

# *Conservation Security Program Drives Resource Management*

*An Assessment of CSP Implementation  
in Five Midwestern States*



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*in collaboration with*  
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Practical Farmers of Iowa

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## EXECUTIVE SUMMARY

Created in the 2002 Farm Bill, the Conservation Security Program (CSP) is the country's first green payments program. Designed to promote natural resource conservation on working agricultural lands, CSP financially rewards farmers and ranchers for their excellence in land stewardship. CSP goes further than any other federal program in promoting agricultural conservation. Rather than address a single natural resource concern at a time, Congress intended this program to foster whole-farm comprehensive conservation planning, implementation, and maintenance. The program provides three tiers of financial incentives to agricultural producers for actively managing soil, water, air, wildlife, and energy resources on their operations. The CSP is the first federal farm conservation program to require participants to achieve USDA's standards for natural resource non-degradation and sustainability, while also providing incentives to exceed those high standards.

CSP offers a new and exciting vision for agricultural conservation in the United States.

This vision is put into practice by the United States Department of Agriculture's Natural Resources Conservation Service (NRCS), the agency charged with CSP implementation. In March 2004, at the National Leadership Team Meeting, Bruce Knight, then chief of NRCS, said that CSP would have a profound effect on NRCS and its conservation partners. He said:

*"CSP will revolutionize the way we work, the way we operate and the way we think. Because CSP is a resource-based enhancement program, producers of all types of agricultural uses and agricultural operations will be eligible to enroll. The CSP revolution will reverse our growing emphasis on program-driven approaches and lead us back toward a conservation planning approach that is resource driven."*

In our study, we explore how the CSP revolution is working in practice. Our research reviews CSP implementation in five Midwestern states — Illinois, Iowa, Minnesota, Missouri, and Wisconsin. We examine farmers' and conservation agency staffers' perceptions about the CSP application process; the adequacy and transparency of CSP's payment system; and, most importantly, CSP's impacts on developing new, on-farm conservation practices and agricultural diversity.

We used qualitative research methods, combining interviews and document review. From the summer to fall of 2006, we conducted 67 interviews with farmers, NRCS local and state staff, and local conservation partners in Illinois, Iowa, Minnesota, Missouri and Wisconsin. The interviews, along with documents related to CSP, were assessed and analyzed by the Minnesota Project with input from other project partners. We sought information on whether or not CSP is rewarding on-farm conservation and providing incentives for farmers to add new conservation practices for their operations. We also looked at barriers to farmer entry into CSP, and implementation problems farmers and staff experienced. Finally, we offer recommendations to further strengthen the program and broaden its impact.

Our study finds that the Conservation Security Program is succeeding in its primary goals in the Midwest:

- It is reaching all types of farms, as evidenced by the enrollment of a wide range of farm sizes, and a variety of cropping systems and livestock systems. This includes conservation-oriented systems such as resource conserving crop rotations, organic production, management-intensive grazing, and those who already operate according to a farm conservation plan.
- It is effective at addressing the whole farm, since many enrollees are in Tiers 2 and 3 (which require whole farm enrollment). The requirement to include both owned and

rented land has been successful, demonstrated by the fact that half of the acres in the contracts were rented by the operators.

- Farmers were generally pleased with the technical and administrative assistance they received from NRCS staff.
- Farmers were pleased with their payments, appreciated being compensated for their conservation efforts, and felt CSP helped make their farms more profitable.
- CSP is clearly motivating farmers to add new conservation practices to their operations, with emphasis on wildlife habitat.
- When asked, every farmer and staff person interviewed said they want CSP to be continued in the new farm bill, even farmers who were turned down the first time.

This study also found a number of problems and areas requiring improvement:

- Funding limitations have driven NRCS to implement numerous restrictions and limitations, such as only offering CSP in select watersheds and limiting a wide variety of program elements. This has led to a frustrating level of complexity in administration, as well as a growing sense of unfairness among farmers in different watersheds.
- Portions of the program's payment system lack transparency, so that farmers sometimes have little idea how their conservation system and practice choices relate to their payments.
- It appears that a few enhancement payments may be paying too much, while others may pay too little.
- Short notification and short sign-up periods, offered in different watersheds each year, have led to an inability of some farmers to prepare themselves for application, and a very steep learning curve for local NRCS staff. NRCS staff also felt challenged by the assistance needs of those applicants who were not well prepared with their conservation information.
- NRCS staff often feels burdened and even overwhelmed by the CSP paperwork required by their agency.

We provide the following recommendations to address the findings of this study:

- Congress should commit to full and uninterrupted funding for the CSP. While envisioned as a nationwide program, the funding shortfall and resulting USDA decision to deliver by watersheds has led to many of the program's flaws and challenges.
- In order to function as a true incentive and motivational program, NRCS needs to develop a more refined list of enhancement payments, practices, and outcomes so that farmers and ranchers can choose to change their practices with full knowledge of what the incentive payments will be.
- NRCS needs to develop its own capacity, as well as the training and certification of outside technical service providers, to deliver resource assessments and conservation planning as preparation for CSP. NRCS funding for technical assistance should be increased beyond the 15 percent of program funding now allowed, and those funds should also cover outreach and preparation of farmers and ranchers prior to the time they enroll. It will require involvement from the farmers' and ranchers' professional and business advisors, local governmental technical staff, and state conservation agencies. NRCS cannot do this alone.

- NRCS needs to conduct and support extensive outreach to farmers and ranchers who are not now their clients. This is especially true for regions of the country that may not have participated in conservation programs previously, and for minority, beginning, and women farmers and ranchers.
- The CSP should be open on a predictable and reasonable timetable to all farmers and ranchers who want to participate, in order to achieve fairness to all. Ideally, farmers and ranchers could all do their benchmark resource assessments, develop their CSP conservation plan, and come in to their county office to apply for CSP at a time that is right for them. At a minimum, we recommend that CSP be available to all agricultural producers, on an on-going, continuous sign-up basis, based upon an established and predictable budget.
- All sign-ups should be scheduled by appointment and include a completed, simple document — call it a CSP EZ Form — that includes the calculated soil conditioning index (or comparable index), water quality resource eligibility tool, and the assessment and calculation for the third resource of concern for the Tier 2 applications and all resource concerns for Tier 3 applications. Farmers and ranchers and/or their professional crop and production advisor would sign all forms for accountability purposes. To confirm accuracy, all records must be kept for the length of the contract plus three years and be available for audit.
- CSP should be assessed annually for environmental outcomes and cost-effectiveness. As we learn which enhancements are most cost-effective and what level of payment is necessary to induce participation, NRCS should make annual adjustments. As an outcome-based or indices-based program, adjustments to indices ranges and values can be readily made as results of the Conservation Effects Assessment Project and similar research are available.
- EQIP should be seamlessly integrated with CSP, so that EQIP can address the resources of concern that are supported by the CSP and producers who are not within striking distance of meeting the sustainability or non-degradation standards necessary to enroll in the CSP can take remedial action to reach those higher standards. EQIP should require progressive planning, and priority should be given to producers who can achieve the greatest progress

## SECTION I INTRODUCTION

### Conservation Security Program

The Conservation Security Program (CSP) is an innovative federal farm program that was created in the 2002 federal farm bill. The CSP financially rewards farmers who actively manage soil, water, air, plants, animals, and energy resources to enhance the production resources, natural resources and amenities of their farming operations. The CSP is the first “green

payments” program in the nation, intended to reward conservation on working farmlands. There are three levels or tiers of payments, with greater payments rewarding more comprehensive stewardship.

The CSP is able to exercise this new model for federal farm programs by using resource assessments, indices, ratings, and evaluations to determine the performance-based outcomes on each individual farm. Monetary values are then allocated to these conservation benefits, and a contract between the farmer and the NRCS is developed for up to ten years.

The CSP has greatly expanded the vision on what federal farm policy can achieve. It is comprehensive in its approach. Thus, it is designed to simultaneously provide financial support to farmers who meet resource standards, com-

ply with the World Trade Organization agreements on how farmers can be subsidized, and reward the conservation of our production and natural resources. In sum, for a farmer, crop consultant, agriculture advisor, banker, cooperative manager, grower association, policy advocate, world trade advisor or consumer, the Conservation Security Program has the ability to achieve goals that have been envisioned by each of these perspectives for agriculture in the 21st century.

### CSP Study

The CSP has been noted as being the third revolution in private lands conservation, following only the conception of the Natural Resource Conservation Service in 1935 (originally called the Soil Conservation Service), and the revolution of conservation compliance of the 1985 Farm Bill, where crop subsidies were tied to basic conservation standards.

The CSP is revolutionary not only in creating a system of rewards and motivation for conservation on working farms. Also it has created a new approach to how farmers interact with the NRCS, how farmers decide what conservation practices to implement and how the NRCS employees deliver conservation assistance. Given the new ground covered by the CSP, it is imperative to understand the successes, barriers and obstacles of this relatively new program.

In our comprehensive study of CSP implementation in the Midwest we sought information on several topics. First, we reviewed whether or not CSP is rewarding on-farm conservation



and providing incentives for farmers to add new conservation practices for their operations. We also looked at barriers to farmer entry into CSP, and implementation problems farmers and staff experienced. From the results of those inquiries, this report includes recommendations to further strengthen the program and broaden its impact.

This CSP evaluation was conducted to compile firsthand experiences from farmers who applied for CSP contracts and NRCS staff who had the responsibility to administer the CSP. These recorded experiences are used in both a qualitative and quantitative manner to describe farmers' perceptions of the CSP, the application process, and how the program influences the management decision of the farms' production and natural resources. Interview responses also provide insight on how the CSP can evolve to achieve its congressional intent.

Specifically, we seek to use these recorded experiences to provide recommendations for:

1. Funding
2. Administrative and technical assistance
3. Increasing program transparency
4. Application process and paperwork streamlining
5. Improving outreach and sign-up periods
6. Program evaluation
7. Conservation program coordination



### ***Study Participants***

Our CSP study was a collaborative effort in its design and implementation. The project partners are the Illinois Stewardship Alliance, Land Stewardship Project, Michael Fields Agricultural Institute, Minnesota Project, Missouri Rural Crisis Center, and Practical Farmers of Iowa. For more information on the project partners, please see Appendix A.

### ***Study Methodology***

Using qualitative research methods, we conducted 67 interviews in five Midwest states, Illinois, Iowa, Minnesota, Missouri, and Wisconsin. We interviewed 35 CSP-enrolled farmers, 10 farmers who were denied CSP contracts, 16 district-level NRCS staff and local conservation partners (i.e. Extension, RCD staff, etc), and six NRCS state-level CSP coordinators. We interviewed farmers who enrolled in the CSP in 2005 and 2006, identifying them by polling farmer members of our organizations, using contacts made through our CSP outreach, and following recommendations from NRCS staff.

From July through November 2006, we conducted interviews in person and over the phone using both an open-ended and closed question interview format. We asked questions that related to farmer conservation practices, perceptions of the program, and recommendations for future changes to CSP. The interviews were analyzed by the Minnesota Project with input from the project partners.

See Appendix B for a list of interview questions and Appendix C for more details on the farmers interviewed.

### ***Overview of Report***

In Section 2, we discuss the history of CSP, including its origins, rulemaking and struggles for funding. We also include a short review of CSP implementation. In Section 3, we review our study's findings. Finally, in Section 4, we outline our recommendations for improving CSP funding and implementation.

## SECTION 2

# CSP HISTORY AND PROGRAM IMPLEMENTATION

### CSP History

#### *Origins*

The CSP arose directly from several concerns expressed by farmers and ranchers in many parts of the country. For example, they said that existing farm programs encouraged unsustainable farming practices and that there were few programs that rewarded stewardship on

working farmlands. Farmers were also concerned that good stewards who invested in sustainable agriculture practices often competed in the market against farmers who not only had not made those investments but were subsidized for commodity crop production.

While CSP grew out of engagement from farmers active in sustainable agriculture policy development, over the course of 2001, a number of farm and commodity groups and conservation and environmental groups joined in support of CSP.

#### *Authorization*

Some of the farmers who helped conceptualize CSP lived in Iowa, and early in the formulation of the program, advocates found a strong sponsor in Senator Tom Harkin (D-IA). Three versions of the CSP bill were introduced before it was authorized. In 1999, Senator Harkin initially introduced the bill without any co-sponsors. He introduced it in the Senate again in 2000 with Senator Gordon Smith (R-OR) as the lead co-sponsor, and a matching bill was introduced by David Minge (D-MN) in the House. Harkin again introduced CSP in 2001 with modifications made through nearly 30 drafts, along with his other Farm Bill proposals. By this time, Senator Harkin had become Chairman of the Senate Agriculture Committee. An identical bill was also introduced in the House, with Representatives John Thune (R-SD) and Marcy Kaptur (D-OH) taking the lead.

The House 2002 Farm Bill did not ultimately include CSP. In the Senate, the CSP passed the Agriculture Committee and the full Senate without any amendments. The program became a major point of negotiation in the House-Senate Conference, with Senator Harkin insisting that the Farm Bill would not be passed unless CSP was a part of the legislation. Some changes were made in conference, including a reduction in the amount of money available for technical assistance and a weakening of the link between sustainable agriculture systems and the top participation tier. However, the conference agreement retained the program's status as an entitlement type program that enrolls any interested farmer or rancher who can meet the high threshold of conservation and environmental conditions.

#### *Implementation Process*

The Farm Bill was signed in May 2002. By August 2002, USDA staff had already drafted proposed rules to implement the program. But then began a protracted period in which the political level of the Department and Administration decided to not make those proposed



rules public, prompting a nationwide grassroots campaign, including a sign-on letter endorsed by more than a dozen senators urging USDA to develop a rule. USDA instead held CSP listening sessions, followed by an Advanced Notice of Proposed Rulemaking, which included a list of 15 questions for public comment. The ANPR resulted in a flood of public comment and was eventually followed by the issuance of a Proposed Rule, to which there was an enormous response, with over 14,000 public comments.

There have been two further rulemaking/public comment periods for “Interim Final Rules” of CSP without a Final Rule having been proposed. Plus, for each of the three sign-ups to date, in 2004, 2005, and 2006, USDA has issued an Administrative Notice laying out the unique rules for that particular year.

### ***Budget/Appropriations Process***

In the 2002 Farm Bill, Congress authorized the Conservation Security Program as a nationwide entitlement program. In 2004, the Congressional Budget Office estimated that such a program would cost about a billion dollars a year. However, despite such clear Congressional intent having been signed into law, the program has been subject to major funding losses that have had tremendous impact on its implementation.

Every year since the 2002 Farm Bill passed, the House has proposed a cap on CSP as part of its appropriations process. CSP supporters in the Senate point out the oxymoron of a “capped entitlement” program, and the Senate has consistently opposed such a cap; each year there has been a compromise on this point, with the result that CSP funding has been whittled away each year and the resulting sign-ups for the program have taken place in fewer watersheds than originally intended by USDA.

A second continuing threat to CSP funding has been the series of emergency disaster relief bills. For example, in 2003, \$3 billion was cut from the 10-year CSP budget line to support flooding and drought relief spending. The Senate leadership promised to put the \$3 billion dollars back into the pot of long-term CSP funding, which they did for Fiscal Year 2004 appropriations. However, later in 2004, once again another Agricultural Disaster Relief Bill used the \$3 billion as an offset for agricultural drought assistance. In 2005, the Administration proposed to cap the program at just \$274 million, or \$375 million less than the Congressional Budget Office had estimated would constitute full funding for Fiscal Year 2006. The continuing resolution for Fiscal Year 2007 keeps CSP funded at these same low levels.

One more cut was also taken, in 2005, during the budget reconciliation process, when \$1 billion was taken from CSP long-term funding, for a total \$4.3 billion loss from funding promised to the CSP.

### ***Funding Cuts and CSP Implementation***

These funding cuts have had grave consequences on the ground. First, in the face of limited funding, the USDA began its first CSP signup in 2004 by picking only 18 watersheds around the nation (out of over 2000) in which eligible farmers and ranchers could apply for CSP funding. The following year, USDA expanded the number of watersheds to 220, including at least one in every state, but still enrolled farmers and ranchers on a watershed-by-watershed basis.

Because funding each year has to pay for ongoing contract commitments from previous years, the very low Fiscal Year 2006 funding severely limited not only the number of watersheds in which the program could operate (60 watersheds), but the number of eligible new farmers



and ranchers in those watersheds who could be accepted into the program. By keeping Fiscal Year 2007 funding at those same low levels, it seems unlikely that there will be new signups at all in 2007.

## **CSP Implementation**

Agricultural producers — individuals or entities engaged in livestock or crop production on working lands — may participate in the CSP.

### *Eligibility*

To participate in CSP, a producer must meet several basic eligibility criteria, including:

- have control of his land for the life of the contract.
- share in the risk of producing the crop or livestock.
- be in compliance with highly erodible land and wetland conservation provisions.

The CSP application process is limited to producers in selected watersheds across the nation. The selected watersheds are based upon the United States Geological Survey HUC-8 description (8-digit Hydrological Unit Code). There are 2118 HUC-8 watersheds in the nation.



### *Application Process*

In order to apply to CSP applicants must submit:

1. A completed self-assessment workbook including a benchmark inventory.  
(<http://www.nrcs.usda.gov/Programs/csp/>)
2. Two years of written records to document past stewardship levels on production systems.
3. A completed Conservation Program Application CCC-120 that is available through the self-assessment online guide and at any USDA Service Center.

NRCS then determines CSP eligibility based on the application, description of current conservation activities, and an interview with the applicant. NRCS also uses this information to determine the applicant's program tier and enrollment category.

### *CSP Tiers*

For Tier 1, producer must have addressed soil quality and water quality to a described minimum level of treatment on part of the agricultural operation prior to acceptance.

For Tier 2, producers must have addressed soil quality and water quality to the described minimum level of treatment on the entire agricultural operation prior to acceptance and agree to address an additional resource of concern applicable to their watershed by the end of the contract period.

For Tier 3, the producer must have addressed all applicable resource concerns to a resource management system level that meets the NRCS Field Office Technical Guide Standards on the

entire agricultural operation before acceptance into the program and have riparian zones adequately treated.

### ***Approval Process***

Once eligibility for the program is established, NRCS determines which contracts it will fund based on the enrollment categories and subcategories.



### ***CSP Contract Payments and Limits***

CSP contract payments include one or more of the following components:

1. An annual per acre stewardship component for the benchmark conservation treatment.
2. An annual existing practice component for maintaining existing conservation practices. Existing practice payments are calculated as a flat rate of 25 percent of the stewardship payment.
3. A new practice component for additional practices on the watershed specific list.
4. An annual enhancement component for exceptional conservation effort and additional conservation practices or activities.

Tier 1 contracts are capped at \$20,000; Tier 2 contracts at \$35,000 and Tier 3 contracts at \$45,000.

### ***Contract Modifications***

Contracts can be modified to include new conservation and payments. Contracts can be modified through:

1. Tier Transitions: Adding conservation that allows the producer to advance tiers.
2. Newly Acquired Land: Adding lands that meet standards to existing tier contract.
3. Adding Enhancements: Adding practices that meet enhancement standards to existing tier contract.

### **CSP Farms and Acres Enrolled**

The first CSP sign-up was held in the summer of 2004 in 18 watersheds. Nearly, 2,200 farms and ranches enrolled nearly two million acres.

In 2005, 220 watersheds conducted a sign-up, with nearly 13,000 farms enrolling over ten million acres.

In 2006, 60 watersheds enrolled 4400 farms covering 3.7 million acres.

In total, 280 watersheds have had a CSP sign-up, only 13 percent of all 2118 watersheds. Some 20,000 farms have CSP contracts totaling 16 million acres.

A total of \$503 million has been appropriated for the contract payments in 2004–2006, and these contracts represent \$2 billion in long-term funding for these multi-year contracts.

## SECTION 3

### STUDY FINDINGS

#### CSP Influence on Resource Management Decisions

Here we explore the addition of new conservation practices by farmers, diversification of farm operations, and the program's impact on wildlife habitat. While we asked farmers directly about new conservation practices, our understanding of CSP's impact on diversification and wildlife habitat comes largely from interviews with state and local conservation agency staff.

The following is a brief summary of our findings. A high percentage of farmers added new conservation practices and activities to their operations, especially in the area of benefiting wildlife. The CSP did encourage some farmers to diversify their production systems to meet CSP standards, such as adding a cover crop. But most changes credited to the CSP addressed natural resources management such as adding wildlife habitat. NRCS staff noted a high percentage of farmers added new conservation practices or engaged in new conservation activities when they were allowed to modify their existing CSP contracts through the annual upgrading process. Farmers who were denied a CSP contract also stated that they are adding additional conservation practices to be prepared if there is another opportunity to enroll. Since CSP was designed to both reward existing efforts as well as motivate new efforts, this study shows that CSP is working to drive additional conservation benefits. It is also working to improve wildlife habitat on working lands, a significant goal of the program.

#### *New Conservation Practices*

##### *Findings*

More than three-fourths of the farmers interviewed stated that they incorporated new conservation practices or activities in addition to their existing conservation practices identified in their initial CSP benchmark resource assessment. The new conservation was added to meet their contract obligations and through the options in the contract modification process.

Of those farmers who added conservation, two-thirds specified practices that would directly benefit wildlife as their primary change. A fifth of them stated practices related to soil and nutrient management, and a few mentioned a change in tillage. The fifth of those who were not inclined to add conservation stated that they felt they had done all they wanted or could do and two of them stated that they had not decided yet.

The most common additional practice to benefit wildlife was to add habitat either through native grass plantings, fencing off wetlands and wooded areas, adding winter cover with food plots, or adding field windbreaks and grassed field borders. The remaining wildlife practices included such items as using a flushing bar on mowing equipment and installing birdhouses.

New conservation practices directly related to the production aspect of the operation included soil testing, nutrient management, precision application equipment, mechanical weed control, reduced tillage, grid sampling, split nitrogen application, and eliminating fall nitrogen application



New conservation practices related directly to farmstead-related environmental benefits included well-sealing and fuel storage containment.

Farmers who were motivated to add new conservation practices held many perspectives and tried different strategies, depending on the nature of the farm operation. A few quotes from farmers illustrate the range of thought about new conservation and the CSP:

*“It probably motivated us. We were hoping we could add these conservation practices in the future. We have put some acres into wildlife. We were hoping we would have the opportunity to add this to our program. It did motivate us to do that.”*

*“Yes, buffer strips are now in place and shrubs for covey quail habitat and wildlife food plots. I’m doing intensive grid soil sampling, putting N-serve on with anhydrous [ammonia]. There’s more, but that’s a big part of it.”*

*“I think I have ten acres or something out of these farms that I had to put in for either a food plot or the part that is little more than a quarter mile wide, so we will have to make sure that we have it seeded properly and have to rotate that some.”*

*“I’m going to get nutrient management implemented. They have an enhancement for GPS on your sprayer and I am going to do that. It definitely makes you go out and look at a lot of new things.”*

*“Yes, I’m looking more into filter strips — widening and improving our water systems. I’m moving toward an entire no-till system. I’ve been back and forth on no-till and min-till. I’m trying to eliminate soybeans from the rotation. We’re going to do some trial rotations with no soybeans. The woodpecker habitat is new.”*



Of the ten farmers interviewed who were not given a CSP contract; seven of them stated if CSP were to become available again in their area that they may add conservation practices.

The NRCS district conservationists said that it was very common for CSP farmers to add conservation practices so that they could advance in tiers. Bringing every acre of the farm up to the eligibility standards is necessary to enter Tier 2 and 3.

In Wisconsin, a district conservationist said that “there was a lot of interest” among farmers enrolled in CSP in advancing to the higher tiers of the program. In his county alone, nearly two-thirds of the 55 CSP contracts of 2005 advanced to Tier 3 in 2006.

Other NRCS staff also expressed that there was a lot of interest in advancing to higher tiers, with five out of the twelve interviewed stating specific ranges of 60 to 80 percent of the contracts having advanced in tiers. Only two of the twelve stated that it was not common for farmers to advance tiers.

In describing such transitions, one NRCS staff said, *“It’s very common. There are some guys you wouldn’t think would be interested in transitioning to Tier 2 who are going to Tier 3. One landowner had to plant 80 acres of field borders taking the expense out of his own pocket, but he looked at it practically from the dollars side and it made sense. It has sold a lot of people. I have some concerns about the long-term maintenance on the part of the landowner, especially if the guys are doing it for the money in the first place.”*

The NRCS State office staff responses varied, but most stated that adding conservation practices was very common and that a large percentage of farmers were interested in advancing tiers. A state-level staff explained, *“Yes, I really do think farmers are adding conservation practices for two main reasons: the opportunity to advance tiers causes people to address additional resources. And even before CSP comes to their watershed, people are starting to get ready for it. Particularly in some areas, CSP has brought about huge demands for EQIP and other programs.”*



About half of the 13 said that they felt CSP has had a positive effect on farmers’ decisions to increase conservation. They based those comments on the increase in EQIP applications (especially nutrient management) and an increase in soil testing.

*“A number of farmers are already preparing themselves and starting to do some of those practices to meet basic eligibility. But people might start losing interest if we can’t get it offered on a wider scale.”*

*“If those [non-CSP] producers knew the program was going to be available, we would be having a positive effect; otherwise it is hard to say.”*

*“What we hear is that farmers are asking when CSP is coming back and are interested in improving their opportunities in case it does. A good example is where we [previously] had a pilot watershed and had 100 people sign up. In 2005 [when CSP was available], the same watershed was included and we had 500 people sign up. Word of mouth really affects neighbors.”*

### **Analysis**

Despite the complexities of the program and the limited assistance available, enrolled CSP farmers were able to add conservation practices. In addressing an additional resource of concern necessary for Tier 2, a high percentage of farmers chose to enhance wildlife over other resources of concern. This choice seems to be a natural progression for farmers to add conservation practices after addressing their soil and water resource eligibility concerns. Enhancing wildlife often involves adding perennial vegetation such as grasses, shrubs and trees, rather than changing the complex production systems of a farm operation. Farmers are also probably more familiar with wildlife habitat improvements in comparison to addressing other resource concern options, and they may enjoy wildlife and enhance it to increase their quality of farm life. The new conservation practices that did address production aspects of farm operations were related to efficiencies in how crops and livestock produced, as well as reducing runoff and pollution.

### **Diversification of Farm Operations**

Diversification within an agricultural operation can be described as a process to include more types of crops, livestock, and land uses. Farmers may diversify to increase production options and marketing opportunities, manage risks or optimize the use of labor and other inputs. Diversification also tends to bring significant environmental benefits.

### **Findings**

Two-thirds of the 13 NRCS staff stated that the CSP has resulted in more diversified farm operations. Five said that diversification is occurring on CSP farms in the terms of adding wildlife habitat. Three stated that producers added more hay, wheat, and managed grazing, but significant changes in the production systems were not experienced at this stage of the CSP.

Of those who commented, three expressed these viewpoints:

*“The CSP doesn’t necessarily make them diversify, but I do think it makes them more careful with the environment and more thoughtful about how their practices affect soil and water, and wildlife.”*

*“Yes, I do think it does, especially in terms of encouraging them to diversify their conservation practices and to add more wildlife aspects.”*

*“How broadly do you mean diversify? We have farms right now that are putting cover crops in to meet their wildlife habitat model. This program does reach more to diverse farms than any other program we have.”*

One comment suggested that CSP may not prompt farmers to diversify their production systems if farmers need time to strategize and analyze their production systems before changing them:

*“It might if it were a larger and a more known program. The ones that are in have their foot in the door and they can go from there if they want. The ones that are looking toward it in the future, I don’t think have enough knowledge about the program for them to make those [change in operation] decisions.”*

Two comments were positive on whether CSP can promote diversification in farm operations.

*“I think that it can. I have already had people come in and start talking to people about what it might take, and when they see that a more diverse operation helps them rank out better and gives them a better opportunity to get into a higher level, I think it has more potential to help diversify than those that are already in.”*

*“I definitely do. This past year we had the opportunity for those who are in to modify, to make improvements, and move to a higher tier. We have had a lot of interest to move up, do more stewardship.”*

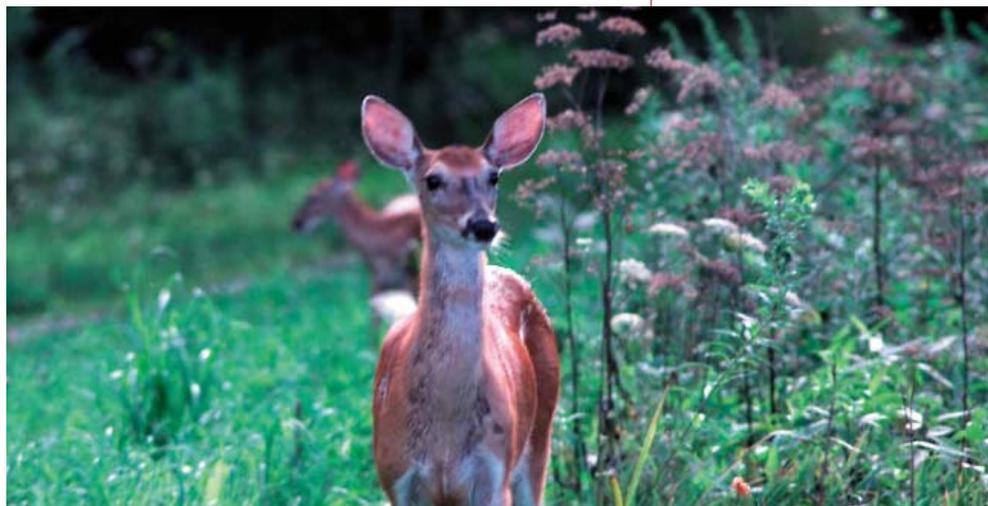
### **Analysis**

According to the NRCS state and local staff, most CSP-enrolled farmers diversified their operations in response to the CSP. Most of the diversification occurred in changing land use to accommodate wildlife, with a lesser amount occurring in farmers' production systems.

The farmers who diversified their operations did so in a manner that either created a higher return on their production, or used practices and activities that did not disrupt their current

production system. Their investments for higher returns included refining their inputs and keeping better production records. Adding wildlife habitat, field borders, buffer strips, and food plots were practices that did not require adjusting cropping systems or purchasing equipment. Some went further, with production decisions that involved adding cover crops or adding small grains into the cropping systems. Lengthening and diversifying cropping rotations and systems will probably occur at a

much higher rate when the farmers have a thorough understanding and trust in the program’s future, or when explicit enhancement payments for crop rotations or conversion to perennials are offered



### CSP Tier 3 Impact on Wildlife Habitat

We were interested in understanding whether CSP's Tier 3 wildlife component is increasing wildlife habitat and involves practices that farmers can realistically undertake. The NRCS State Conservationist has the responsibility to determine whether a general or species-specific habitat assessment guide will be used for a watershed. If the species specific habitat model is used, the state conservationist also determines the species.

The assessment procedure for the general and species-specific models are similar in that they both must define the habitat elements (food, cover and water) required and rate those elements based upon the degree to which they are present within the assessment area. The species-specific model further defines the habitat elements required for the selected species, and naturally, this model is more restrictive in crediting habitat elements and offering choices for habitat improvements.

#### Findings

About three-fourths of the NRCS staff stated that they thought that Tier 3 activities and practices did achieve the CSP wildlife goals. Two comments from NRCS staff illustrate a positive CSP influence:

*"In talking to wildlife agencies, they are extremely happy, and are saying in some areas CSP is making the biggest contribution to improving wildlife habitat of any conservation program. It probably has been the biggest contribution here in this state environmentally."*

*"I think they [Tier 3 activities] certainly can. If you don't have wildlife already on your farm, you are going to have a difficulty getting in, and wildlife seems to be the most popular when you start talking about the third resource concern for people moving into Tier 2. I think it is the most understood and I think it gives us a lot of potential for having a positive effect on wildlife."*

About one-fourth of the NRCS staff thought that Tier 3 activities may *not* achieve the CSP wildlife goals. They either stated that they were not sure of the impact or they thought that the wildlife assessment was not stringent enough.

In comparing the contract payments to the wildlife benefits, a local NRCS staff thought more habitat criteria should be required.

*"I don't know [if the compensation was fair]. From a wildlife perspective — no — it gave away the farm. We didn't get much for what we paid. The farmers had to work harder for the other criteria as compared to the wildlife habitat criteria."*

Of the 13 local NRCS staff, 10 affirmed that the Tier 3 wildlife component was practical to obtain, due to existing CRP options, farmers' ability to set some land aside from production, or many farm operations having existing woodlands or other natural habitat to build upon.

Two of the NRCS staff said that the specific-species model criteria were difficult for farmers to meet or not useful due to existing land use or capacity. A NRCS staffperson stated some of the inherent challenges for some farmers to achieve the species specific model:

*"The specific-species model — [for] the eastern meadowlark — is not useful. There is no grasslands ecosystem in this county. The redheaded woodpecker model — only one farmer qualified for it. The majority of farmers qualified for the American woodcock — moist woodlands ecosystem — really*



popular. Wood turtle — no one got it. The area is not sandy enough. I did use the general species model for farmers who didn't have the woodcock [option]."

A state level NRCS staffer appears to address some of the species-specific issues brought up in the previous statement:

*"The way we look at wildlife — and I think a lot of other states are moving toward this — is more of a general wildlife habitat analysis so we are not focusing on a specific species. So for us we feel like we are gaining a lot because we are doing it more generally so that we can build habitat for a lot of wildlife types."*

A local NRCS staff commented that he thought the assessment aspects of CSP should help some farmers to begin to improve their wildlife.

*"It should help them with the value of their wildlife land. Many farmers didn't even know what they had [in terms of wildlife habitat and potential]."*

### **Analysis**

The state NRCS offices approached the wildlife aspect of CSP from either a general wildlife strategy or a species-specific strategy. Both approaches were said to achieve CSP goals, although the species-specific strategy was mentioned as being too constraining for some operations due to localized ecological conditions.

Most respondents stated that the Tier 3 wildlife component was practical for farmers to obtain. Several implied that it was only practical if some wildlife components were already in existence on the farm operation, with many farmers not fully being aware of the quality of habitat on their farm.

CSP has had a positive impact on the wildlife habitat on the farm operations enrolled in the program. The additional effort it takes to achieve the CSP Tier 3 wildlife criteria will depend on the region. The historical land use of the area and specifically the farmers' management activities. A general wildlife analysis appeared to be most practical for more farmers than the species-specific analysis. Targeting a specific species for all lands may not be practical or attainable.

### **Application Process**

We asked farmers and NRCS staff what they thought of the CSP application process. We were interested in feedback on the paperwork required, information about the program, the application timeframe, assistance received in preparing applications, and the transparency of the process.

### **Findings**

Eighty-five percent of the applicants stated that they received primary assistance in applying for the CSP from NRCS, with two receiving assistance from their certified crop advisor and three saying they had no assistance. Of those who received NRCS assistance, 30 percent stated that they also received assistance from a soil and water conservation district, non-profit organization, or a private sector advisor.

The time that farmers stated that it took to compile records ranged from a half hour to 80 hours, and averaging 11.5 hours with a median of three hours. The application time ranged from 1.5 hours to 20 hours, averaging five hours with a median of three hours. For those whose time on the CSP application was below the median, several commented that they already had their records in order or that they were required to have detailed records for organic certification.



Recommendations from farmers for improving the CSP application process, included:

- Additional staff and staff training needed
- Education for potential applicants
- Increase information readily available about the program
- Simplify the process
- Increase application timeframe
- Conduct timely decisions on program enrollment and components
- Offer clear guideline and rankings for CSP eligibility
- Standardization of rules.

Two farmers stated some solutions to their experiences as they pertained to the application process.

*“Need more uniformity between watersheds and better up-to-date training for NRCS staff who were always behind. Streamline paperwork, develop specific guidelines for farmers for each watershed and do better advertising of the sign-up and make the process seem friendly. Expand the timeframe for people to provide soil samples and let them in CSP and withhold payments until samples are verified.”*

*“I think the biggest thing is training the personnel in the NRCS office. They were going in blind. You’d get conflicting answers. They need a training course because they didn’t know the answers. It’s not the staff’s fault, they weren’t given the information.”*

A third of respondents offered no suggestions for improvements.

### ***NRCS Staff***

Two thirds of the 12 NRCS local staff who responded about the application process said that it needs to be simplified and streamlined. It was also stated that some agency technicians were learning as they were going along, which made it difficult for both farmers and staff. Some respondents said that it took too long after interviewing before farmers knew whether they were eligible. Some respondents felt that the application requires an unreasonable amount of data.

Some agency staff said that it would be nice to have more technical assistance.

*“Our problem is the way the thing is set up. We get a certain percentage of the money to administer the program, roughly 15 percent, and that 15 percent comes from Washington and then to the Midwest and to the field or state office, so it’s whittled down. We made a real effort to streamline. One way was not to get into boxes and boxes of records, which they did in the past in other watersheds. The goal was to get them out in two hours. I think we averaged just slightly over that. So the burden was on them [farmers]. It definitely has the flavor of you had to do this yourself. They knew it was their homework.”*

Two-thirds of the NRCS local staff also stated that farmers should consider hiring professional assistance for the CSP application process. *“They don’t have to hire a professional to organize their stuff, but, if they hire a professional to do the soil testing and crop scouting and make recommendations on herbicides and pest management, it would be very helpful, for both the farmer and us [NRCS].”*

One state staffer said that a lot of applicants currently use professionals — their agronomists.

*“It would be nice to get to the point where the businesses doing their pesticide application or nutrient management plans become so familiar with the program [CSP] that they are taking the*

*program into consideration in their recommendations and documenting that [their management activities].”*

State NRCS staff commented similarly on the need for simplifying and streamlining the application process. More time is needed in the sign-up period to get their information together, and the program is too information-intensive. To assist in getting prepared, the sign-up period needs to be announced along with the watershed announcement.

### **Analysis**

Overwhelmingly, the farmers relied on NRCS staff to assist them in the application process and most were pleased with the assistance they received. The remainder of the applicants relied on local governmental staff and private sector agricultural professionals. The effort it took farmers to prepare their records for the CSP application and to apply for the program ranged greatly amongst the farmers. Many of the suggestions to improve the application process favored more time, information, trained staff, uniformity in the rules, and streamlining the process. The preparation and application process for the CSP was a tremendous burden on the NRCS and conservation partners, and created frustration and confusion for farmers. The technical assistance cap of 15 percent drove innovation on the part of processing applicants, but the program’s standards and requirements did not allow the application process to proceed with efficiency. A much higher level of farmer preparedness with a streamlined application form will be required to lessen this bottleneck.

## **Farmers’ Perceptions of the Conservation Security Program**

### **Summary**

Overwhelmingly, farmers in the study supported the CSP, although many say that they have much to learn about the program’s payments, the payment systems, and the tiered system. Most of the farmers also thought that the payments were adequate, with a few even suggesting that the payments were too high for some practices and too high for some contracts. Some uneasiness about the unfairness in limiting enrollment to select areas and farmers was expressed.

### **Findings**

All of the farmers who responded to the question of whether or not the CSP should be included in the 2007 Farm Bill (whether they receive a CSP contract or were denied a CSP contract) answered in the affirmative. Some of their responses included:

*“The CSP should be in the next farm bill. If we’re going to get government money that’s a good place [conservation] to spend it. It’s better than the grain deals.”*

*“For one thing, other countries don’t like us getting subsidies. But if there’s something like this that’s conservation-based and in that way provides subsidies for low prices while saving soil and protecting water for future generations, I support it.”*

*“I appreciate it and know that people here could benefit a lot more if it was available everywhere. It would be a big cost, but in the long run it would be worth it.”*

Forty-four farmers responded to the question on why they applied for CSP, half of whom stated that it was for the financial reward. A quarter of them stated that they applied because they are conservationists, and 15 percent stated they applied because they were notified from the NRCS office, extension, local conservation agency, landlord, or a neighbor. One stated that she was motivated to apply to preserve farmland from development.

Farmers stated their reasons to enroll in the program:

*"I followed a good plan and I like the idea of rewarding farmers for things they are already doing, conservation like no-till and things, and I thought that was a good concept to reward people for things they should be doing anyway."*

*"We applied for it because I wanted to save the ground, and also help with the wildlife management where we could start getting some of the beneficial animals back in."*

Of the 34 CSP farmers we interviewed, enrollment in tiers was fairly even with about a third of those farmers enrolled in each of the three tiers. Of those about half were not sure at the time of application what tier they would be accepted into.

We asked farmers about the payments they received. About 90 percent said that the payment amounts were adequate, with only three stating that payments were not adequate. That nearly paralleled the question on whether the CSP made their farm operation more profitable, with 70 percent stating "yes," 27 percent stating "somewhat," and only one stating "no."

Of the 29 who responded to how much they expected their contract to be worth, 62 percent had no expectation and 38 percent expected more. About half said they understood or somewhat understood the payment system, with the remaining enrollees not understanding the payment system.

One farmer commented on the payment system's complexity:

*"We didn't really assimilate all the information needed [for the application]. We have a wonderful agent and he explained it wonderfully and made it easy, but there were so many choices and so many options that I don't think we really appreciated them until we got this awareness of how we could qualify by bringing in the habitat area. It just didn't make sense until we understood the program."*

Another commented on the level of financial incentives of the program:

*"I think the payments are too high — \$63,000/10 years. I should have gotten half of that."*

### ***Analysis***

Thus, CSP is a popular program among farmers, but more needs to be done to improve the program's transparency. The farmers appreciated the opportunity to enroll and the financial support of a farm policy that rewarded them for their conservation ethic, rather than just their productive capacity. Even though half applied to CSP because of the financial reward, the process was not transparent and tended to keep the payments in a "black box" which farmers didn't understand. Nearly half had no idea what Tier they would be put in, over half had no idea what their payment would be, and nearly half reported no understanding of payments.

Finally, farmers want to be recognized and even rewarded for their conservation activities, but they do not want to be overcompensated for the value or effort of their conservation activities. They want the program to be fair for themselves, for their neighbors, for farmers, and for taxpayers.

## Study Findings and Summary

Our study finds that the Conservation Security Program is succeeding in its primary goals in the Midwest:

- It is reaching all types of farms, as evidenced by the enrollment of a wide range of farm sizes, and a variety of cropping systems and livestock systems. This includes conservation-oriented systems, such as resource conserving crop rotations, organic production, intensive grazing, and those who already operate according to a farm conservation plan.
- It is effective at addressing the whole farm, since many enrollees are in Tiers 2 and 3. The requirement to include both owned and rented land has been successful, demonstrated by the fact that half of the acres in the contracts were rented by the operators.
- Farmers were pleased with the technical and administrative assistance they received from NRCS staff.
- Farmers were pleased with their payments, appreciated being rewarded for their conservation efforts, and felt CSP helped make their farms more profitable.
- CSP is clearly motivating farmers to add new conservation practices to their operations, especially wildlife habitat.
- When asked, every farmer and staff person interviewed said they want CSP to be continued in the new Farm Bill — even farmers who were turned down the first time.

This study also found a number of problems and areas requiring improvement:

- Funding limitations have driven NRCS to implement numerous restrictions and limitations, such as only offering CSP in select watersheds and limiting a wide variety of program elements. This has led to a frustrating level of complexity in administration, as well as a growing sense of unfairness among farmers in different watersheds.
- The program's payment system lacks transparency, so that farmers sometimes have little idea how their practices relate to their payments.
- It appears that a few enhancements may be paying too much, while others may pay too little.
- Short notification and short sign-up periods, offered in different watersheds each time, have led to an inability of some farmers to prepare themselves for application, and a very high learning curve for local NRCS staff. NRCS staff also felt challenged by the assistance needs of those applicants who were not well prepared with their conservation information.
- NRCS staff often feels burdened and even overwhelmed by the CSP paperwork required by their agency.



## SECTION 4

# RECOMMENDATIONS

We provide the following recommendations to address the findings of this study:

### *1. Funding*

It is paramount that Congress solve ongoing funding difficulties to allow CSP to be implemented properly. While envisioned as a national open-enrollment opportunity — not unlike the continuous Conservation Reserve Program — in fact, the funding cuts and resulting USDA decision to deliver by watersheds and to restrict and limit program features has led to many of the program implementation flaws.

### *2. Transparency*

CSP is a financial incentive program for conservation, and half of CSP farmers we interviewed report that they enrolled for the financial reward. Yet CSP itself is often seen as an inscrutable black box, where many farmers also report that they had no idea what tier they might qualify for, what enhancements were available to them, what more they could do to improve conservation benefits and earn more, and indeed, why they received the specific payments they did. They applied and were eventually told what their payment would be. In order to function as a true incentive program, CSP needs to develop clearer, more refined lists of payments, practices, and outcomes so that farmers and ranchers can choose to change their conservation systems and practices with full knowledge of what the incentive payments will be. While there are important benefits to be gained from moving progressively toward greater use of outcome-based indices to measure natural resource and environmental benefits, those indices must be developed with an eye toward being understandable and user-friendly.



### *3. Technical and Administrative Assistance*

Farmers and ranchers must be prepared for enrolling in CSP, as demonstrated by the fact that of successful applicants, 94 percent already had a conservation plan or a comprehensive nutrient management plan. Most farmers and ranchers need more technical assistance to help them organize their records, ensure they comply with program requirements, and develop an overall conservation plan. NRCS needs to develop its own capacity, as well as the training and certification of outside technical service providers, to deliver conservation planning as preparation for CSP. NRCS funding for technical assistance should be increased beyond the 15 percent of program funding now allowed, and those funds should also cover outreach and preparation of farmers and ranchers prior to the time they enroll. The CSP should aim to eventually move all farms and ranches forward in their conservation achievements. It will require involvement from the farmers' and ranchers' professional and business advisors, local governmental technical staff, and state conservation agencies. NRCS cannot do this alone.

#### 4. Outreach

Because of evidence that CSP tends to enroll those who are already involved in conservation programs, NRCS needs to do extensive outreach to farmers and ranchers who they are currently not working with. This is especially true for regions of the country that may not have participated in conservation programs previously, and for minority, beginning, and women farmers and ranchers.



#### 5. Signups

The CSP should be open on a predictable and reasonable timetable to all farmers and ranchers who want to participate, in order to achieve fairness to all. One of the most frustrating outcomes of the watershed approach has been the “hurry up and wait” atmosphere for CSP. Watersheds have been announced and withdrawn, leaving farmers and ranchers unsure what they should do. Signups have been announced with little lead time and a short time frame in which to apply, causing very intense workloads for agency staff as well as farmers and ranchers. Too often the already short time frame has come right at planting time, compounding the problem. Ideally, farmers and ranchers could all do their benchmark resource assessments, develop their CSP conservation plans, and come in to the county office to apply for CSP at a time that is right for them. At a minimum, we recommend that CSP be available to all agricultural producers, on an on-going, continuous sign-up basis, based upon an established and predictable budget.

#### 6. Application Process & Paperwork Streamlining

All sign-ups should be scheduled by appointment and include a completed, simple document — call it a CSP EZ Form — that includes the calculated soil conditioning index or comparable index, water quality resource eligibility tool, and the assessment and calculation for the third resource of concern for the Tier 2 and Tier 3 applications. Farmers and ranchers and/or their professional crop advisor would sign all forms for accountability purposes. To confirm accuracy, all records must be kept for the length of the contract plus three years and be available for audit.

#### 7. Continuous Evaluation

CSP should be assessed annually for environmental outcomes and cost-effectiveness. As we learn which enhancements are most cost-effective and what level of payment is necessary to induce participation, NRCS should make annual adjustments. Already it is apparent that a few enhancement payments may be paying too much, while others may pay too little. As an outcome-based or indices-based program, adjustments to index ranges and values can be readily made as results of the Conservation Effects Assessment Project and similar research are available.

#### 8. Environmental Quality Incentive Program

EQIP should be seamlessly integrated with CSP, so that EQIP can address the resources of concern that are supported by the CSP. Farmers and ranchers that have assessed the benchmark condition of their resources can then use EQIP to become qualified to enroll in CSP and producers who are not within striking distance of meeting the sustainability or non-degradation standards necessary to enroll in the CSP can take remedial action to reach those higher standards. EQIP should require progressive planning, and priority should be given to producers who can achieve the greatest progress toward reaching the sustainability criteria.



## APPENDIX A

### PROJECT PARTNER ORGANIZATIONS AND STAFF

#### *Illinois Stewardship Alliance*

The Illinois Stewardship Alliance (ISA) is a 32-year-old statewide membership organization that promotes a safe and nutritious food system, family farming, and healthy communities by advocating diverse, humane, and socially just and ecologically sustainable production and marketing practices. Agriculture Program Director, Bridget Holcomb, coordinated ISA's work on the project.

[www.illinoisstewardshipalliance.org](http://www.illinoisstewardshipalliance.org)

#### *Land Stewardship Project*

Founded in 1982, the Land Stewardship Project's (LSP) mission is to foster an ethic of stewardship for farmland, to promote sustainable agriculture, and to develop sustainable communities. LSP is a primarily rural membership organization, which works nationally and in Minnesota, focusing on farm and environmental issues. LSP lead federal policy organizer, Adam Warthesen, coordinated LSP's work on the project and conducted interviews along with University of Minnesota graduate student Nadine Lehr.

[www.landstewardshipproject.org](http://www.landstewardshipproject.org)

#### *Michael Fields Agricultural Institute*

Michael Fields Agricultural Institute is devoted to developing an agriculture that can sustain the land and its resources. As a non-profit, learning center it seeks to revitalize farming with research, education, technical assistance and public policy. Jeanne Merrill, Associate Policy Director, is the project's coordinator, facilitating information sharing and planning among the project partners and conducting project interviews in Wisconsin.

[www.michaelfieldsagainst.org](http://www.michaelfieldsagainst.org)

#### *The Minnesota Project*

The Minnesota Project is a nonprofit organization dedicated to sustainable development and environmental protection in rural Minnesota for 28 years. Our mission is to increase the viability of rural communities. We connect rural leaders and perspectives to state and national policy development. We celebrate the enduring value of rural landscapes, lifestyles, stories and culture. We promote the understanding that socially, environmentally and economically healthy rural communities are vital to our society. Tim Gieseke, Agricultural and Environmental Policy Specialist, conducted the project's analysis and was the primary author of our CSP evaluation report.

<http://www.mnproject.org/>

#### *Missouri Rural Crisis Center*

The Missouri Rural Crisis Center is a nonprofit organization founded in 1985. It is a progressive, statewide membership organization that works to empower farmers and other rural people. Its mission is to preserve family farms, promote stewardship of the land and environmental integrity, and strive for economic and social justice by building unity and mutual understanding among diverse groups, both rural and urban. Ann Robinson, a writer and consultant on agricultural conservation issues, from rural Missouri, provided assistance to MRCC to conduct evaluation interviews and help coordinate other tasks during the first year of the McKnight Foundation grant. Rhonda Perry, MRCC Program Director, oversaw MRCC's involvement with the CSP study.

<http://www.inmotionmagazine.com/rural.html>

### ***Practical Farmers of Iowa***

Founded as an information-sharing and community-building organization for producers, Practical Farmers of Iowa has emerged as a leader in science-based approaches to sustainable agriculture and in the creation of new marketing relationships that can more readily sustain family farms. The mission of Practical Farmers of Iowa is to research, develop, and promote profitable, ecologically sound and community-enhancing approaches to agriculture. Teresa Opheim, PFI Executive Director, coordinated PFI's work on the project.

## APPENDIX B

### INTERVIEWED GROUPS AND BACKGROUND

A total of 66 surveys were conducted. Forty-four farmers who applied for CSP were interviewed and 22 NRCS staff and partners were interviewed. The four groups that were interviewed were compiled from the list of state groups.

Farmers who applied and were accepted in the CSP (34)

- Wisconsin - 7
- Illinois - 8
- Missouri - 5
- Minnesota - 9
- Iowa - 5

Farmers who applied and were denied a CSP contract (10)

- Wisconsin - 1
- Illinois - 3
- Missouri - 4
- Minnesota - 1
- Iowa - 1

Local NRCS District Conservationists and conservation partners (16)

- Wisconsin - 7
- Illinois - 2
- Missouri - 4
- Minnesota - 3

State NRCS staff that had a significant role in the CSP (6)

- Wisconsin - 2
- Illinois - 2
- Missouri - 2

#### *General Descriptions of Study Area and Interviewees*

The study was conducted in the five states of Illinois, Iowa, Minnesota, Missouri, and Wisconsin. According to the 2002 Census of Agriculture, these five states have a total of 351,318 farms with a total amount of land in farms of 132.2 million acres. Of the total acres, 112.9 million acres (85%) are in active farming with cropland, pastureland and rangeland, while the remainder is in forests and other land uses. Of those working farm acres, cropland comprises 96.1 million acres (85%), and pasture and rangeland comprise 16.8 million acres (15%). A total of 152,188 acres were used to grow certified organically produced crops or only thirteen one-hundredths. The average sized farm based on the 2002 census figures is 376 acres.

Interviewees fell into the following four groups at the number of interviewees shown:

1. Farmers who applied and were accepted in the CSP (34)
2. Farmers who applied and were denied a CSP contract (10)
3. Local NRCS District Conservationists and conservation partners (16)
4. State NRCS staff that had a significant role in the CSP (6)

### ***Farmers with CSP Contracts — Overview***

Of the 34 interviewed farm operations that were accepted into the CSP, the smallest operation consisted of 16 acres and the largest was 3000 acres. The average was 877 acres and the median was 600 acres. Rented acres were common, with 21 of the 34 farms renting acres under either a share or cash rent situation. Of the 30,724 total CSP enrolled acres, 14,939 acres were owned and 15,735 acres were rented. The average number of rented acres per farm was 320 and the median was 80 acres. The cropland acres enrolled totaled 23,024 (75%), and the pasture acres totaled 4,706 acres (15%), with the remaining acres being farmsteads, buffer, wooded and wetland acres.

Crops and cropping systems consisted largely of a typical Midwestern mixture: corn, soybeans, small grains, and alfalfa with a variety of tillage practices. Three-fourths of the farm operations had a crop rotation of four years or longer or a perennial system. Four of the 34 farm operations had a three-year rotation consisting of corn-soybean-wheat. Less than a quarter of the farms had a corn-soybean rotation. All of the cropping systems were described, at least in part, as minimum till, no-till systems, or organic. Pasturing systems were also used, and there were five organic farms enrolled.

More than half of the operations had livestock, with the average and median of the study group being 105 animals. Livestock type was mainly beef and dairy, but also included sheep, goats, and horses. A quarter of the operations had some confinement system with the remaining being described as pasture, grass-based and rotational grazing.

More than 90 percent of those accepted into the program stated they either had a conservation plan or a comprehensive nutrient management plan. More than 90 percent of those accepted into the program also stated they had used governmental conservation programs through the federal programs, state and local cost-share programs, or both. Just 14 percent stated that they did not use any governmental programs.

### ***Farmers with CSP Contracts Denied — Overview***

The farm size of the ten interviewees denied a CSP contract ranged from a 4.6 acre vineyard operation to a 2000-acre grain farm, with the average size operation being 752 acres. Crops and cropping systems consisted of corn, soybean, small grains, and alfalfa with a variety of tillage practices. Pastures were included in one of the farm operations.

All those surveyed said that they used governmental programs to implement conservation practices, although one-half did not have a conservation plan or comprehensive nutrient management plan. Most pursued the program for financial reasons, and half of those denied were found to be eligible but were denied due to funding cut-off. The other half were denied due to low Soil Conditioning Index scores and lack of soil tests. They all received some assistance from NRCS and a few from their agricultural advisors.

### ***Local NRCS Staff and Conservation Partners***

Of the sixteen individuals interviewed, ten were NRCS staff and six were either state agency staff or non-profit organizations that assisted with some aspect of the CSP. Their variety of experiences consisted of holding informational meetings, providing assistance for the CSP Self-Assessment, assisting with farming record organizations, farm audits, quality assurance checks, contract modifications and outreach.

Many were involved with all three CSP sign-ups (2004–06) with 14 of them at least involved with the 2005 Sign-up. One interviewee participated solely in an advocacy role.

### ***State NRCS Staff***

All six NRCS state-level staff interviewed participated in all three CSP sign-ups. They described their role as CSP Program Manager or Coordinator and had responsibilities pertaining to developing team structure, approving processes, general oversight and liaison among watersheds, national offices and state managers.

### ***Study Group Analysis***

The farms included in this study were diverse in size and nature, with both cropping and livestock systems. The average size of the farms in the study was more than double the size of the average farm size in the five states according to the 2002 Census of Agriculture. This raises a question of whether larger farms are more likely to apply for CSP enrollment; there may be a need to make sure there are not unintended barriers for small to average size farms in CSP.

The nature of the farms included those using long-term crop rotations, short-term rotation with minimum till or no-till, organic farms, livestock operations and grazing systems, suggesting that CSP can work for a variety of farm types. More than half of the acres enrolled were rented acres, and so rented acres and the requirement to obtain the necessary rental agreements for CSP does not appear to be a significant enrollment barrier.

More than 90 percent of the farm operations in the study were implementing a farm conservation plan or a comprehensive nutrient management plan. Most of the farmers had worked with the local or federal conservation agencies in obtaining financial or technical assistance. Comparative data from the Census of Agriculture is not available, but outreach programs as well as technical and financial assistance programs appear to have a significant influence on farmers meeting the CSP eligibility requirements.

The farms in this study do represent the types of cropping and livestock systems and the range of sizes of Midwest farms according to the 2002 Census of Agriculture. This study also demonstrates that these farms can and do meet the goals of CSP. Because government data on CSP contract holders and contracts are not readily accessible, this study was not able to use random sampling and statistical analysis with the collected data. More complete data from NRCS on topics addressed in this study would help in understanding potential barriers and program successes.

# APPENDIX C

## STUDY QUESTIONNAIRES

### CSP-Enrolled Farmer Questionnaire

#### *I. Background on farm:*

Describe your farm

1. Total acres?
2. How many acres owned? Rented acres? And what type of rental agreement?
3. How many acres of Cropland? What crops are grown on this cropland?
4. How many acres of pasture?
5. Type of Livestock? Number? Pastured or confinement?
6. How would you describe you Farming System?
  - a. Conventional
  - b. Organic
  - c. No-till
  - d. Minimum Tillage
  - e. Short-term rotation (3 years or less)
  - f. Long-term rotation (4 years or more)
  - g. Does the rotation include a perennial hay crop? Small grain? Legume?
  - h. Grass-based
  - i. Other \_\_\_\_\_

#### *II. Conservation practices:*

1. Have you ever used government conservation programs to implement conservation practices on your farm?
  - a. Yes
  - b. No
  
2. If you have used government conservation programs please list them (use the list to prompt them)
  - a. EQIP
  - b. SARE
  - c. CRP/CREP
  - d. WHIP
  - e. WRP
  - f. Local or state government cost-share
  - g. Other \_\_\_\_\_
  
3. Do you have a current Conservation Plan or Comprehensive Nutrient Management Plan for your operation?
  - a. Never had one
  - b. Yes and it is implemented
  - c. Yes and it is partially implemented
  - d. Yes, but it has not been implemented
  - e. Would like to, but don't know how to get one.

### **III. CSP:**

1. Why did you apply for CSP?
2. What CSP Tier did you qualify for? What Tier did you think you would qualify for?  
And what limited you from qualifying?
3. What did you expect to receive for payments? What did you receive?
4. What assistance did you use in completing the CSP application?
  - a. NRCS staff
  - b. Local government staff (soil and water, watershed districts, county)
  - c. Non-profit organizations
  - d. Private sector (agronomists, crop advisors, farm management)
  - e. None
5. How many hours did you spend compiling the necessary farm records for the CSP application?
6. How many hours did you spend completing the CSP application?
7. Do you have any suggestions for improving the CSP application process?
8. Would you consider hiring a professional to organize and complete your CSP application?
9. Has your participation in CSP caused you to plan to add any new conservation activities or practices? Why or Why not?
10. Are the CSP payment categories easy to understand and are payment levels adequate?
11. Has CSP helped make your farm operation more economically sound/profitable
  - a. Yes
  - b. Somewhat
  - c. No
12. Would you say the implementation of CSP by watershed is....
  - a. Fair
  - b. Practical
  - c. Confusing
  - d. Unfair
13. Grade the following aspects of CSP from A-F with A being the best and F being the worst:
  - i. Paperwork required
  - ii. Payment levels
  - iii. CSP overall

### **IV. Farm groups:**

1. Are you involved with any farm groups or associations? Which ones?
2. Did your farm group encourage you to apply to CSP? Why or why not?
3. Do you think CSP should be part of the next Farm Bill
  - a. Yes
  - b. No

## Farmer-Denied CSP Contract Questionnaire

### *I. Background on farm:*

Describe your farm

1. Total acres?
2. How many acres owned? Rented acres and what type of rental agreement?
3. How many acres of Cropland? What crops are grown on this cropland?
4. How many acres of pasture?
5. Type of Livestock? Number? Pastured or confinement?
6. How would you describe your Farming System?
  - a. Conventional
  - b. Organic
  - c. No-till
  - d. Minimum Tillage
  - e. Short-term rotation (3 years or less)
  - f. Long-term rotation (4 years or more)
  - g. Does the rotation include a perennial hay crop? Small grain? Legume?
  - h. Grass-based
  - i. Other \_\_\_\_\_

### *II. Conservation practices:*

1. Have you used government conservation programs to implement conservation practices on your farm?
  - a. Yes
  - b. No
  
2. If you have used government conservation programs please list them (use the list to prompt them)
  - a. EQIP
  - b. SARE
  - c. CRP/CREP
  - d. WHIP
  - e. WRP
  - f. Local or state government cost-share
  - g. Other \_\_\_\_\_
  
3. Do you have a current Conservation Plan or Comprehensive Nutrient Management Plan for your operation?
  - a. Never had one
  - b. Yes and it is implemented
  - c. Yes and it is partially implemented
  - d. Yes, but it has not been implemented
  - e. Would like to, but don't know how to get one.

### *III. CSP:*

1. Why did you apply for CSP?
2. Why was your CSP application denied?
  - a. Didn't meet soil quality requirements
  - b. Didn't meet water quality requirements
  - c. Met eligibility requirements but application wasn't funded because of low enrollment category
  - d. I don't know

3. What level of payment would you find acceptable to implement whole farm conservation?
  - a. Up to \$15/acre
  - b. \$15–\$35/acre
  - c. \$35–\$50/acre
  - d. Greater than \$50
  - e. No idea
4. What assistance did you use in completing the CSP application?
  - a. NRCS staff
  - b. Local government staff (soil and water, watershed districts, county)
  - c. Non-profit organizations
  - d. Private sector (agronomists, crop advisors, farm management)
  - e. None
5. How many hours did you spend compiling the necessary farm records for the CSP application?
6. How many hours did you spend completing the CSP application?
7. Do you have any suggestions for improving the CSP application process?
8. Would you consider hiring a professional to organize and complete your CSP application?
9. If CSP were to become available again in your area would you be reapply for CSP?
10. If you knew CSP would be available again in your area, would you add new conservation practices to your farm? Why or Why not?
11. Would CSP helped make your farm operation more economically sound/profitable?
  - a. Yes
  - b. Somewhat
  - c. No
12. Would you say the implementation of CSP by watershed is....
  - a. Fair
  - b. Practical
  - c. Confusing
  - d. Unfair
13. Grade the following aspects of CSP from A-F with A being the best and F being the worst:
  - i. Paperwork required
  - ii. Payment levels
  - iii. CSP overall

***IV. Farm groups:***

1. Are you involved with any farm groups or associations? Which ones?
2. Did your farm group or association encourage you to apply to CSP? Why or why not?

3. Do you think the CSP should be part of the 2007 Farm Bill?
  - a. Yes
  - b. No

## **NRCS DC/Local Governmental Staff Questionnaire**

### ***I. Background:***

1. Which CSP sign-up year were you involved with? What watershed?
2. What type of assistance did you provide to the applicants?
  - a. Informational meetings
  - b. Self-Assessment assistance
  - c. Record Organization
  - d. Other \_\_\_\_\_
3. How do you work on CSP currently?
  - a. contract renewal
  - b. on-going education for CSP farmers
  - c. contract audits/review
  - d. do not work on CSP currently
  - e. Other \_\_\_\_\_

### ***II. Application process***

1. What types of crop and livestock enterprises were accepted into the CSP?
  - a. Conventional
  - b. Organic
  - c. No-till
  - d. Minimum Tillage
  - e. Short-term rotation (3 years or less)
  - f. Long-term rotation (4 years or more)
  - g. Grass-based
  - h. Other \_\_\_\_\_
2. Do you think there were any kinds of farm that had any easier time meeting CSP requirements than others? If so, what were the types? Why?
3. Do you think there were any kinds of farm that had a harder time than others meeting CSP requirements? If so what were the kinds? Why?
4. Is there anything you would change about the application process? If so, what?
5. Did the farmers you work with on CSP need \_\_\_\_\_ assistance to complete the CSP application?
  - a. a little
  - b. a great deal
  - c. other (describe)
6. Do you think farmers should consider hiring a professional to organize and complete their CSP application?

### ***III. Implementation/ program issues***

1. Do you think the CSP will encourage the farm operations you worked with to further diversify their operations?
2. Do you feel that farmers were fairly compensated for their farm's conservation activities and practices?
3. Do you feel that CSP rewards a conservation systems approach? If not, how could a conservation systems approach be rewarded differently?
4. Is Tier 3 wildlife component practical to attain?
5. Do the required Tier 3 activities/practices achieve the CSP wildlife habitat goals?
6. Would you say the implementation of the CSP by watershed is...
  - a. Fair
  - b. Practical
  - c. Confusing
  - d. Unfair
7. Grade the following aspects of CSP from A-F:
  - i. Policy
  - ii. Paperwork required
  - iii. Practices/Activities that are encouraged
  - iv. Performance Indices used
  - v. Payments made

### ***IV. Contract renewals/additional conservation***

1. How common is it for CSP farmers to add conservation practices so that they may advance to the higher Tiers of the program?
2. Are you aware of major obstacles or disincentives in the CSP that will reduce farmers' enthusiasm to incorporate more conservation practices or activities in their contracts?
3. Do you think CSP encourages farmers to change management/cultural activities (give example) or structural practices (give example)?
4. Are the CSP payment categories easy to understand and are payment levels adequate?

### ***V. Impacts on conservation***

1. Do you think CSP is having positive effects on the environment?
2. Do you think CSP is having an impact on farmer conservation practices for those farmers who did not receive a CSP contract?

## **NRCS — State CSP Coordinators Questionnaire**

### ***I. Background:***

1. Which CSP sign-up years were you involved with?
2. How do you currently work on CSP?
3. Has your role with CSP changed over the years? If so, how?

### ***II. Application process***

1. What types of crop and livestock enterprises were accepted into the CSP?
  - a. Conventional
  - b. Organic
  - c. No-till
  - d. Minimum Tillage
  - e. Short-term rotation (3 years or less)
  - f. Long-term rotation (4 years or more)
  - g. Grass-based
  - h. Other \_\_\_\_\_
2. Do you think there were any kinds of farm that had any easier time meeting CSP requirements than others? If so, what were the types? Why?
3. Do you think there were any kinds of farm that had a harder time than others meeting CSP requirements? If so what were the kinds? Why?
4. Is there anything you would change about the application process? If so, what?
5. Do you think the District Conservationists have the resources they need to effectively implement CSP?
6. If not, what additional resources are needed?
7. Do you think farmers should consider hiring a professional to organize and complete their CSP application?

### ***III. Implementation/program issues***

1. Do you think the CSP will encourage the farm operations enrolled in the program to further diversify their operations?
2. Do you feel that farmers were fairly compensated for their farm's conservation activities and practices?
3. Do you feel that CSP rewards a conservation systems approach? If not, how could a conservation systems approach be rewarded differently?
4. Do the required Tier 3 activities/practices achieve the CSP wildlife habitat goals?
5. What do you think of the Soil Conditioning Index as a measure to determine CSP eligibility? Do you think SCI fairly measures soil quality?

6. One concern with SCI is that it discriminates against organic farms because they use tillage to control weeds. Has SCI worked against organic farm eligibility in your state? If so, what do you think could remedy this?
7. What do you think of the new water quality tool as a measure of CSP eligibility?
8. Would you say the implementation of the CSP by watershed is....
  - b. Fair
  - c. Practical
  - d. Confusing
  - e. Unfair
9. Grade the following aspects of CSP from A-F:
  - i. Policy
  - ii. Paperwork required
  - iii. Practices/ Activities that are encouraged
  - iv. Performance Indices used
  - v. Payments made

#### ***IV. Contract renewals/additional conservation***

1. How common is it for CSP farmers to add conservation practices so that they may advance to the higher Tiers of the program?
2. Are you aware of major obstacles or disincentives in the CSP that will reduce farmers' enthusiasm to incorporate more conservation practices or activities in their contracts?
3. Do you think CSP encourages farmers to change management/cultural activities (give example) or structural practices (give example)?
4. Are the CSP payment categories easy to understand and are payment levels adequate?

#### ***V. Impacts on conservation***

1. Do you think CSP is having positive effects on the environment?
2. Do you think CSP is having an impact on farmer conservation practices for those farmers who did not receive a CSP contract?
3. If you were going to re-write the farm bill and could make any changes you wanted to CSP, what kind of changes would you make?