



CSP: Commenting on the USDA's Proposed Rules

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. Properly implemented, CSP has the potential to make a big difference for family farms and the environment. The program will be administered by the USDA's Natural Resources Conservation Service (NRCS).

The USDA's proposed rules for CSP were posted in the Federal Register on Jan. 2, 2004. The public has 60 days—until March 2—to comment on the rules. It is critical that farmers and other citizens provide comments to make sure that CSP is of real benefit to America's farmers and the land. There are major changes necessary to the USDA's proposed rules to achieve that.

Two overarching problems with the USDA's proposed rules for CSP:

A) A severely limited, regional program

B) Insufficient recognition of existing practices

All comments sent to the USDA need to address these problems. They affect the very structure and implementation of the CSP as a whole.

A) *CSP should be a nationwide, accessible program*

CSP, by law, is to be implemented nationwide and made available to all farmers practicing effective conservation. But the USDA's proposed rules severely restrict access to CSP to farmers in a few selected watersheds, and then compounds the problem by requiring farmers who happen to live in those watersheds to fall into other, as yet undefined, categories in order to qualify. Such restricted access as proposed by the USDA is contrary to Congressional intent and the letter and spirit of the law.

How to correct USDA's proposed rules

USDA must adhere to the law, and the recently appropriated full funding of CSP by Congress, and make CSP available nationwide to all farmers practicing effective conservation. The USDA needs to get rid of the idea of restricting sign-up for CSP to a few "selected watersheds" or unknown "categories."

B) *CSP should reward existing conservation*

The USDA fails to make anywhere close to adequate payments for environmental benefits already being provided by farmers practicing effective conservation. The best way to secure the vital conservation of our soil and other resources is to recognize and reward it when and where it is being done. Paying the best practitioners for results is sound economics and smart policy, providing both reward and motivation.

How to correct USDA's proposed rules

The USDA's proposed rules set CSP *base payments* equal to 0.5 percent, 1.0 percent, or 1.5 percent of local cash rental rates, depending on tier of participation, which is a 90 percent reduction from the level established by the law. That means, if local rental rates average \$100/acre, the CSP base payment would range from 50 cents to \$1.50 per acre—a minuscule amount of money that demonstrates how little USDA actually values real conservation. Furthermore, in the NRCS "benefit-cost" economic assessment that accompanies the rules, USDA proposes *enhancement payments* for exceptional conservation at just 10-20 percent of the farmer's out-of-pocket costs,

and the proposed rules prioritize "additional effort" over the actual delivery of excellent conservation benefits.

CSP should reward positive environmental outcomes, not just more plans and efforts. USDA should change its proposed rule to recognize and reward existing conservation that is delivering real environmental benefits now, and provide incentives for the delivery of further positive results. Base payments should be set at the rates established in the CSP law without the 90 percent reduction. Enhanced payments should reward the most environmentally-beneficial systems and to the maximum extent possible pay for results. The enhanced payments should not be treated as cost-share but rather as real bonuses to reward exceptional performance.

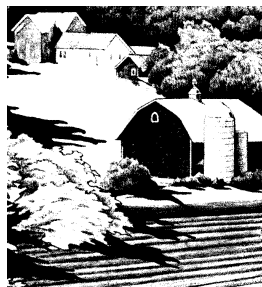
Three farming practices neglected by CSP:

- 1) Managed rotational grazing
- 2) Resource conserving crop rotations
- 3) Organic production

The proposed rules virtually ignore three of the most innovative and important conservation farming systems being used today.

Proposed rules: 1) *No recognition of managed grazing*

Managed rotational grazing is recognized by scientists



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and farmers as an excellent way to protect our soil and water. For example, a three-year study by the Minnesota Cooperative Fish and Wildlife Unit of six farms practicing managed grazing in southeast Minnesota found that this technique can significantly reduce the amount of sediment flowing into a waterway. The study also found that a stream degraded by overgrazing starts to recover as it flows through a rotationally grazed area. Other studies consistently show major reductions in soil erosion and increases in soil quality when managed grazing is applied to the land.

In recognition of managed grazing's environmental benefits, the CSP statute states that a farmer will receive an enhanced CSP payment if *"the producer implements or maintains multiple conservation practices that exceed minimum requirements for the applicable tier of participation (including practices that involve a change in land use such as resource-conserving crop rotation, managed rotational grazing, or conservation buffer practices)."* However, the proposed rules do not recognize managed grazing. In fact, the USDA's proposed rules would actually penalize farmers who have put former row-crop land into pasture as part of a managed grazing system. The penalty would come in the form of a reduced base payment.

How to correct it

The proposed rules need to be corrected so that the environmental benefits produced by managed rotational grazing are rewarded with enhanced payments from CSP.

In addition, former cropland that is pastured and put into a managed grazing system must receive equal payment rates to other cropland, and not the lower rate of pastureland. The rules should establish base payments based on NRCS land capability classes, not current land use.

Proposed rules: 2) No recognition of resource conserving crop rotations

Farmers of all kinds use diversified crop rotations to effectively build and improve soil, manage pests, and reduce erosion. Incorporating forages and pasture, cover crops, and/or small grains into long-term rotations is a proven conservation practice that yields results. The law defines a resource-conserving crop rotation as *"a crop rotation that includes at least one resource conserving crop, reduces soil erosion, improves soil fertility and tilth, interrupts pest cycles and reduces depletion of soil moisture."* A crop farmer using a corn/soybean/corn/barley/hay rotation; a hog farmer using a hay/pasture/corn/soybean/oats rotation; a dairy, beef or sheep farmer rotating crops, forages and pasture; and a vegetable grower incorporating cover crops like buckwheat and winter rye into a rotation are good examples. Other related practices, such as the use of straw-based manure systems that help trap carbon from the atmosphere and prevent nutrient leaching, further extend the benefits of diversified crop rotations.

In recognition of the environmental benefits that resource-conserving crop rotations deliver, the CSP statute quoted above indicates that they should qualify for enhanced

payments. However, the proposed rules ignore resource-conserving crop rotations.

How to correct it

As indicated in the law, resource-conserving crop rotations should qualify for enhanced payments. The proposed rules need to be corrected so that the environmental benefits produced by resource-conserving crop rotations are rewarded with enhanced payments from CSP.

Proposed rules: 3) No recognition of organic production

Certified organic production is also not recognized or rewarded in the rule, despite organic farming's ability to protect soil, water and wildlife.

How to correct it

Producers with USDA-approved organic certification plans under the National Organic Program (NOP) should have the option to simultaneously certify under both the CSP and NOP if they meet the standards of both. In addition to being farmer-friendly, this process would also improve both programs—helping to improve conservation standards under organic plans and bringing the enormous environmental benefits of organic systems to the CSP and potentially other conservation programs.

What should I do now?

The most important thing people can do between now and March 2 is to send in written comments on the CSP proposed rule to: Conservation Security Program Comments, Attn: David McKay, NRCS Conservation Operations Division, P.O. Box 2890, Washington, D.C. 20013. You can e-mail comments to david.mckay@usda.gov.

People can get a copy of the proposed rules by going to www.landstewardshipproject.org/program_csp.html and selecting the link under **Conservation Security Program Links and Resources**, or by requesting a copy from the NRCS Conservation Operations Division at 202-720-1845.

For additional information on CSP, go to www.landstewardshipproject.org/program_csp.html, or call LSP at 612-722-6377.

Sources for this fact sheet

- NRCS/USDA. "Conservation Security Program Proposed Rule Published in Federal Register." Jan. 2, 2004; www.nrcs.usda.gov/news/index.html#csp.
- Sovell, L.A. B. Vondracek, J. A. Frost and K. G. Mumford. 2000. "Impacts of Rotational Grazing and Riparian Buffers on Physicochemical and Biological Characteristics of Southeastern Minnesota, USA, Streams." *Journal of Environmental Management*. 26 (6): 629-641.



This fact sheet is brought to you by the members and staff of the Land Stewardship Project, 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 more information, call 651-653-0618 or visit www.landstewardshipproject.org.