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Phillips Conservation District
HC 72, Box 7615 - Malta, MT 59538-9407 - Phone: (406) 654-1334

February 19, 2004

Mr. David McKay
Attention: Conservation Security Program
Conservation Planning Team Leader
Conservation Operations Division
USDA NRCS
P.O. Box 2890
Washington, DC 20013-2890

Email: david.mckay@usda.gov, Attention: Conservation Security Program

Dear Mr. McKay:

We are pleased to submit comments on the proposed rule to implement the 2002 Farm Bill Conservation Security Program. First, we applaud NRCS for developing a proposed rule in the face of the number of legislative changes that were made to the program following its enactment.

We have several concerns relative to the proposed rule. We understand that during the development of the proposed rule changes were made to the statute that altered it from an uncapped entitlement program to a "capped entitlement" to be funded at approximately \$3.8 billion over 10 years. Given that change, NRCS proposed a much more limited program that would be available only to a relatively small number of producers in highly targeted watersheds. The proposed rule also placed significantly lower limits on cost-share rates and base payments than were allowed in the statute; restricted the number and types of practices that would be eligible for payment; and required producers to address resource concerns prior to enrolling in the program.

The enactment of the 2004 Consolidated Appropriations Bill, however, restored the CSP to an uncapped entitlement as it was originally written. Given that fact, we strongly urge NRCS to prepare a rule to implement the program as originally intended and without the severe restrictions in the currently proposed rule. The principal issues that need to be addressed in the supplement to properly implement the CSP as an uncapped entitlement include:

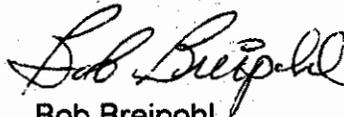
- allowing open enrollment to all eligible producers nationwide with no preference for producers in targeted watersheds (dependent on available funding);

- providing the full cost-share, maintenance and base payments as provided for in the statute;
- removing the limitation on the types of practices eligible for payment; and
- making the CSP a true rewards program by allowing producers to use CSP to address resource concerns after enrollment.

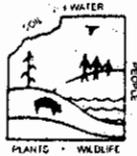
The Board has concern with the application process and the potential workload that may be created for the local NRCS office. We recommend that emphasis be placed on conservation efforts to control noxious weeds.

We appreciate the opportunity to provide our comments on the CSP proposed rule.

Sincerely,

A handwritten signature in cursive script that reads "Bob Breipohl".

Bob Breipohl
Chairman



HENRY COUNTY

SOIL and WATER CONSERVATION DISTRICT

Phone (309) 937-5263, EXT. 3 or Fax (309) 937-2171 • 301 E. NORTH • CAMBRIDGE, ILLINOIS 61238

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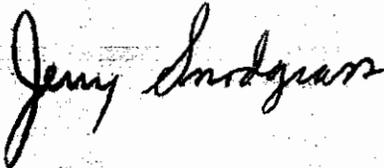
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- allowing open enrollment to all eligible producers nationwide with no preference for producers in targeted watersheds;
- providing the full cost-share, maintenance and base payments as provided for in the statute;
- removing the limitation on the types of practices eligible for payment; and

- making the CSP a true rewards program by allowing producers to use CSP to address resource concerns after enrollment.
- Make payments to producer or producers with risk in crop or livestock in operation
- Set rental rates on a district by district basis' through a local working group with final OK by state committee

Sincerely,



Jerry Snodgrass, Chairman Henry County SWCD

Henry County SWCD Board of Directors

- *Chairman, Jerry Snodgrass, 13501 N. 1700 Avenue, Geneseo, Illinois 61254*
- *Vice-Chairman, Mark DeDecker, 15984 N. 800th Avenue, Cambridge, Illinois 61238*
- *Director, Albert Hulting, 14850 IL Hwy 78, Annawan, Illinois 61361*
- *Director, Jim King, 21923 E 1570 St., Geneseo, Illinois 61254*
- *Secretary-Treasurer, Stephen Owens, 5794 W. 880 St., Woodhull, Illinois 61490*

Conservation Security Program Comments
ATTN: David McKay
NRCS Conservation Operations Division
P.O. Box 2890
Washington, DC 20013

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I am writing to suggest important changes to the USDA's proposed rules for the operation of the Conservation Security Program (CSP). I support the CSP as a nationwide conservation program focused on working farmlands and which would reward the best, and motivate the rest. As intended by Congress, the CSP should be open to all farmers in the U.S. practicing effective conservation.

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 making CSP an uncapped national entitlement program.

In addition,

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 soil and other 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. USDA should not penalize farmers for shifting former cropland to pasture as part of a managed grazing system. Former or potential cropland that is pastured and put into a managed rotational grazing system must receive equal payment rates to other cropland, and not the lower rate of pastureland. The rules should establish base payments based on NRCS land capability classes, not current land use.
5. 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.

Sincerely,



(Additional comments on back)

Additional Comments:

1. NRCS is seeking comments on the idea of a 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. Do you agree with this approach? Do you agree that all CSP payments should also be attributed to real persons (not various corporate or business entities)? And do you agree that the 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) should be maintained?
2. NRCS is proposing that CSP contracts in general not be renewable, except in special circumstances. The law, on the other hand, leaves it up to the farmer to decide if he or she wants to renew the contract, and USDA would renew unless the farmer was not fulfilling the contract. Do you agree that CSP contracts should be renewable, as part of an ongoing program, and not limited to one-time contracts?
3. Your additional comments on CSP and the USDA s proposed rules:

Name (if not signed on front): _____