

CONSERVATION STEWARDSHIP PROGRAM

AZ State Technical Committee
October 27, 2009

1

Program Overview -Stewardship Purpose

2008 Food, Conservation, and Energy Act established a new program purpose

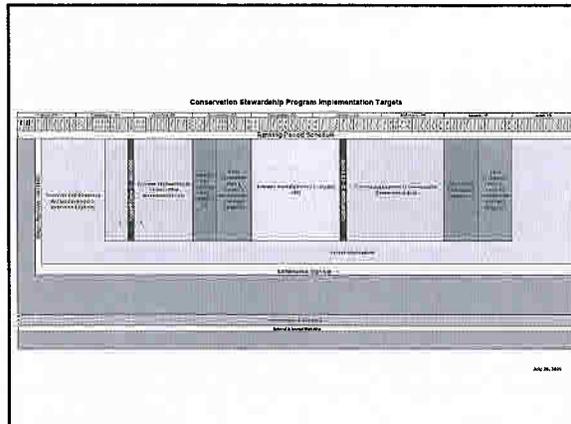
- Encourage producers to address resource concerns in a comprehensive manner by
 - Undertaking new conservation activities
 - Improving, maintaining, and managing existing activities

2

Availability

- Available nationwide
- Continuous sign-up with periodic cut-offs for ranking
- Cropland, Pastureland, Rangeland, and adds nonindustrial private forest land (NIPF) as eligible land

3



Program Eligibility

Eligibility requirements:

- Applicant
- Land
- Stewardship Threshold Requirement

5

Conservation Measurement Tool (CMT)

- Conservation planning tool
- Combines functions of past eligibility tools
- Inventory resources to estimate existing conservation performance level
- Schedule new conservation activities to estimate additional performance level

6

Conservation Measurement Tool

- Calculates Conservation Performance Levels
 - Existing Activities
 - Additional Activities
- Calculates Conservation Performance Ranking Score
- Calculates Conservation Performance Payment Points

7

Conservation Activities

- Enhancements
- Practices
 - for the explicit purpose of meeting additional stewardship thresholds*
- On Farm Research and Demos and On farm Pilot Projects
- Resource Conservation Crop Rotation

8

Payment for Conservation Performance

Program Design – Pay for Performance

- 2 payment types:
 - **Annual payment** - for installing additional conservation activities and for maintaining existing activities
 - **Supplemental payment** - available for participant receiving annual payment who also adopts a resource-conserving crop rotation

9

Payment for Conservation Performance

- Payments will be made after October 1 for contract activities from previous fiscal year.

Acres Limitation / Payment Constraint

Developing a payment mechanism challenging within constraints:

- Enroll 12,769,000 acres for each FY nationwide
- Manage to achieve a national average rate of \$18 per acres (includes FA and TA)

11

Servicing Model (CSP Steps)

- Self-Screening process
- Determine applicant and land eligibility
- Resource Inventory in CMT and determine if stewardship threshold requirement is met
- Determine conservation performance ranking score in CMT
- Rank/Pre-Approve
- Field Verify
- Approve and Obligate

12

Step # 1 Screening

NRCS Farm Bill 2008
Conservation Stewardship Program (CSP)
*How available resources? Continue slide 10

Producer Self-Screening Checklist

Is CSP right for you?

- Are you willing to commit time to priority and document your conservation activities and production system to determine eligibility and ranking?
- Do you have records of your farming activities and are you willing to maintain, update and provide to document your conservation activities? Records will be used during CSP's 5-year review to help determine if applicant's conservation activities are approved.
- Are you ready to take on a 5-year contract? Working with us to apply additional conservation activities and to improve, maintain and manage existing conservation activities?

Self-Screening Checklist

- To participate in CSP, a producer must meet:
 - Applicant Eligibility
 - Land Eligibility
 - Income Threshold Requirements

Applicant Eligibility Requirements and requirements must be met:

- In the operation of land as a Farm Operator (FO) since 1992 or have established FO on such place in operation.
- In an operation with highly erodible land and natural conservation potentials.
- In an operation with average cropland acres in production. (For average cropland acres, cropland is defined as any land used for growing crops or pasture or hay or other forage crops, whether in production or being cultivated.)

NRCS Form 1024-101 (Rev. 10/08)

Producer Self-Screening Checklist

- Is a screening questionnaire to assist producers independently identify if the program is right for them and their operation.
- Completed by the producer without technical assistance
- Must meet at least one resource concern at time of application
- Must meet at least one priority resource concern at end of contract.

Producer Self-Screening Checklist

- Will assist a producer to arrive at a preliminary conclusion as to whether the applicant, the land, and the conservation activities meet CSP eligibility requirements.
- available through producer information workshops, at NRCS field offices and electronically

Step # 2

Determine Applicant and Land Eligibility

Application Process

- Contract Program Application

NRCS-CPA-1200
Supporting documents

Determine Applicant and Land Eligibility

- Applicant Eligibility- Protracts (SCIMS)
 - FSA records - AGI, HELC, and WC & at least one farm associated with the applicant.
 - Control of land

Land Eligibility-

- -Private Agricultural Land
- -Agricultural Indian Lands
- -Nonindustrial Private Forest Land

- Must include all land
- CRP, WRP, GRP, CSP not eligible
- Public (state or federal land) not eligible

Application Process

- Map/Aerial photograph/overlay of agricultural and/or NIPF operation.
 - Identify Ag operation and /or NIPF component
 - delineate each eligible land use and associated acres.
 - » cropland, pastureland, rangeland for agricultural land applications
 - » NIPF for NIPF application

20

Application Process

- Agricultural land applications will compete separately from NIPF applications.
- Applicant with both:
 1. One application for NIPF
 2. One application for agricultural land
 3. Two applications, one for each land type

21

Applicant and Land Eligibility Met



Schedule time to complete the resource inventory using the Conservation Measurement Tool (CMT)

22

Step # 3

Resource inventory and determine if stewardship threshold requirement is met

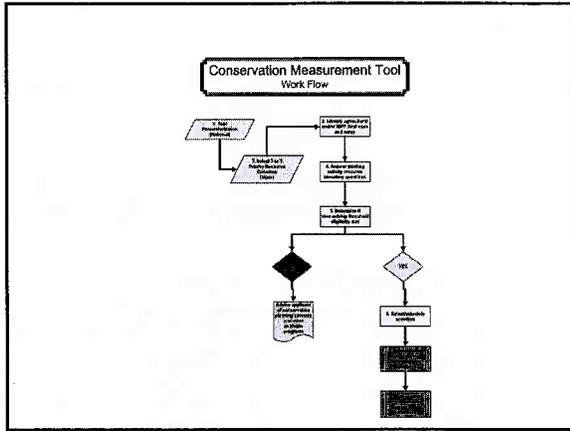
23

CMT Measures If Stewardship Threshold Requirement Is Met

- Meeting one resource concern for each land use at the time of the application

- Meeting one priority resource concern for each land use by the end of the stewardship contract

24



Existing Activities Questions For Each Land Use

- Cropland
- Pasture
- Range
- Nonindustrial Private Forest (NIPF)
- Separate questions for water bodies common to all land use

Scoring of Questions

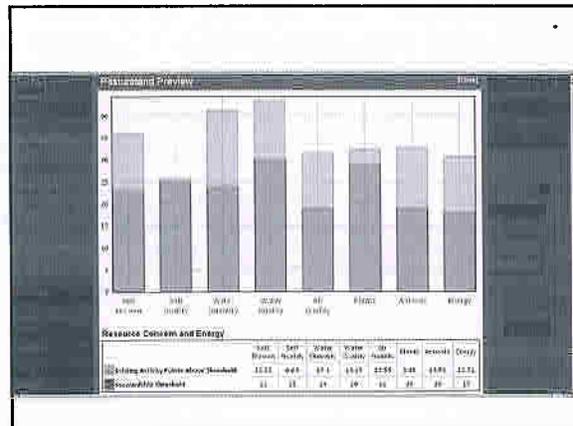
- CPPE -5 to +5
- Resource Concerns
 - Air Quality
 - Animals (Livestock & Wildlife)
 - Energy
 - Plants
 - Soil Erosion
 - Soil Quality
 - Water Quality
 - Water Quantity

Stewardship Threshold Requirement

Stewardship Threshold Requirement

Stewardship Threshold Requirements Met:

Resource Concern	Time of Application		Time of Contract		Time of Application		Time of Contract	
	Start	End	Start	End	Start	End	Start	End
Air Quality					NA	NA	NA	NA
Animals	X	X	X	NA	NA	NA	NA	NA
Energy				NA	NA	NA	NA	NA
Plants	X	X	X	NA	NA	NA	NA	NA
Soil Erosion		X	X	NA	NA	NA	NA	NA
Soil Quality	X	X	X	NA	NA	NA	NA	NA
Water Quality	X	X	X	NA	NA	NA	NA	NA
Water Quantity	X	X	X	NA	NA	NA	NA	NA



Step # 4

Determine conservation performance ranking score in CMT

31

Stewardship Threshold Requirement Met

- Select additional activities using the CMT

32

Conservation Performance Ranking Score

- Based on the following factors:
 - Level of conservation treatment on all applicable priority resource concerns at the time of application
 - Degree to which the proposed conservation treatment on applicable priority resource concerns effectively increases conservation performance

33

Conservation Performance Ranking Score

- Based on the following factors:
 - Number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract; and
 - Extent to which other resource concerns, in addition to priority resource concerns, will be addressed to meet or exceed the stewardship threshold by the end of the contract period.

34

CMT & Activities

- CMT also scores enhancements and conservation practices using the same CPPE scoring process
- These scores are used in determining the ranking score and payment levels for the applicants

Conservation Performance Ranking Score

Will be used for ranking in ProTracts

Application Ranking Information:

	Cropland, Pastureland, Rangeland
Total Acres	345K
Conservation Performance Ranking Score	41484

36

Conservation Performance Summary Report

- (1) Ranking pool
- (2) Existing conservation performance level
- (3) Increase in conservation performance level by adding new activities;
- (4) Schedule of operation of new activities;
- (5) Certification statement from the applicant

The image shows a thumbnail of a 'Conservation Performance Summary Report' form. It includes a header with the title and date (June 25, 2004). Below the header, there are several tables and sections, including 'Conservation Performance' and 'Additional Ranking Information'. The tables contain numerical data, likely representing performance metrics and ranking scores.

Conservation Performance Summary Report

- Provides information needed for ranking and contract development in Protracts and
- Stewardship plan in Toolkit

38

Step #5 Ranking and Application Preapproval

- Ranking will occur in Protracts
 - Based on information from CMT as recorded on the Conservation Performance Summary Report

39

Ranking

- Focuses on priority resource concern identified by the State.
 - (Geographic Areas/Ranking Pools)
- Applicants will be ranked relative to other applicants who faces similar resource challenges in State established ranking pools

40

Step #5 Application Pre-Approval

- The State Conservationist or Designated Conservationist will make application pre-approval determinations by ranking pool
 - during established ranking periods based on eligibility, ranking score, and acre allocation.
 - Pre- Approve "status"- applications pre-approved for funding.

41

Step #6 Field Verify

- Applicant information will be verified during an on-site field verification conducted after applications are pre-approved and before a Stewardship plan is completed and contract is obligated.



42

Field Verify

- NRCS will request records to determine accuracy of information provided during application
- Applicant's records must be available to NRCS upon request

43

Resource Inventory Information is Accurate

- Complete the Conservation Plan in Toolkit.

44

Conservation Stewardship Plan

- No upload to Protracts
- Schedule Individual activities
- One Stewardship plan supports all Stewardship contracts

45

Step #7 Approve and Obligate

Follow steps in 512.42

- Finalize CPC

NRCS-CPA-1155

- Approve application

NRCS-CPA-1202, NRCS-CPA-1155 and NRCS-CPA-1202-CPC (appendix)

- Obligate

46

Toolkit/ProTracts

- Conservation Stewardship Plan - Individual activities
 - » (84 new activity codes)
- Contract - Conservation Performance Payment Points by land use and supplemental payment only
 - » (one or two contract items for single land use)

47

Sign-up

2009 Sign-up

August 10, 2009 to September 30, 2009

Ranking due Nov 15

Contract Obligation due Dec 30, 2009

2010 Sign-up

January 2010 (may be subject to change)