

# The Whole Farm Planner

VOLUME VII, NUMBER 1

www.mnproject.org

JUNE 2002

## National Whole Farm Planning Policy Enacted Conservation Security Program In Farm Bill

By Loni Kemp

After years of shaping and endorsements by farm, conservation and environmental groups, President Bush signed the Conservation Security Program into law as part of the 2002 farm bill on May 13, 2002.

The Conservation Security Program is the biggest new program in the farm bill, and marks the first time that the government will provide stewardship incentives beyond cost sharing for farmers to implement conservation plans on their working lands.

"This is a wonderful accomplishment. I think we are off to a new era of visionary farm programs," said former Minnesota Congressman and past sponsor of the Conservation Security Program, David Minge.

In light of the fact that most of the farm bill continues commodity subsidies that cost taxpayers billions of dollars, the Conservation Security Program serves as a shining star for the future, rewarding those farmers and ranchers who have been doing a good job on their land, and providing incentives for others to also farm in a way that sustains rural economies, family farms, and a cleaner environment for all Americans. The Conservation Security Program could be the model for future farm bills.

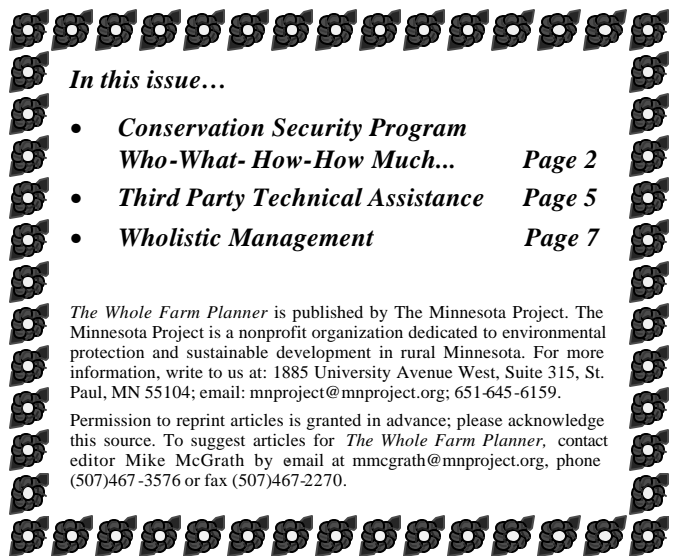
The National Campaign for Sustainable Agriculture made the program a top priority in their farm bill agenda, and it was strongly supported by diverse groups including the National Farmer's Union, the American Farm

Bureau Federation, conservation groups, and virtually every major environmental organization.

The farm bill went into conference committee with the full Conservation Security Program included in the Senate bill, but absent from the House bill. Toward the end of conference committee negotiations, a farm bill framework agreement was announced that would have funded the Conservation Security Program at \$2 billion over the next six years, but Senator Tom Harkin, Chairman of the Senate Agriculture Committee and chief author of the proposal, never gave up on his top priority. When the dust finally settled, the new program was adopted with full entitlement status, not subject to a spending cap, which puts it on par with existing commodity programs.

"By giving the Conservation Security Program

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The Whole Farm Planner is published by The Minnesota Project. The Minnesota Project is a nonprofit organization dedicated to environmental protection and sustainable development in rural Minnesota. For more information, write to us at: 1885 University Avenue West, Suite 315, St. Paul, MN 55104; email: mnproject@mnproject.org; 651-645-6159.

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# The Conservation Security Program in the 2002 Farm Bill

By Mike McGrath

The Conservation Security Program was approved by Congress and signed into law by the President as part of the Farm Security and Rural Investment Act of 2002. The final language is a slightly different version of the program than was originally approved by the U.S. Senate last November.

Although the eligible practices under each of three tier levels have been left to the rulemaking process of the “Secretary” (The Secretary of Agriculture acting through the Natural Resource Conservation Service—NRCS), the heart and soul—the original intent of protecting the natural resources and surrounding environment of America’s agricultural lands—is firmly intact in the approved program.

The following text is an abridged version of the approved Conservation Security Program, developed to make it easier to understand the “*who-what-how-and how much*” of this innovative new conservation program.

## ***The Conservation Security Program***

***“The Secretary shall establish...and carry out a conservation security program to assist producers of agricultural operations in promoting...conservation and improvement of the quality of soil, water, air, energy, plant and animal life, and any other conservation purposes, as determined by the Secretary.”***

### **The Who**

#### ***Who is eligible to participate?***

Any producer who develops and obtains approval by the NRCS of a ***conservation security plan*** may participate.

The program defines a producer as an owner, operator, landlord, tenant, or sharecropper that shares in the risk of producing any crop or livestock and is entitled to a share of what is, or

would have been, available for marketing from a farm.

A ***conservation security plan*** shall:

- Identify the designated resources and land to be conserved.
- Describe the tier level and the practices to be implemented, maintained, or improved.
- Contain a schedule for the implementation, maintenance, or improvement of the conservation practices. Upon approval of the plan, the producer will enter into a contract with the NRCS.

### **The What**

#### ***What land is eligible?***

All private agricultural land, including cropland, grassland, prairie land, improved pastureland, and rangeland, is eligible for a conservation security plan. Also, land under the jurisdiction of an Indian tribe and forested land that is an incidental part of an agricultural operation are also eligible.

However, land that is currently enrolled in the Conservation Reserve Program (CRP), the Wetlands Reserve Program (WRP), or the Grassland Reserve Program (GRP) is not eligible for enrollment in the CSP, without modification of the conservation security plan.

#### ***What conservation practices are included?***

All conservation practices covered under a conservation security contract must, at a minimum, meet appropriate nondegradation standards for the resource, or resources, of concern addressed in the contract.

The program includes the practices in Table 1. The Secretary may also approve other conservation practices that are determined to be appropriate.

*(Continued on page 3)*

**Table 1**

***Conservation practices that may be implemented under a Conservation Security Contract:***

- |   |   |
|---|---|
| <ul style="list-style-type: none"><li>• Nutrient management.</li><li>• Integrated pest management.</li><li>• Water conservation and quality management, including irrigation.</li><li>• Grazing, pasture, and rangeland management.</li><li>• Soil conservation, quality, and residue management.</li><li>• Invasive species management.</li><li>• Fish and wildlife habitat conservation, restoration, and management.</li><li>• Air quality management.</li><li>• Energy conservation measures.</li></ul> | <ul style="list-style-type: none"><li>• Biological resource conservation and regeneration.</li><li>• Contour farming.</li><li>• Strip cropping.</li><li>• Cover cropping.</li><li>• Controlled rotational grazing.</li><li>• Resource-conserving crop rotation.</li><li>• Conversion of portions of cropland from soil depleting to soil conserving use.</li><li>• Partial field conservation practices.</li><li>• Native grassland and prairie protection and restoration.</li></ul> |
|---|---|

**The How**

***Conservation Security Contracts: Establishment of Tiers.***

The Conservation Security Program establishes three tier levels of conservation contracts. A conservation contract may receive payments for land management, vegetative, and structural practices. The NRCS will decide the minimum requirements for each tier level.

**Tier I Contract:**

- Partial farm enrollment.
- 5 year contract—renewable for 5 to 10 years, but only with expansion of plan to cover additional practices on enrolled land, or to enroll new practices on other land. Renewals must meet nondegradation standards.
- Must address **one resource of concern** and cover active management of conservation practices that are implemented or maintained under the conservation security plan, and meet nondegradation standard.
- Maximum annual payment of \$20,000.

**Tier II Contract:**

- Contract must cover the whole farm or ranch.
- 5 to 10 year contract, renewable for up to 10 years.
- Must address at least **one resource of concern** and cover active management of the conservation practices that are implemented and maintained.
- Meet nondegradation standard.
- Maximum annual payment of \$35,000.

**Tier III Contract:**

- Contract must cover the whole farm or ranch.
- 5 to 10 year contract, renewable for up to 10 years.
- Operator must apply a Resource Management System that meets appropriate nondegradation standard for **all resources of concern** on the entire agricultural operation, including active management of the practices implemented and maintained.
- Maximum annual payment of \$45,000.

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On farm research and demonstration or pilot testing are eligible for payment under a conservation security contract.

The Secretary will use the existing National Handbook of Conservation Practices of the NRCS in determining the conservation practices and criteria for implementation of those practices under a conservation security contract.

### ***Termination and Modification***

Producers may terminate a conservation security contract, and retain previous payments received, provided that the producer is in compliance with the conservation security contract and if the Secretary determines that the termination of the contract will not defeat the purposes of the conservation security plans of the producer.

The Secretary may request a producer to modify a conservation security contract if it is determined that the agricultural operation has changed in a manner that requires modification of the contract. The producer may choose to terminate the contract rather than modify. Contract termination would have to meet the termination conditions noted above.

If land that is subject to a conservation security contract is sold or transferred to a new owner, the conservation security contract will be terminated unless, within 60 days of transfer of the interest in the land, the transferee notifies the Secretary that the new owners will assume all duties and rights of the conservation security contract.

### **The How Much**

#### ***Payment criteria under the Conservation Security Program***

The Conservation Security Program provides annual payments to producers for conservation

security contracts based on the sum total of the following three amounts:

**Base Payment:** A per-acre payment based on a percentage of the average *national* per-acre rental rate for the specific land use during the 2001 crop year; or another appropriate rate for the 2001 crop year designated by the USDA that ensures regional equity. The base payment is graduated and capped at various tier levels as follows:

**Tier I:** 5 percent of rental rate. Total base payment may not exceed 25 percent of the tier maximum payment, or \$5000.

**Tier II:** 10 percent of rental rate. Total base payment may not exceed 30 percent of tier limit, or \$10,500.

**Tier III:** 15 percent of rental rate. Total base payment may not exceed 30 percent of tier limit, or \$13,500.

**Cost Share for Practices:** 75% of the costs of conservation practices using the average *county* costs of practices for the 2001 crop year. 90 percent of the costs are covered in the case of a beginning farmer or rancher. Payment may include costs for:

- The adoption of new management, vegetative, and land-based structural practices.
- The maintenance of existing land management and vegetative practices.
- The maintenance of existing land-based structural practices, approved by Secretary, and not covered by other Federal or State maintenance requirement.

**Enhanced Payment:** An enhanced payment, or performance bonus that is determined by the Secretary in a manner that ensures equity across the United States. A producer may receive the enhanced payments if the conservation security plan achieves any of the following:

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- Implements and maintains multiple conservation practices that exceed minimum requirements; specifically, includes practices that involve a change in land use such as resource conserving crop rotations, rotational grazing, and conservation buffers.
- Addresses local conservation priorities in addition to the required resource of concern for the operation.
- Participates in on-farm conservation research, demonstration or a pilot project.
- Participates in a watershed or regional conservation plan involving 75 percent of producers in a targeted area.
- Carries out assessment and evaluation activities relating to practices covered in the conservation security plan.

The Conservation Security Program is not a competitive program. The Secretary shall not use competitive bidding or any similar procedure for enrollment in the program. If a conservation security plan is approved, the farmer or rancher will be enrolled in the program.

### **Technical Assistance:**

The Secretary shall provide technical assistance to producers for the development and implementation of conservation security contracts using an amount not to exceed 15 percent of the total amount expended for the fiscal year.

## **Third Party Technical Assistance in Conservation Planning**

By Mike McGrath

The passage of the 2002 Farm Bill marks the greatest increase in conservation spending in the history of federal farm policy. Increases in spending on existing conservation programs such as the Environmental Quality Incentives Program, the Conservation Reserve Program, the Wetland Reserve Program, and Wildlife Habitat Improvement Program, as well the addition of the new Conservation Security Program and the Grasslands Reserve Program, will bring the total increase in conservation spending to over \$17 billion.

For the Natural Resource Conservation Service (NRCS), this huge increase in funding for federal conservation programs will require additional help. The implementation of an expanded Third Party Vendor Technical Assistance Program to assist the NRCS and agricultural producers in the development of conservation plans will be necessary.

While the 1996 Farm Bill broadened the authority of the NRCS to use Third Party Vendors to provide technical assistance, the 2002 Farm Bill provides increased authority and incentives to use Third Party Vendors. Assistance by Third Party Vendors will cover both conservation planning and application of practices.

Before the farm bill was even out of the conference committee, the NRCS began soliciting input from stakeholders on how Third Party Vendors might be used on an expanded level.

At an NRCS-sponsored public input meeting in Minnesota in mid-April, State Conservationist Bill Hunt spoke to large group of conservation professionals and agricultural representatives

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about the development of a new, expanded Third Party Technical Assistance program.

In the words of Mr. Hunt, “We want to make this program work in a quality manner for producers. Do not look at the steps as hurdles. We do not want to replace NRCS employees with third party vendors or Conservation District employees. We want to add to the conservation team. We want to look at this from the pros and cons. How can we make this process work? Help us expand the conservation team.”

As a leader in the development of the Conservation Security Program, the Minnesota Project came forward to make recommendations to the NRCS for guidelines governing the use of non-USDA technical assistance providers.

The following five points highlight those recommendations:

1. Third Party Vendor Certification:

Certification requirements should be developed that assure that a vendor demonstrates the technical knowledge needed to effectively assist farmers.

- Certification should be open to non-profit groups, farmers, independent crop consultants, and organic certifiers with demonstrated skills, and not limited to any special group.
- Certification application should allow a combination of experience, credentials and training.
- Third Party Technical Assistance Vendors should be certified for specific conservation practices, avoiding blanket certification where expertise has not been demonstrated. For example, someone might be certified to assist with nutrient management plans but not with wildlife habitat plans.

2. Funding Assistance: Payments to farmers and ranchers for cost share should include pass through dollars for payment of fees for third party assistance.

3. NRCS Approval and oversight: The NRCS should review and approve 100% of all conservation plans, including those developed by all third party technical assistance providers, to ensure compliance with technical guidance.

4. NRCS should serve as the linchpin for plan integration. The role of the NRCS should not be diminished, but strengthened in the use of third party technical assistance vendors. Funding for increased staff to provide technical assistance will be needed for the NRCS to strengthen its role as the overseer and the review authority for all conservation plans and practice installation. NRCS staff should ensure that plans with multiple technical advisors are integrated into an effective, efficient whole farm plan.

5. Certification requirements should be developed in a manner that ensures- the greatest integrity of the third party technical assistance vendors and avoids any real or apparent conflicts of interest with respect to conservation recommendations and sales of agricultural products. Farmers should be advised of all options for addressing their conservation problems, and should not be influenced to purchase inputs, equipment, or contractor assistance through the conservation planning process.

The Conservation Security Program embodies the principle of flexibility. The key to the success of implementing this important conservation legislation will be the program’s ability to serve producers in a timely and producer-friendly manner. Other technical advisors who are qualified to assist with the planning and development of specific conservation practices should be welcomed into the process to assist the NRCS, farmers, and ranchers in making it work.

# Holistic Management: A Foundation for Whole Farm Planning

By Ann Adams

As Whole Farm Planning and Holistic Management both become more popular in agricultural circles as ways to improve land stewardship, profit, and quality of life for agricultural producers, we here at the Allan Savory Center for Holistic Management are often asked the question, “Are Whole Farm Planning and Holistic Management the same thing?” We see similarities and differences between our trademarked decision-making framework and planning processes and the concept of a Whole Farm Plan.

The Savory Center has been training agricultural producers, government agents, and other individuals and organizations in Holistic Management since 1984, when founder Allan Savory incorporated the Center as an international non-profit.

In 1984, the focus of the Savory Center was to stop desertification by teaching people Holistic Management. Over the years, we’ve identified that our purpose is to help people learn how to manage holistically, and if we can do that, then there will be all sorts of grassroots initiatives that will address many of our natural resource issues like desertification, loss of productive farm land, and the loss of family farms. In turn, as people manage holistically, and make good profit from their agricultural efforts and have improved quality of life and increased health of their land, you see all sorts of social issues, like poverty, child abuse, domestic violence, substance abuse, etc., also diminishing.

So while most of our members are agricultural producers and most of our projects are tied to natural resource management, we see our mission as more than just getting agricultural producers to have a whole farm plan. We want everyone to see the land differently and to recognize that nature functions in wholes and we are a part of a whole. More importantly, we want people to recognize what influence they have within their whole (whether that is an urban family, a business, a dairy operation, or an environmental organization), and learn how to integrate Holistic Management into their management of those wholes to create outcomes that serve all of the whole.

Do we think Whole Farm Planning is important? Absolutely! We recently collaborated with the South Central New York Resource Conservation

and Development Agency on a grant from the Northeast Sustainable Agriculture Research and Education (SARE) Grant to train ten Cooperative Extension agents and Natural Resources Conservation Service staff in Holistic Management so that they could better serve their constituents as they wrote Whole Farm Plans. We are currently exploring a similar cooperation in the North Central SARE region for the same purpose.

We think there is an excellent opportunity to introduce the concepts of Holistic Management to an individual or community. The Whole Farm Plan can then be a steppingstone to managing holistically.

If you’d like to help us in our efforts and think that you’d like to teach others about Holistic Management, we have a two-year Holistic Management Certified Educator Training Program. We also are always looking for collaborations on natural resource projects where people are willing to introduce Holistic Management as a process that will create the results people want.

We have many practitioners and an increasing pool of Certified Educator trainees in the North Central region, particularly in Minnesota. Our Certified Educators often work with other organizations to sponsor Holistic Management workshops to offer an introduction to Holistic Management. Lastly, we offer educational materials for sale including the Holistic Management textbook and our bimonthly publication, *Holistic Management IN PRACTICE*. Membership contributions support our work in regional and international programs helping people shift to a more holistic approach to natural resource issues.

*Ann Adams is the Managing Editor of IN PRACTICE, the Membership Support Coordinator, and the Listserve Moderator at The Allan Savory Center for Holistic Management, Albuquerque, New Mexico.*

*If you’d like to learn more about the Savory Center, or Holistic Management, call us at 505/842-5252 or email us at:*

*[savorycenter@holisticmanagement.org](mailto:savorycenter@holisticmanagement.org).*

*Visit our website at [www.holisticmanagement.org](http://www.holisticmanagement.org).*

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entitlement status, farm bill conferees said we want a new framework for farm programs, one that recognizes and rewards farmers for implementing conservation on working lands," said Ferd Hoefner, Washington Representative for the Sustainable Agriculture Coalition. "This represents a milestone in the history and evolution of federal agricultural programs," added Hoefner.

Now, any eligible farmer or rancher who implements an approved conservation security plan will be eligible for payments, without the need for an allocation and bidding system, or the inevitable waiting list and backlog so common in other conservation programs.

The final bill includes all the major features of the original Senate version, including three tiers of progressive conservation plans, eligibility of all farms and ranches across the nation, cost sharing for both new practices and management of existing practices, bonus payments for exceptional conservation performance, and state designation of conservation priorities that must be addressed.

Several features were modified during the legislative process, including the payment formula. One significant change was the inclusion of a strict standard for the minimum extent of conservation practices, requiring that plans fully resolve the resource concern they have chosen to address. Another change condensed the list of eligible practices for each tier into one list for the whole program, and significantly abbreviated the list of purposes of the Program.

The Natural Resources Conservation Service will work out additional details in rule language. The NRCS plan is to release a draft interim rule this summer, followed by a public comment period and then a final rule. Farmers and ranchers can expect to begin implementation in 2003.

The final bill language can be viewed at <http://www.fb-net.org/FB/CSA.htm>. For those who wish to avoid the legislative language, we have included an abridged version of the Conservation Security Program in this edition of the Whole Farm Planner.

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885 University Ave. W., Suite 315  
St. Paul, MN 55104

