



Photo credit: NRCS

# FARMERS' GUIDE

to the

# Conservation Stewardship Program

*Earn rewards for excellent care of working lands*



## \*\*\*Quick Response Needed for 2009 applicants\*\*\*

The first signup in 2009 has been broken down into two steps due to the very short time between the program announcement on August 10 and the end of the 2009 fiscal year on September 30. NRCS will take initial applications by September 30, 2009, based on applicant eligibility and land eligibility, without looking at the specifics of conservation on the land. Then in October, the Conservation Measurement Tool will be filled out by each applicant, followed by ranking, selection, field verification and writing of contracts by NRCS. Up to 12.8 million acres can be enrolled in CSP during this two-step process for 2009 enrollments. In future years, the whole process—applications through signing contracts—will occur within the same fiscal year.

It seems very likely that the short 2009 notice will favor applicants who are currently ready to sign up, reducing or maybe even eliminating competition, as there are likely to be fewer total acres seeking enrollment than the 12.8 million acres available. In future years the opposite is likely to be true. On the other hand, a disadvantage in 2009 is that applicants will not know the exact payment rates per acre they might receive until after selection this first round. In future years, it is likely the payment rate will be known prior to ranking and selection of applications. Of course, farmers have the right to not sign a contract if they discover details that do not suit their operation. The first payments for both the 2009 and 2010 sign-ups will arrive in October 2010.

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Photo credit: NRCS

*Vegetated buffer strips along waterways are valued for slowing and filtering water runoff.*

## Introduction

**CSP** is not like any other conservation program. It provides comprehensive conservation assistance to whole farms and working lands to resolve particular resource concerns in a given location. It offers farmers<sup>1\*</sup> the opportunity to augment the foundation of their good current conservation efforts by earning payments for maintaining them, expanding them, and adding new conservation activities—even while they work their lands for production. CSP is for working farms, built on the belief that we must enhance natural resource and environmental protection at the same time we produce profitable food, fiber and energy.

The new Conservation Stewardship Program as passed by Congress and signed into law by President Bush in the 2008 Farm Bill builds on the vision and accomplishments of the preceding Conservation Security Program from the 2002 Farm Bill. The new CSP is not like the old CSP, in that it has been streamlined and is now a nationwide program,

with eligible applicants able to submit applications to participate on a continuous signup basis at any time in any year. Several times a year, USDA's Natural Resources Conservation Service (NRCS) will rank applications received to that point based on environmental benefits and enroll the highest ranking proposals.

<sup>1\*</sup> Throughout this report we use the word *farmer* to include all those who harvest plants and animals from the land, including ranchers and foresters. A “farm” includes all kinds of agriculture including grazing land and rangeland, pasture, cropland, specialty crops, orchards, vineyards, dairies, tree farms, private non-industrial forests, aquaculture, truck farms, and more.

The breadth of CSP is truly remarkable, with goals of improving soil, water and air quality; providing increased biodiversity and wildlife and pollinator habitat; sequestering carbon in the soil and reducing greenhouse gas emissions to slow climate change; and conserving water use and energy use. Congress provided sufficient funding to allow NRCS to enroll 12.8 million acres of farm and ranch land each year, or nearly 130 million acres over the next ten years.

A five-year CSP contract will pay annual financial rewards, contributing to the economic bottom line of those farms that achieve the environmental goal of resolving priority resource problems. Those CSP farms will be using their land for economic and agronomic production at the same time they improve their land for the environment and for future generations. CSP permits all economic uses of the land that maintain the agricultural nature of the land and are consistent with the CSP contract.

The new Conservation Stewardship Program is dramatically streamlined from the earlier Conservation Security Program version. You don't have to wait for years for your particular watershed to come up for enrollment, but instead can apply at any time over the next five years when it works best for you. There are no enrollment tiers to choose from, or multiple payment types with complex formulas. Instead every CSP contract will be paid the same way—based on total conservation performance points that reflect the environmental benefits provided in your application and the number of acres involved. There is just one contract length, five years, with a five-year renewal option. NRCS has developed a computer-based evaluation tool that will take guesswork and regional variations out of the process. It is a program that stays focused on maintaining and increasing conservation performance to address the identified resource problems of a particular area.

This guide will help farmers understand how they can use CSP to make their farms and their lives better. The National Sustainable Agriculture Coalition has worked with Senator Tom Harkin from the earliest days of designing a working-lands green payments program a decade ago, all the way through to today. We continue to watchdog, support, and proclaim the vision of CSP. As CSP grows in mission, experience, and implementation methods, we believe it will show the way to a new kind of national farm policy, one that pays farmers first and foremost for what they do for the land.

# The new CSP

## Brief history of CSP

How did the 2002 Conservation Security Program evolve into the 2008 Conservation Stewardship Program? The 2002 CSP law contained the vision and components of a green payments program, but unfortunately it was born at a time of bitter partisan politics and severe funding cuts. After well over a year of rule-writing, the first CSP was launched with enrollment extremely restricted to just a few watersheds each year, short and abrupt sign-up deadlines, fierce competition for limited funds, and an exceedingly complex payment formula. In many cases, adding new conservation practices entailed complex contract modifications. Despite these problems created by administrative rulemaking and implementation decisions, each year farmers lucky enough to be located in the chosen watersheds applied in droves because they believed in the vision of earning rewards for their outstanding conservation efforts. During four, short sign-up periods in specific watersheds in 2004, 2005, 2006, and 2008, over 21,000 farmers and ranchers had enrolled 17.5 million acres with each acre meeting or exceeding the status of sustainable, resource-conserving use while in production. Those participating farmers will continue to carry out those CSP contracts, and as those contracts expire will be able to enroll in the new Conservation Stewardship Program under the new rules.

In the 2008 Farm Bill, many of the previous complexities and limits created by statute and especially by regulation have been removed, and a streamlined program has been created.

Many aspects of the new CSP remain the same as the original program, however, including the overall “green payments” philosophy of the program, the dual reward structure for existing and new conservation effort, the focus on comprehensive planning, the emphasis on continual improvement, the higher resource and environmental standards required relative to other federal working lands conservation programs, and the innovative use of resource-specific indices to measure and compensate for environmental benefits and ecosystem services.

The new CSP is well suited as the model for national policy to transition to rewarding farmers for *how* they grow, instead of *what* they grow.

## What's new?

The new CSP provides technical and financial assistance **to all qualified farmers**, regardless of their location or watershed, provided they meet eligibility standards and their applications rank high enough to be accepted into the program. **All sizes and types** of operations, including organic and specialty crops, are eligible. **Applications are accepted any time of the year**, with all applications submitted by certain dates in the year being reviewed and ranked. Farmers compete on how good their conservation performance is now, plus how much more they are willing to do **to resolve priority resource** concerns identified by their state NRCS office on either a state or watershed level. A new **conservation measurement tool** will treat all applicants fairly, scoring their current and planned environmental performance and calculating payments accordingly. A tenth of acreage enrolled will be targeted to **beginning and socially disadvantaged farmers**. A tenth of the acreage will also be targeted to **non-industrial private forestland**. Beginning and socially disadvantaged farmers as well as non-industrial forestland applications will compete in separate ranking pools. Supplemental payments will **reward improved or newly adopted resource-conserving crop rotations**. The five-year contracts can be **renewed**.

Instead of Congress authorizing a dollar amount, which proved a continual temptation for reallocation of funds to other uses in the previous CSP, the new CSP is authorized to **enroll 12.8 million acres** each and every year for the next ten years. Each state Natural Resources Conservation Service (NRCS) is allotted a share of its agriculture acres (primarily based on its amount of agricultural land relative to the national total) to award CSP contracts. Any acres not used by a particular state will be reallocated to other states in which demand exceeds supply. By 2013 when the next farm bill is written, over 50 million acres of the nation's farm and ranch land will be operating at sustainable levels under CSP **renewable five-year contracts**. In ten years there will be about 130 million acres in the new program. Thus nearly 13 percent of American land in farms will be meeting the high conservation standards of CSP, as will 13 million acres of private forestlands. Congress estimates spending a 10-year funding budget of over \$12 billion.

Instead of capping funding directly, Congress directed that the average CSP cost including payments and technical assistance should not exceed \$18 an acre. It is expected that rangelands and other low productivity lands will earn lower payments, while productive high value lands will earn higher payments. Large acreage farms, which hit the payment limit of \$40,000 per year, will also help bring the average cost per acre down.

Another new feature is that non-industrial private forestland is included, which is rural land with existing tree cover or suitable land for tree cover. Before, only incidental woodlots on agricultural land were included. This opens an opportunity for forest owners to use CSP, up to ten percent of total acres nationally.



Photo credit: NRCS

*Cover crops can be incorporated into many cropping systems, providing protection from erosion while improving soil quality.*

## Enrollment process overview

**CSP** is a competitive program that aims to achieve environmental benefits by scoring and then financially rewarding conservation performance outcomes of the CSP applicants with the best current and planned future conservation activities. First you **apply** to see if you are eligible, then you **score** your current performance and future plans. If you meet minimum conservation levels you compete in a **ranking** to select those who will get **contracts**.

### Timing

CSP is open for enrollment for at least the next ten years. You can apply at any time you are ready and qualified, and your application will be lumped in the next scheduled ranking. If you have not met the conservation thresholds, or if you want to improve your chances by accumulating more points for pre-existing conservation, then implement improvements now and apply later. If you are not selected the first time, make improvements to increase your points for the next go-around and apply again. There very likely will be annual changes to the Conservation Measurement Tool, the list of enhancements

offered, and the payment rates, but these are impossible to predict.

Applications for 2010 can be made any time, and the next ranking process will be announced some time in 2010 for the nearly 13 million acre enrollment. For 2010 enrollments and all future enrollments, the NRCS expects to be able to specify the specific payment amount for a given contract as soon as the applicant's Conservation Measurement Tool score is calculated.

## Steps to CSP enrollment

- Determine if you are eligible, and which land you will enroll. You can use the NRCS Producer Self-screening [Checklist](http://www.nrcs.usda.gov/programs/new_csp/special_pdfs/CSP_Producer_Self-Screening_Checklist.pdf) (www.nrcs.usda.gov/programs/new\_csp/special\_pdfs/CSP\_Producer\_Self-Screening\_Checklist.pdf) first to see if the program might be right for you.
- Find out the three to five Priority Resource Concerns that apply to your land. These are available on your state [NRCS website](http://www.nrcs.usda.gov/about/organization/regions.html) (www.nrcs.usda.gov/about/organization/regions.html).
- Assess your current performance with the Conservation Measurement Tool (CMT) baseline conservation questions. You must meet or exceed the stewardship threshold for at least one Priority Resource Concern to be eligible.
- If, based on the self-screening checklist and/or the CMT baseline questions you decide you are currently ineligible or not likely to rank high, you may want to make improvements and apply again later. Financial assistance to make improvements may be available to you through the [Environmental Quality Incentives Program \(EQIP\)](http://www.nrcs.usda.gov/programs/eqip/) (www.nrcs.usda.gov/programs/eqip/), also administered by NRCS.
- Study the long [list](http://www.nrcs.usda.gov/programs/new_csp/special_pdfs/CSP_Conservation_Activity_List.pdf) (http://www.nrcs.usda.gov/programs/new\_csp/special\_pdfs/CSP\_Conservation\_Activity\_List.pdf) of new conservation activities available, including regular conservation practices and special conservation enhancements (conservation activities that go beyond the requirements of regular conservation practices) and select those you are willing to add over the next three years. You must meet or exceed the stewardship threshold for a second Priority Resource Concern by the end of the first 5-year contract, if don't already meet two when you first enroll. See how your environmental points are adding up. Be sure to include all current conservation activities when filling out the CMT baseline conservation questions. Try to maximize additional conservation enhancements and practices to offer. A list of all the enhancements and practices and their point values is available [NSAC website](http://sustainableagriculture.net/wp-content/uploads/2008/10/CSP-Enhancements.doc) (http://sustainableagriculture.net/wp-content/uploads/2008/10/CSP-Enhancements.doc).
- At your local NRCS office, you will complete the basic application and then work through the CMT, locking in your score, which will be used to rank applications within your ranking pool, and establish payments.
- The NRCS will select highest scoring applications until all acres for a given year are allocated. If pre-approved, a local NRCS official will visit your farm to verify the application, after which a five-year conservation stewardship plan and contract specifying your annual payment will be developed for your signature.
- Verify activities each year and receive a CSP check for the preceding growing season in the fall of each year.
- If you are not selected, don't give up. Your application will be considered in future rankings, or you can improve your baseline by adding conservation practices and resubmitting to be evaluated in the next announced ranking.

## CSP Lingo

### Priority resource concerns

The heart and soul of CSP is that it directs funds toward solving the most pressing conservation issues in each local area by maintaining, improving, and increasing conservation activities. CSP is the first conservation program to systematically address the most important resource problems to a sustainable level and thus help solve problems instead of just implementing helpful practices and hoping for the best. CSP addresses soil erosion, soil quality, water conservation, water quality, air quality, plants (biodiversity), animals (wildlife habitat), and energy.

Each NRCS State Conservationist, with advice from its State Technical Committee, will identify three to five priority resource concerns, selecting those specific to the state, area of a state, or watershed. States will decide how large or small to make the areas that share the same priority resource concerns, and applicants will compete only within their area, or ranking pool. It is likely these annual priorities will get more specific over time; for example, citing pesticide pollution instead of water quality generally or greenhouse gas emission reduction rather than air quality generally. Participants may also address additional resource concerns that are not ranked as a priority in a given state or region. For instance, if energy conservation or soil organic matter improvement is not a priority in a given

area, energy conservation or soil organic matter enhancements and practices can still be chosen and will still help boost your overall ranking score.

## **Stewardship threshold**

For each resource concern, a stewardship threshold will be determined, a minimum performance score that indicates that the concern has been addressed with conservation activities that improve and conserve the quality and condition of a resource concern. Every CSP contract must have already met the threshold for one priority resource concern at the time of application, and must meet the threshold for a second one at least by the end of the five-year contract. If two or more are met at the time of application, then the requirement is already met. The stewardship threshold level may change over time as increased data is accumulated from previous ranking periods.

## **Conservation measurement tool**

NRCS has created one big spreadsheet to assess all applications and implement CSP. It scores each farm's environmental benefits on multiple resources using conservation performance to estimate environmental benefits. The list of baseline conservation performance questions and the list of the new conservation enhancements and practices are available on NRCS' CSP website to look over. Hopefully sometime soon, NRCS will post the CMT in its entirety so that you could fill it out on your own, see how your points are adding up, what you can do to improve your chances if you add more conservation, and what your payments might be under different scenarios.

For now, though, farmers will only see the full CMT when they sit down with NRCS staff and answer questions which staff will then use to type answers into the Measurement Tool. Be sure to ask what your choices are and how they are scored. When done, ask for a copy to be printed out. You may want to verify what was entered, or see what you can do to improve your score if you need to apply again.

## **Conservation enhancements**

CSP rewards maintaining current conservation activities, but it rewards newly added activities even more. NRCS has created a [list](http://www.nrcs.usda.gov/programs/new_csp/special_pdfs/CSP_Conservation_Activity_List.pdf) ([http://www.nrcs.usda.gov/programs/new\\_csp/special\\_pdfs/CSP\\_Conservation\\_Activity\\_List.pdf](http://www.nrcs.usda.gov/programs/new_csp/special_pdfs/CSP_Conservation_Activity_List.pdf)) of both regular conservation practices and enhancements, which are conservation activities that go beyond the requirements of regular conservation practices. A specific set of conservation enhancements and regular conservation practices are available for farmers and ranchers to choose from as they check off which activities they are willing to adopt during the CSP contract period.





Photo credit: NRCS

*Grass-based agriculture for livestock forage or biomass earns high rewards in CSP for its many environmental benefits.*

## So you want to sign up for CSP

### Am I eligible?

**CSP** is designed for the person who has effective control of the land during the contract. Generally he or she is working or managing the land as a separate operation and bears the risk of its production. Generally an eligible applicant is an owner-operator, a renter with documented permission to enroll in CSP from the landlord, or an owner who crop shares with another, in order to enroll in CSP. If you are a renter, you will want to discuss CSP with your landlord, getting agreement on the changes in management that you plan to make, and a signed letter acknowledging the five-year nature of your agreement. You do not need a five-year lease.

NRCS is going to rely on the Farm Service Agency's farm record number system to determine if an applicant is eligible for CSP. FSA determines a farm number, land configuration, and the operator of record. You must be listed as the operator for the agricultural operation in the local Farm Service Agency farm records management system, so update the records if necessary. Some CSP applicants will not have an FSA farm

number, especially forest owners and those who do not have cropland or have not participated in commodity production before, in which case they must complete the FSA farm record number process before applying for CSP. Make an appointment and bring your deed or lease, maps that show fields and land uses, and business incorporation or trust papers.

If a legal entity is the applicant, every member must be listed with their percentage interest. All CSP payments will be attributed to “natural persons” via Social Security and tax identification numbers. Regardless of the number of acres or farms a person enrolls or the number of contracts signed, they will be limited to not more than \$40,000 a year.

CSP is limited to persons with an adjusted gross income under \$1 million, averaged over three years, the same as it applies to all conservation programs, which the applicant shows by signing a certification form. The limit can generally be doubled for married couples, and can be exceeded (without limit) if two thirds or more of total gross income comes from farming activities.

### **What is a farm?**

If you sell \$1,000 worth of production a year, then you are counted as a farm. If you have no income from farming, you do not qualify. If you are applying as a beginning farmer with no production history, you can estimate the value of production for your acres planted or number of livestock, and you will be eligible for CSP if that amount exceeds \$1,000.

Each operator is only eligible for one CSP contract, unless they are involved in two or more substantially separate operations, or if there are two separate forest and agriculture land CSP contracts.

### **What land is eligible?**

Private agricultural land is eligible, including cropland, improved pastureland, grassland/prairie land/rangeland, land used for agro-forestry, and forested land that is an incidental part of the farm. Other types of private agricultural land on which resource concerns could be addressed are also eligible. Indian Tribes may enroll agricultural land under their jurisdiction. Non-industrial private forestland that is not part of agricultural land is eligible, but contracts will be limited to ten percent of the annual acreage enrollment.

### **Does the size of a farm matter?**

While the CSP is size-neutral, very small and very large operations will have to consider whether CSP is worthwhile for them. Very small acreages, even if producing very high value conservation, still can only earn a certain amount of points. A ten acre farm may only be able earn a few hundred dollars a year from CSP, which may be worth it for the stewardship recognition, but for others may not be worth the paperwork. NRCS is considering a minimum payment amount, perhaps greater than \$1,000, to encourage small acreage farms to enroll and help address priority resource concerns in their

area. If that provision is approved, it may encourage greater small acreage farm participation.

At the other extreme, very large acreages using excellent conservation practices may find themselves at the capped annual payment of \$40,000 per year, even if they earn more payment points. For example, a 2,500-acre operation eligible for \$20 an acre on average would hit the limit of \$40,000 and thus receive \$16 an acre.

### **What land and practices are excluded?**

Land already enrolled in conservation retirement programs is not going to receive any CSP payments. These programs include the Conservation Reserve Program, Wetlands Reserve Program, and Grasslands Reserve Program. Farmers with land in those programs are eligible for CSP and the retired acres will be included as part of the “whole farm” that must enroll in CSP, but no new practices or enhancements will be covered on those acres.

Land subject to, but out of compliance with, highly erodible land or wetland conservation provisions is not eligible. No public land is eligible, whether federal, state, local or university owned. Land broken out from pasture or prairie for crop production after 2008 is excluded, unless it was in the CRP, was in a long-term crop rotation, or is incidental land needed for efficient operation of the farm.

CSP won't pay for:

- Practices or enhancements paid for by other USDA conservation programs.
- Structures, equipment, and practices related to animal waste storage or treatment or transport or transfer. Nutrient management of manure application is allowed, however.
- Activities with no costs or foregone income by the participant.

### **What is the entire agricultural operation?**

CSP contracts are designed to enroll all the acres of a whole farm, even if it is not contiguous. One can't ignore fields with significant environmental problems and get rewarded for good management on other acres. Most producers will enroll all the acres they own and operate, plus all the acres they rent—with permission of their landlords. In reality, this can get complicated, considering that more than half of U.S. farmland is rented, with fields scattered across counties and states. Once you define your farm at the time of application, no acres can be added or subtracted from the contract during

the five-year contract. The exception is when ownership or rental agreements change, payments will be reduced for land subtraction. Newly purchased or rented land can be added to the CSP contract, but only at the time of renewal of the five-year contract.

Non-industrial private forestland can be the subject of an application—but it must include all of the applicant’s forestland. This will be designated as a separate application to compete with other forest applications. If the same person also submits an agricultural application, it must exclude the forestland.

### **Am I a beginning or socially disadvantaged farmer?**

If you have operated your farm or forest for less than ten consecutive years and will have substantial day-to-day involvement, you are a beginning farmer and therefore may choose to compete in a separate ranking pool. If you belong to a group subject to racial or ethnic prejudices (American Indians, Asians, Blacks of African Americans, Native Hawaiians or other Pacific Islanders, and Hispanics) you may also be considered separately. Gender alone does not count. Applicants must designate their intent to compete in the separate ranking pools. At least five percent of allocated acres will be set aside for beginning farmers, and another five percent for socially disadvantaged farmers. While beginning and socially disadvantaged farmers are free to compete in the main ranking pool, there may be some considerable advantage to enter the targeted pool instead, since there will likely be fewer applicants competing in those pools.

### **What if I am an organic producer?**

CSP treats all farms the same, but organic and non-certified organic producers are very likely to have extensive conservation systems in place and be interested in many of the offered enhancements and new conservation practices. Thus organic farmers may score high and earn good payments. Each farm’s Organic System Plan should help communicate to NRCS the practices used and how they relate to questions in the Conservation Measurement Tool, and will prove invaluable when field verifications are done. The field maps for organic certification can be entered into the Tool.

EQIP also offers an Organic Initiative providing one-time payments for implementing new conservation practices that are part of transitioning to organic production, or part of improving an existing organic operation. Farmers can enroll in both programs, but will not be paid twice for the same

practices. Some farmers that are transitioning to organic may find it advantageous to complete the EQIP contract and then enroll in CSP at the conclusion of their participation in EQIP.

NRCS is required to help farmers simultaneously meet the requirements of organic certification and CSP—to develop a “crosswalk” between the two programs. There is much overlap, but there are also some critical differences between organic requirements and conservation standards. When fully staffed and up-and-running, this effort will help current and transitional organic producers most efficiently qualify for both programs.

For transitioning or currently-certified organic farmers, there are a number of CSP enhancement activities offered that will be very useful. Specific examples for organic systems include:

- Continuous no-till for organic systems
- Non-chemical control of livestock pests
- Transition to organic grazing systems
- Transition to organic cropping systems
- Integrated pest management for organic farming
- Use of non-chemical methods to kill cover crops; and
- Biological suppression and other non-chemical techniques to suppress herbaceous weeds.

Additional conservation enhancements and practices of great interest to organic farmers include:

- Resource conserving crop rotations - this core practice of organic producers is a top priority of CSP and will receive supplemental payments
- Continuous cover cropping
- Pollinator Habitat Establishment
- Habitat development for beneficial insects for pest management
- Locally grown and marketed farm products
- Application of treated (composted) manure on land
- Use of legume crops as a nitrogen source
- Prescribed grazing
- Cover crops

- Extending existing riparian herbaceous cover for water quality protection and wildlife habitat; and
- Extending existing field borders for water quality protection and wildlife habitat.

### **Can I still get environmental credits?**

There is much talk about creating carbon credit trading, such that farmers and foresters could sell credits for sequestering carbon in the soil. That should be possible even while receiving CSP payments—however, NRCS will help participants considering selling any type of environmental credit to ensure that it is consistent with CSP operation and maintenance requirements, which will continue to be enforced. In other words, you still have to meet your CSP contract, but you should be able to get environmental credits or payments on top of your CSP payment.

# Conservation Measurement Tool

## **How do I work with the Conservation Measurement Tool?**

Hopefully in the not too distant future, NRCS will have the Conservation Measurement Tool (CMT) online. Then, for those who are computer savvy, you will be able to work on the tool at your convenience. Through trial runs, you will be able to see how many points you would earn for existing baseline conservation activities on your farm; when you have reached enough points to surpass the stewardship threshold for priority resource concerns; how many points your enhancements add to your application; and, in future years, your estimated payments. (In the initial 2009 signup, estimated payment ranges will be given when completing the CMT, with final actual payment rates being communicated later in the process when NRCS offers the farmer a contract; later signups will likely provide more precise payment information right away.) In completing the CMT, questions that do not apply to your situation will remain hidden, while other information is already tailored to your state or farm. If and when NRCS posts the CMT online, go ahead and play with it—see what happens to the score if you alter practices; you may decide to improve your baseline before you submit the application.

When filling out the actual CMT, you will work with a NRCS professional. Bring your information to the local NRCS office, and they will enter it in the computer as you discuss your farm and your proposed CSP plan with them. Depending on the complexity of your operation and how well prepared you are with farm information, the tool may take from a half hour to over two hours to complete.

Unlike the old CSP, the new CSP does not require soil tests or other particular documents in order to apply, but you will eventually need to substantiate past conservation efforts that you recorded in the CMT when NRCS comes out to your farm to verify information prior to signing a contract. Be sure to get a printout of your CMT application when you submit it, so you can remember what you planned for your contract, or have a starting point to improve your next application.

## **What are the basic land uses?**

You will assign particular acreage to one of three agricultural land uses: cropland, pastureland, or rangeland. Non-industrial private forestland must be enrolled separately.

## **Your starting conservation baseline**

The first purpose of filling out the Conservation Measurement Tool is to assess your baseline, or existing, conservation activities. About 40 percent of your payment stream will reward existing conservation activity at the time of enrollment that will be actively managed and maintained during the contract period.

For cropland, you will enter information about land use types, what crops you raise and the sequence of all rotations, what tillage you use, whether there is erosion present, how you manage pesticide and fertilizer/nutrient applications, whether there are provisions for wildlife, and so on.

For pasture land, the tool asks about grazing management, species in the pasture vegetation, how field borders are managed, pesticide and nutrient management, and so on.

For rangeland, questions cover grazing intensity, mix of plants, watering facilities, brush management, fencing, etc.

If water bodies and salinity are relevant topics, then you will be asked about related practices.

NRCS promises to have the baseline questions available online soon at the NRCS CSP website so that farmers can preview them if they so desire.

Every answer to the baseline questions triggers positive (or negative) points for up to 28 resource concerns, depending on whether there is a beneficial (or harmful) effect on each resource.

### **Improve your baseline to boost your ranking**

As the new CSP gets more popular, it is going to get more competitive. Applicants may want to make some improvements on their own before applying in order to improve their baseline score, and therefore increase chances of selection. Also, one priority resource concern must already achieve the stewardship threshold at time of enrollment, and the Conservation Measurement Tool will point out if it has not been met.

In either case, farmers can make the necessary improvements or change their management, and then re-enter data and re-calculate the Tool with a CSP application. A visit to the local NRCS office is a good first step because there are other programs that might share costs or provide financial help to make those changes before you enroll in CSP. In particular, the Environmental Quality Incentives Program may help farmers improve current conservation, which subsequently would be scored in the CSP baseline as long as it is maintained. For farmers more interested in moving forward with a single conservation improvement, EQIP may be more appropriate and sometimes more profitable than a full CSP contract.

### **Maximizing points and payments**

- Add more practices on your own (or with the help of EQIP) before you apply
- Commit to more new enhancements and new conservation practices from the list offered in the CMT
- Meet the stewardship threshold for more than one priority resource concern in the early years of the contract
- Do more on other non-priority resource concerns

One thing very different about CSP than any other program is that applicants will have to make their own decisions about what a new enhancement or practice might cost them. CSP pays for the environmental benefits, based on the points awarded, and that payment may be more or less than what it costs the farmer to implement it.

### **Honesty is the best policy**

Filling out the Conservation Measurement Tool will require common sense and a bit of estimation in some cases. However, it will eventually be verified by NRCS with documentation and a visit to the farm. If NRCS determines that an applicant intentionally misrepresented any fact affecting the ranking, then the application or contract will be cancelled immediately. Erroneously represented facts will also lead to paying back CSP payments with interest.



Photo credit: NRCS

# Enhancements

NRCS decided to set limits on the number of new and expanded conservation enhancements and practices that would be allowable for payments. This is described in the Conservation Activity List on NRCS's website about the new CSP. The [list](http://www.nrcs.usda.gov/programs/new_csp/special_pdfs/CSP_Conservation_Activity_List.pdf) ([http://www.nrcs.usda.gov/programs/new\\_csp/special\\_pdfs/CSP\\_Conservation\\_Activity\\_List.pdf](http://www.nrcs.usda.gov/programs/new_csp/special_pdfs/CSP_Conservation_Activity_List.pdf)) has 83 enhancements (designed for CSP to exceed sustainable performance for a given resource concern) and 33 conservation practices from the traditional NRCS Field Office Technical Guide. At least one enhancement must be adopted in the first year of the contract no matter what current conservation performance is, and all selected activities must be implemented by the end of the third year of the contract, resulting in full implementation of the contract for the fourth and fifth years.

NRCS estimates that about 60 percent of the payment stream will reward new practices and enhancements, so it is to the applicant's advantage to select all activities that one can comfortably implement. The points will be multiplied by the number of acres on which the enhancement is implemented, or in some cases an increment of the enhancement, such as 25 feet of additional buffer. For a listing of maximum points available for each practice, see the [NSAC website](http://sustainableagriculture.net/wp-content/uploads/2008/10/CSP-Enhancements.doc). (<http://sustainableagriculture.net/wp-content/uploads/2008/10/CSP-Enhancements.doc>)

If you are already implementing an activity listed as an enhancement, NRCS intends that the Conservation Measurement Tool will have scored points in the baseline for the conservation benefits of that practice. This may take some refinement of the tool in the years ahead to ensure that all enhancements and practices available for new adoption are fully recognized and accounted for in the baseline inventory as well, so that early adopters are not penalized.

## On-farm research & demonstration and pilot projects

Ranking points and payments are also available for CSP on-farm research or demonstration projects as well as for on-farm pilot testing of new practices and technologies.

On-farm research and demonstration activities include applied research projects on working farms to gather information and demonstrate the efficacy of the activity. At the outset of the new CSP, projects must fit within identified state priority topic areas and will be identified by each state NRCS, then

offered to applicants. The farm bill, however, directs NRCS to establish and publicize design protocols and application and contract offer procedures for individual producer and collaborative on-farm research and demonstration activities. These have not yet been prepared, so the initial sign-up projects are limited to those identified by NRCS. If you are interested in this option, check with your local NRCS office to find out what project or projects are available in your area.

On-farm pilot projects include the installation, monitoring and publicizing of projects that showcase projects that have shown environmental benefits through research but are not used by farmers in the project area. States will identify acceptable pilot projects and guidelines for participants.

Farmers who like to be at the cutting edge and benefit from input from researchers, or who like to share their experience with other farmers, will enjoy the extra payments from CSP for their extra involvement.

## Bonus: new and modified resource conserving crop rotations

Congress recognized only one practice as deserving an extra bonus, and that is adoption of new or improved resource conserving crop rotations. Because crop rotations generate so many environmental benefits for erosion control, fertility, soil quality, pest management, water retention, and pollinator protection, CSP makes certain crop rotation systems worth even more. See the [NRCS Activity Sheet on resource-conserving crop rotations](http://www.nrcs.usda.gov/PROGRAMS/new_csp/soil_quality_pdfs/Resource_Conserving_Crop_Rotation_Supplemental_Payment_Activity_CCR99.pdf) ([http://www.nrcs.usda.gov/PROGRAMS/new\\_csp/soil\\_quality\\_pdfs/Resource\\_Conserving\\_Crop\\_Rotation\\_Supplemental\\_Payment\\_Activity\\_CCR99.pdf](http://www.nrcs.usda.gov/PROGRAMS/new_csp/soil_quality_pdfs/Resource_Conserving_Crop_Rotation_Supplemental_Payment_Activity_CCR99.pdf)), available on the NRCS website.

A rotation must include a resource conserving crop which is defined as a perennial grass, legume, or grass/legume grown for use as forage, seed for planting, or green manure (plowed back into the soil); a high residue producing crop (like corn, small grains, rice and sugarcane); or a cover crop following an annual crop. Each state will determine precisely which species and rotations qualify.

Acceptable cropping options include:

- Two or more crops where one is a perennial lasting at least two years.
- Two or more annual crops, with a cover crop following one of the crops (no harvest of silage, crop residue or the cover crop.)

- Three or more annual crops where half the rotation is a high residue crop.

While pre-existing crop rotations are rewarded in the baseline score and payments for the many benefits they provide, applicants should strongly consider improving, modifying or expanding their current use of resource conserving crop rotations to qualify for the supplemental payment. For example, consider adding to the number of years of hay or perennial grass in the rotation, or expanding the acreage you rotate, or adding a cover crop or more crop diversity into the rotation. The NRCS Activity Sheet lists various ways of qualifying for the bonus by improving existing resource-conserving crop rotations.

## Ranking of applications

The Conservation Measurement Tool scores activities such that individual applications will be ranked according to their total ranking points, and those with the highest points will be selected, until that state's number of acres are used up. States may employ ranking pools as they refine different priority resource concerns for smaller geographic areas. Within each geographic pool there will be a pool for socially disadvantaged farmers and one for beginning farmers. Non-industrial private forestland will also be ranked in a separate pool.

For the first two years, the overall points reflect:

- 25%: the cumulative performance of existing conservation treatments on the priority resource concerns
- 25%: the cumulative performance of proposed additional enhancements and conservation practices (from the activity list)
- 25%: the number of priority resource concerns exceeding the stewardship threshold over the course of the contract
- 25%: the number of other resource concerns that will exceed the stewardship threshold over the course of the contract.

In future years, the emphasis between these four CSP goals may shift somewhat.

## Contract

All contracts will be for five years. The contract will lock in the prorated payments, the stewardship plan, which lists all conservation activities to be maintained, and a schedule for those to be newly adopted. Note that CSP computes payments for new activities as they are added, but averages the payments so that each year's payment is the same.

### Payments

CSP is not going to make payments like any previous conservation program. It won't pay a cost share rate, it won't pay per practice, and it won't pay a flat rate per acre. Instead, payments will be determined by multiplying your total score (environmental benefits) by a land use per acre payment rate. Land uses are crop, pasture, range, or non-industrial private forest. Enhancements and new conservation practices will result in additional points and higher payments as they are factored in. The payment stream will be approximately 60 percent for new or improved conservation activities and 40 percent for active management and maintenance of existing baseline conservation activities. Payments rates will be the same nationally, based on score, land use and number of acres. Because \$40,000 per year is the CSP payment limit, exceptional performance on very large acreages may cap out.

The 2009 enrollment will be used to calculate actual payments per point to achieve the mandated national \$18/acre average NRCS cost (including technical assistance by NRCS). It is expected the actual 2009 payment rates arrived at will be used for future years of CSP. Best NRCS guesses of estimated payments are in the range of:

Cropland.....\$12 to \$22 per acre

Non-industrial Private Forestland....\$6 to \$12 per acre

Pastureland.....\$7 to \$14 per acre

Rangeland.....\$5 to \$10 per acre

Estimated Range for Supplemental Payments in addition to above:

Resource-Conservation Crop Rotation...\$12 to \$16 per acre

NRCS will add up each year's payments over the course of the contract, reflecting new practices as they are added, and average them out so that each of the five annual payments is the same.

## Inspection

The CSP contract requires records and evidence of effective and timely implementation of the conservation stewardship plan and contract. In addition, NRCS will have the right to enter the farm to inspect and ascertain accuracy of all representations made by the applicant, inspect any work undertaken under the contract, and evaluate the conservation activities. NRCS will contact the participant first to schedule a visit.

By law, the CSP contract must permit all economic uses of the land that maintain the agricultural or forestry nature of the land and are consistent with the conservation purposes of the contract. So new uses such as biomass harvest for energy will be allowed, but subdivision development will not.

## Conservation stewardship plan

NRCS will encourage participants to use their recommended conservation planning process to address resource concerns in a comprehensive manner. In future CSP signups, NRCS will hopefully clarify the technical and financial assistance available through CSP and through EQIP for comprehensive planning. For now, though, the conservation stewardship plan in the contract is the record of decisions and a schedule of conservation activities to be implemented, managed or improved in the contract. It also lists resource concerns, baseline data at the time of applications on conservation, conservation objectives to meet and exceed stewardship thresholds, a plan map, and in some cases the information needed for organic certification.

## Payment and contract limits

Each person's payments cannot exceed \$40,000 a year and \$200,000 for any five-year period. An exception is made for Indians represented by the Bureau of Indian Affairs Tribal entities.

**Contract changes operational adjustments**—*NRCS promises to allow some participant operational adjustments without the need for contract modifications. For example, enhancements may be replaced with similar enhancements if the conservation performance score is equal or better than at time of enrollment. Enhancements may be applied on other land in the operation. Similarly, baseline activity can be modified if the overall application score does not change. Score reductions will not be allowed.*

**Land transfer**—*If a new person who obtains a right and interest in the land covered in a CSP contract agrees to accept the contract and is eligible, the contract will continue and be transferred. If the new person does not notify NRCS and agree to the contract,*

*NRCS will terminate the contract and demand a refund of any program payments received with interest, and forfeit future contract payments.*

**Contract modifications**—*Participants may modify contracts if changes are consistent with the purposes of CSP and the payment amount is not increased. New conservation activities are scheduled and planned for payment in the original contract, but there will be a provision to modify if necessary. Newly acquired land cannot be added until the five-year contract is renewed.*

**Violation of the contract**—*If a CSP contract is violated, NRCS will first give a period of time for the participant to correct the violation. Then they may terminate the contract and demand a full or partial refund of any program payments received, with interest, plus stop future contract payments, and require payback of technical assistance costs incurred by NRCS, plus make the violator ineligible for future NRCS conservation programs. Good faith efforts will be recognized. Termination will be immediate if the participant submitted false information, engaged in any scheme affecting eligibility, or engaged in purposeful or negligent actions.*

**Circumstances beyond control**—*A violation is not considered failure to comply if due to disaster or related conditions, as determined by the State Conservationist. Such contracts may be terminated by the State Conservationist or by mutual consent with the participants. Past payments may be retained by the farmer if there was an effort to comply or, in cases of hardship, as determined by the State Conservationist.*

## Contract Renewal - payment amount can go up

At the end of an initial five-year contract, NRCS will allow renewal for five more years, if there is compliance with the initial contract, any newly acquired eligible land has been added, and there is agreement to meet stewardship thresholds for newly added priority resource concerns as determined by NRCS. At that time, contract holders will have an opportunity to add enhancements and increase their payments. Renewals beyond the first ten years (two contract terms) is an issue Congress will address in a future farm bill.



## Non-industrial private forestland

Forestland owners who are interested in improving their woods should consider some of the new enhancements available to forestland applicants:

- Dust control on unpaved roads and surfaces
- Patch burning to enhance wildlife habitat
- Shallow water habitat
- Riparian forest buffers
- Forest stand improvement for habitat and soil quality
- Wildlife corridors,
- Locally grown and marketed products
- Pollinator habitat
- Sustainable management for products like maple syrup or mushrooms
- Habitat improvement
- Tree establishment
- Forest stand improvement
- Integrated pest management

## Getting Help

[The NRCS Conservation Stewardship Program Information Page](http://www.nrcs.usda.gov/programs/new_csp/csp.html) ([http://www.nrcs.usda.gov/programs/new\\_csp/csp.html](http://www.nrcs.usda.gov/programs/new_csp/csp.html))- the official program information page from the Natural Resources Conservation Service

National Center for Appropriate Technology  
[Accessing the New Conservation Stewardship Program](http://www.attra.ncat.org/csp/)  
(<http://www.attra.ncat.org/csp/>)  
Free hotline (1-800-346-9140)

Center for Rural Affairs: Farm Bill Helpline (1-402-687-2100)

[Organic Farming Research Foundation CSP webpage](http://ofrf.org/policy/federal_legislation/farm_bill_implementation/csp_resource_page.html) ([http://ofrf.org/policy/federal\\_legislation/farm\\_bill\\_implementation/csp\\_resource\\_page.html](http://ofrf.org/policy/federal_legislation/farm_bill_implementation/csp_resource_page.html))

[Midwest Organic and Sustainable Education Service CSP webpage](http://www.mosesorganic.org/attachments/fundsforfarmers/csp.html) (<http://www.mosesorganic.org/attachments/fundsforfarmers/csp.html>)

[National Sustainable Agriculture Coalition](http://sustainableagriculture.net) webpage  
(<http://sustainableagriculture.net>)