



American Corn Growers Association

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February 26, 2004

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

RE: Conservation Security Program

Mr. McKay:

The American Corn Growers Association, one of America's leading progressive commodity associations representing the interests of corn across the nation, is pleased to submit comments on the implementation of the Conservation Security Program (CSP) as provided for in the Food Security and Rural Investment Act of 2002.

We commend the Natural Resources and Conservation Service (NRCS) for developing a proposed regulation for implementing a new, far-reaching and complicated program on a national basis. It is recognized that this task was made even more difficult due to a capped entitlement in the initial year of implementation and with unknown and changing funding levels. Because of the complexity of the proposed regulation and the limited areas of participation, we are concerned that the initial reaction by our producers to CSP has been negative. We believe that many will determine that the potential benefits that could be derived from such a program will be offset by the complex requirements for application and inability to determine whether their contract will ultimately be approved. The challenge will be to overcome this discouragement by simplifying procedures to the extent possible.

In general we would urge that the regulation be simplified and less regimented as to the initial selection criteria for eligibility. Also latitude should be given to State Conservationist and their staff to craft the program to meet the most pressing environmental and conservation needs in their state or regions of their state. To maximize the federal expenditure of conservation funding, the program should be

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applicable to commercial-size operations. The program should also be implemented on a diverse geographic basis in order to give a broad number of producers in as many regions as practical a good sense of how functional the program could be. We are concerned that too much emphasis is placed on soil and water quality rather than addressing other conservation concerns that may be applicable to various regions. Air quality, energy, wildlife and other environmental benefits should be allowed as part of base practices and enhancement programs.

While we understand the initial reasoning for targeting watersheds, we would contend that CSP should be available to all agricultural producers throughout our nation, rather than in only a few watersheds.

Specific Recommendations

Definition of Agricultural Operation:

One of our main concerns pertains to the definition of an agricultural operation. The proposed definition of an agricultural operation as "all agricultural land and other lands determined by the Chief, NRCS, whether contiguous or noncontiguous, under the control of the participant and constituting a cohesive management unit, where the participant provides active personal management of the operation," is too broad in scope and subject to inconsistent interpretation. This definition is also inconsistent with any description in any other conservation or farm program. It would require a complicated eligibility determination process for NRCS that would be new to the agency and the producer.

Under the current definition this program would only be viable for small farmers who own contiguous property. In most commercial-size farms, producers operate many different units with multiple landowners. These operations within a county are defined by common operators who must meet specific eligibility requirements, including definitions of active management, for federal farm programs. The definition of an "agricultural operation" for purposes of implementing and administering the CSP should be similar to Farm Service Agency farm definitions and allow for tenants to work with multiple landowners. This would facilitate eligibility determinations for the agency and the producer.

We are equally concerned about the proposed eligibility requirement that would require the applicant to have control of the land for the life of the CSP contract. Many rental arrangements in all areas of the country are on an annual basis. In addition, annual contracts are currently more prominent with the annual signup requirements for the current farm bill. While multi-year rental contracts do take place, it would be unlikely that a tenant could ensure that he would have control of the land for a 5-10 year period at the time of application. We contend that a requirement that the applicant have control of the land for the entire contract period at the time of application will severely limit the ability of commercial-size tenant producers to participate in this program.

Watershed Prioritization

We expect that all producers who have met basic eligibility requirements be allowed to apply for the CSP program regardless of the watershed in which their operation is

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located. The CSP, as original enacted, was never intended to be a watershed defined program.

Categories:

Another confusing aspect of the rule is the ranking of enrollment categories. The categories further limit eligibility even within selected watersheds and adds another level of inability to determine if one's contract would be approved. The process in which these categories are ranked seems overly complex and unneeded. If funding categories and sub-categories were to be used more flexibility should be given State Conservationist in the funding priorities. The understanding of the enrollment categories and sub-categories would need considerable explanation to applicants.

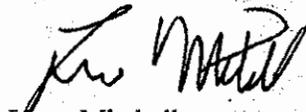
Funding Priorities

The proposed regulation places a disproportionate amount of the rental payment on enhancement activities rather than base or maintenance payments. One of the stated purposes of the CSP was to reward producers who were good conservation stewards based on practices already in place. The base payment should constitute the maximum percentage of the total payment allowable by law. It is desirable to encourage further conservation enhancement, and we believe participants should be given ample incentive to enhance their conservation efforts. However, the proposed regulation provides that only 5-15% of the respective tier payments can be paid for base payments. Rewarding participants for their prior accomplishments is especially significant in the early stages of the program and is part of the intent of the CSP. We contend this low percentage of base payment rental will discourage producers from participating in the CSP.

The undersigned groups believe that the CSP can be an effective program to reward conservation stewardship and promote enhanced conservation in production agriculture. We would urge that in order to get the best conservation dollar investment, the program should be geared to commercial-size operations and that NRCS minimize administrative complexities by standardizing, to the extent possible, eligibility requirements in line with other USDA programs.

We appreciate the opportunity to provide these comments.

Sincerely,



Larry Mitchell
Chief Executive Officer

Cc Bruce I. Knight

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Missouri Farmers Union

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missourifarmersunion.org

Attn: CSP

February 23, 2004

David McKay
Conservation Operations, NRCS
P.O. Box 2890
Washington, DC 20013-2890

Dear Mr. McKay,

My name is Tricia Falter, communications and outreach coordinator for Missouri Farmers Union. I was raised on a diversified farm in Central Missouri. My family farm has practiced sustainable agriculture practices for years and we have taken advantage of other NRCS programs to better our soils and waterways.

Please keep rewarding farmers and ranchers for wanting to practice a sustainable way of life. Please help keep our heritage, with the help of eligible farmers, by protecting our nation's natural resources and environment through Conservation Security Program.

I urge you to issue a revised proposed rule to bring the CSP in line with what was passed in the 2002 Farm Bill. We need a propose rule that describes a fair and workable program that works for family farmers and the environment as intended by Congress. Also, please help restore its full funding. Money should not be taken away from a program that fosters clean water, healthy and stable soils, improved wildlife habitat, restored wetlands and prairie, energy savings and other related public benefits.

The current proposed rule cuts out previously eligible farmers. It limits its support to farmers and ranchers with in a small number of watersheds. It should be open to all regions in the country with all types of conservation objectives.

High environmental standards are a must, but farmers and ranchers need to be allowed to achieve those high standards while in the program. The proposed rule restricts access to only those farmers who have already addressed all their major conservation needs, and deny access to those transitioning to sustainable agriculture. As a suggestion, CSP contracts could specify that all applicable conservation standards must be met by the end of the third year.

Thank you for your time.

Sincerely,

Tricia Falter
Missouri Farmers Union, Communications and Outreach Coordinator

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February 25, 2004

ATTN: CSP

Mr. David McKay
Conservation Operation
NRCS
PO Box 2890
Washington, DC 20013-2890

Dear Mr. McKay,

We believe the current version of the CSP program is not robust enough to have the desired positive impact on soil and water conservation that the original program envisioned.

It should be a nationwide program.

It should include farmers and ranchers who are willing and able to farm sustainable

It should restore meaningful stewardship incentives. Not enough incentives means lower participation. Cost share rates should be on the level of other USDA programs.

Nothing is perfect.

This morning I waited on a soybean farmer who sold 1/2 of his crop for around \$10 per bushel. *PLUS* he said he receives a counter cyclical payment from the government. He said he is getting more money than he needs and feels embarrassed.

Clean water and not losing soil trumps everything else in my book. Give more to the CSP program.

Sincerely,

Tom Ehrhardt

George Ehrhardt - Tom Ehrhardt - Mac Ehrhardt

Rodney Hunt - Brian White

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February 25, 2004

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

Dear David:

We strongly urge you to reconsider the proposed rules governing the Conservation Security Program (CSP). This program is extremely important for the future of U.S. agriculture and if the rules are not presented in an acceptable, accessible manner, farmers will reject the program. Once they have decided that the benefits of the program are not worth the effort of enrolling, it will be very hard to get them to reconsider their decision.

Recent hearings in Des Moines, Iowa reflected the broad base of support and level of interest in the CSP. Many farm groups and divergent conservation, rural life, and concerned groups, along with individual farmers, all testified in favor of the program. I urge you to listen to their voices. Now is the best time to act to change the current CSP farm payment structure.

We offer some specific comments:

1. The proposed rule does not carry out the law. The rule should be written to implement the law which was written by Congress as an uncapped entitlement program. If there are budget constraints, they should be handled administratively rather than affecting the rule.
2. The proposed process is very complex and will prove burdensome to potential applicants. It must be simplified if people are to exercise their opportunity to participate.
3. The eligibility rules for the program are too restrictive and need to be broadened so participation is not hampered.
4. There is limited opportunity for state-level involvement in the entire process. This is inconsistent with all other conservation title programs.
5. The rule restricts resource concerns while the law includes all resource concerns. All resource concerns should be eligible.

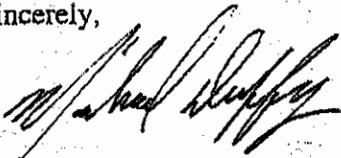
We have considerable experience working with farmers. They will shy away from things that are too complex and do not offer a high benefit/cost ratio. The rules, as they are currently written, make participation extremely complicated and offer very little in return. Please consider this when you issue the revised rules.

We are sympathetic to the budget constraints that affected this set of rules. But, the law and not the budget should drive the rules. If the first set of rules makes the program highly unattractive, revised rules may simply be ignored. So, it is imperative that they be as succinct and attractive as possible the first time.

Given the financial constraints in FY04, it would be more advantageous to grant the available funds to the states and let them determine the best way to implement the program. Then as more funding becomes available, it will be possible to keep the program moving. Other possible alternatives have been proposed. But, whatever method is used, it should be one that makes the CSP attractive and not one that will doom it to failure from the start. This is exactly what the current rules will do.

Thank you for your attention. If I can be of any assistance, please do not hesitate to call on me.

Sincerely,



Michael Duffy
Associate Director

cc: Secretary of Agriculture Ann M. Veneman