



SUSTAINABLE AGRICULTURE COALITION

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Comments on USDA's Conservation Reserve Program Re-enrollment Policy

We applaud USDA for not moving to blanket automatic re-enrollments, a policy which would have eliminated the opportunity to improve the targeting and effectiveness of the program. We would have preferred complete reliance on staggered contract extensions followed by competitive bidding based on an improved Environmental Benefits Index (EBI). However, by limiting automatic re-enrollments to land with top scores on earlier versions of the EBI, USDA will ensure that most of the land currently enrolled will be competitively bid.

Missing from today's announcement was any firm, numerical indication of USDA's intention to reserve sufficient CRP acres for conservation buffers through the Continuous CRP and the Conservation Reserve Enhancement Program (CREP). Conservation buffer practices deliver high environmental benefits including water quality improvement. The Coalition has joined with many national farm and conservation organizations in calling on USDA to reserve at least 7 million acres for the CCRP and CREP. We hope that USDA will announce such a commitment in the near future.

Another commitment we hope USDA will make following today's announcement will be to work with landowners who do not intend to re-enroll to encourage them to continue their commitment to environmental protection through whole farm conservation planning and enrollment in the Conservation Security Program, and, where appropriate, conservation buffer enrollment in the CCRP or CREP. These actions would help ensure retention of conservation gains as land moves back into crop or livestock production.

The Sustainable Agriculture Coalition represents grassroots farm, rural, and conservation organizations from across the country that advocate for public policies supporting the long term economic and environmental sustainability of agriculture, natural resources and rural communities. Ferd Hoefner is the SAC Policy Director.

Background

In July 2005, thirteen conservation, agricultural, and environmental organizations today told the US Department of Agriculture (USDA) they are strongly opposed to allowing extensive

automatic Conservation Reserve Program (CRP) contract re-enrollments. The groups said they are united in a strong preference for continued reliance on competitive bidding to maximize environmental benefits. They suggested USDA use targeted, staggered short-term extensions of CRP contracts to lessen the administrative burden of dealing with a huge number of re-enrollment decisions in any given year. The full letter to USDA's Farm Service Agency is included below.

The CRP is the largest federal agricultural conservation program, utilizing approximately \$2 billion a year to retire nearly 35 million acres of farmland from production. Originally authorized under the 1985 Farm Bill, CRP is a voluntary program that provides incentives to landowners to remove environmentally sensitive land from agricultural production and instead establish protective vegetative cover of grass or trees, helping to save soil and create wildlife habitat. The CRP is authorized to expand to as many as 39 million acres.

In 2007, 2008, and 2009, CRP contracts will expire on 16 million acres, 6 million acres, and 4 million acres, respectively, for a total of 26 million acres or three-quarters of the total reserve. In response to this pending turnover, President Bush announced last August, 2004 that USDA would offer contract extensions and early re-enrollment options. USDA's Farm Service Agency subsequently solicited public comment on a wide variety of questions related to implementation of these options, receiving comments from 570 individuals and organizations. On June 24, 2005 FSA also held a public forum to hear from leading farm, commodity and conservation organizations about CRP policy options.

In addition to urging contract extensions and a continued reliance on competition, the joint letter urges FSA to reserve at least 7 million acres in total for CRP contracts under two special sub-programs: the continuous sign-up CRP and the CRP enhancement program. Both of these programs target enrollments of specific high priority conservation practices, including conservation buffer strips, which do not require setting aside whole farms to deliver important environmental benefits. Unlike the general CRP, landowners may sign up for these special programs at any time, rather than during specific sign-up periods, and do not have to compete against other proposals and bids. Nearly 3 million acres have already been enrolled in these two sub-programs.

The letter also urges FSA to develop transition strategies for CRP land that is not re-enrolled in the program. Generally, from 10% to as many as 25% of expiring contracts are not re-enrolled. In particular, the groups suggest that landowners who choose not to re-enroll whole fields and farms be nonetheless encouraged to leave conservation buffers enrolled in the program by making use of the continuous sign-up and enhancement programs. The groups also suggested that landowners be encouraged to enroll the rest of their land into the Conservation Security Program (CSP), the new 2002 Farm Bill program to support advanced environmental performance on land in agricultural production.

The groups also urge FSA to work with them to help secure legislation to provide landowners with voluntary targeted long-term easement options within the CRP to secure long-term resource protection and to reduce program costs.

The full text of the letter follows.

July 20, 2005

James R. Little
Administrator, Farm Service Agency
U.S. Department of Agriculture
Washington, D.C. 20515

Dear Administrator Little:

We commend you and the agency for inviting public comment on CRP long-term policy last fall and for following up with the recent public meeting on CRP re-enrollments and extensions. Many of us have communicated with FSA individually on these matters, and we are writing now to highlight our many points of consensus. We hope these consensus points will be incorporated into pending administrative decisions related to the CRP.

The CRP is a premier conservation program addressing soil, water, and wildlife resources. At approximately \$2 billion a year and a current enrollment of nearly 35 million acres, it is also the largest U.S. agricultural conservation program ever undertaken. With contracts expiring on approximately 22 million acres in 2007 and 2008, this is a most important moment to ensure sound policies and administrative procedures are in place to maximize environmental benefits and reduce administrative costs. With that in mind, we urge you to:

1. Rely on competition as the primary tool for general sign-up whole field enrollments and re-enrollments and continue to revise the EBI to maximize environmental benefits.
2. Use staggered, targeted short-term contract extensions, now and in the future, to lessen the administrative burden of dealing with a huge number of re-enrollment decisions in any given year.
3. Do not make extensive use of early or automatic re-enrollments. Some of our organizations have proposed allowing very limited automatic early re-enrollments of CRP lands of exceptional environmental value, while others have strongly opposed any automatic or early re-enrollment. We are united, however, in our strong opposition to allowing extensive automatic re-enrollments, and in our strong preference for the combination of targeted, staggered extensions and competitive bidding. We also agree that there are certain categories which should not be extended under any circumstances unless the CRP participant is willing to commit to management or vegetative changes.
4. Apply revised rental rates to all full-term re-enrollments to ensure that payment rates are up to date and reflect actual local conditions.
5. Require major noxious weed or invasive species problems to be adequately dealt with as a condition of enrollment or re-enrollment, with cost-sharing where appropriate.

With respect to the *continuous sign-up and the enhancement program*, we urge you to:

1. Reserve at least 7 million acres in total for CCRP and CREP.
2. Apply all special incentives to all continuous sign-up practices, rather than excluding contour grass strips, wetland buffers, shelterbelts, wildlife buffers, bottomland hardwoods, etc.
3. Take steps to ensure that all areas of the country have access to CCRP and CREP, reserving acreage within the 25 percent county cap.
4. Allow states to petition FSA to allow continuous enrollment of rare and declining habitat.

We also realize that some acres with expiring contracts will be leaving the program and believe that *transition strategies* would be most helpful. In order to retain benefits, we urge you to:

1. Strongly encourage whole field contract holders who intend to leave the program to consider, where appropriate, retaining partial field conservation practices and buffers through the CCRP.
2. Where applicable, work with NRCS to actively promote enrollment in the Conservation Security Program to address natural resource and environmental concerns as the land returns to agricultural production.
3. Also promote the use of the Environmental Quality Incentives Program, Ground and Surface Water Conservation Program, Wildlife Habitat Incentives Program and others to provide cost-share and incentives to establish new farming operations, for instance managed rotational grazing, that are in concert with wildlife and the environment.
4. Explore options and incentives for encouraging retirees or non-farming heirs holding CRP contracts to make arrangements to transfer the land to beginning farmers and ranchers committed to using superior conservation systems.

Finally, we believe the time has come to provide a voluntary *long-term easement option* within the CRP and would strongly support the inclusion of long-term and permanent conservation easements as program options. This would create a long-term tax savings for the public while protecting areas that truly need to be retired from production to provide important environmental benefits. Providing long-term contracts and/or permanent easements would also allow enhanced environmental benefits as wetland and rare and declining habitat restorations gain in complexity and diversity as they mature. We urge you to help work toward this end in the next Farm Bill.

As we look toward the future of CRP, our organizations have a variety of important ideas to share with you about ways to improve the Environmental Benefits Index, the managed haying and grazing rules, the rules regarding ecologically inappropriate plantings, the sodbuster/compliance-CRP interface, and other facets of program implementation. Many of these ideas for further targeting and improving the program were included in individual organizational comments you received during the public comment period. We look forward to discussing these in more detail in the coming months.

Thank you for considering our views.

Sincerely,

California Coalition for Food and Farming
Defenders of Wildlife
Environmental Defense
Gulf Restoration Network
National Association of Conservation Districts
National Association of State Conservation Agencies
National Campaign for Sustainable Agriculture
National Catholic Rural Life Conference
Sierra Club
Soil and Water Conservation Society
Sustainable Agriculture Coalition
The Nature Conservancy
Union of Concerned Scientists