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CA Sustainable Agriculture Working Group
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February 26, 2004

David McKay
NRCS Conservation Operations
PO Box 2890
Washington, DC 20013-2890

RE: CONSERVATION SECURITY PROGRAM COMMENTS

Dear Mr. McKay:

On behalf of the California Sustainable Agriculture Working Group (CA SAWG), a statewide coalition of 44 organizations, I am writing in support of a CSP that is a nationwide conservation program focused on working farmlands and ranchlands that would "reward the best, and motivate the rest."

California farmers will be assisted greatly by the CSP in their efforts to conserve and improve natural resources, but only if the proposed rule is changed to reflect the original spirit of program. First, USDA should issue a supplement to the rule, which would be open for public comment for 30 days. This should be done immediately to fix major problems with the proposed rules issued on January 2, 2004, which are not consistent with the law authorizing the CSP, nor with the funding allocated by Congress restoring CSP to its uncapped, national entitlement program status.

Specifically, I would like to recommend the following changes:

1. USDA's "preferred approach" in the proposed rule would severely and unnecessarily prevent most farmers from gaining access to the CSP. USDA must adhere to the law, and to the recently appropriated full funding of CSP by Congress, and make CSP available nationwide to all farmers practicing effective conservation. The USDA needs to get rid of the idea of restricting sign-up for CSP to a few "selected watersheds" and undefined "categories."

2. The USDA's proposed rules fail to make anywhere close to adequate payments for environmental benefits being produced by farmers currently practicing effective conservation. The best way to secure the vital conservation of our resources is to recognize and reward it when and where it is being done. Paying the best practitioners for results is sound economics and smart policy, providing both reward and motivation. CSP base payments should be set at the local rental rates based on land capability without the 90% reduction proposed by USDA. Enhanced payments should reward the most environmentally beneficial systems and to the maximum extent possible pay for results. The enhanced payments should not be treated as cost-share but rather as real bonuses to reward exceptional performance.

3. CSP needs to recognize and reward resource conserving crop rotations and managed rotational grazing as proven conservation farming systems that deliver environmental benefits to society. Both are specifically mentioned for enhanced payments in the CSP statute. The final rule should highlight substantial enhancement payments for these systems, as well as payments for management of existing practices.

4. CSP should allow farmers with USDA-approved organic certification plans under the National Organic Program to simultaneously certify under both the National Organic Program and CSP, if they meet the standards of both. No need to tie farmers up in red tape.

5. NRCS should utilize the one-producer, one-contract approach to CSP contracts, as a way to provide the fairest treatment of all producers and to guard against program fraud and abuse. All CSP payments should be attributed to real persons (not various corporate or business entities). Payment limits set in the law (\$20,000 per year for Tier 1, \$35,000 per year for Tier 2, and \$45,000 per year for Tier 3) must be maintained.

6. CSP contracts should be renewable, as part of an ongoing program, and not limited to one-time contracts. NRCS' proposal that CSP contracts in general not be renewable except in special circumstances, conflicts with the law, which leaves it up to the farmer to decide if he or she wants to renew the contract, which USDA would renew unless the farmer was not fulfilling the contract. NRCS' proposed restriction to one-time contracts is contrary to the entire purpose of the CSP to secure ongoing conservation of our nation's national resources.

Thank you for your consideration.

Sincerely,

Stacie Clary
Executive Director



RICE

TEXAS RICE INDUSTRY COALITION FOR THE ENVIRONMENT

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Mr. David McKay
Conservation Operations Division
NRCS
PO Box 2890
Washington, DC 20013

February 23, 2004

Dear Mr. McKay,

Texas Rice Industry Coalition for the Environment (Texas R.I.C.E.) is a not for profit organization involved in creating public awareness of the benefits of rice farming to the environment as well as the reestablishment of wetlands and native prairie habitat in the rice growing regions of Texas. We have a sincere interest in the Conservation Security Program as it relates to conservation projects on farms in our region. The program, as it was initially structured, would have provided us with another tool to see that the already beneficial practices in rice farming in our area were enhanced and expanded.

The recently released rules on the Conservation Security Program (CSP), however, have caused real concern in our area about the viability of the current program and questions about the direction that this and other NRCS conservation programs will take in the future. There are three areas of particular concern:

- The additional requirements added for program eligibility.
- The restriction of the program to critical watershed areas.
- The limitation of sign ups.

Initially, the CSP program was touted by NRCS officials as a conservation initiative to "reward the best and motivate the rest". It now seems that only a very limited group of producers in very limited geographical areas, who have already made the commitment to all areas of conservation on all of their farming operations, will see any benefit.

The current rule has added three eligibility restrictions never anticipated by the law. A new requirement to meet both soil and water quality criteria prior to participation in Tier I and Tier II adds new restrictions, which will severely limit eligibility by anyone other than those who have already achieved what the program sought to create. The CSP program should follow the law and allow anyone to enter a Tier I contract which requires only the "adoption and maintenance of conservation practices that address at least one identified resource problem on part of the agricultural operation" or Tier II contract which requires the "adoption and maintenance of conservation practices that address at least one identified resource problem on all of the agricultural operation".

A ranking system, such as that proposed in the new rule, will encourage the same inefficiencies and potential political subjectivity, which have been a weakness in other conservation programs and have proved to be an inferior method of project selection. The law forbids any bidding or ranking systems in the CSP. In fact, CSP was created as an entitlement program which requires unlimited sign-up. Let the program do what it was designed to do, even if it has to be on a much smaller scale.

The new rules on cost sharing further limit both the amount (5%-10%) and the practices eligible for cost share payment. This results in less cost share money available in CSP than in EQUIP and no guidance as to which practices are eligible. The NRCS, aided by state and local technical and conservation committees should determine a national average cost for the various conservation practices implemented under CSP, instead of the highly variable and geographically discriminatory rental rates for agricultural lands in various parts of the United States. A fair and effective level of cost share should then be implemented which would give producers the incentive to undertake these conservation projects.

The Watershed Limitation will make the program more of a pilot program, geared to specific areas in the United States than the national program envisioned in the original description. While this is probably a good answer in the context of budgetary limitations, there has been no determination as to which watersheds will be eligible. The rule sets out a list of priorities as follows:

“NRCS will nationally prioritize watersheds based on a score derived from a composite index of existing natural resource, environmental quality, and agricultural activity data. The watershed prioritization and identification process will consider several factors, including, but not limited to:

- 1) Vulnerability to surface and groundwater quality;
- 2) Potential for excessive soil quality degradation;
- 3) Condition of grazing land.”

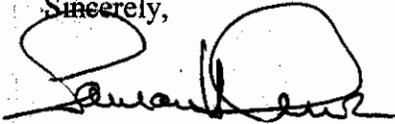
While all of these conditions exist in many areas of the country, there is no assurance that the most “at risk” areas will be chosen. Additional criteria should be added to the prioritization guidelines. These include water availability, wildlife impacts and the mitigation of urban sprawl on sensitive ecosystems.

Finally, the limitation of sign ups and associated new rules will limit or prohibit most producers from participating in this program. First of all, the new rules require that a producer enroll all of his farming operations whether they are in one county or three counties, one FSA number or five FSA numbers or whether he farms 200 or 20,000 acres. This makes participation in the program uneconomical and impractical for all but small farmers and landowners with contiguous property. Also, the “control for 5 years” standard for payment eligibility will punish a producer who has worked land, but loses a lease for reasons beyond his control. This will require tenants to seek 5-year leases in order to participate in the CSP. Not likely in this part of the world.

We understand the fiscal restraints put on NRCS by the Congress in defining the budget limits for this program. A \$41 million budget for FY '04 and \$3 Billion over the life of the program was not what the original law proscribed, but if it is going to be funded like a pilot program, perhaps it should be a pilot program. If so, at least allow the producers in those areas of the country chosen, to have the same eligibility requirements and cost sharing set out in the original bill. The current rules will only create cynicism and mistrust of CSP and future conservation programs, not a message that the NRCS wants to send.

Thank you for your attention to this letter and the consideration of its suggestions.

Sincerely,

A handwritten signature in black ink, appearing to read "Laurance H. Armour, III". The signature is written in a cursive style with a large, prominent initial "L".

Laurance H. Armour, III

Chairman of the Board of Trustees
Texas R.I.C.E.

Cc: Dwight Roberts USRPA
Ben Noble USA Rice Federation