



# Conservation Stewardship Program



# Conservation Stewardship Program (CSP)

## Objectives

- Review Working Lands Conservation Manual Part 530 Subpart Q
- Identify policy changes



## General

- Program Purpose
  - Policy in this subpart applies to all CSP contracts, including renewals, unless otherwise stated
- Authority
  - 7 CFR Part 1470 – Interim Rule dated November 12, 2019

# CSP Funds Management

- Funding Targets and Ranking Pools
  - States will receive a separate allocation for organic and transitioning to organic producers (§1470.4(b))
  - States must establish a separate ranking pools for
    - organic and transitioning to organic producers (§1470.20(d)(2))
    - CSP renewals
  - Veteran Farmers and Ranchers—
    - will no longer be automatically set at high priority
    - will receive additional ranking points when competing in the BFR or SDFR ranking pools

# CSP Funds Management

- CSP Preparation Activities
  - Review the Advanced Grazing Management (AGM) conservation activity guide sheet and develop a list that includes only enhancements offered in the State

# CSP Applicant Eligibility

- Be the operator, owner, or other tenant of an agricultural operation in the FSA farm records management system (§1470.6(a)(1))
- Share in the risk of producing a crop; share in the crop available for marketing from the farm; and participate in the daily management, administration, and performance of the operation (§1470.6(a)(2))
- No more operator of record waiver



NEW

## CSP Applicant Eligibility - Renewals

- Eligible participants who choose not to renew their initial CSP contract cannot compete for a new CSP contract for two years following expiration of their initial contract (§1470.26(c))



NEW

## CSP Land Eligibility

- Public land associated with other eligible lands which is under the effective control of the applicant, and which is a working component of the producer's agricultural or NIPF operation is eligible for enrollment in CSP (§1470.3 *Eligible land* definition)

# CSP Stewardship Threshold Eligibility

- For CSP general applications, an applicant must meet or exceed the stewardship threshold on all land uses included in the operation for both of the following:
  - At least two resource concerns at the time of contract offer
  - At least one additional resource concern by the end of the contract

# CSP Stewardship Threshold Eligibility

- **Exception:** For farmstead and associated ag land (AAL) – As long as the applicant meets or exceeds two resource concerns at the time of contract offer they do not need to schedule an additional activity on these land uses
  - If the applicant chooses not to schedule an additional activity on farmstead or AAL, they will not receive an existing activity payment for that land use

# CSP Stewardship Threshold Eligibility

- For CSP renewal applications, an applicant must, by the end of the renewal contract period—
  - Agree to meet or exceed the stewardship threshold of at least two additional priority resource concerns on the ag operation; or
  - Implement new or improve existing conservation activities to achieve higher levels of conservation performance for a minimum of two priority resource concerns met or exceeded in the initial contract

# CSP Planning

- Planners must schedule the existing activity payment (EAP) items in the conservation stewardship plan
- There are two new EAP activity codes—
  - **E300EAP1** (acres of land uses)
  - **E300EAP2** (RC met at time of application)

# CSP Planning – Conservation Activities

- **Advanced Grazing Management (AGM)**
  - The use of a combination of grazing conservation activities which may include management-intensive rotational grazing, that provide for improved soil health and carbon sequestration, drought resilience, wildlife habitat, wildfire mitigation, control of invasive plants, and water quality improvement.

# CSP Planning – Conservation Activities

- **Comprehensive Conservation Plan**
  - A plan that meets or exceeds the stewardship threshold for each priority resource concern across all land uses included in the operation.

# CSP Application Processing

- Agricultural applications will continue to compete separately from NIPF applications
- Applicants must—
  - Provide a map that identifies and delineates the boundaries of all eligible land uses and acres included in the operation
  - Identify any ineligible land that is part of the operation

NEW

# CSP Application Processing

- Contract Renewal
  - During the first half of the fifth year of the initial contract period, NRCS may allow participants to apply and compete to renew their initial contract

# CSP Application Processing

- States must establish ranking criteria based on—
  - The natural resource conservation and environmental benefits that result from the conservation treatment on all State-identified priority resource concerns;
  - The degree to which the proposed conservation activities increase natural resource conservation and environmental benefit; and
  - Other consistent criteria necessary to ensure national, State, and local priority resource concerns are effectively addressed.

# CSP Application Processing

- Field Verification
  - NRCS must complete a field verification prior to contract obligation
  - The field office staff may use existing documentation in the case file to substantiate knowledge of the operation and current management if they recently verified while in the field for another purpose

# CSP Contracting

- Other Eligibility—
  - Includes verification of applicant, land, and stewardship threshold eligibility
- Schedule of Operations—
  - Applicants who have not yet implemented the base conservation practice, may schedule the conservation practice in addition to the enhancement in the CSP contract
  - No longer required to schedule enhancements by the third year of the contract



# CSP Contracting

- Schedule of Operations—
  - Advanced Grazing Management
    - The applicant must schedule one of the required grazing management enhancements (E528) and additional supplemental enhancements as described on the AGM activity guide sheet
    - The participant must schedule and continue to implement AGM enhancements each year of the contract after adoption, as appropriate

# CSP Contract Modifications

- Transfers from an individual or legal entity to a joint operation will not result in a contract limit increase
- Simplified the voluntary land use conversion and changes to land management systems section
- Provided discretionary authority for the State conservationist to determine whether or not to seek cost recovery or liquidated damages when a participant retains control of the land, but requests to remove 5 acres or less from the CSP contract

# CSP Contract Modifications

- Partial Land Transfers—
  - Includes policy on required adjustments to the EAP contract items and additional activities, as applicable
  - CSP Partial Land Transfer do not work in CD and CART. National is working on a fix but no ETA
- NRCS must not approve a cancellation or termination of an existing CSP contract for a producer to enroll land in CSP-GCI



NEW

# CSP Renewal Contracts

- Renewal contract participants must maintain the level of conservation achieved by the end of the initial contract term
- Participant must agree to implement and continue to integrate new or improved conservation activities across the entire agricultural operation, demonstrating continued improvement during the additional 5-year period
- New conservation activities must begin after the initial contract expires
- NRCS must obligate the renewal contract before the initial contract expires
- CSP renewals will be FY14, 15 and 16 combined sign up. Tentative app deadline is Feb 8th, 3/20 Pre-selection deadline, Obligation deadline 6/30/2020.

# CSP Annual Payments

- In order to earn payments, a participant must schedule and implement at least one additional activity on each land use included in the contract (§1470.24(a)(2))
- The existing activity payment is comprised of two contract items:
  - E300EAP1 (acres)
  - E300EAP2 (RC met at time of application)

## CSP Annual Payments – E300EAP1

- This is the EAP component for the acres of each land use times the land use rate
- States will schedule one contract item with separate component lines for each land use
- Example:
  - CIN 1: E300EAP1
  - 1a. Cropland acres x Cropland rate
  - 1b. Pasture acres x Pasture rate
  - 1c. Farmstead acres x Farmstead rate
- There is NO pastured cropland rate

## CSP Annual Payments – E300EAP2

- This is the EAP component for the resource concerns met at the time of application
- States will schedule one contract item and add the number of RCs met at time of application for the lowest performing group within each land use to determine the total number of RCs to enter
- The RC rate is a flat rate per RC met

## CSP Supplemental Payments

- New opportunity for supplemental payment for Advanced Grazing Management (AGM) (§1470.24(b))
  - The required grazing management enhancement (E528) is paid at the normal enhancement payment rate
  - Enhancements that may be included within the AGM will have two scenarios in the payment schedule—
    - The basic enhancement scenario (100%)
    - An “SU” supplemental payment scenario (150%)

# CSP Payment Limitations

- A person or legal entity may not receive, directly or indirectly, payments that in the aggregate exceed \$200,000 for all CSP contracts originally obligated during fiscal years 2019 through 2023 (§1470.24(g))
- Removed the \$40,000 annual payment limitation



## CSP Contract Limits

- CSP contracts with joint operations (FSA business types 2 or 3) may have a contract limit of up to \$400,000 over the term of the initial contract period (§1470.24(h))
  - **Note:** This change is not retroactive to contracts enrolled in FY2019, which only allowed the higher contract limit for joint operations using an Employer ID number



NEW

# CSP Minor Contract Increases

- Allows for minor contract increases up to \$1000 at time of payment without the need for a modification (§1470.25(c))

# CSP Exhibits

- CSP Pre-obligation Checklist
- CSP-GCI Pre-obligation Checklist
- Contract Renewal Offer Worksheet
- CSP Regulation 7 CFR Part 1470
- Contract Renewal Notification Letter
- Field Verification Adverse Determination Letter
- Determining Substantially Separate Operations

# CSP Other Changes

- Removed the 10 percent (10%) annual spot check requirement
- Provide for more flexibility in determining where to service applications crossing ranking pool or State boundaries (subpart C)





**QUESTIONS?**