



CSP Drives New Conservation on Working Lands

The Conservation Security Program (CSP) is designed to reward current excellence in conservation, as well as to encourage farmers to strive for even higher conservation outcomes. Existing conservation is measured by the benchmark conservation status of a farm or ranch, documented by the farmer and verified by the Natural Resources Conservation Service at the time of sign-up. Now that CSP is in its third year, it is a good time to ask how well is it doing at motivating farmers and ranchers to add even more conservation to their operations?

Of course, any discussion of CSP requires acknowledgement of the dissonance between the program as mandated in statute and the program as it has been implemented. CSP is presently functioning despite a serious handicap as a result of congressional appropriators drastically cutting funding authorized to the program, and USDA developing processes for delivering the program never envisioned in the authorizing legislation.

As it is currently being implemented, there are three main ways CSP drives new conservation:

1. The CSP is driving new conservation through **contract modifications.** In the second year of a CSP contract, farmers are invited to add conservation practices and activities and be rewarded with a modified contract. Farmers in Tier 1 may add more acres, or add all their land to bring their contract up to Tier 2 or even Tier 3. An additional resource concern can be addressed to the sustainable level in order to get into Tier 2, or all of the relevant resource concerns of the whole farm or ranch can be addressed to get into Tier 3. Additional enhancements to reach even higher levels of performance can be added in any Tier.

Thus far, only farmers enrolled in the first year of CSP – 2004 -- have had the opportunity to fully implement upgrades. NRCS reported astounding success with farmers wanting to add conservation to their original contracts. Overall, payments to farmers increased 64 percent, from about \$20 million to \$33 million, reflecting the newly added practices. Additional acreage brought up to the benchmark goals caused stewardship payments to go up 32 percent. Wildlife habitat protection payments increased 174 percent, while nutrient and pest management, grazing management, and air resources management each increased by more than 65 percent. For more information, see <http://www.nrcs.usda.gov/news/releases/2006/cspmodifications.html>.

CSP contract holders from the second year of enrollment, 2005, apparently responded even more enthusiastically to the opportunity to upgrade, despite severe limitations on which upgrades would be allowed due to budget constraints. Those contract modifications are now awaiting final action now that the 2007 appropriations bill has been finalized. Preliminary data from USDA shows there has been a 110 percent increase in Tier 3 participation as a result of the 2005 contract modification process, with 2,778 enrolled farmers (over a quarter of those originally enrolled at lower tiers) graduating by adding sufficient conservation practices and management changes to qualify as addressing the full range of resource concerns on their entire operation.

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2. CSP is driving improvements through specific **enhancement payments** to either reward or encourage high conservation performance during the period of the contract. Many enhancements are designed as management practices -- such as pest scouting to reduce pesticide use, or delayed haying to improve bird nesting success, or cover cropping -- which must be carried out anew every year to be successful. Others are vegetative practices, such as field borders and conservation buffers, which even where they exist can be improved in order to qualify for enhancements. Some enhancement payments are measured by indices, such as the soil quality index, with payment rates increasing with one's score on the index, which encourages changes in rotations, cover cropping, and tillage to increase conservation and reward. Unfortunately, NRCS collects no data on whether particular practices committed to by newly enrolled farmers are new or expanded, or were already fully in place. Widespread anecdotal information, however, indicates that many and quite possibly most CSP farmers indeed are entering their new contracts with new or expanded conservation practices and activities that then qualify them for enhancement payments.

3. CSP is driving new conservation by setting a **benchmark standard** for enrollment. CSP has encouraged many farmers to get ready for CSP. For example, the word is getting out that: soil nutrient tests and records are needed; nitrogen or phosphorus cannot be applied above soil test indications; and obvious erosion damage must be repaired and prevent its reoccurrence. The CSP enrollment benchmark also spurs careful attention to: building soil carbon; documenting integrated pest management practices if pesticides are applied; implementing significant wildlife habitat or wildlife-friendly practices to qualify at higher tiers; and dozens of other sensible but environmentally important practices necessary to get into CSP.

Even with limited funding and only being offered in 10% of the nation's watersheds, there is strong anecdotal evidence from conservation staff and agronomists that farmers are making these changes now in anticipation of the day that CSP comes to their watershed. When CSP is fully funded and offered widely on a more predictable basis, it is safe to say that farmers will respond even more strongly to the incentive to increase their conservation accomplishments.

What could have been: The CSP also should be driving new performance through **new practice cost sharing**, which was mandated by law and described in regulation, but which USDA refuses to implement. Under the current baffling situation, farmers and ranchers who want to establish new conservation practices on a cost-share basis are prohibited from doing so.

For more information on CSP implementation and analysis, see:

CSP Drives Conservation, Forthcoming, March 2007, Michael Fields Agricultural Institute and The Minnesota Project, with Illinois Stewardship Alliance, Land Stewardship Project, Missouri Rural Crisis Center and Practical Farmers of Iowa.

Hidden Treasures: The Conservation Security Program and Wildlife, Duane Hovorka, January 2007, Izaak Walton League of America, National Wildlife Federation, and Sustainable Agriculture Coalition.
www.iwla.org/publications/agriculture/hidden_treasures.pdf

The Conservation Security Program: An Assessment of Farmers' Experience with Program Implementation, Traci Bruckner, September 2006, Center for Rural Affairs. www.cfra.org/pdf/CSP_Report_farmersperspective.pdf.

The Conservation Security Program: Rewards and Challenges for New England Farmers, Britt Lundgren et. al., Spring 2006, Agriculture, Food and Environment Program/Friedman School of Nutrition/Tufts University and American Farmland Trust. www.farmland.org/programs/states/documents/NECSP.pdf

Assessing and Developing the Opportunities for Green Payments Programs for Maryland's Farmers. Michael Heller, et. al., December 2005, Maryland Center for Agro-Ecology, Inc.
www.agroecol.umd.edu/files/M.%20Heller%20Green%20Payments.pdf