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The New Conservation Stewardship Program

The 2008 Farm Bill made improvements and strengthened the Conservation Stewardship Program (CSP). The program was expanded to help farmers and ranchers maintain, establish and increase conservation on land they are actively farming.

CSP is a voluntary program that rewards farmers and ranchers for managing their land in a way that produces real and measurable conservation outcomes – healthy soil, clean water and air and wildlife habitats. The program is administered by USDA’s Natural Resource Conservation Service (NRCS). Congress provided \$12 billion over the next 10 years to enroll nearly 13 million acres a year in CSP.

All farmers are eligible to apply to participate in CSP. Minimum requirements include:

- Must have or obtain a “farm record number” from USDA’s Farm Service Agency (if you have participated in federal farm programs, you likely have this number registered with FSA).
- Have documented control of the land to be enrolled in CSP.
- Be in compliance with highly erodible and wetland conservation provisions.
- Not exceed the high Adjusted Gross Income limitations set by Congress.

The New and Improved CSP

Some significant changes have been made for CSP. First of all, farmers across the country are now eligible to enroll, and the USDA is no longer limiting sign-up to specific watersheds. In addition, the sign-up period is now “continuous.” Farmers can sign up throughout the year, and NRCS will have periodic ranking cutoffs where they rank the applications in hand at the time to determine who is accepted into the program for that year.

The program is no longer a three-tiered structure. It has been replaced with a single tier, whole-farm sign-up approach. This means that the **whole** farm is included or none of it at all. (This includes all owned and rented acres.) All contracts will now be five-year contracts.

CSP is available for **all working agricultural land**; including:

- cropland (corn, soybeans, small grains, hay, fruits and vegetables, etc.)
- pasture
- rangeland
- managed woodlot

CSP **does not** prevent farmers or ranchers from receiving other farm program payments. However, lands currently enrolled in the Conservation Reserve Program (CRP), Grassland Reserve Program (GRP), Wetlands Reserve Program (WRP) or the old Conservation Security Program are ineligible for payments under the program until those existing program contracts conclude.

How the CSP Will Work

Each year NRCS will enroll roughly 13 million acres nationally. Those acres will be allocated to the states based on their share of agricultural acres. The sign-up will be continuous so farmers and ranchers can sign up anytime. However, at certain points in the year, NRCS will rank the farm proposals they have in hand at the current time, awarding the highest-ranked proposals first, and following down the ranking scale until the acreage allotted for that year has been exhausted.

What You Need to Know for the 2009 Sign-up

The new CSP will be accepting farmer sign-ups starting August 10, 2009, and the cutoff for this fiscal year's ranking will be September 30, 2009. Farmers and ranchers need to apply for the CSP at their local or county Natural Resource Conservation Service office.

The first step for farmers and ranchers is to fill out the CSP Producer Self-Screening Checklist available at <http://www.cfra.org/files/CSP-Producer-Self-Screening-Checklist.pdf>.

If farmers and ranchers decide the CSP is right for them after filling out the self-screening checklist, they need to then move on and complete a Conservation Program Application before the September 30 deadline. The application is available at <http://www.cfra.org/files/CSP-Blank-EQIP-CCC1200.pdf>.

Later in the fall those applicants will do a more detailed conservation assessment. The NRCS will then rank applications, conduct site visits and offer contracts to applicants until funding for fiscal year 2009 is exhausted. The CSP timeline is compressed for the first ranking period to meet fiscal year constraints, but in future years the process will be year-long.

Farmers and ranchers in each state can submit an application in one of two land classes:

- Agriculture Land- (which receives 90 percent of the yearly focus) or,
- Non Industrial Private Forestry- (which is allocated 10 percent of program focus).

The detailed conservation assessment will be taken using a new Conservation Measurement Tool (CMT). The CMT is essentially an online questionnaire that calculates a score by asking producers about farming practices, techniques and willingness to take on additional conservation activities. In part the score indicates an applicant'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 natural resources.

In 2009, of particular importance will be eight nationally set "priority resource concerns:" 1) soil erosion, 2) soil quality, 3) water quality, 4) water quantity, 5) air quality, 6) energy, 7) animals (wildlife), and 8) plants (biodiversity). Each state or sub-region will have selected between three and five priority resource concerns for that region from the list.

To receive a contract, farmers must meet or exceed the stewardship threshold for **one priority resource concern** and be willing to meet or exceed the stewardship threshold for **one additional priority resource by the end of the contract**. The farming methods you use now may already address those priority resources of concern in your area to a stewardship threshold level of management.

The Conservation Measurement Tool also provides options for applicants to take on additional "Enhancements Activities" and "Conservation Practices" to increase their score and potential payment

levels. See the CSP Conservation Activity List at <http://www.cfra.org/files/CSP-Conservation-Activity-List.pdf>. The final Conservation Measurement Tool score determines applicants' eligibility, ranking and payment level. In the end the final Conservation Measurement Tool score weighs four factors:

1. Level of conservation at time of application.
2. Degree to which proposed conservation activities increase conservation outcomes.
3. Number of state-identified priority resource concerns to be addressed that meet or exceed the stewardship threshold.
4. Extent to which other resources concerns (beyond the priority concerns) will be addressed to meet or exceed the stewardship threshold.

CSP Payments

The payment structure for the new CSP has been greatly simplified. Payment amounts will be determined by these three factors:

1. Expected environmental benefits as indicated by the Conservation Measurement Tool.
2. Costs incurred by the farmer or rancher associated with the planning, design, materials, installation, labor, management, maintenance or training for conservation activities.
3. Income forgone by the producer as a result of conservation activities that are undertaken.

Overall CSP payments are expected to average \$18 per acre nationwide, but the rate will vary by land type, the extent of existing conservation that will be managed and maintained, and the extent of new conservation practices and activities. Individual CSP payments will depend on the details of each contract. Payments to contract holders will be made after October 1 of the year the conservation has been accomplished. For example, if the terms of the contract are fulfilled during the spring and summer, the accompanying payments will be made in the fall.

Payment Limits

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.

Your Involvement Will Help Shape the New CSP

CSP is currently operating under an interim final rule published this July. Public comment on the rules runs through September 28, 2009.

The most important way to influence how CSP will operate and work is by using it and being in the NRCS offices asking questions. We also shape the program by driving in quality enrollments. While CSP may not work for everyone, we strongly encourage producers to check it out and evaluate it for your farm or ranch. In addition to the information available on our website at www.cfra.org, below are additional resources that may be helpful with the CSP.

Additional Resources:

- *To be posted soon* - A Farmer's Guide to CSP: National Sustainable Agriculture Coalition, <http://www.sustainableagriculturecoalition.org>

- Natural Resources Conservation Service, Conservation Stewardship Program website, <http://www.nrcs.usda.gov/programs/CSP>