INFORMATION ALERT

2012 Conservation Stewardship Program Sign-Up

On Friday, December 9, USDA's Natural Resources Conservation Service (NRCS) <u>announced</u> that the fiscal year (FY) 2012 ranking period cutoff for the *Conservation Stewardship Program* (CSP) is January 13, 2012.

Interested farmers and ranchers have until January 13, 2012, to complete the initial application form to compete for a spot in the 2012 enrollment class for the program.

To sign up, producers should visit their NRCS local service center.

* *Extension Possible, but Not Definite* -- The ranking cutoff leaves NRCS with roughly one month (during the busy holiday season) to publicize the program and conduct outreach through its state and local offices. We hope that this will be enough time for NRCS and partners to reach out to producers; however, given the tight turnaround, NRCS may end up extending the ranking cutoff date as we approach mid January. We will alert our readers and sustainable agriculture networks of any possible extension, which if granted would likely run through later January or early February. At this point in time, however, to be assured a chance to compete to enroll in the program you must submit an application by January 13.

* Continuous Sign-Up, But if You Miss the Cut-Off You Wait a Full Year -- While CSP is a continuous sign-up program and producers can apply to enroll at any time of the year, NRCS applies a cut-off date for applications to be considered during a particular fiscal year. Once the cut-off date is past, producers may continue to apply for the program, but they will not be considered for entry until the spring of the following year, in this case spring of 2013, so if you want to enroll in 2012 you must get an application filed by January 13.

Process and Timeline

The *application form*, available at the <u>local NRCS office</u>, is a fairly short and simple one. Producers will also need to fill out the <u>NRCS-CPA-1200</u> form. It is the same short generic two page form that is used for all the NRCS conservation programs offering financial assistance to farmers and ranchers.

Prior to submitting the CSP application (or an application for any other USDA conservation assistance program) you must have a *farm record number* established with the Farm Service Agency. If you do not currently have one, go to FSA first to establish your farm record.

All producers who have submitted their completed short conservation program application form by January 13 will then have until early March 2012 to sit down with their local NRCS staff person and fill out the CSP *Conservation Measurement Tool* (CMT) which will be used to determine program eligibility, environmental benefits ranking, and CSP payment amounts. The CMT session will generally last an hour or more.

NRCS currently expects to complete the *ranking process* by early March. Farmers and ranchers with the highest environmental benefits scores on the CMT will be chosen for enrollment. NRCS will then schedule *on-farm verification* visits and develop a CSP plan and contract for each enrollee. The agency currently expects that process to last through mid to late April. The *first annual payments* for five-year contracts awarded in this round will be made on or after October 1, 2012 and then every October 1 thereafter.

Background in Brief

The <u>CSP is a working lands conservation program</u> administered by NRCS and available on a nationwide basis. CSP offers technical and financial assistance to farmers for adopting and maintaining high standards of resource conservation and environmental stewardship. Assistance is geared to both the active management of existing conservation systems and for implementing new conservation activities on land in agricultural production.

In the first three enrollment years for CSP (2009, 2010, and 2011), enrolled 30,197 farmers and ranchers operating nearly 38 million acres of farm and ranch land that is now under five-year, renewable CSP conservation contracts. For those three enrollment classes, annual CSP payments are currently over \$510 million a year.

Eligible lands include cropland, grassland, prairie land, improved pastureland, rangeland, nonindustrial private forest lands and agricultural land under tribal jurisdiction. Cropped woodlands, marshes, land being used for livestock production and other private lands on which resource concerns can be addressed are also eligible. Applicants must demonstrate they have effective control over these lands to be eligible, either through ownership or reasonably secure leases.

NRCS has developed a <u>self screening checklist</u> to help farmers decide if the program is right for them. The checklist covers basic applicant and land eligibility issues as well as the stewardship threshold that CSP farmers must meet. It's a useful first step in deciding whether to apply.

CSP eligibility, ranking and payment levels are pegged to how well a farmer is addressing *priority resource concerns* on their farm. Priority resource concerns are determined at the state level and can include, for example, soil quality, water quality, wildlife habitat, plant diversity and soil erosion. Each state decides whether to assign priority resource concerns for the entire state or at the watershed level. Each state or watershed has at least three priority resource concerns assigned to it.

You can find out the priority resource concerns in your state by visiting <u>your state's NRCS website</u> and searching for "priority resource concerns." Be forewarned that not all states make this information easy to find. If you do not find it easily on the website, call your local NRCS office for the information.

For each priority resource concern, NRCS has determined a *"stewardship threshold" level* for superior conservation. To be eligible for the program, an applicant must already be addressing at least one priority resource concern to at least the stewardship threshold level and be willing to reach or exceed the stewardship threshold for at least one additional resource concern during the contract period. In addition, applicants must agree to adopt additional conservation activities from amongst a pre-approved list during the first years of the contract.

Farmers and ranchers who do not meet the eligibility threshold may alternatively seek assistance for conservation improvements through the Environmental Quality Incentives Program (EQIP) and then apply for CSP in a future year, using EQIP funding to help them reach the higher eligibility standard for CSP.

The *national average payment* to participants is \$18 per acre; however, the actual payment received varies widely according to the type of land enrolled, the existing level of conservation, and the number and type of new enhancements and practices to be adopted. Cropland generally receives the highest payment rate, with range and forest land at the lower end, and pasture in the middle. Pastured cropland receives payment rates in between cropland and pasture rates.

A person or business entity *may not receive more than \$40,000 per year* in CSP payments. Joint multi-family operations are limited to \$80,000 per year. For small acreage farms, USDA will make \$1,000 the *minimum contract payment* if the operator is a beginning farmer or rancher, a socially disadvantaged farmer or rancher or a limited resource farmer or rancher. Five percent of total CSP acres each are reserved for *separate competitions* among beginning farmers only and among socially disadvantaged (minority) farmers only.

Changes to CSP Conservation Enhancements and Practices

The <u>list of conservation enhancements and conservation practices available</u> for the 2012 sign-up includes 37 *regular conservation practices*, four more practices than were available in 2011. In the list provided by NRCS, to find the conservation practices available, go to pages 16 through 19.

The 2012 sign-up also includes a total of 68 individual *conservation enhancements*, down from 94 in 2011. Sixty of these enhancements were offered in the same form in 2011; however, eight enhancements were consolidated into four, and another four are entirely new. NRCS discontinued 34 of the enhancements that it offered in 2011. In the list provided by NRCS, the enhancements can be found on pages 1 through 11.

Beyond individual enhancements, the 2012 list of activities includes 10 *enhancement bundles* as opposed to the 20 bundles offered in 2011. Bundles are groupings of conservation enhancements they agency feels may work well together on particular types of farms. You can think of the two options – choosing from among the practices and enhancements, or choosing a bundle – as similar to ordering from the a la carte menu or choosing the blue plate special. To view the bundles in the list provided by NRCS, go to pages 13 through 15.

The *supplemental and special project activities* available in 2011 were retained for 2012. A substantial supplemental payment is available for adopting or improving a resource-conserving crop rotation, in recognition of the very important multiple resource benefits that longer more diverse rotations provide. The special project activities are on-farm research and demonstrations of innovative conservation activities and on-farm pilot testing of proven conservation activities that do not yet have wide adoption rates. The supplement and special project activities are listed on page 12 of the NRCS list.

Of particular note for *livestock producers*, NRCS has rearranged and rescored a number of grazing activities. The 2012 sign up will combine what had been "ultra high-density grazing" and "intensive

management of rotational grazing" into a new "intensive rotational grazing" enhancement (PLT16) that will yield a high environmental benefit score (45 points). "Prescribed grazing" (CPS 528) will get 36 points while "grazing area monitoring to improve grazing management" (PLT02) will get 31 points.

Among the *discontinued enhancements* include "improve plant diversity and structure on noncropped areas for wildlife food and habitat" (ANM08), "wildlife corridors" (ANM19), and "managing livestock access to water bodies" (WQL12). NRCS added a wildlife component to "increased on-farm food production with edible woody buffer landscapes" enhancement (PLT15) in an effort to accomplish some of what ANM08 has accomplished, and some of the available conservation practices can provide some assistance with wildlife corridors.

The *four newly-offered conservation practices* for this year are "alley cropping," "fencing," "forest slash treatment," and "watering facility."

Of particular interest *to organic farmers and others utilizing sustainable agriculture systems*, CSP in 2012 will continue to offer:

- resource-conserving crop rotations
- providing nitrogen through legumes, manure, and compost
- intensive rotational grazing
- continuous no-till for organic systems
- intercropping
- continuous cover cropping
- pollinator and beneficial insect habitat
- biological suppression of weeds and invasives
- high level IPM
- IPM for organic systems
- non-chemical pest management for livestock
- transition to organic grazing systems
- transition to organic cropping systems
- on-farm composting
- multi-species perennials for biomass

CSP Enhancement and Practice Environmental Benefit Ranking Points

Each year, the National Sustainable Agriculture Coalition makes available a list of all the available options for enhancements, practices and bundles in the order of their environmental benefit scores. The points scored by choosing different options help to determine whether an application will rank high enough to be selected for enrollment.

NRCS has not yet finished the scoring process for the 2012 sign-up and hence we cannot yet make the 2012 version of our chart available at this time. We will, however, post that chart on our website (www.sustainableagriculture.net) just as soon as NRCS makes the numbers available.

Transparency Improvements

As mentioned above, the CSP Conservation Measurement Tool (CMT) is filled out by each applicant and is used to determine program eligibility, environmental benefits ranking, and CSP payment amounts. The CMT covers both active management of existing conservation acticities on a farm as well as new enhancement and practice adoption.

Importantly, NRCS also made a number of changes for 2012 to the way the Conservation Measurement Tool works. The CMT will now display performance points in real time to allow producers to see the effects of their responses to questions and choices in the CMT on their score. Producers will be able to perform "what-if" analysis as they fill out the CMT. The tool will now also break down the applicants' total ranking score to allow the participant to understand how past performance has impacted their ranking and where improvement is necessary. We commend NRCS for taking these important steps to increase the transparency and accessibility of the CMT.

Farmers' Guide to the CSP

As producers consider signing up for the program, they may want to review NSAC's recently updated *Farmers' Guide to the Conservation Stewardship Program*. The guide is intended to help family farmers, ranchers, and foresters better understand the CSP enrollment process. In addition, it provides clear information on conservation activities eligible for CSP payments to improve conservation performance and environmental benefits.

The revised *Guide* includes step-by-step enrollment guidance, key definitions, and helpful hints. It also includes a new five-page section with data analysis of the program's first two sign-up periods in 2009 and 2010. This data section includes analysis of program participation by geographic region, land use type, commodity type, and the top conservation practices and enhancements chosen by farmers and ranchers who have enrolled in the program.