plans, covering over 140 million acres, a significant portion of which were on land that had little or no prior conservation practices.11 Because of these conservation plans, producers have been able to reduce the amount of erosion on their farms considerably. According to the USDA Economic Research Service (ERS), from 1982 through 1997, conservation compliance accounted for about 40 percent of the reduction in erosion on land classified as highly erodable—or about 25 percent of erosion reduction on all cropland.2,3 This amounts to 295 million tons of soil per year4—an amount that would cover Washington DC with four and a half feet of soil every year—that has been held in place and kept from entering our rivers, lakes, and streams, or clogging our ditches or blowing away with the wind.

Soil health has significantly improved as a result of the conservation practices that producers have adopted as part of their conservation plans. Soil organic matter increases when no till and conservation tillage practices are implemented, triggering improved water retention and soil productivity. Also, because producers typically spread their capital costs by using equipment over larger acreages, many producers have implemented conservation systems on non-highly erodable cropland as well as their highly erodable lands. For example, a producer who has bought a no-till planter for use on HEL acres is most likely to use the planter on more than just those acres.

Conservation compliance has also been very effective in protecting vulnerable wetlands. ERS estimates that between...
1.5 million and 3.3 million acres of vulnerable wetlands—those wetlands adjacent to cropland with highly productive wetland soils—have not been drained has a result of compliance. These wetlands are increasingly being understood by farmers as valuable filters for their farms and areas where wildlife needs are crucially met for habitat and water supply. The gains already achieved could be reversed if conservation compliance shrinks as the farm safety net changes.

The gains already achieved in protecting vulnerable cropland and wetlands could be reversed if conservation compliance shrinks as the farm safety net changes.

Who is covered by Conservation Compliance?

Most Producers are Already in Compliance

For those producers who are already participating in conservation compliance, re-linking it to crop insurance will not change anything. Altogether, it is estimated that the vast majority of commodity crop growers are already subject to conservation compliance and thus already have a conservation plan that would cover vulnerable areas. An analysis by ERS indicates that only 2 percent of corn production benefits from crop insurance but is not already subject to compliance from Title I benefits. Similarly only 2 percent of soybeans and 5 percent of wheat currently have crop insurance but are not currently participating in other USDA programs. The share is less than one percent for cotton and rice production. In reality, only a fraction of these lands would be newly subject to compliance as the requirements only apply to those areas that are HEL or wetlands—a fact that the ERS analysis does not reflect due to data limitations. Therefore, if conservation compliance is re-attached to crop insurance, only a small percentage of producers will be newly covered.

Newly Covered Producers

If crop insurance premium assistance were included now as a covered program, those newly covered producers would reflect a variety of farming operations. However, conservation compliance is not based on any identified crop. Instead, compliance is based on planting and producing an agricultural commodity that is annually tilled on land defined as highly erodible. Producers who have HEL or wetlands (unless converted prior to 1985, therefore no longer deemed wetlands under the law) and participate in any commodity program (like Direct Payments) or any conservation program (like the Conservation Reserve Program) are currently covered by conservation compliance.

Newly covered producers could include specialty crop producers who receive premium assistance for crop insurance. Of this group, only annually tilled crops grown on land that is either highly erodible or contains wetlands would be affected. Because the law defines agricultural commodity for compliance purposes as annually tilled, any crop that is not annually tilled would be exempt. That means that tree fruits, nuts, vineyards and similar crops are excluded from conservation compliance.

Additionally, many vegetables and fruits are not likely to be included under conservation compliance because most are grown in parts of the country other than where most HEL cropland is located (See Figure 2). Most tilled vegetables and other fruits are grown on relatively level fields that are not highly erodible. Similarly, because sugar beets are always planted in rotation with other crops, including wheat, soybeans, corn, barley and oats, all of which rely heavily on Title 1 programs, this co-production means that most of these farm operators are already subject to conservation compliance.

Potatoes grown on HEL or land containing wetlands would be newly covered by compliance requirements if the producers participate in federal crop insurance. However, the average annual rate of erosion on land used for potato production is about 8 tons per acre—about 3 tons above levels that allow the soil to replenish itself. To protect these lands, compliance with a conservation plan would be helpful not only for the protection of the vulnerable soil, but also for the long-term economic viability of these producers.

In those situations where a producer with HEL may be newly covered by compliance requirements due to re-linking with crop insurance premium subsidies, there is a five year period for the producer to develop and implement an approved conservation plan. For those producers, simply following an NRCS-approved conservation plan would enable them to remain eligible for the crop insurance premium assistance.

Because the law defines agricultural commodity for compliance purposes as annually tilled, any crop that is not annually tilled would be exempt. That means tree fruits, nuts, vineyards and similar crops are excluded from conservation compliance.
Highly erodible land is scarce in California and Florida which, together, produce 51.7% of the value of U.S. specialty crops. 
Source: Natural Resources Conservation Service, USDA

How Conservation Compliance Works:

Conservation Plans

Conservation plans have not been demonstrated to be a large burden for producers. Typical conservation plans for HEL involve relatively inexpensive management measures like no-till planting, crop residue management, crop rotations, cover crops, or sometimes use of structural practices like grassed waterways and contour farming. While the specific practices vary by farm as well as state and region, there is a wide range of optional practices that producers can easily adopt without harming their bottom line. Further, producers can tailor the conservation plan to their specific operations, doing what fits best for them while achieving the desired land protections. Technical and financial assistance from USDA may be available to assist producers implement their plan. If needed, assistance may be available for cost-sharing of practice costs through the Environmental Quality Incentive Program or perhaps for a loan guarantee under the Conservation Loan Program.

Administrative Process and Procedures

Currently, in order to qualify for many USDA program benefits, producers must self certify on USDA’s form AD-1026, indicating that they are in compliance with eligibility requirements. Upon submission of this signed form, the producer remains eligible for all USDA program benefits. With this system already in
There will be no added administrative burden should crop insurance premiums be added to the list of USDA benefits linked to conservation compliance.

In fact, during the 1985 to 1996 period when conservation compliance was linked to crop insurance, USDA handled crop insurance the exact same way as all other USDA program benefits. There was nothing different about crop insurance premium assistance during that period that created a further administrative burden compared to the other USDA programs linked to compliance. During that time, the Natural Resources Conservation Service (NRCS) assisted the vast majority of covered producers with HEL cropland in developing suitable conservation plans for their operations. While there will be some additional work within NRCS in helping to bring newly covered producers into compliance, it is the essence of their primary mission and will be necessary in relatively small numbers compared to the earlier challenge in the late 1980’s.

**Agency Responsibilities**

In addition to helping producers create conservation plans, NRCS also has responsibility for making the technical determinations of which lands are considered highly erodible and which lands are determined to be wetlands. NRCS is also responsible for status reviews, which allow them to determine whether a conservation plan on HEL was being followed or whether a wetland was drained. The Farm Services Agency (FSA) has responsibility for the general supervision of day-to-day conservation compliance operations and is the agency responsible for determining whether a producer should lose USDA program benefits. These responsibilities and procedures are clearly spelled out in existing agency manuals.

**Status Reviews**

NRCS determines whether producers are in compliance through a system of status reviews on a 5 percent random sample of tracts. According to an audit report from USDA’s Inspector General, 98 percent of status reviews from 2002 through 2006 were in compliance. If NRCS, through their technical determination, finds that the producer is not applying a conservation plan, then FSA would be notified and a flag would be put on that record in their automation system, signifying that the farm had HEL or a wetland and is in potential violation of compliance requirements. The producer would be notified and given an opportunity to appeal the determination and, if non-compliance was due to good faith without intent to violate, the producer would have a one year period to come back into compliance—during which time the producer would not lose any USDA program benefits. This is an established process for handling conservation compliance and would be used going forward if crop insurance premium assistance is subject to compliance.

**Non-compliance**

In the event that a producer does not come into compliance during the one year grace period and does not meet any of the conditions for a waiver or other exemptions, FSA would then determine that the producer is ineligible for the covered USDA program benefits for that specific crop year. If insurance were re-linked to compliance, the possible loss of benefits would include the crop insurance premium subsidy, so the producer would need to cover the remaining premium so the insurance coverage would remain in force. In this case, producers could still purchase crop insurance— they just would no longer receive the premium subsidy from USDA.

The actions taken by both NRCS and FSA in the compliance process do not change with any addition of crop insurance premium subsidy among the covered program benefits. The procedures are the same regardless of what program benefits are covered by compliance until the very last step—denial of benefits—and that would only be the case if a producer intentionally chooses not to follow a conservation plan on the vulnerable land or drains a protected wetland.
Exemptions and Protections

Any newly covered producer would have the full set of exemptions and protections as producers currently covered by compliance. Additionally, most wetland conversions in the U.S. happened prior to the 1985 Act and are therefore exempt from the wetlands conservation requirements. The farm bill also provides for a number of exemptions based on technical factors such as wet areas created by irrigation systems as well as minimal effect exemptions. Further, the law allows for wetland restoration with equivalent wetland functions and values to obtain USDA program benefits in subsequent years. Adding the crop insurance premium subsidy does not change any of the established exemptions.

Conservation compliance offers numerous established, common-sense protections to ensure that producers do not lose USDA program benefits for major weather events, problems with pests or diseases, and other things out of their control. There also is relief if the conservation system would be an economic hardship for the producer. Similarly, if a producer is out of compliance without intent, there are provisions that allow a year to get back in compliance and, if applicable after the year allowance, graduated penalties for minor infractions.14

Costs and Workload

Re-linking conservation compliance to crop insurance does not involve any significant federal costs. The Congressional Budget Office has estimated that this provision, as in the Senate approved bill (S.3240), would actually save about $55 million in federal outlays over ten years.5,15

Crop Insurance Agent Workload

As crop insurance is increasingly used by producers to help protect against crop losses, farmers have regularly interacted with crop insurance agents. Once the crop insurance premium subsidy is re-attached to conservation compliance, the insurance agent should not have any new work to do. The agent already must notify USDA what farms have enrolled in crop insurance, and that would not change. The agent does not and would not have any responsibility for any part of compliance related activities.

USDA Workload

While most HEL determinations have already been completed, there will be a modest addition to NRCS’s workload in terms of developing conservation plans and assisting producers to implement suitable systems. This workload will be spread out over the five year implementation period for producers who are newly covered by HEL compliance requirements. NRCS would also need to complete some additional certified wetland determinations as requested by producers. Beyond that, additional administrative costs for NRCS are essentially zero because on-going compliance activity is already required for Title 1 purposes.

The Risk Management Agency will likely have some additional activities, such as determining if a producer eligible for crop insurance premium subsidy has led the form AD-1026 certifying being in compliance with HEL and wetlands conservation requirements. Between 1985 and 1996, and currently for disaster assistance, information sharing between FSA and RMA allows them to smoothly accomplish internal USDA record keeping. As USDA systems are upgraded and streamlined, it is expected that this information sharing will continue.

Producer Workload

Re-linking compliance to the crop insurance premium subsidy essentially has no additional administrative burden for a high percentage of producers. Crop insurance support—the premium assistance—would be among the list of USDA program benefits shown on form AD-1026, and all affected producers must sign this form to indicate that the farm is in compliance. If a producer is newly covered, this self certification should be easy to accomplish. With continued automation, self certification is likely to be handled online with the producer simply clicking a box and submitting the certification to USDA.

If a producer is uncertain if compliance would apply to their farm, they can contact their local NRCS or FSA office for information and assistance to ensure that they are in compliance in order to obtain all USDA program benefits, including the insurance premium assistance.
Conclusion

Over the last 25 years, conservation compliance has been highly successful in protecting vulnerable cropland and wetlands. As the farm safety net changes, however, the effectiveness of this important program, along with the benefits that it has created, is now at risk. Since crop insurance is likely to replace direct payments as the central component of the farm safety net, it remains logical for the law to be updated to include the federal premium assistance for crop insurance among those USDA program benefits included under conservation compliance. Without this linkage, we risk losing the tremendous gains we have made over the last 25 years for both producers and society.

Re-attaching conservation compliance to crop insurance subsidies should be fairly easy to achieve for USDA since the administrative processes are already in place for handling compliance. The only item of change would be adding the premium assistance among the covered benefits that could be denied if a producer intentionally violated the compliance requirement. Further, most producers buying crop insurance are already covered by compliance requirements at the present time due to other USDA programs, so a relatively modest number of producers would be newly covered if the proposal is adopted by Congress now.

It is a reasonable expectation that producers with vulnerable lands either continue to follow a conservation plan, or, if newly covered, develop and apply a conservation plan as the farm safety net evolves more towards crop insurance and away from direct payments. The protection of highly erodible cropland and wetlands should be viewed as a responsible tradeoff in exchange for the public support provided to producers—including the premium subsidy for crop insurance.

In summary, reestablishing the link between conservation compliance and crop insurance is simply a mechanism to retain the 25-plus year social contract that has existed between farmers and the public, to conserve our most valuable resource—the soil that makes our food, feed and fiber so abundant. In the end, good conservation is a benefit to both farmers and the public. The future of conservation must include an ethic that recognizes the inherent value of one of our most precious resources—the soil that feeds our global population and is so important economically to our farmers. With last summer’s widespread drought, major differences were registered in crop yields dependent on the quality and condition of the soil. The future health of our soils, and the long-term trust that society puts in farmers to continue to provide for our needs, is dependent on upholding this social contract between farmers and the public. Ultimately, protecting our natural resources must be recognized as the right thing to do for both.
Highly Erodible Land Conservation

Farming on land classified as highly erodible?  

- NO \[\rightarrow\] No action needed
- YES \[\rightarrow\] Growing an annually tilled crop?

- NO \[\rightarrow\] No action needed
- YES \[\rightarrow\] Already covered by HEL compliance?

- NO \[\rightarrow\] Currently applying a conservation plan on HEL acres?
  - NO \[\rightarrow\] Develops and applies a conservation plan on HEL acres?
    - NO \[\rightarrow\] Loss of premium subsidy for crop insurance
    - YES \[\rightarrow\] In compliance; retains Federal premium subsidy. Files own AD-1026 certifying that in compliance
  - YES \[\rightarrow\] No action needed
Wetlands Conservation

Was a wetland converted after November 28, 1990 to make agricultural production possible?

NO  ➔ No action needed

OR

Growing an agricultural commodity on a wetland converted after December 23, 1985?

NO  ➔ No action needed

If either of above are yes

▽

YES  ➔ No loss of benefits

Do any of the exemptions apply, including good faith and minimal effect?

YES  ➔ No loss of benefits

NO

Were the wetland functions and values restored in accordance with a wetland conservation plan?

YES  ➔ No loss of benefits

NO

Loss of premium subsidy for crop insurance
References


6. Doering, Otto, and Smith, Katherine R. Examining the Relationship of Conservation Compliance & Farm Program Incentives, C-Fare, July 2012.


