



An Analysis of the 2008 Farm Bill (Public Law 110-234)

The National Office is pleased to provide you with this analysis, which contains an overview of provisions in the 2008 Farm Bill that are of interest to clean water agencies. The 2008 Farm Bill, also known as the *Food, Conservation and Energy Act of 2008* (H.R. 2419), became law May 22 after Congress overrode President Bush's veto of the measure. This massive piece of legislation establishes farm policy for the nation over the next five years and authorizes nearly \$290 billion in farm subsidies, food and nutrition programs, conservation measures, and incentives for alternative energy production. NACWA worked hard with other water sector organizations and members of the conservation community to ensure funding for programs that would improve water quality.

While the bill is not perfect, it does boost federal funding \$4 billion to about \$25 billion over five years for programs designed to encourage farmers to implement strategies that will help protect environmentally sensitive lands and water resources. As is often the case, negotiations on the Farm Bill were often contentious because of the financial stakes and the breadth of the legislation. President Bush vetoed the bill because of its price tag, but his veto was overridden. The vote to override in the House was 318-106 while in the Senate it was 81-15.

In October 2006, NACWA released *2007 Farm Bill Reauthorization and Potential Clean Water Benefits*, a white paper detailing opportunities for public clean water agencies to address nutrients and other clean water concerns associated with agricultural nonpoint source pollution. Since that time, NACWA worked aggressively in partnership with other advocacy organizations to educate members of Congress and build support for funding programs that would address water quality challenges posed by agriculture and to do so in collaboration with producers and others on a watershed basis. This effort included numerous [letters](#) from these organizations as well as [correspondence](#) NACWA sent separately raising concerns about increased nitrogen loads that can result from bill's emphasis on ethanol as an alternative energy source.

Agricultural Water Enhancement Program

Of significant interest to the clean water community in the 2008 Farm Bill is the creation of the new Agricultural Water Enhancement Program (AWEP), which would provide incentives for local government entities, including publicly owned treatment works (POTWs), to work with agricultural producers and other groups on projects to benefit water resources. The AWEP concept, derived in part from a White House proposal for a multi-stakeholder initiative to address water quality concerns on a broader, watershed basis, was strongly supported by NACWA and other water sector and conservation organizations.

The program provides \$73 million in each of fiscal years (FY) 2009 and 2010, \$74 million in FY 2011, and \$60 million in FY 2012 and each fiscal year thereafter.

AWEP projects include water quality or water conservation plans and enhancement projects; water conservation restoration or enhancement projects, including converting to the production of less water-intensive crops; irrigation system improvements and efficiency enhancement; drought mitigation activities; and “related activities” that the U.S. Department of Agriculture (USDA) determines will help achieve water quality or conservation benefits on agricultural land. Partners who may be eligible to get funding for an AWEP project include agriculture or silviculture producers, a state or unit of local government, and tribes.

Since the purpose of AWEP is to address water quality and water quantity challenges on agricultural lands, priority will be given for projects that include high percentages of agricultural land and producers within a given area; result in “high levels of applied agricultural water quality and water conservation activities;” significantly enhance agricultural activity; allow for monitoring and evaluation; and assist producers in meeting regulatory requirements that reduce the economic scope of their operations. In states with water quality concerns, higher priority will be given to proposals that include converting agricultural land from irrigated farmland to dryland farming; leverage federal funding with money provided by partners; and assist producers in states with water quality concerns as determined by the U.S. Department of Agriculture (USDA).

The Farm Bill also would give priority to AWEP projects in the Eastern Snake Plain Aquifer Region, the Puget Sound, the Ogallala Aquifer, the Sacramento River watershed, the Upper Mississippi River Basin, the Everglades, and the Red River of the North Basin.

Chesapeake Bay Funding

The 2008 Farm Bill also provides significant new funding — \$438 million through FY 2012 — to address water quality challenges in the Chesapeake Bay and help farmers in the watershed meet stringent requirements essential to the bay’s restoration. Projects in the Susquehanna, Shenandoah, Potomac, and Patuxent River basins will have priority and will involve practices to control erosion and nutrient loadings to keep them out of the bay. The increased funding could reduce the amount of nitrogen washing off into the bay and its tributaries by up to 40 million pounds per year.

This program will benefit POTWs in the Chesapeake Watershed that face increasing pressure to reduce their nutrient contribution. Most recognize that without significant reductions from the agricultural community, steep cuts in nutrient loads from municipal wastewater treatment plants will provide negligible water quality benefits. Funding for the Chesapeake Bay can be held up as a model for addressing agricultural nutrient issues in other key watersheds as well.

Environmental Quality Incentives Program (EQIP)

The Environmental Quality Incentive Program (EQIP) would also receive more funding to continue its objectives of providing technical assistance and incentive payments to farmers and livestock breeders to improve soil and water quality. The program is revised somewhat to limit the amount each landowner can receive to \$300,000 unless a waiver is granted. EQIP funding

NACWA members have opportunities under some of these new programs to work with stakeholders, including farmers and others, on projects that take a holistic view of water quality challenges and address them on a watershed basis. Such an approach is consistent with the

Association's Strategic Plan to work collaboratively on integrated watershed-based approach to achieve national environmental goals.

Farm Bill Challenges

While NACWA was generally pleased with some aspects of the 2008 Farm Bill, the new law also presents some new challenges, some of which the Association sought to address before it was passed by Congress. Chief among them are the large subsidies for corn production to boost the use of ethanol. Corn is highly nitrogen-intensive crop that also requires large quantities of water. At a time when POTWs are faced with the prospect of further ratcheting down their discharges of nutrients, NACWA expressed concern that the legislation was promoting activities that would counter these efforts.

Despite the increased funding for conservation, the inclusion of the new AWEPP program, and more attention on the Chesapeake Bay, NACWA believes that water quality still is not a sufficient priority in the 2008 Farm Bill. The efforts by NACWA and other water sector and conservation groups helped highlight the intersect between the nation's farm policy and water quality challenges, which led to improvements in the bill. NACWA will be able to build on this progress in other legislation that affects water quality and as it moves forward on related initiatives, including its 21st Century Watershed Act. Please contact Susie Bruninga, NACWA's director of legislative and public affairs, at sbruninga@nacwa.org or at (202) 833-3280 for more information.