

Implementing the Conservation Security Program

AgWeb.com article by Bruce I. Knight, Chief

Natural Resources Conservation Service

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The new farm bill (the Farm Security and Rural Investment Act of 2002) contains an exciting new program that recognizes the valuable conservation work farmers and ranchers have done historically and provides additional incentives for those who strive to do more. This innovative program is called the Conservation Security Program (CSP).

To say that a single program is attracting major attention is saying quite a bit, because the 2002 farm bill makes an unprecedented investment in conservation - an \$18.5 billion increase over ten years.

As President Bush said when he signed the farm bill, "This bill offers incentives for good conservation practices on working lands. For farmers and ranchers, for people who make a living on the land, every day is Earth Day. There are no better stewards of the land than people who rely on the productivity of the land. And we can work with our farmers and ranchers to help improve the environment."

CSP represents a new direction for conservation on private lands. In the past, much of the Federal investment in conservation went to idling marginal lands. Under the new farm bill, most of our increased investment goes to incentive and cost share programs to promote conservation on working lands. In the largest single year under the new farm bill, our flagship working lands program, EQIP, will invest \$1.3 billion in conservation practices, as much as it did in the entire life of the previous farm bill!

CSP takes conservation on working lands a step farther by adding a tool which shifts the emphasis of conservation in the direction of recognizing and stimulating conservation -- what Secretary of Agriculture Ann Veneman refers to as "Rewarding the Best and Motivating the Rest".

CSP is a voluntary program that provides financial and technical assistance to conserve and improve soil, water, air, energy, and plant and animal life on tribal and private working lands -- cropland, grassland, prairie land, rangeland and improved pasture, as well as certain forested land that is an incidental part of an agricultural operation.

CSP has a unique role among USDA conservation programs. It identifies and rewards those farmers and ranchers who meet the highest standards of conservation and environmental management on their operations. It creates powerful incentives for other producers to meet those same standards of conservation performance on their operations. And, it provides public benefits for generations to come.

The program is open to most agricultural land -- a total of about 900 million acres of cropland and grazing land. CSP is a sound approach to conservation because it both rewards the conservation ethic of America's farmers and ranchers, those who have traditionally maintained the sustainability of their land for future generations and who have provided all Americans the basic public benefits of conservation -- cleaner water, cleaner air and scenic landscapes -- and encourages them to do more.

Rewards Conservation Ethic

First, CSP recognizes and rewards the conservation work that landowners already do. In this context, CSP has been called America's first "green" farm program. As a group, America's farmers and ranchers have a deeply held sense of responsibility for the land.

I come from a farming and ranching family in South Dakota, and I have been a farmer and rancher all my life. My father impressed on me that we may be the land owners, but we are really just the stewards of the land. That is how I have run my operation.

However, we farmers and ranchers find our own sense of responsibility for the land increasingly supplemented by government regulations rising out of society's increasing desire for greater improvements in environmental quality. Benefits of these improvements go to both the landowner and the public, but the costs fall on the landowner-operator. Our dilemma as producers is how to meet our own and society's environmental expectations and still be profitable enough to feed our own families.

CSP is a creative solution to this dilemma. It recognizes the important place of agriculture in our society. That whatever we do to encourage our farmers and ranchers to address environmental issues, we must do it in ways that strengthen our agricultural economy.

Cost-share programs have traditionally helped landowners recover some of their costs for conservation practices. Now we are adding CSP as another way.

Encourages More Conservation

Second, CSP uses a tiered structure to encourage farmers and ranchers to do more. Producers are offered three levels of participation, termed "tiers." Higher tiers require greater conservation effort and offer greater payments.

In tier I, the producer must address at least one resource of concern on at least part of the agricultural operation. Contracts are for 5 years. Tier I contract renewal requires broadening the scope of practices or portion of the agricultural operation covered.

In tier II, the producer must address at least one resource of concern on the entire operation. Contracts are for 5-10 years and can be renewed.

In tier III, the producer must fully address all resources of concern on the entire operation. Contracts are for 5-10 years and can be renewed.

As part of the rulemaking process for CSP, we will determinate the minimum requirements for participation within each tier and the overall look of the final program. We will accept more public input and finalize the program in the fall, based on a lot of input from producers and others.

The law sets maximum payments: \$20,000 annually for tier I, \$35,000 annually for tier II and \$45,000 annually for tier III. The farm bill allows for the payment to consist of three components.

The first is a base payment, which is the sum of the number of acres enrolled times a land rental rate for the specific land use. The rate used will be determined as part of the CSP rulemaking. The second component is a payment for maintenance of conservation practices. And the third component is called enhancement payments.

In my view, enhancement payments are the key element for increasing the level of conservation and innovation. These payments are allowed for implementing or maintaining practices that exceed minimums required for the tier; addressing local conservation priorities in addition to resources of concern; participating in an on-farm conservation, research, demonstration, or pilot project; participating in a watershed or regional resource conservation plan that involves at least 75% of area producers; or carrying out assessment and evaluation activities relating to practices in a conservation security plan.

Locally Led Conservation

CSP extends the role of local people having direct input into what is important and what works in their communities. The State Technical Committee and Local Working Groups directly participate in recommendations to NRCS when it comes to enhancement payments-- the meat of future conservation and environmental improvements.

That, in general, is the Conservation Security Program. The specifics will come in the form of a final rule, to be issued by the end of the year.

Rulemaking

Rulemaking is an important part of implementing all of the provisions of the 2002 farm bill, including CSP. There is only one farm bill, but many rules, because the farm bill uses many programs to achieve a variety of goals. Secretary Veneman has termed this a "portfolio" of tools for conservation. This portfolio of tools balances technical assistance, cost-sharing, land retirement, and, now, stewardship incentives.

Implementing the farm bill has required writing more than 100 rules, all but the simplest of them involving extensive input from the public, including farmers and ranchers and others who are affected by the farm bill. We expedited the regulatory process for programs that had no changes or minimal changes from the previous law. Other programs, such as EQIP and CSP, have to go through the formal rulemaking process, including a period of public comment.

The final EQIP rule came out at the end of May, leaving CSP as the major remaining task in our rulemaking effort, along with the other new program - the Grassland Reserve Program.

We have been making the rules as simple as possible, keeping the rulemaking process fully collaborative, and leaving as much decision making as possible at the local level, so that local people have as much control of the programs as possible. Deputy Secretary of Agriculture Jim Moseley refers to this approach as keeping things "lean and local."

In the case of EQIP, the new rule is 1/3 less in volume, due to our lean and local effort. We have been moving deliberately on the CSP rule, because we are determined to create a program that works, so it may take some time to iron out the details. We are committed to make this the best program possible.

The first step in the rulemaking process was the advance notice of proposed rulemaking issued in February. The advance notice gave the public the opportunity to comment on key issues that have been raised regarding implementation of the program. The issues are presented in the advance notice.

We received more than 4,400 individual comments during the 45-day comment period, and we are considering these comments in developing the proposed rule. Then, the public will have another opportunity to provide input during the comment period for the proposed rule. We will consider those comments in writing the final rule.

The intent of CSP is to support ongoing conservation stewardship of agricultural lands by providing assistance to producers to maintain and enhance natural resources. With thoughtful rulemaking now and proper application once the rule is final, it will do just that.