2013 Conservation Stewardship Program Sign Up

April 2013

INFORMATION ALERT

USDA's Natural Resources Conservation Service (NRCS) is currently gearing up to announce the cut-off date for farmer applications to the *Conservation Stewardship Program* (CSP) for enrollment in the program during Fiscal Year (FY) 2013. Based on discussions with NRCS, we expect that the final sign up period will begin later this month and will last for 30 days, or until mid-to-late May. We will update this information as soon as we have precise dates.

Interested farmers and ranchers will have only 30 days to complete the initial application form to compete for a spot in the 2013 enrollment class for the program.

Important -- Continuous Sign-Up, But if You Miss the Cut-Off You Wait a Full Year -

While CSP is a continuous sign-up program and producers can apply to enroll at any time of the year, NRCS applies a cut-off date for applications to be considered during a particular fiscal year. Once the cut-off date is past, producers may continue to apply for the program, but they will not be considered for entry until the spring of the following year, in this case spring of 2014. While NRCS has the authority to administer multiple ranking periods, there will be only one ranking and enrollment period for FY 2013.

Process and Timeline

Applying to Participate is Simple

The *application form*, available at the <u>local NRCS office</u>, is a fairly short and simple one. To move forward and have a chance to enroll in the program, producers need to fill out the <u>NRCS-CPA-1200</u> form. It is the same short generic two-page form that is used for all the NRCS conservation programs offering financial assistance to farmers and ranchers.

Prior to submitting the CSP application (or an application for any other USDA conservation assistance program) you must also have a *farm record number* established with USDA's Farm Service Agency. If you do not currently have one, go to FSA first to establish your farm record. You must also obtain a Data Universal Numbering System (DUNS) number, which is a unique number for identification purposes. Click here for information on how to obtain a DUNS number.

That is everything required to apply to participate in the program – the two-page NRCS-CSP-1200 form, the FSA farm record number, and the DUNS number.

Please note, however, that NRCS has developed a <u>self screening checklist</u> to help farmers decide if the program is right for them. The checklist covers basic applicant and land eligibility issues as well as the stewardship threshold that CSP farmers must meet. While use of the self screening checklist is not required, it can be a useful first step in deciding whether to begin the application process.

To sign up for CSP, producers should visit their NRCS local service center.

Completing the CMT

All producers who have submitted their completed short conservation program application form by the soon-to-be announced cutoff date, and have their farm record number and DUNS number in hand, will then have an additional 45 day period in which to sit down with their local NRCS staff person and fill out the CSP *Conservation Measurement Tool* (CMT) which will be used to determine program eligibility, environmental benefits ranking, and CSP payment amounts. The CMT session will generally last an hour or more.

The CMT collects information about the conservation activities that are present and ongoing on a farm, as well as the new conservation practices or enhancements to conservation activities the farmer wants to add with assistance from the program. More information about those choices follows below under the *Conservation Enhancements and Practices* heading.

The CMT will display performance points in real time to allow producers to see the effects of their responses to questions and choices in the CMT on their score. Producers will be able to perform "what-if" analysis as they fill out the CMT. The tool will also break down the applicants' total ranking score to allow the participant to understand how past performance has impacted their ranking and where improvement is necessary.

Farm Site Visit and Contract Preparation

Within 90 days of the cutoff date, NRCS intends to complete all *on-farm verification* visits to each farm that ranks high enough to be enrolled in the program this year. After the farm site visit, the farmer will work with NRCS staff to develop a *CSP plan and contract*, and then to *obligate funding*. If the ranking cutoff is late May, this will mean that the enrollment process will be largely complete by the end of August. The *first annual payments* for five-year contracts awarded in this round will be made on or after October 1, 2013 and then every October 1 thereafter for the five years of the CSP contract.

Temporary Change to Contracting Terms for 2013 Only

Under normal conditions, CSP requires the producer to implement at least one conservation activity in the first year, which NRCS counts as the sign-up year. For FY 2013, however, because sign-up and ranking will be so late in the year, NRCS will waive that requirement. Therefore the first new conservation activity or set of activities will not be required until the 2014 season.

Background in Brief

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

In the first four enrollment years for CSP (2009-2012), more than 39,000 farmers and ranchers operating over 50 million acres of farm and ranch land that is now under five-year, renewable CSP conservation contracts. For those four enrollment classes, annual CSP payments are currently \$680 million a year.

Under normal conditions, NRCS would enroll roughly 12.8 million acres in FY 2013, as required by the 2008 Farm Bill. However, due to the automatic budget cuts known as "sequestration" that Congress adopted earlier this year, we expect the sign up to be slightly more than 12 million acres, but not the full 12.8 million.

Eligible lands include cropland, grassland, prairie land, improved pastureland, rangeland, non-industrial private forest lands and agricultural land under tribal jurisdiction. Cropped woodlands, marshes, land being used for livestock production and other private lands on which resource concerns can be addressed are also eligible. Applicants must demonstrate they have effective control over these lands to be eligible, either through ownership or reasonably secure leases.

CSP eligibility, ranking and payment levels are pegged to how well a farmer is addressing *priority resource concerns* on their farm. Priority resource concerns are determined at the state level and can include, for example, soil quality, soil erosion, water quality, water quantity, wildlife habitat, plant diversity, air quality, and energy conservation. Each state decides whether to assign priority resource concerns for the entire state or at the watershed level. Each state or watershed has at least three priority resource concerns assigned to it.

You can find out the priority resource concerns in your state by visiting your state's NRCS website, going to the "Programs" tab, and then to the CSP page to look for "priority resource concerns" for your state or area of the state. Be forewarned that not all states make this information easy to find. If you cannot find your state's priority resource concerns on the state CSP page, or if you are instead redirected to the national CSP page, try searching for "priority resource concerns" on your state's NRCS website. If you still cannot find it on the website, call your local NRCS office for the information.

For each priority resource concern, NRCS has determined a "stewardship threshold" level for superior conservation. To be eligible for the program, an applicant must already be addressing at least one priority resource concern to at least the stewardship threshold level and be willing to reach or exceed the stewardship threshold for at least one additional resource concern during the contract period.

Farmers and ranchers who do not meet the eligibility threshold may alternatively seek assistance for conservation improvements through the Environmental Quality Incentives Program (EQIP) and

then apply for CSP in a future year, using EQIP funding to help them reach the higher eligibility standard for CSP.

The *national average payment* to participants is \$18 per acre; however, the actual payment received varies widely according to the type of land enrolled, the existing level of conservation, and the number and type of new enhancements and practices to be adopted. Cropland generally receives the highest payment rate, with range and forest land at the lower end, and pasture in the middle. Pastured cropland receives payment rates in between cropland and pasture rates.

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

For small acreage farms, USDA will make \$1,000 the *minimum contract payment* if the operator is a beginning farmer or rancher, a socially disadvantaged farmer or rancher, or a limited resource farmer or rancher.

Five percent of total CSP acres each are reserved for *separate competitions* among beginning farmers only and among socially disadvantaged (minority) farmers only. If you are not sure whether or not you qualify as a beginning, socially disadvantaged, or limited resource farmer, <u>you can learn more here</u>.

CSP Conservation Enhancements and Practices

As in 2012, the list of conservation enhancements and conservation practices available for the 2013 sign-up includes 37 regular conservation *practices*. These regular conservation practices are only available to assist producers in meeting stewardship thresholds for additional priority resource concerns during the life of the contract.

The list for 2013 also includes a total of 78 individual conservation *enhancements*, up from 68 in 2012. In addition to adding several new enhancements, changes were made to some existing enhancements, many in response to NSAC recommendations.

Beyond individual enhancements, the 2013 list of activities includes 6 *enhancement bundles* as opposed to the 10 bundles offered in 2012. Bundles are groupings of conservation enhancements that the agency feels may work well together on particular types of farms. You can think of the two options – choosing from among the practices and enhancements, or choosing a bundle – as similar to ordering from the a la carte menu or choosing the "blue plate" special. To view the bundles in the list provided by NRCS, go to pages 13-14 of the NRCS list.

Supplemental Payments and Special Project Activities

A substantial supplemental payment is available for adopting or improving a resource-conserving crop rotation, in recognition of the very important multiple resource benefits that longer more diverse rotations provide. For more information on the supplemental payment for resource conserving crop rotations, click here.

There are two special project activities -- on-farm research and demonstrations of innovative conservation activities, and on-farm pilot testing of proven conservation activities that do not yet have wide adoption rates. You can also download more information on the <u>on-farm research and demonstration</u> and <u>pilot project</u> payments.

Both the supplement and special project activities are listed on page 12 of the NRCS list.

CSP Enhancement and Practice Environmental Benefit Ranking Points

Each year, the National Sustainable Agriculture Coalition makes available a list of all the available options for enhancements, practices and bundles in the order of their environmental benefit scores. The points scored by choosing different options help to determine whether an application will rank high enough to be selected for enrollment. They also figure into the calculation of how much a producer will be paid – the higher the score, the higher the payment.

Producers can now <u>download this NSAC</u> document to see the environmental benefits score of each <u>of the activities</u> offered in FY 2013. Not every conservation activity applies to each land use – crop, pasture, range, forest, so if you need more information about which might apply to your farm, <u>cross</u> reference this NRCS chart.

The NSAC chart lists the activities from highest scoring to lowest scoring. NRCS does not provide this ranked-order information on its website, but NSAC makes it available each year as soon as NRCS publishes the underlying data.

Some High Ranking Conservation Activities of Note

Of particular interest to sustainable livestock producers, CSP in 2013 will continue to offer a variety of activities with high environmental benefit scores, including:

- Prescriptive grazing management system for grazing lands (includes expired CRP grass/legume or tree covered acres converted to a grazing lands)
- Conversion of cropped land to grass-based agriculture
- Intensive rotational grazing
- Rotation of supplement and feeding areas
- Prairie restoration for grazing and wildlife habitat

There are also a variety of high-scoring enhancements geared toward establishing and improving wildlife habitat, including:

- Enhance wildlife habitat on expired tree covered CRP acres or acres with similar woody cover managed as forestland
- Enhance wildlife habitat on expired grass/legume covered CRP acres or acres with similar perennial vegetated cover managed as hayland
- Conversion of cropped land to grass-based agriculture
- Multi-species native perennials for wildlife habitat and biomass

- Extend riparian forest buffers for water quality protection and wildlife habitat
- Extend existing filter strips or riparian herbaceous cover for water quality protection and wildlife habitat

Of particular interest to organic farmers and others utilizing sustainable agriculture systems, CSP in 2013 will offer:

- Resource-conserving crop rotations
- Providing nitrogen through legumes, manure, and compost
- Intensive rotational grazing
- Intensive no-till for organic and non-organic systems
- Intercropping
- High residue and intensive cover cropping
- Pollinator and beneficial insect habitat
- Biological suppression of weeds and invasives
- High level IPM
- IPM for organic systems
- Non-chemical pest management for livestock
- Transition to organic grazing systems
- Transition to organic cropping systems
- On-farm composting

For producers who are interested in learning more about how CSP enhancements can be used to assist in transitioning to organic production and meeting National Organic Program (NOP) rules, you can download the NRCS "Organic Crosswalk."

Farmers' Guide to the CSP

As producers consider signing up for the program, they may want to review NSAC's updated <u>Farmers' Guide to the Conservation Stewardship Program</u>. The guide is intended to help family farmers, ranchers, and foresters better understand the CSP enrollment process. In addition, it provides clear information on conservation activities eligible for CSP payments to improve conservation performance and environmental benefits.

The *Guide* includes step-by-step enrollment guidance, key definitions, and helpful hints. It also includes a five-page section with data analysis of the program's first two sign-up periods in 2009 and 2010. This data section includes analysis of program participation by geographic region, land use type, commodity type, and the top conservation practices and enhancements chosen by farmers and ranchers who have enrolled in the program.

Please note that since publication of the most recent version of the Guide, modest changes have been made to the program, so if you have any questions, please consult your local NRCS office.