

August 24, 2022

FUNDER POLICY BRIEFING: Inflation Reduction Act

Co-hosted by SAFSF and Funders for Regenerative Agriculture (FORA) and co-sponsored by the Panta Rhea Foundation and Regenerative Agriculture Foundation.

Collaboration | Equity | Respect | Stewardship | Integrity



**SUSTAINABLE AGRICULTURE
and FOOD SYSTEMS FUNDERS**

How did we get here?

Funding Advocacy is Critical!

- The funding that many of you provided year in and year out!
- The hard work of many advocates that made IRA possible.
- \$20 billion in USDA conservation programs in the IRA is due to decades of activism.



WHATS IN THE LAW?

OVERVIEW

- The IRA includes energy security and climate change, health care and tax provisions:
 - Climate change investments - \$369 billion
 - Healthcare investments - \$329 billion
 - Affordable Care Act extensions - \$64 billion
 - Prescription drug pricing reform - \$265 billion (savings to the government so is considered a revenue raiser)
 - Tax provisions - \$737 billion in revenue
 - 15% corporate minimum tax - \$222 billion
 - Prescription drug pricing reform - \$265 billion
 - IRS tax enforcement - \$124 billion
 - 1% stock buybacks fee - \$74 billion
 - Loss limitation extension - \$52 billion

*Source: https://www.democrats.senate.gov/imo/media/doc/inflation_reduction_act_one_page_summary.pdf

WHATS IN THE LAW?

☐ CONSERVATION INVESTMENTS - \$20 billion

☐ Conservation Stewardship Program - \$3.25 billion FY 2023-2026

- FY2023 – \$250 million
- FY2024 – \$500 million
- FY2025 – \$1 billion
- FY2026 – \$1.5 billion

☐ Environmental Quality Incentives Program - \$8.45 billion FY 2023-2026

- FY2023 – \$250 million
- FY2024 – \$1.75 billion
- FY2025 – \$3 billion
- FY2026 – \$3.45 billion

WHAT'S IN THE LAW?

☐ CONSERVATION INVESTMENTS - \$20 billion

☐ Reginal Conservation Partnership Program – \$4.95 billion FY 2023-2026

- FY2023 – \$250 million
- FY2024 – \$800 million
- FY2025 – \$1.5 billion
- FY2026 – \$2.4 billion

☐ Agriculture Conservation Easement Program - \$1.4 billion FY 2023-2026

- FY2023 – \$100 million
- FY2024 – \$200 million
- FY2025 – \$500 million
- FY2026 – \$600 million

WHATS IN THE LAW?

❑ RURAL DEVELOPMENT

- Rural Energy for America Program (REAP)
 - \$820.25 million through FY 2031 (\$180.28 million per year)
 - Grant program that covers up to 50 percent of the cost of a project and doubles the existing grant-based cost-share level 25 percent, therefore, total cost share under this provision for grants and loans can be up to 75 percent.

❑ AGRICULTURE CREDIT

- Assistance and support to underserved farmers and ranchers, including beginning farmers, limited resource producers, veterans, and those living in high poverty areas:
 - \$125 million is designated for technical assistance for these farmers;
 - \$250 million for grants and loans to improve land access;
 - \$250 million for historically marginalized colleges and universities to provide internships and pathways to the agriculture sector or Federal employment.

WHATS IN THE LAW?

❑ AGRICULTURE CREDIT

- Repeals the provision from the American Rescue Plan that would have provided 120 percent debt relief for socially disadvantaged farmers and ranchers
- Replaces repealed provision with two pools of funding for at-risk farmers and ranchers:
 - \$3.1 billion for debt relief to distressed borrowers of loans administered by the Farm Service Agency (FSA)
 - \$2.2 billion for financial assistance to farmers and ranchers who are determined to have experienced discrimination in USDA lending programs prior to January 1, 2021.
- Resources | Articles regarding the debt relief provision:
 - Coop News - [US apex for Black farm co-ops condemns 'broken promises' on debt relief](#)
 - NY Times - [Climate and Tax Bill Rewrites Embattled Black Farmer Relief Program](#)

NEXT STEPS?

❑ Implementation with USDA - Conservation

- Funding available beginning FY 2023 so likely moving quickly
- Climate prioritization language – leaves flexibility or the need to determine what this will mean. Do not want this language to be so narrow that it does not take into account water quality, equity and many other considerations.
- Rulemaking process – what it looks like and the timing of it still TBD

❑ Impact on 2023 Farm Bill

- Fundamentally changes the scope of the farm bill conversations – need to push Congress to put this into baseline spending for conservation
- BIG CAMPAIGN to ensure this doesn't move to other areas like commodity and crop insurance programs.
- Payment limitations on these programs – need to proactively fight to put them back into law in 2023!

NEXT STEPS?

- ❑ Implementation with USDA – Loan Modifications and Assistance to Underserved Farmers and Ranchers
 - Loan modifications process for direct and guaranteed borrowers (“expeditiously” and “distressed” – how those will be defined and implemented are critical)
 - Financial assistance is not defined – farmers must prove they experienced discrimination
 - Working with farmers directly to help them access the loan modification process – there will be a lot of paperwork - 17,000 farmers facing foreclosure

- ❑ Important for funders to support our NGO partners to see policy clear through – authorization, appropriations and implementation.
 - Remember the point Dănia made about staying in the game through authorization with Congress, implementation with USDA, and appropriations with Congress. This work happens every year and it is important for funders continuing to support policy advocacy work each year.

IRA RESOURCES AND INFORMATION

- ❑ Inflation Reduction Act Legislation
 - ❑ [Legislative Language](#)
 - ❑ [General Summary](#)
 - ❑ [Agriculture Conservation and Rural Development Summary](#)

- ❑ Congressional Research Service Report: [Inflation Reduction Act: Agricultural Conservation and Credit, Renewable Energy, and Forestry](#)

SPEAKER CONTACT INFORMATION

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