United States Department of Agriculture

NRCS

Natural Resources Conservation Service
State Conservationist
655 Parfet Street, Room E200C
Lakewood, Colorado 80215

720-544-2810 - Office
720-544-2965 - Fax
www.co.nrcs.usda.gov
allen.green@co.usda.gov

644

SUBJECT: LTP – Conservation Security Program Informational Meeting

DATE: FEB 2 6 2004

TO: David McKay
Range Conservationist
Washington, DC

FILE CODE: 300-15-5

On February 11, 2004, we held a Conservation Security Program (CSP) informational meeting for members of the State Technical Committee and our conservation partners. The meeting was attended by 24 representatives of agricultural, environmental, and conservation organizations.

While we did not receive extensive comments during the session, we did generate a dialogue on CSP in Colorado and anticipate several comments on the draft rule being forwarded by several Colorado organizations.

We have attached a brief summary of the session for your information. If you need additional information, you may contact Dennis Alexander at 720-544-2805.

Karen R Garner
for ALLEN GREEN
State Conservationist

Attachment

cc: Dennis Alexander, ASTC-P, NRCS, Lakewood, CO
Jeffery Burwell, SRC, NRCS, Lakewood, CO

The Natural Resources Conservation Service provides leadership in a partnership effort to help people conserve, maintain, and improve our natural resources and environment.

An Equal Opportunity Provider and Employer

PROCEEDINGS

COLORADO USDA NRCS
CONSERVATION SECURITY PROGRAM
INFORMATION MEETING
February 11, 2004

My name is Allen Green. I'm the State Conservationist for the Natural Resources Conservation Service. The purpose of this session today is to provide you information related to the Conservation Security Program draft rule.

This is a program that was passed by Congress in 2002 in the Farm Bill. Now there is a draft rule out as to how we would actually implement this bill and carry out the intents of Congress.

Dennis Alexander, our Assistant State Conservationist for Programs is going to review the program with you. He will also inform you how you can submit your comments. We'll also have an opportunity today for you to make comments. At the end of Dennis's session, and when you'd like to make either an official or even unofficial comments, we would ask that you come up to the microphone we have here in the middle of the room, state your name -- first and last name -- and what organization, if any, that you represent. We do have an official recorder on hand, so she'll be taking the notes of this session, and those will all be submitted to the NRCS National Headquarters office. Just briefly, to give you a little bit of background, the Conservation Security Program was actually something quite new and unique in conservation programs. You're probably aware we've dealt with primarily what we call cost-share types of programs, some land set aside, and retirement types of programs.

This is the first conservation program, to come along on the federal side, at least, to offer a stewardship-type program that actually offers rewards for those folks that are practicing good conservation. That's the basic premise behind the Conservation Security Program.

As the Secretary of Agriculture said, Ms. Veneman, it's one that's there to try to reward the best, the people who are practicing the best conservation, and also at the same time, hopefully motivating the rest. A couple of things that make this program, again, a little unique right now are the fact that it's, one, and it's an "entitlement program." What we mean by an "entitlement program," it means that whoever is deemed to be eligible for the program will receive the benefits of that program versus the other types of programs that we dealt with where we have a set amount of funding and then when people are eligible, we take the best of the group until the funding runs out.

So this is a little different. Again, it's an entitlement program, and so whoever's eligible, ends up deemed being eligible, will end up getting whatever funding is available. Now, that adds a very unique twist to things in the fact that, at least this current year, there

that adds a very unique twist to things in the fact that, at least this current year, there are some limitations. And the primary limitation we have in place right now, today, is the fact there's $41 million set aside for this program. This is an extremely small amount of money at this time. There actually was a cap placed on this program last year. The new spending bill did remove the cap but left in place the $41 million of funds that'll be available in Fiscal Year 2004.

So you can understand that currently with the funding restrictions, there are literally hundreds and hundreds of thousands of people that could be eligible for this program and obviously, with $41 million, you're going to have an extremely small number of people that could actually participate and utilize those funds. So that makes it quite a challenge. That's one of the reasons there's some proposals in the draft rule to try to restrict where this program is available, such as the watershed approach, in some way to try to focus the program because it's not possible to deal with that many people with limited funding.

These are the things that you'll have the opportunity to comment on. Again, these are all draft proposals that we're talking about. Again, we would ask that you take the time to listen to the program. We will not enter into any debates today. Okay? We're trying to provide you the information from a draft rule. If you have concern with the rule, we're not the ones to debate with. We ask that you provide your comments.

We'll listen to those comments, and hopefully not try to defend the rule in any way or to explain it any further. We will try to offer clarification, if we can. So if you have a question, didn't understand something that was presented, we'll try to clarify. But, again, we're not the entity to try to debate this draft rule. You'll need to prepare all your comments and submit those.

I guess I heard, Dennis, somewhere at one point say they were getting some 200 comments coming into the national office an hour. So, obviously, people are paying attention and listening and commenting, which is good. That's what we want.

So, with that, I'd like to introduce Dennis Alexander again. He's our Assistant State Conservationist for Programs. He oversees all of the Farm Bill programs for NRCS in Colorado. Dennis will now give you an overview of this draft rule. Dennis!

MR. ALEXANDER: First of all, I want to welcome you all here in light of the inclement weather we're having. You were all pretty brave troopers and we'll try not to keep you too long. We'd originally scheduled for no more than two hours, and so depending on the length of your comments, we should have you out of here on time.

We gave you a couple of handouts. One is a general fact sheet of the Conservation Security Program. The other is a summary of the items that we ask for your comments on. Rather than trying to go through the draft rule and figure out your comments, it does have a, pre-prepared list of things that, at least from a national perspective, we're

asking your comments on. You can also provide comments on other issues, but these are the things in the draft rule that they especially asked for comments on. As Allen mentioned, the Conservation Security Program is what we would consider a new day in conservation. We don't have any other programs that recognize producers for the environmental stewardship they've already accomplished. In the past, our cost-share programs were based on the extent of your environmental problem.

In other words, we are many times criticized for rewarding the bad conservationists versus the good conservationists. This program is set out to try to have a different approach to conservation where as those folks that are already practicing a higher level of stewardship are the ones that get the benefits. As I recall our theme now is "CSP Will Reward the Best and Motivate the Rest." And, as it said, it will recognize producers who are stewardship leaders, and then provide the environmental benefits that society wants.

Mr. Alexander presented a PowerPoint presentation that highlighted the proposed rule for the Conservation Security Program.

As Allen had mentioned, we're seeking comments nationally until March 2, 2004. The handout lists a series of things that we are requesting comments on. Also listed is the address for mailing your comments. We were also hoping to get comments or questions from you today that we'll record and send in from this session. So with that, we'll open this up for questions or comments. As Allen mentioned, we'd like you to go to the microphone, state your name, please spell it, and indicate who you are representing.

MR. TOOMBS: I'm Ted Toombs from Environmental Defense. This is a question for you, not a public comment. What are the resource concerns other than soil and water? My question is that you mentioned soil and water quality as two of the resource concerns, and then I think you said that in the higher tiers, you would address additional resource concerns. What would those resource concerns be, and then where would those be decided -- at the state or the local level?

MR. ALEXANDER: The resource concerns can be soil, water, animals, plants, and air. These are the broad categories that we use. For enhancements, we may use issues such as wildlife habitat for certain endangered species, grazing lands, or other potential categories. We have a broad spectrum of categories -- soil, water, animals, plants, and air. Then potentially could have sub-categories under each of these that we would use as enhancements.

MR. TOOMBS: Will the criteria for enhancements be established?

MR. ALEXANDER: I don't know yet. There will be national criteria, then state and local criteria that will be used in the program for enhancements.

MR. TOOMBS: Okay. So those will be decided later?

MR. ALEXANDER: Yes.

MR. LOUTZENHISER: I'm Randy Loutzenhiser. I'm president of the Colorado Association of Conservation Districts, Flagler, Colorado. I guess while we're on the subject of the significant resource concerns, Dennis, the rule states that for each sign up, the Chief may determine additional nationally significant resource concerns as the program is on-going. These additional significant resource concerns do they then become applied to current contract holders?

MR. ALEXANDER: As I understand it at this point, once you develop a contract for a certain resource concern, your contract would be good for the length of the term of your contract. However, for future enrollments, additional criteria can be added with each sign-up. So it may be that a higher bar will be added with each sign up for new contracts.

MR. LOUTZENHISER: I'm going to continue on here. You talked about the cash rents. Is there any resolution as to how they might get around to that, both from a standpoint -- my understanding is that if you're a landlord and you're cash renting, you have no risk involved; therefore, you're not entitled to the program.

MR. ALEXANDER: That is correct.

MR. LOUTZENHISER: And from the other side of it, if you're cash renting, my understanding is that in some places it's pretty tough to tie up a long-term cash rent.

MR. ALEXANDER: As the rule is written now, a landowner that cash rents their property is not entitled to any payments because they don't share in the risk of the production of the crop or livestock. Conversely, if, in fact, you are leasing the property and paying cash rent, you would have to have a long-term lease for the length of the contract. That's what the rule is proposing now.

MR. LOUTZENHISER: What if, in this case, the landlord is making some invested expenses, investments into the land as far as structural practices. If I'm a tenant and I'm looking at this and I'm going to be making an investment into someone else's property, I don't know if I want to be on that side of the equation either.

MR. ALEXANDER: And, again, I think that's the type of things that we are looking at -- I can't say whether it's right or wrong. It's just that we're seeking comments on those types of issues.

MR. ZEBROSKI: Bob Zebroski, Executive Director, with the Colorado State Conservation Board. My question, Dennis, in regard to setting the criteria -- identifying the priority watersheds within the state of Colorado, my first question, I guess, is who's

going to do that? Second question is on what basis are you going to identify priority watersheds within Colorado?

MR. ALEXANDER: As the rule is proposed now. It will be a ranking system developed nationally based on soil quality, water quality, and grazing land condition. Based on those three criteria, the watersheds will be selected nationally. We would not select them within the state. One other thing, this is just a follow up that I failed to mention during the presentation, one concept that is being talked about is that funding would not be offered in priority watersheds every year. Funding could be offered for a short duration, and then we would rotate to other watersheds. Then at some point come we would come back to that original watershed. That's just a concept being thrown around at this point.

MR. ZEBROSKI: Yes. My other question was, is there any attempt to, in this program, reward levels of performance rather than just practices? Is there any proposed way that that would be done?

MR. ALEXANDER: The examples we discussed today should result in improved environmental performance, I'll use the soil quality index for example. If you do a certain combination of practices and there is an improvement in the soil quality index, in other words, restoring more carbon, it would, in fact, document improved environmental performance.

If you don't have any other comments at this time, I do encourage you to send in your written comments. If you're more comfortable sending them to us, we will forward them on for you.

MR. ALEXANDER: So, with that, we'll close this session. Allen, if there's any other questions anyone has concerning the program, we'd be glad to take them at this time. But other than that, we are done with the CSP listening session.

BOB ZEBROSKI: Is this comment form available in electronic form?

MR. ALEXANDER: Yes, I can get you an electronic copy. E-mail your request to me.