



2023 Farm Bill Legislative Side-By-Side

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

Program Description

The USDA Natural Resources Conservation Service's (NRCS's) [Environmental Quality Incentives Program](#) (EQIP) provides financial and technical assistance to agricultural producers and non-industrial forest managers to address natural resource concerns and deliver environmental benefits such as improved water and air quality, conserved ground and surface water, increased soil health, reduced soil erosion and sedimentation, improved or created wildlife habitat, and mitigation against drought and increasing weather volatility.

Climate Highlights

EQIP supports conservation practices and energy efficiency improvements that sequester carbon, reduce greenhouse gas emissions, and build resilience to climate change impacts. These practices include [cover crops](#), [no-till farming](#), and [agroforestry](#). [Conservation Innovation Grants](#) (CIG), a subprogram of EQIP, help develop innovative approaches to conserving natural resources and reducing greenhouse gas emissions. The 2018 Farm Bill authorized a CIG program, On-Farm Conservation Innovation Trials, which aim to offset risks associated with adopting innovative conservation approaches. In 2021, NRCS created a new [\\$38 million EQIP Cover Crop Initiative](#) to help agricultural producers in 11 states mitigate climate change through cover crops.

Funding

The 2018 Farm Bill ([P.L. 115-334](#)) authorized gradually increasing mandatory funding for EQIP, with \$1.75 billion in fiscal year (FY) 2019 and 2020; \$1.8 billion in FY 2021; \$1.85 billion in FY 2022; and \$2.025 billion in FY 2023. In addition, the *Inflation Reduction Act* ([P.L. 117-169](#)) allocated \$8.45 billion for EQIP, with \$250 million for FY 2023, \$1.75 billion for FY 2024, \$3 billion for FY 2025, and \$3.45 billion for FY 2026. The law also increases funding for On-Farm Conservation Innovation Trials to \$50 million per year.

Key Changes

- This resource will be updated as the House and Senate legislative Farm Bill texts are released.

Legislative Side-By-Side

Current Law 16 USC §3839aa to §3839aa-8 (October 2022)	House Version	Senate Version
§3839aa. Purposes	This resource will be updated as the House legislative Farm Bill text is released.	This resource will be updated as the Senate legislative Farm Bill text is released.
<p>The purposes of the environmental quality incentives program established by this subpart are to promote agricultural production, forest management, and environmental quality as compatible goals, and to optimize environmental benefits, by—</p> <ul style="list-style-type: none"> (1) assisting producers in complying with local, State, and national regulatory requirements concerning— <ul style="list-style-type: none"> (A) soil, water, and air quality; (B) wildlife habitat; and (C) surface and ground water conservation; (2) avoiding, to the maximum extent practicable, the need for resource and regulatory programs by assisting producers in protecting soil, water, air, and related natural resources and meeting environmental quality criteria established by Federal, State, tribal, and local agencies; (3) providing flexible assistance to producers to install and maintain conservation practices that sustain food and fiber production while— <ul style="list-style-type: none"> (A) enhancing soil, water, and related natural resources, including grazing land, forestland, wetland, and wildlife; (B) developing and improving wildlife habitat; and (C) conserving energy; and (4) assisting producers to make beneficial, cost-effective changes to production systems, including addressing identified, new, or expected resource concerns related to organic production, grazing management, fuels management, forest management, nutrient management associated with crops and livestock, pest management, irrigation management, adapting to, and mitigating against, increasing weather volatility, drought resiliency measures, or other practices on agricultural and forested land. 		
§3839aa-1. Definitions		
In this subpart:		

(1) Conservation planning assessment

The term "conservation planning assessment" means a report, as determined by the Secretary, that—

(A) is developed by—

- (i) a State or unit of local government (including a conservation district);
- (ii) a Federal agency; or
- (iii) a third-party provider certified under section 3842(e) of this title (including a certified rangeland professional);

(B) assesses rangeland or cropland function and describes conservation activities to enhance the economic and ecological management of that land; and

(C) can be incorporated into a comprehensive planning document required by the Secretary for enrollment in a conservation program of the Department of Agriculture.

(2) Eligible land

(A) In general

The term "eligible land" means land on which agricultural commodities, livestock, or forest-related products are produced.

(B) Inclusions

The term "eligible land" includes the following:

- (i) Cropland.
- (ii) Grassland.
- (iii) Rangeland.
- (iv) Pasture land.
- (v) Nonindustrial private forest land.
- (vi) Other agricultural land (including cropped woodland, marshes, environmentally sensitive areas, and agricultural land used for the production of livestock) on which identified or expected resource concerns related to agricultural production could be addressed through a contract under the program, as determined by the Secretary.

(3) Incentive practice

The term "incentive practice" means a practice or set of practices approved by the Secretary that, when implemented and maintained on eligible land, address 1 or more priority resource concerns.

(4) Organic system plan

The term "organic system plan" means an organic plan approved under the national organic program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

(5) Payment

The term "payment" means financial assistance provided to a producer for performing practices under this subpart, including compensation for—

- (A) incurred costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training; and
- (B) income forgone by the producer.

(6) Practice

The term "practice" means 1 or more improvements and conservation activities that are consistent with the purposes of the program under this subpart, as determined by the Secretary, including—

- (A) improvements to eligible land of the producer, including—
 - (i) structural practices;
 - (ii) land management practices;
 - (iii) vegetative practices;
 - (iv) forest management;
 - (v) soil testing;
 - (vi) soil remediation to be carried out by the producer; and
 - (vii) other practices that the Secretary determines would further the purposes of the program; and
- (B) conservation activities involving the development of plans appropriate for the eligible land of the producer, including—
 - (i) comprehensive nutrient management planning;

- (ii) planning for resource-conserving crop rotations (as defined in section 3839aa–24(d)(1) of this title);
- (iii) soil health planning, including increasing soil organic matter and the use of cover crops;
- (iv) a conservation planning assessment;
- (v) precision conservation management planning; and
- (vi) other plans that the Secretary determines would further the purposes of the program under this subpart.

(7) Priority resource concern

The term "priority resource concern" means a natural resource concern or problem, as determined by the Secretary, that—

- (A) is identified at the national, State, or local level as a priority for a particular area of a State; and
- (B) represents a significant concern in a State or region.

(8) Program

The term "program" means the environmental quality incentives program established by this subpart.

(9) Soil remediation

The term "soil remediation" means scientifically based practices that—

- (A) ensure the safety of producers from contaminants in soil;
- (B) limit contaminants in soil from entering agricultural products for human or animal consumption; and
- (C) regenerate and sustain the soil.

(10) Soil testing

The term "soil testing" means the evaluation of soil health, including testing for—

- (A) the optimal level of constituents in the soil, such as organic matter, nutrients, and the potential presence of soil contaminants, including heavy metals, volatile organic compounds, polycyclic aromatic hydrocarbons, or other contaminants; and
- (B) the biological and physical characteristics indicative of proper soil functioning.

<p align="center">§3839aa-2. Establishment and Administration</p>		
<p>(a) Establishment</p> <p>During each of the 2002 through 2031 fiscal years, the Secretary shall provide payments to producers that enter into contracts with the Secretary under the program.</p>		
<p>(b) Practices and term</p> <p>(1) Practices</p> <p>A contract under the program may apply to the performance of one or more practices.</p> <p>(2) Term</p> <p>A contract under the program shall have a term that does not exceed 10 years.</p>		
<p>(c) Bidding down</p> <p>If the Secretary determines that the environmental values of two or more applications for payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program.</p>		
<p>(d) Payments</p> <p>(1) Availability of payments</p> <p>Payments are provided to a producer to implement one or more practices under the program.</p> <p>(2) Limitation on payment amounts</p> <p>A payment to a producer for performing a practice may not exceed, as determined by the Secretary—</p>		

- (A) 75 percent of the costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training;
- (B) 100 percent of income foregone by the producer; or
- (C) in the case of a practice consisting of elements covered under subparagraphs (A) and (B)—
 - (i) 75 percent of the costs incurred for those elements covered under subparagraph (A); and
 - (ii) 100 percent of income foregone for those elements covered under subparagraph (B).

(3) Special rule involving payments for foregone income

In determining the amount and rate of payments under paragraph (2)(B), the Secretary may accord great significance to a practice that, as determined by the Secretary, promotes—

- (A) soil health;
- (B) water quality and quantity improvement;
- (C) nutrient management;
- (D) pest management;
- (E) air quality improvement;
- (F) wildlife habitat development, including pollinator habitat; or
- (G) invasive species management.

(4) Increased payments for certain producers

(A) In general

Notwithstanding paragraph (2), in the case of a producer that is a limited resource, socially disadvantaged farmer or rancher, a veteran farmer or rancher (as defined in section 2279(e) ¹ of title 7), or a beginning farmer or rancher, the Secretary shall increase the amount that would otherwise be provided to a producer under this subsection—

- (i) to not more than 90 percent of the costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training; and
- (ii) to not less than 25 percent above the otherwise applicable rate.

(B) Advance payments

(i) In general

On an election by a producer described in subparagraph (A), the Secretary shall provide at least 50 percent of the amount determined under subparagraph (A) in advance for all costs related to purchasing materials or contracting.

(ii) Return of funds

If funds provided in advance are not expended during the 90-day period beginning on the date of receipt of the funds, the funds shall be returned within a reasonable timeframe, as determined by the Secretary.

(iii) Notification and documentation

The Secretary shall—

- (I) notify each producer described in subparagraph (A), at the time of enrollment in the program, of the option to receive advance payments under clause (i); and
- (II) document the election of each producer described in subparagraph (A) to receive advance payments under clause (i) with respect to each practice that has costs described in that clause.

(5) Financial assistance from other sources

Except as provided in paragraph (6), any payments received by a producer from a State or private organization or person for the implementation of one or more practices on eligible land of the producer shall be in addition to the payments provided to the producer under this subsection.

(6) Other payments

A producer shall not be eligible for payments for practices on eligible land under the program if the producer receives payments or other

<p>benefits for the same practice on the same land under another program under this subchapter.</p> <p>(7) Increased payments for high-priority practices</p> <p>(A) State determination</p> <p>Each State, in consultation with the State technical committee established under section 3861(a) of this title for the State, may designate not more than 10 practices to be eligible for increased payments under subparagraph (B), on the condition that the practice, as determined by the Secretary—</p> <ul style="list-style-type: none"> (i) addresses specific causes of impairment relating to excessive nutrients in groundwater or surface water; (ii) addresses the conservation of water to advance drought mitigation and declining aquifers; (iii) meets other environmental priorities and other priority resource concerns identified in habitat or other area restoration plans; or (iv) is geographically targeted to address a natural resource concern in a specific watershed. <p>(B) Increased payments</p> <p>Notwithstanding paragraph (2), in the case of a practice designated under subparagraph (A), the Secretary may increase the amount that would otherwise be provided for a practice under this subsection to not more than 90 percent of the costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training.</p>		
<p>(e) Modification or termination of contracts</p> <p>(1) Voluntary modification or termination</p> <p>The Secretary may modify or terminate a contract entered into with a producer under the program if—</p> <ul style="list-style-type: none"> (A) the producer agrees to the modification or termination; and (B) the Secretary determines that the modification or termination is in the public interest. 		

<p>(2) Involuntary termination</p> <p>The Secretary may terminate a contract under the program if the Secretary determines that the producer violated the contract.</p>		
<p>(f) Allocation of funding</p> <p>(1) Livestock</p> <p>For each of fiscal years 2019 through 2023, at least 50 percent of the funds made available for payments under the program shall be targeted at practices relating to livestock production, including grazing management practices.</p> <p>(2) Wildlife habitat</p> <p>(A) Fiscal years 2014 through 2018</p> <p>For each of fiscal years 2014 through 2018, at least 5 percent of the funds made available for payments under the program shall be targeted at practices benefitting wildlife habitat under subsection (g).</p> <p>(B) Fiscal years 2019 through 2031</p> <p>For each of fiscal years 2019 through 2031, at least 10 percent of the funds made available for payments under the program shall be targeted at practices benefitting wildlife habitat under subsection (g).</p>		
<p>(g) Wildlife habitat incentive program</p> <p>(1) In general</p> <p>The Secretary shall provide payments under the environmental quality incentives program for conservation practices that support the restoration, development, protection, and improvement of wildlife habitat on eligible land, including—</p> <p>(A) upland wildlife habitat;</p>		

<p>(B) wetland wildlife habitat; (C) habitat for threatened and endangered species; (D) fish habitat; (E) habitat on pivot corners and other irregular areas of a field; and (F) other types of wildlife habitat, as determined by the Secretary.</p> <p>(2) State technical committee</p> <p>In determining the practices eligible for payment under paragraph (1) and targeted for funding under subsection (f), the Secretary shall consult with the relevant State technical committee not less often than once each year.</p> <p>(3) Maximum term</p> <p>In the case of a contract under the program entered into solely for the establishment of 1 or more annual management practices for the benefit of wildlife as described in paragraph (1), notwithstanding any maximum contract term established by the Secretary, the contract shall have a term that does not exceed 10 years.</p> <p>(4) Included practices</p> <p>For the purpose of providing seasonal wetland habitat for waterfowl and migratory birds, a practice that is eligible for payment under paragraph (1) and targeted for funding under subsection (f) may include—</p> <p>(A) a practice to carry out postharvest flooding; or (B) a practice to maintain the hydrology of temporary and seasonal wetlands of not more than 2 acres to maintain waterfowl and migratory bird habitat on working cropland.</p>		
<p>(h) Water conservation or irrigation efficiency practice</p> <p>(1) Availability of payments</p> <p>The Secretary may provide water conservation and system efficiency payments under this subsection to an entity described in paragraph (2) or a producer for—</p> <p>(A) water conservation scheduling, water distribution efficiency, soil moisture monitoring, or an appropriate combination thereof;</p>		

- (B) irrigation-related structural or other measures that conserve surface water or groundwater, including managed aquifer recovery practices; or
- (C) a transition to water-conserving crops, water-conserving crop rotations, or deficit irrigation.

(2) Eligibility of certain entities

(A) In general

Notwithstanding section 1308(f)(6) of title 7, the Secretary may enter into a contract under this subsection with a State, irrigation district, groundwater management district, acequia, land-grant mercedes, or similar entity under a streamlined contracting process to implement water conservation or irrigation practices under a watershed-wide project that will effectively conserve water, provide fish and wildlife habitat, or provide for drought-related environmental mitigation, as determined by the Secretary.

(B) Implementation

Water conservation or irrigation practices that are the subject of a contract entered into under subparagraph (A) shall be implemented on—

- (i) eligible land of a producer; or
- (ii) land that is—
 - (I) under the control of an irrigation district, groundwater management district, acequia, land-grant mercedes, or similar entity; and
 - (II) adjacent to eligible land described in clause (i), as determined by the Secretary.

(C) Waiver authority

The Secretary may waive the applicability of the limitations in section 1308–3a(b) of title 7 or section 3839aa–7 of this title for a payment made under a contract entered into under this paragraph if the Secretary determines that the waiver is necessary to fulfill the objectives of the project.

<p>(D) Contract limitations</p> <p>If the Secretary grants a waiver under subparagraph (C), the Secretary may impose a separate payment limitation for the contract with respect to which the waiver applies.</p> <p>(3) Priority</p> <p>In providing payments under this subsection for a water conservation or irrigation practice, the Secretary shall give priority to applications in which—</p> <p>(A) consistent with the law of the State in which the land on which the practices will be implemented is located, there is a reduction in water use in the operation on that land; or</p> <p>(B) except in the case of an application under paragraph (2), the producer agrees not to use any associated water savings to bring new land, other than incidental land needed for efficient operations, under irrigated production, unless the producer is participating in a watershed-wide project that will effectively conserve water, as determined by the Secretary.</p> <p>(4) Effect</p> <p>Nothing in this subsection authorizes the Secretary to modify the process for determining the annual allocation of funding to States under the program.</p>		
<p>(i) Payments for conservation practices related to organic production</p> <p>(1) Payments authorized</p> <p>The Secretary shall provide payments under this subsection for conservation practices, on some or all of the operations of a producer, related—</p> <p>(A) to organic production; and</p> <p>(B) to the transition to organic production.</p> <p>(2) Eligibility requirements</p> <p>As a condition for receiving payments under this subsection, a producer shall agree—</p> <p>(A) to develop and carry out an organic system plan; or</p>		

<p>(B) to develop and implement conservation practices for certified organic production that are consistent with an organic system plan and the purposes of this subpart.</p> <p>(3) Payment limitations</p> <p>(A) In general Payments under this subsection to a person or legal entity, directly or indirectly, may not exceed, in the aggregate—</p> <ul style="list-style-type: none"> (i) through fiscal year 2018— <ul style="list-style-type: none"> (I) \$20,000 per year; or (II) \$80,000 during any 6-year period; and (ii) during the period of fiscal years 2019 through 2023, \$140,000. <p>(B) Technical assistance In applying the limitations under subparagraph (A), the Secretary shall not take into account payments received for technical assistance.</p> <p>(4) Exclusion of certain organic certification costs Payments may not be made under this subsection to cover the costs associated with organic certification that are eligible for cost-share payments under section 6523 of title 7.</p> <p>(5) Termination of contracts The Secretary may cancel or otherwise nullify a contract to provide payments under this subsection if the Secretary determines that the producer—</p> <ul style="list-style-type: none"> (A) is not pursuing organic certification; or (B) is not in compliance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq). 		
<p>(j) Conservation incentive contracts</p> <p>(1) Identification of eligible priority resource concerns for States</p> <p>(A) In general The Secretary, in consultation with the applicable State technical committee established under section 3861(a) of this title, shall identify watersheds (or other appropriate regions or areas within a State) and the corresponding priority resource concerns for those watersheds or other regions or areas that are eligible to be the subject of an incentive contract under this subsection.</p> <p>(B) Limitation For each of the relevant land uses within the watersheds, regions, or other areas identified under subparagraph (A), the Secretary shall identify not more than 3 eligible priority resource concerns.</p> <p>(2) Contracts</p>		

(A) Authority

(i) In general

The Secretary shall enter into contracts with producers under this subsection that require the implementation, adoption, management, and maintenance of incentive practices that effectively address at least 1 eligible priority resource concern identified under paragraph (1) for the term of the contract.

(ii) Inclusions

Through a contract entered into under clause (i), the Secretary may provide—

- (I) funding, through annual payments, for certain incentive practices to attain increased levels of conservation on eligible land; or
- (II) assistance, through a practice payment, to implement an incentive practice.

(B) Term

A contract under this subsection shall have a term of not less than 5, and not more than 10, years.

(C) Prioritization

Notwithstanding section 3839aa-3 of this title, the Secretary shall develop criteria for evaluating incentive practice applications that—

- (i) give priority to applications that address eligible priority resource concerns identified under paragraph (1); and
- (ii) evaluate applications relative to other applications for similar agriculture and forest operations.

(3) Incentive practice payments

(A) In general

The Secretary shall provide payments to producers through contracts entered into under paragraph (2) for—

- (i) adopting and installing incentive practices; and
- (ii) managing, maintaining, and improving the incentive practices for the duration of the contract, as determined appropriate by the Secretary.

(B) Payment amounts

In determining the amount of payments under subparagraph (A), the Secretary shall consider, to the extent practicable—

- (i) the level and extent of the incentive practice to be installed, adopted, completed, maintained, managed, or improved;
- (ii) the cost of the installation, adoption, completion, management, maintenance, or improvement of the incentive practice;

<p>(iii) income foregone by the producer, including payments, as appropriate, to address—</p> <ul style="list-style-type: none"> (I) increased economic risk; (II) loss in revenue due to anticipated reductions in yield; and (III) economic losses during transition to a resource-conserving cropping system or resource-conserving land use; and <p>(iv) the extent to which compensation would ensure long-term continued maintenance, management, and improvement of the incentive practice.</p> <p>(C) Delivery of payments</p> <p>In making payments under subparagraph (A), the Secretary shall, to the extent practicable—</p> <ul style="list-style-type: none"> (i) in the case of annual payments under paragraph (2)(A)(ii)(I), make those payments as soon as practicable after October 1 of each fiscal year for which increased levels of conservation are maintained during the term of the contract; and (ii) in the case of practice payments under paragraph (2)(A)(ii)(II), make those payments as soon as practicable on the implementation of an incentive practice. 		
<p>§3839aa-3. Evaluation of Applicants</p>		
<p>(a) Evaluation criteria</p> <p>The Secretary shall develop criteria for evaluating applications that will ensure that national, State, and local conservation priorities are effectively addressed.</p>		
<p>(b) Prioritization of applications</p> <p>In evaluating applications under this subpart, the Secretary shall prioritize applications—</p> <ul style="list-style-type: none"> (1) based on their overall level of cost-effectiveness to ensure that the conservation practices and approaches proposed are the most efficient means of achieving the anticipated conservation benefits of the project; (2) based on how effectively and comprehensively the project addresses the designated resource concern or resource concerns; (3) that best fulfill the purposes of the program; and 		

<p>(4) that improve conservation practices or systems in place on the operation at the time the contract offer is accepted or that will complete a conservation system.</p>		
<p>(c) Grouping of applications</p> <p>To the greatest extent practicable, the Secretary shall group applications of similar crop or livestock operations for evaluation purposes or otherwise evaluate applications relative to other applications for similar farming operations.</p>		
<p>§3829aa-4. Duties of Producers</p>		
<p>To receive payments under the program, a producer shall agree—</p> <p>(1) to implement an environmental quality incentives program plan (including a comprehensive nutrient management plan, if applicable) that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary;</p> <p>(2) not to conduct any practices on the enrolled land that would tend to defeat the purposes of the program;</p> <p>(3) on the violation of a term or condition of the contract at anytime the producer has control of the land—</p> <p style="padding-left: 20px;">(A) if the Secretary determines that the violation warrants termination of the contract—</p> <p style="padding-left: 40px;">(i) to forfeit all rights to receive payments under the contract; and</p> <p style="padding-left: 40px;">(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary;</p> <p style="padding-left: 20px;">or</p> <p style="padding-left: 20px;">(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;</p> <p>(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all payments received under the program, as determined by the Secretary;</p>		

<p>(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program; and (6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.</p>		
§3839aa-5. Environmental Quality Incentives Program Plan		
<p>(a) Plan of operations</p> <p>To be eligible to receive payments under the program, a producer shall submit to the Secretary for approval a plan of operations that—</p> <ul style="list-style-type: none"> (1) specifies practices covered under the program; (2) includes such terms and conditions as the Secretary considers necessary to carry out the program, including a description of the purposes to be met by the implementation of the plan; (3) in the case of a confined livestock feeding operation, provides for development and progressive implementation of a comprehensive nutrient management plan, if applicable; and (4) in the case of forest land, is consistent with the provisions of a forest management plan that is approved by the Secretary, which may include— <ul style="list-style-type: none"> (A) a forest stewardship plan described in section 2103a of this title; (B) another practice plan approved by the State forester; or (C) another plan determined appropriate by the Secretary. 		
<p>(b) Avoidance of duplication</p> <p>The Secretary shall—</p> <ul style="list-style-type: none"> (1) consider a plan developed in order to acquire a permit under a water or air quality regulatory program as the equivalent of a plan of operations under subsection (a), if the plan contains elements equivalent to those elements required by a plan of operations; and (2) to the maximum extent practicable, eliminate duplication of planning activities under the program under this subpart and comparable conservation programs. 		
§3839aa-6. Duties of the Secretary		

<p>To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—</p> <ul style="list-style-type: none"> (1) providing payments for developing and implementing 1 or more practices, as appropriate; and (2) providing the producer with information and training to aid in implementation of the plan. 		
<p>§3239aa-7. Limitation on Payments</p>		
<p>Not including payments made under section 3839aa–2(j) of this title, a person or legal entity may not receive, directly or indirectly, cost-share or incentive payments under this subpart that, in aggregate, exceed \$450,000 for all contracts entered into under this subpart by the person or legal entity during the period of fiscal years 2014 through 2018, or the period of fiscal years 2019 through 2023, regardless of the number of contracts entered into under this subpart by the person or legal entity.</p>		
<p>§3239aa-8. Competitive Innovation Grants and Payments</p>		
<p>(a) Competitive grants for innovative conservation approaches</p> <p>(1) Grants Out of the funds made available to carry out this subpart, the Secretary may pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging the Federal investment in environmental enhancement and protection, in conjunction with agricultural production or forest resource management, through the program.</p> <p>(2) Use The Secretary may provide grants under this subsection to governmental and non-governmental organizations and persons, on a competitive basis, to carry out projects that—</p> <ul style="list-style-type: none"> (A) involve producers who are eligible for payments or technical assistance under the program or community colleges (as defined in section 3319e(a) of title 7) carrying out demonstration projects on land of the community college; (B) leverage Federal funds made available to carry out the program under this subpart with matching funds provided by State and local governments and private organizations to promote environmental enhancement and protection in conjunction with agricultural production; 		

<p>(C) ensure efficient and effective transfer of innovative technologies and approaches demonstrated through projects that receive funding under this section, such as market systems for pollution reduction and practices for the storage of carbon in soil;</p> <p>(D) provide environmental and resource conservation benefits through increased participation by producers of specialty crops;</p> <p>(E) partner with farmers to develop innovative practices for urban, indoor, or other emerging agricultural operations;</p> <p>(F) utilize edge-of-field and other monitoring practices on farms—</p> <ul style="list-style-type: none"> (i) to quantify the impacts of practices implemented under the program; and (ii) to assist producers in making the best conservation investments for the operations of the producers; <p>(G) facilitate on-farm conservation research and demonstration activities; and</p> <p>(H) facilitate pilot testing of new technologies or innovative conservation practices.</p>		
<p>(b) Air quality concerns from agricultural operations</p> <p>(1) Implementation assistance</p> <p>The Secretary shall provide payments under this subsection to producers to implement practices to address air quality concerns from agricultural operations and to meet Federal, State, and local regulatory requirements. The funds shall be made available on the basis of air quality concerns in a State and shall be used to provide payments to producers that are cost effective and reflect innovative technologies.</p> <p>(2) Funding</p> <p>Of the funds made available to carry out this subpart, the Secretary shall carry out this subsection using \$37,500,000 for each of fiscal years 2019 through 2031.</p>		
<p>(c) On-farm conservation innovation trials</p> <p>(1) Definitions</p> <p>In this subsection:</p> <p>(A) Eligible entity</p> <p>The term "eligible entity" means, as determined by the Secretary—</p>		

- (i) a third-party private entity the primary business of which is related to agriculture;
- (ii) a nongovernmental organization with experience working with agricultural producers; or
- (iii) a governmental organization.

(B) New or innovative conservation approach

The term "new or innovative conservation approach" means—

- (i) new or innovative—
 - (I) precision agriculture technologies;
 - (II) enhanced nutrient management plans, nutrient recovery systems, and fertilization systems;
 - (III) soil health management systems, including systems to increase soil carbon levels;
 - (IV) water management systems;
 - (V) resource-conserving crop rotations (as defined in section 3839aa–24(d)(1) of this title);
 - (VI) cover crops; and
 - (VII) irrigation systems; and
- (ii) any other conservation approach approved by the Secretary as new or innovative.

(2) Testing new or innovative conservation approaches

Using \$25,000,000 of the funds made available to carry out this subpart for each of fiscal years 2019 through 2031, the Secretary shall carry out on-farm conservation innovation trials, on eligible land of producers, to test new or innovative conservation approaches—

- (A) directly with producers; or
- (B) through eligible entities.

(3) Incentive payments

(A) Agreements

In carrying out paragraph (2), the Secretary shall enter into agreements with producers (either directly or through eligible entities) on whose land an on-farm conservation innovation trial is being carried out to provide payments (including payments to compensate for foregone income, as appropriate to address the increased economic risk potentially associated with new or innovative conservation approaches) to the producers to assist with adopting and evaluating new or innovative conservation approaches to achieve conservation benefits.

(B) Adjusted gross income requirements

(i) In general

Adjusted gross income requirements under section 1308–3a(b)(1) of title 7 shall—

(I) apply to producers receiving payments under this subsection; and
(II) be enforced by the Secretary.

(ii) Reporting

An eligible entity participating in an on-farm conservation innovation trial under this subsection shall report annually to the Secretary on the amount of payments made to individual farm operations under this subsection.

(C) Limitation on administrative expenses

None of the funds made available to carry out this subsection may be used to pay for the administrative expenses of an eligible entity.

(D) Length of agreements

An agreement entered into under subparagraph (A) shall be for a period determined by the Secretary that is—

- (i) not less than 3 years; and
- (ii) if appropriate, more than 3 years, including if such a period is appropriate to support—
 - (I) adaptive management over multiple crop years; and
 - (II) adequate data collection and analysis by a producer or eligible entity to report the natural resource and agricultural production benefits of the new or innovative conservation approaches to the Secretary.

(4) Flexible adoption

The scale of adoption of a new or innovative conservation approach under an on-farm conservation innovation trial under an agreement under paragraph (2) may include multiple scales on an operation, including whole farm, field-level, or sub-field scales.

(5) Technical assistance

The Secretary shall provide technical assistance—

- (A) to each producer or eligible entity participating in an on-farm conservation innovation trial under paragraph (2) with respect to the design, installation, and management of the new or innovative conservation approaches; and
- (B) to each eligible entity participating in an on-farm conservation innovation trial under paragraph (2) with respect to data analyses of the on-farm conservation innovation trial.

(6) Geographic scope

The Secretary shall identify a diversity of geographic regions of the United States in which to establish on-farm conservation innovation trials under paragraph (2), taking into account factors such as soil type, cropping history, and water availability.

(7) Soil health demonstration trial

<p>Using funds made available to carry out this subsection, the Secretary shall carry out a soil health demonstration trial under which the Secretary coordinates with eligible entities—</p> <p>(A) to provide incentives to producers to implement conservation practices that—</p> <ul style="list-style-type: none"> (i) improve soil health; (ii) increase carbon levels in the soil; or (iii) meet the goals described in clauses (i) and (ii); <p>(B) to establish protocols for measuring carbon levels in the soil and testing carbon levels on land where conservation practices described in subparagraph (A) were applied to evaluate gains in soil health as a result of the practices implemented by the producers in the soil health demonstration trial; and</p> <p>(C)(i) not later than September 30, 2020, to initiate a study regarding changes in soil health and, if feasible, economic outcomes, generated as a result of the conservation practices described in subparagraph (A) that were applied by producers through the soil health demonstration trial; and</p> <p>(ii) to submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate annual reports on the progress and results of the study under clause (i).</p>		
<p>(d) Reporting and database</p> <p>(1) Report required</p> <p>Not later than September 30, 2019, and every 2 years thereafter, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the status of activities funded under this section, including—</p> <ul style="list-style-type: none"> (A) funding awarded; (B) results of the activities, including, if feasible, economic outcomes; (C) incorporation of findings from the activities, such as new technology and innovative approaches, into the conservation efforts implemented by the Secretary; and (D) on completion of the study required under subsection (c)(7)(C), the findings of the study. 		

<p>(2) Conservation practice database</p> <p>(A) In general</p> <p>The Secretary shall use the data reported under paragraph (1) to establish and maintain a publicly available conservation practice database that provides—</p> <ul style="list-style-type: none"> (i) a compilation and analysis of effective conservation practices for soil health, nutrient management, and source water protection in varying soil compositions, cropping systems, slopes, and landscapes; and (ii) a list of recommended new and effective conservation practices. <p>(B) Privacy</p> <p>Information provided under subparagraph (A) shall be transformed into a statistical or aggregate form so as to not include any identifiable or personal information of individual producers.</p>		
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This resource will be updated as the House and Senate legislative Farm Bill texts are released.

This resource is available electronically (with hyperlinks and endnotes) at www.eesi.org/papers.

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