

# FACT SHEET

## Environmental Quality Incentives Program (EQIP) Improvement Act (S.3498)

The Environmental Quality Incentives Program (EQIP) Improvement Act was introduced in the 119th Congress by Senators Cory Booker (D-NJ) and Mike Lee (R-UT). The bill would reform EQIP by ensuring more of the program's resources are available for family farmers and ranchers who implement conservation practices.



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### Background

Family farmers know how to steward their land and protect its natural resources, but many don't have access to the funding and resources necessary to complete conservation projects on their agricultural land.

Established in 1996, EQIP is a voluntary conservation program that provides technical and financial assistance to producers to help them implement conservation practices that protect the soil, air, water, and wildlife on their farms. The program is administered by the U.S. Department of Agriculture's (USDA) Natural Resources Conservation Service (NRCS). EQIP can cover up to 75% of the costs of certain conservation practices, and socially disadvantaged, limited-resource, beginning, and veteran farmers and ranchers are eligible for cost-share rates of up to 90%.

In recent years, EQIP has been oversubscribed, and current funding often fails to reach its intended producers and conservation projects. Between 2010-2020, the USDA turned away more than two-thirds of farmers seeking conservation assistance due to high demand, leaving nearly one million farmers without access to this much-needed support.<sup>1</sup> At the same time, EQIP funds fewer, costlier projects that disproportionately benefit large industrial operations—often addressing damage after it occurs rather than preventing it—leaving fewer resources available for small and medium-sized family farms using proactive conservation practices.

EQIP must be reformed to ensure that funds are distributed to more producers and toward projects with proven environmental benefits.

### THE EQIP IMPROVEMENT ACT WOULD:

- **Lower the payment limit from \$450,000 to \$150,000 to prevent a few large producers from monopolizing EQIP funds.**
- **Reduce the cost-share of certain practices eligible for funding through EQIP that are less effective in preserving our natural resources, such as manure lagoons.**
- **Eliminate the 50% set-aside for livestock producers to make sure resources are available for a wide variety of effective conservation practices.**

<sup>1</sup> Institute for Agriculture and Trade Policy (2022). *Payments for Pollution: How Federal Conservation Programs Can Better Benefit Farmers and the Environment*.



## Putting Taxpayer Dollars Into the Wrong Hands

Before the 2002 Farm Bill, concentrated animal feeding operations (CAFOs) were explicitly excluded from EQIP funding. Since this controversial change, large portions of taxpayer-backed EQIP funds support just a handful of costly band-aid projects that not only fail to address, but further incentivize, the harmful practices that degrade our natural resources in the first place. In some states, as much as 37% of EQIP funds are directed toward such projects—like building storage facilities or treatment lagoons to process the large amounts of waste created by

CAFOs.<sup>2</sup> The EQIP Improvement Act will ensure that program funds are used to help farmers avoid getting trapped in these industrialized systems in the first place, and support community-minded producers as they implement practices with proven environmental benefits, such as rotational grazing.

## More Bang for EQIP's Bucks

A report from the Institute of Agriculture and Trade Policy highlights the shocking fiscal inefficiency of funding industrial “conservation” projects compared to smaller-scale and more environmentally beneficial practices: While \$3 million of Minnesota’s EQIP funding was spent on just 38 “waste facility covers” for CAFOs at nearly \$80,000 each, nearly \$2 million funded 850 prescribed grazing projects in Kansas.<sup>3</sup> Directing EQIP funding towards expensive projects that support industrialized practices results in fewer family farmers receiving assistance.

EQIP funds should support family farmers and ranchers who choose to implement conservation projects with proven benefits to our natural resources. Without program reform, EQIP funds will continue to overwhelmingly benefit only a handful of the largest producers by funding projects to clean up the harm caused by industrial practices.

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<sup>2</sup> Ibid.

<sup>3</sup> Ibid.



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