

April 4, 2019

Bill Northey Under Secretary, Farm Production and Conservation U.S. Department of Agriculture 1400 Independence Ave., S.W. Washington, DC 20250

Dear Under Secretary Northey,

We thank you for taking the time to meet and discuss our priorities for implementation of the 2018 Farm Bill last month, and we look forward to continuing to work with you as the implementation process moves forward. As discussed at our meeting, we believe it is critical to quickly provide direction and support for landowners with Conservation Reserve Program (CRP) contracts set to expire this year. The suite of options available to landowners with expiring contracts provides a variety of opportunities to retain and build upon conservation benefits achieved through CRP enrollment, and thus it is important for contract holders to be made aware of those options as quickly as possible.

We recognize that FSA has not yet determined the path forward for expiring CRP contracts, but we still believe that it is essential to notify expiring contract holders immediately in the form of a letter, similar to the ones sent the past four years, that lays out the different options available to them when their contracts expire. A follow-up letter could then follow with additional direction regarding FSA's decision on expiring contracts and reenrollments.

Below we provide several overall CRP recommendations for FY 2019, as well as specific updates to the letter for expiring contract holders. We have additional recommendations concerning CRP implementation we will hold until later, but focus now on the list below due to their great urgency.

With regard to overall implementation of CRP in FY 2019, we offer the following urgent recommendations:

1. Restart Continuous CRP (CCRP) enrollments immediately. Continuous enrollment has been on hold since sign-up #51 closed on August 17, 2018. While this pause was necessary for a brief period under the expiration of the 2014 Farm Bill and the government shutdown earlier this year, it is now well past time for CCRP enrollments to be re-opened. With 22.4 million acres currently enrolled in CRP, and an additional nearly 1.6 million acres set to expire at the end of FY 2019, we urge FSA to immediately move forward with reopening continuous enrollment this year.

We are pleased that the 2018 Farm Bill sets robust enrollment targets for CCRP, including 8,250,000 acres by FY20. Given that there are nearly 1 million CCRP acres set to expire in FY19 and FY20 (bringing the total CCRP acres down to less than 7 million acres), it is critical to ensure that FSA quickly moves forward with getting new continuous acres enrolled. The continuous sign-up and

CREP enrollments clearly provide effective tools to obtain the type of targeted benefits sought by policymakers, farmers and stakeholders.

2. As quickly as possible, send the annual letter out to landowners with contracts that expire on September 30 of this year. The letter should inform landowners of their options, including reenrolling conservation buffers in the CCRP, enrolling in the Transition Incentives Program (CRP-TIP) to rent or sell to a beginning or socially disadvantaged farmer, or enrolling in CSP and/or EQIP for land returning to production. While we understand that FSA has not yet determined a path forward for the expiring contracts, we still believe it is essential to notify participants of their other options now, so they have sufficient time to plan, and simply explain that a decision on reenrollment or extension options for expiring acres will follow shortly.

We are attaching the 2018 version of the letter as a reference.

Below we offer several recommendations regarding updates we urge FSA to make to the 2018 letter for distribution this year:

#3 Promote the newly authorized Clean Lakes, Estuaries, and River (CLEAR) within CCRP as an option in the letter to contract holders with expiring acres. The farm bill establishes the CLEAR Initiative within statute, directing FSA to enroll at least 40 percent of all continuous acres in practices that benefit water quality, including filterstrips, riparian buffers, saturated buffers, bioreactors, and more. Currently CLEAR accounts for approximately 35 percent of total CCRP acres, and we urge FSA to quickly move forward with promoting this initiative to increase enrollment and benefit water quality through partial field enrollments. Guidance on CLEAR could either be added within the continuous bullet in the letter (#2 in 2018) or broken out as its own option.

#4 Provide additional promotion of the option to transition expiring acres into CRP Grasslands. With the farm bill setting a new requirement that dedicated CRP Grasslands acres *must* be enrolled through the initiative and cannot be used for other enrollment options, while also placing a priority on enrolling land coming out of regular CRP, it is critical to do additional outreach to contract holders with expiring acres, in order to retain conservation value while returning the land to grazing based production. We also recommend that another grassland enrollment be held before considering any future general sign-ups, thereby placing a premium on retention of the environmental value already created by previous public investment in CRP. In crafting a new letter for FY 2019, we urge you to modify the continuous enrollment option to split out and provide further guidance on the CRP Grasslands option for producers with expiring options.

#5 Continue to promote the CRP Transition Incentives Program (CRP-TIP) in the letter to contract holders with expiring acres, including expanded eligibility options provided by the new farm bill. The farm bill increases funding for CRP-TIP to \$50 million, which will help move the more productive CRP land back into production and make space for new enrollment of the most environmentally sensitive land. Within the total funding available for TIP, the farm bill authorizes \$5 million in funding specifically targeted to outreach and technical assistance, and we urge FSA to utilize this funding to engage in more promotional and educational activity for CRP-TIP. We look forward to providing you with more detailed recommendations on outreach in the near future, based largely on our analysis of barriers to program usage across four states. Additionally, we urge you to modify bullet #3 in the 2018 letter to also include the expanded

eligibility provision in the farm bill that applies TIP to all expiring contracts, as well as the added priority for conservation programs and the expanded support organic transition. New farmers taking on land through TIP should be encouraged to keep any needed conservation buffers enrolled through the CCRP, to utilize CSP and/or EQIP for land going back into production, and to consider organic certification.

#6 Continue to promote the option for a transition to working lands conservation programs.

We urge FSA to continue to promote the opportunity for landowners with expiring CRP contracts on land that is suitable for production, to transition these acres to working lands conservation programs, including EQIP and CSP. We urge you to include similar language to the 2018 letter on this option, with a slight modification to remove reference to additional ranking points in CSP, as that provision was removed from ranking criteria in the 2018 Farm Bill.

Thank you for considering our recommendations. We look forward to working with you to promote these opportunities for CCRP enrollments and expiring CRP acres.

Sincerely,

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cc: Jamie Clover Adams, Richard Fordyce, Misty Jones, David Matthews, Bill Beam

enclosure: 2018 Letter to CRP Participants with Expiring Contracts



United States Department of Agriculture

Fam Production Conservation

Fam Service Agency

1400 Independence Washington, DC 20250 Mail Stop 0513

June 1, 2018

Dear CRP Participant:

Thank you for being part of the Conservation Reserve Program (CRP). Our records show that one or more of your CRP contract(s) expires on September 30, 2018. CRP continues to experience record demand while having a lower acreage cap. No CRP General Signup will be offered this year. Continuous signup will restart beginning June 4, 2018. You may consider the following options for your expiring general or continuous signup CRP contract(s):

- 1-Year Extension: If you have an expiring general or continuous CRP contract (excluding CREP), that is 14 years or less, you may submit a request to extend the expiration for an additional year under the same terms and conditions as your expiring contract(s), including the per acre rental rate. Contracts 15 years in length are not eligible for an extension, but may be eligible for a combination of the other options described below. The sign-up period for the 1-year extension is June 4, 2018, through August 17, 2018.
- Continuous Enrollment/Re-enrollment or CRP Grasslands: All or a portion of your acreage may be eligible for enrollment in a continuous CRP contract or CRP Grasslands Program. If you plan to return a portion of your land to production, important conservation benefits may still be achieved by re-enrolling sensitive acres such as buffers or wetlands. Offers for the next CRP Grasslands ranking period must be submitted no later than August 17, 2018. Offers for continuous enrollment will be considered on a first come-first serve basis, so submit your offer as soon as you can, but no later than August 17, 2018. Only selected practices are available under continuous enrollment. If enrollment demand is high, some offers may not be accepted because of the 24 million acre cap. The effective start date of the new contract would be October 1, 2018.
- Transition Incentives Program (TIP): If you are not planning to farm the land from the
 expiring contract yourself, TIP may provide you two additional annual rental payments on the
 condition you sell or rent your land to a beginning farmer or rancher or a member of a socially disadvantaged group. New landowners or renters are required to use sustainable grazing or farming methods as they return the land to production. TIP offers a way to create new farming opportunities while continuing conservation efforts. TIP is not applicable to contracts under a CREP. If you are interested in TIP, contact your local FSA office no later than August 17, 2018.
- Contract Expiration. If you do nothing, your CRP contract will expire. You will receive
 your final payment in October of 2018. You may plant, graze, or hay the acreage after
 September 30, 2018. Since CRP land typically does not have a recent history of pesticide or herbicide application, the land may be valuable for organic production. Prior to contract expiration, you should visit your local FSA office and review the current crop acreage base re-instatement provisions. Before planting, check with FSA or Natural Resources Conservation Service (NRCS) to see if your land may be subject to conservation and wetland compliance provisions.
- Conservation Easements or Working Lands Programs. CRP land may transition into conservation easements to provide longer term benefits. NRCS's Agricultural Conservation Easement Program (ACEP) or state or private easement programs may be an option. If you are planning to convert your CRP land to agriculture use, USDA's working lands programs, including FSA's CRP Grasslands, NRCS's Conservation Stewardship Program (CSP) or the Environmental Quality Incentives Program (EQIP) may be available to address your resource needs. In many cases, a combination of approaches can be taken on the same parcel. For example, riparian areas or other sensitive parts of a parcel may be enrolled in continuous CRP and the remaining land that is returned to farming can participate in CSP and even receive additional ranking points.

Please contact your local USDA Service Center, or visit http://www.fsa.usda.gov/crp to explore your options

Richard Fordyce

Sincerely.

Administrator

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