



August 7, 2020

The Honorable William “Bill” Beam
Deputy Administrator for Farm Programs
Farm Service Agency
U.S. Department of Agriculture
Washington, DC 20250

Re: Comments on CRP EBI Reform

Dear Deputy Administrator Beam:

Thank you for this opportunity to comment on the Environmental Benefits Index (EBI) for the Conservation Reserve Program (CRP). The National Sustainable Agriculture Coalition has a long-standing interest in the CRP and many of our member organizations¹ work directly with farmers and state and local FSA offices on CRP, CCRP, and CRP-TIP outreach and promotion.

¹ Agriculture and Land Based Training Association - *Salinas, CA*; CCOF (California Certified Organic Farmers) - *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*; CISA: Communities 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 - *Portland, OR*; GrassWorks - *New Holstein, WI*; Hmong National Development, Inc. - *St. Paul, MN*; Illinois Stewardship Alliance - *Springfield, IL*; Institute for Agriculture and Trade Policy - *Minneapolis, MN*; Interfaith Sustainable Food Collaborative - *Sebastopol, CA*; Izaak Walton League of America - *Gaithersburg, MD*; Kansas Rural Center - *Topeka, KS*; The Kerr Center for Sustainable Agriculture - *Poteau, OK*; Land Stewardship Project - *Minneapolis, MN*; LiveWell Colorado - *Denver, CO*; MAFO - *St. Cloud, MN*; Michael Fields Agricultural Institute - *East Troy, WI*; Michigan Integrated Food & Farming Systems - MIFFS - *East Lansing, MI*; Michigan Organic Food and Farm Alliance - *Lansing, MI*; Midwest Organic and Sustainable Education Service - *Spring Valley, WI*; Missouri Coalition for the Environment - *St. Louis, MO*; 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 and 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 - *Washington, DC*; Virginia Association for Biological Farming - *Lexington, VA*; Wild Farm Alliance - *Watsonville, CA*; Women, Food, and Agriculture Network - *Ames, IA*

Our substantive comments and recommendations for improving the EBI follow, but we begin by expressing our concern at being provided only one week to develop and submit comments. We hope that in the future FSA will consider a longer and more robust stakeholder engagement process and one that starts much earlier in the development stage of future iterations of the EBI.

For the future, we recommend holding a workshop for stakeholders to engage directly with FSA CRP program and policy staff at the outset of the agency's internal process for EBI review and revision. We believe that beginning with dialogue would benefit the agency and yield more complete and practical policy. Then, once the internal process is completed, we recommend that a penultimate version of the revised EBI be issued for stakeholder review and comment. That comment period should be open for at least a month. We hope that you will adopt a more stakeholder friendly process for all future EBI revisions.

In addition, we want to be clear that these comments are in addition to and complement our comment letter on the CRP IFR. For your convenience, we will attach those comments to our transmittal email. We hope the final rule will incorporate our major recommendations.

Our ten recommendations for revision of the EBI follow.

1. Amend the Cost Factor

a. Move to a Benefit – Cost Ratio

The cost factor has always been appended to the environmental benefits rating system, providing additional environmental benefit points despite the fact that cost is not an environmental benefit. Ideally, the EBI should transition from this awkward mix of benefits and cost to a more traditional benefit-cost ratio tool. Cost effectiveness and cost competition are very important, but they are not environmental benefits. In the future, it would be preferable if the environmental benefits were the numerator and cost factors should be the denominator of the EBI, as would be the case in any benefit – cost ratio. While we do not see that as a likely change at this time with the next general sign-up period looming, we would nonetheless encourage you to have policy analysts and economists at the agency and Department study and present options for making such a change in the future.

b. Create a Set Number of Points for Subfactor N6a

N6a is the only factor in the entire EBI that does not have a set number of points. This opens the EBI to the perception of politically based decision making. For that reason alone, we recommend that the N6a factor receive a set number of points. This will decrease the temptation to use the N6a subfactor as a means to reward certain states or congressional delegations and will ensure that the EBI is perceived as an objective standard.

Moreover, in most recent iterations of the EBI the point value for subfactor N6a has been 125 points, suggesting that while the point value is kept open until all of the initial ranking is finished, it has in fact become routine to assign it a point value of 125. If this is de facto a standard amount, then why continue to maintain that it is a flexible amount, open to manipulation? We urge you to give subfactor N6a a set number of points, but to greatly lower the point value and weight it is giving currently, as we describe further immediately below.

c. Lower the Value of Subfactor N6a and Increase the Value of Subfactor N6b

In our view, subfactor N6b should become the primary cost factor. Encouraging competitive offers is in the public interest. We agree with the FSA CRP EBI Fact Sheet (December 2019) when it says, *“To make offers more competitive, producers should consider the following: ... Producers should consider accepting a lower payment rate than the maximum amount FSA is willing to offer.”* However, by making N6b a maximum of 25 points out of a total maximum EBI total of over 545 points -- less than five percent of the total -- FSA is in reality discouraging competitive bids and sending a clear signal that being competitive is of very modest value and of little interest to the agency.

To encourage real competition, we strongly urge you to increase the N6b cost factor maximum to 100 points, which would be roughly 18 percent of the maximum total point value assuming it remains constant at 545. Further, we urge you to recalibrate the competitive bid point scale so that the top number of points (100 if you follow our recommendation) is set at equal to or greater than 20 percent below the maximum payment rate. This would send a clear signal that CRP general sign-up bids are competitive on both the price discounts and benefits enhancements sides of the equation, a critically important substantive change we believe is in the public interest.

We would take a moment here to note, for the record, that we opposed the 2018 Farm Bill change to a flat 85 percent (general) and 90 percent (continuous) rental rate maximum. In the interest of increasing the conservation and environmental benefits of the program rather than simply cheapening the program and reducing those benefits, we would have greatly preferred it if Congress had authorized a reverse auction procedure or at the very least required a significant increase in the N6b cost factor. Unfortunately, Congress chose the simple cost cutting approach rather than a mechanism to cut costs while increasing value. The result will almost certainly be a lowering of the environmental value of the program. We hope that decision will be revisited in the next farm bill, if not sooner. Until there is that opportunity, the agency can use its own administrative authority to substantially increasing the point value of N6b to a maximum of 100 points, an important first step towards meaningful program reform.

We also strongly recommend decreasing the point value for Factor N6a to 50 points. The lowest cost acres are not necessarily the best acres to enroll from an environmental benefits perspective. Moreover, application of the N6a factor tends to keep the same land in the program, decade after decade and contract after contract, regardless of the merits. Under the current EBI system, N6a at the now fairly routine choice of 125 points is the highest point value in the entire EBI, outweighing wildlife, soil erosion, and water quality. We strongly urge you to reduce those points, while greatly increasing the point value of N6b. Such a rebalancing of the cost factors will improve both the cost effectiveness and environmental outcomes of the program.

2. Add Source Water Protection Areas to Subfactors N2a and N2b

The 2018 Farm Bill included a new directive on source water protection:

“In carrying out any conservation program administered by the Secretary, the Secretary shall encourage practices that relate to water quality and water quantity that protect source water for drinking water (including against public health threats) while also benefitting agricultural producers.” (Section 2503(d) of the Agricultural Improvement Act of 2018)

We note in particular that this directive applies to all farm bill conservation programs, including the CRP, whereas the subsequent 10 percent minimum set-aside provision specifically excludes the CRP.

Factor N2a awards either zero or 30 points depending on whether at least 51 percent of the acres offered are within an approved water quality zone. Those state water quality zones are in turn based on EPA's impaired watershed lists, plus Coastal Zone Management Act non-point control areas, and groundwater recharge areas.

We recommend the explicit addition of state-designated source water protection areas to the list triggering the 30 points under N2a. This addition will help ensure improved targeting of CRP to drinking water quality and help FSA adhere to the 2018 Farm Bill directive from Congress.

We also recommend that subfactor N2b be modified to include designated source water protection areas rather than estimates of the size of populations that might be affected by groundwater pollution. This would create a clearer and more consistent basis for awarding drinking water points under N2b. The leaching potential of the soil could still be factored in as it is currently, but the balance of the points would be based under our recommendation on whether at least 51 percent of the land offered was in a designated source water protection area.

3. Focus Subfactor N2c on Nutrients instead of Sediment

Subfactor N2c is based on sediment loads. As such, it duplicates points already provided for by the erosion factor (N3). Rather than duplicate those points, it would be better to base N2c on nutrient pollution more directly, thereby putting a greater priority on reductions in nitrogen and phosphorous runoff in the determination of water quality points.

Alternatively, this subfactor could be eliminated, with all 100 water quality points awarded on the basis of location in designated impaired watersheds or source water protection areas. Under that alternative option, sediment would still be captured as part of N3.

We urge you to adopt one of those two options in order to better target the water quality factor to reducing nutrient runoff.

4. Use the Most Current Data and Models to Determine Erosion under Factor N3

It is important that the EBI use the best available science, including the most current data sources and erosion prediction models. We urge the agency to ensure that is the case when it introduces the next iteration of the EBI thereby better targeting this factor to erosion reductions.

5. Increase the Differential Between Native and Introduced Grasses in Subfactor N1a

Under the current version of subfactor N1a there is relatively little point difference between using introduced grasses (10 or 40 points, depending if 1-3 species or 4 or more species, respectively) and mixes with predominantly native grasses best suited for wildlife (20 or 50 points, depending if 1-3 species or 5 or more species, respectively). To better reward native covers best suited for wildlife habitat, we recommend the point differential be increased by reducing the points under CP1 for "existing stand of 1 to 3 species or planting new stand of 2 to 3 species of an introduced grass

species” from 10 points to 5 points. Likewise, we recommend reducing the point value for CP1 for “existing stand or planting mixture (minimum of 4 species) of at least 3 introduced grasses and at least 1 forb or legume species best suited for wildlife in the area” from 40 points to 30 points. Making that change will send a clearer signal that native grasses best suited for wildlife is a true CRP priority.

Additionally, an intermediate scenario worth 40 points for mixtures of three or four grasses, including some natives, to more finely calibrate the N1a scale and provide additional options for producers and landowners seeking to participate, may be warranted.

6. Establish a Clear Process for “Best Suited for Wildlife” Determinations and Minimum Coverage Requirements

FSA does not currently have a clear and transparent process for making these “best suited” designations under subfactor N1a. We urge you to ask State Technical Committees to make recommended designations with input from state fish and wildlife agencies.

The EBI is currently not clear about how much of a tract needs to include various grass mixtures in order to qualify for the additional diversity points under N1a. It would be unfair to farmers and not helpful to wildlife if one farmer could receive maximum points under N1a by including the complete planting mixture on an entire tract while another farmer could receive the same points but have most of the tract in a monoculture stand with only a small percentage planted in the mixture. A uniform national standard is needed, and we urge you to include one in this next iteration of the EBI.

7. Move SAFE from Subfactor N1b to N1c and Retain N1b as the Pollinator Subfactor

Given your decision to remove State Acres for Wildlife Enhancement (SAFE) projects from the CCRP, we are pleased that FSA included SAFE within the EBI. However, we believe it does not make sense to have one subfactor for SAFE project areas and then another subfactor for state wildlife priority zones. SAFE project areas are by definition wildlife priorities. It would be more reasonable to include SAFE project areas within subfactor N1c, while also retaining designated non-SAFE wildlife priority zones within that subfactor. We urge you to make that change.

In doing so, we also recommend the retention of subfactor N1b for the purpose of awarding points that encourage offers that include pollinator habitat. We recommend providing up to 40 points for pollinator habitat with the current 10 percent option remaining at 20 points but then scaling up points on a stair-step basis so that percentages higher than 10 percent receive point higher point totals. This change would send a clear signal that enhanced offers for pollinator habitat will be rewarded with additional points.

8. Better Integrate Pollinator Habitat into All Relevant CRP Conservation Practices

CRP fails to provide adequate habitat for native pollinators and monarchs as well as honeybees on millions of acres. We urge FSA to work with NRCS and NGOs focused on pollinators to develop recommendations for affordable ecosystem appropriate species mixtures that will attract pollinators throughout the growing season for inclusion in CP1, CP2, and all the other primary conservation practices.

We recognize that this might take some time but urge you to start this work now with a goal of incorporating it over the course of the next several general sign-ups, starting with at least one pilot effort in at least one region during the 2021 general sign-up.

In addition, an immediate improvement could be made to support pollinators by amending the N1a subfactor to include a requirement for at least one pollinator-supporting forb species to obtain the highest score under CP1 and CP2.

9. Meld the First Three Air Quality Subfactors

It should be possible for FSA, using the most current data and models for wind erosion, to transform N5 into a single factor, much as erosion (N3) is a single factor, rather than awarding points separately for wind erosion impacts, wind erosion soils, and wind erosion air quality zones. We urge you to make this change which has the benefit of both simplifying the factor and making it more objective. In addition, given that wind erosion points are already awarded under N3 we urge you to reduce the number of additional points awarded under N5, as we describe further immediately below

10. Remove Carbon Sequestration from Factor N5

Factor N5 is, as its title says, “Air Quality Benefits from Reduced Wind Erosion.” Factors N5a, N5b, and N5c all do in fact relate to effects of wind erosion on air quality. Factor N5d however, relates to storing carbon in agricultural soils. This carbon sequestration factor does not fit under the N5 heading.

We recommend one of two options for carbon sequestration. Option one would simply eliminate it, while reducing the maximum N5 points to no more than 25 total. The conservation cover plantings under the wildlife factor (N1) with highest point values are also generally the best covers for carbon sequestration purposes, and hence they are already rewarded. While carbon sequestration is an important CRP benefit, it does not necessarily follow that it needs its own EBI subfactor and we believe it could be eliminated.

However, if it is retained in the EBI, we believe the best spot for it is under Factor N4, Enduring Benefits, not under Factor N5, Wind Erosion. On the whole, the same practices are rewarded in N4 as in N5d. Tree practices receive the most points in both. Primarily grass practices for restoration of rare and declining habitats or pollinator habitat receive partial point credit in both. The only significant difference between N4 and N5d is that in N5d, there are also very small point totals for permanent wildlife habitat and for introduced or native cover, whereas under N4 those receive no points.

Under our second option, the N4 factor would be re-titled “Enduring Benefits and Carbon Sequestration.” CP-25 and CP-42 would continue to receive 25 points under a new enduring benefits/carbon sequestration meld as they do now under N4, while CP-4B, CP-4D, CP-1 and CP-2 could receive 5 points instead of zero points as they do now under N4.

We recommend this subfactor either be moved to N4 or simply eliminated.

Thank you for considering our views. We would be delighted to engage in further dialog on these points or to answer any questions you may have.

Sincerely,



Eric Deeble, Policy Director



Ferd Hoefner, Senior Advisor

cc:

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