

## **Fact Sheet: Environmental Quality Incentives Program**

May 2009

### **Overview**

The Environmental Quality Incentives Program (EQIP) is a voluntary conservation program that provides financial and technical assistance to farmers and ranchers who face threats to soil, water, air, and related natural resources on their land. Through EQIP, the Natural Resources Conservation Service (NRCS) develops contracts with agricultural producers to implement conservation practices to address environmental natural resource problems. Payments are made to producers once conservation practices are completed according to NRCS requirements.

### **Eligibility**

Persons engaged in livestock or agricultural production and owners of non-industrial private forestland are eligible for the program. Eligible land includes cropland, rangeland, pastureland, private non-industrial forestland, and other farm or ranch lands. Persons interested in entering into a cost-share agreement with the U.S. Department of Agriculture (USDA) for EQIP assistance may file an application at any time. Applicants must:

- Be an agricultural producer;
- Be in compliance with the highly erodible land and wetland conservation provisions of the Farm Bill; and
- Develop an EQIP plan of operations, including:
  - The participant's specific conservation and environmental objectives to be achieved;

- One or more conservation practices in the conservation management system to be implemented to achieve the conservation and environmental objectives; and
- The schedule for implementing the conservation practices.

If an EQIP contract includes an animal waste storage or treatment facility, the participant must implement a comprehensive nutrient management plan (CNMP). If an EQIP plan of operations addresses non-industrial private forestland, the participant must implement a forest management plan.

### **How EQIP Works**

NRCS works with the participant to develop the EQIP plan of operations. This plan becomes the basis of the EQIP contract between NRCS and the participant. NRCS provides conservation practice payments to landowners under these contracts that can be up to 10 years in duration.

The EQIP objective to optimize environmental benefits is achieved through a process that begins with National priorities that address:

- Impaired water quality;
- Conservation of ground and surface water resources;
- Improvement of air quality;
- Reduction of soil erosion and sedimentation; and
- Improvement or creation of wildlife habitat for at-risk species.



These priorities are used by the NRCS Chief to allocate available EQIP funds to State Conservationists. The State Conservationist, with advice from the State Technical Committee, identifies the priority natural resource concerns in the State that will be used to help guide which applicants are awarded EQIP assistance. After identifying the priority natural resource concerns, the State Conservationist, with advice from the State Technical Committee, decides how funds will be allocated, what practices will be offered, what the payment rates will be, the ranking process used to prioritize contracts, and which of these authorities will be delegated to the local level. The local designated conservationist, with the advice of local work groups, adapts the State program to local conditions. As a result, EQIP can be different between States and even between counties.

The selection of eligible conservation practices and the development of a ranking process to evaluate applications are the final steps in the optimization process. Applications will be ranked based on a number of factors, including the environmental benefits and cost effectiveness of the proposal. More information regarding State and local EQIP implementation can be found at [www.nrcs.usda.gov/programs/eqip](http://www.nrcs.usda.gov/programs/eqip).

Program payments are limited to a person or entity to \$300,000 for all contracts entered into during any 6-year period. This limitation includes unpaid prior year contract obligations as of October 1, 2008, as well as new contract obligations. For the purpose of applying this requirement, the 6-year period will include those payments made in fiscal years 2009-2014. Payments received for technical assistance shall be excluded from this limitation. Payment limitations for organic production may not exceed an aggregate \$20,000 per year or \$80,000 during any 6-year period for installing conservation practices.

### ***Legislative and Regulatory Changes***

Forest management and conservation practices related to organic production have been given

stronger emphasis in EQIP. Assistance to producers is authorized for installing and maintaining conservation practices that sustain food and fiber production while enhancing soil, water, and related natural resources including grazing land, forestland, wetland, wildlife, and conserving energy.

Conservation activities now authorize the development of CNMPs and other plans as determined by the Secretary of Agriculture.

Eligibility for an increased payment rate is expanded to include socially disadvantaged farmers and ranchers in addition to previously authorized beginning and limited resource farmers and ranchers. It further allows these producers to receive advance payment up to 30 percent of the amount determined for the purpose of purchasing materials and services.

For water conservation or irrigation efficiency practices, NRCS will give priority for payment to practices that reduce water use in the operation of a producer who agrees not to use any associated savings to bring new land under irrigation production.

### ***More Information***

For more information and updates about EQIP and other Farm Bill topics, please visit the USDA Web site at [www.usda.gov/farmbill](http://www.usda.gov/farmbill) or the NRCS Web sites at [www.nrcs.usda.gov/programs/farmbill/2008](http://www.nrcs.usda.gov/programs/farmbill/2008) and [www.nrcs.usda.gov/programs/eqip](http://www.nrcs.usda.gov/programs/eqip).