NATIONAL SUSTAINABLE AGRICULTURE COALITION

ANALYSIS OF CSP ENROLLMENT IN FY 2018

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KEYWORDS AND PROGRAMS: CONSERVATION STEWARDSHIP PROGRAM; CSP; CONSERVATION

ABSTRACT:

Based on the latest available U.S Department of Agriculture (USDA) data, this Special Report examines enrollment trends, including top practices and geographic variations, related to fiscal year (FY) 2018 enrollment in the Conservation Stewardship Program (CSP) – the largest working lands federal conservation program. The report also examines CSP's critical role in supporting conservation efforts across diverse farmer groups, and outlines changes made to CSP in the 2018 Farm Bill.

HIGHLIGHTS:

This Special Report confirms that CSP's footprint continues to be quite significant. Per 2018 enrollment data, the program covered over 8 percent of total farmland within the United States, and 18 states had 10 percent or more of their total agricultural land enrolled in the program. This report also highlights considerable state to state variability of total farmland enrolled in CSP, suggesting that CSP enrollment is dependent on state and local offices' engagement and promotion of the program.

Analysis of conservation practices and enhancements revealed that significant acres were devoted to addressing water quality concerns, as well as soil erosion and soil quality degradation. The top five conservation practices as of 2018 were: integrated pest management, cover crops, nutrient management, prescribed grazing, and conservation crop rotation. All of these practices address multiple resource concerns and represent a strong water quality and soil health focus within CSP. The top enhancements (including those related to precision agriculture, integrated pest management, grazing and forage management, and conservation tillage) shared that same focus.

An area of concern uncovered by this report is a major drop in renewals. The CSP contract renewal rate in 2017 was nearly 60 percent compared to 38 percent in 2018. Additionally, only 46 percent of acres were renewed in 2018 compared to 77 percent in 2017. The reinvention of CSP prior to the 2017 sign-up period weakened the renewal process by lowering renewal payment rates, which very likely was a major contributor to the decline in renewals in 2018. Between 2015 and 2017 the CSP renewal rate average was 57 percent for contracts and 73 percent for acres, suggesting that the reinvention critically affected the renewals process.

With respect to historically underserved producers, 16 percent of total CSP contracts and eight percent of acres were enrolled by beginning farmers and ranchers in 2018; whereas five percent of contracts and five percent of acres were enrolled by socially disadvantaged producers. The percent of total acres enrolled by beginning farmers and ranchers increased from 2017 to 2018, but the percent of total acres enrolled by socially disadvantaged farmers and ranchers decreased during this time period. While the legislative mandate is being met, more work needs to be done to ensure that beginning and socially disadvantaged producers have equitable access to CSP.

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INTRODUCTION

Over the last decade, the U.S. Department of Agriculture's (USDA) Conservation Stewardship Program (CSP) has enrolled over 94 million acres of farm, ranch, and forest land across the country in working lands conservation contracts. As of the end of 2018, over 74 million acres were enrolled in active CSP contracts – a landmass equal to the entire size of the states of Iowa and Georgia combined. As the largest conservation program in the country, CSP provides much needed technical and financial assistance to producers and landowners with agricultural lands in production, promoting environmental protection in concert with profitable production of food, fiber, and energy.

CSP, administered by USDA's Natural Resources Conservation Service (NRCS), provides much more than the more typical "one and done" a la carte approach to conservation, recognizing the need for a more ongoing, comprehensive approach to conservation assistance. Producers enroll their entire operation as part of a CSP contract and are rewarded both for actively managing conservation activities and maintaining high stewardship levels, as well as for implementing additional conservation activities over the course of the contract, with a goal of exceeding stewardship goals for all local priority resource concerns over the course of program participation.

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

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

The following analysis explores the ways in which CSP provides key conservation resources to producers and landowners nationwide, and pays particular attention to enrollment, renewal, land use trends, and conservation practices adoption across the country. This Special Report also includes an assessment on CSP's current and potential impact on beginning and socially disadvantaged farmers, and provides a summary of the changes made to the program in the 2018 Farm Bill.

FY 2018 CSP ENROLLMENTS

In an effort to make CSP more flexible, transparent, and farmer-friendly, NRCS "reinvented" the program for the 2017 sign-up period. The reinvention included major revisions to the ranking and evaluation processes, as well as changes to payments and CSP conservation activities (both practices and enhancements) available through the program. The changes made in the "reinvention" remained

in place for the FY 2018 enrollment process. The 2018 CSP sign-up was especially significant because it was the final enrollment opportunity under the authority provided by the 2014 Farm Bill.

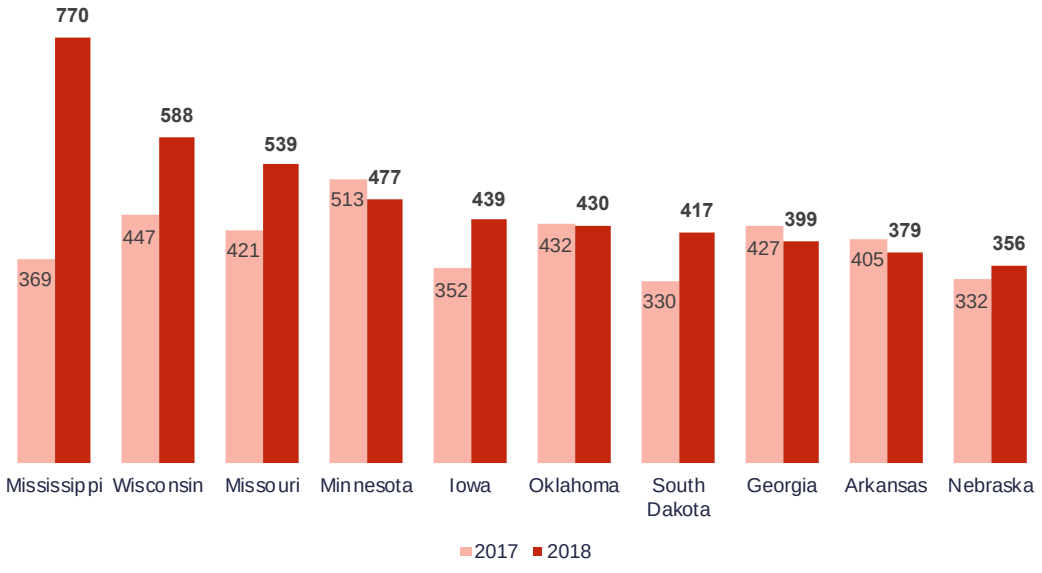
Under the 2014 Farm Bill, NRCS was authorized to enroll 10 million new acres into CSP each year, which was a decrease from the 2008 Farm Bill (2009 – 2014) level of 12.8 million new acres each year. Additionally, CSP enrollments were further hampered during the 2014 Farm Bill cycle by funding cuts, including those from automatic budget sequestration, which hovered between 6-7 percent each year. Similarly to FY 2017, new enrollments were also depressed due to CSP acres held in abeyance for possible use in the Regional Conservation Partnership Program (RCPP).

In all, NRCS was able to enroll approximately 7.5 million new acres in CSP in 2018, plus 4.4 million acres in renewal contracts for an additional five years. This means that over the next five years, more than 10,000 farmers and ranchers will be better positioned to manage and build upon conservation efforts spanning a total of almost 12 million acres nationwide. In the following sections we dig into enrollment details of CSP's in 2018 and assess the benefits of this comprehensive approach to conservation.

NEW CONTRACTS

Almost 8,000 farmers and ranchers across 49 states and Puerto Rico signed new CSP contracts in 2018. Mississippi far outpaced all other states in 2018 with 770 new enrolled participants, compared to 369 new contracts made in the state in 2017. Minnesota lost its 2017 rank of number one and dropped to number four in 2018. Wisconsin and Missouri following as the second and third highest-ranking states. Missouri went from fifth place in 2017 to third place in 2018, and Wisconsin maintained its second place from one year to the next. Most of the top 10 states saw an increase in new contracts from 2017 to 2018, except Minnesota, Georgia, and Arkansas. Oklahoma experienced a very slight decrease in new contracts from 2017 to 2018.

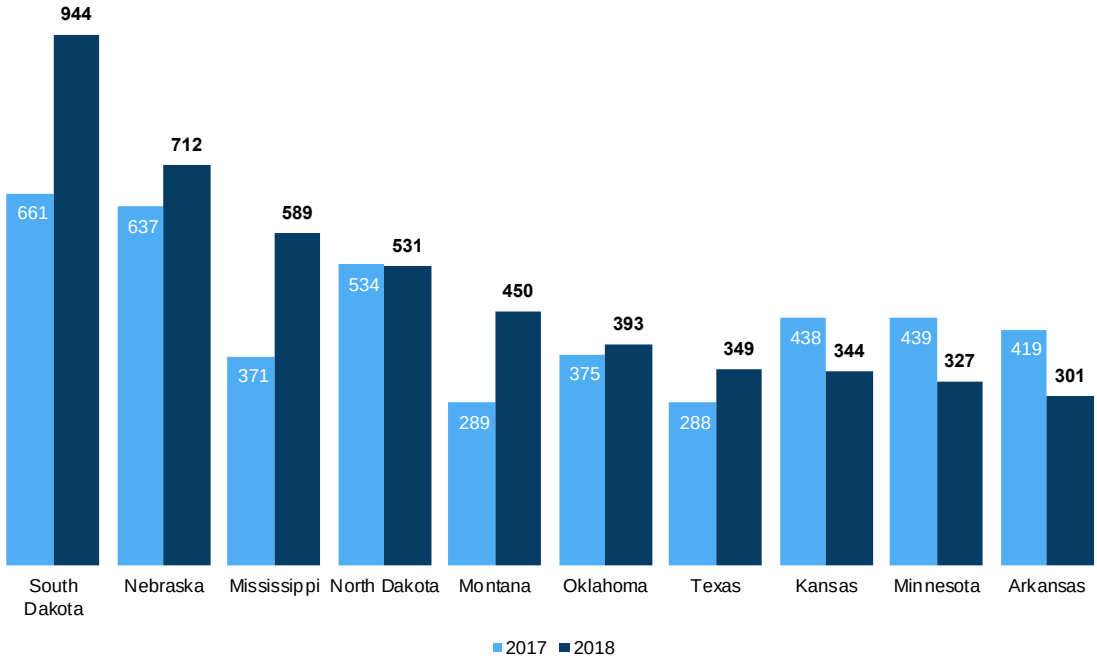
Figure 1. Top 10 States by New CSP Contracts in FY 2018 Compared to FY 2017



It is important to note that the states with the highest number of new CSP *acres* in 2018 are not the same as those with the most *contracts*. This difference is reflective of the diversity of operation sizes across the country, with certain states being more suitable to larger operations than others. For example, South Dakota, home to many large acreage ranching operations, topped the list in terms of acres in 2018, enrolling more than 944,000 new acres. South Dakota saw a 43 percent increase in new acres from 2017 to 2018. The state now has over seven million acres enrolled in CSP, meaning that over 17 percent of the state's agricultural land is enrolled in the program.

Mississippi experienced the largest increase (56 percent) in new acres, and new contracts more than doubled in the state from 2017 to 2018. While North Dakota, Montana, Texas, and Kansas were not in the top 10 states in terms of new contracts in 2018, the states ranked fourth, fifth, seventh, and eighth respectively in terms of new acres, reflecting the states' suitability to larger scale operations. On the other hand, Wisconsin, Missouri, Iowa, and Georgia were all in the top 10 states in terms of new contracts, but are not in the top 10 states in terms of new acres, pointing to the relatively smaller scale of operations in these states compared to states like North Dakota, Montana, and Texas.

Figure 2. Top 10 States by New CSP Acres (in thousands) in FY 2018 Compared to FY 2017



RENEWALS

At the end of their five-year contract, all CSP participants are eligible to renew their contract for an additional five years, provided that they are in compliance with the original contract and agree to take on additional conservation activities and higher levels of stewardship. Under the 2014 Farm Bill, the option to renew was popular among participants because it provided an opportunity to

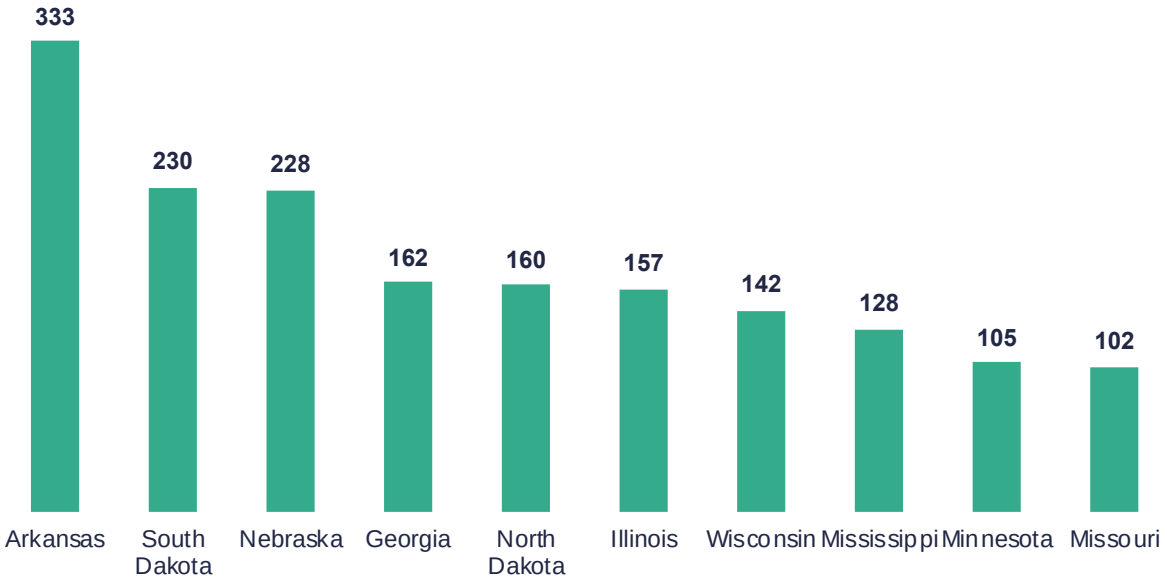
build upon and expand existing conservation activities, while also avoiding any gaps in CSP payments.

In 2018, more than 2,600 CSP contracts (about 38 percent) originally signed in 2013 were renewed on 4.4 million acres. When renewing, participants revise their contract to ensure their new contract includes all acreage that is part of the operation, including leased or owned acres that were added to the operation since the start of the previous contract. Thus, some contracts are renewed with a larger total payment acreage than what their original contract contained.

The charts below show the top states in terms of the number of contracts, the number of acres, and the percentage of contracts that were renewed in the top 10 states in 2018. Compared to 2017, total renewal contracts and acres dropped by almost a half in 2018. A drop in total renewal contracts and acres was expected in 2018 given that fewer new contracts and acres were enrolled in 2013 compared to 2012, but the percentage of contracts and acres renewed also decreased from 2017 to 2018. In addition to the lower number of contracts and acres enrolled in 2013, the reinvention of CSP that took place prior to the 2017 sign-up weakened the renewal element of the program by lowering renewal payments, which also contributed to the sharp drop in renewal rates in 2018.

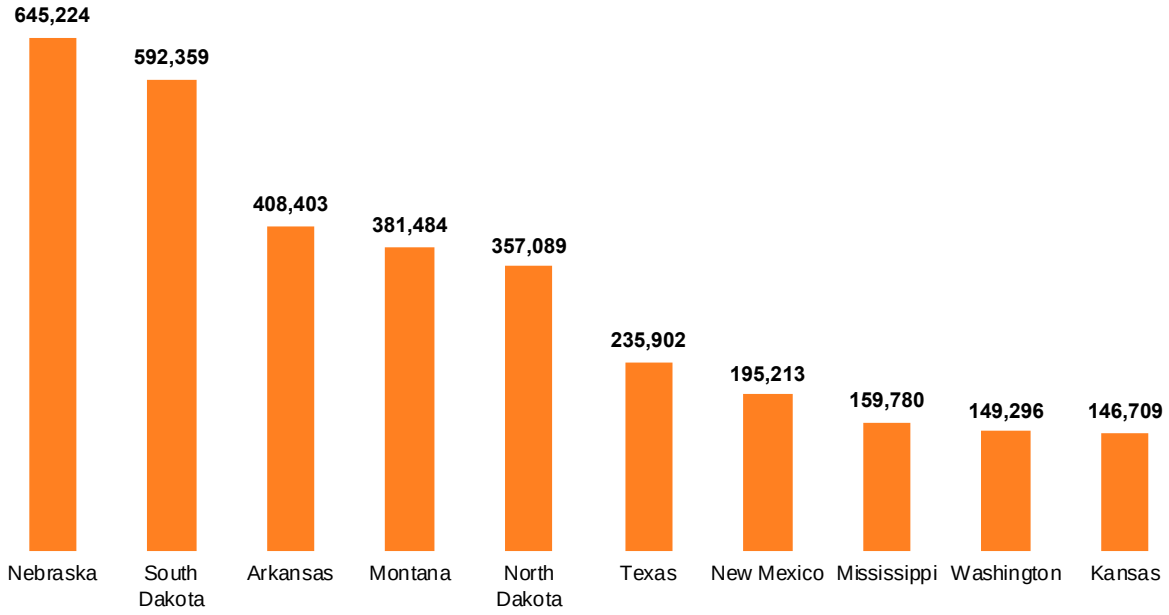
Arkansas, South Dakota, and Nebraska had the highest number of renewal contracts in 2018. At the far opposite extreme was Minnesota, which experienced the sharpest decrease in renewal contracts from 2017 to 2018. Despite a normal 66 percent of contracts renewed in 2017, Minnesota fell drastically to renewing only 19 percent of contracts in 2018 (see Figure 5. below).

Figure 3. Top 10 States by Renewal CSP Contracts in FY 2018



In terms of acres renewed, Nebraska and South Dakota had the largest number of acres renewed in 2018, and their renewal acres in 2018 were comparable to their renewal acres in 2017. Nebraska and South Dakota maintained their places as the top two states based on renewal acres from 2017 to 2018.

Figure 4. Top 10 States by Renewal CSP Acres in FY 2018



The figures below show the percent of CSP contracts and acres that were renewed in the top 10 renewal states in 2018. In Mississippi, 90 percent of contracts were renewed in 2018, and renewal acres increased by 16 percent from 2013 to 2018. Mississippi was the only state in the top 10 that renewed more acres in 2018 compared to the total number of acres originally enrolled in 2013. The only other state not in the top 10 that experienced a net increase in number of acres enrolled in renewal contracts from 2013 to 2018 was Connecticut, where renewal acres almost doubled in the single CSP contract in the state. Other states' renewal contracts likely expanded as well, but the expansion of renewals for other states was not large enough to achieve a net increase in renewal acres enrolled in 2018 compared to 2013. Other states that had large renewal percentages in 2018 were Delaware, Oregon, Montana, and Washington. These states, however, had fewer renewal contracts and are not included in the top 10 states.

Figure 5. Percent of Contracts Renewed by Top 10 States in FY 2018

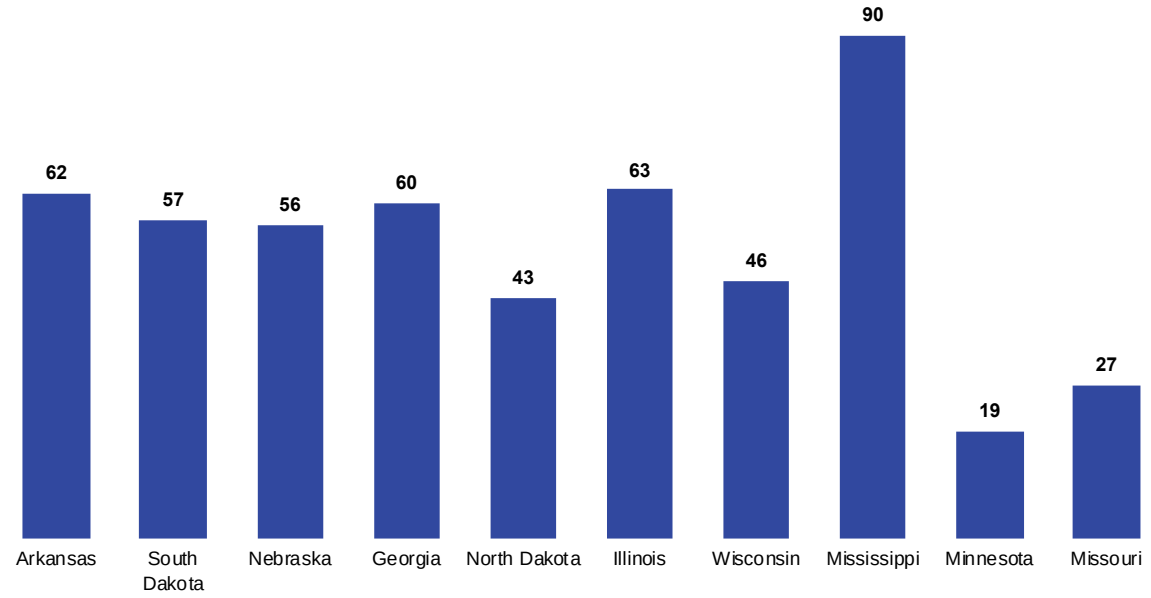
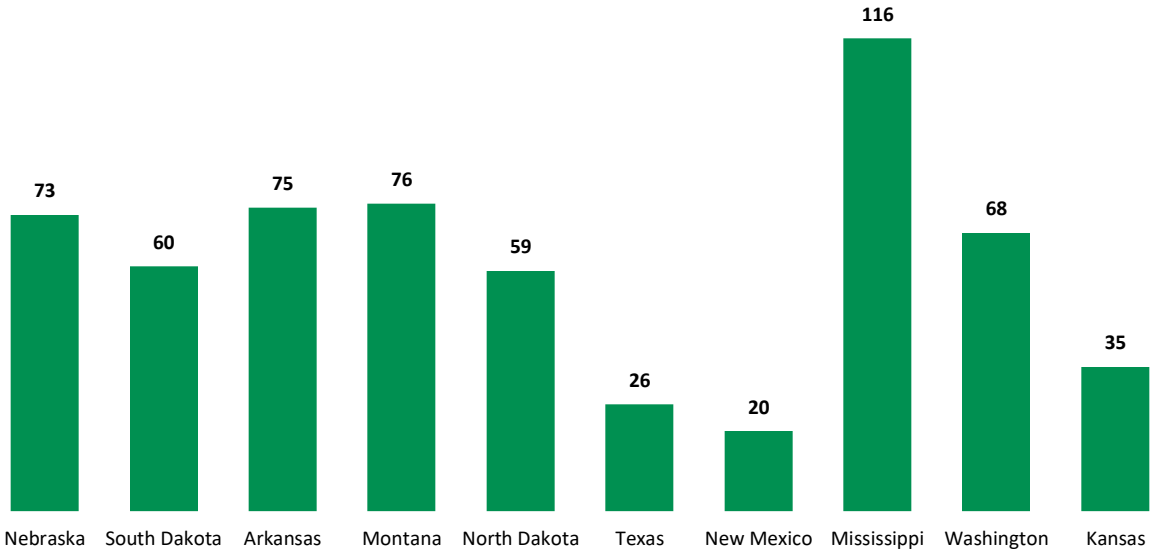


Figure 6. Percent of Acres Renewed by Top 10 States in FY 2018



2018 CSP ENROLLMENT AS A PERCENTAGE OF TOTAL AGRICULTURAL LAND

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

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

As illustrated within the map and chart below, at 2018 enrollment levels, 18 states had 10 percent or more of their total agricultural land enrolled in CSP. The map highlights the state to state variability in how much farmland within a state is enrolled in CSP, suggesting that states with higher engagement, well-trained field staff, and more robust outreach strategies at the state and local level enroll more acres in CSP. It is instructive, for instance, to compare Vermont with New Hampshire, North Carolina with South Carolina, Iowa with Minnesota, or Arizona with New Mexico.

Map 1. Percent of Total Farmland in CSP by State in FY 2018

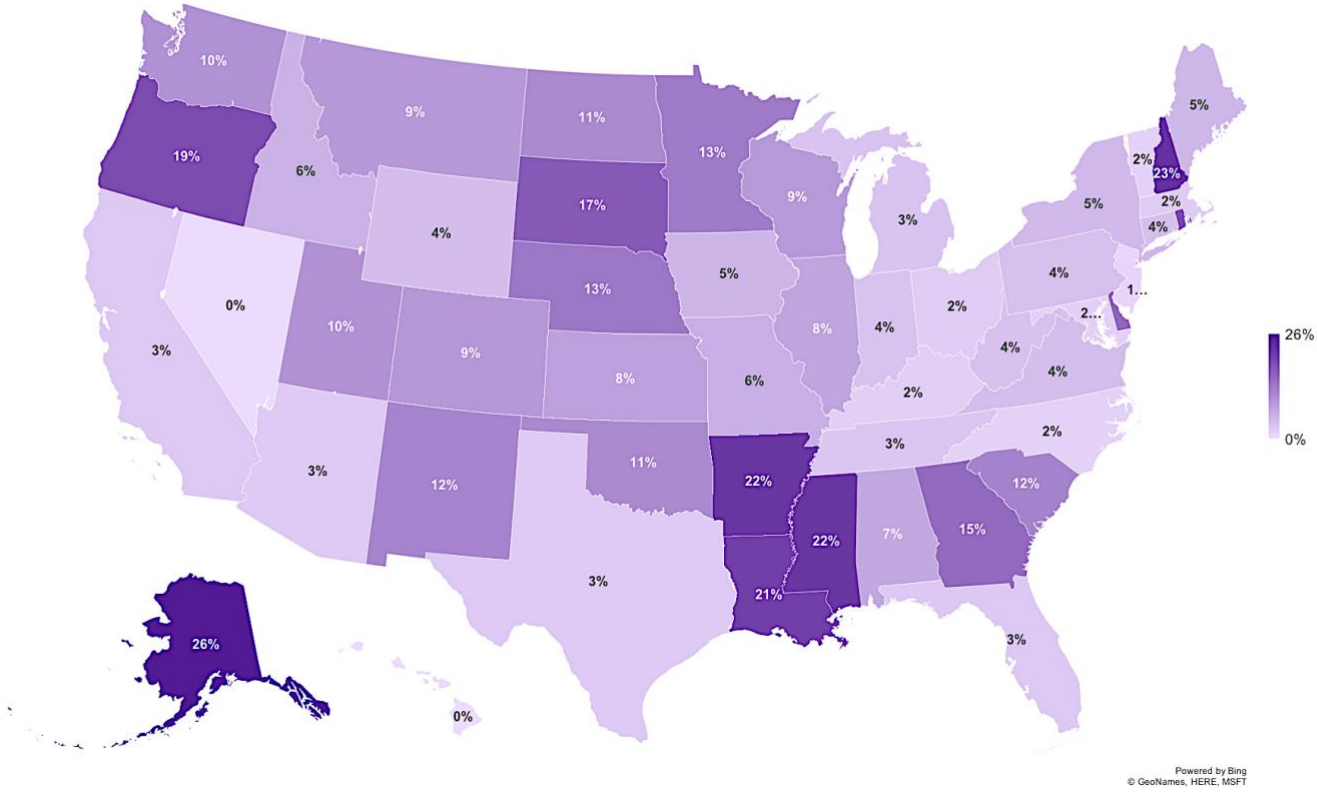
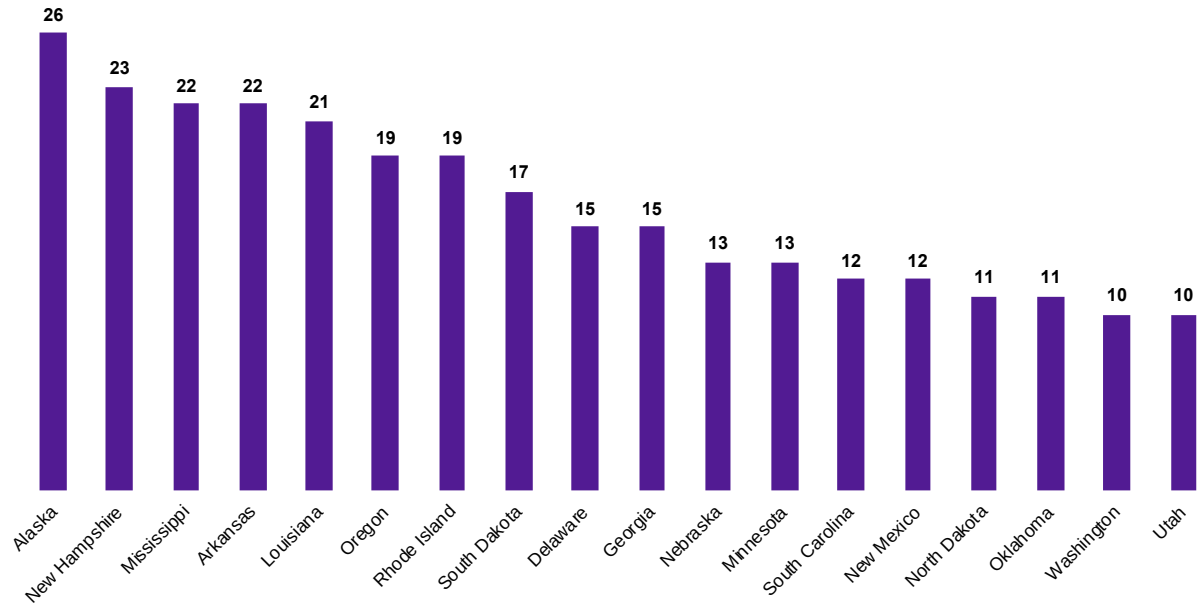


Figure 7. Percent of Total Farmland in CSP by State in FY 2018



LAND USE

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

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

The pastured cropland designation is of particular significance. NRCS long recognized the higher foregone income costs associated with maintaining permanent vegetative cover on land that is also suitable for cropland. Beginning in 2018, however, NRCS has reversed course and has now rolled pastured cropland into the pasture land use. Under the pasture land use, these acres will now receive lower payment rates, which creates an incentive to plow up continuous living cover in order to receive the higher cropland payment. NSAC urges NRCS to end this perverse incentive by reinstating pastured cropland as a separate land use type to protect our soils.

Table 1. **Land Use Types by CSP Payment Rate Per Acre**

Land Use Type	CSP Payment Rate Per Acre
Cropland	$7.50/acre
Farmstead	$7.50/acre
Pasture	$3.00/acre
Range	$1.00/acre
Forest	$.50/acre
Associated Agricultural Land	$.50/acre

In 2018, cropland continued to account for the largest percentage of total CSP acreage, totaling 56 percent of all acres enrolled; this was followed by rangeland, pastureland, and forestland, mirroring the distribution of acres by land use recorded in 2017. The charts below illustrate 2018 enrollments by acreage, as well as the acreage payments allocated for those acres.

Figure 8. Acre Enrollments by Land Use, FY 2018

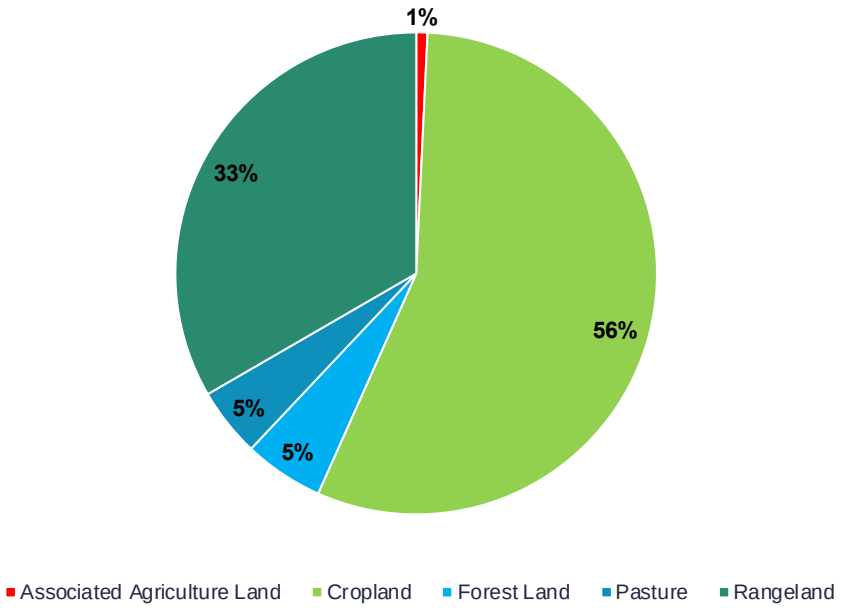
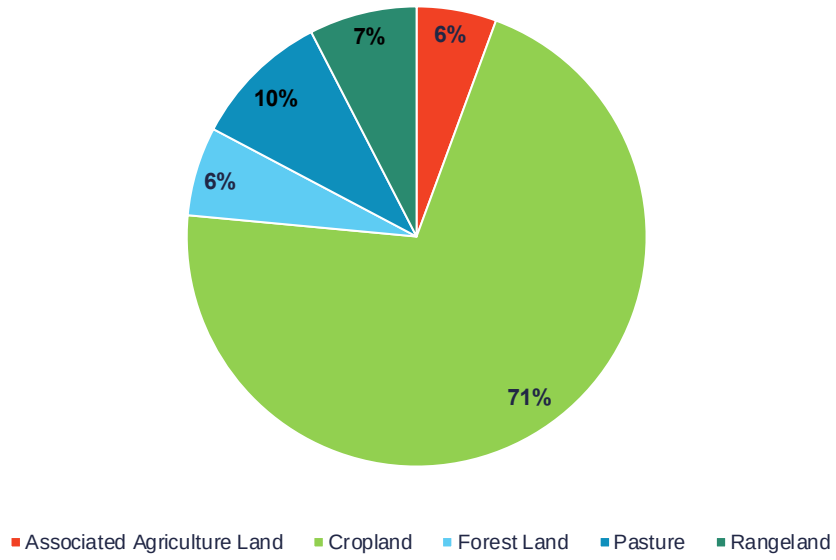


Figure 9. Acreage Payments for Enrollments by Land Use, FY 2018



CONSERVATION PRACTICE AND ENHANCEMENT DATA

NRCS provided NSAC with data regarding which conservation practices and enhancements CSP participants adopted as part of their contracts in 2018. The following section analyzes trends in the adoption of practices, enhancements, and suites of enhancements (called "bundles" by NRCS) across the nation.

A "practice" refers to farming activities designed to conserve, enhance, or protect soil, water, and other natural resources. NRCS defines eligible conservation practices for CSP and creates standard documents that define each practice, state the purpose of the practice, and provide criteria details that need to be met. Over 50 different practices were available to participants in 2018, including cover crops, nutrient management, and residue and tillage management (both reduced till and no-till).

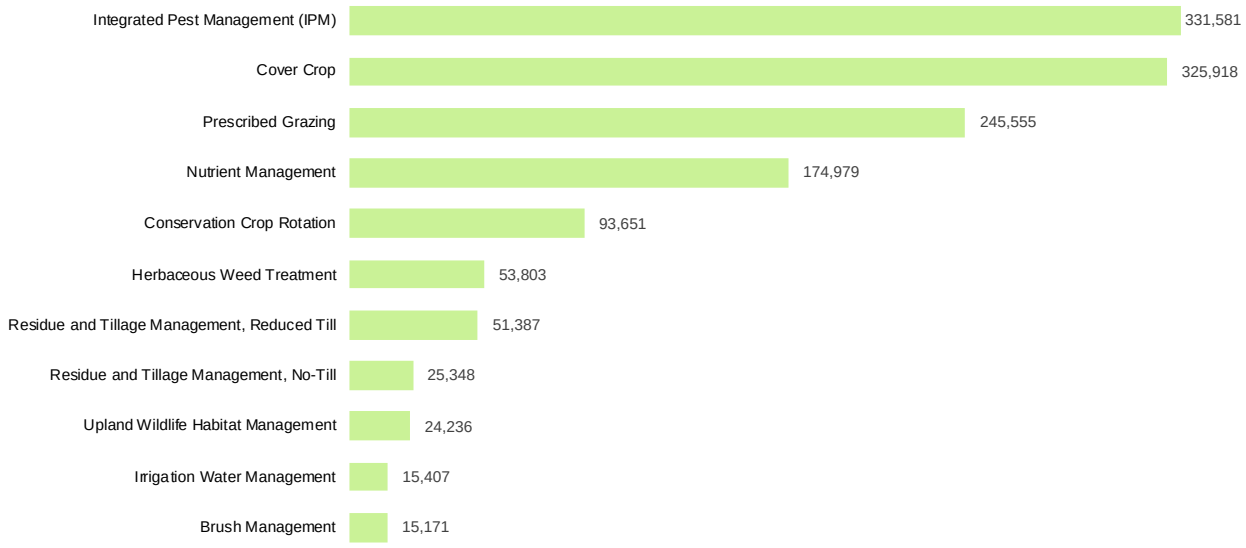
"Enhancements" allow producers to take their conservation efforts further. Once a producer meets the minimum conservation practice standard, he/she can select enhancements to build upon existing conservation practices to further address resource concerns. In 2018, producers continued to build upon their conservation efforts with over 190 enhancements. NRCS listed all available enhancements for associated agriculture land, cropland, forestland, pastureland, rangeland, and farmsteads online. Enhancements in 2018 included activities aimed at improving nutrient uptake efficiency and reducing risk of nutrient losses to surface water, reducing tillage to increase soil health and soil organic matter content, and improving grazing management for plant productivity and health.

Finally, "bundles" are combinations of three or more enhancements that work together to provide increased conservation benefits. Bundles group enhancements according to land use (crop, pasture,

range, and forest) as well as ongoing agency initiatives. They receive higher levels of financial assistance to encourage holistic approaches to conservation planning. Bundles for various land uses were available in 2018, including pasture bundle #3 to build soil health. This particular bundle combines conservation practices such as forage and biomass planting, brush management, and either access control or prescribed grazing to enhance soil health and address water quality concerns.

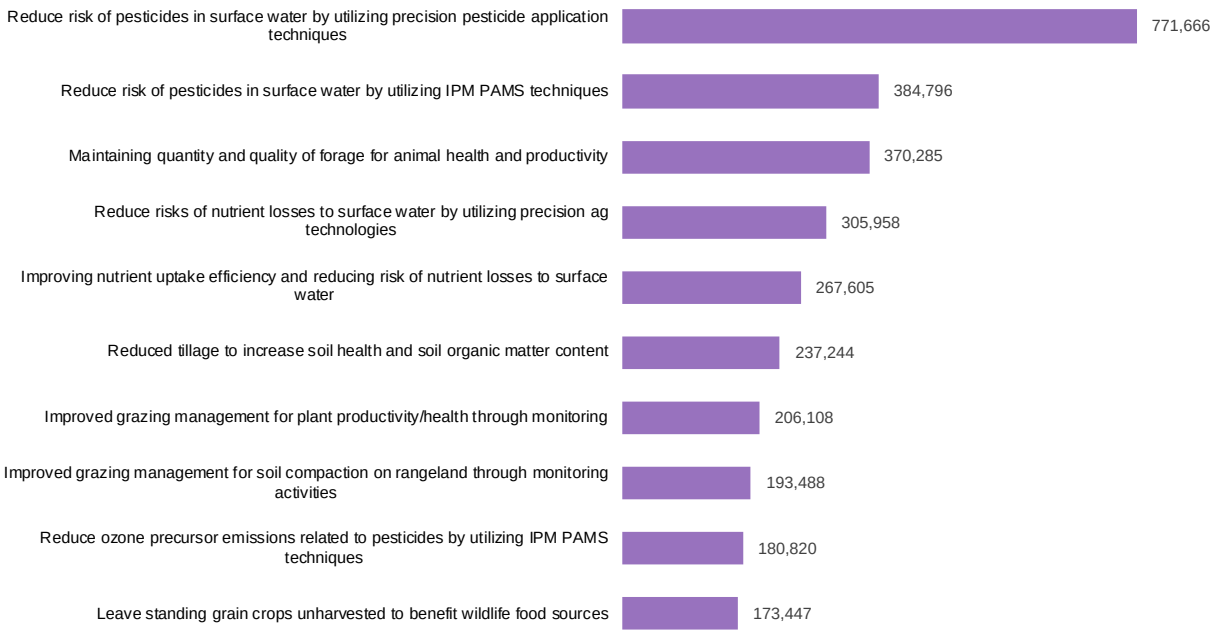
The figures below show the top 10 conservation practices and the top 10 enhancements by total treated CSP acres as of 2018. The top conservation practices in terms of total treated acres were integrated pest management (IPM), cover crops, prescribed grazing, nutrient management, and conservation crop rotation, demonstrating a strong programmatic focus on water quality and soil health.

Figure 10. Top 10 Conservation Practices by Total Treated Acres in FY 2018



The top enhancements by total treated acres as of 2018 are listed in the chart below. Four of the top five enhancements were related to the IPM and nutrient management conservation practices and sought to address water quality concerns, including reducing risk of pesticides in surface water and improving nutrient uptake efficiency to reduce nutrient losses to surface water. The third most widely adopted enhancement was related to the prescribed grazing conservation practice and addresses the livestock production limitation resource concern by maintaining quantity and quality of forage for animal health and productivity. Nutrient loss prevention and reduction enhancements and soil health enhancements followed on the list of top enhancements across the country as of 2018.

Figure 12. Top 10 Enhancements by Total Treated Acres in FY 2018



In 2018 alone, over $27 million was invested in the top five CSP conservation practices and their related enhancements to address water quality degradation, soil erosion, soil quality degradation, and degraded plant condition, among many other natural resource concerns. With five year contracts, the total contract amount for these practices and enhancements are several multiple times larger.

A significant number of CSP acres across the country were devoted to these soil and water quality practices and related enhancements. The table below shows the acres and related payments for the top five conservation practices and their related enhancements. Because any given acre can have multiple conservation practices and multiple enhancements applied to it, cumulative acreage figures based on the data provided by NRCS cannot be computed. However, cumulative figures for payments were calculated in the table below. The top line financial assistance figure reflects the total dollars spent on the practice and related enhancements for the single year (FY 2018).

Table 2. **Top Five Conservation Practices and Related Enhancements in FY 2018**

Practice/Enhancement	Resource Concern	Acres	Financial Assistance
Integrated Pest Management (IPM)			**$12,048,184**
Practice	***Multiple***	***331,581***	***$493,262***
Related Enhancements			***$11,554,922***
Reduce risk of pesticides in surface water by utilizing precision pesticide application techniques	Water Quality Degradation	771,666	$8,827,230
Reduce risk of pesticides in surface water by utilizing IPM PAMS techniques	Water Quality Degradation	384,796	$1,895,452
Reduce ozone precursor emissions related to pesticides by utilizing IPM PAMS techniques	Air Quality Impacts	180,820	$832,240
Cover Crop			**$2,803,062**
Practice	***Multiple***	***325,918***	***$912,181***
Related Enhancements			***$1,890,881***
Cover crop to reduce water erosion	Soil Erosion	29,296	$127,984
Cover crop to reduce wind erosion	Soil Erosion	6,363	$27,608
Intensive cover cropping to increase soil health and soil organic matter content	Soil Quality Degradation	57,381	$342,435
Use of multi-species cover crops to improve soil health and increase soil organic matter	Soil Quality Degradation	89,069	$355,793
Intensive cover cropping (orchard/vineyard floor) to increase soil health and SOM content	Soil Quality Degradation	1,047	$9,749
Use of SHA to assist with development of cover crop mix to improve soil health and increase SOM	Soil Quality Degradation	33,841	$157,630
Cover crop to minimize soil compaction	Soil Quality Degradation	154,164	$479,991
Cover crop to reduce water quality degradation by utilizing excess soil nutrients-surface water	Water Quality Degradation	24,936	$137,953
Cover crop to reduce water quality degradation by utilizing excess soil nutrients-ground water	Water Quality Degradation	5,605	$38,222
Cover crop to suppress excessive weed pressures and break pest cycles	Degraded Plant Condition	48,378	$213,516
Nutrient Management			**$7,726,181**
Practice	***Multiple***	***174,979***	***$127,374***
Related Enhancements			***$7,598,807***
Reduce risks of nutrient losses to surface water by utilizing precision ag technologies	Water Quality Degradation	305,958	$3,608,103
Improving nutrient uptake efficiency and reducing risk of nutrient losses to surface water	Water Quality Degradation	267,605	$2,314,411
Reduce risks of nutrient losses to ground water by utilizing precision agriculture technologies to plan and apply nutrients	Water Quality Degradation	1,272	$20,418
Improving nutrient uptake efficiency and reducing risk of nutrient losses to groundwater	Water Quality Degradation	98,327	$797,361
Improving nutrient uptake efficiency and reducing risks to air quality – emissions of GHGs	Air Quality Impacts	104,057	$858,514
Prescribed Grazing			**$4,014,714**
Practice	***Multiple***	***245,555***	***$174,336***
Related Enhancements			***$3,840,378***
Improved grazing management for water erosion through monitoring activities	Soil Erosion	31,596	$54,938
Improved grazing management for wind erosion through monitoring activities	Soil Erosion	2,649	$4,742
Grazing management that protects sensitive areas from gully erosion	Soil Erosion	61,088	$79,140
Prescribed grazing that improves or maintains riparian and watershed function-erosion	Soil Erosion	137,541	$1,007,182
Improved grazing management for soil compaction through monitoring activities	Soil Quality Degradation	3,000	$21,454
Improved grazing management for soil compaction on rangeland through monitoring activities	Soil Quality Degradation	193,488	$322,284
Prescribed grazing that maintains/improves riparian/watershed function impairment from nutrients	Water Quality Degradation	5,751	$68,110
Grazing management that protects sensitive areas-surface water from nutrients	Water Quality Degradation	12,540	$19,499
Grazing management that protects sensitive areas-ground water from nutrients	Water Quality Degradation	15,686	$26,017
Prescribed grazing that maintains/improves riparian/watershed function-pathogens/chemicals	Water Quality Degradation	9,466	$129,550
Prescribed grazing that maintains/improves riparian/watershed function-min sediment in surface water	Water Quality Degradation	1,448	$18,549
Prescribed grazing that improves or maintains riparian/watershed function-elevated water temperature	Water Quality Degradation	29,024	$31,218
Improved grazing mgmt for plant productivity/health through monitoring	Degraded Plant Condition	2,253	$21,317
Stockpiling cool season forage to improve plant productivity and health	Degraded Plant Condition	1,658	$34,982
Improved grazing management for plant productivity/health through monitoring	Degraded Plant Condition	206,108	$333,527
Stockpiling cool season forage to improve structure and composition.	Degraded Plant Condition	395	$8,922
Grazing management for improving quantity/quality of plant structure/composition for wildlife	Degraded Plant Condition	127,097	$366,481
Improved grazing management for plant structure and composition through monitoring activities	Degraded Plant Condition	49,554	$89,934
Improved grazing management that reduces undesirable plant pest pressure through monitoring	Fish And Wildlife - Inadequate Habitat	1,566	$2,843
Grazing management for improving quantity and quality of food for wildlife	Fish And Wildlife - Inadequate Habitat	4,958	$2,414
Incorporating wildlife refuge areas in contingency plans for wildlife food	Fish And Wildlife - Inadequate Habitat	4,948	$78,255
Grazing management that improves Monarch butterfly habitat	Fish And Wildlife - Inadequate Habitat	49	$424
Grazing management for improving quantity and quality of cover and shelter for wildlife	Fish And Wildlife - Inadequate Habitat	6,866	$3,425
Incorporating wildlife refuge areas in contingency plans for prescribed grazing-cover/shelter	Fish And Wildlife - Inadequate Habitat	9,602	$80,914
Maintaining quantity and quality of forage for animal health and productivity	Livestock Production Limitation	370,285	$1,015,402
Incorporating wildlife refuge areas in contingency plans for livestock feed and forage	Livestock Production Limitation	7,281	$18,855
Conservation Crop Rotation			**$1,238,432**
Practice	***Multiple***	***93,651***	***$58,004***
Related Enhancements			***$1,180,428***
Improved resource conserving crop rotation to reduce water erosion	Soil Erosion	6,136	$20,954
Resource conserving crop rotation to reduce water erosion	Soil Erosion	7,735	$88,893
Conservation crop rotation on recently converted CRP grass/legume cover for water erosion	Soil Erosion	36	$97
Improved resource conserving crop rotation to reduce wind erosion	Soil Erosion	119	$546
Resource conserving crop rotation to reduce wind erosion	Soil Erosion	659	$7,365
Improved resource conserving crop rotation for soil organic matter improvement	Soil Quality Degradation	157	$755
Resource conserving crop rotation for soil organic matter improvement	Soil Quality Degradation	22,425	$153,800
Soil health crop rotation	Soil Quality Degradation	12,769	$61,789
Modifications to improve soil health and increase soil organic matter	Soil Quality Degradation	65,939	$349,234
Conservation crop rotation on recently converted CRP grass/legume cover for SOM improvement	Soil Quality Degradation	38	$184
Improved resource conserving crop rotation to improve soil compaction	Soil Quality Degradation	1,097	$5,672
Resource conserving crop rotation to improve soil compaction	Soil Quality Degradation	37,956	$88,127
Conservation crop rotation to reduce the concentration of salts	Soil Quality Degradation	555	$1,802
Improved resource conserving crop rotation to relieve plant pest pressure	Degraded Plant Condition	852	$2,330
Resource conserving crop rotation to relieve plant pest pressure	Degraded Plant Condition	12,953	$71,602
Leave standing grain crops unharvested to benefit wildlife food sources	Fish And Wildlife - Inadequate Habitat	173,447	$279,507
Leave standing grain crops unharvested to benefit wildlife cover and shelter	Fish And Wildlife - Inadequate Habitat	24,816	$47,771

INTEGRATED PEST MANAGEMENT

Across the country, 32 states enrolled acres in the IPM conservation practice and related enhancements as of 2018. Acres enrolled in the IPM conservation practice were concentrated in the northern tier including Montana, South Dakota, and North Dakota. Many acres enrolled in related IPM enhancements were also concentrated in Montana and South Dakota. Mississippi and Arkansas had large amounts of acres enrolled in IPM related enhancements, although these states' acres enrolled in the conservation practice were relatively low.

COVER CROPS

Cover crops were concentrated primarily in North Dakota and South Dakota, although Minnesota and Nebraska were also among the top states that had acres devoted to the cover crop conservation practice and related enhancements. North Dakota's acres in cover cops and related enhancements accounted for at least 42 percent of total enrolled acres devoted to the practice and to each related enhancement, meaning that cover crops are particularly popular in the state's CSP initiative.

NUTRIENT MANAGEMENT

As of 2018, 38 states had enrolled acres in nutrient management and related enhancements. South Dakota and North Dakota acres accounted for 40 percent of acres enrolled in the nutrient management conservation practice as of 2018. North Dakota also enrolled thousands of acres in related nutrient management enhancements. Although Mississippi did not have a large number of acres enrolled in the nutrient management conservation practice, the state enrolled significant acres across related enhancements accounting for almost 20 percent of acres enrolled in the enhancement to improve nutrient uptake efficiency and reduce risk of nutrient losses to surface water. Arkansas, Colorado, and Washington were other states that had thousands of acres enrolled in nutrient management practices and enhancements.

PRESCRIBED GRAZING

Thirty seven states and Puerto Rico enrolled acres in prescribed grazing and related enhancements as of 2018. Eighty five percent of all acres enrolled in the prescribed grazing practice were located in New Mexico, South Dakota, Nebraska, Colorado, and Montana. Nebraska and South Dakota enrolled many CSP acres in prescribed grazing enhancements that address livestock production limitation and degraded plant condition resource concerns. Unlike Nebraska, however, South Dakota enrolled 60 percent of acres in the improved grazing management enhancement that relieves soil compaction on rangeland, suggesting that the state places emphasis on soil quality degradation as well as other natural resource concerns. Southern states, like New Mexico and Texas, enrolled more acres in enhancements seeking to alleviate soil erosion and soil quality degradation.

CONSERVATION CROP ROTATION

The conservation crop rotation practice was particularly popular in the Upper Midwest, with South Dakota, Nebraska, and North Dakota accounting for 68 percent of all acres enrolled in the conservation practice as of 2018. Across the country, 29 states and Puerto Rico enrolled acres in the conservation crop rotation practice and related enhancements. The practice's related enhancements with the most amount of acres in 2018 focused on addressing inadequate habitats for fish and wildlife and soil quality degradation. North Dakota far surpassed all other states in terms acres enrolled across all related enhancements, accounting for as much as 85 percent of acres enrolled in a given enhancement.

BEGINNING AND SOCIALLY DISADVANTAGED FARMERS AND RANCHERS

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

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

The percentage of total CSP acres enrolled by beginning and socially disadvantaged farmers and ranchers varied over the 2014 Farm Bill cycle. In 2018, 16 percent of all CSP contracts and 8 percent of acres were enrolled by beginning farmers and ranchers, and 5 percent of CSP contracts and 5 percent of acres were enrolled by socially disadvantaged producers, illustrating high demand and interest from these producers.

As the chart below illustrates, CSP enrollment has varied for beginning and socially disadvantaged producers between 2014 and 2018. Beginning farmer and rancher acres have hovered at around 6 percent, but saw an increase in 2018 to 7.5 percent. Socially disadvantaged producer acres reached the highest level in 2015 with 11 percent of acres, but have since declined to about 5 percent as of 2018.

Figure 13. Percent of Total CSP Acres Enrolled by Beginning and Socially Disadvantaged Producers Between FY 2014 and FY 2018

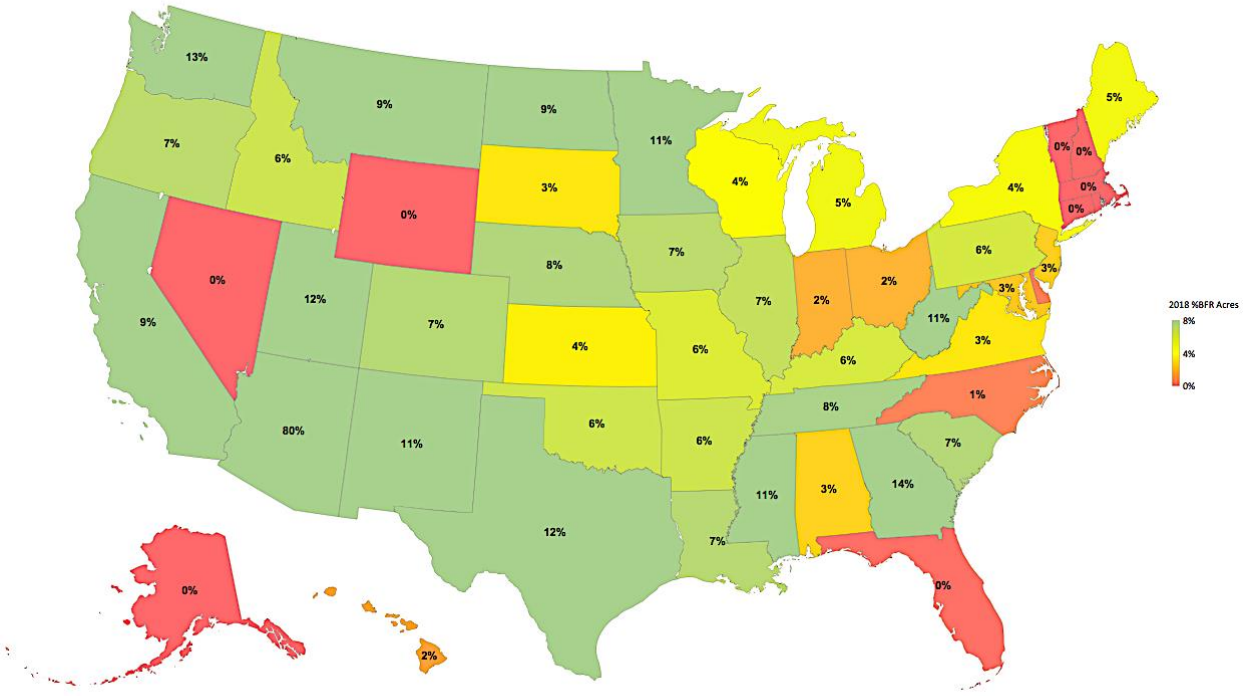
Note: 2010 CSP data provided by NRCS combined 2009 and 2010 sign-ups, meaning that renewal data in 2015 included renewals from both 2009 and 2010 sign-ups. In order to more accurately reflect the percent

of contracts and acres that beginning and socially disadvantaged farmers and ranchers accounted for each year, 2015 renewal data was evenly split between 2014 and 2015 for the graphic above and for the percentages presented in this section of the report.

In general, beginning farmer and rancher contracts were smaller than the average acreage for other enrolled contracts – the average beginning farmer and rancher contract size was 530 acres as compared to the national average of 1,127 acres for new CSP enrollments in 2018.

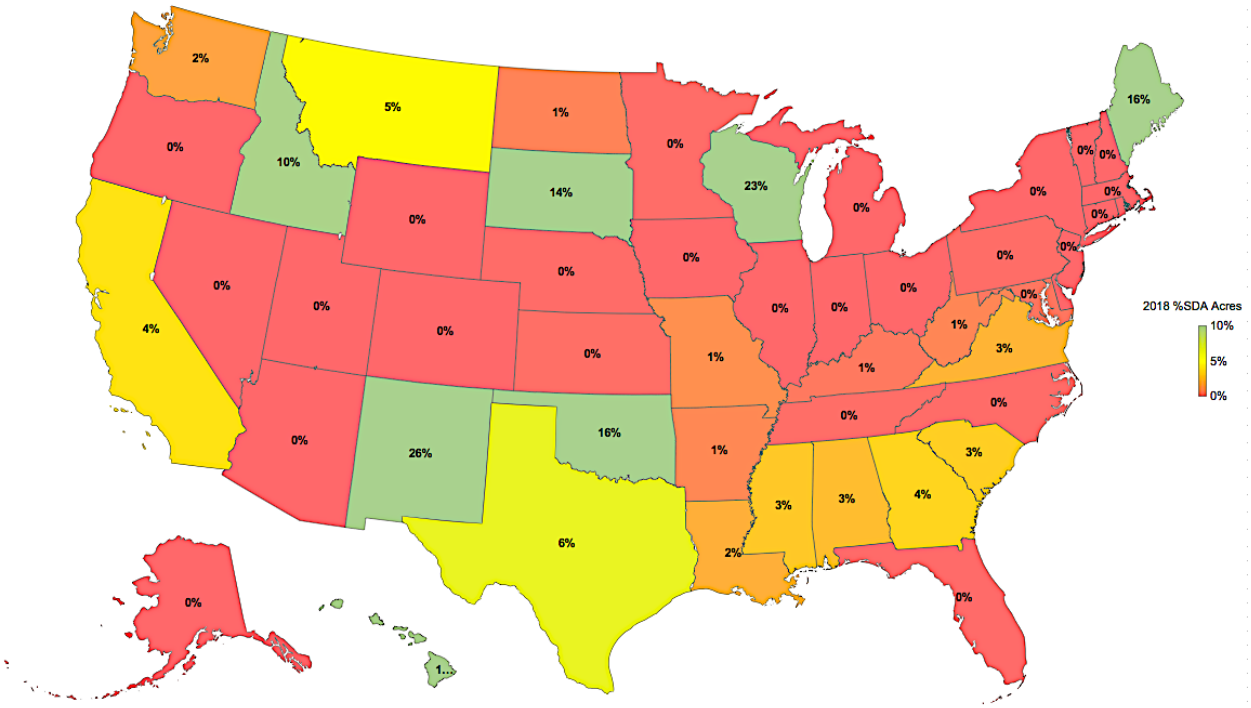
Following the 2014 Farm Bill, NSAC worked closely with NRCS to expand conservation support for beginning and socially disadvantaged farmers. In March 2016, USDA issued their final rule for CSP for that farm bill cycle, which included a policy goal to expand beginning and socially disadvantaged producer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

Map 2. Percent of Total CSP Acres Enrolled by Beginning Farmers and Ranchers in 2018



Many states had at least 5 percent or more of their total CSP acres enrolled by beginning farmers and ranchers. Some states, however, had no acres enrolled by beginning producers in 2018, including Alaska, Florida, Nevada, Wyoming and several Northeastern states. Beginning farmers and ranchers make up a significant portion of agricultural producers in many of these states, so it is concerning that in 2018 none of the CSP acres in these states were enrolled by beginning farmers and ranchers. Other states like North Carolina, Indiana, Ohio, and Alabama can certainly improve the number of acres enrolled in CSP by beginning farmers and ranchers given that neighboring states have higher beginning farmer and rancher CSP enrollment percentages.

Map 3. Percent of Total CSP Acres Enrolled by Socially Disadvantaged Producers in 2018



Although CSP acres enrolled by socially disadvantaged farmers nationally meet the 5 percent set-aside requirement, a lot of variability exists from state to state. In 2018, states like New Mexico and Oklahoma had high percentages of CSP acres enrolled by socially disadvantaged producers, suggesting that Tribal communities are effectively engaging with USDA conservation programs. In other parts of the country, like much of the Corn Belt, we can expect low enrollments in CSP from socially disadvantaged producers given that these states tend to have smaller populations of farmers of color. However, it is concerning to see low enrollments in CSP by socially disadvantaged farmers across the Black Belt, where large populations of farmers of color are located. States like Mississippi, Alabama, North Carolina, and Florida can do more to inform and encourage farmers of color to participate in CSP.

MINIMUM PAYMENT

As previously noted, beginning and socially disadvantaged farmers and ranchers often have smaller sized operations than long-established producers. High value specialty crop farms, including organic operations, also are often smaller in acreage. In order to properly incentivize smaller acreage producers to take on conservation activities and enroll in CSP, USDA originally established a $1,000 minimum contract value and then, during consideration of the 2016 final rule, increased it to $1,500 per year, as advocated by NSAC.

The minimum payment is important because it properly compensates smaller acreage producers for the time, labor, and foregone income that goes into CSP participation. Because part of the CSP

annual payment is determined by acreage, prior to the establishment of the minimum payment smaller acreage producers often chose not to participate because payments were too low. Under the 2018 sign up, more than 130 contracts included the minimum payment option. On average, for those producers, the minimum payment meant an extra $280 per year – providing a boost for smaller acreage participants adopting high-level conservation activities. Contracts with the minimum payment option and the average minimum payment both decreased from 2017 to 2018. The number of contracts utilizing the minimum payment option decreased by over 80 percent from 2017 to 2018 and the average yearly payment decreased by 60 percent. The sharp decrease is alarming and suggests that NRCS needs to review the causes behind dramatic year to year variability in the use of the minimum payment option.

In 2018, South Carolina and Kentucky had the greatest number of contracts with minimum payment adjustments, followed by Indiana and Georgia. Pennsylvania and Oklahoma had the highest average minimum payment adjustment rates. On average, Pennsylvania paid $529 and Oklahoma paid $472 per year per contract under the minimum payment option.

CONCLUSION

Analysis of conservation practices and enhancements per the latest available data revealed that significant acres were devoted to addressing water quality concerns, as well as other natural resource concerns like soil erosion, soil quality degradation, and inadequate habitat for fish and wildlife. The top five conservation practices in 2018 were integrated pest management, cover crops, nutrient management, prescribed grazing, and conservation crop rotation. Many of the acres enrolled in these practices and their related enhancements were located in the Upper Midwest, although states like Mississippi, New Mexico, and Texas also had significant acres enrolled in these practices and related enhancements. The program covered over 8 percent of total farmland across the country, and 18 states had 10 percent or more of their total agricultural land enrolled in the program. Additionally, several states experienced increases in new contracts and acres, with Mississippi seeing the largest increase (56 percent) in new acres and doubling new contracts from 2017 to 2018.

This report confirms that CSP's footprint continues to be quite significant, although some negative effects of the program's reinvention have started to become apparent. The contract renewal rate in 2017 was nearly 60 percent compared to 38 percent in 2018. The reinvention of CSP prior to the 2017 sign-up period weakened the renewal process by lowering renewal payment rates, which contributed to the decline of renewals in 2018. It is possible that renewals will continue to decline, which will ultimately diminish CSP's footprint across the country. NSAC will be closely monitoring data as it becomes available and will continue to advocate to protect the nation's largest working lands conservation program.

Lastly, this report found that 16 percent of total CSP contracts and 8 percent of acres were enrolled by beginning farmers and ranchers in 2018. Five percent of contracts and 5 percent of acres were enrolled by socially disadvantaged producers. While the percent of total acres enrolled by beginning farmers and ranchers increased from 2017 to 2018, the percent of total acres enrolled by socially disadvantaged farmers and ranchers decreased during this time period. Even though the legislative mandate is being met at the 5 percent level, more work needs to be done to ensure that beginning and socially disadvantaged producers have equitable access to CSP. This report highlights state to state variability in terms of CSP acreage enrollment by beginning and socially disadvantaged farmers,

as well as the variability in total farmland enrolled in CSP in a given state. State to state variability suggests that CSP enrollment is dependent on state and local offices' engagement and promotion of the program, so greater accountability measures need to be put in place to encourage more uniformity in program adoption across the nation.

APPENDIX A: CSP IN THE 2018 FARM BILL

Since the Conservation Title was first added to the farm bill in 1985, conservation programs have largely enjoyed broad support from both producers and legislators. In the 2014 Farm Bill, however, Congress reversed course and made the first funding cuts in the title's history, amounting to roughly $6 billion when automatic sequestration cuts are factored in. The impact of these cuts have resulted in farmers increasingly struggling to obtain conservation assistance, and have signaled a weakening in our national commitment to conservation agriculture.

The 2018 Farm Bill protected funding for the Conservation Title as a whole, but failed to make up funding losses made in the 2014 Farm Bill and made major cuts to CSP. Additionally, the 2018 Farm Bill made some significant changes to CSP. In particular, the bill made CSP a dollar-based rather than acreage-based program, made the renewal process more competitive, increased the payment rates for various practices (like cover crops, resource-conserving crop rotation, and advanced grazing management, including management-intensive rotational grazing), simplified the ranking criteria, and created a farmer payment for comprehensive conservation planning.

In the new farm bill, CSP changed from an acreage-based program to a dollar-based program, providing between $700 million and $1 billion in additional funding for new contracts and contract renewals each year, in addition to the 70 million acres currently enrolled. In changing CSP to a dollar-based program, the 2018 Farm Bill eliminated the national average annual payment rate of $18 per acre, while providing direction on how to fund the most effective and beneficial conservation activities.

One of the most significant changes to CSP in the 2018 Farm Bill is the modification of the renewals process, which subsequently affects total funding available. Prior to the 2018 Farm Bill, renewals were automatic as long as a participant met the eligibility requirements and funding for renewals was guaranteed. Under the 2018 Farm Bill, renewal applications will now be considered within the broader pool each year, making the application process more competitive for contracts. The new process makes it less of a guarantee that a renewal can be secured, but conservation benefits achieved during an initial contract will be considered for those applying to renew, improving ranking scores.

Under the new farm bill, funding for both new contracts and renewals comes out of the same total funding pot, rather than additional funding being available for renewals. Through the combination of funding for existing contracts plus new CSP contracts, total CSP funding will not see an overall decrease during this five-year farm bill cycle. However, the baseline funding available for CSP in the next farm bill will be significantly decreased, to the tune of $5 billion over the 2024-2033 timeframe, making it even harder to meet program demand and further conservation efforts on the ground unless Congress restores CSP funding in the 2023 Farm Bill.

In addition to the renewal process modifications, the 2018 Farm Bill authorized increased payment rates for resource-conserving crop rotations, cover crop related activities, and advanced grazing management. Payments are also now available to assist in the development of a comprehensive conservation plan. Participants will be able to receive funding through a CSP contract to develop the plan, which is time and energy intensive, and then implement the plan through a subsequent CSP contract or through an additional conservation program in the future.

In an effort to simplify the application process and ranking system, NRCS created a new evaluation tool, the Conservation Assessment Ranking Tool (CART), and the 2018 Farm Bill modified the primary ranking factors to be:

1. Environmental benefits that accrue from actively managing existing conservation activities.
2. Degree to which the adoption of additional conservation activities will increase those benefits.

Finally, the 2018 Farm Bill retains the requirement for NRCS to set-aside 5 percent of acres enrolled in CSP to be made available for beginning farmers and ranchers and another 5 percent of acres for socially disadvantaged producers. These two pools of applicants will compete for funding amongst other beginning and socially disadvantaged farmers, but not with farmers as a whole – thereby increasing their chances of securing a CSP contract. Preference is to be given to veteran farmers within these set-asides.

NSAC's 2018 farm bill platform called for an increase in the set-aside for both groups to 15 percent, which would better position CSP to meet growing demand for resources and build upon the progress made in the 2014 Farm Bill. Unfortunately, the 2018 Farm Bill failed to increase the set-aside, despite the fact that participation and demand from beginning and socially disadvantaged producers has increased and yet the set-aside percentages have remained stagnant since the 2008 Farm Bill.

On November 12, 2019, USDA published the "CSP Interim Rule," and accepted public comments through January 13, 2020. In response, NSAC submitted a detailed comment, which includes our recommendations for effective program implementation. The rule tracks improvements made in the 2018 Farm Bill, but it also contains several major problems and is sparse on many details usually included in updated regulations. Some improvements include organic farmers receiving their own allocation and funding pool within the program, increased payments for effective conservation practices like cover cropping, and increased flexibility to make minor modifications to the conservation plan during the contract period. Some of the problems include ignoring Congress's intent to simplify and improve the ranking criteria to reward best practice actors, and limiting farmers to a one-time contract renewal.

To learn more about the changes made to CSP in the 2018 Farm Bill, check out NSAC's blog post analyzing the farm bill's effect on working lands conservation programs and our 2018 Farm Bill Drilldown blog series. To get up to speed on what the CSP Interim Rule includes and what the rule means for farmers and ranchers, read our blog post spelling out the proposed changes and how these changes will impact the administration of the program.

ADDITIONAL INFORMATION AND RESOURCES

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

NSAC Blogs, Comments, and Resources on CSP:

- Conservation, Energy, and Environment Blogs
- 2018 Farm Bill Drilldown: Conservation
- 2018 Farm Bill by the Numbers
- *Farmers' Guide to the Conservation Stewardship Program (pending updates upon completion of CSP rule)*