

Coburn Amendment 1004 —To end conservation payments to millionaires

Reducing our national debt—which now exceeds \$15.8 trillion—is the most critical issue facing our nation. Our country simply cannot survive if we continue down this unsustainable course. Every area of the federal budget should be examined to determine which programs should be priorities.

Federal conservation programs are a good place to start. These programs pay farmers and ranchers to either implement conservation measures on their farms (“working lands”) or to idle their land for conservation purposes (“land retirement”).

Oftentimes, the financial assistance offered by these programs incentivizes what is already in the best financial interests of farmers. Natural, market-based incentives already exist to achieve the efficiency and conservation purposes of these programs without taxpayer dollars.

Not only that, but these programs also pay farmers and companies that have Adjusted Gross Incomes (AGI) of \$1 million or more.

Special rules allow the USDA to waive income limitations for certain programs, which it does on a regular basis. The result is millions paid to otherwise ineligible millionaires each year.

In fact, in 2010 and 2011, USDA waived the \$1 million AGI cap for the programs discussed below and paid a total of **\$89,032,263** to individuals or entities with an AGI of \$1 million or more.

Allowing federal conservation programs to make payments to those with an Adjusted Gross Income (AGI) of \$1 million or more is simply not a priority for taxpayers.

This amendment would prevent USDA from paying millionaires by eliminating the ability to issue waivers that exempt program participants who have an AGI of \$1 million or more from adhering to the program’s payment limit rules.

EXAMPLES:

Wetland Reserve Program (“WRP”)

In total, over a two-year period, USDA waived program requirements and awarded over **\$84 million** to individuals and entities with an AGI of \$1 million or more.

- In 2009, the USDA waived program requirements and paid two millionaires a total of **\$10,234,520**, which consisted mainly of a **\$10 million** payment to an investment company in California for restoring wetlands to protect the Riparian Brush Rabbit.
- In 2010, the WRP program paid **eight individuals** with an AGI of \$1 million over **\$74 million**. These included almost **\$22 million** to a ranch in Florida. The company that owns the ranch describes itself as a “privately held, family-owned company with agricultural, commercial real estate, and asset management operations.” That company also states that it owns a number of commercial real estate properties in New Jersey and Florida. The company also claims holdings that include multi-tenant office buildings, parking lots, a for-profit educational institution, restaurants, and retail property.
- In 2010, USDA also paid over **\$31 million** to another ranch in Florida. The payment was part of an \$89 million purchase by USDA of an easement that places deed restrictions on the use of the land along 26,000 acres of the Fisheating Creek Watershed, partially located on the ranch. USDA claimed that the easement purchase would provide support for the crested caracara, Florida panther, and the red-cockaded woodpecker.
- Recently, the owners of the ranch listed 2,600 acres for sale for \$18.2 million. The property is described as a working ranch with “tremendous recreation and hunting attributes.” The local newspaper has also reported that same ranch was slated for a new 12,000-unit planned community.

- Other entities and individuals with an AGI of \$1 million or more that received WRP payments in 2010 include:
- **\$7.92 million** to a company in Texas for “restoration and protection of critical and unique wetlands” on a property known as East Nest Lake and Osceola Plantation;
- **\$5.8 million** to a farm in North Carolina to promote a “habitat for migratory birds and wetland dependent wildlife;”
- **\$5.4 million** to a ranch in Florida for land with “high potential to significantly improve waterfowl and wading bird habitat;”
- **\$900,853** to an individual in Kansas to “protect and [for] restoring...valuable wetland resources...for migratory birds and other wildlife;”
- **\$227,203** to a company in New Hampshire for “wetland restoration;” and
- **\$80,000** to two individuals in Mississippi to “restore, protect and enhance wetlands.”

Grassland Reserve Program (“GRP”).

- In 2010, USDA waived the \$1 million AGI requirement and paid a ranch holding company over **\$2.7 million** through GRP for “protection of critical and unique grasslands.”

Environmental Quality Incentive Program (“EQIP”).

- Last year, USDA paid four millionaires a total of **\$592,097** through EQIP, **\$299,847** of which was aimed at protecting the Sage Grouse by a ranch in California.
- **\$50,000** went to a farm. That farm is owned by the W.C. Bradley Company, which is best known for producing Char-Broil outdoor grills and Zebco fishing supplies.

- Remaining amounts of \$35,250 and \$210,000 went to two family trusts.

The Wildlife Habitat Incentive Program (“WHIP”)

- **\$737,000** to three millionaire recipients, with the majority of the funds (**\$449,662**) going to protect the Sage Grouse by a family trust in California.
- A farm in Georgia also received \$100,000 through WHIP for “promotion of at-risk species habitat conservation.”
- The remaining \$187,540 went to a company in New Jersey.

Farm and Ranch Land Protection Program (“FRPP”).

- FRPP paid **\$630,000** to a company in 2009 to protect *Raspberry Farms* in Hampton Falls, New Hampshire. *Raspberry Farms* formerly operated as a “popular pick-your-own berries and retail farm stand” in the 1980s and early 1990s.
- The former farm was scheduled to be developed for housing, but instead, NRCS, in partnership with local entities, paid a total of \$1.6 million to ensure the land will never be developed.

Conservation Reserve Program (“CRP”).

- In 2010 USDA paid four individuals and entities with an AGI of \$1 million or more a total of **\$75,540**.