



## Action Alert

### Your comments needed now on the Conservation Security Program Interim Final Rule - Due October 5, 2004

Date: Sept. 8, 2004

#### What is the Issue?

USDA's Natural Resources Conservation Service (NRCS) is taking public comments on the Interim Final Rule for the Conservation Security Program. Right now, **the comment period will close on October 5, 2004**, before NRCS has completed the first sign-up and released detailed information to the public on the first CSP sign-up conducted under the Interim Final Rule. After taking public comments on the Interim Final Rule, NRCS plans to issue a CSP final rule that would govern the CSP in future years.

The CSP rolled out by USDA under the Interim Final Rule in 2004 is a far cry from the intent Congress had when it enacted the CSP. The fact is, USDA has strangled and distorted this innovative conservation program through highly restricted access, unsupportive funding priorities, and overly burdensome rules. As a result, the USDA's Interim Final Rule fails to adequately reward proven conservation practices being used by farmers that enhance soil and water quality, like resource conserving crop rotations, rotational grazing, and organic farming. Instead of the nationwide, open access and fully funded program passed by Congress and enacted into law in 2002, the Administration has given us a highly restricted program and a lot of lip service.

CSP still has potential to reward farmers based on how well they are protecting and improving the environment, and to balance the excessive incentives of the commodity programs to maximize production of corn, soybeans, wheat, cotton and rice. We now have this opportunity to urge USDA to issue a CSP Final Rule that will achieve the CSP legislative goals; provide the nation's farmers and ranchers with a conservation program for working agricultural land that provides comprehensive protection of the nation's natural resources; provide adequate rewards for farmers and ranchers who manage their land with sound, sustainable systems and practices; and provide real incentives to other producers to reach a high level of environmental performance and resource conservation on their farms and ranches.

#### Major Points For Your Comments:

The Sustainable Agriculture Coalition recommends that your comments on the Interim Final Rule include all or some of the following major points for improving the CSP:

##### **1. The CSP Should Be a Nationwide Program, without Geographic Restrictions or Other Restrictions Created by USDA to Limit Enrollment.**

**Problem:** Under the Interim Final Rule, USDA limited CSP eligibility for each sign-up to farmers and ranchers within a small number of watersheds, designated by the Administration shortly before the sign-up period. Moreover, within those watersheds, USDA established certain "enrollment categories and subcategories" of eligible farmers and ranchers, also designated at the last minute, and USDA further restricted the sign-up to a limited list of resource concerns. These restrictions are completely contrary to the law, and result in uncertainty and confusion for farmers and ranchers who wish to participate in the CSP. The restrictions also result in far less progress in solving environmental natural resource problems, as well as the significant likelihood that the CSP may be manipulated for political purposes.

**Solution:** Urge USDA to modify the CSP rule by removing the restrictions limiting enrollment to selected watersheds, certain classes of farmers and ranchers, and to a limited set of resource concerns. The CSP should be a nationwide program available to all types of producers in all regions of the country with all types of conservation objectives, as provided for in the 2002 Farm Bill.

**2. Remove the limitation in the Interim Final Rule on CSP contract payments which imposes a cap on the base, exiting practice, and enhancement payments base on the rental rate of the acreage enrolled in the CSP.**

**Problem:** This limitation on the CSP contract payments acts as a "per acre" payment cap that discriminates against farmers and ranchers with smaller acreages who are doing more conservation management and practices in favor of large operators who can get higher overall CSP payments for doing less on more acreage. Because the cap is based on a percentage of the acreage's rental rate, the cap also allows higher payments to farmers and ranchers with higher rental rates, even if farmers and ranchers with lower rental rates are willing to do much more conservation work on their land.

**Solution:** Urge USDA to eliminate this cap on CSP contract payments and bring an end to discrimination against small and mid-sized farmers and ranchers and those with lower rental rates, who are willing and able to do more to protect the environment and enhance the nation's natural resources.

**3. Provide CSP enhancement payments to farmers and ranchers who establish and maintain complex management systems and practices that provide a high level of environmental and natural resource benefits.**

**Problem:** The Interim Final Rule ignores the CSP legislative directives on enhancement payments for farmers and ranchers who have, or will, establish complex management systems and practices. Instead USDA appears to be setting high payment rates for simple conservation tillage systems in many regions, while ignoring other systems and practices which may require more management but provide higher returns to the public in environmental and natural resource benefits.

**Solution:** Urge USDA to provide a more comprehensive package of enhancement payments, including the following:

- For cropland, the CSP rule should include enhancement payments for complex Resource Conserving Crop rotations with a diversity index for enhanced payments.
- Enhancement payments should also be available for rotational grazing systems, conservation buffers, conservation and regeneration of plant and animal germplasm, environmentally sound management of invasive species, agroforestry practices, native prairie restoration, and pollinator protection and enhancement.
- Continue the enhancement payments for energy conservation provided in the Interim Final Rule.
- Retain the enhancement payments for on-farm/ranch research and demonstration activities and for on-farm/ranch assessment and evaluation activities provided in the Interim Final Rule and ensure that these enhancement payments are provided for in every state and sign-up.

**4. Improve the CSP cost-share payment for new practices by removing the 50% cost-share cap and restore the 15% bonus for beginning farmers and ranchers.**

**Problem:** USDA has set a cap on CSP cost-share payments for new practices at 50% of the costs. This cap is much lower than cost-share payments established for conservation practices in many other farm conservation programs and may serve as a disincentive for farmers and ranchers to participate in the comprehensive approach to conservation provided in the CSP. In addition, the Interim Final Rule did not include a 15% bonus for cost-share payments provided to beginning farmers and ranchers.

**Solution:** Take the 50% cap off the CSP cost-share payments and bring CSP cost-share payments into line with other Farm Bill conservation programs. Also, establish in the CSP rule a 15% bonus for cost-share payments to beginning farmers and ranchers to ensure that they can plan for and implement sound conservation practices and systems into their operations.

**5. Remove the requirement that farmers and ranchers must meet specific quality criteria for soil and water quality in order to be eligible to apply for the program and instead require that farmers and ranchers meet high soil and water quality criteria within a reasonable time after participating in the CSP.**

**Problem:** Under the Interim Final Rule, USDA prohibits many farmers and ranchers from eligibility to participate in the CSP if they do not meet specific, high soil and water quality criteria when they apply for a CSP contract. This restriction may be imposed because the applicant does not have full recordkeeping or has one year with a high nitrogen application or needs to establish a conservation practice such as stream fencing to meet the quality criteria, etc. This restriction eliminates from CSP participation many farmers and ranchers who could provide significant environmental and conservation benefits by participating in the CSP.

**Solution:** Retain high environmental standards as CSP contract goals. But, rather than preventing farmers and ranchers who do not meet high soil and water quality criteria at the time of applying for the CSP from participating in the program, USDA should require that CSP conservation plans and contracts provide that the participant will meet these high soil and water quality criteria within a reasonable period.

**How To Submit Comments**

Send comments by mail to: Financial Assistance Programs Division, Natural Resources Conservation Service, P.O. Box 2890, Washington, DC 20013-2890. OR you may submit comments by e-mail to [FarmBillRules@usda.gov](mailto:FarmBillRules@usda.gov), with Attn: Conservation Security Program on the subject line. OR the rule may also be reviewed and comments submitted via the Federal Government's centralized rulemaking Web site at [http://www.regulations.gov/TOPIIC\\_7.cfm](http://www.regulations.gov/TOPIIC_7.cfm) (go down the webpage to the heading Commodity Credit Corporation, Title: Conservation Security Program).

The CSP Interim Final Rule, and other CSP information, is posted on the NRCS website at <http://www.nrcs.usda.gov/programs/csp/>.

Further Information From SAC: In addition to the CSP comment points provided in this Action Alert, the Sustainable Agriculture Coalition is preparing a comprehensive set of public comments with additional comments on the CSP Interim Final Rule. For a draft of the SAC comments, contact Martha Noble at the SAC office by e-mail at [mnoable@msawg.org](mailto:mnoable@msawg.org) or by phone at 202-547-5754 after September 13, 2004.