



## ANALYSIS OF CSP ENROLLMENT IN FY 2017

### NSAC SPECIAL REPORTS

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**KEYWORDS AND PROGRAMS:** CONSERVATION STEWARDSHIP PROGRAM; CSP; CONSERVATION

#### **ABSTRACT:**

This Special Report examines enrollment trends, including top practices and geographic variations, related to fiscal year (FY) 2017 enrollment in the Conservation Stewardship Program (CSP) – the U.S. Department of Agriculture’s (USDA) largest working lands conservation program. The report also examines CSP’s critical role in supporting conservation efforts across diverse farmer groups, and outlines opportunities for Congress to support CSP in the 2018 Farm Bill.

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## **INTRODUCTION:**

In just under a decade, the U.S. Department of Agriculture's (USDA) [Conservation Stewardship Program \(CSP\)](#) has enrolled over 87 million acres of farmland, rangeland, and forestland across the country in conservation contracts. According to preliminary enrollment data, over 72 million acres are currently enrolled in CSP in active contracts, a landmass equal to the entire size of the states of Iowa and Georgia combined. As the largest conservation program in the country, CSP provides much needed conservation assistance to producers and landowners with agricultural lands in production, promoting farming in concert with the environment.

Administered by USDA's Natural Resources Conservation Service (NRCS), CSP provides much more than the standard "one and done" approach to conservation. CSP is unique for its comprehensive approach to conservation assistance – producers enroll their entire operation as part of a CSP contract and are rewarded both for actively managing conservation activities and maintaining high stewardship levels, as well as for implementing additional conservation activities over the course of the contract.

CSP conservation activities include but are not limited to: cover cropping, resource-conserving crop rotations, management intensive rotational grazing, advanced nutrient management, high level integrated pest management (IPM), and conservation cover. These practices are designed not only to increase the long-term sustainability of agricultural operations, but are also critical to enhancing [soil health](#) and protecting natural resources.

CSP recognizes that comprehensive conservation requires long-term investment, which is why contracts are 5 years in length and participants are given a renewal opportunity at the end of each contract period, provided they have fulfilled the terms of the previous contract and commit to continual improvement. CSP contract holders receive annual payments that reflect their success in actively managing ongoing, as well as newly adopted, conservation activities. This support is meant to encourage land management activities, which while extremely beneficial, also require significant and ongoing investments of producers' money, time, and labor.

The following analysis explores the ways in which CSP provides key conservation resources to producers and landowners nationwide, and pays particular attention to enrollment, renewal, and land use trends. This Special Report also includes an assessment on CSP's current and potential impact on beginning farmers and smaller-scale operations, and provides a brief introduction to the role of the 2018 Farm Bill in supporting CSP and our nation's ongoing commitment to agricultural stewardship.

## **FY 2017 CSP ENROLLMENTS:**

Under the 2014 Farm Bill, NRCS is authorized to enroll 10 million new acres into CSP each year, down from the 2008 Farm Bill (2009 – 2014) level of 12.8 million new acres each year. (Note: Annual CSP enrollments have been further hampered by funding cuts, including cuts from the automatic budget sequestration process that requires 6-7 percent cuts each year from a wide variety of federal programs. New enrollments were also depressed due to CSP acres held for the [Regional Conservation Partnership Program \(RCPP\)](#).)

In all, NRCS was able to enroll approximately 7.5 million new acres in CSP in 2017, plus nearly 9 million acres were enrolled in renewal contracts for an additional 5 years. This means that over the next five years, more than 12,000 farmers and ranchers will be better positioned to manage and build upon conservation efforts spanning a total of 16 million acres nationwide.

This year’s CSP sign-up was unique because it marked the first year that NRCS’ [programmatic “reinvention”](#) was in place. The CSP reinvention was a long and complex process, one that was monitored closely and [reported](#) on frequently by the National Sustainable Agriculture Coalition (NSAC). The reinvention included major revisions to the ranking and evaluation processes, as well as changes to payments and CSP conservation activities (known as enhancements) available through the program.

In the following sections we dig into the details of CSP’s 2017 enrollments in order to enumerate and assess the benefits of this comprehensive approach to conservation.

### TOP STATES:

More than 7,000 farmers and ranchers across 49 states and Puerto Rico signed new CSP contracts in 2017. Minnesota retained its rank as the state with the highest number of enrolled participants in 2017, with Wisconsin and Oklahoma following close behind as the second and third highest-ranking states.

*Table 1. Top 10 States by Number of CSP Participants Enrolled in New Contracts, FY 2017*

STATE	CONTRACTS
Minnesota	513
Wisconsin	447
Oklahoma	432
Georgia	427
Missouri	421
Arkansas	405
Mississippi	369
Iowa	352
Nebraska	332
South Dakota	330

It is important to note that the states with the highest number of new CSP *acres* in 2017 are not the same as those with the most *contracts*. This difference is reflective of the diversity of operation sizes across the country, with certain states being more suitable to larger operations than others. For example, South Dakota, home to many larger acreage ranching operations, topped the list in terms of acres in 2017, enrolling more than 660,000 new acres. This year also marked a [milestone for the state](#), which has a long history of high CSP participation – in 2017, South Dakota enrolled their 7 millionth acre of land into the program. CSP covers 15 percent of all cropland and rangeland in South Dakota, and one in every ten farmers and ranchers in the state are enrolled in the program.

*Table 2. Top 10 States with the Highest Number of New Acres in FY 2017*

STATE	CONTRACTS
South Dakota	661,494
Nebraska	637,159
North Dakota	534,333
Minnesota	439,058
Kansas	438,067
Oregon	420,417
Arkansas	419,116
Oklahoma	374,831
Mississippi	371,201
New Mexico	353,570

Perhaps the most intriguing way to look at CSP enrollment is not the number of contracts or the total acreage, but rather the percentage of total farmland in a state that is enrolled in CSP. More on that below, but first a look at the 2017 renewals.

## RENEWALS

All CSP participants are eligible to renew their contract for an additional five-year contract, provided that they are in compliance with the original contract and agree to take on additional conservation activities and higher levels of stewardship. The option to renew has been popular among participants because it provides an opportunity to build upon and expand existing conservation activities, while also avoiding any gaps in CSP payments.

In FY 2017, more than 5,100 contracts originally signed in 2012 were renewed on nearly 9 million acres; nearly 60 percent of 2012 contract holders chose to renew. When renewing, participants revise their contract to ensure it includes all acreage that is part of the operation, which means that many contracts are renewed with total acreage that is larger than their original contract contained.

The charts below show the top states in terms of the number of contracts, the number of acres, and the percentage of total contracts that were renewed in CSP in 2017.

*Table 3. Top Ten States by Number of Total Contracts, FY 2017*

STATE	CONTRACTS
Minnesota	580
Arkansas	378
Oklahoma	353
North Dakota	328
Georgia	297
Wisconsin	295
Nebraska	286
Kansas	248
Illinois	237
South Dakota	220

*Table 4. Top Ten States by Number of Total Acres, FY 2017*

STATE	CONTRACTS
Nebraska	791,371
South Dakota	726,810
New Mexico	702,044
North Dakota	664,059
Texas	651,746
Kansas	618,529
Montana	547,357
Minnesota	546,682
Oklahoma	460,991
Arkansas	457,696

*Figure 1. Top Ten States by Percentage of Contracts Renewed, FY 2017*

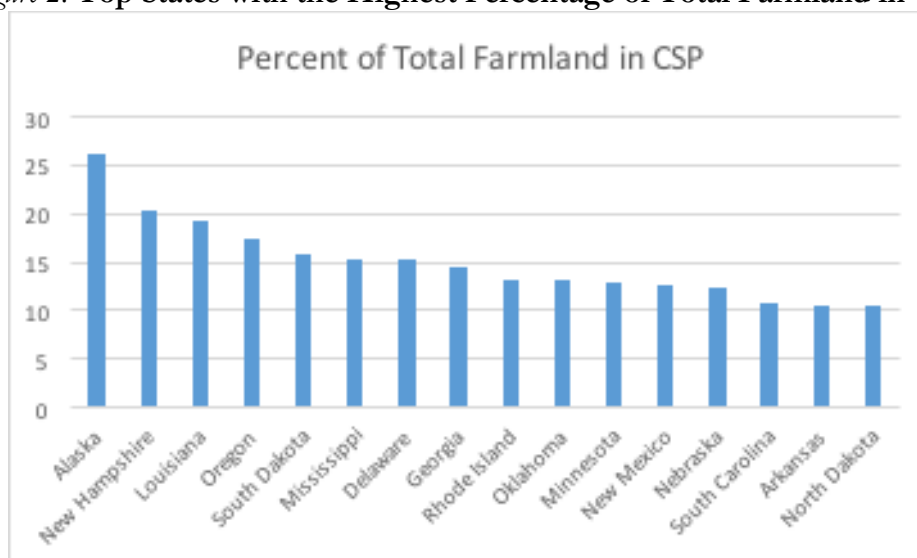


**CURRENT ENROLLMENT AS A PERCENTAGE OF TOTAL AGRICULTURAL LAND:**

When new enrollments, renewals, and expiring acres are all considered cumulatively, CSP’s footprint is quite significant – the program covers nearly 8 percent of the total farmland within the United States. While the top two CSP states by percentage (Alaska and New Hampshire) have small total agricultural acreages, larger agricultural states (including South Dakota, Oregon, and Oklahoma) also ranked highly for percentage of total agricultural land currently enrolled in CSP.

As illustrated within the chart below, at currently enrollment levels, 16 states have more than 10 percent of their total agricultural land enrolled in CSP.

Figure 2. Top States with the Highest Percentage of Total Farmland in CSP



**LAND USE:**

Given that CSP contracts must include the entire agricultural operation, it follows that a wide range of land uses are eligible, including: cropland, pastureland, pastured cropland, rangeland, forestland, and associated agricultural land.

The management of different types of lands varies in terms of the investment required to maintain and improve stewardship, and the benefits of enhanced stewardship activities. For example, pastured cropland is of particular significance to high level grazing management systems, in that it recognizes higher foregone income costs associated with maintaining permanent vegetative cover on land that is also suitable for cropland.

In order to compensate for the variable requirements and challenges of implementing conservation activities on different land use types, CSP varies its payment rate per acre by land use type. This rate, multiplied by the number of acres of each land use, is then combined with a payment for each resource concern on each land use that the participant is meeting.

Table 5. Land Use Types by CSP Payment Rate Per Acre

STATE	CONTRACTS
Cropland	\$7.50/acre
Pastured Cropland	\$7.50/acre
Farmstead	\$7.50/acre
Pasture	\$3.00/acre
Range	\$1.00/acre
Forest	\$.50/acre
Associated Agricultural Land	\$.50/acre

In 2017, cropland was the largest percentage of total CSP acreage, accounting for 61 percent of total acres enrolled; this was followed by rangeland, pastureland, and forestland. The charts below illustrate FY 2017 enrollments by acreage, as well as the acreage payments allocated for those acres.

Figure 3. FY 2017 Enrollments by Land Use - Acres

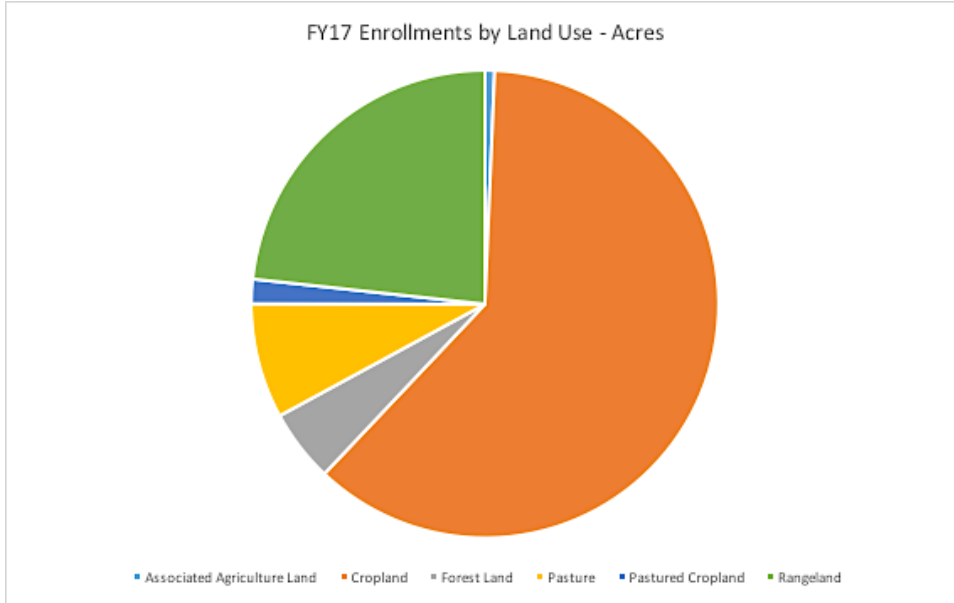
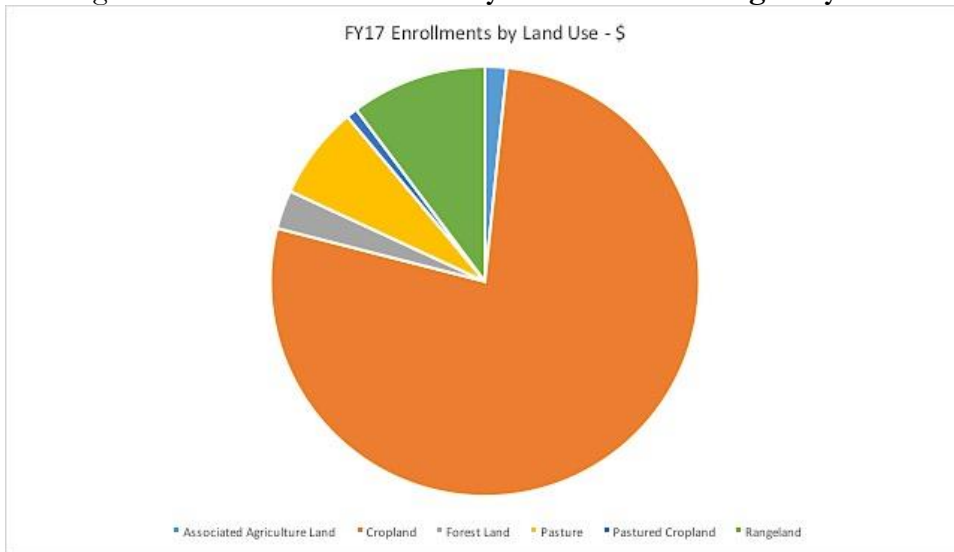


Figure 4. FY 2017 Enrollments by Land Use – Acreage Payments



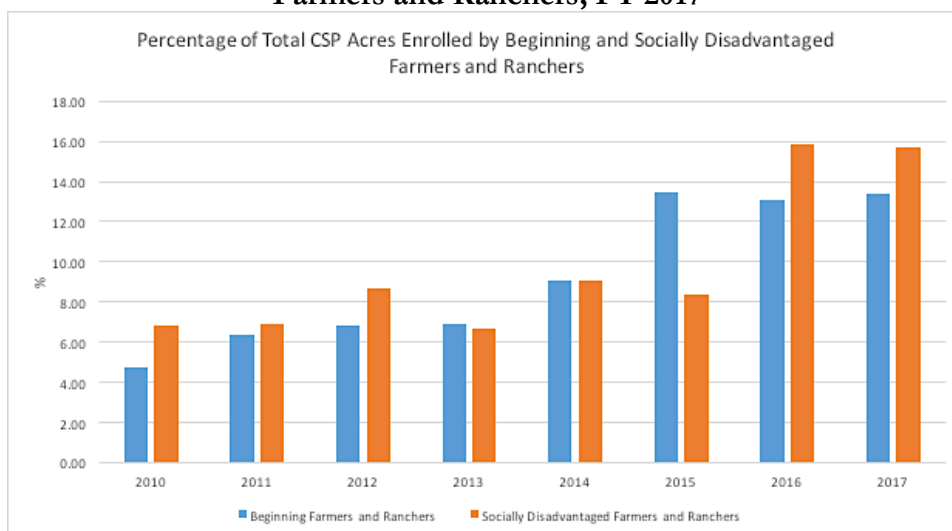
## BEGINNING AND SOCIALLY DISADVANTAGED FARMERS AND RANCHERS:

The opportunity to enroll in CSP and other working lands conservation programs is especially important for new and socially disadvantaged producers, who will see some of the greatest benefit from this type of support. Beginning and socially disadvantaged farmers and ranchers often have the lower levels of starting capital, training and/or resources than established producers and therefore need different and higher levels of support.

The 2008 and 2014 Farm Bills required NRCS to set-aside 5 percent of enrolled CSP acres for beginning farmers and ranchers, and another 5 percent of acres for socially disadvantaged producers. These two pools of applicants compete for funding among other beginning or socially disadvantaged farmers, but not with applicants as a whole – thereby increasing their chances of securing a CSP contract.

The percentage of total CSP acres enrolled by beginning and socially disadvantaged farmers and ranchers has continually increased over the past six years, illustrating high demand and interest from these producers. In 2017, 13 percent of total CSP contracts acres were enrolled by beginning farmers and ranchers, and 15 percent of acres were enrolled by socially disadvantaged producers. As the chart below illustrates, enrollment has steadily increased over time, though the numbers were relatively flat between 2016 and 2017.

*Figure 5. Percentage of Total CSP Acres Enrolled by Beginning and Socially Disadvantaged Farmers and Ranchers, FY 2017*



In general, beginning farmers and ranchers' contracts were smaller than the average acreage for other enrolled contracts – the average contract size was 630 acres as compared to the national average of 1,040 acres for new enrollments.

Following the 2014 Farm Bill, NSAC worked closely with NRCS to expand conservation support for beginning and socially disadvantaged farmers. In March 2016, USDA issued their [final rule](#) for CSP, which provided guidance for program implementation, as well as a policy goal to expand beginning and socially disadvantaged producer enrollment across *all* ranking pools. The final rule also allocated additional acres to the set-aside pools (as needed) to address the program demand.



To build upon the progress made in the 2014 Farm Bill, NSAC's 2018 [farm bill platform](#) recommends an increase in the set-aside for both groups to 15 percent, which will better position CSP to meet the growing demand for resources from beginning and socially disadvantaged farmers.

### **MINIMUM PAYMENT:**

As previously noted, beginning and socially disadvantaged farmers and ranchers often have smaller sized operations than long-established producers. High value specialty crop farms, including organic operations, also are often smaller in acreage.. In order to properly incentivize smaller acreage producers to take on conservation activities and enroll in CSP, USDA's 2016 final rule included a minimum payment of \$1,500 per year for all successful applicants. This is a provision that NSAC had long advocated for; in the 2018 Farm Bill we will advocate that this opportunity be made statutory.

The addition of a minimum payment is important because it properly compensates smaller acreage producers for the time, labor, and foregone income that goes into CSP participation. Because part of the CSP annual payment is determined by acreage, prior to the establishment of the minimum payment smaller acreage producers often chose not to participate because payments were too low. Under the 2017 sign up more than 800 contracts included the minimum payment option. On average, for those producers, the minimum payment meant an extra \$720 per year – providing a significant boost for smaller acreage participants adopting high-level conservation activities.

### **ENHANCEMENTS DATA:**

NRCS has not yet provided us with data regarding which conservation enhancements CSP participants adopted as part of their contracts in 2017. As this information becomes available, we will further analyze and report on the adoption on enhancements, practices, and suites (or “bundles”) of enhancements.

### **FARM BILL OPPORTUNITIES FOR CSP:**

Since the Conservation Title was first added to the farm bill in 1985, conservation programs have enjoyed broad support from both producers and legislators. In the 2014 Farm Bill, however, Congress reversed course and made the first cuts – totaling roughly \$6 billion when automatic sequestration cuts are factored in – in the title's history. The impact of these cuts have mean that farmers increasingly struggle to obtain conservation assistance, and that consequentially our national commitment to conservation agriculture has weakened.

The 2018 Farm Bill presents an opportunity to put conservation back on track. With support from Congress in the upcoming farm bill we can not only reverse the shortsighted cuts of 2014, we can also make much needed improvements to CSP and other conservation programs that would increase accessibility and enhance outcomes.

In order to achieve these benefits, NSAC has published a set of comprehensive farm bill recommendations, [An Agenda for the 2018 Farm Bill](#), which includes recommendations for USDA conservation programs. The pillars of our comprehensive conservation platform include:

- Expanding access to working lands conservation programs;
- Targeting dollars to the most effective conservation activities and systems;
- Improving support for outreach, planning, and implementation; and
- Increasing measurement, evaluation, and reporting of program outcomes.

To learn more about NSAC's farm bill recommendations for CSP and other agricultural conservation programs, please refer to our blog post: "[Path to the 2018 Farm Bill: Comprehensive Conservation Reform](#)".

**ADDITIONAL INFORMATION AND RESOURCES:**

For more background information on CSP, including eligibility criteria and how to apply, visit our [Grassroots Guide to Federal Farm and Food Programs](#).

NSAC Blogs, Comments, and Resources on CSP:

- [Conservation, Energy, and Environment Blogs](#)
- [Path to the 2018 Farm Bill: Comprehensive Conservation Reform](#)
- [\*Farmers' Guide to the Conservation Stewardship Program\*](#)