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**From:** reddt@nppc.org  
**Sent:** Tuesday, October 05, 2004 1:43 PM  
**To:** FarmBillRules  
**Cc:** thebert@crowell.com  
**Subject:** Comments on CSP IFR, 7CFR Part 1469  
**Attachments:** ATTACHMENT.TXT; Comments on CSP IFR, 7CFR Part 1469.doc

Dear Mr. Derickson:

Attached are comments on the Conservation Security Program Interim Final Rule, 7 CFR Part 1469 as set out in the Food Security Act of 1985, as amended by the Farm Security and Rural Investment Act of 2002, enacted on May 13, 2002. Please accept these comments from the National Pork Producers Council on behalf of its members. We thank you for this opportunity to share our comments, and ask that you contact our staff in Washington, D.C. should you have any comments or questions.

Sincerely,

Keith Berry

President

National Pork Producers Council

122 C Street, NW Suite 875

Washington, D.C. 20001

Phone: 202-347-3600

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October 5, 2004

Craig Derickson  
Conservation Security Program Manager  
United States Department of Agriculture  
Natural Resource Conservation Service  
Financial Assistance Programs Division  
P.O. Box 2890  
Washington, D.C. 20013

Attn: Conservation Security Program

**RE: Comments on the Conservation Security Program Interim Final Rule, 7 CFR Part 1469 as set out in the Food Security Act of 1985, as amended by the Farm Security and Rural Investment Act of 2002, enacted on May 13, 2002.**

Dear Mr. Derickson:

The National Pork Producers Council (NPPC) submits these comments on behalf of its members in response to the Interim Final Rule for the Conservation Security Program (CSP). NPPC is a federation of 44 state pork producer associations and represents the federal interests of about 85,000 U.S. pork producers. The U.S. pork industry represents a major value-added activity in the agricultural economy and is a major contributor to the overall U.S. economy.

This rulemaking sets forth the U. S. Department of Agriculture's process for administering the provisions of the CSP, as set out in the Food Security Act of 1985, as amended by the Farm Security and Rural Investment Act of 2002 on May 13, 2002 (Farm Bill). The Secretary of Agriculture has delegated responsibility for administering these provisions to the Natural Resources Conservation Service (NRCS). NPPC and its members have long supported and developed proactive environmental improvement programs, which are available to all pork producers. NPPC has actively advocated, at both the federal and state levels, environmental initiatives that are achievable, sustainable, affordable, and scientifically based. NPPC is pleased to present these comments in furtherance of these objectives.

One of NPPC's key priorities in the Farm Bill was to ensure that there would be adequate funding for workable environmental assistance programs that could effectively help pork

producers meet emerging environmental challenges during this decade and beyond. Our focus was on the Environmental Quality Incentives Program (EQIP), a program with which our producer members were familiar and which we had hoped could provide a sound foundation for the purposes described above, barring any problems in EQIP's implementation.

We also have a longstanding interest in the CSP. Any conservation program like CSP that is intended to help improve resource conservation on private working lands is important to pork producers. We want the program to work for pork producers to the fullest extent possible.

To a large extent many of our comments on this rulemaking mirror those that we submitted on March 2, 2004 on the proposed rule for the CSP. We find this current version of the rule to retain several of the core characteristics of the proposed rule that created several questions for us as to the CSP's chance for real success. It is our view that the evidence in support of those concerns is apparent in the aftermath of this summer's CSP sign up. Despite these concerns, we believe that the CSP program holds tremendous promise, and we support USDA in any effort to find ways to improve the program's performance and ability to help pork producers improve the conservation of natural resources and protections for the environment on their operations.

#### **Eligibility Requirements and Payment Rates**

We remain particularly concerned about the eligibility requirement that CSP participants have addressed, prior to program enrollment, soil quality and water quality resource concerns with conservation practices that meet the minimum standards for such practices in the NRCS Field Office Technical Guide (FOTG). As many who submitted comments on the proposed rule noted, this provision is likely to severely limit program participation by producers who also are ready, willing and able to make a similar contribution but need help to treat their soil and water quality resource concerns to the FOTG minimum level.

USDA has indicated that there are approximately 1.8 million farms eligible for the CSP, but it expects approximately 50,000 contracts to get funded. The sign up results indicate that even this target could be highly over-ambitious. The preliminary data for the 2004 sign-up conducted under the Interim Final Rule shows that only about 2,200 contracts were approved nationwide, or less than 3% of the 50,000 contract goal with only 2 more years before the next farm bill. We believe this very low participation rate is a direct result of the eligibility requirements discussed above, along with the relatively low payment rates as discussed in our March 2, 2004 comments. Many farmers either were turned away this past summer, or after informational meetings decided not to apply because the base payment for stewardship is too low, as are the per acre caps on payments and cost-share limits.

These payment rate issues are critical in light of the FOTG standard set in the Interim Final Rule. It has always been our understanding that, in large measure, the minimum treatment standards specified in the FOTG for resource concerns represent a fairly high level of treatment – a level of treatment that protects the resource in question while

making a contribution to the agronomic soundness of the operation. Historically, NRCS conservation practices have been structured to make sure that a farm's natural resources can be used in a conserving manner – ensuring economic productivity and preserving that productivity for future generations. These are the minimum standards in the FOTG for resource concerns.

We are concerned that, by requiring producers to start their CSP contracts already at this level, there will be little room for conservation improvements that can also be justified on the basis of resource efficiency and better economic performance. Conservation tillage saves soil and improves the bottom-line. That is why it has been so broadly accepted in such a short period of time. Nutrient management can help water quality and it eliminates unnecessary nutrient usage or helps ensure the maximum possible benefit from manure nutrients utilized. Grass waterways prevent concentrated soil loss from the field, but also eliminate costly land reshaping to preserve the integrity of the planting and harvesting surface, and costly dredging and relocation of sediments in surface drainage systems.

If producers are expected to start at these levels, then how much more dramatic will their practices need to be in order to qualify for assistance? Will they be able to (1) afford the costs of such dramatic changes given the relatively limited amount of CSP assistance that is available or (2) qualify only through having to make such fundamental changes to their operations as to render them no longer the type of farming operation they were prior to the CSP?

We are very concerned that if USDA continues to maintain such extreme eligibility requirements for CSP participation that the program will not come close to that possible under the program authorized by Congress in the Farm Bill, and possible within the funding available. We encourage USDA to review once again the numerous comments provided to it by many organizations and individuals as to how to better structure these eligibility requirements and payment rates to ensure greater participation and therefore greater overall environmental benefits from the program. Not to do so will run the risk of the program losing the support of the vast majority of farmers and ranchers.

### **Priority Watersheds**

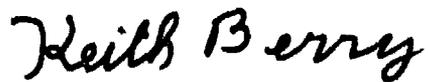
We continue to have concerns that CSP's use of priority watersheds to limit participation so as to contain potential costs is far too complicated and in general ensures that the program will not gain nearly the amount of support that would be justified if producers throughout the country had at least some real chance of participating. As we stated in our March 2, 2004 comments, this one provision in EQIP, as operated under the 1996 farm bill, was one of the most unpopular impediments to grower support. As a result, it was removed from EQIP in 2002. We hope that USDA would learn from that experience and apply that to the CSP. We understand that farmers and ranchers outside of the CSP priority watersheds now question their support for the program, and believe these concerns will only build as time goes on. We continue to encourage USDA to seek some simpler means to limit participation in CSP that would otherwise preserve the entitlement characteristics of the program and its focus on resource issues that we have long

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considered important and on practices and measures that we have long considered to be relevant and effective. Other straightforward measures, such as the use of a simple lottery system, should be available to fairly and transparently deny CSP applicants that otherwise might be eligible.

We appreciate the opportunity to present comments on behalf of America's pork producers. If you have any additional questions, please contact NPPC's Washington DC staff at (202) 347-3600.

Sincerely,

A handwritten signature in black ink that reads "Keith Berry". The signature is written in a cursive, slightly slanted style.

President  
National Pork Producers Council

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