

National Organic Coalition

FAX COVER

Date : 3/2/04

To: David McKay

Company : USDA-NRCS

Fax Number : 202-720-4265

From : Steven Etka

Company : Etka Consulting

Fax Number : 1-703-354-3336

Message:

CSP COMMENTS

(NOTE: The attached letter is a signed copy of the same text sent earlier by email)

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National Organic Coalition

March 2, 2004

David McKay
Conservation Operations Division
Natural Resources Conservation Service
P.O. Box 2890
Washington DC 20013-2890

RE: 7 CFR Part 1469
Conservation Security Program
Proposed Rule
RIN 0578-AA36
Fed Reg: January 2, 2004, Page 193-224

Dear Mr. McKay-

I am writing on behalf of the members of the National Organic Coalition (NOC), a national alliance of public interest organizations working to provide a voice for farmers, ranchers, environmentalists, animal welfare activists, consumers and others involved in organic agriculture. The goal of the Coalition is to assure that organic integrity is maintained, that consumer confidence is preserved and that policies are fair, equitable and encourage diversity of participation and access. The current members of NOC are the Center for Food Safety, Rural Advancement Foundation International -USA, Humane Society of the United States, National Cooperative Grocers Association, and the Northeast Organic Farming Association -Interstate Council.

The organic community is very excited about the opportunities created by the Conservation Security Program (CSP), as envisioned by Section 2001 of the Farm Security and Rural Investment Act of 2002. However, there are significant concerns that the proposed rule, as drafted, undermines the intent of the statute and limits the benefits to producers and the environment.

Specifically:

Watershed Targeting

Certainly, the targeting of certain NRCS programs and planning to watersheds of priority concern can and has been an important and useful strategy. However, because the CSP was envisioned as a national program to reward, on an on-going basis, the efforts of producers who farm in a manner that conserves natural resources, the intent of the program would be significantly undermined if it were limited to selected watersheds only.

NOC urges that the rule be modified to clarify that the CSP is a nationwide program available to all types of producers in all regions of the country with all types of conservation objectives, as provided in the 2002 farm bill.

Certified Organic Farm Plans Should Streamline An Organic Farmers' CSP Qualification Process

The proposed rule is silent on the mechanism that will be used by USDA to coordinate participation in the CSP for organic farmers who are certified under USDA's National Organic Program (NOP). This important issue must be addressed.

Through the organic certification program, organic producers devote significant time and expense in developing a farm plan. These organic farm plans require farmers to provide detailed description of the practices that they will employ on their farms to conserve natural resources. Therefore, it would be extremely duplicative and burdensome to require a certified organic producer to "start from scratch" in developing a farm plan for purposes of qualifying for CSP payments. Instead, NOC urges that the final rule include provisions stating that a certified organic producer who wishes to enroll their entire farm in the CSP should be presumed to qualify for Tier III payments, and that NRCS provide a very specific list of addendums, if any, that must be made to the existing organic farm plan in order to qualify for those payments.

Reward On-Farm Plant and Animal Germplasm Conservation

The rule should be modified to ensure that the CSP provides significant incentives to farmers for "biological resource conservation and regeneration," as provided for in the 2002 farm bill. Most importantly, this should include plant and animal germplasm conservation and the on-farm suite of practices of seed saving, preservation, screening, evaluation, selection, and plant and animal breeding activities. Such practices contribute to increased biodiversity, longer and more diverse cropping systems, enhanced wildlife habitats, and conservation of a critical resource for the sustainability of the food and agricultural system.

Treat Grazers More Equitably

In determining base payments for pasture and grazing land, the proposed rule would determine the cash rent value of the land based on how the land is being used currently, rather than by land capability. Since rental rates for pasture are far lower than for cropland, base payments would be far lower for grazers, even if their land is fully capable of producing crops. Land which has been placed in permanent cover, a practice with enormous environmental benefits, ought to be rewarded not penalized. Therefore, the rule should establish base payments based on NRCS land capability classes, not based on current land use.

Restore Meaningful Stewardship Incentives

The proposed rule adopts excessively low payment and cost-share rates for the CSP, in comparison to those used for other USDA cost-share programs and those established for CSP in

the 2002 farm bill.

The rule should establish cost-share rates on par with those used for other USDA conservation programs. Cost-share rates for newly installed practices should be equivalent to the rates under the Environmental Quality Incentives Program. Cost-share rates for the management and maintenance of existing conservation practices should be set at the 75 percent maximum rate established for the CSP in the 2002 farm bill.

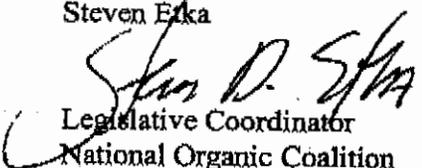
Base payments should be set at the rates established for the CSP in the 2002 farm bill, without the 90 percent reduction.

Enhanced payments should reward the most environmentally beneficial systems and pay for results, to the maximum extent possible. Enhanced payments for on-farm research and demonstration projects and for on-farm monitoring and evaluation activities should allow the producer to recover costs. The enhanced payments for the addressing resource problems to a level beyond the NRCS standards, for addressing additional resource problems, and for collective action within a watershed, should not be treated as cost-share but rather as real bonuses to reward exceptional performance.

Thank for this opportunity to comment.

Sincerely,

Steven Etka



Legislative Coordinator
National Organic Coalition
(sdetka@aol.com)

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TO: Mr. David McKay – david.mckay@usda.gov
Conservation Operations Division
USDA Natural Resources Conservation Service
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FROM: Julia A. Wickard *JAW*
Agriculture and Natural Resources Specialist
Indiana Farm Bureau Inc.

DATE: March 1, 2004

RE: Comments on the USDA Conservation Security Program

Indiana Farm Bureau Inc. is the largest farm organization in Indiana, representing over 267,000 Indiana families. Our organization is committed to protecting the environment and farmers' interests in environmental and conservation concerns. We work to assist citizens, organizations, legislators and public officials to understand the interrelationship between a productive agriculture and regulations relating to environmental protection and enhancement. We also defend the free enterprise system and particularly agriculture's role in that system.

Indiana Farm Bureau (IFB) appreciates the opportunity to make comments regarding the proposed Conservation Security Program (CSP) rule. When government programs are unveiled to farmers it is necessary to have rules that are clear, concise and easily understandable.

IFB attended a listening session hosted by the Indiana NRCS on February 18, 2004. The information provided was very helpful in understanding the intent for this important program for American farmers.

IFB wishes to comment broadly on the CSP rule and its impact on Indiana farmers. As a general statement before listing the concerns and recommendations of IFB, we wish to point out that the proposed rule reads "NRCS" throughout the document. IFB strongly believes the rule should identify by title where the authority resides within the NRCS-government structure.

Below are our concerns and recommendations:

Concern: NRCS communicated in a teleconference with Farm Bureau representatives that they will be limited to a 15 percent administrative fee in this proposed rule. NRCS projects the administrative costs of a nationwide sign-up to be \$44 million. IFB believes that the purpose of CSP is to get practices on the land. The staffing and program infrastructure is in place, and it is important for the technical assistance to be available, while balancing the need to make certain the majority of dollars get on the land on American farms.

Recommendation: *Indiana Farm Bureau supports the use of NRCS-approved or certified Technical Service Providers (TSPs) in the performance of its program responsibilities. Therefore, assisting in sharing the technical assistance workload between the public and private sectors.*

Concern: IFB is concerned about the requirement that agricultural operations must show control of all agricultural land for five years for Tier I payments; five to ten years for Tier II payments; and ten years for Tier III payments. A large majority of the land in Indiana is leased with most farmers renting a substantial portion for their operation. The ability to obtain long-term leases will result in many potential cooperators being unable to participate.

Recommendation: *NRCS must revise this eligibility requirement so it conforms to the Congressional language, which explicitly allows a producer to apply to the Secretary for a modification if it is consistent with the purpose of the program and not require that a producer show control of agricultural land for the life of the contract.*

Concern: IFB is concerned that by limiting the funding to a priority watershed approach that well-deserving farmers will not be eligible to enroll in the Program. Perhaps, these farmers may have, in fact, excluded themselves from eligibility for the dollars simply by improving their watershed and eliminating it from the priority list.

Recommendation: *This is a national program that should be open to any farmer who meets the conservation standards. NRCS should revise this proposal into a national program and give all producers eligibility to apply.*

Concern: Although the 2002 Farm Bill proposed the CSP as an entitlement program with no spending limit, the FY'03 Omnibus Appropriations Bill capped funding at \$3.77 billion over ten years. The proposed rule was written with that limitation as a constraint. However, the FY '04 Omnibus as approved by the House and which the Senate will address removes that limitation, restoring the original statutory intent. This must be addressed. It is imperative that rules for a program like CSP be written to implement the statute/law. Unfortunately, the CSP rule has been written to conform to a budget that is small and unlikely to yield fruitful benefits due to the vastness of the Program and the limited number of practices that can be placed on the land. The \$41 million cap this year, and the \$209 million in President Bush's 2005 budget request, make this proposed rule language unlikely to have the same results with a significantly higher level of funding. It has been estimated that funding for this program could likely exceed \$500 million and beyond.

Recommendation: *Develop a supplement to the rule based on CSP as an uncapped entitlement Program.*

Concern: The contract requirements in the proposed rule are concerning to IFB. Specifically, this section creates many artificial participation restrictions not authorized by the statute.

Recommendation: *The following restrictions should be removed from the proposed rule: (1) a participant can have only one CSP contract per agricultural operation; (2) the 18-month waiting period requirement for a participant to advance to a higher "tier," and (3) the requirement to refund all CSP payment received on the transfer of the right and interest of the owner or operator in land subject to the contract, unless the transferee of the right and interest agrees to assume all obligation of the contract. We encourage NRCS to keep the operational approach to this program as simple as a three-step process - a clear road map for individuals wishing to increase their environmental performance in exchange for implementing and maintaining clearly identified conservation practices and management activities.*

Concern: The proposed rule requires cost-share payments to be less than the Environmental Quality Incentives Program (EQIP). The CSP law provides a cost-share limit of 75 percent; the same as EQIP, Wildlife Incentives Program and other cost-share programs.

Recommendation: *The CSP rule should follow the law and cost-share payments should be 75 percent.*

Concern: Because this is a USDA rule, there are several required items in the application process that are already required by the USDA-Farm Service Agency. For example, Adjusted Gross Income (AGI), Form 1026 (Sod/Swampbuster), Form 502 (sharing of risk in the operation), and cropping history are already required by FSA. If the same information is needed for eligibility for the CSP Program, then it is imperative the two agency's work together to ensure the producer is not required to submit duplicate information to a subsequent USDA agency -- NRCS.

Recommendation: *The two agency's -- NRCS and FSA -- should work together to ensure that America's farmers are not required to give duplicate information to two agency's under one Department.*

IFB appreciates the work USDA has done regarding this proposed CSP Rule. We also appreciate the opportunity to serve on the Indiana State Technical Committee in offering recommendations to the state conservationist that improve and enhance Indiana agriculture. We look forward to continued participation as the proposed rule moves toward final implementation.

Thank you.