

## Comprehensive Key Points

## ***Conservation Security Program***

June 2004

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### Key Points about the Program

- The Conservation Security Program (CSP) was authorized by the Farm Security and Rural Investment Act of 2002 (Farm Bill). CSP is a voluntary program. Participants in CSP are eligible to receive a payment and technical assistance for enhancing natural resources on working agricultural lands.
- CSP completes the portfolio of conservation programs. The Environmental Quality Incentives Program, the Wildlife Habitat Incentives Program, and Agriculture Management Assistance are programs that help landowners address natural resource concerns. The Farm and Ranch Lands Protection Program and the Grassland Reserve Program are programs that protect land from conversion. The Wetlands Reserve Program and the Conservation Reserve Program are easement and retirement programs. Combined with technical assistance, CSP completes the portfolio.
- Farmers and ranchers will be able to select from this portfolio of USDA conservation programs and technical assistance to make the necessary natural resource improvements on their operations to participate in CSP.
- CSP will integrate the conservation success of our other programs to improve the condition of America's working lands and enhance natural resources for the public as a whole.
- CSP is open to producers who have practiced good stewardship on their agricultural lands and additionally provides incentives for those who want to do more.
- Examples of resource concerns are water quantity, water quality, soil erosion, soil quality, air quality, animal management (both domestic and wildlife), and plant condition.
- NRCS is emphasizing water quality and soil quality as nationally significant resource concerns because of the potential for significant environmental benefits from conservation treatment that improves their condition.
- Resources must be treated to a level that sustains the resource base as described in the quality criteria level referred to in the NRCS Field Office Technical Guide.
- CSP is available to owners and operators of agricultural operations, including Tribes.
- A staged, watershed-based implementation of CSP will be used to implement the program. NRCS used a watershed prioritization process to select 18 watersheds from across the Nation for CSP sign-up in FY-2004.
- Every farm and ranch is in a watershed.
- Only those producers who have a majority of their land in a selected watershed are eligible to apply for CSP in that sign-up.

The Natural Resources Conservation Service provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

- Other watersheds will be selected each year with the input of NRCS State Conservationists, until landowners in every watershed have had a chance to participate.
- Sign-up periods have been created in order to provide for a planned workflow for program implementation and for ensuring that budget limits are not exceeded.
- Prior to each sign-up, the NRCS Chief will announce a number of enrollment categories. All applications that meet the sign-up criteria will be placed in an enrollment category.
- Those categories will be funded in order until funding is exhausted.
- The enrollment categories will be defined consistent with a producer's historic conservation performance, by resource concerns, levels of conservation treatment, and a producer's willingness to achieve additional environmental performance.
- Other criteria, such as local conservation enhancement activities, limited resource producer designation, nutrient management, pest management, and at-risk species habitat creation and protection, may be used to further define categories and sub-categories.
- interest in the agricultural operation, and have control of the land for the life of the contract.
  - The applicant must share in the risk of producing any crop or livestock and be entitled to a share in the crop or livestock marketed from the operation.
- Private agricultural land and agricultural land under the jurisdiction of an Indian Tribe, including cropland, grassland, prairie land, improved pasture land, rangeland, and forested land that is an incidental part of the agricultural operation, are eligible for enrollment in CSP.
- If a producer desires to move to a higher level of conservation treatment, cost-share payments for some practices will be available through the CSP, up to 50 percent of the cost of the new practice. CSP participants can take advantage of financial assistance through other conservation programs, including the Environmental Quality Incentives Program, the Wildlife Habitat Incentives Program, and Agricultural Management Assistance. All needed practices and management must be in place before a producer can move to the next payment level.
- Land enrolled in the Conservation Reserve Program, Wetlands Reserve Program, Grassland Reserve Program, and land converted to cropland after the enactment of the CSP legislation is not eligible for the program.

## Key Points about Eligibility

- To be eligible for CSP:
  - The agricultural operation must be privately owned land or Tribal land, the majority of which must be located within a selected watershed.
  - The applicant must be in compliance with highly erodible and wetland compliance provisions, have an active
- Eligible practices include land management and structural practices that protect the resources, except animal waste management related structures.
- NRCS will determine producer and land eligibility.

- CSP has three levels of conservation treatment. There are certain tier eligibility and contract requirements as well.
    - For Tier I, the producer must have addressed water quality and soil quality to the Field Office Technical Guide (FOTG) standards on part of the agricultural operation prior to application.
    - For Tier II, the producer must have addressed water quality and soil quality to the FOTG standards on the entire agricultural operation prior to application and agree to address one other resource by the end of the contract period.
    - For Tier III, the producer must have addressed all resource concerns to a resource management system level that meets the FOTG standards on the entire agricultural operation before application into the program.
  - Producers can use other USDA programs and conservation technical assistance, as well as any appropriate State or private programs, to arrive at the high level of stewardship necessary to participate in CSP.
    - Prepare a benchmark inventory documenting conservation treatments they have undertaken so far.
- 3) Submit the completed workbook and CSP application to the Service Center during the sign-up period.
  - 4) Meet with NRCS personnel to go over any additional documentation.
  - 5) Then, NRCS determines the enrollment category for which the producer qualifies.
  - 6) Finally, NRCS will select the categories to be funded for CSP contracts.
- CSP will provide for fair treatment for tenants, allowing a tenant to apply for a contract and receive CSP payments on land meeting CSP standards as long as the tenant controls the land.
  - Each contract is tied to an agricultural operation – all agricultural land and other lands determined by the Chief, whether contiguous or noncontiguous, under the control of the participant and constituting a cohesive management unit, that is operated with equipment, labor, accounting system, and management that is substantially separate from any other. The smallest part of an agricultural operation that could be offered for a Tier I contract is a field.

## Key Points about Applying for the Program

- To apply for CSP, a producer will:
  - 1) Access the CSP self-assessment workbook either online or by picking up a hard copy at the local USDA Service Center.
  - 2) Using the workbook, producers will:
    - Determine whether they meet the basic eligibility requirements.
    - Document their stewardship work, including conservation practices installed on the farm or ranch by land use.

## Key Points about CSP Payments

- CSP payments include:
  - An annual stewardship component for the base level of conservation treatment
  - An annual existing practice component for the maintenance of existing conservation practices.

- An enhancement component for exceptional conservation effort and additional conservation practices or activities that provide increased resource benefits beyond the prescribed level.
- A one-time new practice component for additional needed practices.
- Payment limitations are:
  - For Tier I, contracts are for 5 years; maximum payment is \$20,000 annually.
  - For Tier II, contracts are for 5 to 10 years; maximum payment is \$35,000 annually.
  - For Tier III, contracts are for 5 to 10 years; maximum payment is \$45,000 annually.
- All three tiers include enhancement payments for exceptional conservation effort and additional conservation practices or activities that provide increased resource benefits beyond the prescribed level.
- There are two types of enhancement activities offered in FY-2004:
  - 1) The improvement of a significant resource concern to a condition that exceeds the requirements for the participant's tier of participation and contract requirements.
  - 2) An improvement in a priority local resource condition, as determined by NRCS, such as water quality and wildlife.
- Payments are made annually for the life of the contract.
- Payments will not be made for the purpose of maintaining practices required for conservation compliance or where maintenance agreements already exist.
- Contract payment calculations and limitations:
  - Existing practice payments will be calculated as a flat rate of 25 percent of the stewardship payment
  - New practice payments will be made at a 50 percent cost-share rate and are limited to \$10,000 cumulative total for the contract.
  - Enhancement payments will not exceed \$10,000 for Tier I, \$17,500 for Tier II, and \$22,500 for Tier III annually.
  - An enhancement advance-payment, not-to-exceed \$10,000, is available in the FY-2004 sign-up. The advance-payment is available to contracts with an initial enhancement payment as determined in the benchmark inventory and interview. The advance-payment would shift that annual enhancement payment amount into the first year payment and deduct it from the following year's payments. This is in addition to the enhancement payment and contract limits.
  - The combined stewardship, existing practice, and enhancement payments cannot exceed the following contract limits:
    - ♦ Tier I: 15 percent of the stewardship rate times the enrolled acres.
    - ♦ Tier II: 25 percent of the stewardship rate times the enrolled acres.
    - ♦ Tier III: 40 percent of the stewardship rate times the enrolled acres.

Additional information is available at: <http://www.nrcs.usda.gov/programs/csp>. This site includes the following program information and more:

- CSP Fact Sheet
- CSP Questions and Answers
- Watershed Approach Key Points
- Watershed Approach Questions and Answers
- Watershed information
- Federal Register notices

### ***For More Information***

If you need more information about CSP, please contact your local USDA Service Center, listed in the telephone book under U.S. Department of Agriculture, or your local conservation district. Information also is available on the World Wide Web at: <http://www.nrcs.usda.gov/programs/farmbill/2002/>



Visit USDA on the Web at:  
<http://www.usda.gov/farmbill>

**Note:** This is not intended to be a definitive interpretation of farm legislation. Rather, it is preliminary and may change as USDA develops implementing policies and procedures. Please check back for updates.