

National Center for Conservation Economics

U.S. agricultural producers face stress from increasingly severe weather, and rising production and input costs,

Producers are looking for ways to remain competitive in this ever-changing environment. Conservation practices such as conservation tillage and cover crops are a potential way for producers to mitigate the risks they face, but challenges exist in their adoption and maintenance.

A major barrier to adopting conservation practices is producer concerns about the economic impact of changing their production practices.

Helping producers answer these questions is pivotal to informing their adoption decisions. Investing in data gathering and analysis on conservation practices is imperative to creating effective incentive programs that deliver benefits while promoting program accountability.



Farm benchmarking helps inform producer decisions on adopting conservation practices.

Farmers' financial and risk management skills are important in determining their success. Trusted farm business management programs, such as the Center for Farm Financial Management at the University of Minnesota, provide farmers with financial education, recordkeeping, and analysis support to increase their chance of success. Current farm benchmarking programs are in early stages of assessing the financial impacts of conservation practices. Scaling these efforts would ensure producers and policymakers have the information they need to make the best decisions, including their value on both rented and owned farmland. Investments in farm benchmarking programs prove particularly helpful for small farms who operate on slimmer margins and who have less access to other sources of information.



Proposal: The National Center for Conservation Economics

Conservation practice adoption is increasingly seen as essential for achieving environmental sustainability and better farm profitability, but economic barriers often impede its progress. Just as investment in education helped inform producers on the value of the Federal Crop Insurance Program, investment in research and education on the financial impacts of conservation practices would ensure producers and stakeholders throughout the agricultural supply chain are equipped with an objective cost-benefit analysis to make sound business decisions. To achieve this, a National Center for Conservation Economics should be established within the U.S. Department of Agriculture's Office of the Chief Economist to serve as a center of coordination, capacity building, and funding for conservation-driven farm benchmarking programs. The Center would support conservation financial data gathering and analysis through farm financial management in three key ways:

- **Financial benchmarking** - Coordinate and expand farm benchmarking efforts across states to aggregate anonymous farm financial data on costs of adoption of conservation practices within a secure and trusted database to provide national analysis and insights.
- **Capacity building** - Provide technical capacity building support and resources to institutions of higher learning to expand farm benchmarking programs in states where they do not currently exist.
- **Grant funding** - Provide grants to help new or existing programs grow their financial education, recordkeeping, and analysis services to producers and to fund projects gathering data and analyzing the financial impacts of conservation practices.

Benefits

The National Center for Conservation Economics will benefit stakeholders throughout the agriculture sector, including farmers, policymakers, crop consultants and extension specialists, agricultural lenders, and companies across the supply chain by:

- **Providing one comprehensive data source** for stakeholders seeking economic data on the adoption of conservation practices.
- **Guiding policymaking** for federal congressional agency officials to better inform conservation program design and implementation.
- **Increasing farm financial benchmarking program capacity** and multi-state data analysis to provide valuable information to producers across more regions and types of agricultural production systems.
- **Providing anonymous and secure farm data** about conservation practices to inform federal and state conservation policy, corporate value chain incentive programs, financial products, and producer decision making.
- **Providing data from a diversity of farm sizes, commodities produced, and geographic distributions** to help producers make informed decisions about conservation practices and evaluate financial impacts.
- **Preparing regional reports for producers to use in making sound conservation practice decisions** and helping to increase uptake in areas with low adoption rates.
- **Centralizing leadership and standardizing data collection** and reporting across states to increase the value and reliability of the data collected and to provide capacity to generate reports in almost unlimited specifications of farm characteristics.

Request

- **Authorization** - create a National Center for Conservation Economics in the 2024 Farm Bill.
- **Appropriation** - for FY2026, provide \$1.5 million to the National Center for Conservation Economics to administer grants, support capacity building to create new farm business management programs, and provide technical assistance to grant administrators.

Endorsements

The proposal for the National Center for Conservation Economics has received support from the following entities:



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