

FARMERS' GUIDE



to the

Conservation Stewardship Program

Rewarding farmers
for *how* they grow what they grow

A publication of



National Sustainable Agriculture Coalition

<http://sustainableagriculture.net>



Farmers' Guide to the Conservation Stewardship Program was written by Loni Kemp for the National Sustainable Agriculture Coalition (NSAC) in 2009, with thanks to Ferd Hoefner and Ariane Lotti for their contributions and Aimee Witteman, Julie Hudson and Brian Fox for editing and layout. The second edition of this guidebook was updated and expanded in August 2011 by Rebecca Nemec with additional contributions from Ferd Hoefner and Greg Fogel.

SPECIAL NOTE - How to use this guide effectively

At the time that this guide was published, the National Resource Conservation Service (NRCS) was in the process of overhauling its website. As a result, links to specific online documents and resources on the NRCS website were not available, and could not be included in this guide. Please go to the online version of this guide on [NSAC's website](#) to find the most up-to-date links to the NRCS website.

Photo credit (including cover image): NRCS



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 farmers¹ the opportunity to augment the foundation of their good current conservation efforts by earning payments for actively managing and 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 Conservation Stewardship Program as passed in the 2008 Farm Bill builds on the vision and accomplishments of the preceding Conservation Security Program from the 2002 Farm Bill. But 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 sign-up basis at any time in any year. Several times a year, USDA's Natural Resources Conservation Service (NRCS), the agency that administers the program,

will rank applications received to that point based on environmental benefits and enroll the highest ranking proposals.

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

¹Throughout this report the word *farmer* includes all those who harvest plants and animals from the land, including ranchers and foresters.

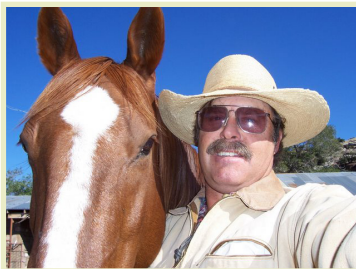
allow NRCS to enroll 12.8 million acres of farm and ranch land each year, or nearly 130 million acres over the next ten years.

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.

Eligible lands include cropland, grassland, prairie land, improved pastureland, rangeland, non-industrial private forestland 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.

Rancher Profile

Jim Thorpe
JT Land and Cattle
Newkirk, NM



“Being an early participant in

CSP has been meaningful to me not only as a rangeland steward but also as a leader of our New Mexico section of the Society for Range Management. America’s ranches and rangelands have long provided our nation with many ecosystem services beyond the traditional provisioning of livestock products. These benefits include biodiversity and wildlife habitat, soil carbon sequestration, open spaces and healthy watersheds. CSP is an important step in realizing one of the “Holy Grails” of the range management profession. This goal is to establish and maintain an ecosystem services incentive program that will foster land stewardship that is both economically and ecologically sustainable.”

The new Conservation Stewardship Program is dramatically streamlined since 2002. 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 arbitrary 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.

CSP in a nutshell

The new CSP provides technical and financial assistance to all qualified farmers, 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 crop farms, are eligible. Applications are accepted on a rolling basis, but all applications must be submitted by a certain date specified by NRCS to be reviewed and ranked for that year. 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 the state or watershed level.

The Conservation Measurement Tool (CMT) treats all applicants fairly, scoring their current and planned environmental performance and calculating payments accordingly. A tenth of the acreage enrolled is targeted to beginning and socially disadvantaged farmers. Another tenth of the total acreage is targeted to non-industrial private forestland. Beginning and socially disadvantaged farmers as well as non-industrial forestland applications compete in separate ranking pools. Supplemental payments reward improved or newly adopted resource-conserving crop rotations. The five-year contracts are eligible for renewal.

A brief history of CSP: *then & now*

Congress authorized the Conservation Security Program in the 2002 Farm Bill. The program subsequently evolved into the Conservation *Stewardship* Program in the 2008 Farm Bill. The 2002 CSP law contained the vision and components of a nationwide green payments program, but unfortunately its implementation by USDA did not match this legislative intent. After over a year of rule writing, the first CSP was launched with enrollment extremely restricted to just a few watersheds, short and abrupt sign-up deadlines, fierce competition for limited funds, and an exceedingly complex payment formula. 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 2004, 2005, 2006, and 2008, over 21,000 farmers and ranchers in select watersheds enrolled 17.5 million acres of land. Each acre enrolled met or exceeded the status of sustainable, resource-conserving use while in production. Farmers who enrolled in the original CSP program continue to carry out those contracts, and as old CSP contracts expire, farmers are able to enroll in the Conservation Stewardship Program under a new set of rules.

In the 2008 Farm Bill, many of the previous complexities and limits created by statute and especially by regulation were removed. With these changes, the Conservation Stewardship Program is well suited to be a model for national policy to transition and reward farmers *for how they grow what they grow*.

The new CSP is authorized and funded to enroll 12.8 million acres each and every year. Each state is allotted its fair share of total annual CSP acres (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 scheduled to begin, over 50 million acres of the nation's farm and ranch land will be operating at higher conservation and sustainability levels under CSP renewable five-year contracts. The program will be reviewed and reauthorized as part of the 2012 Farm Bill. By 2018, if funding remains at its current levels, there will be approximately 130 million acres in the program. Thus nearly 13 percent of American farmland will meet the high conservation standards of CSP, as well 13 million acres of private forestlands.

Congress made the new CSP an acreage-based program, but also put some cost controls into the program. Instead of capping funding directly in the 2008 Farm Bill, Congress directed that the average nationwide CSP cost - including payments and technical assistance - should not exceed \$18 per acre. Rangeland and forestland will generally receive a lower per acre payment rate, cropland will generally receive a higher per acre payment rate, and pasture will be closer to the overall average for all land-use types. Large acreage farms, which hit a payment limit of \$40,000 per year, will also help bring the average cost per acre down since all of their acres will be enrolled but not all of their acres will receive financial assistance due to the effect of the annual payment limit.

Another feature of CSP is that non-industrial private forestland, which is defined as rural land with existing tree cover or suitable land for tree cover, is eligible for payments. Under the old CSP program only incidental woodlots on agricultural land were included. The new program sets aside ten percent of total acres for forestland, providing new opportunities for forest owners to manage their land with sustainability in mind.



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 the sustainable level or higher 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 (including biodiversity), animals (including wildlife habitat), and energy conservation.

Each NRCS State Conservationist, with advice from his or her State Technical Committee, identifies three to five priority resource concerns that are specific to the state, area of the state, or individual watershed. States decide how large or small to make the areas that share the same priority resource concerns, and applicants compete only within these designated regions, or specific ranking pools.

Currently states choose macro-priority resource concerns, such as water quality or wildlife habitat. It is likely these annual priorities will get more specific over time. For example, in coming years, some states may cite pesticide pollution or nutrients as a priority concern instead of water quality in general or greenhouse gas emission reduction rather than air quality.

CSP participants may also address additional resource concerns that are not ranked as a priority in a given state or region. For instance, even if energy conservation or soil organic matter improvement is not a priority in a given area, these enhancements and practices can still be chosen and will still help boost an overall ranking score.

As of the 2011 enrollment year, 39 states identify priority resource concerns at the statewide level and the remaining 11 identified concerns at the subregion level. Typically, State Technical Committees develop subregions based upon geographic features like water basins or specific ecosystem characteristics. Over time we suspect more states will use subregions.

Stewardship Threshold

For each resource concern, a stewardship threshold will be determined. The stewardship threshold is a performance

score that indicates that the resource 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 by the end of the five-year contract. The stewardship threshold level may change over time as data is accumulated from previous ranking periods.

Conservation Measurement Tool

NRCS has created one big spreadsheet to assess all applications and implement CSP. The [Conservation Measurement Tool \(CMT\)](#) scores each farm 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 the [NRCS CSP website](#).

Priority Resource Concerns

Each state (and subregions of each state) decide on their own priority resource concerns (PRC). The chart below provides the percentage of states and subregions that have chosen each PRC during the 2009 and 2010 enrollment years.

Water quality	92%
Wildlife habitat	82%
Biodiversity	79%
Soil quality	77%
Soil erosion	67%
Water quantity	30%
Energy	24%
Air quality	16%

You can determine which PRCs have been selected for your state or subregion of your state, county or locality on the [NRCS website](#). Here are a few states that provide PRC information on their website:

[IOWA](#)

[MICHIGAN](#)

[CALIFORNIA](#)

NSAC continues to recommend that NRCS post the CMT in its entirety so that farmers can fill it out on their own, see how points are adding up, learn how to improve their chances by adding more enhancements, and what payments might be under different scenarios. Unfortunately, no decision has been made by NRCS to do so, though we hope this will change in the future.

Conservation Baseline

To evaluate a farmer's baseline level of conservation, points are assigned to each existing conservation activity according to its relative environmental benefit level. With the help of NRCS staff, farmers then answer a series of questions, called baseline inventory questions, about their conservation activities and points are assigned accordingly. The 2011 [CMT baseline inventory questions](#) ("CMT Inventory Questions") determine ranking and payment points for active management of existing conservation activities. They are available on the NRCS website.

Conservation Enhancements

CSP rewards farmers for sustaining current conservation activities, but it rewards newly added activities even more. NRCS has created a list of both regular conservation practices as well as conservation enhancements, which are conservation activities that go above and 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 determine which activities they are willing to adopt during the CSP contract period. This [list](#) can be found on the [NRCS website](#). To see the list in order of environmental benefits ranking, go to the [NSAC website](#).

Conservation Practices

Financial assistance for the adoption of new conservation activities is divided into two categories – [regular conservation practices](#) and [conservation enhancements](#). Farmers can use conservation practices to help them meet the stewardship threshold for a second priority resource concern, or may simply choose to implement practices in addition to enhancements.

The full range of NRCS regular conservation practices are not available through CSP; rather, a more limited set has been selected, including all of the major land management-type practices for this program. Both enhancements and regular conservation practices are categorized by the primary resource concern they address and by whether they are available on cropland, pastureland, rangeland, forestland, or a combination thereof.

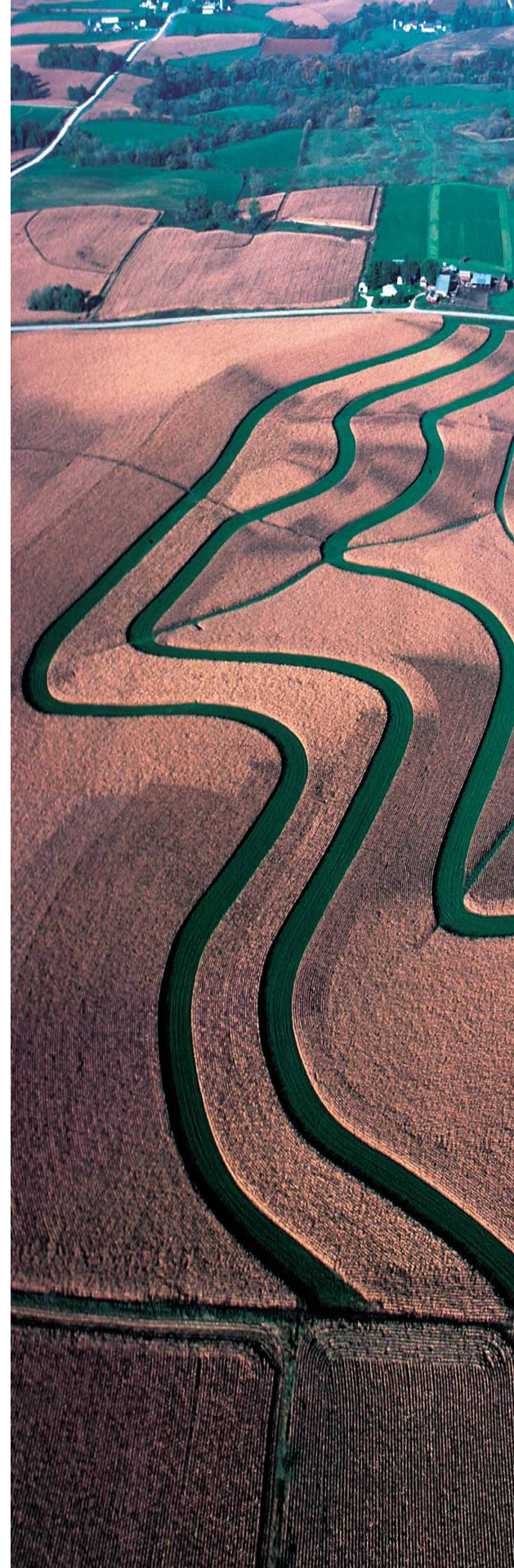


Photo credit: NRCS



Photo credit: NRCS

Contour strip cropping reduces soil erosion and nutrient runoff.

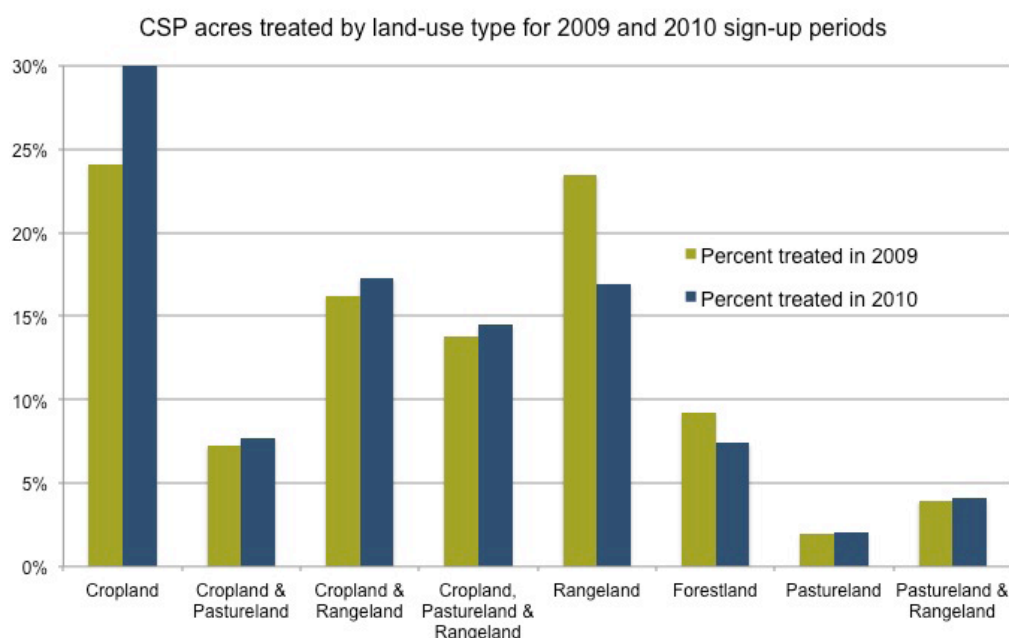
Data summary

This section of the guide provides data and statistics on the first two sign-up periods (2009 and 2010) of the Conservation Stewardship Program. Note that this is initial data from the Natural Resource Conservation Service and some changes may occur after this guide has been printed. NSAC will provide updates on changes to these data on our website.

In the initial CSP sign-up in 2009, 10,612 producers were enrolled, representing 12.6 million acres of agricultural and forestland and \$144.7 million in annual financial assistance. The 2010 enrollment totaled 9,955 farmers and ranchers and 12.5 million acres resulting in about \$175 million of annual financial assistance. By the time the 2011 enrollment data is finalized and released, we expect over 30,000 CSP farmers and ranchers will have enrolled over 37 million acres in the program. To put that in perspective, CSP as of 2011 will be producing effective conservation on an acreage totaling the size of the entire state of Georgia, or Iowa, or Michigan.

CSP contracts run for five years and may be renewed provided contract obligations have been fulfilled and there is a commitment to continued conservation improvement. Hence, the annual financial assistance figures need to be multiplied by five to obtain the total value of the five-year contracts from any given sign-up year. Like the Conservation Reserve Program, but unlike programs such as the Environmental Quality Incentives Program, CSP payments are obligated year-by-year under a fixed-length long-term contract.

Data from the 2009 and 2010 sign-up periods

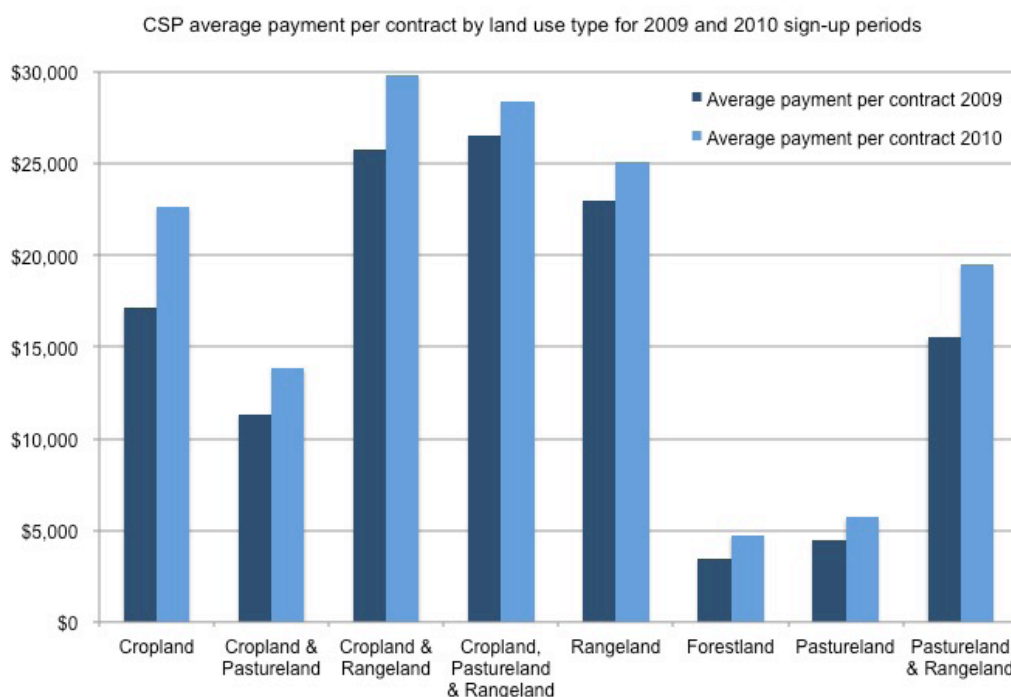


As the figure to the left depicts, the majority of acres with conservation treatment under CSP in 2009 were cropland and rangeland. The average payment per acre for these two land-use types was \$21.55 and \$3.89 per acre, respectively. The average payment per acre was \$16.34 for pastureland and \$6.44 for forestland during this sign-up period. (Note that payments per acre by land-use type change when multiple land-use types are being treated in one contract. The dollar values presented here are for contracts with single land-use types only.)

The overall average payment per acre during 2009 was \$11.48, the average annual payment per contract was \$13,643 and the average number of acres per contract was 1,188. All payment rate information is presented as financial assistance only and therefore does not include the additional technical assistance investment, which totaled \$60 million.

The average contract award for the program increased from the first sign-up period to \$17,641 annually and the average payment per acre also increased to \$13.98. The average number of acres per contract was 1,261 in the second sign-up period. You can see the average payment per contract for both sign-up periods in the graph below.

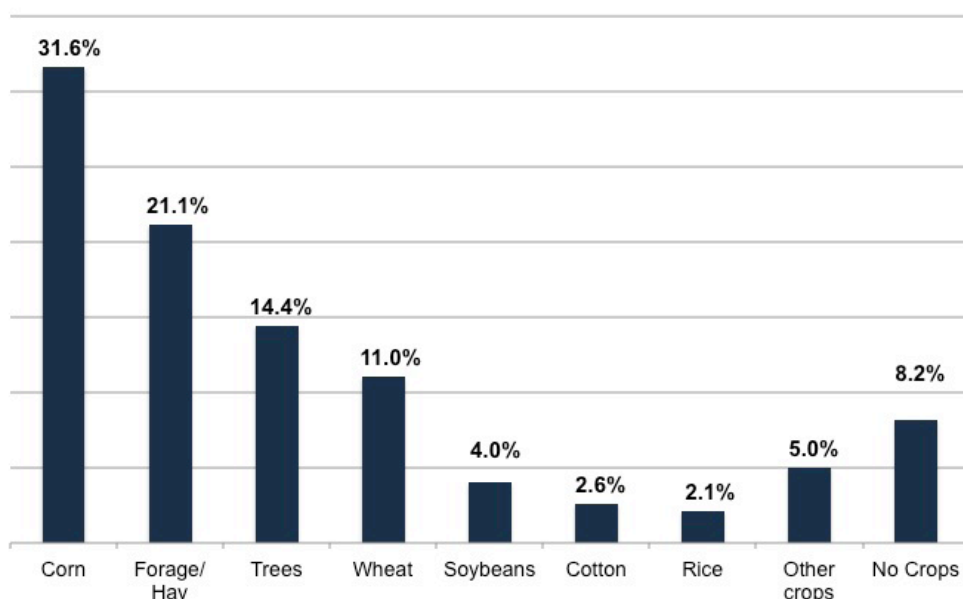
The average payment per acre in 2010 for cropland was \$23.97, \$4.04 for rangeland, \$18.45 for pastureland, and \$8.62 for forestland.



Cumulative data over the first two sign-up periods

Roughly \$320 million (plus an additional \$60 million for technical assistance) has been distributed to 20,567 farmers and ranchers across the US by the program after the first two sign-up years in 2009 and 2010. The \$320 million represents the first year cost of the five-year contracts. Nearly half of total CSP financial assistance dollars went to farms that are entirely comprised of cropland. Another 35 percent went to farms that had a combination of cropland and either rangeland or pastureland or both. Payments to farms, ranches and woodlot operations that have no cropland accounted for 16 percent of total CSP financial assistance dollars in 2009 and 2010.

CSP contracts by commodity type (2009 and 2010)



The average annual payment per acre (exclusive of technical assistance costs) for 2009 and 2010 combined was \$12.73. Cropland had the highest average annual payment per acre of \$22.76 and rangeland had the smallest annual payment per acre of \$3.97.

The average annual payment per contract was \$15,642. Farmers who received payments for both cropland and rangeland had the highest average annual contract payment of roughly \$29,000. Forestland owners received the smallest average annual contract payment of \$4,716.

Allocation of CSP acreage

The 12.8 million acres available for CSP enrollment each year is allocated to the states in proportion to each state's total agricultural land area compared to the US total. Over 25 million acres of land was enrolled in CSP in 2009 and 2010 combined. The majority of acres treated by the program so far have been cropland and rangeland, though a healthy amount of pasture and forestland have been enrolled as well.

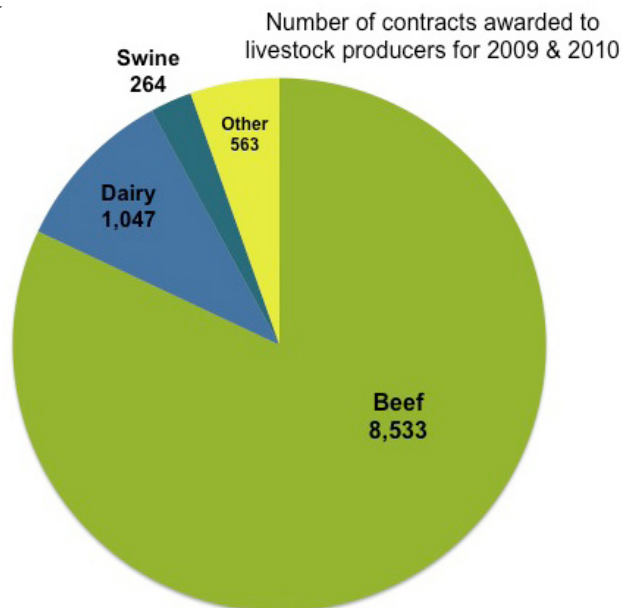
Texas, Nebraska and Montana enroll the greatest number of acres in the program, each of them with significant cropland and substantial rangeland. Counting the 2009 and 2010 enrollments, farmers and ranchers in these three states together have implemented conservation activities on over five million acres of land through CSP. In Texas, the majority of CSP acres were enrolled as rangeland, while Montana enrolled farmers who predominately implemented conservation practices on a combination of pastureland, rangeland and cropland. The majority of contracts issued in Nebraska were for farms with both cropland and rangeland.

Farms with commodity crops dominate

Farmers that grow corn, forage/hay, wheat, and soybeans on their farms received the lion's share of CSP contracts. The chart above summarizes the number of contracts issued for various commodity types. Note that data on dollars allocated or acres treated for particular commodities was not available at the time that this report was published; hence we are only showing contract numbers, by predominate activity per farm.

Contracts to livestock producers

Among farms with livestock, beef and dairy represent the vast majority of total contracts, a result consistent with the national distribution of acres by livestock species. The pie chart to the right describes the breakdown of contracts by livestock type.



Popular practices and enhancements

In the 2009 and 2010 enrollment years, the new conservation enhancements chosen most frequently by farmers on cropland were:

- Reducing pesticide drift
- Plant tissue testing for nitrogen management
- Wildlife-sensitive haying
- Split nitrogen applications
- Precision nutrient application
- Cover crop mixtures
- GPS and electronic control technology for chemical application
- Advanced integrated pest management
- Continuous no-till with high residue management
- Resource-conserving crop rotations
- Pollinator habitat

For pasture and rangeland, leading new enhancements chosen by grazers and ranchers included:

- Rotation of feeding and supplementation areas
- Grazing management to improve wildlife habitat
- Incorporating native grasses and legumes into forage base
- Solar powered electric fencing
- Retrofitting water facilities for wildlife escape
- Monitoring to improve grazing management
- Management-intensive rotational grazing

For forestland, the leading new enhancements chosen by family foresters were:

- Forest stand improvement for wildlife habitat and soil quality
- Riparian forest buffers
- Hardwood crop tree release
- Forest wildlife structures
- Prescribed burning
- Pollinator habitat

Wildlife habitat enhancements come up big

Over 15,000 conservation enhancements and practices specifically designed for wildlife habitat benefits were included in 2009 and 2010 contracts. This is about 20 percent of the total new conservation enhancements and practices selected in the two initial sign-ups. It does not include the many additional enhancements designed for other primary purposes (such as reducing pesticide use and nutrient runoff, conserving water, or increasing biodiversity) with positive indirect wildlife benefits.

Other intriguing enhancement choices

In the first two years, 350 farmers chose to convert cropland to grass-based agriculture and nearly 450 chose to implement continuous cover crop systems. Both of these enhancements receive very high environmental benefit ranking and payment points. Over 500 chose to adopt non-chemical control of weeds and invasives on grasslands. Enhancements that are specific to organic farming systems were chosen in 210 contracts; this does not count all of the other conservation practices highly relevant to, but not specific to, organic systems, such as crop rotation, cover cropping, composting, and habitat for beneficials and pollinators. Nearly 200 farmers and ranchers chose to participate in on-farm research and demonstration or on-farm innovative practice pilot testing projects.

Top ranking enhancements

CSP conservation enhancements are ranked according to expected environmental benefits. The higher the environmental benefit score, the higher the CSP payment. The top dozen highest-scoring enhancements are:

1. Conversion of cropped land to grass-based agriculture for biomass or forage production
2. Continuous no-till for organic farming systems
3. Continuous cover crops
4. Continuous no-till with residue management
5. Riparian forest buffer extension
6. 100% on-farm nitrogen sources
7. Prairie restoration areas
8. Herbaceous riparian buffer extension
9. Legume cover crops for on-farm nitrogen
10. 100 percent on-farm nitrogen sources
11. Filter strip extension
12. Rotation of livestock feeding and supplementation

Beginning farmers and ranchers

As required by law, (the original statutory language), each state maintains a five percent set-aside of CSP acres for beginning farmers and ranchers, plus an additional five percent set-aside for socially disadvantaged or limited resource producers. These pools allow applicants to compete separately from the bigger pool of CSP funds, and provides them a better chance of receiving a contract. In 2009 and 2010, 3,446 beginning, social disadvantaged and limited resource farmers and ranchers have applied for funding. Of those, 2,191 received contracts, a success ratio of 64 percent. This success ratio is higher than the success ratio of CSP as a whole, which suggests the intent of Congress in establishing the set asides is working, giving beginning and social disadvantaged farmers a leg up.

Top states for beginning farmer contracts

The states with the greatest number of CSP contracts issued to beginning farmers and ranchers are listed in the table below. Data on the total number of contracts issued to beginning farmers and ranchers during the first two sign-up periods was not available at the time that this report was written.

Top Ten States Contracts awarded to Beginning Farmers and Ranchers		
1	Missouri	191
2	Minnesota	148
3	Nebraska	130
4	Iowa	88
5	North Dakota	63
6	Texas	63
7	Oklahoma	59
8	Kansas	57
9	Colorado	49
10	Montana	46



Photo credit: NRCS

Specialty crop producers

In 2009 and 2010, 3,348 producers of specialty crops enrolled in five-year CSP contracts. NRCS reports that 1.8 million acres of farms enrolled in the program in 2009 and 2010 reported specialty crops as the primary farm enterprise. From the available data the exact amount of specialty crop acres enrolled cannot be pinpointed, but if one assumes that half of those 1.8 million acres were specialty crop acres, that would represent over seven percent of total specialty crop acres nationwide, indicating a robust interest and enrollment response among fruit, nut, and vegetable producers.

Top five states - dollars obligated to specialty crop growers

	Dollars Obligated	Acres Enrolled
1. Georgia	\$2,373,119	149,508
2. Alabama	\$1,790,384	235,194
3. Oregon	\$1,334,304	111,856
4. California	\$1,261,716	120,586
5. Alaska	\$1,219,417	177,828

Specialty crop producers received a little over \$16 million in annual contract funding. Although these producers received only five percent of CSP funds, they have enrolled over 7 percent of total program acres (and a much higher percentage of total cropland enrolled in the program) and make up 16 percent of enrolled producers.

Specialty crops are defined as fruits and vegetables, tree nuts, dried fruits, horticulture, and nursery crops (including floriculture). Specialty crop producers are an important component of the agricultural sector in the US. They produce fresh fruits and vegetables for consumers and provide important economic benefits to rural

communities across the country. According to the USDA 2007 Census of Agriculture there are 225,000 specialty crop producers in the US or 10 percent of the total farm population. Specialty crops were valued at \$67.4 billion, employed 1.4 million workers in 2007 and make up 11.6 million acres of harvested crop acreage in the United States.

The table above lists the top five states enrolling the greatest number of acres and receiving the largest proportion of CSP dollars for specialty crops. The table below and to the right highlights the top ten states for CSP contracts to specialty crop producers for both the 2009 and 2010 enrollment periods.

Top ten states – number of contracts issued to specialty crop growers

	Number of Contracts	Percent of total
1. Minnesota	307	9.2%
2. Missouri	276	8.2%
3. Georgia	254	7.6%
4. Alabama	245	7.3%
5. South Carolina	223	6.7%
6. Texas	194	5.8%
7. Wisconsin	172	5.1%
8. Michigan	150	4.5%
9. Pennsylvania	137	4.1%
10. Tennessee	124	3.7%
11. Oregon	113	3.4%
12. California	100	3.0%
13. New York	99	3.0%
14. Arkansas	97	2.9%
15. Mississippi	84	2.5%

Special area-wide projects

There are two special targeted region-based projects within CSP, the Cooperative Conservation Partnership Initiative (CCPI) and the Mississippi River Basin Initiative (MRBI). Both initiatives combine resources from CSP and the Environmental Quality Incentives Program (EQIP).

CCPI leverages public-private partnerships in specific geographic regions in the US to address significant resource concerns. These projects engage a variety of stakeholders including non-government agencies, landowners and NRCS officials.

MRBI uses various NRCS programs (including Conservation Innovation Grants, Wetlands Reserve Enhancement Program, and primarily the CCPI) to implement conservation practices on land abutting the Mississippi river, control nutrient runoff, improve wildlife habitat, and sustain agricultural productivity in the region.

According to NRCS data, CSP dedicated \$73,308 a year to CCPI and \$914,196 a year to MRBI during the 2010 sign-up. (Neither option was yet available during the 2009 sign-up.) The average contract payment for farmers receiving CSP funds for these two projects was slightly higher than the overall 2010 sign-up period average payment per contract of \$17,641. The average payment per contract for CCPI was \$18,327 and \$20,315 for MRBI. Average payment per acre for both programs was also slightly higher than the overall average of \$13.98; \$17.92 per acre for CCPI and \$21.33 per acre for MRBI. A total of 50 CSP contracts were issued for these two programs and 46,941 acres were treated.



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 CSP applicants with the best current and planned future conservation activities. First you apply to see if you are eligible, then NRCS scores your current performance and future plans. If you already meet acceptable conservation levels you compete in a ranking process that determines which farmers, ranchers or forest owners will receive contracts. Contracts are awarded to those offering the highest level of environmental benefits, with NRCS working down through the list of eligible applicants until acreage allocated to the particular state for that particular year runs out.

When to apply

CSP is open for enrollment at any time during the year. You can apply at any time you are ready and qualified, and your application will be considered during the next scheduled ranking. Realize, however, that if you apply after the ranking process is over for any particular year, your application will not be considered until the following year. It is important, therefore, to learn from your county or state NRCS office when the ranking process deadlines will occur. For instance, the 2011 evaluation and ranking period closed on January 21, 2011, but producers are still encouraged to submit applications for the next ranking period, likely to be early in 2012.

If you do not currently meet the CSP entry level conservation requirements (referred to as the stewardship thresholds), or if you want to improve your chances of being selected by accumulating more points for pre-existing conservation activities on your land, 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.

Also, note that as the program evolves there will likely be some annual changes to the Conservation Measurement Tool, the list of conservation enhancements offered, and perhaps the payment rates. Those changes are likely to be announced on the federal and state NRCS websites.

Steps to CSP enrollment

1. Determine if you are eligible. You can use the [NRCS Producer Self-Screening Checklist](#) first to see if the program might be right for you. 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.
2. Determine the three to five Priority Resource Concerns that apply to your land. These are available on your [state NRCS website](#). There are also examples of state Priority Resource Concerns on page six of this guide.
3. At your local NRCS office you will complete a simple, basic application and set a date to come back and work through the [Conservation Measurement Tool \(CMT\)](#). The CMT is a series of questions related to a farm's existing conservation practices and the new conservation improvements and additional practices under consideration. It is also used to determine your eligibility, score and rank your proposal, and establish the payment rate. Payments are calibrated to environmental benefits from active management and maintenance of ongoing conservation activities and the adoption of new conservation enhancements.
4. Assess your current performance with the [CMT baseline conservation questions](#). You must meet or exceed the stewardship threshold for at least one Priority Resource Concern to be eligible.
5. 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 \(EQIP\)](#), also administered by NRCS.
6. Study the [long list of 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 five-year contract, if you don't already meet two when you first enroll.
7. 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. A list of all [the enhancements and practices and their respective environmental benefit point values](#) are available on the [NSAC website](#). This list is in order from highest environmental benefit ranking to lowest.
8. NRCS will select highest scoring applications until all acres for a given year are allocated. If pre-approved for a contract, 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.
9. Verify activities each year and receive a CSP check for the preceding growing season in the fall of each year.
10. 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 resubmit to be evaluated in the next announced ranking.
11. For now, farmers will only see the full CMT when they sit down with NRCS staff who will answer questions and will input your information into the CMT. Be sure to ask NRCS about your options for conservation practices and enhancements, and about how each choice is scored. Make sure to ask the staff to print a copy of your CMT when it is completed. You may want to verify what was entered at a later date or see what you can do to improve your score if you need to apply again.

HELPFUL HINT: *Environmental Quality Incentives Program (EQIP)*

EQIP provides financial and technical assistance for conservation plans, total resource management system (i.e. comprehensive) conservation plans, as well as conservation activity plans for specific purposes such as organic conversion, forest management, Integrated Pest Management, or energy conservation. These activities can be funded as a stand-alone activity or can be funded in conjunction with a broader EQIP project. They can also be used by farmers to undertake the advanced conservation planning that may be needed for farmers to become eligible for participation in CSP.



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

Are you 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. 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. 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. However, you do need to demonstrate possession of the land, and authority to act as decision maker for the day-to-day management of the operation for the required period of the CSP contract.

NRCS relies on the Farm Service Agency's (FSA) 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 FSA farm records management system, so update your records if necessary. Some CSP applicants will not have an FSA farm number, especially forestland 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 in payments per year.

CSP is limited to persons with an adjusted gross income under \$1 million, averaged over three years, which the applicant verifies 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. These same rules apply to all farm bill conservation programs.

What is a farm?

If you sell at least \$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 per year.

Each operator is only eligible for one CSP contract, unless they are involved in two or more substantially separate operations, or if they receive both a forestland and an agricultural land contract.

What land is eligible?

Private agricultural land is eligible, including cropland, improved pastureland, grassland/prairie land/rangeland, land used for agro-forestry, and forestland that is an incidental part of the farm. Beginning with the 2010 enrollment period, NRCS has also established a “pastured cropland” designation for land designated as cropland but used for pasture. This designation is important in that it provides a greater payment rate for grass-based livestock production on land suitable for cropland.

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 as a single contract.

Non-industrial private forestland that is not part of agricultural land is also eligible. Ten percent of total CSP acreage is set aside for private forestland.

Does the size of a farm matter?

While 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 per acre, still can only earn a certain amount of environmental benefit payment points when multiplying value times acres. A ten acre farm, for instance, may only be able to earn a few hundred dollars per year from CSP, which may be worth it for some farmers primarily for the stewardship recognition, but for others it may not be worth the paperwork.

In order not to prejudice the program against small acreage, high-value operations and to help reap the added conservation benefits, NSAC has encouraged NRCS to create a \$1,500 per year minimum contract payment amount. The agency has not accepted that proposal, though they have created a minimum \$1,000 per year payment amount for participants who are socially disadvantaged, beginning, or limited resource farmers or ranchers. NSAC hopes NRCS will raise the amount and expand it to cover all farmers in the near future.

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 per acre on average would hit the limit of \$40,000 and thus receive only \$16 an acre. Put another way, the 2,500-acre operation would only receive the \$20 per acre payment for 2,000 acres; the remaining 500 acres would not be eligible for payments but would nonetheless be enrolled in the program and subject to the conservation requirements.

What land and practices are excluded?

Acreage already enrolled in conservation land retirement programs, (the Conservation Reserve Program, Wetlands Reserve Program, and Grasslands Reserve Program) is not eligible for CSP payments. Farmers with land in these programs are eligible for CSP and the retired acres will be included as part of the “whole farm” that is subsequently enrolled in CSP, but no new practices or enhancements will be awarded points on those acres.

Land subject to, but out of compliance with, highly erodible land or wetland conservation provisions is also not eligible. Public land is not 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 CRP, was in a long-term crop rotation, or is incidental land needed for efficient operation of the farm.

CSP will also not pay for:

- New practices or enhancements paid for by other USDA conservation programs (e.g., EQIP).
- Structures, equipment, and practices related to animal waste storage, treatment, transport or transfer. Nutrient management related to manure application is allowed, however.
- Activities with no costs or foregone income incurred 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 cannot 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 from their landlords. For some producers, this can get complicated, considering that more than half of US 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 to the contract during the five-year period. Payments will be reduced for land subtracted if ownership or rental agreements change. Newly purchased or rented land can be added to the CSP contract, but only at the time of renewal of the five-year contract.

NSAC continues to urge NRCS to allow new acres to be enrolled in existing contracts provided the environmental benefit score of the full operation, including the added land, would have been sufficient for the producer to get into the program in the year they initially enrolled. To date, NRCS has not accepted this common sense proposal.

Are you a beginning, limited resource or socially disadvantaged farmer?

If you have operated a farm or forest for less than ten consecutive years and will have substantial day-to-day labor and management 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 or African Americans, Native Hawaiians or other Pacific Islanders, and Hispanics) you may also be considered separately as a socially disadvantaged producer. It should be noted that

these designations are not mutually exclusive. Applicants must, however, designate their intent to compete in these separate ranking pools. At least five percent of allocated acres are 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 is considerable advantage to enter the targeted pool instead, since there will likely be fewer applicants competing in those pools.

Since the first sign-up period roughly 5.6% (2,191 of 38,500 applications) of the applications for CSP were from beginning farmers and ranchers. From these applications a total of \$14,590,000 was awarded to 1,496 farmers and ranchers. The amount of funding awarded to beginning farmers and ranchers was approximately 4.6% of total funds awarded by the program.

Farmer Profile

Nolan & Vanessa
Lenzen
Silver Shade Dairy
Eagle Bend, MN



The Lenzens are in their second year on a 140-acre farm they purchased in the northwest part of Minnesota. The 40-cow dairy herd is certified organic and the family sells milk for a premium to Horizon Organic. When Nolan and Vanessa moved to the farm, milk cows had not been on the land in four years, and a lot of work was needed to make it a grade A dairy. The thin soils had been cropped extensively, and the Lenzens spent most of 2008 establishing a rotational pasture system on former cornfields. They were able to use cost-share money from the Environmental Quality Incentives Program to get their rotational grazing fencing system set up. The Lenzens now also receive payments from CSP for their grazing practices and for how they manage their land to maximize their environmental benefit.

- Photo above and information courtesy Land Stewardship Project

Socially disadvantaged farmers were awarded 378 CSP contracts and \$9,897,000 in 2010. This was roughly 3.1% of total CSP funds for the year. Limited resource producers received \$2.1 million in contract funding in 317 total contracts (1.5% of total contracts).

What if I am an organic producer?

CSP does not have a separate pool of funds for organic producers, but organic producers are very likely to have extensive conservation systems in place and may be interested in many of the offered enhancements available through the program that are designed to assist organic farmers in particular. Thus organic farmers may rank high and earn good payments. A certified organic farm's [Organic System Plan](#) helps to communicate to NRCS the practices used and how they relate to questions in the CMT, and will prove invaluable when field verifications are done.

The Environmental Quality Incentives Program (EQIP) also offers an [Organic Initiative](#) providing one-time payments for implementing new conservation practices that are part of a transition 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. You can learn more about the EQIP Organic Initiative on the [NSAC website](#) or on the [Organic Farming Research Foundation website](#).

CSP requires USDA to take specific steps to ensure the program will benefit organic farming and ranching systems. USDA is required by law to provide appropriate outreach and technical assistance to organic farmers and ranchers so that they can participate in CSP. USDA is also required to create a transparent process that will allow organic farmers and ranchers to coordinate the organic certification process with their participation in CSP, including coordination of organic plans and CSP conservation plans. A chart is available on the [NRCS CSP website](#), that shows which particular CSP conservation activities relate most directly to organic farming system plans.

For transitioning or 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
- Biological suppression and other non-chemical techniques to suppress herbaceous weeds
- Resource conserving crop rotations - this core practice of organic producers is a top priority for CSP and will receive supplemental payments
- Pollinator habitat
- Continuous cover crops
- Habitat development for beneficial insects for pest management
- Locally grown and marketed farm products
- On-farm composting of organic waste
- Land application of treated manure
- Use of legume crops as a nitrogen source
- Intensive management of rotational grazing
- Extending existing riparian herbaceous cover 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. Other types of environmental credit or ecosystem service markets are also under discussion. Participation in such emerging markets should be possible even while receiving CSP payments. However, NRCS will need to help participants considering selling any type of environmental credit to ensure that it is consistent with CSP operation and maintenance requirements. In other words, you still have to meet the requirements of your CSP contract, but according to

Improve your baseline

Pick high-scoring enhancements to boost your ranking

The CSP has proven to be very popular, and thus entry is quite 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. The more priority resource concerns the producer can meet to levels at or above the stewardship threshold, the higher the application will be ranked.

In either case, farmers can make the necessary improvements or change their management, and then re-enter data and re-calculate the CMT with a CSP application. You should visit your [local NRCS office](#) first because there are other programs that might share costs or provide financial help to make those changes before you enroll in CSP. In particular, EQIP 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.

You can also boost your ranking by picking high-scoring enhancements, activities that you agree to implement above and beyond what you are already doing to conserve resources. All contracts must include additional or improved practices and enhancements, and on average during the 2009 and 2010 enrollment years, farmers have been choosing three new conservation enhancements or practices for their applications.

The highest-scoring enhancements include: conversion of cropped land to grass-based agriculture for biomass or forage production, continuous no-till for organic farming systems, continuous cover crops, continuous no-till with residue management, and resource conserving crop rotations. The next five highest after those are: resource-conserving crop rotations, cover crops, using legumes for nitrogen, manure, compost for 100% nitrogen needs, existing herbaceous riparian buffers and shrub establishment.

You can download a [full list of enhancements and their associated scores](#) on our CSP webpage.

NRCS rules you should be able to receive environmental credits or payments on top of your CSP payment.

What if I own forestland?

Non-industrial private forestland is eligible for CSP. Your land must meet the definition of privately owned non-industrial forestland – most commonly described as family owned forestland. Like all CSP participants, you must enroll your entire forestland property and you cannot selectively choose to enroll land that is in good condition and exclude acres that need help.

Forestland applications will be designated as a separate application to compete only with other forestland applications as part of the ten percent set-aside from total CSP acres. If the same individual also submits an agricultural land application, that second application must exclude the forestland.

Forestland owners interested in improving woodlands should consider some of the new enhancements available to them, including:

- 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

Conservation Measurement Tool

How do I work with the Conservation Measurement Tool?

When filling out the actual CMT, a NRCS professional will enter your information into 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. NRCS recommends that you bring the following information into your [local NRCS office](#) when you sign-up: a completed self-screening checklist, any tract maps that you have of your land, and any control of land documents that are not already on file with the Farm Service Agency.

Unlike the Conservation Security Program, the Conservation Stewardship Program does not require soil tests or other particular documents in order to apply. But you will eventually need to substantiate past conservation efforts 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 use it as a starting point to improve your next application.

We continue to urge NRCS to put a working version of the Conservation Measurement Tool (CMT) online. Hopefully they will do so in the not to distant future. Through trial runs, you would then 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 your estimated payments. If and when NRCS posts the CMT online, we recommend that you see what happens to the score if you alter practices. You may decide to improve your baseline before you submit the application or may decide that additional new enhancements are beneficial and practical choices.

What are the basic land uses?

You will assign particular acreage to one of four agricultural land uses: cropland, pastureland, rangeland, or pastured

cropland (land designated as cropland but actually used for pasture). Non-industrial private forestland is also eligible but must be enrolled separately.

What is your starting conservation baseline?

The first purpose of [filling out the CMT](#) is to assess your baseline, or existing, conservation activities. On average, about 40 percent of the total payment stream will reward existing conservation activity at the time of enrollment that will be actively managed and maintained during the contract period. However, the actual percentage for a particular application may be above or below 40 percent.

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, and whether there are provisions for wildlife.

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

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

Water bodies and salinity are also asked about if relevant to the particular farm. If they are, then you will be asked about related water quality protection and improvement practices.

You can preview the baseline questions on the [NRCS CSP website](#). 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.

HELPFUL HINT: *Honesty is the best policy*

Filling out the CMT 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.

Enhancements

CSP conservation enhancements are designed to help farmers exceed the sustainable performance level for a given resource concern. NRCS has defined a specific number of conservation enhancements and regulation conservation practices that are eligible for payments. These are described in detail in the [Conservation Activity List](#) on the NRCS CSP website. The list currently describes 83 enhancements 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 your 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 has been adjusting the enhancement list from year to year, with occasional deletions and generally a few additions or revisions, based on feedback they receive from farmers. The vast majority, however, stay the same from year to year.

On average, roughly 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](#).

If you are already implementing an activity listed as an enhancement, NRCS intends that the CMT 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 on-farm research demonstration projects and on-farm pilot testing of new practices and technologies. The Conservation Activity List describes the on-farm research

and demonstration activity, as well as the on-farm pilot activity.

On-farm research & demonstration projects are currently required to fit within identified state priority topic areas, which are identified by each NRCS state office with input from the State Technical Committee. Projects can occur on any land-use type. Projects can be part of a broader research project by a land grant or other research institution, in which the CSP farmer participates, or it can be a CSP farmer initiated project provided it fits within the topic areas identified in his or her particular state.

If you are interested in this option, the first step is to check your state [NRCS website](#) (scroll to the end of this page) for the designated topic areas for CSP on-farm research and demonstration projects for a particular enrollment year. You will then need to outline the goals of the research or demonstration activity, a timeline for completion, expected end products and outcomes of the project, acreage needed, and indication of any assistance that will be needed with data collection. More information is provided in the NRCS job sheet and protocol.

On-farm pilots include the installation, monitoring and publicizing of projects that showcase environmental benefits through research, but are not used by farmers in the project area. Practices, components, or management techniques must be implemented, monitored, and publicized according to protocols developed specifically for the project.

States will identify acceptable pilot project topic areas 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 for engaging in these types of projects. You can learn more about research and pilot projects on the [NRCS website](#).

NSAC continues to encourage NRCS to provide payments for these research and demonstration activities through separate, additional payments that are based on the anticipated costs of each project. To date the agency is providing payment for these activities as part of the overall CMT payment structure, and the current

Bundles

Bundles were a new addition to CSP in 2010. A bundle is a group of proposed enhancements that might make sense to practice together for some farmers and ranchers. For the 2011 sign-up, NRCS offered five cropland bundles, five forest bundles, five pasture bundles, and five rangeland bundles. Read about bundles, which are summarized below or in greater detail on the [NRCS website](#).

Applicants who choose to implement a bundle of enhancements will receive an increase in ranking points and payments relative to choosing from the regular a la carte menu of enhancements. Like the blue plate special at the luncheonette, however, no substitutions are allowed.

Bundle name & number		Description
Crop technology	1	Precision techniques to apply nutrients and pesticides while widening buffers to protect non-cropped areas
	2	Promotes locally grown and marketed farm products and reduces inputs while improving soil and water quality, benefiting pollinators and other beneficial insects
	3	Reduces inputs of energy, pesticides, and nutrients while protecting non-cropped areas by widening buffers
	4	Activities that address resource concerns in orchards and vineyards
	5	Improve wildlife habitat on cropland and adjacent areas
SE pine forest Forest	1	Treatment of SE pine forest with prescribed fire to improve wildlife habitat and forest production (for Southeast pine forests only)
	2	Improves wildlife habitat and increases forest productivity
	3	Reduces wildfire potential while improving wildlife habitat and soil quality
	4	Increases wildlife habitat (aquatic and terrestrial) while reducing wildfire potential and improve soil quality
	5	Increases diversity of non-timber plants while reducing wildfire risk, improving soil quality and reducing energy consumption
Pasture grazing	1	Improves the forage base while protecting water quality and protecting wildlife
	2	Improves wildlife habitat by reducing the impact of pasture management activities using IPM and non-chemical controls to control pest and diseases while improving vegetation beneficial to both livestock and wildlife
	3	Reduces energy use on pasture acres
	4	Improve forage utilization for a longer period of the growing season while saving energy, protecting water quality and improving soil
	5	Addresses all aspects of pasture management including pests, nutrients, improved forage quality, and improved wildlife access to water
Range grazing	1	Improves range management while protecting water quality and protecting wildlife
	2	Increases wildlife habitat and improves water quality
	3	Aids in the restoration of plant communities, increases wildlife habitat and monitors the impact of grazing
	4	Improves habitat by reducing wildlife mortality, improving range plant communities, while saving energy
	5	Addresses multiple resource concerns on rangeland, e.g. forage quality, control of undesirable plants, and improved wildlife habitat

environmental benefit value placed on these activities currently falls toward the lower end of the point values for the various conservation enhancements. In many cases, however, the potential environmental benefits of a particular project can be very high. It is our strong hope that an improved payment system for this important feature of CSP will be worked out in advance of future enrollment years. We will update the online version of this guide if and when changes are made by NRCS.

Bonus: new and modified resource-conserving crop rotations

Congress recognized only one practice as deserving an extra bonus payment (called a “supplemental payment”), and that is the adoption of new or improved resource-conserving crop rotation. Because crop rotations generate so many environmental benefits for erosion control, fertility, soil quality, pest management, water retention, and pollinator protection, applicants who choose to implement a resource-conserving crop rotation receive a separate payment for this activity above and beyond other payments they may qualify for under the program. The supplemental payment is not made in the same way that annual payments are made for installing and adopting additional activities, and improving, maintaining, and managing existing activities. Rather, the supplemental payment rate is set at a rate based on costs incurred and income foregone by the participant. This is the only payment rate not calculated by the CMT and the only payment made in the year that the practice is implemented.

A resource-conserving crop rotation must include at least one resource-conserving crop and reduce erosion, improve soil fertility and tilth, interrupt pest cycles, and in some areas of the country must conserve soil moisture and reduce

HELPFUL HINT: *Crop rotations*

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 an additional high residue crop into the rotation. The NRCS Activity Sheet lists various ways of qualifying for the bonus by improving existing resource-conserving crop rotations.

the need for irrigation. See the NRCS Activity Sheet on resource-conserving crop rotations, available on the NRCS website. A resource-conserving crop is one of the following:

- A perennial grass
- A legume grown for use as forage, seed or as a green manure
- A legume-grass mixture
- A small grain grown in combination with a grass or legume-green manure crop whether inter-seeded or planted in rotation

The perennial grass, legume, or legume-grass mixture must be grown for at least one year after the seeding year with at least one other crop in the rotation. A small grain grown in combination with a grass or legume-green manure crop must include at least two other crops in the rotation and neither the small grain residue or cover crop may be harvested or grazed. Some states impose additional requirements for resource-conserving crop rotations, so check with your state office.

Ranking of applications

The CMT scores all conservation activities such that individual applications will be ranked according to their total environmental benefit ranking points, and those with the highest points will be selected, until that state's number of acres are allocated.

States may employ ranking pools as they refine different priority resource concerns for smaller geographic areas. Within each geographic pool there will be a separate pool for socially disadvantaged farmers, beginning farmers and non-industrial private forestland owners. Currently, the overall points are weighted as follows:

- 25%: the cumulative performance of existing conservation activities 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, not including the priorities, 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.

HELPFUL HINT: *Maximize ranking points*

NRCS will periodically rank all proposals it receives and fund proposals, starting from the top-ranked proposals, until all funding is allocated. The ranking system is based on how far farmers and ranchers have already gone, and how much further they are willing to go to address natural resource concerns. Tips to maximize ranking points:

- 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.

Contract

All contracts will be for five years. The contract will lock in the pro-rated payments, the stewardship plan, (which lists all conservation activities to be actively managed and 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. The sole exception to that rule are the supplemental payments for new or improved resource-conserving crop rotations, which get paid in accord with the implementation schedule.

Payments

CSP does not make payments like any previous conservation program. It does not pay a cost share rate, it does not pay per practice, and it does not pay a flat rate per acre. Instead, payments are determined by multiplying your total score (environmental benefits) by a standard land use per acre payment rate. Land uses are crop, pasture, range, or non-industrial private forest. New enhancements and new conservation practices will result in additional points and higher payments as they are factored in.

On average, 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, though there will be considerable variation based on the particulars of individual applications. In other words, your annual payment level will be unique to your operation and particular land uses based on the combined total of environmental benefits from ongoing and new conservation activities.

The most up-to-date average payments per acre are listed below. Remember, these are national averages and individual contracts may vary widely.

Cropland.....	\$23.97 per acre
Pastureland.....	\$18.45 per acre
Non-industrial private forestland.....	\$8.62 per acre
Rangeland.....	\$4.04 per acre
Estimated range for supplemental payments in addition to above:	
Resource-Conserving Crop Rotation.....	\$12 to \$16 per acre

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 Native Americans represented by Tribal entities.

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. For instance, new uses such as biomass harvest for energy will be allowed, but subdivision development will not.

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 is a provision to modify if necessary, provided the environmental benefits score is not reduced. Newly acquired land cannot be added until the five-year contract is renewed.

Contract renewal

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.

Conservation stewardship plan

The 2008 Farm Bill represented a big breakthrough on conservation planning by making financial assistance available through EQIP and CSP. While it would be logical for CSP to offer comprehensive conservation planning and holistic resource management as an enhancement, NRCS has instead chosen to use a bare bones “conservation stewardship plan” as part of the contract between NRCS and the producer.

The conservation stewardship plan 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 on conservation at the time of application, conservation objectives to meet and exceed stewardship thresholds, a plan map, and in some cases the information needed for organic certification. NSAC pushed for comprehensive conservation planning in 2010, but, unfortunately, it was not included in the final rule for the program. We will continue to recommend that NRCS make this change, and if necessary, will encourage Congress to take the issue up during the next farm bill process.

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 or agree to the contract, NRCS will terminate the contract and demand a refund of any program payments received with interest.

Violation of the contract

If a CSP contract is violated, NRCS first gives a period of time for the participant to correct the violation. If the corrective action is not taken, they can terminate the contract and demand a full or partial refund of any program payments received, with interest. Termination will be immediate if the participant knowingly submitted false information, engaged in any scheme affecting eligibility, or engaged in purposeful or negligent actions.

Circumstances beyond the producer's control

A violation is not considered a failure to comply if due to disaster or related crisis condition, 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.

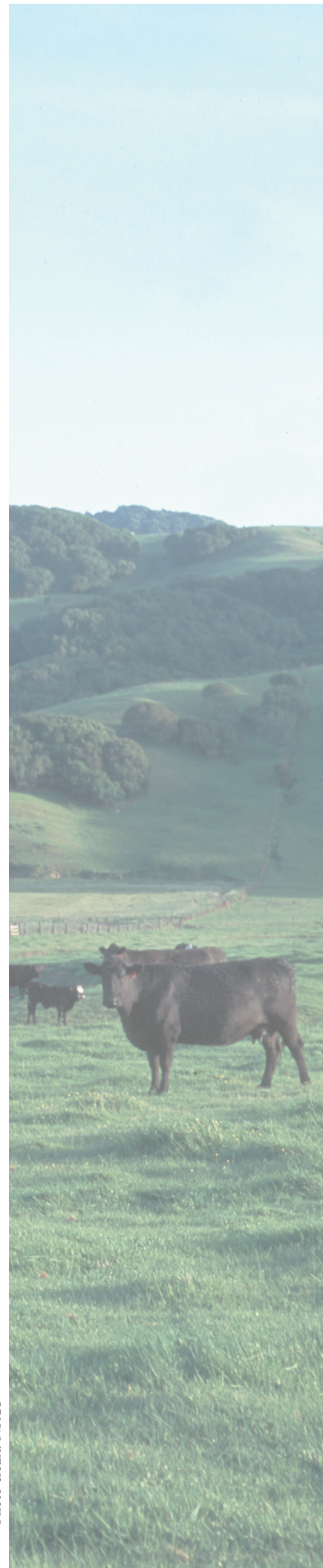


Photo credit: NRCS

Getting Help

You can learn more about the Conservation Stewardship Program or get help completing your application and contract on the NRCS website. You can also go to your state NRCS website to find out more about the program in your state or region.

These are a list of organizations that have resources to assist farmers applying for CSP:



**Call their hotline at 1-402-687-2100
or visit their website:**



Visit their website:



Visit their website:



**Call their hotline at 1-800-346-9140
or visit their website:**



Visit their website:



Visit their website:

