



CSP: Update on USDA's Proposed Rules

CSP: Valuing Environmental Stewardship by Farmers

The **Conservation Security Program (CSP)** is the new national conservation program that was passed in the 2002 Farm Bill. It was enacted by Congress to make payments to farmers based on how well they are protecting and improving the environment—specifically by conserving our nation's natural resources (like soil and water quality) on working farmland. The program is being administered by the Natural Resources Conservation Service (NRCS). The philosophy behind CSP is that it will reward farmers for delivering conservation benefits to society through existing farm practices on their land, as well as for implementing new practices that improve land stewardship still further.

The proposed rules for CSP were posted in the Federal Register by the USDA on Jan. 2, 2004. The public has 60 days—until March 2—to comment on the proposed rules. After that the final rules for CSP will be issued and farmers will be able to access this long-delayed program.

It is critical that farmers and other members of the public provide comments on the rules to make sure that CSP is of real benefit to America's farmers and the land. There are some major changes necessary to the USDA's proposed rules to achieve that. Contained in this fact sheet are notes on some important elements of the CSP proposed rules. Problem areas are followed with recommended fixes.

Proposed Rules:

Rewarding conservation outcomes

The slogan used by USDA to describe CSP is “reward the best, motivate the rest.” That concept is a good one, and can be seen in places in the proposed rules, such as in the base payment, which rewards the achievement of conservation results through existing farm practices.

Proposed Rules:

A limited, regional program

CSP, by law, is to be implemented nationwide and made available for all farmers. But the USDA's

proposed rules severely restrict access to CSP to farmers in a few “selected watersheds,” and then compounds that problem by requiring farmers who happen to live in those watersheds to fall into other, as yet undetermined categories in order to qualify. Such restricted implementation as proposed by USDA is contrary to Congressional intent and the word and spirit of the law.

→ How to correct it

USDA must adhere to the law and implement CSP as a conservation entitlement program, and not limit it by geographical limitations (like watersheds) and categories of farmers or farm practices.



Proposed Rules:

A bias against sustainable practices

CSP, by law, provides enhanced payments for management intensive rotational grazing systems and resource-conserving crop rotations because of the excellent multiple conservation benefits and environmental protection they deliver. These enhanced payments are also supposed to be a recognition of the financial penalties farmers who use such sustainable systems face when they participate in federal farm programs.

But the proposed rules provide no recognition of these conservation systems and the clear requirements of the law. In fact, the proposed rules in some cases outright penalize farmers for using such systems. For example, under the proposed rules, farmers who use former cropland as pasture in a management intensive rotational grazing system will receive a much lower base payment than they should—the land will be treated as lower value “pasture,” not cropland.

→ How to correct it

The benefits of rotational grazing and diverse crop rotations must be recognized and rewarded in the final rules. For example, adding the category “pastured cropland” to the cropland definition would begin to address this issue, and recognize that in the real world, pastured cropland is as valuable as other cropland that is being cropped in the area. Such a definition would also keep pastureland that is not able to be cropped in the pasture category.

Proposed Rules:

A payment system that does not provide real stewardship incentives

CSP, by law, provides participants with 1) a base payment to reward participation, 2) cost-share payments of up to 75 percent (90 percent for beginning farmers and ranchers) for new practices and cost-share maintenance and management payments for ongoing practices, and 3) enhanced (bonus) payments for exceptional environmental performance, tackling additional local resource concerns, and undertaking on-farm research and monitoring and evaluation activities.

However, the proposed rules set base payments at just 0.5 percent to 1.5 percent of local rental rates. For example, if local rental rates are \$80 per acre, the base payment would be 40 cents to \$1.20 per acre—a minuscule amount of money that will not provide incentives for farmers to enroll in the program.

The proposed rules also set cost-share rates at just 5 percent of out-of-pocket costs. So if a farm puts up \$5,000 of its own funds, USDA will contribute just \$250, hardly an incentive to try something new on a farm. Furthermore, enhanced payments in the proposed rule are quite vague, and prioritize “additional effort” over existing delivery of excellent conservation benefits.

→ How to correct it

Put simply, CSP must adhere to the law. That means providing a meaningful base payment and cost-share payments of up to 75 percent (90 percent for beginning farmers and ranchers) for new practices and cost-share maintenance and management payments for ongoing practices. In addition, enhanced payments must be provided for sustainable farming practices such as management intensive rotational grazing and resource conserving crop rotations. A major portion of CSP payments should go to those who are delivering actual benefits, and not disproportionately to subsidize the implementation of new practices that may or may not deliver environmental benefits to society.

What should I do now?

Links to the proposed rules and USDA summaries of the rules are at www.landstewardshipproject.org/programs_csp.html.

If you can't get them via a computer and the Internet, you can call the NRCS at 202-720-3524 and ask for a copy to be mailed to you.

The public has until March 2, 2004, to comment on the rules. USDA is also scheduling a series of CSP listening sessions in various farm states. It is critical that USDA hears from farmers and other citizens who want a conservation program that delivers real results.

Comments on the CSP proposed rules may be sent to david.mckay@usda.gov, or by mail to Conservation Security Program Comments, ATTN: David McKay, NRCS Conservation Operations Division, P.O. Box 2890, Washington, D.C. 20013.

The Land Stewardship Project believes for CSP to be effective, core principles need to be applied.

CSP needs to:

- Improve environmental stewardship/conservation on working farmland.
- Deliver enough money and in such a way that it both rewards existing stewardship and provides an incentive for further changes in farming practices toward improved stewardship/sustainable farming.
- Be national in scope, covering all regions of the country and agricultural crops/products.
- Adhere to the strict payment limits that are in the law.

For more information about USDA's proposed rule, the comment period and the listening sessions, call LSP at 612-722-6377, or visit our CSP Web page at www.landstewardshipproject.org/programs_csp.html.

Sources for this fact sheet

- NRCS/USDA, “Farm Bill 2002—Summary of NRCS Conservation Programs.” July 2002; <http://www.nrcs.usda.gov/programs/farbill/2002>
- NRCS/USDA, “Conservation Security Program Proposed Rule Published in Federal Register.” Jan. 2, 2004; www.nrcs.usda.gov/news/index.html#csp
- NRCS/USDA Conservation Security Program Web page; www.nrcs.usda.gov/programs/csp/
- USDA News Release, “Veneman Announces Proposed Rule for the Conservation Security Program.” Dec. 17, 2003; www.usda.gov/news/releases/2003/12/0425.htm

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the members of the Land Stewardship Project (LSP), a private, nonprofit organization devoted to fostering an ethic of stewardship for farmland, promoting sustainable agriculture and developing sustainable communities. For information on joining LSP, call 651-653-0618. More information on LSP is also available at www.landstewardshipproject.org.