



National Association of Conservation Districts

October 28, 2009

Mr. Greg Johnson
Director, Financial Assistance Programs Division
U.S. Department of Agriculture
Natural Resources Conservation Service
1400 Independence Avenue, SW
Room 5237-S
Washington, DC 20250

Dear Mr. Johnson:

The National Association of Conservation Districts (NACD) represents the nation's 3,000 conservation districts and 17,000 men and women who serve on their governing boards. Conservation districts are local units of government established under state law to carry out natural resource management programs at the local level. Conservation districts help state and federal partners work with landowners on a variety of conservation programs. NACD looks forward to working with NRCS on the implementation of the Conservation Stewardship Program.

NACD was pleased to learn of the wide-spread interest for this program during the first sign up period that ended September 30, 2009. We know that many of our members are interested in participating in the revised CSP. During the development of the 2008 Farm Bill, NACD looked at CSP as a program that would include farmers, ranchers and forest landowners that are already addressing natural resource issues on their operation, but who are looking for assistance to do more. Our thoughts were that EQIP and other state and federal assistance programs could be utilized prior to participating in CSP, and would essentially lead the way to greater conservation adoption through the CSP program.

NACD supports the special outreach activities included in the proposed regulation. CSP should be available to small scale farms, special crop operations and organic farms and we support special outreach efforts to these groups as well as historically underserved producers, socially disadvantaged, beginning and limited resource farmers and ranchers. NACD and our member conservation districts look forward to working with NRCS on the outreach efforts to implement CSP.

NACD would like to offer comments and recommendations on several areas of the interim final rule. Regarding eligibility for the program, we are pleased the program is

being implemented with the ten percent set aside for forestry. We encourage forest landowners to participate in this program and in general believe that conservation assistance should be available for farm, ranch and forest lands. Eligible participants should meet the stewardship threshold for one resource concern at the time of their application. NACD believes that this approach will allow more participants to be eligible for the program. The resource concerns should be established by the State Technical Committees and provide flexibility for each state to identify issues of concern. Wildlife habitat should not be a required resource concern, but if a state recommends it as a priority then it should become a listed resource concern for the CSP program.

NACD is concerned about the length of the CSP contract at five years. We understand the contract length is stipulated by the law, but we know from working conservation program participants that many do not have operational control for 5 years. If an operation is a mixture of owned and rented land, participation becomes more complicated. The approach by NRCS to remove land that is not under effective control from the eligible land of the operation should assist in addressing this issue. However the distinction should be made very clear to landowners and managers to ensure that they are aware of potential eligibility for CSP. We are also concerned about provisions in the regulation under eligibility requirements (1470.6 (a)) that stipulate *“Be the operator in the Farm Service Agency (FSA) farm records management system for the agricultural operation being offered for enrollment in the program.”* It is our understanding that a tenant may be listed as “tenant” or “other tenant” in the FSA system and we would like to ensure that those listed in the FSA system that have control of the rented land, and may not be listed as “operator” are eligible to participate in CSP.

Regarding the contract payments under CSP, NACD believes the majority of the payments should be dedicated to the base contract payments rather than separate enhancement payment. Applicants should be given them priority points based on their conservation value or effectiveness which would be added into the point total for the contract which in turn would establish the per acre price. The program should be managed to spread out the participation across the landscape, and we believe the acreage enrollment with allocations to states should achieve this goal.

We understand the statutory payment limitations of \$200,000 per contract. We believe there should be flexibility in the \$40,000 per year cap that NRCS has established. Program participants should be able to roll over the annual payment limit for cause, so if they cannot undertake the conservation activity in a given year, but shift that work into the next year, the limit should be lifted if they request and extension on the activity. Operations with multiple business partners should all be eligible participants if they have direct participation in the operation. We agree with needed safeguards to limit excessively large contracts and payments, but we know that operations can have multiple operators that actively work together to manage the farm, ranch or forest operation.

NACD supports the provision of the regulation regarding environmental credits for conservation improvements. It is important the conservation program participants be able to participate in future ecosystem services markets regardless of whether they have or have not participated in federal conservation programs. CSP and other conservation programs generally only cover a portion of the conservation practice and the producer/landowner must incur costs associated with the adoption and maintenance of the practice. Therefore it is only reasonable that producers/landowner be able to participate in both a federal program and a potential private ecosystem service trading market.

NACD appreciates the opportunity to comment on the interim final regulation for CSP. We look forward to working with NRCS to make this a successful program.

Sincerely,

A handwritten signature in black ink, appearing to read "Steve Robinson", written in a cursive style.

Steve Robinson
President