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**Farm Bill Conservation Investment Slashed in House Bill**

The fiscal year 2005 agricultural appropriations bill approved in subcommittee last week and headed to a vote in full committee on Wednesday re-opens the 2002 Farm Bill by slashing funding for conservation programs. Also cut is farm bill mandatory funding for rural development, renewable energy, and agricultural research.

For conservation, the subcommittee bill reduces the funding set-aside by the 2002 farm bill for FY 2005 by a total of \$520 million or 24% (see accompanying chart entitled Cuts to Farm Bill Conservation Programs). In the FY 2004 appropriations bill the conservation programs were cut by \$242 million, so the House subcommittee action last week more than doubles the size of the potential cutbacks. These figures for both years include not only the direct funding cuts and the indirect cuts resulting from shifting funds from "donor" programs to cover technical assistance costs.

In percentage terms, the largest cuts are to the Wildlife Habitat Incentives Program (WHIP), Conservation Security Program (CSP), and the Wetlands Reserve Program (WRP). In dollar terms, the largest cut is \$264 million for the Environmental Quality Incentives Program (EQIP). Only three farm bill conservation programs were left unscathed; the Conservation Reserve Program (CRP), Grasslands Reserve Program (GRP), and Ground and Surface Water Conservation Program (GSWC).

"The assault on funding for farm bill conservation programs appears to be accelerating substantially," said Ferd Hoefner of the Sustainable Agriculture Coalition. "Conservation programs are becoming the bank account from which to make withdrawals to cover increases in discretionary spending in other areas of the bill."

Other programs receiving significant cuts from their farm bill mandatory spending levels in the House subcommittee bills include the Value-Added Producer Grants program, On-Farm Renewable Energy and Energy Efficiency grants, and the Initiative for Future Agriculture and Food Systems. The value-added program is scaled back from the farm bill level of \$40 million to just \$15.5 million -- a 61% cut. The renewable energy program is scaled back from the farm bill level of \$23 million to \$15.0 million -- 35% cut. The \$160 million in farm bill funding for the Initiative for Future Agriculture and Food Systems (competitive grants funding for applied research and extension) is zeroed out.

"The multiyear farm bill would not have passed without substantial yearly funding increases for innovative conservation and rural development programs," according to Hoefner. "Increasingly the congressional appropriators are saying they cannot pass their annual funding bill without slashing the very same farm bill funding. While we oppose the continued cuts in the funding allocation given to the annual agricultural appropriations bill, we also oppose the backdoor effort to slash the critical long term farm bill investments in improving the environment and the rural economy."

Attached are two charts. The first compares FY 2005 farm bill conservation program funding levels to the President's budget requests and the House Agricultural Appropriations Subcommittee action last week. The second looks at the same programs for FY 2003 through FY 2005.