



Action Alert

Help Save the Conservation Security Program

January 29, 2004

Demand a Revised Rule and Full-scale Program

Action Needed Now

The Conservation Security Program (CSP) is in jeopardy. A new Bush Administration proposal would effectively gut the program. Please help rescue the CSP! Don't let the Administration subvert the will of Congress and steal this program from sustainable farmers and ranchers! Please take the two critical actions below today!

Background

The CSP is of major importance to sustainable and organic producers. The 2002 Farm Bill established the CSP as a landmark "green payments" initiative to provide stewardship incentives supporting excellence in private working lands conservation. Congress designed the CSP to assist farmers and ranchers who develop and maintain conservation systems that solve critical natural resource concerns and thus foster clean water, healthy and stable soils, improved wildlife habitat, restored wetlands and prairie, energy savings, and related public benefits.

In legislation President Bush signed into law at the end of January 2004, Congress has restored full, uncapped funding to the CSP for fiscal year 2005 and beyond. A year ago, at the urging of the White House, Congress capped the program at just under \$4 billion over ten years, but that funding cap has now been removed.

Unfortunately, at the beginning of January 2004, the Administration issued a "proposed rule" to guide implementation of the CSP that assumed the program would be limited to a capped, very low spending level each year. In fact, the proposed rule is so restrictive and proposes such low levels of financial assistance it is doubtful whether many farmers could qualify or if any would bother trying.

The proposed rules were posted on January 2 in the Federal Register, beginning a public comment period ending March 2. The purpose of the comment period is to allow public input into how the CSP should be administered. That's good, because the rule obviously needs a major overhaul if the enormous promise of the CSP is to be fulfilled.

ACTION #1 -- Tell US Secretary of Agriculture Ann Veneman to promptly issue a revised proposed rule for the CSP that is consistent with the new law signed by the President restoring the CSP to its 2002 Farm Bill status as an uncapped program.

Tell her the current proposed rule is radically inconsistent with the law. Ask her to redesign the proposed rule to provide genuine incentives to farmers and ranchers willing to farm in ways that protect and enhance the environment. Ask her to issue the revised rule promptly so there are no further delays in getting the CSP implemented on the ground.

Call the Secretary's Office at 202-720-3631 and tell the person answering the phone to you are calling to urge Secretary Veneman to issue a revised proposed rule for the Conservation Security Program that is consistent with the law.

or

Send your brief message in letter format to Secretary of Agriculture Ann Veneman by e-mail to agsec@usda.gov or by Fax to 202-720-2166.

ACTION #2 -- Send USDA's Natural Resources Conservation Service (NRCS) your comments on the proposed rule.

We cannot be sure at this point if or when the Administration will issue a revised proposed rule. In the meantime, the clock is ticking on the public comment period for the current proposed rule. So, to make sure the agency hears from supporters about key problems with the proposal, please write a brief letter outlining your concerns.

Key points that may be included are listed on the next page, including three points ("the big three") we hope everyone will make, and a long list of other problem areas from which you might pick a few that are of particular concern to you.

Send your comments on the proposed rule to NRCS by mail to:

David McKay
Conservation Operations
NRCS
PO Box 2890
Washington, DC 20013-2890

Or by e-mail to david.mckay@usda.gov Or by fax to David McKay at 202-720-4265.
Please write "Attn: CSP" at the top of your letter.

Thank you for responding to this urgent request for action!

Please call or send a brief message to Secretary of Agriculture Veneman today, and follow it with a public comment letter to NRCS. We can gain our program back, but only if we all stand firm and stand together at this critical juncture in the implementation process.

Key Points for Public Comments to NRCS on the CSP Proposed Rule

January 29, 2004

• The basics

Include your name, address, and the reason for your interest in the CSP. If you are a farmer or rancher, please identify yourself as such. If you belong to farm, conservation, or other pertinent organizations, note that as well. Use your own words. Letters need not be long, but the points and recommendations should be as clear as possible.

• We need a revised proposed rule now!

Urge NRCS to issue a revised proposed rule to bring the draft program implementation design in line with the requirements of the CSP section of the 2002 Farm Bill, and in line with the new law restoring the CSP's entitlement funding status. Urge that it be issued in a timely fashion, without adding significantly to the length of the existing public comment period, so farmers can enroll in the CSP yet this year. Tell them you look forward to commenting on a revised proposed rule that describes a fair and workable program that works for family farmers and the environment as intended by Congress.

- **The main problems and solutions**

Mention in your own words one or more of the following major shortcomings to the draft rule and proposed solutions we have identified below, or add your own concerns and recommendations. We suggest including the "Big Three" below, and then any of the following lettered items that are of particular concern to you.

THE BIG THREE

I. Make it a Nationwide Program.

Problem: The proposed rule fails to provide a nationwide program available to all farmers and ranchers in all regions of the country who are practicing effective conservation, as required by law. The proposed rule limits CSP eligibility to farmers and ranchers within a small number of watersheds (to be designated at a later date by the Administration) and, within those watersheds, to certain "enrollment categories and subcategories" of producers (also to be designated at a later date by the Administration). This is completely contrary to the law, and would result in vastly lower participation levels, far less progress in solving natural resource problems, and a significant likelihood the program would be manipulated for political purposes.

Solution: The rule should be modified by removing the restrictions limiting enrollment to certain watersheds, certain classes of farmers and ranchers, and to a limited set of resource concerns. The CSP should be a nationwide program available to all types of producers in all regions of the country with all types of conservation objectives, as provided for in the 2002 Farm Bill.

II. Include Farmers/Ranchers Ready, Willing, and Able to Farm Sustainably.

Problem: The proposed rule sets the entry point too high. The highest NRCS conservation standards for soil and water quality would have to be achieved prior to becoming eligible for the CSP. This is in stark contrast to the law, which says that relevant conservation standards must be met as a result of participation in the CSP. For Tier 3 participants, the proposed rule would require every single NRCS conservation standard to have been met prior to enrollment. The proposal would restrict access to only those farmers who have already addressed all their major conservation needs, and deny access to those transitioning to sustainable agriculture.

Solution: The rule should be modified to retain high environmental standards, but to allow farmers and ranchers to achieve those high standards while in the program. CSP contracts could specify that all applicable conservation standards must be met by the end of the third year.

III. Restore Meaningful Stewardship Incentives.

Problem: The proposed rule adopts incredibly low payment rates. The proposed rule and the NRCS "benefit-cost" economic assessment that accompanies the rule declare CSP farmers should receive:

- far lower cost-share assistance than farmers receive in any other USDA conservation program, as low as just 5% of costs;
- base payments, the basic incentive to sign up for the program and design and maintain conservation practices, equal to 0.5%, 1.0%, or 1.5% of local cash rental rates, depending on tier of participation, a 90% reduction from the level established by the law by law; and
- enhancement payments for exceptional conservation efforts at just 10-20% of the farmer's out of pocket costs.

Instead of providing meaningful incentives and financial rewards for outstanding environmental effort and performance as envisioned by the law, the proposal demands that farm families cover the vast majority of costs of implementing and maintaining conservation systems out of their own pocket. The payment structure needs to be radically revised or the program has no hope of succeeding.

Solution: The rule should establish cost-share rates on par with cost-share rates under other USDA conservation programs. Cost-share rates for newly installed practices should be equivalent to the rates under the Environmental Quality Incentives Program. Cost-share rates for the management and maintenance of existing conservation practices should be set at the 75% maximum rate established in the CSP law.

Base payments should be set at the rates established in the CSP law without the 90% reduction.

Enhanced payments should reward the most environmentally-beneficial systems and to the maximum extent possible pay for results. Enhanced payments for on-farm research and demonstration projects and for on-farm monitoring and evaluation activities should allow the producer to recover costs. The enhanced payments for treating resource problems to a level beyond the NRCS standards, for addressing additional resource problems, and for collective action within a watershed should not be treated as cost-share but rather as real bonuses to reward exceptional performance.

OTHER CRITICAL CONCERNS

A. Reward Resource-Conservation Crop Rotations, Rotational Grazing, and Buffers.

Problem: The proposed rule ignores the law's clear mandate to reward producers who adopt diversified resource-conserving crop rotations, managed rotational grazing systems, or conservation buffers with enhancement payments. In adopting this policy, Congress recognized the strong, positive multiple environmental benefits provided by these sustainable agriculture systems, and the rules for the program should not abandon this legal requirement.

Solution: USDA should make the enhancement payments for these big pay-off conservation systems a highlight of the program by providing direct, substantial incentives for farmers and ranchers to adopt them. The rule should be amended to name these conservation systems in the rule as qualifying for enhanced payments on a nationwide basis.

B. Treat Grass-Based Agriculture Fairly.

Problem: In determining base payments for pasture and grazing land, the proposed rule would determine the cash rent value of the land based on how the land is being used currently rather than by land capability. Since rental rates for pasture are far lower than for cropland, base payments would be far lower for grazers, even if their land is fully capable of producing crops and, in a different owner or operator's hands, might well be cropped. Land which has been placed in permanent cover, a practice with enormous environmental benefits, is unwisely penalized by the proposal.

Solution: The rule should establish base payments based on NRCS land capability classes, not based on current land use.

C. Respond to the Needs of Organic Producers.

Problem: Despite hundreds of earlier requests from the public to USDA, the proposed rule is silent on how the Department will coordinate participation in the CSP for organic farmers who are certified under USDA's National Organic Program (NOP). Leaving this important issue unaddressed would put the program coordination and paperwork burden on organic farmers, rather than on the USDA.

Solution: The rule should include a clear mechanism for coordinating participation in the NOP and the CSP. USDA staff should deliver these complementary programs in the most farmer-friendly, least burdensome fashion possible.

D. Restore a Comprehensive, Locally-Driven Approach to Conservation.

Problem: The proposed rule requires every state and region of the country to adopt soil quality and water quality as their primary resource concerns to be addressed by the program, even if other concerns, such as soil erosion, water conservation, threatened or endangered species habitat, biodiversity, prairie restoration, or some other concern is of paramount importance.

Solution: The rule should allow the conservation resource concern priorities to be set at the state level so the program can be as responsive as possible to the major resource issues in each region of the country. One solution would be to have each state include soil quality and water quality among their top 5 resource concerns and have farmers choose to address at least 2 of the 5 (tier 1 and tier 2) and all 5 (tier 3).

E. Make all Conservation Practices Eligible.

Problem: The proposed rule would provide payments for a "very limited number" of conservation practices. The law does not authorize this dramatic scaling back of normal NRCS practice of providing support for all NRCS-approved conservation practices. Moreover, the law specifically authorizes the use of new, innovative practices through on-farm demonstration and pilot testing. The proposed restriction is not consistent with NRCS' policy of "site-specific" conservation and will stifle farmer innovation.

Solution: The rule should allow the full range of NRCS-approved practices to be eligible for consideration as part of site-specific CSP conservation plans and systems. The rule should also encourage farmer innovation through a robust process for on-farm demonstration and pilot testing of innovative practices. While there may eventually be a number of conservation practices that stand out as commonalities across CSP plans, having the government pick the "winners" upfront unnecessarily restricts flexibility and innovation.

F. Provide for Ongoing, Not One-Time Support.

Problem: The proposed rule denies the producer's right, established by law, to renew a CSP contract provided that the conservation objectives of the contract are being met. One of the major policy innovations of the CSP is to offer incentives to producers to maintain environmentally-friendly production systems for the long term. The proposed rule ignores the clear requirement of the law and would effectively gut the CSP as a "green payments" program, kicking out all farmers and ranchers after a single five-year contract period.

Solution: To succeed in maintaining and enhancing conservation systems long term, farmers must be able to remain in the program. The rule should comport with the law and allow contracts in good standing to be renewed at the option of the producer.

G. Don't Penalize Cash Renters.

Problem: The proposed rule states that where a tenant farmer cannot convince a landlord to provide a degree of tenure security, USDA will not provide any CSP payments on the land in question, yet will still require the farmer to meet all of the CSP requirements on the land. This is unfair and would likely dissuade producers from participating in the program.

Solution: The rule should provide fair treatment for tenants, allowing a tenant's CSP contract to exclude such land entirely, or allowing the farmer or rancher to receive CSP payments on land meeting CSP standards as long as the tenant controls the land.

H. Provide for a Continuous Sign-Up Process.

Problem: The proposed rule envisions infrequent, limited duration CSP enrollment periods, rather than the continuous sign-up process envisioned during congressional debate on the farm bill. This could make it difficult for farmers to sign-up if the limited period falls within planting and growing seasons. It would also concentrate requests for NRCS technical assistance in a limited period rather than spread out over the course of a full year. Last but not least, a stop-and-go CSP would also become subject to political manipulation.

Solution: The rule should provide for a predictable, continuous, nationwide signup process.

Thanks for taking a stand for family farmers and the environment! Together, we will win.

For More Information

For more background information on the CSP, please visit any of the following webpages:

[The Minnesota Project](#)
[Land Stewardship Project](#)
[National Campaign for Sustainable Agriculture](#)
[Union of Concerned Scientists.](#)