

FACT SHEET:

WHAT TO KNOW ABOUT WORKING LANDS CONSERVATION PROGRAMS



For farmers and ranchers interested in implementing or improving conservation on their operations, the Natural Resources Conservation Service (NRCS) provides working lands programs. With these programs, farmers and ranchers have access to financial and technical resources to implement particular practices and structures on working lands.

NRCS manages two of the nation's flagship working lands conservation programs: the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP).

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

EQIP assists farmers and ranchers in trying and investing in new conservation practices. Contracts are competitive, and not every application is funded each year. Many beginning farmers and ranchers use these programs to cost-share practices, such as cover crops, or to install grazing infrastructure or high tunnels. The duration of contracts varies but are commonly one to three years.

This program can reimburse a farmer or rancher for a significant portion of the cost of certain conservation practices, however EQIP typically does not cover the entire cost of any given practice. Certain types of farmers—including those classified by the USDA as historically underserved (farmers of color, limited-resource, veteran, and beginning farmers and ranchers) are eligible for increased cost-share rates. Advance payment options are available. Certain practices may also be eligible for increased payment rates.

For beginners with an eye on adding conservation to their operations, and who could benefit from financial and technical support to get started, EQIP can be a powerful tool. It can also be a good first step for farmers or ranchers interested in other USDA conservation programs.

CONSERVATION STEWARDSHIP PROGRAM (CSP)

CSP rewards farmers and ranchers who are already doing conservation and want to build and strengthen their efforts. In CSP, a farmer or rancher creates a holistic conservation plan with their local NRCS conservation specialist. This plan is built to address resource concerns across the whole farm or ranch. Popular management practices include cover crops, rotational grazing, and no-till. Contracts last for five years. CSP can be a great fit for beginning farmers and ranchers who are already implementing some conservation on the farm and want to take their efforts to the next level.

WHO IS ELIGIBLE?

Farmers and ranchers of all operation sizes are eligible to apply. An applicant can be an owner-operator, a renter with permission from the landlord to enroll, or an owner who crop-shares with another farmer.

Beginners, veterans, and farmers of color should inquire at their local offices about opportunities for increased cost-share or earlier payments. EQIP offers an advance payment option for what USDA classifies as historically underserved farmers, which limits the out-of-pocket start-up cost for conservation practices.



WHAT IF I RENT MY LAND?

Rented land may be enrolled in EQIP and CSP, however farmers or ranchers should first discuss enrollment with their landlords and reach an agreement on the management changes they plan to make. This is best done in the form of a signed letter submitted to NRCS showing the farmer or rancher has possession of the land and acts as a decision-maker for the daily management. Landowners may also receive EQIP or CSP payments in the case of structural practices where the farmer and landowner may share costs. For CSP, Five-year leases are not required; should a lease be dropped during the five-year contract period, those acres will be subtracted from the payment.

WHAT LAND IS ELIGIBLE?

All private agricultural land, which includes cropland, pastureland, rangeland, and land used for agroforestry, is eligible for both EQIP and CSP. While there is not an acreage minimum to apply, farmers and ranchers must have at least \$1,000 in annual sales to qualify. As payments for both programs are typically determined per acre, very small acreage operations may only be able to earn the minimum payment.

Land may be enrolled in EQIP and CSP at the same time, however the two programs cannot pay for the same conservation practice(s) simultaneously. For example, payments from both programs cannot be used for cover crops in the same year in the same field.

HOW DO I APPLY?

Farmers and ranchers interested in applying for EQIP or CSP should contact their local NRCS offices. Applications are accepted at any time, however there are batching dates when each program is assessed and awarded. These batching dates can come once a year or a couple of times a year, depending on the program. If an application isn't approved one year, farmers and ranchers can ask their local office about resubmitting for the next year. The planning, application, and award process usually takes six months to a year.

When a farmer or rancher applies, NRCS staff will look up whether the land has a farm number registered. If not, the farmer or rancher will need to set one up through their local Farm Service Agency (FSA) office. Farm numbers are required before EQIP and CSP applications can be processed and evaluated. NRCS staff also will need a farmer's adjusted gross income (AGI) and the land's deed as a part of the application process.

HOW DO PAYMENTS AND TAXES WORK?



EQIP payments are made annually and are determined on a unit basis, such as acres (e.g., for cover crops) and linear feet (e.g., for a fence). Payment rates differ from farmer to farmer, practice to practice,

and state to state. For example, the base payment rate for cover crops in Nebraska in 2021 is \$24.04 per acre, so a farmer who planted a cover crop on 200 acres under an EQIP contract would qualify for one payment of approximately \$4,808. Special local initiatives or projects may also result in increased payment rates.

In the above scenario, using the advance payment option at a rate of 50%, a beginning farmer would receive \$2,404 before planting the cover crop. This would offset some of the up-front costs, such as purchasing seed. The farmer would receive the remaining payment upon completing the cover crop practice.

CSP payments are made annually and are based on two key components: existing conservation and new practices.

Payments are between \$1,500 and \$40,000 in a given year and are made in October. Farmers and ranchers can opt to delay payment until Jan. 1, for tax or other reasons.

EQIP and CSP payments are considered taxable income.

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