



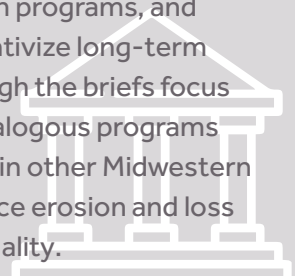
ADVOCACY AND ACTION



In this document, we discuss policy priorities for incentivizing conservation on agricultural land and reforming public farmland leasing.

Policy has the potential to be a powerful tool to either incentivize or require agricultural conservation practices. Both county and state level policy initiatives can serve to raise awareness, build capacity, increase transparency or provide badly needed resources to affect this change. Delta Institute works with partners to research, analyze, and design programs and policies aimed at creating thriving landscapes and protecting natural resources in the region. The success of these efforts often rests on broad support from decision makers, elected officials, and other community influencers. Enacting policies enabling implementation

of land stewardship initiatives and activities at various levels of government allows us to ensure that there are mechanisms in place to support farmers and improve natural resources. Following a review of market drivers for implementation of the Nutrient Loss Reduction Strategy in Illinois, Delta developed a series of [policy briefs](#) outlining opportunities for action for state agencies. These include better leveraging the state revolving fund for clean water, establishing pay-for-performance conservation programs, and enhancing tenure security to incentivize long-term conservation investments. Although the briefs focus on the Illinois policy landscape, analogous programs can be explored and implemented in other Midwestern states to improve soil health, reduce erosion and loss of nutrients, and improve water quality.





Change through legislation

Delta works with partners to develop and advocate for policies that incentivize conservation. In Illinois, Delta collaborates with [Illinois Environmental Council](#) and [Illinois Stewardship Alliance](#) to build support for conservation leasing on public farmland are put into place among elected officials and at the grassroots

level. There are numerous strategies, both at the state and local level, that can help the public sector reform and improve farmland management. These range from requiring that conservation measures are included in leases, to bidding reform, to reporting requirements. The policy recommendations are outlined below.

COUNTY RECOMMENDATIONS

Draft model lease language for counties

Without requiring any policy or regulatory change, one strategy to encourage conservation practices is to provide a model lease for counties. Given that the current nature of these leases vary greatly, and some counties do not have the staff to negotiate better leases, much could be gained from providing a model for counties to use when leasing.

Draft model ordinances for counties

County governments may also adopt ordinances that oversee leasing of land owned by that county, or a county unit of government such as a Forest Preserve District. Providing a model ordinance for counties to adopt that explicitly delineate what lease arrangements may look like, and what types of lands, crops, practices, etc. should be given preference.



Bidding reform at the county level

At the county level, changes to procurement codes can encourage greater conservation practices. This option involves working with county governments to require that a county government, forest preserve district, or other local unit, must choose a tenant implementing conservation practices over traditional farming if the bid offered is of equal cost. Stated preferences for conservation practices in RFPs could encourage more bids to include these best practices.

Dedicated funding stream from leases

Research has shown that the revenue generated from these leases are often incorporated into general operating budgets of the unit of government. There were seven identified county-level units that allocated the revenue towards natural resource departments, which should be the model. A county ordinance could explicitly require revenues from agricultural public land leases to be dedicated to conservation programs within that county. This recommendation will only be effective for those forest preserve districts, and other units, whose budgets are independent of the total county budget. MWRD is one example that we recommend urging that revenue (\$670,000 from eight leases) be dedicated to nutrient pollution reduction and conservation practices, as opposed to a general revenue fund (GRF). Drawbacks of this proposal could include a reliance on those dollars to fund conservation, encouraging overuse, but coupled with requirements for conservation best practices this could supplement existing conservation practices. This money could additionally be utilized as match to access additional capital.

Transparency

A county ordinance could also require that the county, forest preserve district, SWCD, or other unit, is required to report on the leases they enter into. This reporting could be required annually, at the end of lease terms, or another time period deemed most effective. The report should, at a minimum, require disclosure on the number of leases, the crops grown within each lease, what conservation practices are implemented, and how revenue generated from leases is spent. The report should also demonstrate which of the land leases are in critical areas, and make recommendations on conservation practices appropriate for those areas.



STATE RECOMMENDATIONS

Requirements for local government

Requiring local governments to enact best practices for their agricultural land leases

State legislation could be pursued that requires that each county government develop an ordinance to regulate the leasing of agricultural lands. This legislation would prescribe that such an ordinance require conservation best practices.

Requiring forest preserves to include conservation in agricultural land leases.

Through a change in the Downstate Forest Preserve District Act (70 ILCS 805), legislation could require that agricultural land leases entered into must include conservation practices. The more prescriptive those practices, the more difficult the legislation to be passed. This will also likely be seen as a “mandate”, and legislation that states instead that an entity “may require conservation practices” in a lease, would be more favorably received.

Agency conservation requirements

Requiring conservation in agricultural land leases entered into by state agencies

Over half of the public land leases in Illinois are those entered into by the state - Department of Agriculture, Department of Natural Resources, Department of Transportation, or public universities. Legislation amending the State Forest Act (525 ILCS 40), could require that state agencies shall/may require conservation practices in any leases that they enter.

Legislation can be modeled based on the following example from Iowa’s statute: “The department may require the establishment of a conservation system, crop rotation, or cover crop, if appropriate. The department may require that a beginning farmer adopt generally accepted farming or soil conservation practices, so long as such practices are compatible with the department’s policies related to resource management and outdoor recreation.”

Administrative rulemaking related to agricultural management leases

The Illinois Administrative Code considers agricultural management leases (40 Ill. Reg. 825, Title 17, §150.20). A new administration could pursue an administrative rule change through JCAR to establish procedure for incorporating conservation practices into lease arrangements on public lands. This rulemaking could also specifically state that leases entered into may not allow pesticide use on the lands or must implement best management practices.



Legislation to give Department of Natural Resources authority to require best management practices in all agricultural land leases

Similar to other recommendations, this legislation would encourage conservation practices by simply giving the Department of Natural Resources the authority to make recommendations and requirements when they enter into a lease agreement. Such legislation would be educational and directive, without being a mandate.

Conservation on a portion of state agricultural leases

Requiring that a portion of all agricultural land leases must include conservation practices.

Statewide legislation over the Departments of Transportation, Agriculture, and Transportation, could state that a dedicated portion (i.e. 10%) of all land leased by state agencies for agricultural purposes, must be land on which conservation best management practices are performed. Legislation could also be written to prescribe a percentage dedication for cover crops, beginning and sustainable farmers, or other tenants and practices that would aid nutrient reduction.

Bidding reform at the state level

In an effort to encourage greater conservation, changes to the state procurement code (30 ILCS 500) may be effective. Statewide legislation would require that a state agency choose a tenant implementing conservation practices over traditional farming if that bid is not 'X'% more, or alternatively, is equal cost. Similar legislation has been passed pertaining to recycling services (30 ILCS 500/45-20).

Conservation and reporting

Transparency

A state legislation could encourage transparency by requiring that the Department of Natural Resources and Department of Agriculture report on leases they enter into with public lands. This reporting could be required annually, at the end of lease terms, or another time period as deemed most effective. The report should, at a minimum, require disclosure on the number of leases, the crops grown within each lease, what conservation practices are implemented if any, and how revenue generated from leases are spent. The report should also demonstrate which of the land leases are in critical areas, and make recommendations



on conservation practices appropriate for those areas.

Training

State legislation could require that those tenant farmers that enter into an agricultural lease with the state of Illinois complete training with respect to conservation best practices or even require a consultation with the County SWCD. Training is required for most entities that do business with the state with respect to ethics and procurement.

Policy examples

In 2007, Idaho established a conservation leasing program that allows entities interested in conserving historic, cultural, and environmental values the opportunity to lease trust lands at fair-market value

Connecticut passed a law (Public Act 14-169) broadly permitting its Commissioner of Agriculture and Commissioner of Energy and Environmental Protection to place conservation or preservation restrictions on any lands in their custody.

In 2019, Illinois saw many changes in the composition of the legislature and administration. The conservation coalition has worked to advance the policies related to public land management and conservation-focused farming practices through several legislative efforts. These include a bill that expands activities of Soil and Water Conservation Districts to include conservation of soil health and organic matter in soil (HB2737).

The Midwest region as well as other agricultural areas in the US face many similar challenges related to transforming agricultural systems to support healthy and resilient farms. Although advocacy and policy strategies highlighted in this report focus on Illinois, there are opportunities to apply them in other states in the region where incentives for soil health and conservation on agricultural landscapes need to be realigned.



RECOMMENDATIONS FOR ACTION

- Draft model lease language for public agencies and other institutional landowners to utilize.
- Adopt local ordinances that ensure agricultural leases include conservation measures, revenue allocation to conservation, reporting, and procurement codes that prioritize conservation.
- Adopt state legislation that requires local governments to include conservation measures in agricultural leases.
- Adopt state legislation that requires all or a portion of agricultural leases to include conservation measures, reporting, training, and procurement codes that prioritize conservation.
- Explore and adapt policy models from other states for conservation-focused farm leases.