



Conservation Security Program Fact Sheet #1

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CSP: Get Paid for Real Conservation

A reward for conservation

The 2002 Farm Security and Rural Investment Act (2002 Farm Bill), establishes a program that by law is supposed to reward farmers based on how well they are protecting and improving the environment. The Conservation Security Program (CSP) pays producers who historically have practiced good stewardship on their agricultural lands, and provides incentives for those who want to do more. The program is being administered by the Natural Resources Conservation Service (NRCS). The philosophy behind CSP is that it will reward farmers for doing a good job of conservation on working farmland, as well as for implementing new practices that improve land stewardship still further.

Who is eligible?

CSP is available for all cropland, including hayland, vegetable acres, vineyards, orchards, pastureland and rangeland. It is also available for farmsteads or livestock feeding and handling areas.

For a landowner or farmer to be awarded a CSP contract, they must:

- A) Have 51 percent of their land in a watershed selected for CSP sign-up.
- B) Meet the qualifying criteria for soil quality and water quality.
- C) Achieve a category ranking that assures funding.

CSP is being implemented on a rotating watershed basis (there are around 2,000 watersheds nationally). Each year new watersheds are open for a limited CSP sign-up period (typically two months). This will occur until all watersheds in the nation have had a sign-up opportunity. Once a watershed has been selected and gone through a sign-up, it will not be open for new CSP contracts for possibly up to 15 years.

If 51 percent of a farmer's land resides in a selected watershed, all their acreage is eligible for CSP. CSP contracts are for either five or 10-year periods, and the number of contracts awarded each year depends on available funding.



What are the CSP qualifying criteria?

For farmers to qualify for CSP, the two overarching resources they need to have addressed are soil quality and water quality.

For soil quality, producers must have treated all gully erosion—ephemeral and classic—and have a Soil Conditioning Index (SCI) of 0.0 and higher. The SCI is a tool used to measure the trend of organic matter in the soil. SCI typically ranges between -1 to 1 and takes into account organic matter, field operations and erosion.

Water quality is assessed by completing a worksheet which gives farmers and landowners a “pass” or “fail” score. If farmers don't meet the water quality criteria for their entire farm, they can do the worksheet again on a more specific field or region of the farm. Doing soil tests, as well as keeping records on nutrient applications and crop yields for up to two years, are some of the activities that will help farmers complete the water quality criteria.

How will payments be allocated?

CSP has four different payment components:

→ **1. Stewardship Payments** are automatic annual payments which are equal to the regional per-acre rental rate for a particular land use multiplied by a reduction factor.

For example, a farm with a \$100 regional per-acre rental rate can receive between \$1.25 and \$11.25 per acre, depending on whether it is eligible for Tier I, II or III.

→ **2. Existing/Maintenance Payments** are made annually to farmers for maintenance of existing practices that already deliver conservation benefits and are equal to 25 percent of the total “Stewardship Payment.”

→ **3. New Practices Payments** for cost share are available. They can cover up to 50 percent of the cost of the new practice (65 percent for beginning and limited resource farmers). This is a one-time payment for new practices that promote conservation activities. Currently, the payments are capped at \$10,000 cumulative per contract.

→ **4. Enhancement Payments** are made for additional conservation practices, activities or results above and be-

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yond those needed for basic eligibility and which are meant to provide exceptional stewardship benefits. A list of enhancement payments will be available at the time of sign-up at your local NRCS office. Enhancement payments are capped at \$13,750 for Tier I, \$21,875 for Tier II and \$28,185 for Tier III.

What Tier do you belong in?

At the core of CSP is a three-tiered system which allows farmers to participate in the program at the level they feel comfortable with. Farmers in Tier III would typically receive the highest payments per acre. These tiers also leave open the option of improving stewardship on the farm, thus potentially increasing payments over time if funding is available.

→ Tier I is the first level of participation in CSP. In Tier I, contracts are for five years, and a farmer must have addressed water quality and soil quality issues to the NRCS Field Office Technical Guide (FOTG) standards on all or part of the farm.

→ Tier II has more stringent requirements. In Tier II, contracts range from five to 10 years, and farmers must have addressed water quality and soil quality standards as outlined in the FOTG for their entire farm. They must also be willing to address one additional resource—such as soil erosion or water quality—by the end of the contract period to a level that sustains the resource according to FOTG standards.

→ Tier III is the final and highest level of participation in CSP. In Tier III, contracts again range from five to 10 years, but farmers must have addressed all resource concerns to a “resource management system level” that meets FOTG standards on the entire farm. Meeting the resource management system level means all resources of concern are managed with sound and effective conservation.

How much will I get paid?

CSP payments will vary depending on the watershed a farm is in, details of each contract, the features of the farmland enrolled, and farmers’ willingness to take on new conservation practices. There is no “typical” payment for CSP. But as one example, annual contract payments for southeast Minnesota’s Root River watershed averaged \$6,450 for Tier I, \$9,974 for Tier II, and \$10,422 for Tier III, according to NRCS data for 2005. The 2002 Farm Bill established a limit on the maximum amount of CSP payments any one producer can receive in a year.

Those top limits are set at \$20,000 for Tier I, \$35,000 for Tier II, and \$45,000 for Tier III.

What is the CSP Self-Assessment Workbook?

The CSP Self-Assessment Workbook is a key tool that farmers use to evaluate their CSP eligibility. Completion of this NRCS workbook is a mandatory first step to qualify for CSP. The book is available on-line at www.nrcs.usda.gov/programs/csp/pdf_files/CSP_SelfAssess_Workbook_F.pdf.

If you can’t get the workbook on-line, call the Land Stewardship Project at 612-722-6377. If your watershed isn’t part of the Conservation Security Program this year, beginning a CSP Self-Assessment Workbook and gathering records even a year or two beforehand could give you a leg-up on qualifying for CSP.

What should I do now?

Whether you farm in one of the watersheds designated for 2005 CSP sign-up or not, learning about how your farm fits into CSP and preparing for sign-up once your watershed is designated is important. The CSP Self-Assessment Workbook is the first step. It’s a good idea to meet and talk with local NRCS staff about CSP. It’s important to heighten local NRCS offices’ awareness of CSP, and get government staffers thinking about how it could work on your farm.

If in your conversations about CSP questions come up or you have feedback, contact the Land Stewardship Project Policy office at 612-722-6377, or visit our CSP web page at www.landstewardshipproject.org/programs_csp.html.

Sources for this fact sheet

• Mike Duffy, Extension Economist, Iowa State University, “Farm Security and Rural Investment Act of 2002: Conservation Security Program.” www.extension.iastate.edu/Publications/FM1872B.pdf

• Dennis J. Pate, Assistant State Conservationist for Technology, Iowa Natural Resources Conservation Service. Telephone conversation, 9/11/02

• NRCS/USDA, “Farm Bill 2002-Summary of NRCS Conservation Programs.” July 2002; www.nrcs.usda.gov/programs/farbill/2002

• FY 2005 CSP Payments Approved, by Watershed. USDA Natural Resources Conservation Service, 2/10/06

This fact sheet is brought to you by...

the members of the Land Stewardship Project (LSP), a private, nonprofit organization devoted to fostering an ethic of stewardship for farmland and to seeing more successful farmers on the land raising crops and livestock. For information on joining LSP, call 612-722-6377 or visit www.landstewardshipproject.org.