

July 1, 2002

Bruce Knight, Chief
Natural Resources Conservation Service
U.S. Department of Agriculture
Washington, D.C. 20250

Dear Chief Knight,

As you begin the process of developing rules for the new Conservation Security Program, we would like to share some of the implementation ideas of the sustainable agriculture community and our farm and conservation partners. We worked hard to help bring this exciting new program of stewardship incentives on working lands into existence, and we stand ready to help in any way we can to make it a success.

We understand that an interim final rule will be released by late summer, so that farmers can begin signing Conservation Security contracts early in fiscal year 2003. We also understand public comment will be taken on the interim final rule, with final rules subsequently issued for enrollments in fiscal year 2004 and beyond. We support an expeditious process that will launch this program in a timely fashion. At the same time, however, we realize such a process also makes early input even more important since this is a key opportunity to affect the important initial year of the program.

These are our initial suggestions for implementation.

1. Streamlined enrollment.

CSP is as a mandatory, entitlement program funded out of the Commodity Credit Corporation. As such, it is the first conservation program that can accept and enroll all eligible producers with qualified and approved conservation security plans, without limitation by a funding or acreage cap. It is a tremendous asset to the program to have entitlement status and therefore not require bidding or allocation systems, waiting periods, backlogs, or denials of good plans that could not be funded. At the same time, it is comprehensive in its conservation concerns and objectives, allowing producers to satisfy a range of resource objectives through participation in a single program if they so choose. Finally, of course, all agricultural land, all regions of the country, all types of farming systems, and all types of crops and livestock are eligible. We suggest NRCS prominently include information on the entitlement status and comprehensive nature of the program in its public information and outreach, to let farmers and ranchers know that this is an accessible, equal opportunity, "one-stop shop" program.

2. Rigorous cost effectiveness.

While CSP is designed for ease of enrollment, it is essential for the integrity of the program that real, measurable conservation benefits are the outcome. Therefore, the program is based on thorough, site-specific conservation planning. Moreover, the law requires every plan to address one or more resources of concern for the locality and the farm or ranch, plus additional conservation objectives of their choosing. The resource or resources of concern must actually be resolved to a non-degradation or sustainable use standard.

There are a number of other aspects of the CSP statute and report which allow the program to maintain these high standards, including language:

- requiring that least cost alternatives be pursued
- providing enhanced payments for resource-conserving crop rotations, rotational grazing, and other sustainable farming systems

- prohibiting payments for basic conservation compliance measures on highly erodible cropland where already required
- prohibiting payment on newly broken out cropland
- excluding payments for equipment and nonland-based structures unless they are an integral part of the conservation system and essential to achieving the conservation purposes of the plan
- excluding payments for animal waste storage and related structures.

All of these program features and protections make CSP a strong environmental program and should be implemented rigorously.

3. WTO compatibility.

CSP payments are designed to be compatible with our trade commitments under the World Trade Organization. They are not based on type or volume of production, or on prices. They are based solely on clearly defined conservation objectives. Base and cost-related payments, moreover, are based on fixed-year measures. Nothing should be done to jeopardize the "green box" status of CSP.

4. Broad environmental purposes.

The CSP addresses a full range of natural resource issues, including soil, water, air, energy, plants, and animals. Rules should encourage addressing, in addition to basic soil and water quality and conservation concerns, all critical issues, including biodiversity, on-farm conservation, screening, and evaluation of plant germplasm and other biological resources, nutrient and pesticide reduction, energy conservation, wildlife habitat management, greenhouse gas emission reductions, and carbon sequestration. In the case of a few of these resource issues, guidelines will have to be written where conservation practice standards and quality criteria are not yet fully developed. We urge this task be undertaken in a timely fashion.

5. Graduated participation.

The CSP tier concept is an important advance. CSP implementation should be guided by a commitment to holistic resource management and integrated agricultural systems, especially at the tier 2 and tier 3 levels. We strongly encourage that rules governing the tiers clarify that tier 2 require a whole farm, systems approach that includes the most sustainable practices, including resource-conserving crop rotations, cover crop systems, managed grazing, conservation buffers, agroforestry systems, and ecosystem restoration projects.

6. Resources of concern and whole farm planning.

Of central importance to the success of CSP is the careful identification of resources of concern and conservation priorities. State Conservationists should be directed to name statewide and local resources of concern, based on the input of the State Technical Committee. The Department should only give final approval to each state's list when a factual basis for impairment of resources exists, and when a reasonable basis for prioritization of concerns has been demonstrated. Some resources of concern may be statewide; others will be localized. The Department also should consider establishing certain national resource concerns that cut across State and regional boundaries--including soil building, carbon sequestration, enhancement of biodiversity, and major reductions in the use of synthetic chemical inputs--which may be addressed by ecologically-based farming systems

The second step in this process will then be to make certain the primary resource(s) of concern are also relevant to the actual farming operation. A CSP contract will only be worthwhile if the plan is addressing real site-specific issues and concerns. This can be achieved by gearing the plan to the statewide or local resource concerns, provided they are relevant to the particular farming operation.

Participants should be encouraged to address as many concerns as possible. The law in fact directs the agency to encourage all producers to develop "a comprehensive, long-term strategy for improving and maintaining all natural resources of the agricultural operation." Of course, at tier 3, a whole farm plan at the Resource Management System level is required. This effort to encourage whole farm planning also will be aided by the enhanced payment (#2) for addressing other conservation objectives beyond the minimum requirement of addressing one (for tiers 1 or 2) or all (tier 3) resources of concern.

7. Non-degradation standard.

Of equal importance to the success of CSP is the careful adherence to the requirement that approved conservation security plans achieve quality criteria for the resource of concern or additional conservation objectives. Simply doing a helpful practice is not enough. Each farm plan must integrate into an overall farming/conservation system a mix of practices, whether existing or newly implemented, that can reasonably be expected to achieve a sustainable use, non-degradation, resource enhancement level of protection. In some cases practice standards and quality criteria will have to be upgraded to meet the purposes of the CSP, and whenever possible should include measurable goals for enhancing and preventing degradation of resources. Adding measurable goals to practice standards and quality criteria will aid planning efforts and help improve program and farm plan evaluation down the road.

8. Minimum requirements.

Since the intent of CSP is for participation to result in significant environmental benefits, the Secretary is directed to set minimum requirements for each tier. Conservation practices should be implemented or maintained to a degree and on a sufficient portion of the agricultural operation to contribute to significant resource protection and enhanced environmental performance. Thus, qualified plans should include suites of practices whose scope and intensity yield significant benefits.

9. Sustainable farming systems rewarded.

CSP is designed to encourage farming systems that go beyond best management practices to achieve prevention of problems. All tiers are geared to reaching sustainable use levels of resource protection. The top two tiers require whole farm planning and tier three requires a total resource management plan. The first enhanced payment rewards farming systems that achieve and maintain high quality environmental benefits above minimum requirements, and includes automatic payment enhancements for diversified, resource-conserving crop rotations, managed rotational grazing, conservation buffer practices, and any other far-reaching, high pay-off practices the Secretary designates. Whole farm organic certification plans should also be rewarded through this enhanced payment, as should major ecosystem restoration efforts.

The importance of this first enhanced payment feature of the payment structure cannot be underestimated. In our view, this is one of the central and critical elements of the program. The enhanced payments should be substantial in recognition of their environmental benefit and the considerable opportunity costs involved. The special bonus payment for sustainable systems and land use changes must be the biggest payment factor in the overall CSP payment stream if the program is to achieve its potential for actually getting sustainable conservation on the ground and solving problems.

10. Flexibility and coordination with other programs.

While CSP may not pay double for any conservation practice on the same land already covered under EQIP or any other program, it should nonetheless encourage enhancement of those practices, with appropriate payments for additional efforts. Producers should also be able to easily convert from one or more conservation programs, without penalty, and unify under a CSP contract if all conservation values are retained. With respect to organic certification plans under the National Organic Program, producers should have the option to simultaneously certify under both CSP and NOP. NRCS and AMS should move forward immediately with advanced planning in order to provide a high level of coordination and customer

service from the outset of both programs, which, by a mutually beneficial circumstance, are coming on line at the same time.

11. Cost-share payments.

Payment rates for conservation cost share should be reviewed to ensure that environmental performance is taken into account. Regional disparities in payment rates should be fully justified by local cost conditions. In determining payment rates for existing practices being maintained under CSP, the cost-share portion of the payment stream should reflect, as appropriate to the particular practice, the management and/or maintenance costs involved. There may be instances in which there are significant management costs, but little or no maintenance costs, and in these instances it is particularly important that the management (operations) cost be factored in.

12. Enhanced payments.

The enhanced or bonus payments are a central feature of the CSP, designed to reward the most environmentally beneficial practices. These payments ought to be a very significant part of the total payments for producers prepared to take advantage of them. In order for CSP to work as an incentive, the enhanced payment structure must be simple, easy to understand, and clearly related to the choices farmers are considering as they prepare their conservation security plans. Enhanced payments must not be something calculated separately from the farm planning process. Rules should clearly spell out the enhanced payment structure. In the future, as performance-based systems evolve, the first two enhanced payments hopefully will be based even more directly on performance.

13. On-farm research and demonstration.

CSP should aggressively promote the inclusion of research elements and educational programs in CSP contracts, and should reward such activities with a significant enhanced payment. Nothing will promote more conservation better than careful proof of its effectiveness, and the ability to see it in action on a real farm. By the same token, by investing in conservation research, producers have a greater stake in outcomes and can assist in the evolution of technical guides and conservation choices. In establishing protocols and payment rates for on-farm research and demonstration, we encourage the agency to adapt the highly successful model of producer-initiated grants under USDA's Sustainable Agriculture and Education Program. We also encourage the agency to develop cooperative agreements with non-profit organizations and colleges and universities to assist with this element of the CSP.

14. Monitoring and evaluation.

A valid criticism of current conservation programs is that there has not been enough study of their effectiveness or their economic costs and benefits. CSP ought to set a new benchmark for both on-farm and comprehensive assessment, in order to demonstrate to the American taxpayer the environmental and cost effectiveness of the practices it is rewarding. Enhanced payments to farmers who participate in monitoring and evaluation will help increase ownership and investment in conservation. At the more macro-level, NRCS must take the lead in setting up study protocols, gathering data, and fostering appropriate program evaluation. It would also be extremely helpful for NRCS, through cooperative agreements, to help fund and participate in research projects by non-profit organizations to assess the multiple benefits of conservation systems and help evolve performance-based evaluation and payment systems.

15. Education, outreach, and training.

NRCS should provide extensive training to its staff on this new program and on the preparation and approval of conservation security plans. Many new resource opportunities will stretch the skills of staff

and third party vendors. Special training and professional development initiatives may be required. With regard to education and outreach, special efforts should be made to reach beginning, limited resource, and socially disadvantaged producers. Partnerships and cooperative agreements with non-governmental organizations, Extension, state agencies, and universities can help achieve these goals. Specific funding allocations for education and outreach should be made each year. The agency should view educational assistance as a means of enhancing and multiplying conservation achievements rather than a threat to its budget or jurisdiction.

Please consider these comments as you gear up to implement the largest new program in the 2002 farm bill, one that we believe is destined to become a mainstay of U.S. farm policy. We look forward to working with you to develop and support this program in every way we can.

Sincerely,

*American Farmland Trust
Center for Rural Affairs
Consortium for Sustainable Agriculture Research and Education
Defenders of Wildlife
Family Farm Defenders
Institute for Agriculture and Trade Policy
Land Stewardship Project
National Campaign for Sustainable Agriculture
National Catholic Rural Life Conference
National Center for Appropriate Technology
National Family Farm Coalition
National Wildlife Federation
Organic Farming Research Foundation
Rural Advancement Foundation International, U.S.A.
Sierra Club
Sustainable Agriculture Coalition
Women, Food and Agriculture Network
World Hunger Year*

*Alabama Sustainable Agriculture Network
California Institute for Rural Studies
California Sustainable Agriculture Working Group
C.A.S.A. de Llano, Texas
Center for Earth Spirituality and Rural Ministry, Minnesota
Chesapeake Bay Foundation
Community Harvest, Washington, D.C.
Delmarva Poultry Justice Alliance, Delaware, Maryland & Virginia
Earth Pledge Foundation, New York
Ecological Farming Association, California
Farm to City, Pennsylvania
Friends of Rural Alabama
Illinois Stewardship Alliance
Illinois Sustainable Agriculture Society
Iowa Environmental Council
Kansas Rural Center
Kaua'i Center for Sustainable Agriculture, Hawaii
Kerr Center for Sustainable Agriculture, Inc., Oklahoma
Lane County Food Coalition, Oregon
Michael Fields Agricultural Institute, Wisconsin
Michigan Integrated Food and Farming Systems
Michigan Land Use Institute*

Minnesota Center for Environmental Advocacy
Minnesota Division of the Izaak Walton League of America
Minnesota Food Association
Minnesota Project
Nebraska Wildlife Federation
New England Small Farm Institute
New Jersey Environmental Lobby
New York Sustainable Agriculture Working Group
North Dakota Conference of Churches Rural Life Committee
Northeast Organic Farming Association - Vermont
Northern Plains Sustainable Agriculture Society
Northern Utah Organic Group
Northwest Coalition for Alternatives to Pesticides, Oregon
Ohio Ecological Food and Farm Association
Palouse Clearwater Environmental Institute, Washington/Idaho
PCC Farmland Fund, Washington
Prairie Rivers Network, Illinois
Promised Land Network, Texas
Regional Farm and Food Project, New York
Rural Vermont
Sand Mountain Concerned Citizens, Inc., Alabama
Seedcorn's Farm, Food and Land Program, New York
Southern Mutual Help Association, Louisiana
Southern Research and Development Corporation, Louisiana
Southern Sustainable Agriculture Working Group
Veritable Vegetable, California