



CSP: The New & Improved Conservation Stewardship Program

A new Farm Bill—a new CSP

The 2008 Farm Bill makes a major investment in working lands conservation. One particularly positive development is additional support for the Conservation Stewardship Program (CSP), formally known as the Conservation Security Program. The new Farm Bill simplifies and expands CSP to help farmers and ranchers maintain, establish and increase conservation on land they are actively farming. Conservation on working farmland is becoming an increasingly important approach to protecting our nation's soil and water as demands on farmland increase.

CSP continues to retain its distinctive approach of rewarding farmers and ranchers for managing their land in a way that produces real and measurable conservation outcomes—healthy soil, clean water and wildlife habitat, for example. Congress increased funding to \$12 billion over the next 10 years in order to enroll nearly 13 million acres a year, or 115 million acres by 2017. Considering that since 2004 CSP has enrolled only 16 million acres, the new program is anticipated to have a much greater impact.

This fact sheet is meant to provide farmers and others with:

- An update on the changes made to CSP.
- An outline on the next steps of program implementation.
- Recommendations for getting ready for CSP.

Rules for the new program are being written by USDA and should be out for public comment during the winter of 2008-2009. A new CSP sign-up is expected in early 2009.

From old to new—noticeable CSP changes

CSP has been strengthened in the 2008 Farm Bill and gone through some big changes. For one thing, the new CSP no longer uses watershed boundaries to determine which farmers are eligible for a sign-up from year-to-year. All farmers across the country are eligible to enroll.

Secondly, the three-tier structure has been scrapped for a whole-farm sign-up approach (either the whole farm is in or the whole farm is out); the option to enroll just one field is no longer available.



And lastly, the sign-up period will be “continuous,” and a new ranking system brings greater clarity and predictability to the program. It's likely other changes will be identified as the new CSP rules are released in the coming months. LSP will work to keep you updated with news on any big developments.

Who can use CSP? Are you eligible?

CSP, which is administered by the Natural Resources Conservation Service (NRCS), is available for all working agricultural land, whether it's cropland (corn, soybeans, small grains, hay, fruits and vegetables, etc.),

pasture, rangeland or a managed woodlot. For land to receive a “cropland” designation, which typically receives a higher government payment rate, it must have been cropped for four of the past six years, or be a part of a long-term crop rotation.

CSP does not prevent farmers or ranchers from receiving other farm program payments, although lands currently enrolled in the Conservation Reserve Program, Grassland Reserve Program or Wetlands Reserve Program are ineligible for the program.

When a farmer or rancher applies for the program, it is a whole-farm application, including both owned and rented acreage. CSP contracts are five years in length. While CSP is geared predominantly towards farmers and ranchers actively engaged in working the land they plan to enroll, in some instances landlords can participate in the program.

Whether producers receive a CSP contract or not will depend on the level of conservation already in place on their farms, willingness to take on additional conservation activities, and year-to-year funding allocations. But all farmers and ranchers, regardless of location, are potentially eligible for CSP.

Securing a CSP contract

CSP contracts will be awarded depending on a farmer or rancher's ability and willingness to meet a *stewardship threshold* for natural resources. The *stewardship threshold* is an NRCS standard set for improving the long-term sustainability of a natural resource. Of particular importance will be ad-

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dressing **priority resources of concern**, such as soil, water, wildlife and energy. A **priority resource of concern** is a natural resource determined at the state level by NRCS as an issue to be addressed in a specific watershed or region of the state.

The farming methods you use now may already address those priority resources of concern in your area to a stewardship threshold level of management.

NRCS has methods for assessing the quality of identified priority resources on farms and ranches. These typically take into account factors such as, but not limited to, soil test results, cropping history, manure and fertilizer applications, pest control methods and other management activities. NRCS's assessment of producers' current treatment of priority resources, along with these producers' willingness to take on additional conservation, will in part determine how CSP proposals are ranked. The higher the ranking, the more likely a farmer or rancher is to be awarded a contract.

CSP delivery is expected to operate similar to the way the Environmental Quality Incentives Program (EQIP) is implemented. That means states annually get a pool of funding for the program and then conduct a sign-up throughout the year. At a certain point in the year, NRCS ranks farm proposals, awarding the highest-ranked proposals first, and following down the ranking scale until the funding for that year has been exhausted. According to the Farm Bill, CSP proposals will be ranked by these factors:

- ◆ The level of existing conservation measured on a farm at the time of enrollment.
- ◆ The degree to which proposed activities will improve or increase the existing conservation.
- ◆ The number of priority resources a farmer or rancher plans to address to the stewardship threshold level during the contract.
- ◆ The extent to which a producer's activities address other natural resource issues beyond those prioritized by NRCS.

- ◆ The extent to which cost is minimized compared to the conservation benefits achieved.

CSP payments

The recently passed Farm Bill simplifies the payment structure for CSP. Payment amounts will be determined by these three factors:

- Expected environmental benefits as indicated by NRCS conservation measurement tools.
- Costs incurred by the farmer or rancher associated with the planning, design, materials, installation, labor, management, maintenance or training for conservation activities.
- Income forgone by the producer as a result of conservation activities that are undertaken.

Individual CSP payments will depend on the details of each contract. Existing CSP contracts will continue to be honored and upon completion of these existing contracts, farmers and ranchers can apply for the new CSP.

Another positive development in the new CSP which the Land Stewardship Project worked for is a specific focus on **resource conserving crop rotations**—a known and proven conservation-based farming system.

A **resource conserving crop rotation** within CSP is a system that reduces erosion, improves soil fertility and tilth, interrupts pest cycles, reduces depletion of soil moisture and the need for irrigation in some regions and includes at least one resource conserving crop such as hay or alfalfa.

CSP now provides a “supplemental payment” to producers who agree to adopt and maintain beneficial resource conserving crop rotations for the term of the contract.

Payment limits

While some farm programs have virtually unlimited payments that can go to millionaires and huge corporations, CSP payments are capped at \$200,000 over the life of a five-year contract, which is equivalent to \$40,000 per year. In addition, all

CSP payments must be attributed to actual persons.

Next steps

Opportunities to help shape the new CSP are forthcoming.

As of this writing, USDA has not released the interim final rule on the new CSP. Once the rule is released, USDA will hold a public comment period. LSP, along with our allies, will be submitting comments on how to further shape the program.

We will be sending out an analysis and talking points which farmers and others can use in their own comments on CSP. Making comments on CSP will help influence how the program is actually implemented.

While the new rules on CSP will further outline what farmers need to do to both qualify and secure CSP contracts, we've already heard from farmers who received CSP contracts in the past that providing good records is key. At least two years worth of farm operation records are important. Some records that helped past CSP applicants included having or documenting: up-to-date soil tests, nutrient management plans, tillage practices, cropping history, and pest control activities. Farmers have different methods of keeping records, but what is critical is actually having **some form** of records.

Questions?

If you have other questions about CSP or additional feedback, contact the Land Stewardship Project at 612-722-6377, or visit our CSP web page at www.landstewardshipproject.org/programs_csp.html.

Sources & Additional Resources

- Food, Conservation and Security Act of 2008 (2008 Farm Bill), [http://thomas.loc.gov/cgi-bin/cpquery/R?cp110:FLD010:@1\(hr627\)](http://thomas.loc.gov/cgi-bin/cpquery/R?cp110:FLD010:@1(hr627))
- Natural Resources Conservation Service, Conservation Security Program website, www.nrcs.usda.gov/programs/CSP
- Sustainable Agriculture Coalition, www.sustainableagriculturecoalition.org

This fact sheet is brought to you by...

the members and staff of the Land Stewardship Project, a private, nonprofit organization devoted to fostering an ethic of stewardship for farmland and to seeing more successful farmers on the land raising crops and livestock. For information on joining LSP, call 612-722-6377 or visit www.landstewardshipproject.org.