UNIVERSITY OF ILLINOIS URBANA-CHAMPAIGN

POLICY DESIGN LAB

Know the Score: The Hidden Costs of Repurposing Farm Conservation Investments

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Executive Summary

$18 billion in vital assistance for farmers and ranchers is at risk if Congress repurposes the funding for conservation agriculture programs in the Farm Bill reauthorization.

In the Inflation Reduction Act of 2022 (IRA), Congress invested in conservation assistance that is available to all farmers and ranchers, providing payments that help with the costs of adopting practices that make farms and ranches more sustainable and resilient. During Farm Bill reauthorization, some negotiators may seek to eliminate this assistance and repurpose the funds for payments that are only available to a subset of farmers and only if future crop prices fall below certain thresholds. Repurposing the conservation assistance would mean fewer farmers will receive help for the numerous on-farm and business benefits of conservation practices; there are currently twice as many farmers seeking conservation assistance as funds available.[1] The hidden costs are the result of complex budget rules and are charged against any attempt to repurpose these funds. The consequences are that many farmers will lose out on conservation investments for their farms.

1. **A Hidden Cost for Withdrawing Funds Consumes Nearly $2 Billion Up Front**
   - Due to congressional budgeting procedures, a "transaction fee" will be charged to repurpose conservation funds, costing **farmers approximately $1.7 billion of the total IRA funding currently available.**

2. **Repurposing Funds Requires Paying the Economic Scoring Models, Not Farmers**
   - Widely misunderstood, another hidden cost of repurposing IRA funds is due to the economic modeling used for congressional budgeting, because it projects costs even in years where crop prices would be too high to trigger payments and **risks losing up to 60% of the funds.**

3. **Repurposing Means Paying 10 Years of Costs for Five Years of Uncertain Payments**
   - Budget law requires cost and offset projections to cover 10 fiscal years, despite the Farm Bill expiring after five years, which requires covering 10 years of projected costs for possible payments authorized for only five years and **risks losing up to 50% of the funds.**

Bottom line: USDA has paid 99.9% of the allocated IRA conservation assistance to farmers thus far; repurposing funds could cost farmers much of the investment.[2]

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[1]Coppess, J. "Farm Bill 2023: NRCS Backlogs and the Conservation Bardo." farmdoc daily (13):177, Department of Agricultural and Consumer Economics, University of Illinois at Urbana-Champaign, September 28, 2023.

[2]Inflation Reduction Act Data Visualization Tool. U.S. Department of Agriculture (2024). https://publicdashboards.dl.usda.gov/t/FPAC_PUB/views/InflationReductionActDataVisualizationTool/IRAEndofYearReport?%3Aembed=y&%3AisGuestRedirectFromVizportal=y

I. Introduction and Background

Farm Bill 101

Farm Bill
Multi-year (generally five), omnibus authorization legislation for farm, natural resources, food assistance, rural development, and other policies. Of these, there are four major types of programs that receive mandatory or entitlement funding: (1) farm payment programs; (2) conservation assistance; (3) Supplemental Nutrition Assistance Program (SNAP) low-income food assistance; and (4) crop insurance.

Farm Payment Programs
Income supporting direct payments to farmers that are authorized in a Farm Bill and paid based on price or revenue calculations. Funding comes from the borrowing authority of the Commodity Credit Corporation (CCC), which is operated by the U.S. Department of Agriculture (USDA) and used to provide assistance to farmers.

Price Loss Coverage (PLC)
One of the main farm payment programs; farmers with historic records of planting certain bulk commodities (corn, soybeans, wheat, etc.) receive payments if marketing year average prices are below fixed-price thresholds written into the statute by Congress and known as reference prices.

Reference Prices
Price-based thresholds written into the statute by Congress designed to trigger payments when average prices in the marketing year are below the threshold. Reference price levels are political decisions by Congress as to what price threshold should result in a payment to the farmer (e.g., reference price for corn = $3.70 per bushel).

Conservation Programs
Direct assistance to farmers and landowners paid in return for adopting and maintaining practices on farms that conserve natural resources, such as reducing soil erosion or fertilizers lost to waterways. Authorized in a Farm Bill, funding generally comes from the borrowing authority of the CCC; four of these programs received additional funding from the Inflation Reduction Act of 2022 (IRA).

Environmental Quality Incentives Program (EQIP)
Provides direct assistance to farmers that pays for a portion of the cost (known as cost-share assistance) for specific practices adopted on the farm for conservation purposes. Funded through the CCC, this program received an additional $8.45 billion from the IRA.

Conservation Stewardship Program (CSP)
Provides annual payments to farmers who have adopted conservation on their farms and agree to improve those efforts over five years. Funded through the CCC, this program received an additional $2.5 billion from the IRA.

Agricultural Conservation Easement Program (ACEP)
Landowners receive payments for applying long-term or permanent easement property rights to their farm for conservation purposes, such as restoring a wetland. Funded through the CCC, this program received an additional $1.375 billion from the IRA.

Regional Conservation Partnership Program (RCPP)
A consolidated conservation program that works through multiple practices and farms on a regional basis and leverages private partnership funding to achieve large-scale conservation outcomes, such as reducing nutrient losses in the Mississippi River Basin that contribute to a hypoxic dead zone in the Gulf of Mexico. Funded through the CCC, this program received an additional $4.7 billion from the IRA.

Every five years, Congress revisits the nation's food, farm, and natural resource priorities. The process culminates in reauthorization of legislation known as the Farm Bill. Farmers, like others in the post-pandemic economy, have faced challenges with inflation and rising input costs related to crop and livestock production, such as those associated with fuel and fertilizer. Despite these difficulties, the majority of farmers also enjoyed record farm incomes in recent years, primarily driven by high crop prices.[3] Congress was scheduled to reauthorize the Farm Bill in 2023, however, this was among the many items that the 118th Congress did not accomplish in its first session. More troubling, neither the House nor the Senate Agriculture committees began the process. The reasons for this impasse at the committee level involve deep-rooted challenges for the Farm Bill that implicate vital conservation assistance to farmers.

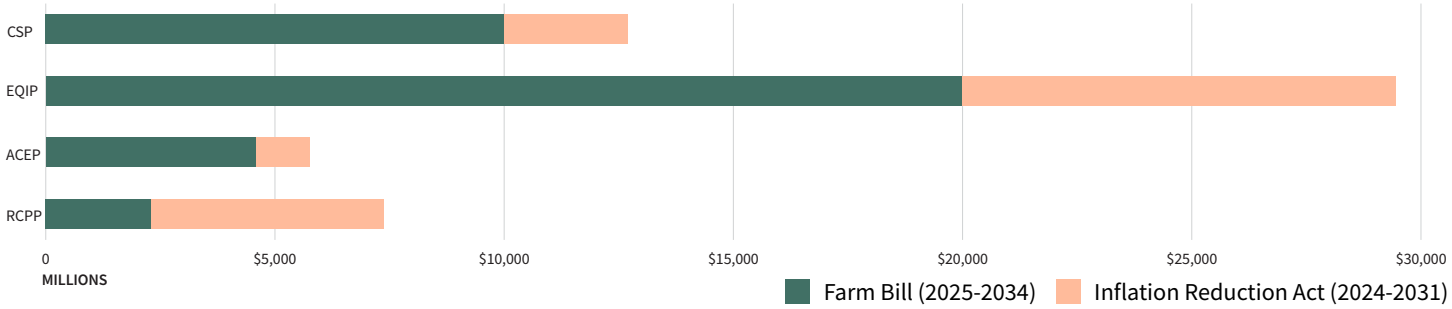
In 2022, Congress passed the Inflation Reduction Act (IRA) and provided **$18 billion** in additional funding for four incredibly popular Farm Bill conservation programs: the Environmental Quality Incentives Program (EQIP), the Conservation Stewardship Program (CSP), the Agricultural Conservation Easement Program (ACEP), and the Regional Conservation Partnership Program (RCPP).[4] The programs pay farmers to conserve natural resources by adopting sustainable farming practices, like those that reduce soil erosion and improve water quality. Investing in conservation provides economic benefits to farmers that can span generations, as well as environmental benefits for society. These programs are also reauthorized and paid for in the Farm Bill, but due to budget constraints, Congress has persistently underfunded the programs despite the strong demand from farmers, leaving the programs chronically

[3] U.S. Dept. of Agric., Econ. Research Svc., February 7, 2024.
[4] In the Inflation Reduction Act of 2022 (P.L. 117-169), Congress appropriated a total of $19.45 billion in fiscal years 2023 to 2026; of that total, $18.05 billion was for direct assistance to farmers to adopt conservation practices on their farms and $1.4 billion was for USDA's Natural Resources Conservation Service to provide technical assistance for adopting conservation practices, as well as to cover administrative costs and invest in monitoring, verification, and validation efforts for climate-smart agricultural practices.

oversubscribed. For example, on a nationwide average, twice as many farmers are approved for the assistance as there are funds available.[5] Even in the first year with IRA funding added, USDA reported that farmer demand exceeded available funds. **Figure 1** illustrates the total funding available for conservation assistance in the four programs from the Farm Bill (teal) that also received funding in the IRA (peach).[6]

Figure 1

Total Conservation Funding Available: Farm Bill and Inflation Reduction Act



In 90 years of Farm Bill history, Congress has prioritized direct assistance to farmers through policies designed to support crop prices, farm incomes, and production over policies to support farm investments in conserving natural resources. The IRA investments are unprecedented because they represent the only time Congress provided for conservation without responding to crop price concerns or prioritizing subsidy program payments. This history magnifies the importance of the IRA conservation investments, especially at a time when climate change is increasing the risks and challenges for farming.

The concerns discussed below result from the potential for negotiations to seek to boost farm payment programs (direct cash subsidies that benefit a subset of America's farmers) by raising the price-based payment thresholds (known as reference prices) for one program, the Price Loss Coverage (PLC) program. The problems of doing so are due to budget rules that require offsets to cover any projected costs. If Congress seeks to offset those costs by taking funding from the highly popular conservation assistance, budget requirements and program realities will result in many farmers losing out. The budget requirements result in hidden costs for any effort to repurpose this IRA conservation funding. Losing these investments could cause substantial and long-lasting damage to farm conservation policy, as well as the operations of farmers who are counting on the help.

II. Know the Score: The Hidden Costs of Repurposing Conservation Funds

Eliminating the IRA investments in conservation to cover projected costs of boosting farm payment programs is anything but simple and straightforward. Significant complexities are due to budget rules and procedures, which could put all of the conservation investments at risk. Repurposing these funds for the chance that other programs might trigger bigger payments for some farmers is a real gamble with hidden costs; for one, **these payments may not actually materialize because they are uncertain and contingent upon distant and unpredictable future crop prices (which rise or fall based on the market)**. In addition, analysis of congressional budget rules and projections exposes three significant hidden costs for repurposing conservation funds to gamble on payments that depend on unknowable crop prices in future years. Critical context for these hidden costs is the fact that, in the first year of the IRA, USDA reported that 99.9% of the funds available were paid to farmers, but that demand exceeded the appropriation by substantial amounts.

[5]The conservation funding shortfall relative to the farmer demand for it has been previously analyzed; for more information, see Happ, January 29, 2024; Coppess, September 28, 2023.

[6]In general, the Farm Bill authorizes spending for these programs from the Commodity Credit Corporation (CCC), and the amounts projected by CBO over the 10-year budget window are considered permanent and constitute the CBO baseline.The statutory authority for CCC funding to conservation programs is in Title 16 of the U.S. code (16 U.S.C. §3841). The baseline limits what is available to the committees, as reported in May 2023 (CBO May 2023). CBO reported total budget authority for EQIP ($20.25b), CSP ($10b), ACEP ($4.5b), and RCPP ($3b) for FY 2024 to FY 2033. Budget authority is what is available for paying farmers for conservation, but NRCS does not spend the entire budget authority each year and CBO projects outlays at a lower level ($36.335b).

For conservation programs, this experience aligns with recent history. These programs have been vastly oversubscribed for years because Congress has failed to fund the programs at levels sufficient to meet the demand. Losing money to budget rules has real consequences for farmers.[7]

1. A Hidden Cost for Withdrawing Funds Consumes Nearly $2 Billion Up Front

The first problem is a hidden, up-front cost that is required for any attempt by Congress to use the IRA conservation funds for any other program. It is the equivalent of a transaction fee, similar to an ATM fee, that charges the user (in this case the Agricultural Committees of Congress) to withdraw the IRA funds. Here's how it works: Congress appropriated the funding to the conservation programs and the full amount is available for USDA to pay farmers. For budgeting purposes, CBO projects spending levels for those funds that are lower than the amounts available. If the committees repurpose those funds, budget rules limit what can be used as an offset to the CBO projected spending, not the full appropriation. The hidden cost is because of repurposing under budget rules; if the funds remain as appropriated by Congress, the full amount is available to farmers.

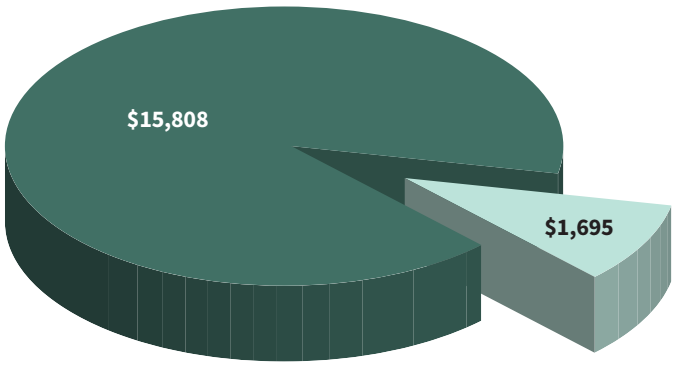
Importantly, USDA reported spending over 99% of the available funds in Fiscal Year (FY) 2023, and demand exceeded the appropriation, but this has little impact on CBO spending projections.[8]

The hidden transaction fee will cost farmers nearly **$1.7 billion** of the total IRA funding. Of the $18 billion appropriated for the programs, CBO estimates $547 million spent as of February 2024, leaving $17.5 billion for FY2025 to FY2031. CBO projects $15.8 billion in spending, however. Under budget rules, only the projected spending can be used as an offset, which means that nearly $1.7 billion in potential payments to farmers for conservation will disappear if the funding is withdrawn.
Figure 2 illustrates the hidden cost for withdrawing (repurposing) IRA funds.

2. Repurposing Funds Requires Paying the Economic Scoring Models, Not Farmers

While the details of CBO's scoring methods are not public, the basic concept is built on economic modeling to project crop prices over 10 years into the unknowable future. Because of the vast uncertainties in doing so, CBO economic models are understood to try to account for the risk and unknowns by calculating thousands of

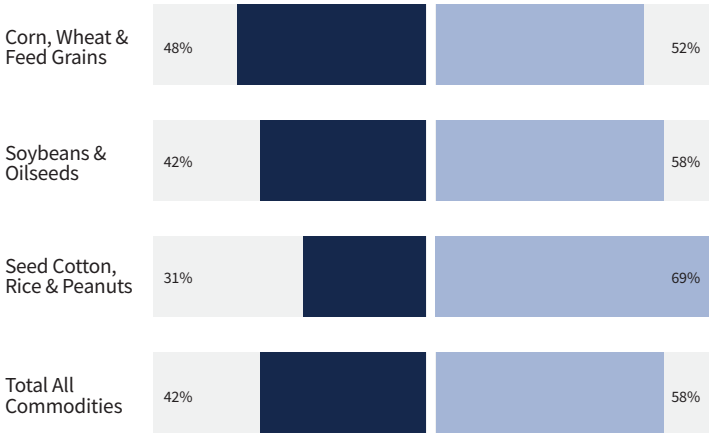
Figure 2
Hidden Cost of Withdrawing Funds



Funds Available as an Offset (in millions)
Hidden Cost of Withdrawing (in millions)

Figure 3
Projected Costs of Price Loss Coverage Program Payments

Actual Payments Are Made ONLY When Actual Prices Are Below the Reference Price Threshold.



Based on Congressional Budget Office February 2024 Projections for Crop Prices and Outlays.

Created with Datawrapper

Share of Projected Payments When Prices Are Below the Threshold
Share of Projected Payments When Prices Are Outside the Threshold

[7]U.S. Dept. of Agric., Press Release, Sept. 19, 2023; U.S. Dept. of Agric., Press Release, Sept. 28, 2023; Inflation Reduction Act Data Visualization Tool; Coppess, Sept. 28, 2023.
[8]See U.S. Dept. of Agric., Inflation Reduction Act Data Visualization Tool.

different price scenarios. To get cost projections, CBO presumably averages the payments that would be made under these thousands of price scenarios. The result is clear: CBO projects costs in years that would not result in payments if the projected price turned out to be the actual price for that year.

If Congress uses IRA funds to offset these projected costs, funds that could be used to pay farmers for conservation will be lost to the economic model. Without an official CBO score, it is not possible to know how much of an offset is needed, nor how much is for price projections above payment thresholds, but the dynamic is clear and consistent. In the most recent projections by CBO (February 2024), nearly **60%** of all projected PLC payments are for years in which the projected price is above the threshold for payments (reference price). In those years, if the projected price were accurate, then no actual payments would be made, but the projected costs must be offset to meet budget rules and modeling. **Figure 3** illustrates this hidden cost based on the updated CBO projections.

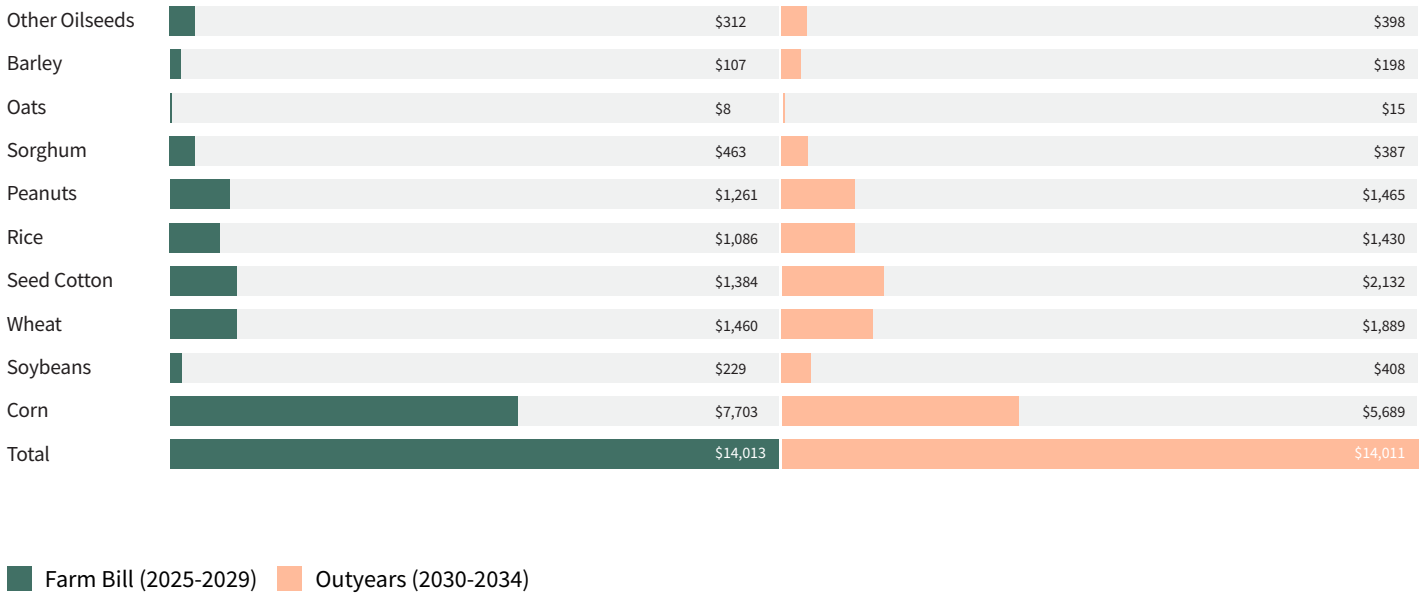
While the overall situation as illustrated is problematic, much of the problem is driven by corn, the largest crop in the program. For corn, the projected PLC payments when the projected price is above the reference price threshold total $6.8 billion; this is projected spending that must be offset but would not result in actual payments. Overall, $16.2 billion in projected costs are for years in which the projected crop prices are above the price threshold for payments. The hidden cost of this problem is substantial: In using the IRA funds as an offset to raise the payment thresholds (reference prices), the projected costs in years a payment would not trigger are likely to be more than what Congress could withdraw from the IRA. In other words, all of the IRA funds that will go to farmers could be lost to offset projected payments in years in which farmers would not receive any actual payments for those crops and Congress would still need to find additional offsets above and beyond the IRA.

3. Paying for 10 Years of Costs for Five Years of Uncertain Payments

Unfortunately for farmers, the transaction fee and the costs of the economic models are not the only hidden costs of using IRA funds to offset the projected costs of raising reference prices. Congress authorizes PLC in the Farm Bill for five crop years; with extension of the 2018 Farm Bill to cover the 2024 crop year, a new Farm Bill would cover the 2025 to 2029 crop years. Congressional budget rules, however, require that CBO project costs over 10 fiscal years (FY2025 to FY2034), which means that any use of IRA funds as an offset pays for 10 years of projected costs on programs that would be authorized to make payments for only five years. This is a bad deal no matter how it is measured, but the problems are worse due to PLC's design. In short, PLC makes payments

Figure 4

Portion of Price Loss Coverage Payments Projected for the Farm Bill and After Farm Bill Expires (CBO Feb. 2024)



one year after the crop year to allow for calculating the marketing year of the harvested crop. In addition, Congress shifted payments until after October 1, which is the next federal fiscal year. What this means is that the first year of any possible PLC payment resulting from increased price-based payment thresholds would be 2026, which is fiscal year 2027. This dynamic can also be seen in the CBO February 2024 baseline as illustrated in **Figure 4**, which compares the total projected PLC spending during the Farm Bill with the total PLC spending after the Farm Bill expires for all of the major grains and oilseed crops in the program.

Of the total 10 years of projected PLC spending (current reference prices), **50% ($14 billion)** is for years after a reauthorized Farm Bill would expire. While farmers could receive all of the funds appropriated by Congress in the IRA for payments to help with adopting conservation, using those funds as an offset to raise reference prices could lose at least half of the investment. Notably, this compounds the issue raised above with respect to paying for economic modeling; years in which projected prices are above the price threshold for payments include years after the Farm Bill expires. In other words, farmers would pay for projected costs in years that are both after the Farm Bill expires and in which projected prices are above reference price thresholds.

A conservative estimate of the total hidden costs of these problems exceeds $10 billion. The hidden costs could just as easily consume the entire amount of IRA funds without fully offsetting the projected costs of boosting price-based farm program payments (PLC). As of this writing, no official CBO score for increasing farm program payment thresholds (reference prices) has been released. Some reports about negotiations have indicated the need for between $20 billion and $50 billion (but also potentially as much as $75 billion) in offsets.[9] At the lowest end of that range ($20 billion), a conservative estimate of the hidden costs exceeds $9 billion, while the higher level ($50 billion) of offset would come with hidden costs of more than $20.5 billion and exceed the entire IRA spending available. Under these scenarios, **the hidden costs could mean that nearly 200,000 farmer applications would be without funding** and those farmers would miss out on conservation assistance that they could have received if the IRA funds were protected. That scenario, however, represents a conservative cost, because if actual crop prices are higher than CBO projections in any year, payments are less (or nonexistent) and the IRA funds used as an offset are lost completely.

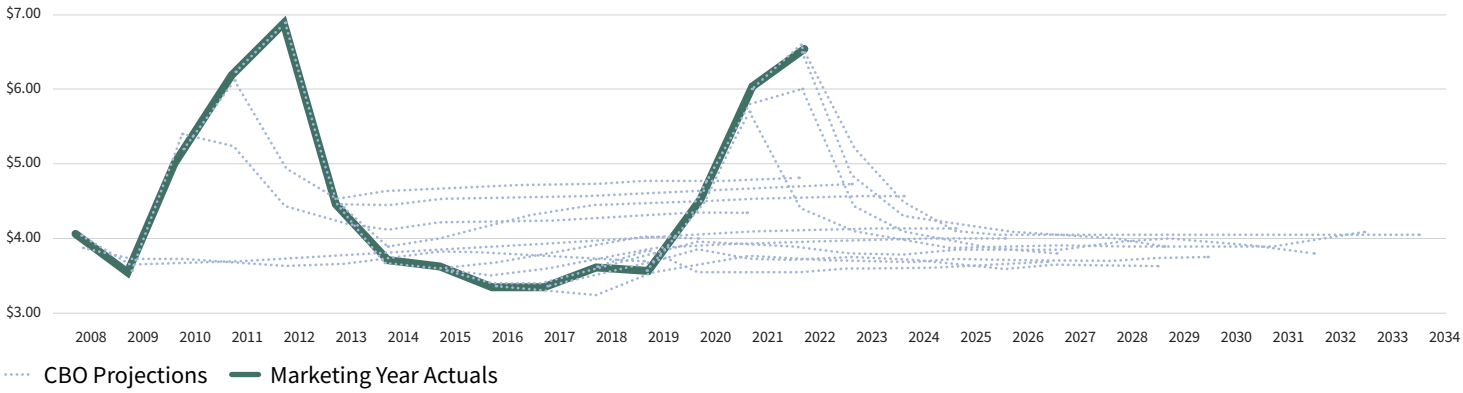
III. The Costs Are a Bad Bet on Unknowable Crop Prices

Eliminating or repurposing the funds for conservation assistance to farmers included in the IRA as an offset to the projected costs for increasing the PLC payment thresholds (reference prices) could result in the loss of all of the investment and impact hundreds of thousands of farmers. Moreover, the entire set of hidden costs represent a gamble on a policy change that would return money to farmers only if crop prices fall significantly below CBO projections over multiple crop years into the future. If crop prices fall enough for enough years, payments for some farmers might exceed the hidden costs. Only some farmers would receive more than they would from the IRA, while many others would receive nothing. Outcomes depend not only on unknowable crop prices but also which crops a farmer has enrolled in the program; not all farmers raise crops eligible for the programs, and reference price thresholds are not equal across all program crops.[10]

CBO price projections, like any projections of volatile commodity prices into an unknowable future, are certain to be wrong in any given crop marketing year. It is part of the reason for the hidden costs of the economic modeling discussed above (#2). **Figure 5** provides some perspective on the crop price gamble by illustrating each CBO price projection for corn from the March 2009 baseline to the February 2024 updated projections with the actual prices for corn in the 2008 to 2022 marketing years for which projections and actual prices are available.[11]

[9] See e.g., Downs and Hill, Feb. 12, 2024; Downs and Hill, Oct. 23, 2023; Coppess, Oct. 26, 2023.
[10] See e.g., Coppess, Feb. 15, 2024.
[11] Similar comparisons for the other major program crops are also available. See Coppess, Oct. 26, 2023.

Figure 5
CBO Marketing Year Average Price Projections and Actual Prices: Corn



Projections of unknowable future crop prices are only part of the problem, however, because the reference price thresholds are also not equal among the major program crops. With the exception of the most recent years, peanuts, rice, and seed cotton marketing year prices have consistently been below the payment threshold (reference price) each year since the PLC program was first authorized in 2014 (in the case of seed cotton, since 2018). By comparison, soybeans have been above the payment threshold every year. The disparate outcomes of this policy are clear: Farmers with rice, peanut, or seed cotton acres enrolled in the program received payments each year; farmers with soybean acres enrolled in the program have never received a payment from it. Ultimately, the inequities built into reference prices mean that some farmers have better odds in this gamble than others and increasing reference price thresholds adds to this disparity. Doing so is nearly a sure bet for farmers with peanuts, rice, and seed cotton acres in PLC, but less so for all other farmers. Finally, it should be noted that corn, soybeans, and wheat are grown almost everywhere in the U.S., but peanuts, rice, and seed cotton are only grown in southern states. The inequities in the program therefore have important regional consequences. The hidden costs are likely to be most problematic in states outside the South.

IV. How Much Farmers Stand to Lose in Conservation Funding

The additional **$18 billion** (through federal fiscal year 2031) that Congress provided for conservation assistance to farmers through the four conservation programs (CSP, EQIP, ACEP, RCPP) is limited to a subset of practices that help improve soil health, reduce nutrient losses to improve water quality, and reduce or sequester greenhouse gas emissions associated with farming. As discussed above, **demand for these programs consistently exceeds the funds available, and USDA spent 99.9% of the funds in FY2023 while having received a record level of applications from farmers and ranchers seeking assistance.** Repurposing the IRA investments would jeopardize the increased profitability and long-term benefits from conservation for many farmers and ranchers. It would also undermine producers' ability to confront a range of farm risks, such as increasing input costs, worsening weather, and changing market conditions.

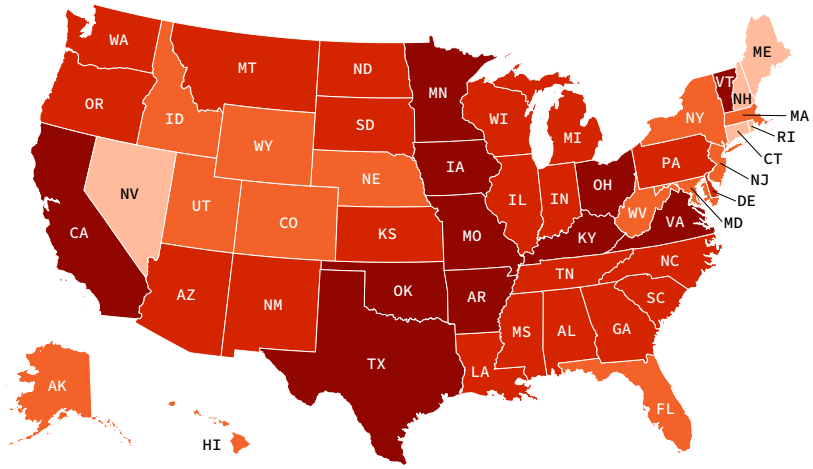
Figure 6 shows a projection of the allocation of IRA conservation dollars among the states.[12] The projections are based on historic allocations for those practices USDA listed as qualifying for IRA funding in FY2023, as well as the funding allocations for the FY2023 IRA appropriation.

The map illustrates just how much farmers in each state could lose as a result of the hidden costs discussed herein. These are projections based on allocation histories; outcomes will diverge from projections with any changes in the practices eligible for IRA funding. The critical points stand, however. Using the IRA funds as an offset for raising the price-based thresholds (reference prices) in PLC would likely consume all of the IRA funds without necessarily returning funds in other payments. Most importantly, all farmers can seek assistance for conservation, but only some farmers benefit from the farm payment programs. Farmers in the South with crops enrolled in PLC, moreover, benefit much more than other farmers.

[12]Note: This is an updated projection based on new data reported by USDA, but is generally similar to earlier projections. See Policy Design Lab, Issue Brief; Coppess, Nov. 16, 2023.

Figure 6

How Much Farmers Stand to Lose in Conservation Assistance



(Projections based on historic allocations and fiscal year 2023 allocations of IRA funds for EQIP, CSP, ACEP, and RCPP; CBO February 2024 projections).
Source: Jonathan Coppess (USDA-NRCS).

	Total	EQIP	CSP	ACEP	RCPP
AL	332,156,836	151,334,064	86,884,888	13,802,345	80,135,539
AK	134,832,151	68,149,901	39,267,576	4,603,2378	22,811,436
AZ	311,469,238	46,923,601	126,984,655	13,124,920	124,436,062
AR	608,774,828	260,535,042	61,712,184	46,001,936	240,525,666
CA	543,116,183	251,157,156	32,180,137	39,173,070	220,605,820
CO	253,164,440	178,336,841	7,725,155	27,206,339	39,896,105
CT	93,453,453	30,351,605	34,151,595	4,044,805	24,905,448
DE	368,130,453	192,102,715	52,237,576	3,687,805	120,102,357
FL	280,127,952	116,062,215	62,705,835	40,240,626	61,119,276
GA	393,964,876	235,458,138	55,263,117	283,83,344	74,860,2777
HI	111,069,702	50,295,000	19,985,010	5,388,093	35,401,599
ID	265,517,509	78,931,808	61,819,591	11,458,593	113,307,516
IL	439,812,287	88,251,900	91,675,855	27,361,674	232,522,859
IN	460,165,633	231,113,117	75,855,706	59,319	108,411,292
IA	655,236,555	224,981,214	96,349,947	119,335	240,788,532
KS	453,699,674	247,413,305	44,920,966	44,785,518	123,005,158
KY	529,187,307	314,821,643	66,071,855	93,116,862	134,076,377
LA	435,569,651	215,436,008	34,044,376	38,360,246	154,848,887
ME	91,525,034	46,739,951	711,074	14,217,432	38,709,142
MD	219,695,187	40,421,495	3,019,498	31,240,380	117,502,444
MA	120,769,139	26,356,615	46939,294	5,364,867	42,175,110
MI	419,487,074	155,197,637	79,374,876	58,751,750	170,808,923
MN	592,609,659	186,299,995	154,052	5,298,120	219,130,832
MS	497,096,655	262,089,831	150,160,627	39,196,105	111,898,967
MO	591,808,836	253,695,120	83,911,753	40,680,181	226,083,727

	Total	EQIP	CSP	ACEP	RCPP
MT	343,351,947	118,428,066	74,856,587	66,388,871	83,678,422
NE	281,988,627	172,990,998	24,457,251	31,249,295	53,291,083
NV	36,077,925	9,899,414	5,411,724	4,354,971	16,411,816
NH	42,066,006	25,066,638	1,607,327	3,835,373	11,556,667
NJ	159,119,745	36,180,672	63,118,621	5,058,429	54,762,023
NM	361,325,233	127,317,910	18,211,742	18,997,570	196,798,011
NY	225,524,805	53,500,605	18,211,742	13,246,401	99,183,262
NC	402,565,685	104,877,251	125,071,375	36,126,756	136,490,303
ND	306,428,287	169,208,457	67,255,369	27,356,727	42,607,734
OH	503,684,597	195,277,734	116,509,662	23,795,862	168,101,339
OK	662,631,178	411,947,404	66,877,284	32,792,849	151,013,641
OR	417,593,834	128,322,860	44,582,390	21,943,510	222,745,074
PA	283,263,598	91,422,611	10,570,649	15,319,598	165,950,741
RI	56,345,317	8,365,412	27,755,894	2,541,325	17,682,687
SC	389,786,536	192,306,981	126,787,768	12,788,945	57,902,842
SD	396,660,400	110,197,243	104,083,634	42,830,090	139,549,432
TN	369,006,883	213,933,133	54,406,771	17,575,069	83,091,909
TX	931,311,791	441,781,227	11,290,501	225,455,061	252,785,001
UT	249,209,322	52,487,749	103,965,713	19,146,712	73,609,148
VT	779,033,763	271,010,870	159,105,264	12,330,064	336,587,564
VA	670,194,230	345,495,252	117,684,924	13,158,963	193,855,091
WA	408,240,890	162,320,626	32,037,504	14,526,658	199,356,103
WV	135,269,165	32,382,326	57,034,202	8,196,651	37,655,986
WI	362,347,868	209,440,345	29,326,559	22,016,408	101,564,556
WY	167,775,803	52,382,298	26,093,796	9,355,750	79,943,958

V. Conclusion: Knowing the Score of a Bad Gamble

With the Inflation Reduction Act, Congress made a historic and multigenerational investment in farmers and conservation. Repurposing this funding to offset spending projections related to raising price-based payment thresholds (reference prices) is plagued by hidden costs. The entire $18 billion investment in farmers and conservation could be lost to obscure budget rules, complicated economic modeling, and uncertain crop prices in an unknowable future, and not result in more payments to any farmers. Worse still, doing so takes money away from all farmers and may benefit only a few.

More than funding is at risk, however, because these programs help producers make investments that are vital for the long-term health and sustainability of their operations and that can help mitigate the risks inherent in farming, but that also benefit society by reducing soil erosion and improving water quality, among other outcomes. That is one reason why the demand for these conservation investments has consistently been twice (or more) of what Congress has provided. History also teaches that the setback to conservation can last decades, while also sending troubling signals to farmers about the priorities for policies and production practices.