



March 1, 2019

The Honorable Bill Northey
Under Secretary for Farm Production and Conservation
U.S. Department of Agriculture
1400 Independence Avenue SW
Washington, D.C. 20250

Re: NSAC Comments on 2018 Farm Bill Implementation for FPAC Mission Area

Submitted via Regulations.gov (FR Docket USDA–2019–0001)

Dear Undersecretary Northey,

The National Sustainable Agriculture Coalition (NSAC) welcomes the opportunity to submit comments on the implementation of farm bill provisions administered by the Farm Service Agency (FSA), Natural Resource Conservation Service (NRCS), and Risk Management Agency (RMA), as requested in the Federal Register Vol. 84, No. 31 on February 14, 2019.

The National Sustainable Agriculture Coalition is a national alliance of over 45 family farm, food, rural, and conservation organizationsⁱ that together take common positions on federal agriculture and food policies to advance sustainable agriculture. We worked across the range of issues included the 2018 Farm Bill to protect and improve natural resources, expand opportunities for the next generation of farmers, invest in local and regional economies, and scale up agricultural research efforts to build a more sustainable food and farming system.

In that light, NSAC makes the following recommendations on how FSA, NRCS, and RMA should move forward on implementation of the 2018 Farm Bill.

We thank you for serious consideration of our recommendations, and would welcome any additional feedback we can provide.

Sincerely,

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Interim Policy Director

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Senior Strategic Advisor

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FSA RECOMMENDATIONS

Noninsured Crop Disaster Assistance Program

1. Move quickly to implement the numerous positive farm bill changes or continuations, including buy-up coverage, data collection and sharing, streamlined submission process for small farms, direct market farms, and urban farms, fee waivers and premium discounts for beginning and socially disadvantaged farmers, and acceptance of contract and other premium prices (FSA Question #3)

Some of the provisions included in Section 1601 of the new farm bill are self-implementing, while others will involve developing new forms and data sets. We urge you to implement as many of the changes as possible for the coming crop year, and to engage with the stakeholder community, particularly organizations like ours that have member organizations that work directly with a wide variety of underserved producers, as you pursue the more difficult pieces.

2. With respect to premium prices, we urge you to provide for a comprehensive recognition of premium prices and a wide range of data sets from which to calculate premium prices (FSA Question #3)

This has been one of the greatest obstacles for sustainable farmers marketing through rapidly emerging local and regional and high value markets. We therefore urge you to put it at the very top of your NAP implementation work list for 2019.

3. Make NAP and WFRP a key component of the training of the new state Beginning Farmer Coordinators, and to require that their outreach plan include farmer-friendly information and decision support tools for both programs (FSA Question #3)

In the RMA portion of our comments we address the new farm bill provisions for FSA and RMA to coordinate on NAP data and for the FCIC Board to annually consider new and expanded policies. We recommend that the two agencies work together on developing new creative ways to use NAP as an on-ramp to crop insurance for farmers transitioning to new markets and for beginning farmers. We also recommend that FSA create a whole farm corollary to WFRP that would allow new farmers to use NAP for up to 5 years to create the history required for WFRP. In addition to these improvements, we also think it is vital that the Beginning Farmer Coordinators are familiar with both programs and can assist in outreach and assistance to new farmers in their state as they explore their insurance options.

FSA Direct and Guaranteed Loan Programs

Leading up to the 2018 Farm Bill, there had been much debate about improvements needed to USDA loan programs to ensure that farmers have an adequate safety net, especially in these times of low commodity prices. USDA farm loan programs have filled an important gap in financing for those unable to secure credit in the private market, and have been vital in providing access to credit for small and mid-size family farms, including new and beginning, socially disadvantaged, and veteran farmers, helping them get started and graduate to commercial credit.

While the new farm bill includes changes to farm loan programs, the real impact of these changes is not yet known. For example, the farm bill increases the maximum loan amount for both Direct and Guaranteed Loans. And while this change will increase access to credit for some (primarily larger operations), it may very well adversely impact credit for others (including current borrowers and new farmers). In direct response to FSA Question 7, we provide the following recommendations on how to enhance the level of participation of beginning and other underserved farmers in FSA loan programs.

1. Beginning in FY 2019, closely monitor and report on FSA direct and guaranteed lending trends to ensure that small and mid-size family farms, new and beginning, socially disadvantaged, and veteran farmers are able to access credit at rates similar to those under previous loan caps (FSA Question #7)

The new farm bill establishes annual public reporting requirements on FSA lending trends to ensure close monitoring (and mitigation) of any negative impacts the higher loan limits may have on access to credit for small, beginning, and underserved farmers – including both existing and potential FSA loan borrowers. Section 5413 requires USDA to provide annual data on farm loans by borrower age; years farming (i.e. beginning vs established farmers); farm size; race, ethnicity, and gender; farm commodity financed; farm loan size; and default rates.

While FSA currently provides some annual and state level data on FSA loan programs, there is very little year to year or longer-term analysis of changes in lending trends. Furthermore, state-level loan data is not currently available and broken down by farm size, age, commodity, or loan size – so it remains impossible to truly understand which farmers are accessing FSA loans in any given state or region and how that has changed over time. Additionally, while FSA includes data on lending to “socially disadvantaged applicants,” this data includes loans to women as well as loans to ethnic minorities. Because this data is not disaggregated, it is again impossible to get an accurate picture of FSA lending trends in order to understand which farming communities are or are not able to access FSA financing.

2. Conduct more robust analysis and public reporting comparing annual FSA direct and guaranteed lending trends with statutory target participation rates for beginning and socially disadvantaged farmers (FSA Question #7)

To date, most statutory target rates for beginning and socially disadvantaged farmers are currently not being met across all loan programs – with guaranteed lenders performing the most poorly. In 2018, guaranteed lenders only used 29 percent of operating loan funding and 34 percent of ownership loan funding to make loans to beginning farmers – falling far short of the 40 percent of annual loan funding reserved for beginning farmers (as outlined in Table 1 below).

This trend strongly suggests that the increased loan limits may not only lead to fewer, but larger loans (unless annual appropriations are significantly increased), but also that private lenders will inevitably fall further and further behind in meeting their lending targets. It will therefore be incredibly important for USDA to closely monitor and report on the impact of higher loan limits – specifically regarding lending to beginning and socially disadvantaged farmers, including the impact on the ability of lenders to meet statutory target participation rates.

In addition to increased reporting on FSA loan borrowers in general, the new farm bill also requires USDA to conduct an annual “assessment of actual loans made or guaranteed as measured against target participation rates for beginning and socially disadvantaged farmers, broken down by State, as described in sections 346(b)(2) and 355 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2), 2003).”

Additionally, the farm bill requires USDA to prepare a comprehensive review of FSA loan programs that specifically identifies trends – including to the extent target annual participation rates for beginning and socially disadvantaged farmers are being met for each loans time – and specific actions or recommendations USDA can take to improve lending to these underserved communities. We urge FSA to move forward promptly with both of these new reporting requirements established in the new farm bill.

Table 1. Beginning Farmer Target Participation Rates FSA Direct and Guaranteed Loans FY 2018 (% of total funding)			
	Target	Actual	Difference (% pts)
Direct Operating	50%	64%	14
Guaranteed Operating	40%	29%	(11)
Direct Farm Ownership	75%	74%	(1)
Guaranteed Farm Ownership	40%	34%	(4)

3. Establish stricter requirements for guaranteed lenders to ensure each guaranteed lender is making progress in meeting statutory target participation rates for beginning and socially disadvantaged farmers (FSA Question #7)

While FSA direct loan programs have met their targets for beginning farmers in recent years, private lenders seeking guaranteed loan funding – many with FSA Preferred Lender status – have been unable to meet their statutory targets since target participation rates were put in place by Congress in 1992. And while the increase in loan guarantees to 95 percent for socially disadvantaged and beginning farmers may help banks increase lending to these borrowers, USDA must also take additional steps to ensure lenders are taking concerted efforts and making documented progress towards meeting statutory lending targets.

For example, all guaranteed lenders should at a minimum, be required to develop annual outreach plans that detail specific actions and strategies they plan to undertake to effectively reach underserved communities in their service area, along with documentation that outreach efforts were actually conducted. Additionally, USDA should consider revoking any lender’s preferred lending status if a lender fails to reach or exceed annual participation targets on a 3-year rolling average basis. Further, FSA must work aggressively with private banks and Farm Credit to increase participation in FSA’s Down Payment Loan program – which has been underutilized in many regions due to lender’s willingness to partner with FSA on joint financing loans to support new farmers.

Additionally, FSA should be proactive in working with guaranteed lenders to coordinate efforts on outreach, tracking, and meeting participation targets so that lending institutions can share lessons learned and successful, effective outreach strategies. Given the ever-important role FSA loans play in the farm safety net, the time is ripe for USDA to approach these lending targets in a more meaningful way that does not simply allow lenders to fail year after year without penalty.

4. If FY 2019 lending trends indicate decreased lending to small and mid-sized farms, beginning, socially disadvantaged, and veteran farmers, USDA should take immediate actions to increase lending to these communities in future years (FSA Question #7)

While it is likely that the increased loan caps will increase loans to larger operations, the impacts of lending to other farmers is still uncertain at this point. The increased loan limits included in the farm bill went into effect immediately while annual appropriations for FSA loans for FY 2019 do not account for these higher loan limits and instead maintain funding at FY 2018 levels for all FSA loan programs.

This means that loan funding available this year to help farmers cover their annual operating expenses and purchase farmland may indeed fall short of the anticipated increased demand for loan financing. It will therefore be necessary for USDA to take a proactive role to ensure that FSA loan programs remain accessible for small and mid-sized farms, beginning and socially disadvantaged farmers – especially if FY 2019 lending trends indicate that a shortfall in loan funding may be in sight. We urge FSA to work closely with Congressional Appropriators and keep them apprised of the status of loan funding available across FSA loan programs, to ensure that Congress can respond to any shortfalls in loan funding.

Additionally, Section 12304 of the new farm bill establishes beginning farmer state coordinators to advise the Secretary and coordinate USDA programs and outreach efforts to beginning farmers. USDA should take immediate steps to fill these positions and charge them with developing state-specific outreach plans to target the unique credit needs of beginning farmers.

In addition to creating effective strategies for targeted outreach and technical assistance, FSA should partner with organizations on the ground who work with these communities to develop meaningful and effective strategies to respond to their credit needs. We urge USDA to move forward quickly in rolling out the new Farming Opportunities Training and Outreach program established in Section 12301 and urge FSA to work closely with the Office of Partnerships and Public Engagement (OPPE) and National Institute of Food and Agriculture (NIFA) in providing outreach and training to undeserved farmers.

We would also urge USDA to convene a diverse range of stakeholders who work with small and mid-sized farms, beginning, socially disadvantaged, and veteran farmers, to discuss specific barriers facing these communities in accessing credit and what steps USDA (or Congress) could take to overcome these challenges.

5. Move quickly to implement the policy changes included in the final farm bill to ensure fair access to FSA programs for producers farming on heirs property (FSA Question #7)

Sections 12615, 5104 and 12607 of the 2018 Farm Bill ensures that more farmers – especially farmers of color operating on land with undivided interests – can secure farm numbers and

finally access critical USDA programs, including FSA loan programs. USDA should move forward quickly with implementing these changes, in consultation with organizations and communities most familiar with the issues, and ensure adequate outreach to FSA field and county staff on the changes included in the farm bill.

6. Provide adequate staffing at FSA county offices to ensure farmers are able to access USDA loan programs, especially beginning farmers and others who need more targeted and robust technical assistance (FSA Question #7)

The administration has placed significant emphasis on customer service. As the point of interface with farmers and members of the community, it is critical that county offices have the levels of staffing needed to implement programs effectively and assist farmers who need it with program applications and implementation. This is especially true for the timely origination and servicing of direct and guaranteed FSA loans. Many county-level offices still face significant shortages in staffing and we urge USDA to increase FSA staffing resources at the county level for FY 2019 and future years.

Conservation Reserve Program

The 2018 Farm Bill makes policy changes and increases acreage that can be enrolled in the Conservation Reserve Program (CRP). As FSA moves forward with implementation of these changes in FY 2019 and beyond, we urge you to target the most sensitive acres for general enrollment, and incentivize and support partial field enrollments through the continuous enrollment option to support land in agricultural production while simultaneously getting the biggest bang for the buck in conservation benefits. We urge FSA to design tools and incentive rates that properly encourage the adoption of these key conservation practices. Below we provide several specific recommendations on CRP implementation.

1. Immediately move forward with signing up continuous CRP (CCRP) as quickly as possible, including promotion of the newly authorized Clean Lakes, Estuaries, and Rivers (CLEAR) Initiative

We are pleased that the farm bill made several important additions and improvements to the continuous enrollment option within CRP. Partial field enrollments of high priority conservation practices within CCRP play a significant role in protecting and enhancing water quality, wildlife habitat, and other critical resource concerns. The farm bill directs FSA to enroll at least 8.6 million acres in CCRP, and we urge FSA to work to reopen CCRP enrollment as quickly as possible. The next CCRP enrollment opportunity should also actively promote the new Clean Lakes, Estuaries, and Rivers Initiative, as FSA is directed to ensure that at least 40 percent of CCRP enrollments are within the CLEAR Initiative (Section 2201(c)(3)). We urge you to re-open CCRP by April 2019.

2. Reopen enrollment in the CRP Grasslands Initiative and promote robust conservation management

We urge FSA to move forward as quickly as possible with an opportunity for participants to enroll in the CRP Grasslands Initiative in FY 2019. The farm bill sets aggressive targets for increasing the number of acres that must go towards the Grassland Initiative (Section 2201(c)(2)), and we urge FSA to quickly move forward with sign-up and enrollment, including targeted outreach and

promotion. In states with remnant native prairie, we urge FSA to ensure that CRP Grassland contracts are targeted to protect and conserve native prairie most under threat of development. We also urge FSA to prioritize CRP grassland applicants who agree to implement managed rotational grazing as part of their contract. We recognize that the farm bill directs FSA to do a Grasslands sign-up subsequent to a general sign-up, but recognizing that FSA is still behind in meeting the 1,000,000 acres for FY 19 and that those acres cannot go towards any other enrollment options within CRP, we urge you to move forward first with a sign-up for the Grassland Initiative.

3. Ensure CRP contract holders with acres set to expire from the program at the end of this fiscal year are notified of the full suite of options prior to the expiration of their contract (FSA Question #4)

With 1.6 million acres set to expire from CRP at the end of this year, it is critical to ensure that there is a robust plan in place to maximize conservation benefits of that land set to come out of the program. We urge NRCS to first provide an update on whether there will be the option for expiring acres to reenroll, and additionally ensure aggressive publicity on the full suite of options available to producers with expiring contracts. These options include the CRP Transition Incentives Program, CCRP, CRP Grasslands Initiative, and the Conservation Stewardship Program (CSP). We urge NRCS to ensure all contract holders with expiring contracts are notified well in advance of this full suite of options. Ideally a letter to all landowners with expiring contracts would receive a letter laying out all the options by April 1, as has been the case in previous years.

4. Focus the new Soil Health and Income Protection Pilot Program on support for beginning farmers and utilize a mix of regionally adapted or native plant species (FSA Question #5)

We urge NRCS to focus the new Soil Health and Income Protection Pilot Program on support for beginning farmers. Given the low acreage cap of 50,000 acres, as well as the fact that the farm bill provides for improved cost share and payment rates, it makes sense that beginning farmers be a primary focus of the pilot. In terms of the perennial conserving use cover, we urge NRCS to ensure that the perennial cover crops consist of a mix of regionally adapted or native plant species.

CRP-Transition Incentives Program

Nearly 100 million acres of farmland (enough to support nearly 250,000 family farms) is set to change hands over the next five years – during the course of the new farm bill. Additionally, over 14 million of these acres will transition back into production from the Conservation Reserve Program. This is an important opportunity for USDA to build partnerships between one generation and the next to facilitate the transfer of skills, knowledge and land and ensure the success of American agriculture.

1. Move forward to quickly implement and conduct outreach on the changes in eligibility for the Transition Incentives Program

The 2018 Farm Bill includes several policy changes to the CRP Transition Incentives Program to expand the program's reach and better connect landowners with new and underserved farmers. Section 2208 expands eligibility from retiring landowners to all landowners with expiring CRP

contracts. All CRP contract holders with expiring contracts in FY 19 (and FY 20) should be notified promptly of these changes in eligibility.

2. Notify landowners earlier and more frequently about enrolling in TIP

Currently, FSA informs CRP contract holders of the TIP option in a formal letter sent during the year prior to the expiration of their CRP contract. However, 6-8 months advance notice is often too short of a timeframe to realistically encourage TIP enrollment. Identifying a potential farmer or rancher and building a business relationship with them can realistically take years. We urge USDA to modify outreach and communication to CRP contract holders to inform landowners about the TIP option when they first enroll in CRP, and again during annual communications with CRP participants.

In addition, some CRP contracts are managed by a third party, making direct communication with the landowner difficult. FSA should take steps to identify best strategies for reaching and communicating with these landowners.

3. Develop a targeted and effective outreach plan for TIP which builds partnerships with organizations on the ground to help to facilitate the match between landowners and beginning, veteran and socially disadvantaged farmers

Since the creation of TIP in the 2002 Farm Bill, program participation has varied significantly from state to state and has been very geographically concentrated. One of the primary challenges to program usage is facilitating the match between CRP landowners and interested farmers or ranchers. Landowners and farmers must not only find a way to identify and connect with each other, but they must also build a base level of trust and come to a mutual agreement in order for both parties to decide to enroll in the TIP program together. Additionally, since FSA is prohibited by law from disclosing CRP participant information, outreach on this program has been particularly challenging and in many places inadequate.

In order to address this need, Section 2501 of the new farm bill provides \$5 million in dedicated funding to support outreach to both CRP landowners and beginning, veteran, and socially disadvantaged farmers about the Transition Incentives Program. In utilizing this funding, we urge FSA to develop state specific outreach plans that engage the newly established state Beginning Farmer and Rancher Coordinators and build meaningful partnerships with organizations serving these communities on the ground.

As part of these outreach plans, FSA should identify organizations in every state that maintain networks of beginning, socially disadvantaged, or veteran farmers and ranchers – including grantees of NIFA's Beginning Farmer and Rancher Development Program (BFRDP), State Departments of Agriculture, and state-based or regional land-link programs. Additionally, FSA state offices should reach out to these organizations to gain their buy-in on being listed as a resource for CRP-TIP. Potential actions that these organizations could be asked to take to support a landowner include: reaching out to their networks with an announcement for interested parties to contact the landowner, and/or sharing information about meetings or conferences that would offer good opportunities for landowners and interested farmers and ranchers to network.

FSA should also identify organizations and resources that can offer landowners support on land transition issues. In order to support landowners and farmers or ranchers who have identified each other and are interested in participating in CRP-TIP, FSA could create a similar list of organizations that offer education and support on questions of land rental and transition.

Finally, FSA should allow CRP contract holders to opt-in to allow their contact information to be shared with beginning, socially disadvantaged, or veteran farmers or ranchers who are interested in participating in CRP-TIP.

4. Increase program awareness and education about CRP TIP across FSA county, state and national staff to facilitate targeted and robust outreach efforts

Program knowledge about TIP varies greatly across FSA county and field staff, with some staff dedicated to promoting the program in their areas, and others completely unaware of the program's existence. As part of FSA's outreach efforts on TIP, FSA must ensure that county staff are aware of the program and are familiar with changes in eligibility and sustainability requirements as mandated by the new farm bill.

Additionally, FSA should consider launching a regular webinar or conference call series for state or local FSA staff to share successful strategies in promoting TIP and/or addressing state-specific barriers. Guidance should be provided to all state offices on best practices and creative strategies to increase outreach to landowners and beginning, socially disadvantaged, or veteran farmers – including building effective partnerships with organizations who serve these communities.

5. Establish more robust reporting and analysis on program usage to better understand why TIP is working well in some states and regions and not in others

Given the geographic concentration of program participation, it's necessary for USDA to undertake more robust analysis and consistent reporting of program usage across the country. In 2016, NSAC partnered with FSA and several of our members in evaluating program usage¹ in several states, and while useful, similar analysis must be conducted on a national scale to better understand state-specific barriers to program usage.

FSA should standardize the county office reporting process, and share progress in TIP participation on a statewide basis to ensure that every office is aware of funding availability. FSA should also release an annual report on TIP participation by state and county – which would serve to raise awareness of the program, both across state and county FSA offices, and other stakeholders who work both with landowners and with beginning, socially disadvantaged or veteran farmers.

Finally, the physical characteristics of land enrolled in CRP can affect whether or not it is suitable to be converted to agricultural production, and subsequently appropriate for enrollment in the TIP program. To improve targeted outreach for CRP-TIP, FSA should analyze historic data of the CRP practice codes for land that was enrolled in CRP and subsequently TIP. FSA should then identify

¹ "Pathways to Land Access: A Study of the Conservation Reserve Program - Transition Incentives Program in Four States." February 2017. Center for Rural Affairs. Available online: <http://sustainableagriculture.net/blog/pathways-to-land-access/>

land currently enrolled in those same CRP codes and conduct targeted outreach to those landowners regarding CRP-TIP.

NRCS RECOMMENDATIONS

Working Lands Conservation Programs – Coordination

We are pleased that the farm bill retains both the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) as standalone conservation programs, recognizing the unique benefits that each provides. The farm bill directs NRCS to provide streamlined and coordinated procedures for EQIP and CSP. We strongly support this coordination, but also point out the following significant differences between the two programs.

CSP offers comprehensive conservation across an entire operation, whereas EQIP provides cost share for individual conservation practices. CSP payments reflect the existing level of stewardship at the time of application, plus payments for additional conservation activities, whereas EQIP payments only support new conservation activities. Additionally, CSP eligibility is based on meeting the stewardship threshold for two resource concerns at the time of application, whereas EQIP does not have a stewardship eligibility requirement.

We urge NRCS to retain and promote these key differences, while equally promoting and supporting both programs, as further expanded upon in the recommendations below.

1. Ensure equal and coordinated promotion of sign-up opportunities for EQIP and CSP, while simultaneously promoting the distinct characteristics of each program (NRCS Question #4)

We urge NRCS to equally promote and encourage participation in both EQIP and CSP. The addition of incentive contracts within EQIP can be utilized as a helpful addition to encourage longer term stewardship, and while it can serve as a bridge to CSP, it by no means can or should function as a replacement or alternative to CSP, especially given the significant differences, as further noted in the EQIP specific recommendations in point #2 below and in the EQIP section of our comments.

There are, however, shared goals and opportunities within both programs, including the specific new directives on soil health, water quality, weather variability, and organic production. When conducting outreach of these shared objectives, we urge NRCS to highlight the distinct support provided by each program.

Additionally, we urge NRCS to coordinate the administration of the two working lands conservation programs, as directed in Section 2308(j), including coordination of ranking tools, sign-up deadlines, and other application forms to make both programs increasingly accessible for producers and field staff. Coordinated administration presents an opportunity to highlight the clear difference between EQIP (including incentive contracts) and CSP, and we urge you to ensure outreach accurately promotes the unique characteristics of CSP, including whole farm conservation, payment structure, and eligibility factors.

2. Utilize the new EQIP Incentives as a transition option for participants to graduate to comprehensive conservation in CSP (NRCS Question #4)

The 2018 Farm Bill includes the establishment of Conservation Incentive Contracts within EQIP (Section 2304(g)). As NRCS moves forward with implementation of this provision, we urge the Agency to clearly distinguish between the two programs, while simultaneously supporting increased coordination, as provided for in the 2018 Farm Bill. EQIP incentive contracts are not duplicative of the comprehensive conservation support provided through CSP. We welcome the addition of incentive contracts as an opportunity to provide longer term, management focused conservation support within EQIP. We urge NRCS to promote incentive contracts as a tool participants can utilize to qualify for CSP through a seamless graduation process. If incentive contract holders meet the stewardship threshold for two resource concerns across the entire operation before the end of an incentive contract and wish to move to comprehensive conservation in CSP, we urge NRCS to allow them to make this transition and end their incentive contract early, without any penalty for doing so.

EQIP incentive contracts do not provide a new option for producers that differs significantly from what is otherwise offered through EQIP. That being said, the incentive contract option can serve as a useful tool within EQIP for longer-term contracts and those looking to eventually transition to comprehensive stewardship. The chart below compares regular EQIP contracts and incentive contracts within EQIP, illustrating the fact that the new option is not significantly different from what is otherwise already available through EQIP.

	EQIP	Incentive Contracts	How differ?
Payment	Costs associated with planning, design, materials, equipment, installation, labor, management, maintenance, or training + income foregone	Level and extent of practice, cost of installation, adoption, completion, management, maintenance, or improvement of incentive contract + income foregone Includes annual maintenance payment + practice payment	Incentive payments divide payment structure into two pieces, one for adopting and installing, and one for managing and maintaining, but otherwise include all the same basic payment features as regular contracts, with the possible exception of consideration of “the level and extent of practice” within incentive contracts, which could potentially suggest higher payment levels for higher levels of management beyond the minimum practice requirements
Eligible land	Cropland, grassland, rangeland, pasture land, forest, other ag land on which identified or expected resource concerns related to ag production could be addressed	Cropland, grassland, rangeland, pasture land, forest, other ag land on which identified or expected resource concerns related to ag production could be addressed	Eligible land is same in both options and neither apply to the whole farm
Eligible	Payments are available to a	Payments are available for the	No differences in producer

producer	producer to implement 1 or more practices on eligible land	implementation		eligibility	
Address resource concerns	Evaluation of application is based on how effectively and comprehensively the project addresses a resource concern or resource concerns	STCs must identify watershed/regions + 3 eligible priority resource concerns, incentive contracts must effectively address at least 1 eligible priority resource concern		No difference aside from identification of 3 priority resource concerns within incentive contracts versus any resource concern for regular contracts	
Length of contract	Not more than 10 years	Term of not less than 5 and not more than 10 years		While regular EQIP contract can be as short as 1 year, incentive contracts must be at least 5 years	

Working Lands Conservation Programs – Organic

We are pleased that the farm bill makes important improvements for organic and transitioning to organic producers within both EQIP and CSP. Given that there are significant differences between the type of conservation support provided within EQIP and CSP, the focus should not be on avoiding duplication but rather coordinating across and within the two conservation programs. Below we offer recommendations for the implementation of organic provisions within CSP and EQIP.

1. Develop an allocation formula as directed under CSP and apply that allocation formula to both EQIP and CSP for increased coordination (NRCS Question #6)

The farm bill directs NRCS to develop an allocation formula that is based on the number of certified and transitioning organic operations in the state, as well as the total acres of organic and transitioning operations of the state. We urge NRCS to further develop this formula, incorporating additional feedback from states and stakeholders in order to reflect the most accurate representation of demand for conservation support for organic and transitioning to organic producers. We then urge NRCS to apply this formula to allocate both EQIP and CSP funds to states on an annual basis.

2. Provide allocations of Organic Initiative funds, for both EQIP and CSP, directly to the states rather than leaving it to the States to request funding each year (NRCS Question #6)

In order to ensure promotion and utilization of EQIP and CSP for organic and transitioning producers, we believe it is essential to return to the approach that had been used within EQIP prior to FY 2014, which provided allocations directly to each state. As a result of the transition away from that approach, financial assistance obligated through the Organic Initiative has declined steadily. Requiring states to request funding from National Headquarters (rather than National Headquarters obligating it to the States), creates an unnecessary barrier for state participation in the program and is likely to perpetuate the declining trend in utilization of the organic initiative in both EQIP and CSP. Placing the burden on states to request funding undercuts the importance of the program, and leads to some states to be less inclined to promote the program or encourage participation – ultimately having a negative impact on conservation support for organic and

transitioning farmers. Thus we urge NRCS to provide states with an initial allocation, based on the formula discussed above, in order to ensure each state is receiving funding and will continue to incentive opportunities for organic within both EQIP and CSP at the state level.

3. Promote the increased Organic Initiative payment cap within EQIP in conjunction with the promotion of available funding through the allocation described above (NRCS Question #6)

The farm bill increases the payment cap for the EQIP Organic Initiative to \$140,000 during the period of fiscal years 2019 through 2023. This is an increase above the previous payment cap (\$20,000 per year or \$80,000 over any 6-year period), but still far below the payment cap for General EQIP of \$450,000 during the period of fiscal years 2019 through 2023. Given that the payment cap for the Organic Initiative still remains below that of General EQIP, it is absolutely essential that the separate payment cap be promoted in conjunction with a state based allocation for organic and transitioning participants. Organic and transitioning to organic EQIP applicants should always be given the option to compete within a separate pool, especially when subject to a separate payment limit. Therefore, we urge NRCS to ensure that the new payment limit for the organic initiative is promoted alongside the assurance that an allocation of funding for the initiative will be allocated to all states, based on the formula described above.

4. Further develop tools and resources, including the Organic Crosswalk, to convey how EQIP practices and CSP enhancements can support organic transition and production (NRCS Question #6)

We appreciate the work that NRCS has done to provide better coordination between conservation tools and organic plans and requirements over the past several years. We urge you to further build upon these resources to ensure farmers and ranchers are aware of the support that both CSP and EQIP can provide when it comes to transitioning to and maintaining organic systems that comply with certification requirements. We urge you to update the Organic Crosswalk with the most recent revisions to EQIP practices and CSP enhancements to clearly illustrate how these activities can be utilized to support organic production. Additionally, we thank you for the work that has already been done to provide better coordination between CAP138 and the Organic System Plan, and we urge you to continue to build upon these resources to support additional coordination between NRCS tools and resources and the organic certification process.

Conservation Stewardship Program

In addition to the recommendations included in the coordination and organic sections above, we also provide several additional recommendations regarding CSP implementation under the 2018 Farm Bill. While we are disappointed that the farm bill includes a significant funding cut with serious implications for available funding outside of the five years under this farm bill, we believe there is enormous opportunity in the changes provided in the farm bill to further enhance CSP. We urge NRCS to quickly move forward with the changes in the 2018 Farm Bill to increase the program's accessibility and conservation impact. Below we provide several recommendations regarding the FY 2019 sign-up period as well as important changes made that should be prioritized as USDA moves forward with guidance development and an interim rule.

1. Immediately make a national announcement regarding the FY 2019 sign-up process

We urge NRCS to move forward with the FY19 process as quickly as possible to ensure farmers have time to work with NRCS through the evaluation tools and application process. We understand that there are delays to a national funding announcement as a result of the new Grassland Conservation Initiative and extending expiring contracts. However, as producers *are* able to go into their local NRCS offices now and begin the process of applying for CSP in FY19, it is essential that NRCS release and publicize a national announcement regarding this opportunity to provide clarity as soon as possible. This announcement can be made in conjunction with information regarding contract extensions. Waiting until later this spring to formally announce FY19 is too late – farmers will be well into the growing season, and it is essential to put out a national announcement to clarify that producers can now begin the process of applying for CSP.

2. Offer increased payment rates for cover crops and resource conserving crop rotations as part of the FY 2019 sign-up

The farm bill authorized increased payment rates for cover crops (Section 2308(d)(5)) and resource conserving crop rotations (Section 2308(d)(4)), recognizing the enormous soil health benefits that these practices provide. The changes made to these in the farm bill are straight forward, directing NRCS to simply provide a percentage increase above the payment rate otherwise determined by NRCS, and for cover crop based practices, as well as resource conserving crop rotations, NRCS already has conservation activities and payment rates developed, thus it should be a simple multiplier for the new payment rate – 125 percent for cover crop based practices and enhancements, and 150 percent for resource-conserving crop rotations. We urge NRCS to ensure that **all** cover crop based activities available through CSP and included in this increased rate, and we urge NRCS to promote the opportunity as available beginning with the FY 2019 sign-up period.

3. Immediately move forward with developing conservation enhancements for advanced grazing management, including management-intensive rotational grazing, and for FY 19 offer the increased payment rate for all enhancements based on CPS 528 (prescribed grazing)

The farm bill (Section 2308(d)(4)) directs NRCS to also offer supplemental payments, at the rate of 150 percent of the otherwise determined payment rate, for advanced grazing management, including management-intensive rotational grazing. This addition is important to ensure that there is a parallel option to resource conserving crop rotations for livestock operations that take on advanced soil health practices. We recognize that unlike cover crop based practices and resource conserving crop rotations, NRCS does not have specific enhancements that are currently being used for advanced grazing management and management-intensive rotational grazing, but rather has numerous grazing enhancements that are built off of the prescribed grazing practice (528). For FY 19, we urge NRCS to offer the increased payment rate for all enhancements based on 528. Moving forward, we urge NRCS to review and revise all enhancements based off of 528 to better define advanced grazing systems, including management intensive rotational grazing. As you review and revise these enhancements to determine payment rates and available activities for FY 20, we urge you to consider the enhancements that had previously been available through CSP – PLT16, Intensive Management of Rotational Grazing.

4. Immediately move forward with the development of a conservation activity and payment schedule for the development of a comprehensive conservation plan within CSP

We are pleased that the farm bill authorizes a new payment for a comprehensive conservation plan (Section 2308(d)(6)) within CSP. In developing a conservation plan, a producer incurs significant costs in time, labor, management, and foregone income. A comprehensive conservation plan identifies and maps out the management activities that need to be implemented, maintained, or improved to support the producer in meeting stewardship objectives for all resources of concern. This provision is therefore critical in that it authorizes NRCS to provide financial and technical assistance for producers who want to undertake comprehensive conservation planning as part of their overall CSP contract. We urge NRCS to move quickly to develop a conservation activity and corresponding payment to go directly to farmers for the development of a comprehensive conservation plan.

5. Ensure the adoption of robust conservation management activities as part of the grassland conservation plans within the new Grassland Conservation Initiative

The farm bill establishes a new Grassland Conservation Initiative within CSP (Section 2309), as we urge NRCS to ensure that this new initiative is limited to those acres that are eligible under the statutory requirements, and in moving forward with the five-year contracts, ensure that grasslands are protected and enhanced through the new initiative. First, eligibility is limited to commodity base acres that have been entirely in grass to receive a one-time option to enroll in CSP for 5 years at \$18 an acre. We understand it is estimated that approximately 2.6 million acres would be eligible for this option, and we urge NRCS to strictly enforce the eligibility requirements when notifying potential participants of their eligibility. Additionally, we urge NRCS to ensure that conservation benefits are prioritized within this new option, strictly adhering to the purpose of protecting grazing uses, conserving and improving soil, water, and wildlife resources. We believe properly and rigorously implemented, the transition from Title I could improve grassland related resource concerns and yield new participants for even more comprehensive CSP contracts in the future.

Environmental Quality Incentives Program

Below we offer several recommendations related to implementing the EQIP changes included in the 2018 Farm Bill, including feedback on EQIP Incentive Contracts, as requested in NRCS Question #4, as well as new irrigation authority, as requested in NRCS Question #5. EQIP receives a significant funding increase over the life of the farm bill, and we urge NRCS to work to ensure these dollars are targeted in such a way as to effectively address natural resource concerns. Below we provide several recommendations regarding implementation of the changes to EQIP included in the 2018 Farm Bill.

1. Designate a set of available EQIP practices to be eligible as incentive practices, rather than establishing an entirely new set of conservation activities for incentive contracts (NRCS Question #4)

Given that there is already a complete set of NRCS practices available through EQIP, as well as enhancements available through CSP, which all build upon the practice standards set through EQIP, we urge NRCS to utilize the existing set of practices available through EQIP as incentive practices. The sub-set of EQIP practices to be available as incentive practices should target management practices that will require management and maintenance over the course of the 5 to 10-year contract. NRCS should determine and publicize a list of EQIP practices that are eligible as incentive practices,

and publicize this offering beginning with the FY 2020 EQIP sign up. We therefore urge NRCS to not create an additional regulatory definition for incentive practices but rather utilize the statutory definition moving forward and then declare a subset of EQIP practices as eligible incentive practices.

2. Ensure incentive contracts accurately distinguish whether the contract will use the annual payment option or the practice payment option, and then determine the appropriate payment rate for adoption of a practice and for ongoing management and maintenance, while providing one annual payment that combines both components (NRCS Question #4)

Incentive contracts provide two payment options – “funding, through annual payments, for certain incentive practices to attain increased levels of conservation on eligible land” – “or” – “assistance, through a practice payment, to implement an incentive practice.” The rule should describe each option and producers should be given a choice between the options. The contract should be clear about whether the producer, in complying with the plan, will receive practice payments or annual payments. For the annual payment option, the farm bill requires the payment to be made as soon as practicable after October 1 of each fiscal year, and for the practice payment option, as soon as practicable for the implementation of the practice.

Payments for both types of incentive contracts include two components – (i) “adopting and installing incentive practices” – “and” – “managing, maintaining, and improving the incentives practices for the duration of the contract...” In order to ensure as simplified and streamlined process as possible for the delivery of payments, we urge NRCS to provide one payment for incentive contracts that reflect both adoption and management.

3. Coordinate resource concerns within EQIP and targeted priority resource concerns within EQIP incentive contracts (NRCS Question #4)

As noted in the chart above, both EQIP and EQIP incentive contracts have a focus on addressing resource concerns, with the difference being that for incentive contracts, states are directed to identify not more than 3 priority resource concerns within all watersheds or regions. While there is nothing in general EQIP that prevents the states from taking a more focused approach to the most critical resource concerns in a given region or watershed, it is an important step forward to further identify this need within incentive contracts. Furthermore, this targeted approach is the same that the new farm bill identifies for general EQIP regarding increased payments for high-priority practices. We are pleased to see several new opportunities within EQIP to take a more targeted approach to the most effective practices and most critical resource concerns to be addressed, and we urge NRCS to ensure further coordination across general EQIP, high priority practices, and incentive contracts.

4. Strictly enforce the statutory requirement that the EQIP funding allocation cannot be adjusted as a result of the added eligibility for water conservation and irrigation practices (NRCS Question #5)

The farm bill specifically prohibits NRCS from modifying the process for determining the annual allocation of EQIP funds to the states. We urge NRCS to strictly implement this provision so as to ensure that allocations are not restructured to favor those states that will have significant demand from the newly eligible entities. States should be strictly prohibited from requesting a specific

amount to go towards this new irrigation authority from the total funding available nationally each year, but instead must work within their existing allocation to determine how to distribute funding for this new authority such that it does not come at the expense of farmers and ranchers looking to apply to EQIP directly.

5. Limit the total percentage of EQIP funding within a state that is able to go to the newly eligible entities for water conservation or irrigation efficiency practices (NRCS Question #5)

As noted in the bill's report language, these efforts should be addressed within each state's locally led priorities with input from State Technical Committees. Recognizing that the AGI waiver authority for the eligible entity as well as the sheer size and scope of the newly eligible entities means that contracts within this category will likely be significantly larger, it is important to ensure that the total funding within a state is capped so as to not disadvantage farmers and ranchers who are individually applying to EQIP. Given that state allocations cannot be restructured as a result of this new authority, we believe that a cap on total funding that can go to these newly eligible entities for water conservation or irrigation efficiency projects should be set at the state level. We urge NRCS to solicit feedback from stakeholders, including states and individual farmers, to set a state based percentage limit on total funding before it is made available under this new authority.

6. Prioritize water conservation and irrigation efficiency projects that provide on-farm, farmer benefits, especially including those related to soil health (NRCS Question #5)

We urge NRCS to incentivize soil health practices that enhance organic matter, aggregation, and relieve compaction, all of which enhance water holding capacity and water conservation, thereby reducing irrigation needs. Soil health is fundamental to water conservation and we urge NRCS to ensure that irrigation efficiency efforts don't ignore soil health. The authority under this section includes those that are related to: (A) water conservation scheduling, water distribution efficiency, soil moisture monitoring, or an appropriate combination thereof; (B) irrigation-related structural or other measures that conserve surface water or groundwater, including managed aquifer recovering practices; or (C) a transition to water-conserving crops, water-conserving crop rotations, or deficit irrigation. We urge NRCS to place an emphasis on (C), in order to recognize the soil health benefits of those practices as well as the direct benefits for producers implementing these practices.

7. Ensure that evaluation of and funding for irrigation infrastructure addresses in-stream flow and consumptive use (NRCS Question #5)

The largest percentage of EQIP funding on a national, annual basis continues to go to structural irrigation practices, such as pipelines, sprinkler systems, canal construction, and land leveling. While irrigation is of course crucial to many farming systems, utilization of certain irrigation practices can overuse water and ultimately reduce in-stream flow and increase consumptive use. In order to ensure that implementation of this new authority does not incentive the over-consumption of water resources, we urge NRCS to implement this provision consistent with the prioritization identified in 1240(h)(3) of the Food Security Act to ensure that there is a reduction in water use in the operation on that land. The farm bill directs the Secretary to give priority to applications that reduce water use in the operation on the land (3)(A), and excludes these applications from the priority provided in (3)(B). Therefore, we urge NRCS to prioritize applications where operations that are part of the overall project have a reduction in consumptive use.

8. Ensure that the requirement that eligible land under this provision must either be under a producer's control or adjacent to the producer's land (NRCS Question #5)

We urge NRCS to strictly enforce the requirement that in order to be eligible land for the implementation of water conservation or irrigation practices, if it is not eligible land of a producer, then it must not only be under the control of an irrigation district, groundwater management district, acequia, land grant Mercedes, or similar entity *and* adjacent to eligible land of a producer. This provision is critical to ensure that these irrigation projects, even when on a larger scale, support farmers in their efforts to conserve water on land in agricultural production.

9. Provide competitive sign-up and ranking process for contracts under this new eligibility for water conservation or irrigation efficiency practices (NRCS Question #5)

Water conservation and irrigation efficiency contract applications have always had to go through the same competitive ranking process as other EQIP applicants, and thus we urge NRCS to ensure that the same is true for consideration of applications under this new authority. While we recognize the significant drought pressures and challenges that many states are up against, it should not be possible for a state or entity to simply request and receive funding under this authority. Instead, we urge NRCS to ensure that there is a competitive process that not only reflects the overall EQIP evaluation criteria as identified in 1240C, but also considers and prioritizes the impact of a potential project on farmers – those participating in the project as well as those looking to access additional EQIP funds.

10. Immediately move forward with implementation of the changes to the EQIP Advance Payment option, including wide promotion and outreach regarding availability

The farm bill includes language to modify the EQIP advance payment option (Section 2304(b)) to ensure that it is offered to all historically underserved participants. This modification is essential, as the past several years of data have illustrated the fact that the majority of all limited resource, socially disadvantaged, veteran, and beginning farmers or ranchers that are participating in EQIP are not receiving, and are ultimately not made aware of the option to receive 50 percent of the cost share prior to implementation of the practice. In addition to notifying each producer of the option to receive the advance payment, we also urge NRCS to ensure states are aware of the new option immediately and provided the tools and resources to do outreach to ensure potential applicants are made aware of the opportunity.

11. Actively promote EQIP grazing management practices as eligible within the EQIP livestock funding pool

The farm bill reduces the percentage of total EQIP funding allocated for practices relating to livestock production from 60 to 50 percent (Section 2304(c)). We are pleased that it also explicitly clarifies that this livestock allocation includes grazing management practices. This is an important clarification given the significant amount of EQIP funding that has historically gone to designing and building of livestock waste systems for concentrated animal feeding operations. We urge NRCS to refocus more of the now 50 percent EQIP livestock carve-out for practices that provide multiple water quality, wildlife, economic and other benefits through the installation of managed rotational

grazing systems and the infrastructure needed to put those in place. We also urge NRCS to provide a directive to clarify that if a state provides a CAFO-only ranking pool, they must also provide a parallel option for a grazing-only ranking pool.

Agricultural Conservation Easement Program

We are pleased that the 2018 Farm Bill provides additional funding to the Agricultural Conservation Easement Program (ACEP), and we urge NRCS to ensure that the funding split between agricultural land easements and wetland reserve easements continues to be split based on demand for the two components of ACEP. Below we offer several recommendations related to implementation of provisions included in the farm bill.

1. Utilize Buy-Protect-Sell to help get young farmers on the land while simultaneously ensuring critical farmland is protected in agriculture for perpetuity (NRCS Question #8)

Access to land is a major challenge for young farmers and ranchers. At the same time as these farmers struggle to access land, prime farmland is being left unprotected because it is challenging to find an eligible buyer who can enter into a purchase agreement in the timeframe currently involved through ACEP. We are pleased that the farm bill includes the “Buy-Protect-Sell” provision, as it is an innovative tool to help support getting young farmers on the land while simultaneously ensuring critical farmland is protected in agriculture for perpetuity. We urge NRCS to utilize the Buy-Protect-Sell provision to the following scenarios in order to result in a quality conservation easement that is legally effective:

(a) An eligible entity, such as a land trust, identifies a prime parcel of farmland that they wish to protect. The exiting landowner is unable or unwilling to work with the land trust to apply for ACEP funding to purchase an easement, however. The land trust looks for a farmer to purchase the land and work with the land trust to apply for ACEP funds, but is unable to find a farmer who can secure credit for the market value of the property. The land trust, utilizing a line of credit with a private funding source, decides to purchase the property. The land trust—as the property owner—then applies for ACEP funds to place a conservation easement on the property—reducing the value of the property to its conservation value.

If the land trust includes an Option to Purchase at Agricultural Value, or similar provision in the easement, the property will likely be reduced even further to its appraised agricultural value. In this scenario, the land trust—after raising the required matching funds—would receive ACEP funds and record the easement. This would allow the land trust to pay back part of the line of credit or replenish their internal funds—freeing up money to purchase or protect additional at-risk farmland. With the conservation easement in place, the land trust would then find a *bona fide* farmer or rancher who is able to purchase the property at the reduced price within three years, or after a reasonable extension of that time period.

(b) The second scenario in which we see Buy-Protect-Sell playing a role is similar to that described above, with the exception that the eligible entity in the above description would partner with a separate eligible entity at the time of acquiring the easement that would hold, or co-hold, the easement while the original eligible entity continues to hold the land.

In executing Buy-Protect-Sell scenarios, we urge NRCS to provide flexibility to entities that are working to create pathways to ownership for incoming farmers, such as through a lease-to-own agreement, which may take longer than three years for the farmer to be ready to acquire the property.

We also recommend that purchase of the property by a *bona fide* farmer would qualify as purchase at agricultural value. We urge that, per farm bill language in Section 2603 (b)(2)(D), NRCS prioritize projects that include farmer ownership and affordability provisions designed to maintain agricultural viability of the land in future sales. By enabling eligible entities to apply for, and receive, ACEP funding for conservation easements while they bring a farmer buyer in to the deal, NRCS will significantly increase the pace at which eligible entities can protect priority land and increase the number of farmers and ranchers who can gain access to this land.

2. Continue to encourage eligible entities to include a conservation plan as part of agricultural land easements and prioritize easements that include strong conservation plans.

We are disappointed that the 2018 Farm Bill removed the requirement of an agricultural land easement plan outside of highly erodible land. Robust conservation planning helps farmers and ranchers advance natural resource conservation goals and objectives systematically and effectively. It also helps ensure that farm bill program dollars are being put to good use. While no longer required, we urge NRCS to continue to encourage eligible entities to include a conservation plan as part of agricultural land easements, in order to maximize the conservation benefit of these lands. Additionally, even though the easement plans will no longer be required, we urge NRCS to prioritize those easements in the ranking process that include strong conservation plans and those that have high conservation values.

3. Prohibit mineral development on agricultural land easements if it has significant impacts beyond a limited and localized area or would impact the topography or conservation value

Section 2603 allows for the Secretary to approve mineral development projects on agricultural land easements, provided that it is subsurface mineral development, has a limited and localized impact, does not harm the conservation or agricultural values of the land or alter the existing topography of the land, and there is a mineral development plan in place that includes a clear and robust plan for remediation and restoration of the land. Given the clear criteria outlined in the statute, USDA should not allow mineral development if it has significant impacts beyond a very limited and localized area or would impact the topography or conservation values of the land, including key habitats for wildlife. Additionally, remediation and restoration should be part of every mineral development plan, and should be paid for by the mineral rights or easement holder. We recommend that NRCS encourage the use of diverse native plants in remediation and restoration plans.

Regional Conservation Partnership Program

The farm bill included major reforms to the structure of the Regional Conservation Partnership Program (RCPP), moving away from utilizing the formerly covered programs (EQIP, CSP, ACEP) for underlying authority for producers to enroll directly in an RCPP contract. This is a major shift, making RCPP its own, stand-alone program. As with all other conservation programs, it now requires a rulemaking to determine the details of how the redesigned program will be implemented

moving forward. As detailed below, it is critical to ensure that there is a rule in place before NRCS moves forward with RCPP implementation under the new structure. With regard to NRCS Question #10, we offer the following recommendations on RCPP implementation.

1. Ensure that a rule is in place for the new program structure prior to making funding available under this new structure (NRCS Question #10)

We urge NRCS to ensure that there is a fully developed rule in place before moving forward with a sign-up under the restructured program. There was no rule associated with the 2014 Farm Bill, which was understandable given that contracts to individual producers utilized the covered programs, including EQIP, ACEP, and RCPP. In shifting away from utilizing the covered programs directly, it is absolutely essential that there be a rule in place to provide guidance on the structure of the new contracts, prior to the announcement of funding availability.

2. Provide sufficient structure and conservation benefits assurance within the new RCPP grant program option (NRCS Question #10)

While we appreciate that the farm bill provides an opportunity for innovation and flexibility in allowing RCPP grant awards, we urge NRCS to ensure that all conservation activities undertaken as part of these projects address priority resource concerns and provide quality criteria assurance through NRCS engagement and support. For RCPP grant projects, we urge NRCS to confirm that the contracts and activities under the project meet quality criteria standard requirements and stewardship objectives, as well as standard program rules with respect to payment limits, AGI, compliance, receipt for service, and tenant rights, among others. Any modifications to existing NRCS conservation activities must not lower the standard or reduce the overall environmental benefit. Finally, given the added flexibility, all projects should address at least one priority resource concern of the region or watershed. Participating producers should also be required to develop and implement a conservation plan for the project that meets or exceeds the quality criteria for the applicable priority resource concern(s).

3. Ensure robust enforcement of accountability and improved processes to measure and evaluate the outcomes association with RCPP projects (NRCS Question #10)

We are pleased that the 2018 Farm Bill emphasizes the importance of a partner's duty to quantify the environmental outcomes of their RCPP projects, including assessing and reporting on the economic, social, and environmental outcomes of their projects (Section 2703(2)). We urge NRCS to provide guidance to partners on how to quantify outcomes at various natural resource concerns addressed by projects. Additionally, while the farm bill does not include Conservation Title wide guidance on measuring conservation program outcomes, we urge NRCS to utilize the tools developed to support partners in RCPP to further develop tools and processes that can be utilized directly by NRCS to measure, evaluate, and report on conservation program outcomes.

4. Quickly move forward to ensure that partners can receive funding to conduct technical assistance and outreach to farmers and ranchers as part of an RCPP project (NRCS Question #10)

The farm bill includes language directing NRCS to provide RCPP funding to project partners to conduct outreach to farmers and ranchers as part of an RCPP project (Section 2705(5)(B)). This is

especially important because many local farm and conservation organizations that have smaller operating budgets but significant technical expertise and farmer relationships could use this support to develop and implement successful RCPP projects. Additionally, as NRCS requests feedback on how to best incentivize participation of historically underserved producers in RCPP, as directed by Section 2706(3), ensuring that partners that have the expertise and connections to work with these communities have the funding to do outreach is essential. Additionally, to achieve this objective, we urge NRCS to conduct robust outreach and coordination with partners to ensure RCPP projects target and support historically underserved producers.

RMA RECOMMENDATIONS

Cover Crops and Good Farming Practices

1. Move expeditiously to use the Good Farming Practices process to make any future determinations that might be needed with respect to cover cropping (RMA Question #2)

We are pleased Section 11107 of the new farm bill includes the cover crop provisions, including the definition of cover crop termination, an exception mechanism to cover crop termination guidelines, and the clarification on summer fallow. Farmers need flexibility with respect to cover cropping practices, to respond to new research and to their own experience with best management practices. We believe that the GFP process should completely replace rigid termination rules. The termination guidelines themselves should be revised, as we believe they can still serve a useful function as general guidance, but they should no longer be used as program requirements. That is the way we believe the system should work.

The new farm bill, however, creates a somewhat more cumbersome process whereby the farmer must follow the guidelines unless an exception is recommended by NRCS or an agricultural expert. This is not ideal, as it places a heavier burden on farmers who cover crop that is not placed on other farmers who use other agronomic practices. But rather than the Board needing to deal with a large number of exceptions, it would behoove the two agencies to move quickly to update and revise the guidance and expand the FAQ portion of the guidelines as quickly as possible to provide more flexibility and to include a more comprehensive range of cover crop practices and systems.

2. Implement the new summer fallow provision as quickly as possible (RMA Question #2)

With respect to the summer fallow practice, our reading of the new farm bill is that, unlike the existing RMA NRCS Guidance, cover cropping is now to be permitted in the fallow year while still retaining summer fallow insurance and without being forced to switch to continuous cropping insurance. This is an important improvement and farmers in the summer fallow areas of the West should be able to do their cover crop practice during the fallow year and still be eligible for summer fallow insurance.

3. Issue a policy statement that all NRCS conservation practices and enhancements qualify automatically as Good Farming Practices, without any qualifications or restrictions

In addition to cover cropping, we believe the time is now for RMA to amend its GFP and conservation practice guidance to provide that all NRCS conservation practices and enhancements

are automatically recognized as GFP, without any caveats or qualifications. In our view, no farmer should be penalized or lose coverage under any crop insurance policy for using practices and enhancements that are approved by NRCS, period, full stop. We appreciate the earlier RMA guidance on conservation practices, but the caveat placed in that guidance leaves farmers with no greater assurances or certainty than before its issuance.

We urge you to make this change at the same time you implement the new cover crop provisions. Farmers need the certainty when adopting NRCS technical and financial assistance that following NRCS best practices is not going to jeopardize their insurance indemnity payments in the case of a disaster. This is a critical test for FPAC – is it truly functioning to bring conservation and production into alignment? If so, this would be an excellent starting place to demonstrate that the right hand and the left hand are not functioning at cross-purposes.

We strongly endorse this statement of congressional intent found in the Conference Report:

“The Managers note that producers considering voluntary conservation practices like cover crops, whether directly through a USDA conservation program or informally according to USDA’s recommended procedures, should have confidence that following the program guidance, procedures or advice will not impact their insurability or protection under Federal Crop Insurance. The Managers expect USDA to coordinate internally and provide clear guidance to farmers, agents and loss adjustors to ensure that guidance, procedures, or advice regarding voluntary conservation practices from one part of USDA does not potentially put other USDA benefits at risk.”

Whole Farm Revenue Protection

1. Immediately announce and publicize the new definition of beginning farmers with respect to eligibility for the beginning farmer premium discount (RMA Question #3)

Section 11122 of the new farm bill brings the RMA definition of beginning farmer into alignment with the one used by the rest of USDA, including FSA and NRCS, for the purposes of WFRP. While we would have preferred the 10-year definition be applied across the board for all crop insurance policies, we are nonetheless pleased that the alignment was achieved for WFRP. We believe this is self-implementing and should be announced immediately and that the public affairs staff should ensure that the word gets out to farmers, farm organizations, AIPs, and agents.

2. Move quickly to set up the stakeholder process directed by the new farm bill (RMA Question #3)

We benefited, and we believe the agency benefited, from the stakeholder meetings that NSAC helped organize and that were held in Kansas City and in Washington, DC at the outset of the WFRP. We believe this is an excellent time to renew that process and are glad that Congress put that requirement in the new farm bill. NSAC and its member organizations around the country very much look forward to participating.

3. Move quickly on several of the changes suggested by Congress so they are in place in time for the next crop insurance year (RMA Question #3)

Those would include lifting the cap on livestock and nursery products, removing or increasing the cap on expanding operations, and counting all government payments in the calculation of historic average revenue. These are relatively simple and straightforward changes that would improve and simplify the program and could easily be put in place prior to the next crop insurance year.

4. Consider additional steps to simplify the program and reduce paperwork and reporting requirements, including the elimination of the need to collect and report expense information (RMA Question #3)

We believe one sure way to reduce paperwork and reporting requirements would be to eliminate the collection and reporting of expense information. No other revenue policy requires expense information or penalizes insurability if a particular level of operating expenditures is not met. The elimination of this requirement, unique to WFRP, would likely be the greatest step the agency could take to reduce the paperwork burden.

We also think you should take Congress up on the idea of allowing time stamped photos as an alternative for verifying production history. In addition, such reporting could be limited to the beginning and the end of the crop year, rather than also requiring mid-season as well.

We also believe more could be done to develop farmer-friendly tools to ease paperwork burdens, including premium costs, deductible assessments, indemnity trigger points, adjusted revenue assessment, diversification bonus, and the like. A WFRP app or decision support tool could help farmers better assess the program and their options.

We intend to collect additional ideas for simplifying the program and will share those with RMA in writing and during the upcoming farm bill-designated stakeholder process as well.

5. RMA should work with NIFA to ensure that risk management education partnership funding continues to prioritize education partnerships with NGOs and others to improve outreach and participation in WFRP, including projects that provide direct technical assistance on recordkeeping and navigating the WFRP application and reporting process (RMA Question #3)

We regret Congress transferred the RMA RMEP funding to the NIFA program, but welcome the opportunity to ensure that the emphases of the former RMA program are continued and carried out by the four NIFA regional offices. We urge you to assist in that effort, including but not limited to a focus on WFRP and on underserved producers.

Local Food Policy Feasibility Study

RMA should focus primary attention on the unique insurance needs of Community Supported Agriculture in the research and development of a new Local Food Policy (RMA Question #4).

With respect to Section 11122 and the general question asked about meeting the needs of specialty crop growers and the local food movement, it is our feeling that improvements and simplifications to WFRP is actually the most important step. But we are also aware that WFRP may not be the

perfect policy with respect to Community Supported Agriculture farms. We therefore recommend that a primary focus of R&D on a Local Food Policy be the CSA segment of the local food movement.

On-Ramp To Crop Insurance

1. Engage in a robust annual, iterative process to use NAP data and insights to expand crop insurance coverage (RMA Question #4)

While NAP is an FSA program (and our recommendations for FSA are included in this document), the new farm bill specifies two ways that RMA is to be involved. Section 11102 of the new farm bill requires FSA to share NAP data with RMA annually for its consideration. Section 11105 of the bill requires FCIC to use that NAP data to present to the Board R&D on an annual basis for a policy for a new commodity and for expansion of an existing policy to additional states and counties.

We urge you to pursue this with vigor. We believe NAP can serve as a useful on-ramp to crop insurance, especially for beginning farmers or any farmer making a transition in their farming operation or markets. The new, improved NAP will provide an opportunity to develop data and test prospects for new or expanded crop insurance policies, and we urge you to work closely with FSA to pursue that path forward. This is especially important to farmers in the sustainable agriculture movement, who too often have found that their entrepreneurial approach, their higher value markets, and their risk management-sound diversification and conservation systems have placed them outside the scope of the federal crop insurance program. This must change, and these two sections of the farm bill are one path among many to get us where we need to be.

2. RMA should work with FSA to develop a WFRP-type NAP policy tailored specifically to the needs of new beginning farmers (RMA Question #4)

We continue to applaud RMA for reducing the WFRP revenue history requirement for beginning farmers to three years. That has helped. We believe the next step toward better, fairer integration of beginning farmers would be a special NAP policy that mimics WFRP and would allow new beginning farmers to build their APH and tax returns for up to 5 years and then provide a relatively seamless transition from NAP to WFRP, and in that way create an on-ramp to WFRP for new farmers. In such a policy, of course, it would be critical for all of the crops and enterprises the new farmer is growing to be included, whether or not insurance coverage is available. Such an approach would make it easier on the farmer and easier on the agency compared to enrolling in two or more programs across agency lines.

3. The new Specialty Crop Coordinator and the Liaisons in each regional office should be stand-alone positions, not work tacked onto the existing workload (RMA Question #4)

These positions, also authorized in Section 11105, should prove to be a critical resource for specialty crop growers across the country, particularly those in areas where historically there has been little to no adequate insurance coverage and particularly to historically underserved producers. Our hope is the liaisons will work with these producer communities, gathering insights on producer needs, and bringing that information to bear on the development of new or expanded policies for specialty crops and other value-added crops.

Conservation Data

Rapidly identify the relevant data sources and develop the required report with an eye toward maximizing data integration, with the ultimate goal of bringing conservation and insurance policy into greater alignment

We strongly endorse the Conservation Data provision in Section 12618 of the Miscellaneous Title of the new farm bill. Bringing conservation data to bear on insurance ratings and premiums is a critical test for the new FPAC mission area, linking as it does production and conservation, and related as it is to the Acreage Crop Reporting Streamlining Initiative. As provided by the farm bill, the report should include a clear path for USDA to provide secure access to the comprehensive data to verified university researchers. We encourage you to proceed rapidly to identify the relevant data sources and to then develop the required report with an eye toward maximizing data integration with the goal of bringing conservation and insurance policy into greater alignment.

ⁱ Agriculture and Land-Based Training Association Salinas, CA; Alternative Energy Resources Organization Helena, MT; CCOF Santa Cruz, CA; California FarmLink Santa Cruz, CA; C.A.S.A. del Llano (Communities Assuring a Sustainable Agriculture) Hereford, TX; Catholic Rural Life St Paul, MN; Center for Rural Affairs Lyons, NE; Clagett Farm/Chesapeake Bay Foundation Upper Marlboro, MD; Community Alliance with Family Farmers Davis, CA; Community Involved in Sustaining Agriculture South Deerfield, MA; Dakota Rural Action Brookings, SD; Delta Land and Community, Inc. Almyra, AR; Ecological Farming Association Soquel, CA; Farmer-Veteran Coalition Davis, CA; Florida Organic Growers Gainesville, FL; FoodCorps, OR; GrassWorks New Holstein, WI; Hmong National Development, Inc. St Paul, MN and Washington, DC; Illinois Stewardship Alliance Springfield, IL; Institute for Agriculture and Trade Policy Minneapolis, MN; Interfaith Sustainable Food Collaborative Sebastopol, CA; Iowa Natural Heritage Foundation Des Moines, IA; Izaak Walton League of America St. Paul, MN/Gaithersburg, MD; Kansas Rural Center Topeka, KS; The Kerr Center for Sustainable Agriculture Poteau, OK; Land Stewardship Project Minneapolis, MN; MAFO St Cloud, MN; Michael Fields Agricultural Institute East Troy, WI; Michigan Food & Farming Systems – MIFFS East Lansing, MI; Michigan Organic Food and Farm Alliance Lansing, MI; Midwest Organic and Sustainable Education Service Spring Valley, WI; Montana Organic Association Eureka, MT; The National Center for Appropriate Technology Butte, MT; National Center for Frontier Communities Silver City, NM; National Hmong American Farmers Fresno, CA; Nebraska Sustainable Agriculture Society Ceresco, NE; Northeast Organic Dairy Producers Alliance Deerfield, MA; Northern Plains Sustainable Agriculture Society LaMoure, ND; Northwest Center for Alternatives to Pesticides Eugene, OR; Ohio Ecological Food & Farm Association Columbus, OH; Oregon Tilth Corvallis, OR; Organic Farming Research Foundation Santa Cruz, CA; Organic Seed Alliance Port Townsend, WA; Rural Advancement Foundation International – USA Pittsboro, NC; Union of Concerned Scientists Food and Environment Program Cambridge, MA; Virginia Association for Biological Farming Lexington, VA; Wild Farm Alliance Watsonville, CA; Women, Food, and Agriculture Network Ames, IA.