



CONSERVATION SECURITY PROGRAM

Sustainable Agriculture Agenda for the 2007 Farm Bill

Background:

The Conservation Security Program is a comprehensive stewardship incentives program providing financial and technical assistance to farmers and ranchers who develop and maintain conservation systems that solve critical natural resource and environmental concerns, rewarding them for investments of labor, management, and capital aimed at fostering healthy, productive, and non-eroding soils, clean air and water, energy savings, and wildlife habitat. The CSP represents the first serious attempt in the US federal farm policy to move towards green payments -- an outcome-based conservation program that rewards environmental performance rather than commodity production.

The CSP is also the first ever federal conservation incentive program to require participants to solve resource problems to the non-degradation or sustainable resource use level. The CSP emphasizes cost effective management practices and sustainable farming systems. It offers graduated tiers of enrollment leading to whole farm, total resource management systems at the highest level.

In its first three years, the CSP enrolled nearly 20,000 farmers in 280 watersheds across the country, obligating over \$2 billion in long-term contracts for excellent conservation on 16 million acres.

While great progress has been made in launching the CSP, post-farm bill funding cuts and unfortunate administrative implementation decisions have restricted enrollment opportunities to a limited number of specific watersheds, in contrast to the intent of the 2002 Farm Bill that the program be available nationwide on a regular basis.

Specific Policy Recommendations:

- **Scope and Funding** -- The CSP should be retained as the primary stewardship incentives program to reward superior conservation systems on land in agricultural production. CSP funding should be set to achieve enrollment opportunities for all farmers and ranchers on a nationwide and preferably continuous sign-up basis. If not continuous, then sign-up periods should be predictable with sufficient advanced notice to farmers and ranchers so they can determine steps needed to achieve eligibility and undertake the conservation planning required by the CSP at the time of enrollment. Technical assistance funding for the CSP should unambiguously provide for sufficient and timely technical assistance capacity.
- **Natural Resource and Environmental Criteria** -- The natural resource requirements for participation in the CSP should be refined based on lessons learned in the first years of program implementation. The eligibility bar for participation should be set at a high stewardship level and the payment structure should encourage new practices and activities and continual improvement. As a condition of eligibility, scores on performance-based, outcome-oriented indices should be sufficiently high to indicate that very effective conservation effort has already taken place. The farm bill should re-emphasize the central importance of conservation planning to the CSP, a dimension of the program which unfortunately has been nearly forgotten by USDA. Farmers should be given the option of meeting eligibility within the early years of the contract period, with payments delayed until the required activities are implemented.

CSP's multi-tiered approach to dealing with resource concerns should be retained but the number of resource concerns addressed within each tier should be expanded. Wildlife habitat should be included as a mandatory resource concern at Tier 2 and Tier 3. Tier 3 should require the adoption of resource-conserving crop systems on annual cropland and managed grazing on pastureland. Tier 2 and 3 should retain the requirement to cover the whole farm. USDA should coordinate joint participation by organic farmers in the CSP and the National Organic Program.

- **Payments** -- The CSP payment structure should be reformed to increase incentives for natural resource and environmental enhancements and to drop or modify payments that do not support this goal. The current declining enhancement payment structure adopted by regulation should be dropped. The base/stewardship per acre rental rate payment should be converted to a modest flat sum payment for conservation planning. Congress should require that new practice cost-share assistance finally be implemented. Enhancement payments should remain the focus of the program, to recognize achievement of high conservation standards and encourage adoption of even more advanced environmental management. All CSP payments that are made on a per acre basis should include floor amounts to ensure equity for farmers and ranchers with smaller acreage operations. The CSP payment system should be simplified to ensure continued progress toward outcome-based measures for payments, with higher payments provided for higher levels of conservation. The CSP should retain sensible, moderate, loophole-free payment caps.

Talking Points:

- **CSP is hugely popular with farmers who had the opportunity to enroll.** 20,000 farmers on 16 million acres are achieving excellent conservation on their working lands in CSP. The CSP can be made to work for farms and ranches in all regions and for all cropping and livestock systems, helping farmers do better for natural resources and the environment. Land retirement programs are great – but we need an equivalent investment in conservation on working lands.
- As a matter of fairness – **funding must be restored so that more farmers can have the opportunity to enroll.** Congress took away over \$4 billion of funding promised in the 2002 farm bill to use for other purposes – now Congress should commit to restoring the balance between production, land retirement and working lands conservation in the new farm bill.
- **CSP drives new conservation on working lands.** When given the chance to modify contracts, CSP participants want to do even more, resulting for instance in a 64% increase in conservation effort and payments in 2005. Wildlife habitat increased 174%. Contracts at the highest tier 3 level will more than double in 2007 – if Congress approves the funding. There is strong evidence that farmers all over the country are making improvements now in anticipation of the day they can meet the requirements and have the chance to enroll.
- CSP provides an excellent foundation to **reward farmers who establish sustainable cellulosic bioenergy crops** in the context of comprehensive conservation plans, thereby achieving national goals for energy security, global warming, and conservation.

For more information about this and other 2007 Farm Bill policy priorities of the **Sustainable Agriculture Coalition**, please contact Aimee Witteman at (202) 547-5754 or visit the Farm Bill Action Center at: www.sustainableagriculturecoalition.org