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**Beaufort Soil and Water Conservation District**  
Agricultural Center, 155 Airport Road - Washington, NC 27889-9684 - Phone (252) 946-4989

**Board of Supervisors**

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March 2, 2004

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

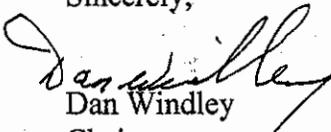
Dear Sir:

Here are comments on the Conservation Security Program on behalf of the Beaufort Soil and Water Conservation District.

- 1) CSP funds should only be used to reward producers, and not used for cost sharing on conservation practices (EQIP and, if available, state cost share program funds should be used for practice installation).
- 2) The program should strive to reward the best, while encouraging farmers to "go to school" with the goal of "graduating" to the top tier.
- 3) While leveraging CSP with state funds is a good idea, we currently see the need to do this more with EQIP than CSP.
- 4) Minimum level (lowest tier) should be meeting the corresponding resource management system.
- 5) Farmers not landowners (unless they are tending the land also) should receive CSP payments. While the 2002 Farm Bill recognized the need to "invest" more money on working lands, we are still falling short.
- 6) Only cropland should receive CSP funding. We recommend no requirements or funding of even incidental forest land.

We see this program as a grand opportunity for conservation and agriculture in this country. A properly managed program will be a great boost for the conservation effort. Thank you for the opportunity to comment.

Sincerely,

  
Dan Windley  
Chairman



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State of New Jersey  
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HEALTH/ AGRICULTURE BUILDING  
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**To:** David McKay  
USDA Natural Resources Conservation Service

**From:** Jim Sadley, Executive Secretary  
New Jersey Soil Conservation Committee  
New Jersey Department of Agriculture

**Date:** March 2, 2004

**Subject:** Comments on the Conservation Security Program Rule (CSP)

The following comments are offered regarding the Conservation Security Program rule proposal in the January 2, 2004 Federal Register. We commend the US Department of Agriculture for helping the farmers of this State and around the nation to implement practices that will help sustain their operations as well as protect our soil and water resources. This is especially important at this time when so many factors make agricultural sustainability more challenging each year. We are grateful as well for the essential technical assistance that gets conservation on the land.

The following comments are offered for your consideration.

**Comment 1.** The 2002 Farm Bill authorized the CSP program as an entitlement program without imposing a spending limit for the purpose of making that program available to any of the Nation's qualified farmers, ranchers, Indian tribes and forestry land incidental to agricultural operations. CSP conservation incentives will help maintain conservation practices and protect water quality and result in other public benefits. The CSP proposed rule is written in a manner that limits participation in this national program to targeted watersheds rather than at the entitlement level.

**Recommendation a:** As a national program the CSP rule should be written to anticipate its delivery to all eligible farmers, ranchers and Indian tribes across the nation. As such, the program will create the incentive for farms to develop and implement conservation plans to qualify for CSP when fully funded.

**Recommendation b:** The rule should be revised to provide for an allocation to each State and the State Technical Committee will develop ranking criteria for selection of producer contracts similar to the EQIP program and based on USDA base criteria.

**Recommendation c:** The approximately \$7 billion should be allocated in 2005 to get the program up and running and allow all eligible producers the opportunity to participate based on the criteria. If there is insufficient finding in the year 2006 hold the funds until 2007 and repeat the 2005 funding process. During 2006 USDA in conjunction with States can evaluate the first funding cycle and adjust the rules for the 2007 funding cycle. By spreading the eligibility over this time frame and allowing all eligible participants to enroll, the program will serve as a rewards program in accordance with the objectives of CSP. The results of the 2005 and 2007 programs can be evaluated for the next Farm Bill.

**Comment 2.** Due to the funding limitation resulting from the appropriation level, CSP rules limit participants to certain high priority watersheds, despite statutory language that state "all producers are eligible to apply for CSP with no preference given to priority watersheds."

**Recommendation:** The recommendation in 1a, b and c above eliminates the statutory conflict and fulfills legislative intent. It further provides benefits to all States and provides public benefits in accordance with the Secretary's vision for CSP.

**Comment 3:** Language in the 2002 Farm Bill provides for a 75% cost share limitation, the same as EQIP, however the proposed rule requires cost share payments to be less.

**Recommendation:** The cost share limitation for CSP should be as high as possible to encourage participation as authorized in the Farm Bill and facilitate water quality improvement.

**Comment 4:** The Statutory language in the 2002 Farm Bill appropriately contains a broad range of eligible practices with limitations on animal waste transport and storage; whereas, the proposal reduces the number of eligible practices.

**Recommendation:** The rule should mimic and not limit conservation practices as authorized in the Farm Bill and without limitation-unless the State Technical Committee would apply such limitations to achieve the programs' goals. Forestry practices should be eligible to improve the health of the nations' forests.



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**Agricultural  
Resources Management  
and Development Division  
651-296-7686  
651-297-7678 (fax)**

**Date:** March 2, 2004

**To:** David McKay

**Fax #:** 202 - 720 - 4265

**Number of Pages (including this page):** 4

**From:** Barbara Weisman, for 4 Minnesota State agencies  
ph 651-282-6831

**Message:** CSP Comments from four Minnesota  
state agencies, attached.

Minnesota Department  
of Agriculture

Minnesota Department  
of Natural Resources



Minnesota Pollution  
Control Agency

Minnesota Board of  
Water and Soil Resources

March 2, 2004

**Conservation Security Program Comments**

*via fax to (202) 720-4265*

Attention: David McKay  
NRCS Conservation Operations Division  
P.O. Box 2890, Washington, D.C. 20013

Dear Mr. McKay,

We are writing to respond to the proposed rule for the Conservation Security Program (CSP). As a top agricultural state, Minnesota has a strong interest in CSP because it is an innovative program that promises to offer agricultural producers meaningful financial incentives and rewards for environmental stewardship on working farms. CSP will "keep working lands working" while benefiting soil, water, and wildlife in Minnesota and across the nation. Our comments reflect a unified perspective on the CSP proposed rule by the Minnesota Department of Agriculture, the Minnesota Department of Natural Resources, the Minnesota Pollution Control Agency, and the Minnesota Board of Water and Soil Resources.

Most of our comments concern features of the proposed rule that are designed to limit the size and scope of CSP in response to a temporary cap on funding, which Congress has since removed. We urge USDA to issue a revised rule as soon as possible to reflect this change in funding status, which allows CSP to be implemented without these restrictive features starting in federal fiscal year (FY) 2005.

**CSP Implementation in FY2004**

The following comments apply only to CSP implementation in FY2004, funded at \$41 million nationwide.

- **State Pilot Projects.** In FY2004, instead of restricting the program to a handful of nationally selected watersheds, consider allocating funds to the states to conduct pilot projects that address national and state resource concerns. Funds could be allocated among the states equally or based on factors such as the number of farmers or acres of farmland in each state. Give State Conservationists ample flexibility to implement the pilot projects and require states to report on lessons learned, as input for developing CSP revised, supplemental, and/or final rules.
- **Watershed Prioritization.** If USDA does restrict the program to selected watersheds in FY2004 due to severely limited funding, then State Conservationists should be allowed to play a role in ranking the watersheds, with input from State Technical Committees.

**Conservation Security Program Comments, February 27, 2004, page 2****CSP Implementation in FY2005 and Beyond**

The comments below concern key features of the proposed rule that we recommend be changed when USDA writes the revised, supplemental, and/or final rules that will guide CSP implementation in FY2005 and future years.

- **Priority Watersheds.** CSP should be available to producers nationwide as of FY2005, when the funding cap is effectively lifted. We recognize that USDA may restrict the program to selected watersheds in FY2004, but strongly oppose continuing this approach in future years.
- **Enrollment Categories.** CSP should be available to all types of working farms, not just those that fit certain, as yet undefined "enrollment categories."
- **Sign-Up Periods.** The opportunity to enroll in CSP should be ongoing year-round (as for the Conservation Reserve Program Continuous Sign-Up).
- **Resource Concerns.** We support designating soil quality and water quality as nationally significant resource concerns, but also encourage allowing each State Conservationist to designate a limited number of additional state-level priority resource concerns, in consultation with the State Technical Committee.
- **Minimum Eligibility Requirements.** Requiring producers to have already met all soil and water resource quality criteria standards before enrolling in CSP would set the bar for eligibility too high. CSP should promote high environmental standards yet give producers who apply new practices a chance to achieve those high standards while enrolled—for example, by the end of the third year of the contract.
- **Conservation Practices.** Limiting the number of practices eligible for CSP cost-share runs counter to the program's goal of encouraging whole-farm conservation planning. Any NRCS-approved practice should be eligible (except animal waste transport and storage, as stated in the law), as long as it is appropriate to meet standards or enhance performance for designated resource concerns in a site-specific conservation plan.
- **Payments.** The proposed payment formulas are inadequate to provide meaningful rewards and incentives for good stewardship. We suggest: 1) Eliminating the part of the formula that reduces base payment rates by 90 percent, since the law already provides an effective reduction factor for each tier; 2) Increasing the cost-share rate to at least 50 percent, on par with other farm bill conservation programs; and, 3) Ensuring that enhancement payments to reward producers for additional effort and exceptional performance are substantial enough to constitute a bonus.

The remaining comments address a few of the specific questions distributed by NRCS at CSP listening sessions. Additional questions are being addressed in comments submitted by other Minnesota stakeholders.

- **Tenant Eligibility.** Most agricultural land in Minnesota is rented in short-term leases. The proposed rule would unfairly disqualify or limit participation in CSP by many conservation-minded producers based solely on their inability to show control of a parcel for the life of the contract. Rather than making such producers or parts of the land they rent ineligible for CSP payments, the rule should permit them to modify a CSP contract if a lease is lost through no fault of their own.

## Conservation Security Program Comments, February 27, 2004, page 3

- **Changes in Land Use.** CSP participants should not be penalized by a reduction in the base payment if they convert cropland to pasture or other perennial cover to adopt a less intensive production system, such as prescribed rotational grazing—nor for maintaining such an existing system on land suitable for crops. A potential solution may be to value such land as “pastured cropland” at cropland rates.
- **Incidental Forest Land.** We suggest the following definition: “Incidental forest lands are the wooded or forested portions of a farm that do not regularly contribute a significant portion of the annual income of the agricultural operation but meet the proposed rule’s definition of forestland and contribute to the overall stewardship of its soil, water and biological resources, including but not limited to timber and wildlife.” Appropriate levels of treatment for incidental forest land should be determined by State Conservationists, in consultation with State Technical Committees.

**CSP Funding**

We are pleased that the Administration has recommended significantly more funding for CSP in FY2005 than in FY2004. This is an important step in the right direction. The amount recommended, however, still amounts to a cap on CSP funding, which would limit the program’s effectiveness. As in the past, Minnesota will again join other states in urging Congress to leave CSP funding uncapped, in keeping with the program’s entitlement status.

We thank you and NRCS for the opportunity to comment on the CSP proposed rule. If you have any questions about our comments, please feel free to contact any of the following agency staff: Perry Aasness, Assistant Commissioner, Minnesota Department of Agriculture, (651) 296-4435; Wayne Anderson, Agricultural Policy Director, Minnesota Pollution Control Agency, (651) 296-7323; Wayne Edgerton, Agricultural Policy Director, Minnesota Department of Natural Resources, (651) 297-8341; or Doug Thomas, Assistant Director, Minnesota Board of Water and Soil Resources, (651) 297-5617.

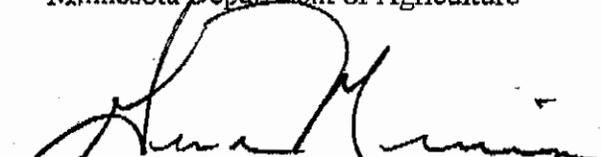
Sincerely,



Gene Hugoson, Commissioner  
Minnesota Department of Agriculture



Sheryl Corrigan, Commissioner  
Minnesota Pollution Control Agency



Gene Merriam, Commissioner  
Minnesota Department of Natural Resources



Ron Harnack, Executive Director  
Minnesota Board of Water and Soil Resources

cc: NRCS State Conservationist Bill Hunt and Assistant State Conservationist Paul Flynn  
U.S. Senators Norm Coleman and Mark Dayton  
U.S. Representatives Gil Gutknecht, Mark Kennedy, John Kline, Betty McCollum, James Oberstar,  
Collin Peterson, Jim Ramstad, and Martin Olav Sabo