

July 28, 2008

The Honorable Ed Schafer, Secretary  
United States Department of Agriculture  
14th and Independence Avenue SW  
Washington, DC 20250

Dear Secretary Schafer,

We the undersigned national, state, and regional organizations are writing with respect to the U.S. Department of Agriculture's implementation of the Conservation Stewardship Program. In enacting the 2008 Farm Bill, Congress made substantial changes designed to streamline and improve the former Conservation Security Program. As you implement those changes, we urge you to keep the following and attached considerations in mind. We believe they will help leverage the program to achieve broad participation of farmers and ranchers and substantial, lasting conservation gains on America's private lands.

We believe it is very important for America's farmers and ranchers to have an opportunity to enroll in new Conservation Stewardship Program contracts during the winter of 2008-2009. To the extent farmers have 'down time,' it is generally during the winter months, and we believe farmers will be much more willing and able to navigate new program requirements and handle enrollment paperwork if they can do it before planting season starts in the spring. We also believe it is in the interest of the Department -- from the standpoint of effective use of personnel and effective program delivery -- to handle the major contract offer evaluation and participant selection process earlier rather than later in the fiscal year.

We appreciate USDA's commitment to meeting the requirements of Section 2904 of the 2008 Farm Bill to promulgate regulations on a 90-day timeline. We recognize it is a substantial challenge to move through the process of developing rules and seeking public comment. We urge you therefore to move ahead with this process with all deliberate speed, issuing a proposed rule by September and an interim final rule by December.

We would be delighted to provide you and your staff with any information that might prove helpful as the drafting work begins and we look forward to engaging our members and constituents in the public comment process on those documents once they appear in the Federal Register.

Attached please find our counsel on a range of new issues that must be addressed as a result of the streamlining and enhancement of the CSP contained in the new Farm Bill.

Thank you in advance for your careful consideration of our recommendations.

Sincerely,

Agricultural Missions, Inc.  
American Agriculture Movement  
American Corn Growers Association  
Animal Welfare Institute (AWI)  
Beyond Pesticides  
Bird Conservation Network Executive Committee  
Center for Food Safety  
Center for Rural Affairs  
Defenders of Wildlife  
Equal Exchange  
Evangelical Lutheran Church in America  
Food & Water Watch  
International Center for Technology Assessment  
Izaak Walton League of America  
Land Stewardship Project  
National Campaign for Sustainable Agriculture  
National Catholic Rural Life Conference  
National Center for Appropriate Technology (NCAT)  
National Cooperative Grocers Association  
National Family Farm Coalition  
National Farmers Organization  
National Farmers Union  
National Grange  
National Latino Farmers & Ranchers Trade Association  
National Organic Coalition  
National Wildlife Federation  
New Entry Sustainable Farming Project  
Organic Consumers Association  
Organic Farming Research Foundation (OFRF)  
Partners for Sustainable Pollination  
Pollinator Partnership  
Rural Advancement Foundation International (RAFI)  
Sierra Club  
Sustainable Agriculture Coalition  
Trout Unlimited

Union of Concerned Scientists  
United Farmers USA  
The Xerces Society for Invertebrate Conservation

1000 Friends of Wisconsin  
Alternative Energy Resources Organization (AERO) – *Montana*  
Appalachian Sustainable Development - *Virginia*  
Back to Basics Coop - *Massachusetts*  
Berkshire Co-op Market - *Massachusetts*  
California Certified Organic Farmers  
Carolina Farm Stewardship Association  
Catholic Charities of Kansas City-St. Joseph, Inc.  
Chesapeake Bay Foundation  
Clean Wisconsin  
Community Alliance with Family Farmers – *California*  
Communities Assuring Sustainable Agriculture (CASA del Llano) - *Texas*  
The Cornucopia Institute – *Wisconsin*  
Delta Land & Community - *Arkansas*  
Dominican Sisters of Grand Rapids  
Ecological Farming Association - *California*  
Endangered Habitats League – *California*  
Environmental Coalition of Mississippi  
Family Farmer Organization - *Montana*  
Harvest Co-op Market - *Massachusetts*  
Hudson Valley WoolWorks  
Illinois Stewardship Alliance  
Iowa Citizens for Community Improvement  
Iowa Environmental Council  
Iowa Natural Heritage Foundation  
Just Food – *New York*  
Kansas Rural Center  
Kentucky Sierra Club  
Maine Organic Farmers and Gardeners Association (MOFGA)  
Michael Fields Agricultural Institute – *Wisconsin*

Michigan Land Use Institute  
Midwest Organic and Sustainable Education Service (MOSES)  
Minnesota Food Association  
Missouri Organic Association  
Missouri Rural Crisis Center  
Nebraska Wildlife Federation  
New England Small Farm Institute  
New Jersey Conservation Foundation  
Northeast Organic Dairy Producers Alliance (NODPA)  
Northeast Organic Farming Association of Massachusetts (NOFA/Mass)  
Northeast Organic Farming Association of New Jersey (NOFA/NJ)  
Northeast Organic Farming Association of Vermont (NOFA/VT)  
Northwest Coalition for Alternatives to Pesticides (NCAP)  
Ohio Ecological Food and Farm Association  
Oregon Tilth  
Pennsylvania Association for Sustainable Agriculture (PASA)  
Practical Farmers of Iowa  
River Alliance of Wisconsin  
Rural Life Committee, North Dakota Conference of Churches  
South Eastern Efforts Developing Sustainable Spaces, Inc. (SEEDS)  
Southern Sustainable Agriculture Working Group  
Sustainable Arizona  
Trout Unlimited, Wisconsin State Council  
True Roots - *Pennsylvania*  
Tuscarora Organic Growers Cooperative - *Pennsylvania*  
Veritable Vegetable – *California*  
Viroqua Food Co-op - *Wisconsin*  
Virginia Association for Biological Farming  
Western Sustainable Agriculture Working Group  
Willamette Farm and Food Coalition  
Wisconsin Farmers Union

cc:

Deputy Secretary Chuck Conner  
Chief of Staff Dale Moore  
Deputy Chief of Staff Dave Johnson  
Deputy Chief of Staff Beth Johnson

OBPA Director Scott Steele  
FAFAS Deputy Under Secretary Floyd Gaibler  
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NRCS Deputy Chief/Programs Tom Christensen  
NRCS Acting Director/Financial Assistance Programs  
NRCS Branch Chief/CSP Dwayne Howard

OMB/Ag Branch Chief Adrienne Erbach Lucas  
OMB Ag Branch Program Examiner Barbara Johnson  
OMB/OIRA/NREAB Chief Arthur Fraas  
OMB/OIRA/NREAB Policy Analyst Nathan Frey

## **Considerations and Recommendations for Conservation Stewardship Program Rulemaking and Implementation**

***Ensure Nationwide Benefits.*** Both the statutory language and the Managers' statement are clear and explicit that the program is to be open for enrollment on a continuous, nationwide basis. This will require a change from the current practice of limiting enrollment to selected watersheds. We believe this will help distribute the benefits of the program broadly throughout the nation and will help USDA to organize its outreach and assistance more efficiently than it has been able to do in the past. Allowing participants to apply for enrollment throughout the year is also critical to giving farmers and ranchers the flexibility needed to develop conservation plans, collect records, and make their way through the application process.

We encourage USDA to use the same general process it uses for many other conservation programs, in which producers can apply at any time, and USDA sets a cutoff date or series of cutoff dates when it will evaluate applications received to date. Providing for multiple cutoff dates through the year, including one major one relatively early in the fiscal year, will help ensure high quality enrollments and help ensure that the CSP acreage and funding is fully allocated.

***Focus on Priority Resources of Concern.*** The law helps focus the impacts of the Conservation Stewardship Program on specific resources that are of particular concern in each specific area. The Secretary, working through the USDA Natural Resources Conservation Service's State Technical Committees, is to select three to five priority resources of concern for each watershed or agro-ecological area. In our view, the list of possible resource concerns should include at a minimum soil, water, air, energy, biodiversity, genetic resources, fish and wildlife habitat, and native and managed pollinator habitat issues related to quantity, quality, or, in most cases, both.

We encourage NRCS to begin the process of selecting priority resources of concern immediately, so that once the interim final rule is complete, each State Technical Committee has been fully engaged in the process and the selections have been made and publicized in advance to producers in each watershed or region.

We urge USDA to encourage states to adopt a broad and diverse set of resource concerns in each area, so the program focuses on high priority resource concerns but does not become so narrowly focused as to defeat the comprehensive nature of the program. Care should be taken so that particularly severe problems in a given watershed or region are pinpointed and addressed, yet at the same time more universal concerns such as soil quality, climate change mitigation, and energy conservation are not ignored. We also urge USDA to issue rules or guidance to ensure that as a general rule at least one of the priority resource concerns in each area focus on critical fish or wildlife habitat issues for that region.

***Coordinate USDA's Working Lands Programs.*** We note that with passage of the 2008 Farm Bill funding for the two largest working lands conservation programs combined, CSP and EQIP, will for the first time exceed total spending for the two major land retirement programs combined, continuing a gradual shift that started with the 2002 Farm Bill. The question remains

how USDA will coordinate implementation to make the most effective use of the funding increase.

We strongly encourage USDA to implement these two programs as partners in a suite of ‘working lands’ programs – a suite which also includes smaller programs such as the Wildlife Habitat Incentives Program, Agricultural Management Assistance, and others -- and to position the CSP program in this working lands framework in its farm bill and conservation presentations and on the USDA and NRCS websites. Currently that is often not the case, but would be simple to correct.

EQIP is best suited for helping farmers and ranchers adopt production systems and practices that will help them fix important, pressing problems while improving their environmental performance. The Conservation Stewardship Program should be seen as a natural next step once a producer has adopted those systems and practices that allow them to achieve resource management system levels of performance for one or more priority resources of concern. At that point, CSP contracts can be used to help farmers and ranchers maintain and build on that improved environmental performance, address additional resources of concern to the stewardship threshold level or higher, and generally take their conservation activities to more advanced levels.

The higher environmental standards and eligibility threshold for CSP relative to EQIP should serve as an encouragement for the adoption of total resource management systems. The inclusion of payments to reflect costs, forgone income, and environmental benefits within CSP, rather than solely costs and forgone income as is the case for EQIP, should be used to simultaneously encourage farmer participation and substantial and lasting public benefits.

If, in the process of evaluating CSP contract offers, NRCS staff can easily perceive that unsuccessful applicants would likely benefit from pursuing short-term EQIP funding to address a major problem causing them to rank too low to get into CSP, they should encourage the farmer to pursue EQIP funding and then perhaps return to the CSP application process in a later year.

***Support Current Conservation, New Activities, and Ongoing Improvement.*** The new CSP is designed “*to encourage producers to address resource concerns in a comprehensive manner (1) by undertaking additional conservation activities; and (2) by improving, maintaining and managing existing conservation activities.*”

Existing activities must be sufficient to address at least 1 priority resource concern to the stewardship threshold level and the conservation stewardship plan must “*meet or exceed the stewardship threshold for at least 1 priority resource concern by the end of the stewardship contact by (A) installing and adopting additional conservation activities; and (B) improving, maintaining, and managing conservation activities in place at the operation of the producer at the time the contract offer is accepted by the Secretary.*”

The Secretary shall then provide for payments “*to compensate the producer for (A) installing and adopting additional conservation activities; and (B) improving, maintaining, and managing*

*conservation activities in place at the operation of the producer at the time the contract offer is accepted by the Secretary.”*

The Secretary is to make payments for existing, ongoing conservation activities and for practices adopted in the preceding year “*as soon as practicable after October 1 of each fiscal year*” while new, additional practices are paid for at the time the activity is installed and adopted.

It is clear beyond a shadow of a doubt that Congress intends for CSP eligibility and CSP payments to reflect both existing and new conservation efforts. We trust USDA will abide by the law and design the details of the program to fully incorporate and compensate for ongoing, improved, and new conservation systems, practices, and management measures.

***Make Good Use of the Enhanced Technical Assistance and Conservation Planning Provisions.*** Unlike the original CSP, the new CSP does not contain a statutory cap on the amount of technical assistance that can be provided. In addition, the new CSP allows for orderly enrollment by providing for enrollment, conservation planning, technical assistance, and new practice payments in one year, with full-scale implementation and financial assistance payments to commence at the beginning of the following fiscal year. In combination, the removal of the cap and the less harried enrollment process should allow the Department to greatly improve its performance in delivering the program in an effective manner.

The conservation stewardship plan is to be the basis for the activities to be carried out. We urge you to strongly encourage the use of comprehensive resource management system planning for CSP enrollments. We call your particular attention to the Statement of the Managers concerning conservation planning:

*The Conference substitute includes planning needed to address a resource concern as a conservation activity. Since CSP is intended to address multiple resource concerns in a coordinated manner, the Managers encourage the Secretary to implement the program in a manner that encourages comprehensive conservation planning through technical and financial assistance under this program. The Managers encourage the Secretary to use site-specific conservation planning as outlined in the National Planning Procedures Handbook and implement the program in a manner that encourages comprehensive conservation planning on all applicable resources through technical and financial assistance under the program.*

We also strongly encourage USDA to use and promote the new 2008 Farm Bill authority to fund conservation planning through both EQIP payments and CSP payments, thereby helping farmers and ranchers develop comprehensive, long-term conservation plans that could anticipate or enhance the use of EQIP, CSP, WHIP and other conservation programs. We note in particular that EQIP participants that make use of this new option for conservation planning financial assistance will very likely be better prepared for acceptance and enrollment in CSP.

***Use the Ranking Criteria to Promote Sustainability.*** We are quite pleased that Congress chose ranking criteria that determine contract offer acceptance on both the existing level of conservation with respect to priority resources of concern at the time of enrollment and the



degree of further conservation improvement relative to those priorities during the contract term, both measured to the maximum extent possible on resource-specific indices and other similar conservation measurement tools. This choice embodies the dual nature of the program's scope to recognize and reward a producer's total conservation effort both before and during participation in the program. This is a foundational principle of the CSP and we trust that both factors will receive equivalent weighting and support.

The ranking criteria also reflect another important dimension of the program. While program eligibility requires only that one priority resource concern be addressed to the stewardship level prior to enrollment and one additional priority during the 5-year contract period, the third ranking nonetheless weights enrollment toward those producers who are willing to address more, or all, priority resource concerns. This choice by Congress reinforces another important program concept, namely the strong encouragement of comprehensive or total resource management system approaches to conservation. We are particularly encouraged that this ranking factor will help ensure that producers willing to seriously advance biodiversity, wildlife habitat, energy conservation, and climate change mitigation will earn themselves an improved chance of being selected.

The fourth factor rewards producers for going beyond the agreed upon priority resource concerns for their region or watershed and addressing additional resource concerns for their operations and their particular interests. This is an important factor in ensuring both that the program is as site-specific as possible and also that the program recognizes farmer efforts with respect to important resource concerns that do not happen to make the cut in the process of narrowing them down to three to five. It will often be the case that critical resource concerns are of necessity left out of the prioritization process for the region but remain important to the values of the producer and the public.

The fifth and final factor requires that least cost options are favored over more expensive options in cases where the environmental benefits of the offers are equivalent. This cost "tie-breaker" will help steer producer choices toward low-cost but effective conservation management measures and will help maximize total program benefits.

Taken as a whole, we strongly urge you to use the ranking process to select and reward the integrated farming and conservation systems that are most sustainable and that encourage long-term maximum natural resource and environmental benefits.

The new Farm Bill also provides the Secretary with authority to create additional criteria where such additions are necessary to ensure that priority resource concerns are effectively addressed. We assume this authority will be used judiciously and on a watershed-by-watershed basis to help ensure specific outcomes will be attained that require mutual effort across the landscape. For example, in a region where intensive work is underway to implement a state wildlife plan, ranking points might be added for a particular habitat that is critical to the success of the plan. Or, in another instance, it might be clear that truly solving a water quality issue for a region will require significant land use shifts to more resource-conserving crops and/or an increase in grass-based agriculture, and extra ranking points could be offered to encourage such a transition. Another example might be a regional orchard system that requires a large-scale transition to a

higher, more advanced level of ecologically-based pest management to solve related resource concerns. Again, points might be offered in that specific instance to reward widespread adoption of the appropriate advanced IPM techniques.

***Strongly Encourage Resource-Conserving Crop Rotations.*** The original CSP statute encouraged special consideration for resource-conserving crop rotations and managed intensive rotational grazing and the multiple conservation benefits which they can secure. However, in implementation the resource-conserving crop rotation element did not always get the special consideration Congress intended. The new CSP therefore specifically provides supplemental payments under the program for beneficial resource-conserving crop rotations. We believe this crop rotation provision is critical to the overall success of the program and should be implemented in a comprehensive, nationwide manner. The Managers of the bill made this point in the conference report, noting:

*The Managers intend for the supplemental payment to encourage producers to adopt new, additional beneficial crop rotations that provide significant conservation benefits. The payments are to be available to producers across the country and should not be limited to a particular crop, cropping system, or region of the country.*

Sustainable farmers for many years have been adopting resource-conserving crop rotations despite in most instances being penalized for their strong environmental choice under the rules of the farm commodity programs. Few policies could be more important to the long-term health of the agricultural system and agro-environment than sending a new signal, through the CSP, that good ecological choices will be rewarded rather than penalized.

In adopting the rule for this provision, we encourage the Department to continue the current rule with respect to defining a resource-conserving crop as including “*a perennial grass, a legume grown for use as forage, seed for planting, or green manure, a legume-grass mixture, a small grain grown in combination with a grass or legume, whether inter-seeded or planted in rotation.*” (70 Fed Reg at 15215) This definition is quite similar to the one used in the Senate-passed version of the 2008 Farm Bill and to provisions of both the 1990 and 1996 Farm Bills.

***Support Environmental Enhancement through Organic Farming.*** We remain distraught that despite USDA’s promise in the 2004 IFR for CSP that NRCS would be “generating a crosswalk between the regulatory NOP [*National Organic Program*] practices and NRCS FOTG practices to assure that certified growers get full credit for their NOP compliance” and that the CSP rule will include “a clear mechanism for coordinating participation in the NOP and the CSP.” (69 Fed Reg at 34,508) this commitment was not fulfilled. Congress has now taken the appropriate step of mandating USDA coordination through the inclusion of an organic crosswalk provision. We urge you to fulfill this mandate by immediately beginning an interagency process as well as a stakeholder input process to ensure that all the appropriate guidance documents and outreach materials are in place for the 2009 sign-up and that organic producers, organic certification agents, organic farming associations, organic researchers and Extension specialists, and of course NRCS and NOP staff, have been brought into the process.

Congress took the additional step of also requiring special outreach and technical assistance to specialty crop producers and to all types of organic producers. We hope that over time the Department in general, including NRCS, will have added the expertise required to adequately fulfill this directive, but in the meantime, we urge you act quickly to develop cooperative agreements with NGOs, certifiers, and others with appropriate expertise to provide the necessary outreach and assistance.

***Encourage On-Farm Conservation Research, Demonstration and Monitoring and Evaluation Activities.*** On-farm research and demonstration activities, including but not limited to those integrated with monitoring and evaluation projects, are powerful tools to develop, promote, and extend advanced conservation systems and encourage innovation. Unfortunately, the voluntary research and demonstration and monitoring and evaluation aspects of the original CSP statute were underdeveloped during implementation. It is critical that this aspect of the program be fully developed and communicated clearly to producers. As stated in the conference report:

*The Managers expect the Secretary to establish and publicize design protocols and application and contract offer procedures for individual producer and collaborative on-farm research and demonstration activities and for pilot testing projects so producers have a clear understanding of how to participate in either of these two options.*

We also urge you to develop appropriate payment rate parameters for these activities and to include that information in training and outreach materials. In doing so, we urge you to use the considerable expertise and long track record of USDA's SARE program as a starting point, and to match up that experience and the SARE guidelines with the CSP payment factors related to training, materials, labor, management, income forgone, and so forth.

***Use Contract Renewal to Create Generational, Long-Term Change and Continual Improvement.*** The new bill provides that the producer may renew a stewardship contract of an additional five-year period provided the terms of the existing contract have been achieved to the satisfaction of the Secretary and the producer agrees to adopt new conservation activities. The conference report provides this additional guidance:

*It is the intent of the Managers that this could include expanding the degree, scope, and comprehensiveness of conservation activities adopted by a producer to address the original priority resource concerns or addressing one or more additional priority resource concerns.*

We urge you to write a CSP rule and embark on CSP implementation with a view toward creating an ongoing, renewable commitment to advanced results-driven comprehensive conservation that fosters long-term change and continual improvement. The contract renewal provision is a vital aspect of such a commitment and should not be compromised in any way.