



Action Alert

Your comments needed now on the Conservation Security Program Revised Interim Final Rule

Comments Due by July 25, 2005 - Don't Delay!

Sample Points to Make in Your Brief Comment Letter Included Below

Sample Letter Included at End of this Alert

USDA's Natural Resources Conservation Service (NRCS) is currently taking public comments on a Revised Interim Final Rule for the Conservation Security Program (CSP). This revised rule is currently being used to guide the 2005 CSP sign-up process, but is also open for public comment in the same manner as last year's original interim final rule.

What is at Issue?

The Conservation Security Program (CSP) is a voluntary stewardship incentives program designed to reward farmers and ranchers for adoption of advanced conservation systems that provide environmental services benefiting the country as a whole. This landmark "green payments" program, adopted as part of the 2002 Farm Bill and implemented by the US Department of Agriculture (USDA) for the first time in 2004 and 2005, pays farmers for clean water, better soil management, improved habitat, energy efficiency, and other natural resource benefits. The CSP provides income enhancement in a manner consistent with the public interest and world trade rules and obligations.

During last year's public comment period for the original interim final rule, an outpouring of public comments prompted NRCS to make several important program modifications: removing a payment cap provision that penalized smaller farms and regions of the country with relatively low rental rates; improving cost-share payments for limited resource and beginning farmers; and eliminating payments for capital-intensive waste treatment facilities for large-scale animal confinement operations. However, major CSP implementation problems still abound. Once again, we encourage you to submit comments to improve the program for 2006 and beyond.

The CSP as rolled out by USDA under the first and second Interim Final Rules in 2004 and 2005 remains a far cry from the intent Congress had when it enacted the CSP. USDA's Interim Final Rule and related enrollment guidance fail to adequately reward the best sustainable agricultural systems. Instead of the nationwide, continuous sign-up program envisioned by Congress and enacted into law in 2002, the Administration has implemented a highly restricted program that contains rules and procedures that tend to favor large specialized cash grain operations over other kinds of farming.

Fortunately there is good news, too. CSP implementation has spurred the agency to move toward a performance-based system and to improve their conservation standards. Greater flexibility has been added to the program, so that once farmers are enrolled they can add enhancements, move up to higher tiers, and add or subtract fields if leases change. In addition, some of the payment decisions have gone our way and the program is paying well for some good conservation approaches. In the revised interim final rule, pasture land will now receive CSP stewardship payments as if it were cropland, helping encourage grass-based approaches to farming and conservation. While the congressional appropriations process has capped funding

for the program the past couple of years, the program remains very much alive and while funding is not increasing at the rate promised by the 2002 Farm Bill, it is at least still increasing each year.

Please write a brief letter to NRCS to help make the CSP the best program it can be! In order to win a permanent, full-scale CSP program in the upcoming 2007 Farm Bill, we need to win program implementation and funding improvements now. With continued public pressure, further positive changes are within our grasp!

How to Submit Comments

Send comments by mail to Financial Assistance Programs Division, Natural Resources Conservation Service, P.O. Box 2890, Washington, D.C. 20018-2890 or by e-mail to FarmBillRules@usda.gov; Attn: Conservation Security Program. You may also submit comments by going to the regulations.gov website and clicking on "Submit a Comment on This Regulation". You may download this interim final rule via the Internet through the NRCS website. The comment deadline is July 25.

Comment letters may be as short or as long as you care to make them. Be sure to include your name and address. If you are writing on behalf of an organization, include at least a sentence or two describing the group, what it does, and, if relevant, how many members it has. If you are a farmer, rancher or agricultural landowner, please make sure to state this; also, if applicable, mention if you have enrolled or are considering enrolling in the CSP.

Remember, comments must be received by July 25 or they will not be counted.

Major Points

The Sustainable Agriculture Coalition recommends that your comments on the Interim Final Rule include a few of the following major points for improving the CSP. We encourage you to state the ideas in your own words. You may wish to focus on one particular point or sub-point, or include several. Of course, these are in addition to any other specific concerns you may have about the revised interim final rule that you want to comment on.

Again, short letters are fine. Just be as clear as possible about what you are recommending. *At the end of this alert is a sample letter you can use to help draft your comment letter to USDA.*

1. The CSP should reward farmers and ranchers for adopting and sustaining superior conservation systems by paying for environmental enhancements on a long-term, ongoing basis.

Problem: A brand new provision -- not contained in law or in the first interim final rule -- was added to the revised interim rule that effectively limits CSP enhancement payments for existing conservation systems to four years. In contrast, the rule provides ongoing, unlimited enhancement payments for new conservation practices and activities added during the 5 or 10 year CSP contract period.

There are two major problems with this new provision. First, it unfairly penalizes farmers with a long-term investment in sustainable agricultural systems. If, for instance, you are already at the Tier 3 level and already exceed the resource management system standards, your payments will be cut short. Second, it perversely encourages farmers to delay adoption of conservation measures until after they are able to enroll in the CSP. The detrimental impact of this second problem is compounded by USDA's unfortunate decision to provide farmers just one chance to enroll in the CSP in an eight year cycle. The message this misguided provision sends is if you do not get into the CSP on your first attempt or if you are waiting several years for your watershed to become eligible for CSP funding, add at most minimal additional conservation in the meantime so as not to reduce your long-term CSP payment rate.

In short, this new provision, which USDA calls "declining variable enhancement payments," runs directly against the essence of a "green payments" program and to USDA's very own CSP motto of "rewarding the best, and motivating the rest."

Solution: Urge USDA to drop the "declining variable enhancement payment" provision. Tell them in your own words that it's unfair to pay the equivalent of just four years' worth of payments for existing conservation systems. New conservation and environmental enhancements should certainly be strongly encouraged and

rewarded if added during the CSP contract term, but not at the expense of enhancement payments for current excellent conservation systems. The declining variable enhancement provision is contrary to the letter and spirit of the law and would penalize rather than reward the best and would encourage others to delay adoption of conservation improvements. The CSP should reward farmers and ranchers for adopting and sustaining superior conservation systems by paying for environmental enhancements on a long-term, ongoing basis.

2. The CSP should strongly encourage and reward the adoption of resource-conserving crop rotations, managed rotational grazing, and other farming systems and conservation practices with high-level, multiple natural resource and environmental benefits.

Problems: (a) The CSP statute passed by Congress and signed by the President defines "resource-conserving crop rotations" and assigns such rotations high priority enhancement payments. The interim rule, on the other hand, substitutes a weaker definition, provides farmers with priority status for enrollment in CSP in part on the basis of a different and even weaker definition, and provides no direct enhancement payments for resource-conserving crop rotations. This makes a mockery of the law and misses out on the opportunity CSP presents to encourage diversified rotations to improve soils, reduce or eliminate chemical use, improve water quality, and enhance wildlife benefits.

(b) The situation with respect to managed rotational grazing is better, but a serious problem remains. In the 2005 CSP sign-up, farmers are being ruled ineligible for the CSP, even at Tier 1, either for not already utilizing rotational grazing prior to CSP enrollment, or for using it, but moving animals among paddocks at rates slower than NRCS dictates in its CSP sign-up requirements. This over-zealous approach is keeping grass-based farmers out of CSP despite the clear benefits to the environment compared to conventional cropping systems. NRCS is also requiring that all water-access issues for livestock be fully solved prior to gaining eligibility for the CSP. This unnecessarily excludes farmers from participating, even when one new facility or modification of an existing system would solve any existing water access problem.

(c) The same part of the CSP statute that calls for high enhancement payments for resource-conserving crop rotations and managed rotational grazing also directs USDA to provide enhancements for conservation buffer practices. However, rather than provide enhancements, USDA has decided via a brand new provision in the revised interim rule to make buffers on 100 percent of all riparian areas a condition of eligibility for CSP Tier 3 enrollments. Rather than encouraging buffers through CSP, USDA is demanding prior installation, even if the entirety of a farmer's existing conservation plan is already meeting all NRCS standards for water quality, runoff, and habitat without the use of buffers or without 100 percent coverage.

Solutions: Address in your own words, one or more of the following recommendations.

(a) Urge USDA to establish a CSP cropping system rotational diversity index with which to rank proposals for enrollment and from which to establish enhancement payments for cropland. Urge USDA to make enhancement payments for resource-conserving crop rotations a prominent feature of the CSP. Also urge USDA to strengthen its definition of resource-conserving crop rotation so it tracks the language of the law.

(b) Urge USDA to modify CSP guidelines so that managed rotational grazing is encouraged, but not required, as a condition of eligibility at the Tier 1 participation level. Urge USDA to provide for a range of rotational systems consistent with sound science and good conservation planning, rather than insisting on a cookie-cutter approach to the timing of animal sequencing. The one-size-fits-all approach is unnecessarily eliminating farmers from participating in the CSP despite the obvious environmental benefits of grass-based farming. Also urge USDA to allow water access improvements to be made during the CSP contract period so the benefits of grass-based dairy and livestock operations are maintained and incorporated in the program.

(c) Urge USDA to base decisions regarding Tier 3 participation on reaching the "resource management system" level of conservation during the contract period for soil, water, wildlife and other resource concerns, as the law specifies, rather than requiring that one particular conservation practice - riparian buffers - be established and be a prior condition of eligibility. Buffers are a very important conservation practice, but are not always necessary to solve resource concerns and achieve sustainability and, depending on the local and farm-specific conditions, do not always work as intended. Urge USDA to reward the installation of conservation buffers of all types, including but not limited to riparian buffers, with strong enhancement payments, as provided for in the statute.

3. The CSP payment structure should foster new conservation activities and on-farm innovation.

Problems: The 2002 Farm Bill caps CSP payments per farm at set levels and also caps the amount of total payments that may come from the "base" or "stewardship" payments determined by farm size and rental rates. Both sets of payment caps are graduated according to the tier level of participation chosen by the farmer. Unfortunately, the interim rule adds a variety of other, extraneous payment caps, the most detrimental of which are (a) a sub-cap on the size of enhancement payments for advanced, performance-based conservation activities, and (b) a limit on both the new practice cost-share rate and total dollar amount at 50% and \$10,000, respectively.

Current CSP implementation guidance also fails to provide payments for on-farm research and demonstration of innovative conservation measures, an aspect of the program specifically provided for in the law and one that would help promote sustainable agricultural solutions.

Solutions: In your own words, address one or more of these CSP payment-related recommendations.

(a) Urge USDA to eliminate the enhancement payment caps and at the same time expand enhancement payments for management-intensive nutrient and pest management, cover cropping, wildlife habitat creation, conservation buffers, resource-conserving crop rotations, germplasm conservation, pollinator protection, and other high pay-off activities. Placing caps specifically on enhancement payments discourages precisely the advanced conservation work the CSP should be encouraging and are, furthermore, unnecessary given the total caps per farm already included in the law.

(b) By the same token, cost-share payments for the installation of needed new conservation practices should not be artificially limited, or, if a limit must remain, the cap should at least be increased from \$10,000 to \$15,000 in order to accommodate the full range of new conservation system improvements. Urge USDA to eliminate or at least increase the new practice cost-share limit.

The CSP cost-share rate, moreover, should match the rates determined each year at the state and local level for USDA's Environmental Quality Incentives Program (EQIP). The EQIP and CSP cost-share language from the 2002 Farm Bill is identical and they should be implemented in the same fashion. In the many instances in which EQIP is paying cost-share rates of 75 percent or between 50 and 75 percent, CSP should have identical rates. Urge USDA to reduce program discrepancy and encourage the adoption of new conservation practices by adopting EQIP cost-share rates for the CSP.

(c) Urge USDA to implement enhancement payments for on-farm research and demonstration of innovative conservation systems. Ignoring this provision of law for the first two years of implementation has reduced the potential of the program to showcase the best conservation efforts, test new approaches, and encourage adoption through farmer-driven outreach to other farmers. Enhancements for on-farm research and demonstration activities should be included in 2006 and all following years.

4. The CSP should be run as a nationwide program, without geographic restrictions, and should be implemented through a continuous sign-up process.

Problem: USDA continues to limit 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 establishes certain "enrollment categories and subcategories" of eligible farmers and ranchers, also designated at the last minute. USDA intends to allow each watershed to participate in the program just once every eight years, using what it calls a "watershed rotation" approach. Moreover, rather than allowing farmers to sign-up for the program during times of the year most convenient to them for having the time to develop conservation plans and contracts, USDA is limiting sign-up to a short period of time. Adding insult to injury, the sign-up period the past two years has fallen during the busy spring farming season. 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, and also in far less progress in the use of the CSP to solve natural resource and environmental problems.

Solution: We continue to urge USDA to remove the restrictions limiting enrollment to selected watersheds and to institute a continuous sign-up process. The CSP should be a nationwide program available to all types of producers in all regions of the country, as provided for in the 2002 Farm Bill. Moving to a continuous sign-up would make the program far more farmer-friendly. Despite overwhelming public comment in favor of nationwide continuous enrollment, however, the political appointees at USDA and elsewhere in the Administration have spoken their minds on this issue and are unlikely to change these parts of the rule in the foreseeable future. Therefore, it behooves us to also make "second best" recommendations. In that spirit -

Urge USDA to create a new sign-up category for any farmer who applies to enroll in CSP in the year his or her watershed is eligible but fails to get in either due to lack of available funding or because they cannot meet each and every eligibility criterion at that particular point in time. These farmers should be allowed a second chance to enroll in the year immediately following the single year in which their watershed is eligible. If USDA does not make at least this small, practical change, it will create extreme farmer frustration with administration of the program while denying the public the conservation and environmental benefits that could otherwise be provided. If it does make this change, then the agency will have at least taken a step toward realizing its intention to "reward the best and motivate the rest."

For further information, contact the Sustainable Agriculture Coalition at 202-547-5754 or sac@msawg.org

SAMPLE COMMENT LETTER TO USDA

Regarding the Revised Interim Final Rule for the Conservation Security Program

You may mail your comments to address above or you may email them to FarmBillRules@usda.gov; comments are due no later than July 25, 2005.

Re: Comments on Revised Interim Final Rule for the Conservation Security Program

[FILL IN DATE HERE], 2005

[INSERT DATE], 2005

Financial Assistance Programs Division
Natural Resources Conservation Service
P.O. Box 2890

Washington, DC 20013-2890

[FIRST PARAGRAPH - Identify yourself and your interest in the CSP. If you are writing on behalf of an organization, indicate that and say something brief to describe the organization or its membership. If you are a farmer, rancher or agricultural landowner, be sure to mention that and say a word or two about your agricultural interests.]

While the Conservation Security Program (CSP) has inspired a significant shift in our nation's approach to protecting natural resources and rewarding environmental performance, the CSP as implemented is still a far cry from the intent Congress had when it was enacted. Instead of being a nationwide continuous sign-up program, the program is highly restricted and contains rules and procedures that tend to disadvantage diversified family farms.

In order to fulfill its promise to "reward the best and motivate the rest," I urge the Natural Resources Conservation Service (NRCS) to make the following improvements to the Revised Interim Final Rule:

[INCLUDE SOME OR ALL OF THE FOLLOWING POINTS. MODIFY, ABBREVIATE, OR EXTEND THE COMMENTS AND/OR ADD OTHER POINTS AS YOU SEE FIT.]

1. The CSP interim rule and guidance documents fail to reward farmers and ranchers for adopting and sustaining superior conservation systems. I urge you to drop the "declining variable enhancement payment" provision, which penalizes farmers who have been incorporating sustainable methods for years and are leaders in conservation. This is the antithesis of what the CSP was created to do. The CSP should pay for environmental enhancement activities on a long-term, ongoing basis.

2. The CSP interim rule and guidance documents fail to adequately encourage and reward the adoption of diversified, resource-conserving crop rotations. I urge you to make enhancement payments for resource-conserving crop rotations a prominent feature in the CRP, as required by the statute, and to establish a CSP cropping system rotational diversity index with which to rank proposals for enrollment and from which to

establish enhancement payments for cropland.

3. Like its predecessors, the CSP interim rule continues to demand farmers must fulfill all NRCS soil and water requirements before they are allowed to participate in the CSP. These eligibility requirements are at odds with the CSP statute, and should be dropped or modified. Even assuming for purposes of argument that eligibility requirements are allowed by the statute, certain eligibility requirements in the CSP are onerous and unfair. For instance, the CSP interim rule and guidance documents inappropriately require all CSP applicants with pasture to have previously adopted managed rotational grazing, even if soil and water resources already are being protected in other ways. This provision will exclude many farmers who are worthy of inclusion in the CSP program, while also inappropriately favoring cropping over grass-based farming systems. In addition, the interim rule requires that all Tier 3 applicants must have buffered all riparian corridors before they are deemed eligible for the program, even if they have achieved comprehensive resource management system conservation standards. Requiring a specific practice is antithetical to the CSP conservation system, performance-based approach and will unfairly exclude farmers and defeat the purpose of the CSP.

In order to correct this problem, I urge you to modify the CSP guidelines so that managed rotational grazing is not an absolute eligibility requirement for the Tier 1 level of participation, provided that the pasture resources are being well-protected. I also urge you to allow for a range of locally-adapted rotational grazing systems for Tier 2 and Tier 3 participants, rather than continuing the top-down, one-size-fits-all approach. Finally, I urge you to base eligibility for the Tier 3 level of participation as the law specifies: on successful adoption of a "resource management system" for soil, water, wildlife, and other resources, rather than on an absolute mandate for riparian buffers regardless of circumstance. I further urge the USDA to reward the installation of conservation buffers of all types with strong enhancement payments as required by the statute.

4. The CSP interim rule includes many extraneous payment caps, beyond the ones established in the 2002 Farm Bill, that discourage the adoption of new conservation activities and on-farm innovation. I urge you to eliminate the enhancement payment caps, which unnecessarily discourage environmental improvements. Instead, I urge you to expand enhancement payments for management-intensive nutrient and pest management, cover cropping, wildlife habitat creation, conservation buffers, resource-conserving crop rotations, managed rotational grazing, germplasm conservation, pollinator protection, and other high pay-off, multiple benefit activities. I also urge you to implement the CSP enhancement payments for on-farm research and demonstration of innovative conservation measures, as required by law. Finally, I urge you to eliminate or at least increase the new practice payment cap and to make the CSP new practice cost-share rates identical to the rates offered locally under the Environmental Quality Incentives Program (EQIP).

5. Contrary to the intent of Congress, the CSP program is being offered in limited geographic regions that change each year, with sign-up restricted to a short period of time that, for the past two years, has fallen during the busiest farming season. I urge you to eliminate the watershed rotation scheme and to institute a continuous sign-up process. If you choose to continue the current restrictions despite their inconsistency with the statute and the overwhelming public sentiment against them, I urge you at the very least to create a new sign-up category that would allow any farmer or rancher who applies and fails to be accepted into the CSP the opportunity to try to enroll again in the subsequent year.

The Conservation Security Program has the potential, indeed the mandate, to provide farmers and ranchers meaningful incentives and rewards for implementing conservation measures that protect the nation's natural resources. Please make the changes outlined above for the benefit of our nation's farmers, farmlands and rural communities.

Thank you for the opportunity to comment on this very important program.

Sincerely,

[YOUR NAME]

[YOUR ADDRESS]