

Conservation Stewardship Program

2017 CSP Renewals

INFORMATION ALERT - UPDATE

April 2017

Deadline to renew expiring CSP Contracts – May 5, 2017

USDA's Natural Resources Conservation Service (NRCS) has announced May 5, 2017 as the cut-off date for farmer applications to renew expiring **Conservation Stewardship Program (CSP)** contracts that were originally enrolled in 2013. These contracts will expire on December 31 of this year if farmers do not apply to renew their acres.

Farmers and ranchers interested in re-enrolling their expiring CSP contracts must renew their applications by May 5, 2017.

Important: In previous years, the deadline for both new CSP applications and for contract renewals has been the same date. This year, however, the submission deadline of new applications was February 3, 2017, while the deadline for expiring contracts to be renewed for another 5-year contract is May 5.

2017 is the first year when major **CSP "Reinvention"** changes are in place for the program. This Information Alert contains updates on what the reinvention means for the program.

Note: This information alert was originally released to provide information on the reinvented program as relevant for the new contract applications that were due on February 3. It now has been updated to include relevant details for the recently announced renewal process, highlighting which pieces are relevant for renewals. Aside from the new ranking tool (known as AERT), all of the other reinvention updates to CSP are relevant for renewals too.

While the overall application process outlined below refers to new contracts, the information (other than Step 4) is relevant for renewals as well. But for detailed information specific to the renewal process, please see Page 7 of this updated information alert.

It should be noted that the minimum payment for all eligible applications that made available in 2016 is also available for participants who are renewing expiring contracts. This was not available when contracts were originally enrolled in 2013. For more details on the minimum payment opportunity, see Page 10 of this Information Alert.

What's New in 2017?

This Information Alert includes key updates regarding program revisions that will be in place (for new contracts and renewals) in 2017. For more details on the specific impacts of the reinvention, refer to the following pages.

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^{**}Note: Contract renewal applications are <u>not</u> ranked. Therefore, for renewals, <u>all</u> eligible contract renewal offers will be approved subject to available funding and the ability of the applicant to meet program and renewal criteria.

Process and Timeline for Enrolling in CSP

Step 1: Applying to Participate is Simple

There are three simple actions to <u>apply</u> to enroll in CSP (before the February 3 deadline):

First, you must complete a short and simple application form, <u>NRCS Form CPA 1200</u>. This is the same, generic three-page form that is used for all NRCS conservation programs that offer financial assistance to farms and ranchers, and it is available online or at your local NRCS office. It is fairly quick and easy to fill out, though take special note of the next two points, as these two wrinkles have been a barrier for some producers in the past.

Second, CSP contracts must include all agricultural or private forest land in your operation that you will have control of for the 5 year term of the CSP contract, and for all of this land you must have a **farm record number** established with USDA's **Farm Service Agency** (FSA). If you do not currently have one, go to <u>your local FSA office</u> to first establish your farm record before submitting the CSP application.

Helpful Hint: Although not required, appointments with your local FSA office are strongly recommended when obtaining a farm record number. The process is fairly simple. Set up an appointment, provide your social security or EIN number, and bring your property deed(s) or lease agreement document(s) with you. You will be assigned a farm record number, and, at the same time, you can also discuss other services FSA provides, such as farm mapping or FSA loan program information.

Third, if you are applying as a business entity rather than an individual, you must also have a **Data Universal Numbering System (DUNS) number**, which is a unique number used to identify your farm business. In addition, you will need a current registration for the **System for Award Management (SAM)**. Both are easy to obtain, but they do take some time to get, so if you do not have a DUNS and a *current* SAM registration, you should get started right away.

How to Get DUNS and SAM: The process to apply for a DUNS number takes about one business day. When you apply you will need to be able to provide contact information, the number of employees, the legal structure of your operation, the year it was established, and the SIC code, which is a US Department of Labor business classification that can be looked up online. When you have this information you can apply for a DUNS online at http://fedgov.dnb.com/webform. It is no longer possible to apply over the phone, but if you can't apply online then you may contact the commercial company Dun & Bradstreet (D&B) by phone at (806) 705-5711and request that an application is sent in the mail.

Next, after obtaining a DUNS number, you must register with SAM, which is a government-wide registry for anyone doing business with the federal government. SAM centralizes information about federal financial assistance recipients, and it also provides an easy way for you to update any information. SAM replaced the Centralized Contractor Registration (CCR), so if you had an active record in the CCR, you automatically have an active record in SAM; however, everyone needs to renew SAM registration each year as long as you have an account with NRCS, and an expired account may impact your payment eligibility.

You can begin the SAM process at https://www.sam.gov/portal/SAM/ and should have the following information ready: your DUNS number, EIN number, general statistical information about your business, and information for electronic transfer of payments. You should plan ahead for the SAM application, because a newly assigned EIN number can take up to 2 to 5 weeks before it is active and valid for the SAM application. This is the most common hold up on becoming eligible for to apply for CSP, so start early!

The actual process of obtaining DUNS/SAM is easy, free, and can be completed entirely online, but make sure you plan ahead to be ready to submit your complete application. And remember, if you are applying as an individual, you do not need to go through this process; this piece is only for entities.

To recap, these are the only three things you need to apply to participate in CSP:

- three-page NRCS-CPA-1200 form
- FSA farm record number, and
- if you are applying as a business entity rather than as an individual, the DUNS number and SAM registration.

For more information and to start the application process, visit <u>your local NRCS service</u> <u>center</u>.

Please note: NRCS is still in the process of developing a self-screening checklist to help farmers decide if the program is right for them. It will presumably go online on the NRCS website when it is ready, so check the website for that periodically, or talk it over with someone at your local NRCS service center.

Step 2: Completing the Conservation Evaluation Application Tool (CAET)

Once you have completed and submitted the short application form (see above; NRCS-CPA-1200) by the February 3, 2017 cut-off date, you will then have a period of approximately one to two months to sit down with your local NRCS staff person to complete the CSP Conservation Evaluation Application Tool (CAET), which will be used to evaluate your current management system and the natural resources on your land. The overall purpose of the CAET is to determine if you are meeting the minimum stewardship threshold requirements to participate in CSP.

A signification component of the 2017 program "reinvention" is the shift away from the Conservation Measurement Tool (CMT) to the CAET. Between 2009 and 2015, the CMT was the computer-based tool used to determine program eligibility, environmental benefits ranking score, and CSP contract payment amounts. It scored activities according to their projected environmental benefits, and calculated payments correlated to those expected outcomes.

The 2014 Farm Bill removed the specific requirement for a measurement tool like the Conservation Measurement Tool, and while the CMT was still used for the 2015 and 2016 sign-up periods, it will be eliminated for 2017 and beyond. Instead of replacing the CMT with only one new tool, however, NRCS has created a separate evaluation tool (through the CAET), a separate ranking tool – the Application, Evaluation, and Ranking Tool (or AERT, described below in Step 4), and a separate payment schedule.

The CAET will identify eligible lands as well as the number of resource concerns that are currently meeting (and not meeting) the stewardship threshold at the time of application. Potential resource concerns include soil quality, soil erosion, water quality, water quantity, animal health and wildlife habitat, plant health and biodiversity, air quality, and energy conservation.

The CAET uses planning criteria (if there is an existing NRCS conservation plan for the farm), evaluation tests (based on current management practices), or a combination of both to determine an applicant's current level of stewardship and their eligibility for the program.

You can watch an **introductory video** on the CAET <u>online</u>, and we expect that NRCS will soon make an online version of the tool publicly available for potential applicants.

To be eligible for CSP, you already must be meeting or exceeding the stewardship thresholds for at least two resource concerns on each land use (crop, pasture, range, forest) at the time of application. Additionally, at a minimum, you must also meet or exceed the stewardship threshold for at least one additional resource concern on <u>each land use</u> by the end of the CSP contract. Resource concerns are considered met when all applicable resource concern "causes" have been addressed.

For example, within the resource concern of "Soil Quality Degradation," the potential causes may include Organic Matter Depletion, Compaction, Subsidence, or Concentration of Salts and Other Chemicals. In order to meet or exceed the stewardship threshold for this resource concern at the time of application, or to meet or exceed the stewardship threshold by the end of the contract, you'll need to successfully address all causes that fall within the resource concern.

Meeting the additional resource concern stewardship thresholds by the end of the contract period may be achieved by installing and adopting additional conservation activities, and by improving, maintaining, and managing existing conservation activities across the entire operation in a way that increases or exceeds the conservation benefits in place at the time the contract application is accepted.

Step 3: Select the Conservation Activities to be Included in Your Contract

If your operation is found eligible for CSP using the CAET, you will then work with the NRCS conservation planner to select the conservation activities (conservation practices, conservation enhancements, or bundles of conservation enhancements) that will help you meet or exceed additional resource stewardship thresholds as part of your contract.

You can preview and browse the variety of CSP enhancements available <u>online</u>, where they can be sorted by land use type and resource concern, to help you determine the activities that are best suited for your operation. See page 10 for more details on the conservation enhancements, practices, and bundles available as part of the 2017 CSP sign-up period.

Step 4: Your Application is Ranked Based on National, State, and Local Priorities

Once your application has been evaluated, is found eligible for CSP, and you have selected the conservation activities you will adopt as part of your contract, your application will be ranked to determine how well your current and future management system will address national, state, and local natural resource priorities.

While the ranking process previously was done within the Conservation Measurement Tool (CMT), the reinvented CSP uses the Application, Evaluation, and Ranking Tool (AERT), which is a variation on the AERT that is already used for ranking applications within the Environmental Quality Incentives Program (EQIP). For CSP, NRCS is required to rank applications based on the following statutory ranking factors:

- 1. Level of conservation treatment on all targeted resource concerns** at the time of application.
- 2. Degree to which the proposed conservation activities effectively increase conservation performance
- 3. Number of targeted resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract.
- 4. Extent to which non-targeted resource concerns will be addressed to meet or exceed the stewardship threshold by the end of the contract period.
- 5. Extent to which resource concerns will be addressed when transitioning from the Conservation Reserve Program (CRP) to agricultural production.

**Targeted resource concerns is the new term for resource concerns identified by the State as a priority for a particular area of a State or region. Previously they have been referred to as "applicable resource concerns." The term "other priority resource concern" was previously

used to refer to a resource concern identified at the National Level – those are now referred to as "non-targeted resource concern."

Your application will be ranked against other eligible applications in the same local ranking pool, with the highest scoring applications receiving contract offers first.

National, state, and local ranking questions are included in AERT, according to the following breakdown of points:

- 1. National = 500 points (50 percent of total ranking points)
- 2. State = 300 points (30 percent of the total ranking points)
- 3. Local = 150 points (15 percent of the total ranking points)
- 4. Efficiency score = 50 points (5 percent of the total ranking points)**

**The efficiency score evaluates each application based upon broad averages of the cost and expected environmental benefits of each practice.

For the 2017 sign-up, NRCS headquarters has set both the national and state ranking questions for the ranking process, but in future years the states will be responsible for setting the state and local ranking questions.

You can view the national and state ranking questions for FY 2017 here.

Please Note: While this version of AERT does not include the breakdown of how the 500 national points and 300 state points are assigned to each question, we hope that NRCS will make this information publically available in the near future in order to ensure that applicants understand exactly how points are awarded in the ranking process. Check back on the NRCS website to see if and when this information is provided.

Step 5: Farm Site Visit, Contract Preparation, and Payment Obligation

Prior to approving your contract and obligating funds, NRCS will complete an on-farm or "field" verification visit to each farm that ranks high enough to be enrolled in the program this year. After the farm site visit, you will work with NRCS staff to develop a CSP plan and contract, which includes a schedule for new enhancement implementation and a payment schedule. The first annual payment for a five-year contract awarded in this round will be made on or after October 1, 2017, and then every October 1 thereafter for the five years of the CSP contract.

In considering how your annual payments will pay out, it is important to recognize that contract payments will likely vary from year to year, as they are dependent upon the additional conservation activities (practices, enhancements, or bundles) that are scheduled for a given year. This is different than how the payment system worked before the reinvention. Until now, the annual payment rate was equalized.

Payments for your baseline level of conservation will be determined by the number of resource concerns met at the time of application, a standard rate per resource concerns, the acres in each land

use, and a standard rate that is determined for each land use. See page 12 for more information on how CSP payments will be determined under the reinvented CSP.

Step 6: CSP Contract Renewal

CSP contracts last for five years. Additionally, you may re-enroll in CSP for additional five-year contract terms as your current contract expires. To be eligible for a contract renewal, you must demonstrate that you are in compliance with your initial five-year contract, adopt at least one new enhancement, and be able to demonstrate that during the new contract term, you will meet or exceed the stewardship threshold on at least five priority resource concerns, which is two more than was required during the initial contract.

Farmers and ranchers whose initial contracts ran from 2013 through 2017 now have the opportunity to renew. This means that if you signed a contract in 2013, you must renew this year in order to remain in the program for the next five years (2018 - 2022). **Applications are due to NRCS by May 5, 2017.**

If you are currently enrolled in a contract that is set to expire at the end of 2017, you should have received a letter in the mail from NRCS, indicating that your contract is set to expire. If you believe you are in your final year of your initial contract but have not yet received a letter, you should get in touch with your local NRCS office immediately.

In order to ensure a seamless transition between your first and second CSP contracts, you should follow the six simple steps listed below:

- 1. Complete two simple forms: CPA 1200 (the same form used for new applications) and CPA 1248 (CSP Renewal Offer Worksheet). See Page 2 for more details regarding what identification numbers you must have in place to complete the initial application form.
- 2. After you submit your initial application by May 5, the Conservation Evaluation Application Tool (CAET) will be used to ensure that the minimum stewardship threshold is met and you remain eligible for CSP. See Pages 3 and 4 for more details on the new evaluation tool.
- 3. If your renewal application is deemed eligible, you will work with the NRCS to complete the CAET. The renewal requirements** will be analyzed by comparing the Conservation Measurement Tool (CMT) summary reports from your initial contract with the CAET summary reports and the Contract Renewal Criteria Worksheet. You will use the new 2017 activity list to work with NRCS in selecting new conservation activities to be implemented during your second contract. Remember that all new activities must be planned and started after your initial contract has expired
- 4. Field verification see Page 6 for more details on the field verification process. Note that there is no ranking process for renewal applications, so if your application is eligible after going through the CAET, you will move on to the field verification stage.
- 5. You will work with NRCS to develop a new stewardship plan to support your new contract, and your renewal offer will be obligated once all of your initial contract's scheduled activities have been certified as complete.

**In order to be eligible for CSP contract renewal, you must meet the following criteria:

- 1) Be in compliance with the terms of your original contract as determined by NRCS;
- 2) Include any newly acquired land that is part of your operation that was not in your original contact and is not under another CSP contract;
- 3) Agree to adopt and integrate conservation activities across your entire operation, as documented in your CSP contract;
- 4) Agree, at a minimum, by the end of your renewed contract period to meet or exceed the stewardship thresholds for at least two added targeted resource concerns on your agricultural operation. Alternatively, you could opt to adopt additional conservation activities that would allow you to exceed the stewardship threshold of two existing targeted resource concerned, as documented through the CAET.

CSP Background in Brief

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

Please Note: NSAC regularly analyzes and reports on CSP participation data. Visit our website for recently published information on trends in <u>CSP enrollment</u>, <u>conservation activities</u> supported through CSP, <u>production trends</u>, and program use by <u>beginning and socially disadvantaged producers</u>.

CSP is the largest conservation program in the United States. It was started in 2002 as the Conservation Security Program, and has evolved into a nationwide program that has enrolled more than 70 million acres since 2009.

In 2014 NRCS began the internal process of revising CSP, with the intention of making the program more flexible, transparent, and farmer friendly. After two years of reworking the ranking process, eligible tools, and available enhancements, NRCS is releasing the "reinvented" program as part of the 2017 sign-up period.

Eligible lands include cropland, grassland, prairie land, pastureland, rangeland, nonindustrial private forestlands, and agricultural land under tribal jurisdiction.

Cropped woodlands, marshes, land being used for livestock production, and other private lands on which resource concerns can be addressed are also eligible. Applicants must demonstrate they have effective control over these lands to be eligible, either through ownership or reasonably secure leases.

CSP eligibility, ranking, and payment levels are tied to how well a farmer is addressing priority resource concerns on their farm. Beginning in 2017, there are additional flexibilities to establish targeted resource concern specific to the state as well as targeted resource concern conservation activities in local areas.

Targeted resource concerns can include, soil quality, soil erosion, water quality, water quantity, animal health and wildlife habitat, plant health and biodiversity, air quality, and energy conservation. Each state selects and assigns at least five priority resource concerns at either the state and/or a more localized level to be the targeted resource concerns for that region.

You can find out the targeted resource concerns in your state by visiting <u>your state's NRCS website</u>, going to the "Programs" tab, and then to the CSP page to look for "targeted resource concerns" for your state or area of the state.

Be forewarned: Not all state offices make this information easy to find. If you cannot find your state's targeted resource concerns on the state CSP webpage, or if you are instead redirected to the national CSP page, try searching for "targeted resource concerns" on your state's NRCS website. If you still cannot find it on the website, call your local NRCS office for the information.

For each targeted resource concern, NRCS has determined a "stewardship threshold" level for superior conservation. To enroll in CSP, an applicant must already be addressing at least two targeted resource concerns to at least the stewardship threshold level and be willing to reach or exceed the stewardship threshold for at least one additional resource concern during the contract period. For those renewing existing contracts, at least five targeted resource concerns must be meet or exceed the stewardship threshold by the end of the second contract term.

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

Please Note: You can be enrolled in both CSP and EQIP at the same time, provided that the contracts are not paying for the same conservation practice.

The national average payment to participants is \$18 per acre; however, the actual payment received varies widely depending on the type of land enrolled, the existing level of conservation, and the number and type of new enhancements and practices to be adopted.

Cropland generally receives the highest payment rate, generally well above the \$18 per acre national average, with range and forestland at the lower end, and pasture in the middle, close to the average. Pastured cropland receives payment rates in between cropland and pasture rates.

A person or business entity may not receive more than \$40,000 per year in CSP payments. Joint or multi-family operations are limited to not more than \$80,000 per year. The cap does not apply to tribal land applications.

Minimum Contract Payment

Beginning in FY 2016, USDA has set the minimum contract payment for all successful applicants at \$1,500 per year. NSAC long advocated for this change in order not to prejudice CSP against small acreage, high value operations and to help reap the added conservation benefits. For instance, a 75-acre farm with a \$20 per acre CSP payment would yield a \$1,500 annual payment. Hence, in this example, a farm with less than 75 acres at the same per acre rate would otherwise receive less than \$1,500, but due to the minimum contract rate will nonetheless receive \$1,500 per year.

The \$1,500 minimum represented an increase of \$500 over the previous \$1,000 annual minimum. And while the \$1,000 annual minimum floor was only available for beginning and socially disadvantaged farmers and ranchers, the new \$1,500 is now available to all farmers. The minimum payment limit applies to all new contracts enrolled in 2017, as well as expiring contracts that will renew in 2017.

NSAC applauds NRCS for making this change to more appropriately reward superior environmental performance for all operations, regardless of their size. We urge farmers, advocates, and state offices to ensure that potential applicants are well aware of this opportunity when they are in the process of considering the program.

Beginning and Minority Farmer Provisions

Five percent of all CSP acres each year are reserved for separate competitions among beginning farmers only and among socially disadvantaged (minority) farmers only. Veterans that are also beginning, socially disadvantaged, or limited resource farmers are given preference within these categories.

If you are not sure whether you qualify as a beginning, socially disadvantaged, or limited resource farmer, you can learn more here. If you qualify, it is generally advantageous to compete within the smaller pool rather than against all other producers applying to enroll in the program.

Additional Flexibility

Beginning this year, NRCS will be providing added flexibility for mid-contract modifications, both in terms of conservation practice or enhancement changes that might occur do to changing markets or to reflect how the land responds to newly added conservation, as well as in circumstances wherein a producer loses a lease and must subtract land from their CSP contract. Contract changes for farm and ranch operations will now be similar to the processes used for other conservation programs.

Please Note: Once you define your farm at the time of application, no acres can be added to the contract during the five-year period, except by competing the new land during the next CSP enrollment period and, if successful, taking on a second CSP contract. Newly purchased or rented land also can be added to the CSP contract at the time of renewal of the five-year contract. If you lose a lease during the CSP

contract period, that land can be subtracted from the contract, with payments being reduced accordingly.

CSP Conservation Enhancements, Practices, and Bundles

Conservation Practices and Enhancements

Financial assistance for the adoption of new conservation activities through CSP is divided into two categories – regular conservation practices and conservation enhancements. Enhancements are conservation activities that go above and beyond the requirements of regular conservation practices.

The crux of CSP new conservation activity rests upon these advanced conservation enhancements; however, farmers can also use regular conservation practices to help them meet stewardship thresholds for additional priority resource concerns during the life of the contract.

The list of conservation activities for 2017 includes a total of 223 individual conservation enhancements and 74 conservation practices that are eligible for CSP. The 2017 redesign of the program includes a direct linkage between conservation practices and enhancements, assigning new enhancement codes that link the base practice to the purpose being addressed.

The main driver behind the increased number of available enhancements through CSP this year is the "propagation" of existing enhancements, splitting previous versions of the enhancements into separate, multiple enhancements to be linked to a specific micro resource concern ("cause"). In addition to this splitting of existing enhancements, however, NRCS did add more than 60 entirely new enhancements to the list.

Deciphering Enhancement Codes

Previously, CSP enhancements had a code that was comprised of a three letters to identify the resource concern being addressed (i.e. SQL for soil quality) plus two numbers. For example, SQL18 was the code for Soil Health Crop Rotation.

As part of the 2017 CSP reinvention, NRCS has assigned new codes to the enhancements, in order to indicate the practice that the enhancement is based upon, as well as the resource concern that is being addressed. The components of the enhancement codes include the following:

- \triangleright E = Enhancement
- ➤ Code Number = Conservation Practice Standard (CPS) code
- ➤ Resource Concern/ Cause (Micro Resource Concern) Number = 101 144 (see list of resource concerns at the end of this information alert)
- ➤ Alpha digit = one of four options:
- o Z = from CPS Additional Criteria
- X = from CPS Additional Consideration
- o R = enhancement is a resource conserving crop rotation (RCCR) for a supplemental payment
- o I = enhancement is an improved resource conserving crop rotation (RCCR)

- for a supplemental payment
- > Sequence number (if necessary) is used when more than one enhancement option is available for the same CPS, resource concern/cause number, and alpha digit

**For example, the enhancement code "E328106Z" indicates that the enhancement is based on conservation practice standard 328 (Conservation Crop Rotation), and a participant would be adopting to it address soil quality degradation on their operation, specifically in terms of organic matter depletion. Organic matter depletion is addressed through one of the additional criteria in CPS 328 (Additional Criteria to Maintain or Increase Soil Health and Organic Matter Content).

Each enhancement in described in detail in an enhancement job sheet that includes the following information:

- a) Enhancement name
- b) Base practice
- c) Applicable land use
- d) Resource concern addressed
- e) Practice lifespan
- f) Enhancement description
- g) Criteria
- h) Documentation requirements

You can view and brose all available enhancements by land use online here.

Enhancement Bundles

Beyond individual enhancements and conservation practices, the 2017 list of activities includes 32 **enhancement bundles**. Bundles are groupings of conservation enhancements that the agency feels may work well together to provide increased benefits when they are implemented as a group on particular types of farms. Participants who include bundles as part of their CSP contract receive a higher level of financial assistance to encourage the holistic approach to generate additional conservation benefits.

Each bundle has 3 or more required enhancements, and for some bundles, you also have the option to pick additional enhancements from a "select" list that addresses specific resource concerns.

For the 2017 sign-up, bundles have enhancements that are groups according to land use – crop, pasture, range, and forest, as well as agency initiatives – Ogalla Aquifer, Buffers, Long Leaf Pine, Mississippi River Basin Initiative, and Working Lands for Wildlife. There are also several bundles available this year that are specifically targeted to **organic farms**.

You can view and download details on all available bundles here.

CSP Payments

A major component of the 2017 program reinvention is the restructuring of how CSP payments are determining, including annual payments for improving, maintaining, and managing existing operations and installing and adopting additional conservation activities. The redesigned system differs from previous years in the process used to calculate annual payments, and it is important to note that beginning this year, annual payments may vary from year to year depending on the conservation activities completed each year. The annual payment will not include an additional activity component in years where you do not implement new conservation activities.

Your annual payments will be determined each year by the following components: maintenance (existing activity) payments, additional activity payments, and supplemental payments for resource conserving crop rotations:

1. Maintenance (Existing Activity) Payments

Existing activity payments are made to support your existing conservation based on the land uses included in your operation and the number of resource concerns that are meeting the stewardship threshold level at the time of application. This portion of your annual payment will remain the same for each year of the CSP contract, provided there are no changes to the total acres enrolled in the program.

This component of your annual payment has two parts:

- (a) A payment of \$350 for each resource concern that you are meeting on each land use. This payment will be calculated <u>for each land use</u> using the following formula: the number of resource concerns met at the time of application multiplied by a standard rate of \$350 per resource concern.
- **(b)** A per acre payment based on the land use. The per acre rate varies by land use due to the variation in expense for conservation maintenance as follows:
 - Crop, Pastured Cropland, and Farmstead: \$7.50 per acre
 - Pasture: \$3.00 per acre
 - Rangeland: \$1.00 per acre
 - Forest and Associated Agricultural Land: \$.50 per acre

Remember: The \$1,500 minimum payment means that even if your overall payment, including existing and additional conservation activities, comes out to less than \$1,500 annually, you will receive the minimum payment of \$1,500 year. This is particularly important to consider when factoring in the acreage component of your overall annual payment.

Maintenance Payment Example:

Participant has 400 acres of cropland and 1,000 acres of rangeland:

- o Meeting/ exceeding stewardship threshold for 3 resource concerns on cropland
 - \blacksquare 3 RCs: 3 x \$350 = \$1,050
 - 400 acres: 400 x \$7.50 = \$3,000
 - Total = \$4,050
- o Meeting/exceeding stewardship threshold for 5 resource concerns on rangeland
 - 5 RCs: 5 x \$350 = \$1,750
 - **1,000** acres: 1,000 x \$1 = \$1,000
 - Total = \$2,750
- o Total Maintenance Payment = \$4,050 + 2,750 = \$6,800

2. Additional Activity Payments

The second component of your annual CSP payment will be based on the financial assistance payment rate for the individual enhancements, practices, or bundles implemented to help you meet or exceed the stewardship threshold for at least one additional resource concern by the end of your contract.

New this year, payments for additional conservation activities will be based on payment schedules, as have been used for cost share payments within the Environmental Quality Incentives Program (EQIP). NRCS determines the payment rates for enhancements by calculating the difference in cost between maintaining the base practice requirements associated with each enhancement, and the cost of applying the additional criteria or condition that comprises the enhancement. As is the case with EQIP conservation practices, for some CSP enhancements, foregone income also will be included in the calculation. However, unlike CSP prior to this new reinvention for 2017, payments will not be based on expected conservation or environmental benefits, just cost and in some cases forgone income.

For the 74 practices that are available for inclusion within your CSP contract, the scenario practice rate is 10 percent the estimated cost for the typical scenario (i.e., 10 percent of what would normally be paid for the same practice under an EQIP contract).

The payment rate tables for CSP enhancements, practices, and bundles display the payment rate by unit such as per acre, per foot, or each. Payments for enhancements, practices, or bundles will be based on the actual amount installed or applied. This portion of your annual payment will vary each year based on the conservation activities applied during the year.

Payment rates vary by state. To view the payment rates in your area, visit the state <u>CSP</u> <u>website</u> and follow the link to your state's page.

Important Note: While NRCS is required to post the payment rates (as well as other relevant information for the sign-up process), this information is not yet publically available. NRCS still needs to publish payment schedules for all available enhancements, practices, and bundles.

If this information is not yet publicly available as you are preparing to submit an initial application to enroll, contact your NRCS office and request it directly.

3. Supplemental Payments

A substantial supplemental payment is available for adopting or improving a resource-conserving crop rotation, in recognition of the very important multiple resource benefits that longer, more diverse rotations provide. Supplemental payment rates will be included in the payment rate tables on your state's website. Two supplemental payment options exist for participants: 1) adopting a new rotation, or 2) improving an existing rotation.

Resource-conserving crop rotations (RCCRs) can include cover crops, forages, or green manures, with the goal of reducing erosion, improving soil fertility and tilth, interrupting pest cycles, and when applicable, reducing the depletion of soil moisture or otherwise reducing the need for irrigation. The rotation must include at least one "resource-conserving crop," which can be a perennial grass, a legume, a legume-grass mixture, or a small grain grown in combination with a grass or legume that is used as a green manure.

Supplemental payments are also available for *Improved* Resource Conserving Crop Rotations. To improve an RCCR, you must incorporate at least one of the following into your existing RCCR: an additional growing year for perennial crops; a perennial (grass or grass/legume) crop substituted for a row crop; or if your current perennial crop is a legume, change to a perennial grass or grass/legume mixture.

State Conservations will identify resource-conserving crops for your state and should make the list available to the public before the ranking period starts.

The payment rates for RCCRs and Improved RCCRs will be included in the payment schedule documents to be posted through NRCS state offices. In 2016 the rate for RCCRs was \$15 per acre, and for Improved RCCRs was \$5 per acre. We hope that the revised structure will continue, if not increase, the payment for this important advanced conservation activity.

Also Available: Updated Farmers' Guide to the Conservation Stewardship Program

NSAC has published an updated 2016/2017 version of our Farmers' Guide to the Conservation Stewardship Program. The Farmer's Guide goes into even more detail about the program than what is provided in this Information Alert.

Download the comprehensive guide from our website.

The Farmers' Guide is intended to help family farmers, ranchers, and foresters understand the CSP enrollment process. In addition, it provides clear information on conservation activities eligible for CSP payments to improve conservation performance and environmental benefits.

The new Farmers' Guide includes step-by-step enrollment guidance (including updates on the changes included as part of the 2017 Reinvention), key definitions, producer profiles, and helpful hints for accessing the program now that it has been revised by the 2014 Farm Bill. It also includes a detailed look at the program's use under the 2008 Farm Bill (from 2009 through 2013). This data section includes analysis of program participation by geographic region, land use type, commodity type, and

the top conservation practices and enhancements chosen by farmers and ranchers who have enrolled in the program.

The Farmers' Guide to the Conservation Stewardship Program is available for download on our website on our publications page at http://sustainableagriculture.net/publications.

Resource Concerns and Causes (Micro Resource Concerns)

#	Resource Concern	Cause
101	SOIL EROSION	Sheet and Rill Erosion
102	SOIL EROSION	Wind Erosion
103	SOIL EROSION	Ephemeral Gully Erosion
104	SOIL EROSION	Classic Gully Erosion
105	SOIL EROSION	Streambank Shoreline, Water Conveyance Channels
106	SOIL QUALITY DEGRADATION	Organic Matter Depletion
107	SOIL QUALITY DEGRADATION	Compaction
108	SOIL QUALITY DEGRADATION	Subsidence
109	SOIL QUALITY DEGRADATION	Concentration of Salts and Other Chemicals
110	EXCESS WATER	Seeps
111	EXCESS WATER	
112		Runoff, Flooding, or Ponding
	EXCESS WATER	Seasonal High Water Table
113	EXCESS WATER	Drifted Snow
114	INSUFFICIENT WATER	Inefficient Use of Irrigation
115	INSUFFICIENT WATER	Inefficient Moisture Management
116	WATER QUALITY DEGRADATION	Pesticides in Surface Water
117	WATER QUALITY DEGRADATION	Pesticides in Ground Water
118	WATER QUALITY DEGRADATION	Nutrients in Surface Water
119	WATER QUALITY DEGRADATION	Nutrients in Ground Water
120	WATER QUALITY DEGRADATION	Salts in Surface Water
121	WATER QUALITY DEGRADATION	Salts in Ground Water
122	WATER QUALITY DEGRADATION	Excess Pathogens and Chemicals from Manure, Bio-Solids and other Polliutants transported to Surface Water
123	WATER QUALITY DEGRADATION	Excess Pathogens and Chemicals from Manure, Bio-Solids and other Polliutants transported to Ground Water
124	WATER QUALITY DEGRADATION	Petroleum, Heavy Metal and Other Pollutants Transported to Surface Water
125	WATER QUALITY DEGRADATION	Petroleum, Heavy Metal and Other Pollutants Transported to Ground Water
126	WATER QUALITY DEGRADATION	Excessive Sediement in Surface Water
127	WATER QUALITY DEGRADATION	Elevated Water Temperature
128	AIR QUALITY IMPACTS	Emissions of Particulate Matter (PM) and PM Precursers
129	AIR QUALITY IMPACTS	Emissions of Ozone Precursors
130	AIR QUALITY IMPACTS	Emissions of Greenhouse Gases (GHGs)
131	AIR QUALITY IMPACTS	Objectionable Odors
132	DEGRADED PLANT CONDITION	Undesirable Plant Productivity and Health
133	DEGRADED PLANT CONDITION	Inadequate Structure and Composition
134	DEGRADED PLANT CONDITION	Excessive Plant Pressure
135	DEGRADED PLANT CONDITION	Wildfire Hazard, Excessive Biomass Accumulation
136	FISH AND WILDLIFE - INADEQUATE HABITAT	Inadquate Habitat - Food
137	FISH AND WILDLIFE - INADEQUATE HABITAT	Inadequate Habitat - Cover/Shelter
138	FISH AND WILDLIFE - INADEQUATE HABITAT	Inadequate Habitat - Water
139	FISH AND WILDLIFE - INADEQUATE HABITAT	Inadequate Habitat - Habitat Community (Space)
140	LIVESTOCK PRODUCTION LIMITATION	Inadequate Feed and Forage
141	LIVESTOCK PRODUCTION LIMITATION	Inadequate Shelter
142	LIVESTOCK PRODUCTION LIMITATION	Inadequate Water
143	INSUFFICIENT ENERGY USE	Equipment and Facilities
144	INSUFFICIENT ENERGY USE	Farming/Ranching Practices and Field Operations