

Inventory Management Soil Enhancement Tool

Fact Sheet



Inventory Management Soil Enhancement Tool (IMSET) is a voluntary, flexible, farmer-focused risk management option that gives family farmers a practical way to respond to periods of low commodity prices while investing in the long-term health of their land.

Under IMSET, producers of covered commodities may choose each year to enroll up to 20 percent of their cropland in a conserving use for the season. In return, the producer would receive an enhanced reference price on their remaining acres, helping improve returns when market conditions are weak.

By reducing excess production when prices are projected to fall below the cost of production, IMSET can help strengthen commodity prices, reduce reliance on government support programs, and improve soil fertility and long-term resilience of the land.

- **A voluntary safety valve for low prices:** IMSET gives farmers another tool to respond when projected commodity prices fall below the cost of production, helping them make proactive decisions before losses deepen.
- **Farmer choice and flexibility come first:** Participation is entirely voluntary and optional, with no long-term obligation. Producers can enroll acres one year, opt out the next, or adjust participation levels depending on their operation's needs.
- **Supports stronger market prices:** By temporarily reducing planted acreage during periods of oversupply, IMSET can help rebalance commodity markets and support stronger prices for the acres that remain in production.
- **Strengthens soil health and long-term productivity:** Planting cover crops on IMSET acres improves soil structure, boosts fertility, reduces erosion, and enhances water retention.
- **Reduces government program costs:** Stronger market prices can lower ARC and PLC outlays, making IMSET a fiscally responsible approach that supports both farmers and taxpayers.
- **Works alongside existing farm bill tools:** IMSET complements current commodity programs by enhancing ARC/PLC effectiveness and works alongside other existing risk management options, including crop insurance.
- **Viable as a policy tool:** Economists at Texas A&M University's Agricultural and Food Policy Center found that, if imports are held constant, IMSET would provide strong risk management options while reducing government expenditures.
- **Flexible enough for legislative refinement:** The acreage cap can be adjusted to meet budgetary realities, commodity-specific needs, or changing market conditions.

