



National Association of Conservation Districts

February 4, 2020

Executive Vice President Robert Stephenson
Commodity Credit Corporation
1400 Independence Ave. SW
Washington, DC 20250

Administrator Richard Fordyce
Farm Service Agency
1400 Independence Ave. SW
Washington, DC 20250

Submitted electronically via regulations.gov
Docket No. CCC-2019-0006

Dear Executive Vice President Stephenson and Administrator Fordyce,

The National Association of Conservation Districts (NACD) represents America's 3,000 locally-led conservation districts, working with millions of landowners and operators to help them manage and protect land and water resources on private and public lands. Established under state law, conservation districts share a single mission: to work cooperatively with federal, state and other local resource management agencies and private sector interest groups to provide technical, financial and other assistance to help landowners and operators apply conservation to the landscape.

Conservation districts across the country want to commend you and the Department for the work you have done thus far to implement the 2018 Farm Bill. Landowners across the country are benefiting from USDA's assistance, and conservation districts stand ready to continue working side-by-side with FSA staff to ensure conservation programs within the 2018 Farm Bill continue to serve producers.

The Conservation Reserve Program (CRP) is an important component of the farm bill conservation title programs available to landowners. NACD advocated throughout the farm bill process to expand the acreage within CRP, expand conservation-minded grazing opportunities, and ensure the conservation benefits of CRP. NACD appreciates the opportunity to provide public comments to the program's Interim Final Rule.

Below are comments where NACD believes changes to the rule will improve the accessibility, flexibility and overall efficiency of the CRP program. These areas are:

- Balance of Continuous and General Sign-up;
- Mid-contract Management;
- Grazing/Permissive Uses
- Integration with EQIP and CSP;
- Use of Incentive Payments; and
- New CRP Pilot Programs.



Balance of Continuous and General Sign-up

The Interim Final Rule and the press release published with the Rule leave a number of questions remaining about the way that CRP will operate and the future of the continuous sign-up portion of the program. The 2018 Farm Bill created the Clean Lakes, Estuaries, and Rivers (CLEAR) initiative, with direction to make this at least 40 percent of the acres enrolled in the continuous sign-up. The Interim Rule does not mention CLEAR at all. The press release notes¹ that most wildlife practices under State Acres for Wildlife Enhancement (SAFE) will be moved to the general sign-up and the “CRP continuous sign-up will focus primarily on water quality within the Clean Lakes, Estuaries, and Rivers (CLEAR) Initiative.” If continuous sign-up is going to transition to solely water quality focused practices, that would be a dramatic shift within the program made by agency discretion.

Moving SAFE acres from the continuous sign-up to the general sign-up is not only a dramatic shift in the way FSA has historically operated the program but can actually disincentivize landowners from applying to enter the SAFE program. Landowners accepted into SAFE moving forward will receive a lower annual rental payment because they are in the general program and are not able to benefit from the incentive payments that continuous acres continue to be eligible for. NACD believes that FSA should provide some much-needed clarity on the direction of these general and continuous sign-ups and the rationale for the shift away from SAFE practices within the continuous sign-up. FSA should also explain how the continuous program will be implemented moving forward if the majority of SAFE acres will not be within the continuous portion of the CRP program.

Mid-contract Management

NACD appreciates the new provisions in the Interim Rule on grazing and natural disasters as they relate to mid-contract management. NACD supported the addition of these provisions to the 2018 Farm Bill, and we appreciate FSA’s commitment to including them in the program.

Our members understand that grazing can be used as a tool to support, rather than undermine, conservation. Often, mid-contract management on CRP acres can be achieved more effectively using cattle grazing rather than mechanical or chemical disturbance. NACD is glad that this will now be an option for CRP contract-holders when grazing is a part of an NRCS-approved conservation plan. This provision should be maintained in the final rule.

Similarly, NACD is aware that a natural disaster, like hail or fire, can perform the same disturbance function as mid-contract management. Our members have reported instances when disasters not only made mid-contract management redundant but nearly impossible. By allowing an appropriately timed disaster to substitute for mid-contract management, FSA eases the burden on producers while seeing the same conservation outcomes on the ground. This provision should also be maintained in the final rule.

¹ <https://www.fsa.usda.gov/news-room/news-releases/2019/usda-to-open-signup-for-conservation-reserve-program-on-december-9>



Grazing/Permissive Uses

As stated above, NACD believes that grazing can be an important tool to support healthy grasslands and cover. The rule lays out the conditions in order to conduct emergency haying and grazing and other emergency uses. The rule also lays out the conditions for conducting normal haying and grazing including the requirement for a detailed conservation plan for those activities. The conservation plan will ensure the long-term viability of the CRP conservation practice and cover while protecting and enhancing the soil, water, wildlife and other natural resources. The rule prohibits haying and grazing if it would cause long-term damage to the cover. NACD supports this concept and hopes the changes in the rule allow for more conservation-centric grazing on CRP lands to occur in the future.

Integration with EQIP and CSP

CRP affords the land under contract numerous conservation benefits, such as continuous cover. However, these benefits are at risk of being lost once the CRP contract ends and the land transitions back into production. One way to ensure these conservation benefits are maintained and enhanced is to transition the land into an Environmental Quality Incentives Program (EQIP) or Conservation Stewardship Program (CSP) contract at the same time it is put back into production. Unfortunately, NACD's members have witnessed challenges for producers in the past making this transition. Land in CRP, with all its accrued conservation benefits, may not be facing a resource concern. In order to transition to EQIP or CSP, a resource concern had to be created, for example by tilling the cover on the field. In order to qualify for these conservation programs, the existing conservation measures needed to be undone.

NACD was glad to see the change in the CRP Interim Rule, complemented with changes to EQIP and CSP, that allows land to transition directly to EQIP or CSP in the final year of the CRP contract. This change ensures that the conservation implemented during the CRP contract is not lost and will yield the best environmental outcomes for the land. NACD strongly supports maintaining this provision and ensuring local FSA staff are aware of the process that will take place for landowners to make this transition.

Use of Incentive Payments

The 2018 Farm Bill reduced the cost of CRP per acre by cutting rental rates and limiting incentive payments. NACD understands that the statutory reductions were needed in order to grow the number of acres within the program. However, NACD is very concerned that FSA appears to be further limiting payments below the already reduced level in the statute based on the press release that accompanied the Interim Rule's release.

FSA has the authority to offer two types of incentive payments to landowners whose contracts are expected to provide especially high environmental benefits. The 2018 Farm Bill requires that signup incentive payments (SIPs) at 32.5 percent accompany continuous CRP contracts. SIPs are included in the Interim Rule at this level. However, FSA is also authorized to offer practice incentive payments (PIPs) at up to 50 percent of the practice cost. The Interim Rule recognizes that PIPs were authorized but notes that these incentive payments are not required.



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Given the recent changes to the rental rates in CRP, PIPs have never been more important. Landowners will be receiving less money for contract acreage than in the past. Landowners are likely reevaluating the benefit of putting land into the program. PIPs are offered within the continuous sign-up portion of CRP for land that holds particularly high conservation benefits. This land is most needed in CRP and should be robustly incentivized to join the program, especially with the lower base rental rates.

In the fact sheet² that accompanied the beginning of the continuous CRP sign-up, FSA notes that PIPs will be set at 5 percent of the practice cost. This is startlingly low, considering that FSA was authorized to offer up to 50 percent of the practice cost. While Congress did not set a floor for PIPs, NACD believes Congressional intent was to provide these incentives for high value conservation practices at a level much closer to the ceiling. FSA needs to provide more clarity around the decision to only offer 5 percent and whether this will be the new level moving forward. NACD strongly urges FSA to reconsider this level of PIPs.

New CRP Pilot Programs

The 2018 Farm Bill created two pilot programs within CRP – the Clean Lakes, Estuaries, and Rivers 30 (CLEAR 30) and the Soil Health and Income Protection Pilot (SHIPP). Both pilots experiment with the length of CRP contracts. CLEAR 30 tests longer, 30-year contracts, and SHIPP tests shorter, three-to-five-year contracts. Land enrolled in these pilot programs counts toward the overall acreage cap within CRP.

Although there are significant differences between these two programs, they are both a substantial departure from the way CRP has operated in the past. NACD urges FSA to take a cautious and restrained approach to these pilots. Until we have some experience with them, FSA should begin with a limited enrollment that restricts the impact of these pilots on the proven portions of CRP – the continuous and general sign-ups.

Once again, NACD would like to commend you on the work the Department has done to implement the 2018 Farm Bill and open a new sign-up period for CRP. Thank you for the opportunity to comment on the proposed changes to CRP and for your commitment to voluntary, locally-led conservation.

Sincerely,

A handwritten signature in cursive script that reads "Tim Palmer".

Tim Palmer

President

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² https://www.fsa.usda.gov/Assets/USDA-FSA-Public/usdfiles/FactSheets/2019/crp_continuous_enrollment_period-fact_sheet.pdf