

nrCS

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From: RWolf@iasoybeans.com
Sent: Tuesday, October 05, 2004 4:28 PM
To: FarmBillRules
Subject: Attn: Conservation Security Program
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Embedded and attached comments for Conservation Security Program Interim Final Rule: <<ISA comments for CSP Interim final Rule.doc>>

 Picture (Metafile)

Iowa Soybean Association
Curt Sindergard, President
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October 5, 2004

Mr. Craig Derickson
Conservation Security Program Manager
Financial Assistance Programs Division
Natural Resources Conservation Service
P.O. Box 2890
Washington, DC 20013-2890

Dear Mr. Derickson:

The Iowa Soybean Association (ISA) is a grass roots farmer-led organization. We represent 6,500 members making ISA the largest state-based row-crop association in the country. We appreciate the opportunity to comment on the agency's Interim Final Rule for the Conservation Security Program (CSP).

ISA, in concert with the American Soybean Association, worked diligently with Congress to develop and pass the 2002 Farm Bill and firmly believe the Final Rule should reflect the language and intent of the law. Based upon the published Interim Final Rule and program implementation in 2004, it is our judgment that the CSP was not implemented as approved in the 2002 Farm Bill. However, ISA strongly supports the CSP and looks forward to a time when the program lives up to the potential we had envisioned as passed in the Farm Bill. The NRCS through the implementation of CSP, as approved in the 2002 Farm Bill, has the opportunity to make historic progress on conservation and environmental quality on working lands.

We recognize the inherent challenges presented to the NRCS given the CSP held the 2004 distinction as a "capped entitlement". We also recognize NRCS was challenged both due to the 2004 limited funding support and short timeframe given to implement the program. It is clear now, in retrospect of the 2004 CSP implementation, the Interim Final Rule minimized workload placed upon the NRCS, while concurrently limiting producer eligibility. The 2004 CSP implementation also illustrates additional challenges that will need to be addressed in the future. We remain optimistic

that revisions and improvements to the Interim Final Rule will be forthcoming with the benefit of looking back on the 2004 implementation experience.

Following are some significant observations of the 2004 CSP implementation and Interim Final Rule along with our recommendations for workable solutions.

The sign-up period for producers was essentially 30 days from the announcement of program eligibility. Producers were given limited opportunities to learn about the program, evaluate its requirements and determine the value and benefits of participating. This in combination with confounding issues associated with local understanding and interpretation of the program, particularly relating to nutrient management plans and communication of those requirements, had the net result of leaving many potential participants out of the initial sign-up. Specific problems arose with the NRCS interpretation of its own 590 Nutrient Management standard and the Iowa State University (Land Grant University) Nitrogen rate recommendations. Producers that were following the published Land-grant recommendations were considered ineligible by the NRCS because they were not using NRCS's interpretation. This illustrates a confounding problem for NRCS to implement its own standards.

In the case of the East Nishnabotna watershed, less than 3 percent of potentially eligible producers on less than 5 percent of the total watershed acres were enrolled into CSP. With this level of limited enrollment we doubt there will be much significant environmental quality improvement realized in this watershed. We encourage NRCS to use a continuous enrollment process not restricting producer access to the program. To deal with the limited enrollment in 2004, we also request NRCS consider providing another opportunity for producers in the 2004 watersheds to sign-up for CSP beginning in 2005.

ISA believes all producers should be eligible to participate in the CSP without geographic restrictions or other artificially created ranking schemes designed to manage agency workload. We believe funding constraints should be dealt with administratively, not within rules. All producers, regardless of where their operation is located should be treated equally under the law. Problematic in restricting eligibility to priority watersheds beyond FY 2004 is the economic tension created in the country side when neighboring farmers provide identical levels of conservation and one receives payment and the other does not. The workable solution to this eligibility restriction is to remove the priority watershed provision from the rule. We recommend the NRCS adopt a final rule that does not restrict producer eligibility; this would be achieved by removing the geographic enrollment restriction.

Another eligibility issue is the requirement that producers have already met the non-degradation standards for both water and soil quality prior to eligibility in CSP. Producers should be able to address the significant resource of concern on their operation by the end of the CSP contract. Further, during the 2004 CSP implementation, the targeted watersheds had pre-selected a third resource concern. Again this restricts individual producers from addressing their priority resource concerns. The workable solution to this eligibility restriction is to allow producers to address their individual resource concerns and to have these concerns addressed by the end of the contract period.

Another eligibility issue is the tier two and three requirement for producers to demonstrate control of all eligible land for the life of the CSP contract. The high percentage of absentee land ownership and the typical rental agreement duration of one year may preclude participation on the vast majority of the eligible working land in Iowa. The workable solution to this eligibility issue is a contract solely with the producer, utilizing the FSA tract identifier system. A simple annual amendment to the CSP contract adjusting acreages would resolve any changes in the operation.

Another issue of concern in the Interim Final Rule is the reduced cost share payment structure. The law provides only a limit of 75% for cost share and anticipates the same payment as provided under EQIP for the same practices. Moreover, all practices listed in the NRCS Field Office Technical Guide should be eligible for a CSP plan contract. The workable solution to the cost share payment structure issue is for CSP cost share rates to be at par with other conservation programs with the State Conservationist having the ability to provide a higher rate if necessary to achieve

environmental benefits and participation since CSP does not have the budgetary restraints that other programs have.

Another payment concern in the Interim Final Rule is the base payment reduction to 10% of the already reduced rate outlined in the law. This approach is a disincentive to participate. Furthermore, we believe the most productive land, and perhaps the most environmentally sensitive, will bear a disproportionate burden in this discounted base payment formula. The workable solution is to use the base payment rate structure as outlined in the law, with the Secretary using discretion to achieve regional equity through local county rates.

Another concern illustrated by the 2004 CSP implementation was execution of enhancement provisions. The enhancement provisions were not executed by NRCS as defined by the Interim Final Rule nor the intent of the law. Emphasis was placed upon additive and incremental practices rather than as outlined in the rule. Most notably, enhancement provisions are to include on-farm research and demonstration and on-farm assessment and evaluation. We request NRCS to execute the original intent of the law as passed in the 2002 Farm Bill.

In conclusion, we continue to remain optimistic about the CSP and NRCS efforts to improve the program.

Very sincerely yours,



Curt Sindergard, President

Iowa Soybean Association