

RECORD OF DECISION

For

Conservation Reserve Program Supplemental Environmental Impact Statement

**U.S. Department of Agriculture
Commodity Credit Corporation**

On behalf of the Commodity Credit Corporation, the Farm Service Agency (FSA) prepared a Final Supplemental Environmental Impact Statement (SEIS) for the Conservation Reserve Program (CRP) and the Notice of Availability (NOA) was published in the Federal Register (FR) on June 18, 2010 (75 FR 34737-34738). This document presents the Record of Decision (ROD) regarding FSA implementation of certain changes to CRP according to the provisions of the Food, Conservation, and Energy Act of 2008, Public Law (PL) 110-246 (2008 Farm Bill). The CRP is implemented through FSA on behalf of the Commodity Credit Corporation (CCC) and the SEIS is being completed in accordance with the National Environmental Policy Act (NEPA; PL 91-190, 42 United States Code [U.S.C.] 4321 et seq.) and Agency regulations (7 Code of Federal Regulations [CFR] Part 799). In 2003, a Programmatic Environmental Impact Statement (PEIS) was completed to evaluate the environmental consequences of implementing the Farm Security and Rural Investment Act of 2002 (2002 Farm Bill) provisions for CRP and a Record of Decision was published May 8, 2003 (68 FR 24848-24854). This SEIS tiers from the 2003 PEIS and, with certain exceptions, only evaluates those changed provisions in the 2008 Farm Bill governing CRP not previously addressed. This decision record summarizes the reasons for FSA selecting the Proposed Action Alternatives based on the program's expected environmental and socioeconomic impacts and benefits as documented in the SEIS, all of which were considered in this decision.

Decision

Based on a thorough evaluation of the resource areas affected by CRP, a detailed analysis of the alternatives for each of the nine discretionary provisions, and a comprehensive review of public comments on the Draft SEIS, FSA has decided to implement the Preferred Alternatives identified below for CRP in accordance with the provisions of the 2008 Farm Bill. This decision was made after comparing overall environmental impacts and other relevant information with regard to the reasonable alternatives considered in the CRP SEIS. The following briefly describes the purpose and need for the proposed changes and the alternatives considered.

Purpose and Need for the Proposed Action

The purpose of the Proposed Action is to establish the basis for regulations to implement applicable changes to CRP as specified in the 2008 Farm Bill. The need for the Proposed Action is to fulfill the FSA responsibility, as assigned by the Secretary of Agriculture (hereinafter referred to as Secretary), to administer certain conservation provisions of the 2008 Farm Bill.

Overview of CRP

CRP is the Federal Government's single largest conservation program for private lands. Through voluntary partnerships between individuals and the Federal Government, CRP provides incentives and assistance to farmers and ranchers for establishing conservation practices that have a beneficial impact on resources both on and off the farm. CRP encourages participants to voluntarily plant permanent vegetative cover on land that is subject to erosion or has the potential to provide other environmental benefits, such as water or air quality or wildlife habitat. This vegetation safeguards millions of acres of American topsoil from erosion, provides food and habitat for wildlife, and protects water quality by reducing runoff and sedimentation.

CRP provides annual rental payments and cost-share assistance to participants for establishing long-term, resource-conserving covers on eligible land. CRP, in most cases, makes annual rental payments based on the dry land agricultural rental value of the land, and provides cost-share assistance for up to 50 percent of the participant's costs in establishing approved conservation practices. In some cases additional financial incentives are provided. Participants enroll in CRP contracts for 10 to 15 years. FSA administers the program, with technical support provided by the Natural Resources Conservation Service (NRCS), U.S. Forest Service, Cooperative State Research and Education Extension Service, State forestry agencies, local Soil and Water Conservation Districts, and others.

Alternative Selection

This SEIS tiers from the 2003 PEIS and, with certain exceptions, only evaluates those changed provisions in the 2008 Farm Bill governing CRP not previously addressed. The provisions assessed in the SEIS are:

- Provision 1 (National Conservation Initiatives): In General 1985 Act, Sec. 1231(a): program purposes now explicitly recognize "addressing issues raised by State, regional, and national conservation initiatives."
- Provision 2 (Maximum Enrollment): 1985 Act, Sec. 1231(d): Enrollment authority remains at 39.2 million acres for fiscal year (FY) 2008 and FY 2009 and, for FY 2010 – 2012, the Secretary may maintain up to 32 million acres.
- Provision 3 (Alfalfa Crop History): Multi-Year Grasses and Legumes 1985 Act, Sec. 1231(g): clarifies that alfalfa in an approved rotation practice with an annual agricultural commodity can be used to fulfill the requirement that eligible land be cropped in four of the six years previous to 2008.
- Provision 4 (County Acreage Limitation Exception): 1985 Act, Sec. 1243(b): Additional authority to except cropland limit in cases limited to cropland enrolled under Continuous Signup or Conservation Reserve Enhancement Program (CREP), provided that county government agrees.
- Provision 5 (Conservation Plan Management): Duties of Owners and Operators, Conservation Plans 1985 Act, Sec. 1232(b): Clarifies conservation plan requirements to include management by the participant throughout the contract term to implement the conservation plan.

- Provision 6 (Harvesting CRP): Duties of Owners and Operators, Haying and Grazing, etc. 1985 Act, Sec. 1232(a) (7): Removes authority for managed grazing and harvest, and adds new authority for routine grazing and managed harvest (including biomass) or other commercial use of forage on the land. Authorizes prescribed grazing for control of invasive species, and emergency haying and grazing. These activities must not defeat the purpose of the CRP contract and must be consistent with the conservation of soil, water quality, and wildlife habitat (including habitat during nesting season for birds). A rental payment reduction commensurate with the economic value of the harvest activity is imposed, including both harvest activities and other authorized uses such as installation of wind turbines. Additional specific provisions include: managed harvest, emergency harvest and grazing, and routine grazing including prescribed grazing.
- Provision 7 (National Agricultural Statistics Service [NASS] Cash Rental Rates): Annual Rental Payments 1985 Act, Sec. 1234(c): Requires NASS annual surveys of per-acre estimates of county average market dry-land and irrigated cash rental rates for cropland and pastureland in all counties within the 50 States with 20,000 acres or more of cropland and pastureland.
- Provision 8 (Socially Disadvantaged Farmer/Rancher Incentives): Incentives for Certain Farmers and Ranchers 2008 Act, Sec 2708: Adds incentives for socially-disadvantaged farmers and ranchers and Indian tribes to increase access to conservation programs.
- Provision 9 (Pollinators Conservation): Pollinators 2008 Act, Sec 2708: Using any conservation program, the Secretary may, as appropriate, encourage the development of habitat for native and managed pollinators; and use of conservation practices (CPs) that benefit native and managed pollinators.

Alternatives Eliminated from Further Study

One alternative was initially formulated and considered during the alternatives development process that would maintain the total authorized enrollment acreage at 39.2 million acres as established in the 2002 Farm Bill; however, this alternative was eliminated from further consideration as it is inconsistent with legislation in the 2008 Farm Bill. The 2008 Farm Bill amends Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) by adding:

“During fiscal years 2010, 2011, and 2012, the Secretary may maintain up to 32,000,000 acres in the conservation reserve at any one time.”

Because the only discretion afforded by the 2008 Farm Bill concerning enrolled acres is below the 32 million acre level, it is not possible to meet the purpose and need of the Proposed Action by proposing to enroll any acreage above that level into CRP.

Alternatives Analyzed

The following list contains action alternatives for each provision determined to be reasonable, which were evaluated in detail in the CRP SEIS. The No Action Alternative, used as a baseline for comparison of the Proposed Action, would continue to implement existing CRP provisions, but maximum program acreage is 32 million acres, which is the existing condition.

List of Reasonable Action Alternatives Analyzed

Provision	Alternative 1	Alternative 2
<p>Provision 1 (National, Regional or State Conservation Initiatives)</p>	<p>This alternative would establish three new conservation initiatives (Water Resource Protection, Highly Erodible Land and Regional Restoration of Critical Wildlife Habitat Initiatives) over the course of three FYs (2010-2012). The establishment of these initiatives may require pay-as-you go (PAYGO) offsets in the U.S. Department of Agriculture (USDA) budget and reduce the acres available for General Signup for the same FYs. The establishment of new Continuous Signup conservation initiatives in addition to the seven existing initiatives would require reducing acres available for General Signup by an estimated 500,000 acres each year for FY 2010 to FY 2012, assuming the new initiatives do not include incentives such as 20 percent rental rate, signing, or practice incentives payments. State and regional needs would continue to be addressed by CREP, State Acres for Wildlife Enhancement (SAFE), and State Conservation Priority Areas (CPAs).</p>	<p>Under this alternative, no new national conservation initiatives would be established and the existing wetland initiative would be reduced. Wetland initiatives acreage includes Wetland Restoration Initiative - Floodplain (CP23) and Wetland Restoration, Non-floodplain Initiative (CP23A). These targeted wetland initiatives total 750,000 acres.</p>
<p>Provision 2 (Maximum Enrollment)</p>	<p>The maximum acreage limit would be maintained at 32 million acres apportioning 24 million for General Signup and eight million acres for Continuous Signups distributed with 2.0 million in CREP, 2.5 million in Continuous, 0.75 million in Farmable Wetlands Program (FWP), 1.0 million in SAFE and 1.75 million in initiatives.</p>	<p>Total enrolled areas would be reduced to 24 million acres, with 20 million acres for General Signup and four million acres for Continuous Signup. This reduction would be achieved by General Signup of 2.5 million acres in FY 2010, 2.5 million acres in FY 2011, and 3.5 million acres in FY 2012; seven million acres of General Signup acreage are thereby reduced through lower enrollment for this period, while CREP stays at constant levels.</p>

**List of Reasonable Action Alternatives Analyzed
(Continued)**

Provision	Alternative 1	Alternative 2
Provision 3 (Alfalfa Crop History)	Under Alternative 1, alfalfa alone in rotation with an eligible commodity would meet the CRP crop history requirement if the rotation interval is eight years consisting of at least six years of alfalfa and two years of eligible commodity.	For Alternative 2, alfalfa alone in rotation with an eligible commodity would meet the CRP crop history requirement, if the rotation interval is 12 years, consisting of at least 10 years of alfalfa and two years of eligible commodity.
Provision 4 (County Acreage Limitation Exception)	The Secretary retains the existing discretion to exceed the 25 percent total county cropland CRP and Wetlands Reserve Program (WRP) enrollment limit, but in addition under Alternative 1 may exceed the 25 percent total county cropland enrollment limit for additional Continuous, FWP, or CREP enrollment provided the effected county agrees, in addition to discretionary exceptions already allowed.	Alternative 2 would be the same as Alternative 1 except additional combined Continuous, FWP or CREP combined with WRP enrollment up to a new county cropland limit of no more than 50 percent would be imposed.
Provision 5 (Conservation Plan Management)	Conservation Plan management is required throughout the contract term and mid-contract management (MCM) tasks are to be completed only if included in the approved Conservation Plan, not on an individual CP basis. Existing provisions governing producer obligations for Conservation Plan development and implementation, cost-share and prohibition on MCM during the Primary Nesting Season (PNS) would still apply.	Conservation Plan management is required throughout the contract term, including MCM tasks if specified by the approved Conservation Plan, but would require additional MCM on certain CPs as determined by individual State Technical Committees. Existing provisions governing producer obligations for Conservation Plan development and implementation, cost-share and prohibition on MCM during the PNS would still apply.
Provision 6 (Harvesting CRP)	Only CPs that are currently authorized for managed haying or grazing, incidental grazing (gleaning), and harvest (biomass) would be authorized for routine grazing (including gleaning) and managed harvest. Managed haying is used for livestock feeding and is subject to the established duration and at a frequency for each State set forth in 2-CRP, and outside the beginning and ending dates for the primary nesting and brood rearing season as set forth by the State Technical Committee. Biomass harvest is the removal of material, thinnings, or invasive species from CRP for uses other than a livestock food source. No changes were made in the 2008 Farm Bill to emergency haying and grazing provisions. Emergency haying and grazing is authorized in response to natural disaster such as flood or drought	Alternative 2 would be the same as Alternative 1 and the same definitions apply, except CPs authorized for managed harvest or routine and prescribed grazing may be changed contingent on additional NEPA analysis.

**List of Reasonable Action Alternatives Analyzed
(Continued)**

Provision	Alternative 1	Alternative 2
<p>Provision 6 (Harvesting CRP) (Continued)</p>	<p>for the purposes of animal feed. Any change to the established PNS, period (timing) of routine grazing and harvest, length of harvest, and frequency of routine grazing and harvest by States requires individual analysis under the National Environmental Policy Act (NEPA) by those State Technical Committees desiring changes. Prescribed Grazing of specified CPs, except for CP23, CP23A, non-grass related CP25, CP27, CP31, or CP39-41, for control of invasive species other than kudzu would be allowed under this alternative and would occur only in accordance with a control plan included in the Conservation Plan. If implemented, no payment reduction would be associated with prescribed grazing to control invasive plants. Payment reduction commensurate with the economic value of the harvest or grazing activity would be estimated on a percentage basis related to percent of the year the authorized activity would occur, currently proposed at 25 percent. The FSA has determined installation of wind turbines has a net neutral cost impact to CRP participants, thus no payment reduction for installation of wind turbines would be imposed.</p>	
<p>Provision 7 (NASS Cash Rental Rates)</p>	<p>For General Signup contracts, dated December 1, 2009, and later, updated NASS rental rates would be used. Continuous Signup Incentives may be increased 20 percent. Maintenance incentives for General Signup practices are reduced to zero.</p>	<p>For all new contracts, dated December 1, 2009 and later, updated NASS rental rates would be used. Continuous Signup Incentives would remain the same. Maintenance incentives for General Signup practices are reduced to zero.</p>
<p>Provision 8 (Socially Disadvantaged Farmer/Rancher Incentives)</p>	<p>Alternative 1 would make beginning, limited resource, and socially disadvantaged farmers and ranchers and Indian tribes eligible for cost share rates at least 25 percent above otherwise applicable rates (up to 90 percent) and would provide advance payments of up to 30 percent of the amount determined for the purchase of materials and services. The USDA budget would require a PAYGO offset.</p>	<p>Alternative 2 would make beginning, limited resource, and socially disadvantaged farmers and ranchers and Indian tribes eligible for signup incentives, most likely for CPs that currently are eligible for Signup Incentive Payments (SIPs). The USDA budget would require a PAYGO offset.</p>

**List of Reasonable Action Alternatives Analyzed
(Continued)**

Provision	Alternative 1	Alternative 2
Provision 9 (Pollinator Conservation)	Alternative 1 would establish a new Pollinator Habitat CP, with an enrollment goal of up to five percent. Specific existing CPs would be modified to include plant species and other beneficial practices specifically for pollinators.	Only the CPs for wildlife, grass, buffer strips, windbreaks, shelterbelts, and trees would be modified to include plant species and other beneficial practices for pollinators.

Public Involvement

Responses to the Final SEIS public comments and FSA's analyses supporting this Record of Decision are presented in the following discussion.

Although not related to the current CRP SEIS, in an interim rule published in the Federal Register on June 29, 2009 (74 FR 30907-30912), FSA requested comments on detailed environmental and other needs and goals on which CRP resources should be focused or targeted, if any unintended barriers to enrollment existed (outside of statutory provisions), and the steps that the CCC should take to remove such barriers or to streamline program participation. Comments gathered in response have been considered by FSA in development of the alternatives analyzed in the CRP SEIS and this Record of Decision.

A public notice announcing a "Notice of Intent to Prepare a Supplemental Environmental Impact Statement for the Conservation Reserve Program" was published in the Federal Register September 3, 2009 (74 FR 45606-45607), with the comment period ending October 19, 2009. Nine public scoping meetings were held in September and October 2009 to solicit comments for the development of alternatives and to identify environmental concerns. The FSA performed a density analysis of likely participation to determine those areas that would utilize the program, and meetings were planned at the locations and dates listed below. The meetings consisted of a presentation on the proposed changes, a description of the existing program and preliminary alternatives, followed by a comment period that was documented by court reporters. A project website was created where interested persons could access information on the proposed changes, the places and times of meetings, and for making comment online.

List of Public Scoping Meetings		
Date / Time	Public Scoping Meeting City	Public Scoping Meeting Location
15 September 2009 5:30 – 7:30pm	Spokane, Washington	Hilton Garden Inn Spokane Airport 9015 West SR Highway 2 Spokane, WA 99224
17 September 2009 5:00 – 7:00pm	Great Falls, Montana	Hampton Inn Great Falls 2301 14th St. SW Great Falls, MT 59404
21 September 2009 5:00 – 7:00pm	Moorhead, Minnesota	America Inn Lodge & Suites and Event Center of Moorhead 600 30th Ave. S. Moorhead, MN 56560
23 September 2009 5:00 – 7:00pm	Manhattan, Kansas	Clarion Hotel 530 Richards Drive Manhattan, KS 66502
September 25, 2009 5:00 – 7:00pm	Springfield, Illinois	Hilton Garden Inn, Springfield 3100 S. Dirksen Parkway Springfield, IL 62703
29 September 2009 5:00 – 7:00pm	Oklahoma City, Oklahoma	Oklahoma City Marriott Hotel 3233 N.W. Expressway Oklahoma City, OK 73112
1 October 2009 5:00 – 7:00pm	Clovis, New Mexico	La Quinta Inn & Suites Clovis 4521 N. Prince St. Clovis, NM 88101
6 October 2009 5:00 – 7:00pm	Albany, Georgia	Hilton Garden Inn Albany 101 S. Front Street Albany, GA 31701
8 October 2009 5:00 – 7:00pm	Harrisburg, Pennsylvania	Courtyard by Marriott Harrisburg/Hershey 725 Eisenhower Blvd. Harrisburg, PA 17111

This SEIS has taken into consideration comments gathered in the scoping process initiated with the September 3, 2009, Notice of Intent (NOI) and the June 29, 2009, Interim rule with request for comments to develop the alternatives proposed for the administration and implementation of CRP. Comments were also received from two Federal agencies and one State agency. FSA compiled and reviewed all of the comments submitted.

The availability of the Draft SEIS was announced in the Federal Register on February 19, 2010 (75 FR 7438-7440). This Notice of Availability (NOA) marked the beginning of a 45-day public comment period soliciting comments from interested persons and agencies. Comments were

received through April 5, 2010. Copies of the Draft SEIS were provided to the headquarters and all the regional offices of the U.S. Environmental Protection Agency and U.S. Fish and Wildlife Service. Twenty-nine other interested agencies and stakeholders identified during the public scoping period received a letter announcing the availability of the Draft SEIS on the website and a request for review and comment. Comments were received from State and Federal agencies, Non-Governmental Organizations, and individuals. Most comments provided support for a particular alternative by provision.

Changes to the Draft SEIS, in response to agency and public comment, included substantive comments on the proposed alternatives and proposed action, as well as on resource areas such as socioeconomics, wildlife, vegetation, and soil and water quality. Public notices announcing the availability of the Final SEIS were published in the Federal Register on June 18, 2010 (75 FR 34737-34738). The Final SEIS was available for public review and comment for 30 days. No comments were received.

Impacts Summary

The Final SEIS outlines and compares all of the alternatives' potential impacts. Based upon the analyses and conclusions presented in the Draft and Final SEISs, FSA has identified the selected alternatives for each provision. Within the context of the Proposed Action's purpose and need, these alternatives are both environmentally responsible and reasonable to implement, and none would have significant negative impacts. Both beneficial and potential adverse effects are identified for the alternatives analyzed implementing the provisions of CRP as discussed below.

Provision 1

Alternative 1 (Preferred Alternative): This alternative addresses National and State CPAs, State, and some regional conservation initiatives as currently administered, as well as offering three new potential conservation initiatives (Water Resource Protection, Highly Erodible Land and Regional Restoration of Critical Wildlife Initiatives) that would total 1.5 million acres. General Signup acres would be reduced 500,000 acres each year during FY 2010 to FY 2012 to maintain existing initiatives while adding potential new conservation initiatives. This alternative would be more beneficial to biological, water and soil resources than the other alternatives analyzed by providing more vegetative diversity, wildlife habitat, increased water resource initiatives and the potential for greater carbon sequestration. While this alternative would cost more to implement than the other alternatives, the increase to the CRP budget is not substantial. Implementation of the alternative may have a greater potential for creating adverse Environmental Justice impacts due to the PAYGO offset that may reduce other program services, yet any redistribution to meet that requirement would be conducted to ensure it does not result in secondary disproportionately high and adverse impacts to minority or low-income populations. Alternative 1 would provide more targeted benefits to Recreation.

Alternative 2: Current procedures would continue under this alternative, except wetland initiatives would be reduced; however, the amount of terrestrial habitat would increase proportionately. This alternative is not as beneficial for biological resources as Alternative 1 as

it does not provide the same potential for more vegetative diversity and landscape-level wildlife and protected species benefits through the larger scale regional initiatives, or increased critical habitat for species of concern. This alternative would result in reduced benefits provided by wetland functions such as the reduction of downstream flooding, stream bed and shoreline erosion; the removal of sediments, nutrients, and agricultural chemicals; and slowing runoff which improves infiltration and ground water recharging, but since acreage enrolled in these initiatives are substantially less than the goal, the reduction would not be significantly negative. While the proportional increase in the amount of terrestrial acreage eligible for enrollment would provide for increased reduction of soil erosion and soil quality, the lack of the Highly Erodible Land initiative found in Alternative 1 makes this alternative less beneficial for soil resources. Rates of carbon sequestration would differ little between Alternative 2 and the other alternatives analyzed since wetlands sequester carbon at rates similar to that of forests and only slightly more than grasslands. Impacts to socioeconomics would not be significant; however, the reduction in wetland restoration initiative acreage (up to 0.75 million acres) would limit future rental payments for initiatives and may result in a minor geographic redistribution of CRP enrollment. The potential impact to Environmental Justice would be similar to the existing CRP provisions, yet due to its PAYGO offset requirements, has less potential for impact than Alternative 1. Alternative 2 could result in a localized reduction in recreational benefits as the reduced amount of wetland acreage in an area may correspond to a reduction in migratory waterfowl populations, but this would be limited by the small amount of affected acreage and not significantly negative.

Provision 2

Alternative 1 (Preferred Alternative): Maintaining the maximum acreage of 32 million acres, with possibly 24 million acres apportioned for General Signup and eight million acres apportioned for Continuous Signup or some similar acreage apportionment would be more beneficial to both biological and water resources by providing more desirable and high priority acreage than the No Action Alternative. This alternative would reduce overall sedimentation and nutrient deposition into nearby receiving waters. Because a larger amount of acreage is apportioned to Continuous Signup, this alternative would not be as beneficial to either soil resources or air quality (carbon sequestration) as the No Action Alternative since General Signup acreage has a greater potential to reduce soil erosion; yet this difference is not substantial. Alternative 1 would increase government costs by about \$91 million per year over the No Action Alternative due to the higher costs associated with Continuous Signup acreage, yet these increased costs are expected to be limited by the increased competition for General Signup enrollment, which increases Environmental Benefits Index (EBI) scores and drives down rental payments. Under Alternative 1 enrolled acreage would be distributed differently across geography and individual landowners, but not substantially different from the other alternatives. Since the overall program acreage remains the same as the existing condition, no highly adverse and disproportionate impacts to minority and low-income populations would occur. As the portion of General Signup acreage shifts to Continuous Signup, recreational benefits may slightly decrease for some types of recreation since Continuous Signup tracts tend to be smaller. Because Alternative 1 allows enrollment of eight million more acres than that of Alternative 2, it would be more beneficial for all resource areas, yet is more costly than Alternative 2.

Alternative 2: The decrease of 25 percent of authorized CRP acreage under this alternative would be expected to result in a net loss of conservation covers, with much of the land returning to crop production. Potential negative impacts to biological, soil and water resources, and air quality could be significant locally, especially in States and counties that have large portions of acreage leaving the program due to contract expirations scheduled between FY 2010 and FY 2012. The reduction of eight million acres authorized for enrollment would result in loss of wildlife and protected species habitat; increased sedimentation, and nutrient and agricultural chemical loading into receiving waters; increased soil loss; and a decrease in carbon sequestration capacity over that of the other alternatives analyzed. The reduction of authorized acreage would limit additional signups considerably; only offers with the highest EBI scores would likely be accepted. Annual rental payments could be reduced by an estimated \$301.2 million per year for General Signups and \$41.1 million per year for Continuous Signups from October 2009 levels. Signing Incentive Payment (SIP), Practice Incentive Payments (PIP) and Wetland Initiative expenditures would be reduced \$31.3 million per year under Alternative 2. There may be some localized loss in recreational opportunities and associated services, yet this is expected to be offset by gains in agricultural-related economic opportunities. The potential for impacts to minority and low-income populations may be increased due to the adverse effects to some of the environmental components. Yet, because all applicants would have an equal opportunity to participate in CRP, and expiring acreage is set on a contractual schedule, it is not anticipated that any certain group of producers would experience a disproportionate level of negative impacts.

Provision 3

Alternative 1: Alfalfa would be allowed to be rotated alone with an eligible commodity that meets the CRP crop history requirement if the rotation interval is eight years with at least six years of alfalfa and two years for the eligible commodity. Alternative 1 may qualify additional acreage for enrollment over that of the No Action Alternative, yet this may be offset by the requirement to meet a more specific rotation schedule. However, the shorter rotation period of this alternative may make more acreage eligible than that of Alternative 2. The potential impacts to biological, water, soil resources, and air quality under Alternative 1 of removing land from production would provide vegetation diversity, wildlife habitat, decrease sedimentation, and nutrient and agricultural pollutant loading into receiving waters, as well as decreasing soil erosion and improving carbon sequestration. Alternative 1 would be more beneficial to water resources in those States with the largest amount of irrigated alfalfa acreage by reducing the demand on ground and surface water. Improved vegetation diversity and wildlife habitat would be more beneficial to recreation that is dependent on these resources. Since alfalfa is a high value hay product, it is expected the only acres that would be enrolled in CRP would be those that have lower returns from cropping than CRP rental payments. Under this alternative, the rotation interval may make fewer of these acres qualify for enrollment and would be less beneficial for operators. Conversely, less land potentially coming out of production would benefit agricultural services. Due to the limited amount of alfalfa acreage that is expected to be eligible for enrollment, socioeconomic impacts would be limited and localized, affecting only a small number of operators. All eligible producers would have equal opportunity to enroll

acreage under this provision; therefore, no significant highly adverse disproportionate impacts to minority or low-income populations or environmental justice inequity would occur.

Alternative 2 (Preferred Alternative): Alfalfa would be allowed to be rotated with an eligible commodity that meets the CRP crop history requirement if the rotation is 12 years with at least 10 years of alfalfa and two years of commodity crop. This may make additional acreage eligible for enrollment over the existing CRP provisions, yet this may be offset by the stricter rotation schedule. Impacts to biological, water, and soil resources, and air quality would be similar to those of Alternative 1. Similar to Alternative 1, due to the limited amount of alfalfa acreage that is expected to be eligible for enrollment, socioeconomic and recreation impacts would be small and would affect only a small number of operators, with no disproportionate impacts to minority or low-income operators.

Provision 4

Alternative 1 (Preferred Alternative): The authorization for the Secretary to exceed the 25 percent total county cropland enrollment limit for additional Continuous or CREP enrollment, provided the affected county agrees, with no additional per county acreage limitation imposed would be beneficial to all resource areas. This would allow more Continuous, CREP, or FWP enrollment in CRP above the 25 percent county cropland cap and potentially allow the most acreage to be enrolled in CRP compared to the other alternatives. Only minor socioeconomic impacts are expected and the difference among alternatives is minimal because the amount of acreage available to enroll is limited under the 32 million acre cap. The amount over which the limitation can be exceeded would be highly dependent on the CPs and the national, State, and regional initiatives in place at the time. Historically, very few counties have exceeded the 25 percent limit, with minimal acres, which would likely not change under Alternative 1. Impacts on the local level would be variable, and are dependent upon the amount of acreage to exceed the county limitation, which is not expected to be significantly negative on socioeconomic resources since concurrence from the affected county would be required.

Alternative 2: The 25 percent total county cropland enrollment limit could be exceeded under this alternative as with Alternative 1, yet would impose a maximum limit of 50 percent of the county's cropland. While this would be more beneficial for biological resources than existing CRP provisions, it is more restrictive than Alternative 1 and therefore less beneficial for biological, water, soil and air resources. Given the maximum county enrollment limit under this alternative, fewer acres would potentially be excepted than Alternative 1, and fewer potential negative socioeconomic impacts expected. As with Alternative 1, impacts to socioeconomic and recreational opportunities would be localized and variable. This alternative would not create significantly highly adverse disproportionate impacts to minority or low-income populations that would cause an environmental justice inequity.

Provision 5

Alternative 1 (Preferred Alternative): Under this alternative, Conservation Plan management would be required throughout the contract term, and MCM tasks would only be necessary if included in the approved Conservation Plan. Further, MCM would not be required on an

individual CP basis and existing provisions governing producer obligations for Conservation Plan development and implementation, cost-share, and prohibition on MCM during the PNS would still apply. Requiring active management throughout the contract term as specified in the Conservation Plan provides clear guidance to participants that would substantially benefit all resource areas. This alternative provides greater flexibility than the other alternatives analyzed to accomplish MCM only as necessary for the particular lands enrolled. This alternative may reduce costs of management for some participants; however, it places greater risks on participants for the success of the conservation cover and reduces non-monetary benefits if the conservation cover fails. While cost savings to FSA would not be realized until FY 2014 or later, it is anticipated this alternative would have lower costs than the other alternatives. This alternative provides fewer benefits to agricultural service providers than the No Action Alternative, but this difference is not substantial. This alternative has the least potential to cause financial burden to low-income producers.

Alternative 2: This alternative is the same as Alternative 1, but in addition, enables States to specify MCM by CP as determined by individual State Technical Committees. Mid-contract management under this alternative would provide clear guidance to program participants effectively maintaining the health and vigor of the conservation cover and benefitting biological, water and soil resources, and air quality. Compared to Alternative 1, costs for both FSA and program participants would be higher under this alternative, and may also increase the financial burden to low-income producers. This impact is not considered significant due to cost-share and technical assistance provided by FSA. Compared to the No Action Alternative, there may be a slight reduction in benefits to agricultural services.

Provision 6

Alternative 1 (Preferred Alternative): Authorization for managed harvest, routine grazing, prescribed grazing, and emergency haying and grazing replaces managed and emergency haying and grazing. Changes to the PNS, timing length, or frequency of managed harvests or routine and/or prescribed grazing would require additional NEPA analysis. Both direct and indirect impacts to biological resources under this alternative would be positive. Providing harvesting or grazing would be completed within the requirements of the Conservation Plan, while ensuring these activities are conducted often enough to optimally maintain early successional grasslands or sageland, but not too frequent such that significantly negative impacts to wildlife, water, soil, or carbon sequestration occur, the health and vigor of the conservation cover would be maintained. Allowing prescribed grazing for the removal of invasive species, along with kudzu, would improve the health of the conservation cover by removing competition with native plants species, thus benefitting vegetation, wildlife, water, soils and air quality. The improvement of habitat would subsequently improve recreational opportunities. While prescribed grazing that is not properly controlled has the potential to cause significant damage to the conservation cover, wildlife, soils and water quality; a prescribed grazing plan included in the Conservation Plan would specify timing, stocking rate, duration, and frequency for grazing and reduce the potential for damage. The requirement for State-level NEPA analysis for changes to the PNS, timing, length, or frequency of managed harvest or routine grazing would ensure potential negative impacts would be addressed on a local scale.

Negative impacts to protected species would not occur as site-specific environmental evaluation prior to approving these authorized activities in new contracts or modifications to existing Conservation Plans would identify any protected species and if present, consultation with U.S. Fish and Wildlife Service prior to implementation would occur. A 25 percent payment reduction would continue to be assessed for harvest activities as it is not feasible for FSA to determine the actual value of these activities for every field CRP participants propose to harvest. The FSA has determined installation of wind turbines has a *de minimis* value, thus no payment reduction for installation of wind turbines would be imposed. The overall positive socioeconomic effects may be more economically beneficial than existing CRP provisions due to the potential for the biological control of invasive species as they cause the loss of hundreds of million dollars a year for treatment and in national agricultural production. Local socioeconomic impacts may not be as beneficial as those of Alternative 2 due to the latter also allowing changing which CPs may be harvested or grazed upon additional State-specific NEPA analysis. Since managed harvesting and routine grazing procedures would equally apply to all CRP participants with lands enrolled authorized for these activities nationally, no environmental justice inequity to minorities or low-income populations would occur.

Alternative 2: This alternative is the same as Alternative 1, except proposed changes to the CPs authorized for managed harvest or routine and prescribed grazing would be allowed based upon additional NEPA analysis. Accomplishment of State-specific NEPA analysis would ensure any potential negative impacts would be addressed at a local level. For all resource areas, this alternative would provide greater benefits than the No Action Alternative and similar benefits as Alternative 1 due to the authorization for prescribed grazing to control invasive species other than kudzu. Selection of this alternative would also have greater localized socioeconomic benefits than Alternative 1 due to the expanded changes to CPs as a result of State-specific NEPA analysis.

Provision 7

Alternative 1 (Preferred Alternative): Under this alternative, annual rental payments on new General Signup contracts after December 1, 2009, would be updated using NASS market dryland and irrigated rental rates with soil productivity adjustments, with incentives for Continuous Signups (for CREP, non-CREP Continuous Conservation Reserve Program (CCRP), and initiatives) potentially increased to ensure program acreage targets are achieved. Regional shifts in enrolled acres would occur due to some areas realizing higher CRP payments than others under this alternative. Alternative 1 would be more beneficial to biological, water, and soil resources than Alternative 2 due to the additional enrollment incentives offered, which would increase the potential for Continuous Signup goals to be reached. Since NASS rental rates would generally be higher in regions suffering some of the worst soil erosion, the potentially increased enrollment in these areas would benefit soil and water resources and air quality. While some locations could experience negative impacts to local businesses that cater to outdoor recreational activities, agricultural services businesses would subsequently experience positive impacts as lands returned to production. The regional shift may also decrease rental rates by more than 25 percent in eight States, one of which is New Mexico, listed as a concentrated minority area, yet would increase rental rates by more than 50 percent

in 13 States including California (a concentrated minority area) and Mississippi (a poverty area), however, these impacts would not highly adversely disproportionately impact minorities or low-income populations.

Alternative 2: Under this alternative, annual rental payments on all new contracts after December 1, 2009, would be updated using NASS market dryland and irrigated rental rates with soil productivity adjustments, but no new incentives for Continuous Signups (for CREP, CCRP, and initiatives) would be offered. Additional incentives would not be included as with Alternative 1 to ensure current Continuous Signup goals are met, and therefore would not be as beneficial to biological, water and soil resources, or air quality. Although NASS rental rates would be lower than current CRP rental payment rates in the majority of counties, modeling indicates overall participation in General or Continuous Signups would not decrease substantially, and General Signup enrollment goals at current levels would be met; however, the current Continuous Signup enrollment goal of 4.5 million acres would fall short 0.5 million acres. Yet, given the limited amount of affected acreage, this impact would not be significant. Enrollment would shift geographically to those areas where NASS rental payments are higher than the current rental payments. This shift would be similar to that described for Alternative 1, and therefore impacts to minorities or low-income populations would be the same. Maintaining current incentives could increase General Signup enrollments which may benefit recreational activities dependent upon larger continuous blocks of CRP.

Provision 8

Alternative 1 (Preferred Alternative): This alternative would make beginning, limited resource, and socially disadvantaged farmers and ranchers and Indian tribes eligible for effective cost-share rates at least 25 percent above otherwise applicable rates (up to 90 percent) and would provide advance payments of up to 30 percent of the amount determined for the purchase of materials and services. The USDA budget may require a PAYGO offset. This alternative would provide the greatest incentive for the affected population to participate, thus increasing enrollment and meeting signup goals, and therefore would have the most positive impact on biological, water and soil resources, air quality, and recreation. However, given the relatively small population and associated acreage that would qualify, the impact would not be substantially different from the other alternatives analyzed. Under this alternative, qualified participants could receive an effective cost-share rate of up to 90 percent with total program costs limited due to the CRP total acreage limitation from FY 2010 to FY 2012 and the small percentage of potential participants. This alternative is not expected to create overall substantial socioeconomic effects, rather it would provide minor benefits on a local level and be more beneficial to socially disadvantaged farmers and ranchers than the other alternatives analyzed. The expansion of benefits to socially disadvantaged farmers and ranchers over that of existing CRP provisions would include a maximum population of approximately 1.1 million socially disadvantaged operators. This alternative would also extend additional cost share benefits, advance payments and enrollment incentives to limited resource, beginning, and Indian tribe farmers/ranchers.

Alternative 2: Under Alternative 2 beginning, limited resource, and socially disadvantaged farmers and ranchers and Indian tribes would be eligible for incentives for CPs that are currently authorized SIPs that may require a PAYGO offset. This alternative is an expansion from the existing CRP provisions and would include the same quantity of operators as Alternative 1, and would increase incentives for enrollment over existing conditions. Because signup incentives for beginning, limited resource, and socially disadvantaged farmers, ranchers and Indian tribes would be more limited than those of Alternative 1, Alternative 2 would provide less incentive for enrollment, possibly resulting in signups not meeting enrollment goals, but would cost less to implement. This would not be as beneficial for biological, water and soil resources, air quality or recreation as Alternative 1. Overall incentive payments would be lower than that of Alternative 1, and a PAYGO offset would be required. These impacts would not result in highly adverse disproportionate impacts to minority or low-income populations that would cause an environmental justice inequity.

Provision 9

Alternative 1 (Preferred Alternative): Establishment of a new CP that may enroll up to 1.6 million acres dedicated to pollinator-specific vegetation, as well the modification of existing CPs to include vegetation and practices that benefit pollinators, would increase the diversity of the vegetative stand and benefit wildlife and protected species that utilize these habitats over that of the other alternatives analyzed. This alternative would not be as beneficial to water and soil resources or air quality as the apportionment of 1.6 million acres could potentially reduce the amount of acreage eligible for enrollment in CPs that specifically create or restore wetlands, or reduce runoff, soil erosion, and sedimentation. This alternative would have the highest associated establishment and maintenance costs, yet it would provide the greatest societal benefits. Other benefits associated with this alternative include the contribution to crop productivity from the increased number of pollinators and the potential for small gains in recreational opportunities such as eco-tourism. Since enrollment would be voluntary and the same rules would apply to all applicants, no highly adverse disproportionate impact to environmental justice populations would occur.

Alternative 2: Under this alternative, only the existing conservation practices for wildlife, grass, buffer strips, windbreaks, shelterbelts, and trees would be modified to benefit native and managed pollinators by including plant species beneficial for pollinators at specified composition rates and other such practices. Benefits to biological resources would include increase in the diversity of the vegetative stand, which would also benefit the wildlife and protected species that utilize these habitats. Because a new CP would not be established under this alternative, it would not provide the same amount of benefits to vegetation and wildlife, including pollinators, as Alternative 1; however, since the amount of acreage devoted to the new CP would be relatively small, this difference is not substantial. This alternative would be more beneficial to water and soil resources, and air quality than Alternative 1 as it does not remove up to 1.6 million acres for the establishment of a new CP, allowing this acreage to be enrolled in CPs that provide greater benefits for these resources. This alternative is expected to provide greater socioeconomic benefits (increased value to participants) but be more costly than the No Action Alternative; alternatively it would provide fewer socioeconomic benefits, yet would be less costly

than Alternative 1. Since the same rules would apply to all participants, no highly adverse disproportionate impact to environmental justice populations would occur.

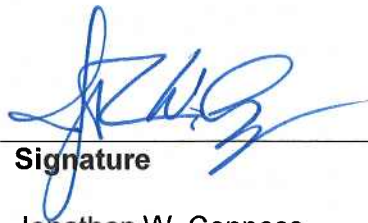
Basis for the Decision

The Preferred Alternatives are selected as the Proposed Action. The Proposed Action complies with the 2008 Farm Bill, provides FSA the most flexibility in terms of program implementation and environmental targeting, increases the significant positive benefits of CRP, and are the most balanced approach to achieving long-term program goals. The No Action Alternative was used as an analytical baseline. Continuation of the program as it currently exists would continue to produce positive results, but without the enhancements of the 2008 Farm Bill and authorized discretionary actions. No significant impacts would occur from implementation of the Proposed Action and no adverse cumulative impacts are expected. Potential negative impacts will be minimized by employment of best management practices, site-specific environmental evaluations for each approved contract, and supplemental environmental assessments for changes to the PNS, period (timing) of routine grazing and harvest, length of harvest, and frequency of routine grazing and harvest governing managed harvest and routine grazing.

The Decision

FSA will implement the Proposed Action as described in this ROD. The Preferred Alternatives provide the greatest overall benefits to the environment than the other alternatives analyzed, while reducing the potential for adverse impacts. FSA will ensure impacts are minimized by employment of best management practices, site-specific environmental evaluations for each approved contract, and supplemental environmental assessments for changes to the PNS, period (timing) of routine grazing and harvest, length of harvest, and frequency of grazing and harvest governing managed harvest and routine grazing.

Approved



Signature

Jonathan W. Coppess

Name

Executive Vice President
Commodity Credit Corporation

Title

July 22, 2010

Date