

Farm Bill Gives Congress 2024's Biggest Enviro Opportunity

By **Peter Lehner and Carrie Apfel** (January 22, 2024)

The Farm Bill is the most important environmental bill Congress will address this year.

Usually largely ignored by all but large-scale farmers and ranchers, agrochemical companies and food manufacturers — and their lawyers — it actually profoundly affects us all.

This gargantuan bill, providing roughly \$80 billion per year in nutrition assistance and \$20 billion per year in farm subsidies, must be reauthorized every five years. Having punted last year and extending it with a continuing resolution, Congress has it on the table this year.

U.S. agriculture today is one of the largest sources of air and water pollution, species loss, climate change and public health harm. Yet farmers and ranchers — and consumers — can do many things to reduce these effects and build greater resilience to climate change.

The main opportunity to accelerate the adoption of these practices is the Farm Bill, and implementation of related provisions of the Inflation Reduction Act, or the IRA.

Although our food system produces billions of pounds of food and fiber every year at a very low out-of-pocket cost to the consumer, even with the recent price increases, many studies have found the true cost of food is triple the price we see at the grocery store when the adverse effects on the environment, health and food and farmworkers are included.

Though most Americans may think their food comes from small and integrated family farms, the reality is far different. Today, most cropland is a vast monoculture of just one or two industrial-scale, chemical-intensive commodity crops, while about 99% of farmed animals are raised in concentrated animal feeding operations, which crowd tens of thousands or even millions of animals into restrictive stalls or pens.

And while, at one time, most Americans worked on farms, now fewer than 2% of Americans farm or ranch. Consolidation has gotten so extreme that only 6% of operations produce 90% of all meat, dairy and poultry.

Agriculture occupies over 60% of the contiguous U.S., mostly for grazing cattle and growing animal feed and biofuel crops, and is thus the largest driver of biodiversity loss and one of the largest sources of water and air pollution. Our food system also drives approximately one-third of climate change.

This impact is so great that the country and the world cannot meet our collective climate goals without significant changes to how we grow food. And while other sectors are reducing their emissions, agriculture's emissions are rising.

The two primary greenhouse gas emissions from agriculture are methane and nitrous oxide. Cattle and sheep guts generate methane, which is 85 times more powerful than carbon



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dioxide over 20 years. The millions of cows in the U.S. emit more methane than the fossil fuel gas system. Nitrous oxide is almost 300 times more powerful than carbon dioxide and is released in large volumes by animal manure and by farmers' routine application of more nitrogen fertilizer than crops require.

In addition, when wild land is plowed, the land releases stored carbon, and land already converted to agriculture is a missed opportunity for carbon sequestration.

Fortunately, highly polluting fossil fuel and chemical-dependent industrialized agricultural systems are not necessary to provide the U.S. with abundant, affordable, nutritious food. Alternative methods of production, including organic, regenerative and agroecological practices, are highly productive and capable of replacing the industrial-scale system that American policy currently supports.

These methods, all well-demonstrated throughout the country, include perennial crops, diverse crop rotations, precision fertilizer application, improved manure management, agroforestry, cover or winter cropping, managed or rotational grazing, and many more.

Sound agricultural law and policy — including the Farm Bill — can help accelerate adoption of these practices. And the Farm Bill is especially important for reducing environmental effects because the major environmental laws have been implemented or interpreted largely to exempt agriculture from complying with pollution standards that other industries must meet.

For example, no regulation requires industrial livestock factories even to report their hazardous air emissions or greenhouse gas emissions, and hazardous pesticide, fertilizer and manure runoff from farm fields are not regulated under the Clean Water Act. In addition, while there are minimum energy efficiency standards for buildings, appliances and vehicles, there are no standards or incentives for more climate friendly foods, so again it's up to the Farm Bill to encourage this shift.

The Farm Bill dates back to the Depression and the dust bowl, which together drew the federal government into creating farm and food safety nets. Most Farm Bill programs require congressional reauthorization every five years. Although Congress passed the last Farm Bill in 2018, it could not agree on a new Farm Bill in 2023 and passed a one-year extension of the bill's programs to Sept. 30.

Both chambers of Congress are saying they hope to get a new Farm Bill out before mid-2024.

About three-quarters of Farm Bill funding goes to the Supplemental Nutrition Assistance Program, formerly known as "food stamps," which feeds over 45 million Americans each year, and other nutrition programs. With that funding goes much of the public debate addressing work requirements, what foods are eligible, and the amount of the basic allowance.

The programs with the largest direct environmental effect are the conservation subsidies, research assistance, and commodity production subsidies and insurance. Other programs include trade and marketing assistance, forestry, farm credit, rural energy and more.

Two conservation programs, the Environmental Quality Incentives Program and Conservation Stewardship Program, together grant about \$3 billion per year to support environmentally friendly agricultural projects and practices.

For example, they can encourage carbon storage by funding cover cropping and diverse crop rotations or financing the installation of vegetative stream buffers and grass waterways to stem farm chemical runoff. However, some of the money is directed to practices that increase greenhouse gas emissions or have little effect on climate change. By better targeting these programs to prioritize climate, Congress can accelerate change.

Another conservation program, the Conservation Reserve Program, pays farmers about \$2 billion per year to rest cropland, which better sequesters carbon. But CRP contracts are not always focused on the most ecologically important lands.

Moreover, CRP contracts are generally for only 10 years, after which the land is often recultivated, undermining the climate and environmental benefits. It would be more effective to focus CRP more on ecologically sensitive land, such as stream buffers, and extend the contracts to 30 years. In addition, Congress could shift more funding to the Agricultural Conservation Easement Program, which offers permanent easements, and tie those to adopting or continuing climate friendly practices.

The Farm Bill can also expand research into climate friendly practices, which now receives a tiny portion of the shrinking pool of public agricultural research funding. For example, Congress should increase funding to the 10 regional climate hubs that link U.S. Department of Agriculture research and scientific experts with local farmers and agriculture professionals, as well as to the national and regional agroforestry centers.

The Farm Bill could also expand farmer-to-farmer training and experience sharing. And, given the need to remedy the long history of USDA discrimination, Congress should provide a 30% set aside for all climate-specific research, education and outreach funding for institutions serving Indigenous, Black, Hispanic and other communities of color.

Critical to farmers is the safety net of highly subsidized crop insurance and counter-cyclical production payments. Taxpayers fund over 60% of crop insurance premiums. Unfortunately, today's commodity programs and crop insurance system encourage unsustainable farming practices and rewards producers for continuing to farm in environmentally sensitive areas.

And the counter-cyclical incentives pay farmers based on past production and thus encourage the industrial-scale chemical and energy-intensive cultivation of commodity crops. Congress can realign crop insurance and other subsidies with climate and water friendly requirements.

The Farm Bill can also do more to reduce the colossal amount of food the U.S. wastes each year. And it can also address another form of inefficiency: meat and dairy production. While over two-thirds of all agricultural land is devoted to livestock, Americans only get about 30% of their calories from meat, dairy and eggs. Less than a quarter of cropland is devoted to food directly eaten by humans, and it takes many pounds of grains to produce a pound of beef.

Similarly, much of the Farm Bill's support goes to animal feed crops and livestock, even though meat and dairy have a far higher climate impact than vegetables and fruits. Farm Bill subsidies could provide greater support both to vegetables, fruits, mushrooms and pulses through direct payments, as well as greater marketing assistance, research, credit and manufacturing support. Such shifts in emphasis could have health benefits as well, given that the U.S. dietary guidelines recommend greater consumption of plant-based foods.

Finally, Congress could eliminate an antitransparency loophole that shields most of these government payments from public oversight. This secrecy impedes informed decision making around the proper and efficient use of taxpayer funds.

Farm Bill conservation programs got a huge boost with the 2022 IRA, which provides approximately \$20 billion over four years to existing Farm Bill conservation programs. Critically, all these funds must be used to support agricultural practices that the secretary of agriculture determines will reduce net greenhouse gas emissions or increase carbon sequestration. This was the first time Congress explicitly identified climate change mitigation as a necessary goal of agricultural funding.

It will be important that USDA direct these funds to projects that actually reduce net greenhouse gas emissions, rather than for practices like manure lagoons and aquifer draining irrigation that increase emissions in the long run. Since over half of farmers seeking conservation funding are denied due to lack of funds, the fact that IRA funding is on top of Farm Bill funding ensures that fewer farmer applicants will be turned away.

To best protect the environment and reduce agriculture's effect on climate, Congress should maintain this IRA funding as it is. Congress should also look to the IRA as it shapes the next Farm Bill and ensure that building climate resilience and assisting climate change mitigation are top priorities.

Ultimately, this will benefit farmers, ranchers and the environment by reducing emissions and by promoting sustainable, productive and resilient agriculture and protecting our natural resources.

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