

# Making a Difference: The Inflation Reduction Act's Impact on Working Lands Conservation Programs in Iowa



A report by Kalee Olson  
with support from Kelsey Willardson,  
Center for Rural Affairs



CENTER *for* RURAL AFFAIRS

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May 2025

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EQIP and CSP are voluntary programs designed to conserve natural resources, protect water quality, and improve soil health while helping producers increase the resiliency of their operations. For years, the demand for these programs has exceeded the amount of funding available, leaving many producers without support to build environmentally sustainable operations.

## I. Introduction

The U.S. Department of Agriculture (USDA) offers financial and technical assistance to producers who wish to implement conservation practices on their land while maintaining agricultural production. The Conservation Stewardship Program (CSP) and the Environmental Quality Incentives Program (EQIP) are two such programs administered by the USDA's Natural Resources Conservation Service (NRCS). For years, the demand for these programs has exceeded the amount of funding available, leaving many producers without support to build environmentally sustainable operations.

In 2022, the Inflation Reduction Act (IRA) appropriated more than \$19.5 billion to support climate-smart agriculture, including \$8.45 billion for EQIP and \$3.25 billion for CSP to fund additional contracts through 2026.<sup>1</sup> This paper examines the IRA's impact through 2024 on these working lands conservation programs in Iowa.

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1 Schewe, Rebecca, and Jesse Womack. "Stewarding Success: CSP Under the 2018 Farm Bill." National Sustainable Agriculture Coalition, September 2024, [sustainableagriculture.net/wp-content/uploads/2024/10/Stewarding-Success-CSP-Under-the-2018-Farm-Bill-September-2024.pdf](https://sustainableagriculture.net/wp-content/uploads/2024/10/Stewarding-Success-CSP-Under-the-2018-Farm-Bill-September-2024.pdf). Accessed January 2025.

## II. What are working lands conservation programs?

EQIP and CSP are voluntary programs designed to conserve natural resources, protect water quality, and improve soil health while helping producers increase the resiliency of their operations. Both programs provide support to farmers and ranchers in the form of financial and technical assistance. Financial support helps producers offset the costs of implementing new practices on their operations, while NRCS staff provide technical assistance by offering personalized guidance on conservation planning, the application process, and practice standards.

EQIP contracts typically span one to three years and are designed to address a particular resource concern with a single practice or project, making the program a good option for producers who are new to conservation. For example, a farmer may use EQIP funding to offset the cost of planting a cover crop, such as cereal rye, for erosion control. The program also offers assistance for structural practices, such as fencing for rotational grazing.

CSP contracts last five years and ask producers to implement multiple practices across their operations, making this program suitable for farmers and ranchers with previous conservation experience. Applicants must demonstrate they are currently engaged in conservation and willing to implement additional practices, called enhancements; for example, planting a multi-species cover crop, such as cereal rye and hairy vetch, for erosion control and nitrogen fixation.



The popularity of EQIP and CSP among producers has meant that the application process for both is highly competitive. Despite the high level of interest indicated by the large number of program applications, insufficient funding reduces the opportunity for wider implementation of practices. Without the financial and technical assistance provided through CSP and EQIP, many producers have been left without the means to adopt new farming and ranching methods that protect local natural resources and enhance the environmental sustainability of their operations.

## A. The problem of oversubscription

The popularity of EQIP and CSP among producers has meant that the application process for both is highly competitive. In 2022, for example, only 24.8% of CSP applicants and 25.9% of EQIP applicants nationwide were awarded contracts.<sup>2</sup> Despite the high level of interest indicated by the large number of program applications, insufficient funding reduces the opportunity for wider implementation of practices. Without the financial and technical assistance provided through CSP and EQIP, many producers have been left without the means to adopt new farming and ranching methods that protect local natural resources and enhance the environmental sustainability of their operations. Additionally, many of the practices offered through EQIP

and CSP help producers mitigate climate change by capturing carbon and reducing on-farm emissions, crucial outcomes that may not happen if producers are unable to obtain funding to support the necessary adjustments to their business practices.<sup>3</sup>

## B. Inflation Reduction Act as a potential solution

In 2022, Congress passed the IRA, a sweeping piece of legislation intended to invest in the American economy, energy, and climate. As part of this investment, the bill granted \$8.45 billion for EQIP and \$3.25 billion for CSP to fund additional contracts through 2026. Conservation practices implemented through IRA-funded EQIP and CSP contracts must

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2 Happ, Michael. "Still Closed Out." Institute for Agriculture & Trade Policy, March 1, 2023, [iatp.org/still-closed-out](http://iatp.org/still-closed-out). Accessed January 2025.

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3 "The Role of Agriculture in Climate Change Mitigation." U.S. Department of Agriculture Natural Resources Conservation Service, July 2024, [nrcs.usda.gov/sites/default/files/2024-07/USDA\\_ClimateChangeMitigation\\_Brochure\\_24.pdf](https://nrcs.usda.gov/sites/default/files/2024-07/USDA_ClimateChangeMitigation_Brochure_24.pdf). Accessed January 2025.



## PERSPECTIVES

*In December 2024, Center staff held a roundtable discussion with Iowa producers who use CSP and/or EQIP on their operations. As part of the discussion, staff asked if participants were aware of the IRA and its impact on working lands conservation program funding in Iowa. Of the seven participants, only one producer had heard of the IRA and the additional funding it provides to Iowa conservation programs.*

*Despite the success Iowa has demonstrated in allocating this investment to Iowa's producers, participants indicated a misperception that the state will not be able to spend its IRA allocation in years to come.*

*"There's so much money in that program, they will never give it all away because farmers don't want to change."*

*"There's all this money out there, and people don't ask for it."*

*Part of this misperception could be due, in part, to the application process and the individual relationships between producers and their local NRCS staff.*

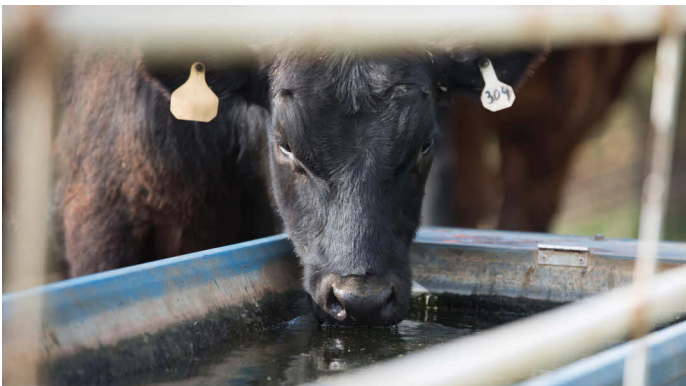
*According to one Iowa NRCS staff member, a typical enrollment conversation does not involve discussion of IRA funding versus farm bill funding because the customer-facing application process is essentially the same. Instead, NRCS staff place producers in the funding pool that best fits their needs and intended practices, since not all practices can be cost-shared using IRA funds. Another staff member said the few producers who have asked about the IRA usually heard about it from USDA announcements, the Farm Bureau, Practical Farmers of Iowa, or other organizations.*

*Effective advocacy for federal conservation programs requires organizations and producers to stand on a clear, united front. Our roundtable conversations illustrate a clear need for the continued education of producers to help them understand the value of the IRA for their neighborhoods and state.*

be designated by the USDA as Climate Smart Agriculture and Forestry (CSAF) activities. NRCS identifies CSAF practices as those "critical to climate change mitigation" that "when applied appropriately, are expected to reduce greenhouse gas emissions or increase carbon sequestration," as supported by scientific literature or science-based quantitative methods.<sup>4</sup> In addition to helping farmers participate in the fight against climate change, the additional IRA funding for EQIP and CSP was intended to alleviate the oversubscription problem faced by both programs.<sup>5</sup>

### III. Working lands conservation and the IRA in Iowa

Working lands conservation programs are used by farmers and ranchers in all 50 states. As a state with significant agricultural production, Iowa producers have demonstrated a strong interest in both EQIP and CSP. In 2022, Iowa ranked seventh in the number of EQIP applications submitted (4,127) and tenth in the number of CSP applications submitted (1,243).<sup>6</sup>



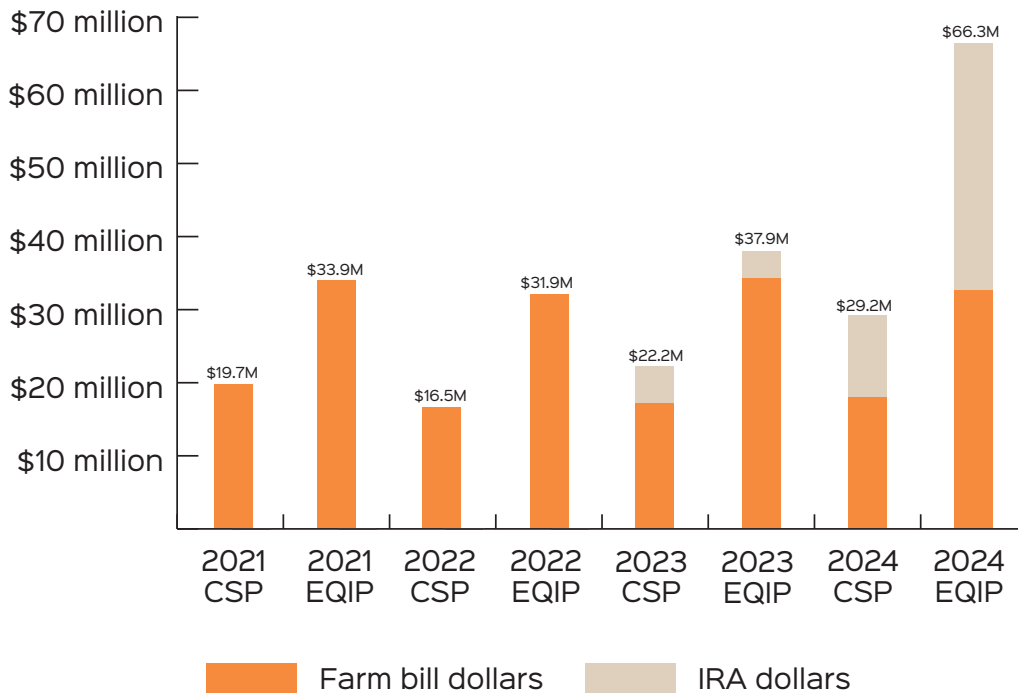
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4 "NRCS Climate-Smart Mitigation Activities." U.S. Department of Agriculture Natural Resources Conservation Service, [nrcs.usda.gov/conservation-basics/natural-resource-concerns/climate/climate-smart-mitigation-activities](https://nrcs.usda.gov/conservation-basics/natural-resource-concerns/climate/climate-smart-mitigation-activities). Accessed January 2025.

5 Schewe, Rebecca, and Jesse Womack. "Stewarding Success: CSP Under the 2018 Farm Bill." National Sustainable Agriculture Coalition, September 2024, [sustainableagriculture.net/wp-content/uploads/2024/10/Stewarding-Success-CSP-Under-the-2018-Farm-Bill-September-2024.pdf](https://sustainableagriculture.net/wp-content/uploads/2024/10/Stewarding-Success-CSP-Under-the-2018-Farm-Bill-September-2024.pdf). Accessed January 2025.

6 Happ, Michael. "Still Closed Out." Institute for Agriculture & Trade Policy, March 1, 2023, [iatp.org/still-closed-out](https://iatp.org/still-closed-out). Accessed January 2025.

Figure 1. CSP and EQIP by dollars obligated in Iowa



## A. Program funding

The IRA provided additional program funding for each state beginning in 2023. Figure 1 breaks down the total amount of dollars obligated to Iowa for EQIP and CSP from 2021 to 2024 and illustrates the increase in funding made available through the IRA.<sup>7,8,9,10,11</sup>

In 2023, the IRA made an additional \$5.1 million available to Iowa producers through CSP and another additional \$3.8 million through EQIP. In 2024, the IRA made an additional \$11.4 million and \$33.8 million available to CSP and EQIP respectively. The total amount obligated to CSP in 2024 was a 77% increase from 2022 and a 48% increase from 2021. For EQIP, the total amount obligated in 2024 was a 108% increase from 2022 and a 96% increase from 2021.

7 “At-a-Glance.” Iowa Natural Resources Conservation Service, U.S. Department of Agriculture, October 2021, [nrcs.usda.gov/sites/default/files/2024-10/2021At-A-Glance\\_NoMaps.pdf](https://nrcs.usda.gov/sites/default/files/2024-10/2021At-A-Glance_NoMaps.pdf). Accessed January 2025.

8 “At-a-Glance.” Iowa Natural Resources Conservation Service, U.S. Department of Agriculture, November 2022, [nrcs.usda.gov/sites/default/files/2022-11/2022At-A-Glance.pdf](https://nrcs.usda.gov/sites/default/files/2022-11/2022At-A-Glance.pdf). Accessed January 2025.

9 “At-a-Glance.” Iowa Natural Resources Conservation Service, U.S. Department of Agriculture, November 2023, [nrcs.usda.gov/sites/default/files/2023-11/2023At-A-Glance.pdf](https://nrcs.usda.gov/sites/default/files/2023-11/2023At-A-Glance.pdf). Accessed January 2025.

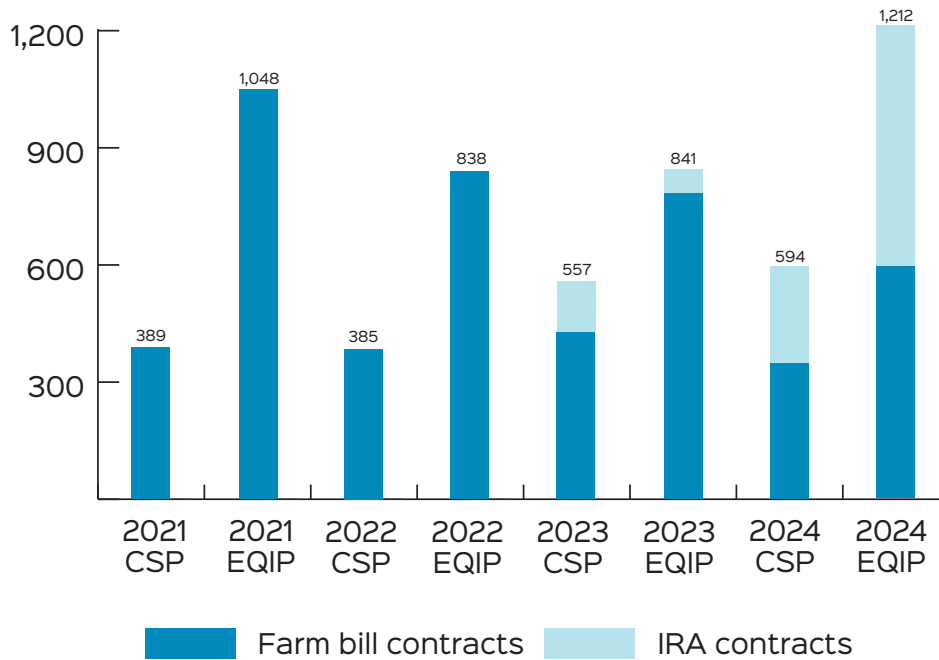
10 “At-a-Glance.” Iowa Natural Resources Conservation Service, U.S. Department of Agriculture, November 2024, [nrcs.usda.gov/sites/default/files/2024-12/2024At-A-Glance.pdf](https://nrcs.usda.gov/sites/default/files/2024-12/2024At-A-Glance.pdf). Accessed January 2025.

11 “NRCS Financial Assistance Program Practices Data.” U.S. Department of Agriculture, Jan. 1, 2025, [farmers.gov/data/financial-assistance-overview](https://farmers.gov/data/financial-assistance-overview). Accessed January 2025.

***“With the addition of Inflation Reduction Act funding, we are able to implement more climate-smart conservation practices and enhancements that ultimately help improve soil health and water quality, and add wildlife habitat to the landscape.”***

*—Jason Johnson,  
state public affairs specialist, Iowa NRCS*

Figure 2. CSP and EQIP data by contract count in Iowa



The number of EQIP and CSP contracts awarded in Iowa from 2021 to 2024 further demonstrates the significance of program funding made available by the IRA. See Figure 2.<sup>12,13,14,15,16</sup>

In 2023, the IRA funded an additional 130 CSP contracts and an additional 59 EQIP contracts in Iowa. In 2024, the IRA funded an additional 248 contracts and 618 contracts for CSP and EQIP, respectively. The total number of CSP contracts in 2024 represents a 54% increase from 2022 and a 53% increase from 2021. For EQIP, the total number of

contracts in 2024 increased by 47% from 2022 and 16% from 2021.

In 2023 and 2024, Iowa NRCS was able to obligate all of its funding for EQIP and CSP, including the additional money made available through the IRA, demonstrating continued demand for these programs from producers in the state.

## B. Implementation of climate-smart practices

As mentioned above, only conservation practices deemed climate-smart by the USDA are eligible for IRA funding. Of the 165 conservation practices available for implementation through the NRCS, 55 are included on the Department’s CSAF list.<sup>17</sup> The exception to this rule is that IRA funding may be used to implement facilitating practices, which “facilitate the management or the function of a CSAF activity but may not achieve the desired effects on their own.”<sup>18</sup> For example, prescribed grazing, a CSAF activity, may require the implementation of structural practices such as fencing, water facilities, or livestock shelters to be successful.

12 “At-a-Glance.” Iowa Natural Resources Conservation Service, U.S. Department of Agriculture, October 2021, [nrcs.usda.gov/sites/default/files/2024-10/2021At-A-Glance\\_NoMaps.pdf](https://nrcs.usda.gov/sites/default/files/2024-10/2021At-A-Glance_NoMaps.pdf). Accessed January 2025.

13 “At-a-Glance.” Iowa Natural Resources Conservation Service, U.S. Department of Agriculture, November 2022, [nrcs.usda.gov/sites/default/files/2022-11/2022At-A-Glance.pdf](https://nrcs.usda.gov/sites/default/files/2022-11/2022At-A-Glance.pdf). Accessed January 2025.

14 “At-a-Glance.” Iowa Natural Resources Conservation Service, U.S. Department of Agriculture, November 2023, [nrcs.usda.gov/sites/default/files/2023-11/2023At-A-Glance.pdf](https://nrcs.usda.gov/sites/default/files/2023-11/2023At-A-Glance.pdf). Accessed January 2025.

15 “At-a-Glance.” Iowa Natural Resources Conservation Service, U.S. Department of Agriculture, November 2024, [nrcs.usda.gov/sites/default/files/2024-12/2024At-A-Glance.pdf](https://nrcs.usda.gov/sites/default/files/2024-12/2024At-A-Glance.pdf). Accessed January 2025.

16 “NRCS Financial Assistance Program Practices Data.” U.S. Department of Agriculture, Jan. 1, 2025, [farmers.gov/data/financial-assistance-overview](https://farmers.gov/data/financial-assistance-overview). Accessed January 2025.

17 “Climate-Smart Agriculture and Forestry (CSAF) Mitigation Activities List for FY2025.” U.S. Department of Agriculture Natural Resources Conservation Service, August 2024, [nrcs.usda.gov/sites/default/files/2023-10/NRCS-CSAF-Mitigation-Activities-List.pdf](https://nrcs.usda.gov/sites/default/files/2023-10/NRCS-CSAF-Mitigation-Activities-List.pdf). Accessed January 2025.

18 Ibid.

Table 1. Top EQIP practices by practice instances obligated in Iowa

2023 EQIP - baseline	2023 EQIP - IRA	2024 EQIP - baseline	2024 EQIP - IRA
Cover crop	Cover crop	Cover crop	Cover crop
Brush management*	Residue and tillage management, No till	Brush management*	Residue and tillage management, No till
Prescribed grazing	Conservation crop rotation	Watering facility	Brush management*
Fence	--	Livestock pipeline	Forest stand improvement
Heavy use area protection	--	Heavy use area protection	Prescribed burning*
Watering facility	--	Fence	Pasture and hay planting
Livestock pipeline	--	Critical area planting	Tree/shrub establishment
Pasture and hay planting	--	Prescribed grazing	Conservation cover
Residue and tillage management, No till	--	Pasture and hay planting	Conservation crop rotation
Underground outlet	--	Underground outlet	Fence

Conservation practice designated by USDA as a CSAF activity  
 Conservation practice designated by USDA as a practice that facilitates the adoption of a CSAF activity  
 Not a CSAF activity

\* Added to CSAF list in 2024

Producers who are not yet ready to implement the required CSAF practice can still receive IRA-funded CSP or EQIP contracts to complete the necessary steps to prepare.

Regardless of their climate impact, CSAF activities are popular with producers given the range of benefits they provide. The potential benefits include improved water quality, reduced erosion, better soil health, and increased wildlife habitat. Combined with their ability to reduce greenhouse gas emissions and sequester carbon, CSAF practices help farmers build agricultural operations that are more resilient to the effects of severe weather.

Table 1 lists the top 10 EQIP practices in Iowa for 2023 and 2024.<sup>19</sup> Highlighted practices indicate a CSAF activity, including facilitating practices. The top practices are listed for both baseline-funded contracts, which do not require the implementation of CSAF activities, and IRA-funded contracts, which do require the implementation of CSAF activities.

In both years, eight of the top 10 practices funded by baseline contracts were CSAF activities or facilitating practices, demonstrating the popularity of these practices and producers' willingness to voluntarily adopt such methods, even without designated IRA funding.

19 "NRCS Financial Assistance Program Practices Data." U.S. Department of Agriculture, Jan. 1, 2025, [farmers.gov/data/financial-assistance-practices](https://farmers.gov/data/financial-assistance-practices). Accessed January 2025.

Table 2. Top CSP practices by practice instances obligated in Iowa

2023 CSP - baseline	2023 CSP - IRA	2024 CSP - baseline	2024 CSP - IRA
Cover crop	Cover crop	Leaving tall crop residue for wildlife	Cover crop
Leaving tall crop residue for wildlife	Residue and tillage management, No till	Cover crop	Residue and tillage management, No till
Residue and tillage management, No till	Conservation cover	Brush management*	Conservation cover
Intensive cover cropping to increase soil health and soil organic matter content	No till to reduce soil erosion	Structures for wildlife	Cover crop to reduce soil erosion
Conservation cover	Intensive cover cropping to increase soil health and soil organic matter content	Residue and tillage management, No till	No till to reduce soil erosion
No till to reduce soil erosion	Pasture and hay planting	No till to reduce soil erosion	Conservation cover for pollinators and beneficial insects
Pasture and hay planting	Forest stand improvement	Conservation crop rotation	No till system to increase soil health and soil organic matter content
Brush management*	No till system to increase soil health and soil organic matter content	Conservation cover	Forest stand improvement
Cover crop to reduce soil erosion	Conservation cover for pollinators and beneficial insects	Prescribed burning*	Tree/shrub establishment
Structures for wildlife	Tree/shrub establishment	Pasture and hay planting	Facilitating oak forest regeneration

Conservation practice designated by USDA as a CSAF activity  
 Conservation practice enhancement designated by USDA as a CSAF activity  
 Not a CSAF activity

\* Added to CSAF list in 2024

Table 2 lists the top 10 CSP practices in Iowa for 2023 and 2024.<sup>20</sup> Highlighted practices indicate a CSAF activity, including practice enhancements also designated as climate-smart by NRCS. This table illustrates that, similar to EQIP, CSAF practices are popular among farmers in the state.

In both years, eight of the top 10 practices and enhancements funded by baseline contracts were CSAF activities. Again, this demonstrates the popularity of these practices and producers’ willingness to voluntarily adopt such methods, even without designated IRA funding.

***“Many of the CSP-IRA enhancements are the most popular ones in Iowa, so we have not had problems finding interested producers.”***

*–Jason Johnson,  
state public affairs specialist, Iowa NRCS*

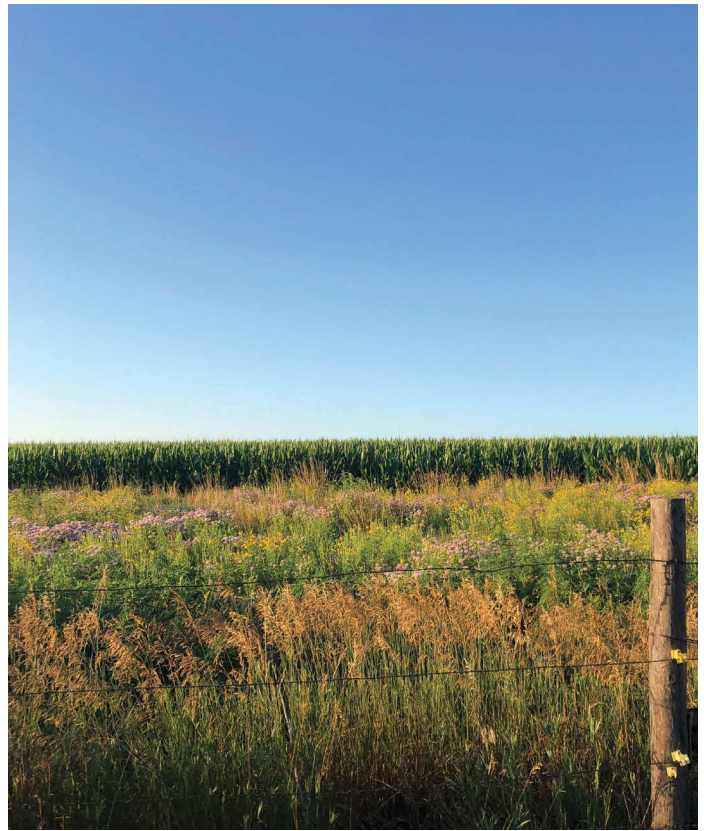
<sup>20</sup> Ibid.

## IV. Conclusion

The financial and technical assistance provided through EQIP and CSP are popular among producers in Iowa, and there is no indication the demand will decline. Even with a dramatic increase in program funding and the climate-smart guardrails established by the IRA, Iowa NRCS has been able to obligate all program dollars made available to the state in 2023 and 2024.

Additionally, the IRA has had a significant impact on the implementation of conservation practices in Iowa. By providing additional funding for CSAF practices, the adoption of practices that reduce greenhouse gas emissions and increase carbon sequestration has increased. While climate-specific benefits are important, CSAF practices also have a positive impact on soil health, water quality, and wildlife habitat—as well as the sustainability and resiliency of our agricultural system—helping to secure the future of one of Iowa’s top industries.

Moving forward, lawmakers and other federal decision makers must support policy and administrative action that continue to meet the demand of producers in Iowa and across the nation. Through working lands programs, USDA can advance conservation efforts that serve a multitude of interests and keep farm families strong.



The financial and technical assistance provided through EQIP and CSP are popular among producers in Iowa, and there is no indication the demand will decline. Through working lands programs, USDA can advance conservation efforts that serve a multitude of interests and keep farm families strong.

## About the Center for Rural Affairs

Established in 1973, the Center for Rural Affairs is a private, nonprofit organization with a mission to establish strong rural communities, social and economic justice, environmental stewardship, and genuine opportunity for all while engaging people in decisions that affect the quality of their lives and the future of their communities.