Abstract

Can a single program support farm income and encourage producers to adopt environment-ally sound farming practices? While simple in concept, attempting to roll the farm income support features of existing commodity programs and conservation payments into a single program raises questions. Exactly how would farm commodity and conservation payments be combined? What difference would it make for environmental gain and farm income support? This report approaches the questions in two ways. First, spending patterns in existing commodity and conservation programs are analyzed to determine the extent to which producers who are currently receiving commodity payments also receive conservation payments. Then, a number of hypothetical program scenarios are devised and analyzed to estimate how emphasis on current income support recipients would differ from a combined program that focuses on achieving cost-effective environmental gain. The results show that policymakers face significant tradeoffs between environmental (conservation) objectives and farm income support objectives in designing a program that provides both income support and environmental gain.

Keywords: conservation, commodity programs, income support

Acknowledgments

Shawn Bucholtz, Nathaniel Higgins, and J. Michelle Michalek also contributed to this paper. We thank Sandra Batie, Cathy Kling, Phil Spinelli, John Stierna, Marca Weinberg, and Ed Young for helpful comments on earlier drafts. Thanks also to Priscilla Smith for editorial assistance and Wynnice Pointer-Napper for layout and design.