



# CSP: Payment Estimates for 3 Types of Midwestern Farms

Three estimates of CSP payments for hypothetical farms are on this and the following page; refer to LSP Fact Sheet Number 6, “CSP Interim Final Rule Released—Next Steps,” for more on eligibility, payment components, tier descriptions and the new regulatory cap on payments imposed by USDA. These estimates are not official, but are simply being used to illustrate the components of CSP payments.

**Note:** The first two components of the CSP payment (the “stewardship” and “existing practice” payments) can be figured out based on the total acres in the program and the tier at which the farm is enrolled. New practice payments and enhanced payments can be added to the stewardship payment and existing practice payments to increase the amount of total CSP payment.

## **Estimate 1: 240-acre, 100-cow dairy/crop farm (or a 240-acre, 80-sow crop/hog farm)**

### **Tier II enrollment (the entire farm is enrolled in CSP)**

240 acres

\$100/acre regional average rental rate (this is based on the average rental rate in Blue Earth County, Minn.)

0.4 Soil Conditioning Index score

### **Four payment components:**

1. Stewardship payment =  $\$100 \times .10$  (Tier II factor)  $\times .5$  (reduction factor for Tier II) = \$5.00 per acre  $\times 240$  acres = \$1,200
2. Existing practice payment =  $\$1,200 \times .25$  = \$300
3. New practice payment (cost share) = \$0
4. Enhancement payment = (soil enhancement)  $4 \times \$1.16$  = \$4.64 per acre  $\times 240$  acres = \$1,113.60, plus (energy enhancement) an energy audit = \$500, plus (nutrient management enhancement) for injection/incorporation of manure \$4 per acre  $\times 200$  = \$800, plus (grazing management enhancement) for rotating feeding, loafing and sacrifice areas \$5 per acre  $\times 40$  = \$200;  $\$1,113.60 + \$500 + \$800 + \$200 = \$2,613.60$

Total payment before contract limitation =  $\$1,200 + \$300 + \$2,613.60 = \$4,113.60$

Contract limitation (regulatory CSP Cap for contract) =  $240$  acres  $\times \$100 = \$24,000 \times .25 = \$6,000$

Application of contract limitation =  $\$4,113.60 < \$6,000$

**Total CSP payment** =  $\$4,113.60$  per year of contract (contract limited total) + \$0 (one-time new practice payment)



*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 651-653-0618 or visit [www.landstewardshipproject.org](http://www.landstewardshipproject.org).*

## ***Conservation Security Program # 8: Payment Estimates for 3 Types of Midwestern Farms***

### **Estimate 2: Market gardener or vegetable farmer with 40 acres near a stream**

#### **Tier III enrollment (the entire farm is enrolled in CSP)**

40 acres

\$100/acre regional average rental rate (this is based on the average rental rate in Blue Earth County, Minn.)

0.2 Soil Conditioning Index score

#### **Four payment components:**

1. Stewardship payment =  $\$100 \times .15$  (tier factor)  $\times .75$  (reduction factor) =  $\$11.25 \times 40$  acres =  $\$450$
2. Existing practice payment =  $\$450 \times .25 = \$112.40$
3. New practice payment =  $\$1,000$  approved improvement at 50 percent cost share =  $\$500$
4. Enhancement payment = (soil enhancement)  $2 \times \$1.16 = \$2.32$  per acre  $\times 40$  acres =  $\$92.80$ , plus (nutrient management enhancement) 4 acres  $\times \$99$  per acre for established buffers =  $\$396$  and 20 acres  $\times \$16.00$  per acre for cover crops =  $\$320$ , plus (habitat enhancement), 5 acres of perennial grasses  $\times \$50$  per acre =  $\$250$  and four nest structures  $\times \$40 = \$160$ ;  $\$92.80 + \$396 + \$320 + \$250 + \$160 = \$1,218.80$

Total payment before contract limitation =  $\$450 + \$112.50 + \$1,218.80 = \$1,781.30$

Contract limitation = (regulatory CSP Cap for this tier) 40 acres  $\times \$100 = \$4,000 \times .40 = \$1,600$

Application of contract limitation =  $\$1,781.30 > \$1,600$

**Total CSP payment** =  $\$1,600$  per year of contract (contract limit total) +  $\$500$  (one-time new practice payment)

### **Estimate 3: Crop farmer who enrolls one part of the farm**

#### **Tier I enrollment (one part of the farm)**

80 acres

\$100/acre regional average rental rate (this is based on the average rental rate in Blue Earth County, Minn.)

0.1 Soil Conditioning Index score

#### **Four payment components:**

1. Stewardship payment =  $\$100 \times .05$  (tier factor)  $\times .25$  (reduction factor) =  $\$1.25 \times 80$  acres =  $\$100$
2. Existing practice payment =  $\$100 \times .25 = \$25$
3. New practice payment =  $\$4,400$  approved improvement at 50 percent cost share =  $\$2,200$
4. Enhancement payment = (soil enhancement)  $1 \times \$1.16 = \$1.16$  per acre  $\times 80$  acres =  $\$92.80$ , plus (nutrient management enhancement) 80 acres  $\times \$15$  per care for timely nitrogen application =  $\$1,200$  (energy enhancement)  $\$.90$  per acre  $\times 80$  acres =  $\$72$  for application of fertilizer below agronomic rates, plus (habitat management)  $\$5$  per acre  $\times 80$  acres =  $\$400$  for no-till methods;  $\$92.80 + \$1,200 + \$72 + \$400 = \$1,764.80$

Total payment before contract limitation =  $\$100 + \$25 + \$1,764.80 = \$1,889.80$

Contract limitation = (regulatory CSP Cap for this tier) 50 acres  $\times \$100 = \$5,000 \times .15 = \$750$

Application of contract limitation =  $\$1,889.80 > \$750$

**Total CSP payment** =  $\$750$  per year of contract (contract limit total) +  $\$2,200$  (one-time new practice payment)