



National Association of Conservation Districts

January 14, 2015

Regulatory and Agency Policy Team
Strategic Planning and Accountability
U.S. Department of Agriculture
Natural Resources Conservation Service
5601 Sunnyside Avenue, Building 1-1112D
Beltsville, MD 20705

Docket No. NRCS-2014-0008

Re: Conservation Stewardship Program Interim Rule

On behalf of the National Association of Conservation Districts (NACD), thank you for all the Natural Resource Conservation Service (NRCS) has done to ensure that the Agriculture Act of 2014's conservation programs have been effectively implemented thus far. Our membership of 3,000 local soil and water conservation districts throughout the country heavily rely on NRCS conservation programs every day when working with private landowners and producers.

NACD appreciates the tremendous job that NRCS continues to do to implement the Farm Bill's conservation programs since the law was enacted in February 2014. Despite ongoing budgetary pressure and uncertainties, we applaud your efforts to effectively implement conservation on the landscape. Local soil and water conservation districts remain key partners of NRCS to efficiently and effectively enroll and help implement Conservation Stewardship Program (CSP) practices on the landscape. After carefully reviewing the language of the CSP Interim Rule, we would like to make several recommendations.

Regarding applicability of the interim rule to new and existing conservation activities, we recommend that NRCS provide landowners equal payment for both existing and new activities. While implementing additional conservation activities is a laudable goal, we believe that NRCS should maintain equality and fairness for producers that are currently practicing good conservation by providing financial assistance in an equitable manner. In addition to payment equality, we also recommend that NRCS equally rank existing and new conservation activities. In evaluating contract applications, NRCS should evaluate conservation benefits the applicant would achieve based solely on the actual or expected conservation benefits without use of weighting factors or other differentials.

NACD believes that it is important to not only reward those implementing new conservation practices but also those who have been historically good stewards of their land and maintain existing conservation practices. We believe that our suggested language articulates our concerns accurately and urge serious consideration for its insertion into the CSP final rule.

NACD would also like to commend NRCS on the inclusion of several items in the CSP Interim Rule.

Rolling open enrollment is important for CSP to remain an option for producers at all times throughout the year. This convenience helps prevent back-logging and increases the efficiency of the program.

Allowing CRP land in the last year of its contract to enroll in CSP and allowing the transfer of land from CSP to CRP, ACEP or other Federal or State program that offers greater natural resource protection is of great benefit. These adjustments will help ensure that producers keep their working lands enrolled in programs that benefit the natural resource base as well as place an emphasis on the most effective programs offered.

NACD additionally supports NRCS acknowledging producers participating in environmental credit-trading programs and the declaration of no involvement unless the practice standards of the CSP contract are not met. It is important for NRCS to remain a non-regulatory agency but also to maintain support of beneficial private programs such as ecosystem service markets.

We're appreciative of the opportunity to provide input as you move forward to help maintain the quality of NRCS conservation programs benefitting producers, landowners and natural resources. Please let us know if you have any questions about our comments or policies as you continue through the implementation process.

Sincerely,



Earl J. Garber
NACD President

Attached:

NACD recommended changes to language and the IFR language reflecting NACD changes.

NACD Recommended Language Changes and the Reflecting IFR Language

Two recommendations for equalizing payments between existing and new Conservation Activities:

The first change would be in “§ 1470.1 Applicability”:

Insert a new paragraph (c) then re-letter existing (c) and (d) as (d) and (e):

“(c) Financial assistance shall be provided for (b)(1) and (b)(2) activities in an equitable manner, without any differential weighting factors and with payment level distinctions between (b)(1) and (b)(2) activities based solely on actual or expected differences in:

- (1) the cost incurred by a participant associated with planning, design, materials, installation, management, maintenance, or training; and
- (2) income forgone by the participant.”

Below is the how the IFR text would read with the changes:

“Subpart A—General Provisions

§ 1470.1 Applicability.

(a) This part sets forth the policies, procedures, and requirements for the Conservation Stewardship Program (CSP) as administered by the Natural Resources Conservation Service (NRCS), for enrollment during fiscal year (FY) 2014 and thereafter. Contracts entered into prior to FY 2014 will use the regulations and policies in effect the date prior to February 7, 2014.

(b) The purpose of CSP is to encourage producers to address priority resource concerns and improve and conserve the quality and condition of natural resources in a comprehensive manner by:

- (1) Undertaking additional conservation activities; and
- (2) Improving, maintaining, and managing existing conservation activities.

(c) Financial assistance shall be provided for (b)(1) and (b)(2) activities in an equitable manner, without any differential weighting factors and with payment level distinctions between (b)(1) and (b)(2) activities based solely on actual or expected differences in:

- (1) the cost incurred by a participant associated with planning, design, materials, installation, management, maintenance, or training; and
- (2) income forgone by the participant.

(ed) CSP is applicable in any of the 50 States, District of Columbia, Commonwealth of Puerto Rico, Guam, Virgin Islands of the United States, American Samoa, and Commonwealth of the Northern Mariana Islands. (de) NRCS provides financial and technical assistance to eligible producers.”

The second change would occur in “§ 1470.24 Payments”:

In paragraph “(a) Annual Payments” amend the existing language by deleting the phrase “place emphasis on implementing additional conservation” and replace it with the new language below:

“(a) Annual Payments. Subject to the availability of funds, NRCS will provide, as appropriate, annual payments under the program to compensate a participation for installing and adopting additional conservation activities, and improving, maintaining, and managing existing

conservation activities across the entire agriculture operations in a manner that increase or extends the conservation benefits in place at the time the contract offer is accepted NRCS. A split-rate annual payment structure is used to provide separate payments for additional and existing conservation activities in order to ~~place emphasis on implementing additional conservation~~ reflect actual or expected differences in the cost incurred by a participant associated with planning, design, materials, installation, management, maintenance, or training, and income forgone by the participant.”

Below is the how the IFR text would read with the changes:

“§ 1470.24 Payments.

(a) Annual payments. Subject to the availability of funds, NRCS will provide, as appropriate, annual payments under the program to compensate a participant for installing and adopting additional conservation activities, and improving, maintaining, and managing existing conservation activities across the entire agricultural operation in a manner that increases or extends the conservation benefits in place at the time the contract offer is accepted by NRCS. A split-rate annual payment structure is used to provide separate payments for additional and existing conservation activities in order to ~~place emphasis on implementing additional conservation~~ reflect actual or expected differences in the cost incurred by a participant associated with planning, design, materials, installation, management, maintenance, or training, and income forgone by the participant.

(1) to receive annual payments, a participant must...”

The other item to address is to ensure equality in how existing and new conservation activities would be ranked.

The change would be in “§ 1470.20 Application for contracts and selection of offers from applicants”:

In paragraph “(c) Evaluation of contract application” insert a new subparagraph (5):

“(5) NRCS will evaluate the conservation benefits achieved by the activities named in 1470.1 (b)(1) and (b)(2) based solely on actual or expected conservation benefits, without the use of any weighting factors or other differentials not based on actual or expected conservation benefits, and without regard to the timing of initial adoption of existing conservation activities the participant is offering to improve, maintain, and manage.”

Below is the how the IFR text would read with the changes:

Subpart B—Contracts and Payments

§ 1470.20 Application for contracts and selecting offers from applicants.

(a) Submission of contract...

(b) Applications...

(c) Evaluation of contract applications. NRCS will conduct one or more ranking periods each fiscal year.

- (1) To the extent practicable, one ranking period will occur in the first quarter of the fiscal year;
- (2) In evaluating CSP applications, NRCS will rank applications based on the following factors, to the maximum extent practicable:
 - (i) Level of conservation treatment on all applicable priority resource concerns at the time of application,
 - (ii) Degree to which the proposed conservation activities effectively increase conservation performance,
 - (iii) Number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract,
 - (iv) Extent to which other priority resource concerns will be addressed to meet or exceed the stewardship threshold by the end of the contract period, and
 - (v) Extent to which priority resource concerns will be addressed when transitioning from the conservation reserve program to agricultural production;
- (3) In the event that application ranking scores from paragraph (2) above are similar, the application that represents the least cost to the program will be given higher priority; and
- (4) NRCS may not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be eligible to receive.

(5) NRCS will evaluate the conservation benefits achieved by the activities named in 1470.1 (b)(1) and (b)(2) based solely on actual or expected conservation benefits, without the use of any weighting factors or other differentials not based on actual or expected conservation benefits, and without regard to the timing of initial adoption of existing conservation activities the participant is offering to improve, maintain, and manage.

(d) Weighting of ranking factors...”