Countdown to the 2008 Farm Bill: Part IV, The Conservation Security Program

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This is the fourth in a series of five farm bill fact sheets from the <u>Sustainable Agriculture Coalition</u>. For more information about the status of other sustainable agriculture programs in the Senate and House versions of the bill, please see this 2008 Farm Bill <u>legislative tracking chart</u> (PDF). The 2008 Farm Bill conference committee negotiations are just getting underway at the staff level -- please contact members of the Agriculture Committee and weigh in!

In addition to food and fiber, farmers and ranchers are in a unique position to help provide healthy soils, clean air and water, habitat for native wildlife, carbon sinks to help mitigate global warming, energy savings and renewable energy sources, and other conservation benefits. The *Conservation Security Program* rewards environmental performance rather than the overproduction of commodity crops or expansion of industrial livestock waste storage, and in doing so, provides an alternative form of farm and conservation program support for family farmers and rural communities that re-enforces the public interest in a more resilient, healthy environment.

The added ecological stress caused by the recent ethanol boom and associated expansion of corn acreage makes it more important than ever that the 2008 Farm Bill provide for a strong Conservation Security Program (CSP).

WHY A STRONG CONSERVATION SECURITY PROGRAM IS NEEDED

- Agro-industrial production practices have a significantly negative impact on natural resources. According to EPA water quality assessments, pathogens, sediments, and nutrients from agriculture make it the leading source of pollution in roughly half of total stream miles and more than 40 percent of lakes. Despite soil conservation efforts stemming back to the Dust Bowl, over 100 million acres of cropland still erode at unsustainable levels. Nearly two-thirds of threatened or endangered species are listed due in some part to agriculture and agro-chemicals.
- The Conservation Security Program is unique among traditional conservation programs



because it rewards strong conservation while also encouraging even higher environmental performance. To be eligible to enroll in CSP, producers must already meet a substantial level of environmental stewardship. At the same time, enhancement payments provide real incentives for farmers to add new conservation practices. In fiscal year 2006, for instance, U.S. farmers received more than \$44 million in payments for enhancements that went above and beyond the basic, high conservation CSP requirements. The majority of these payments were for enhanced soil, pest, and nutrient management.

• In its first three years, the CSP enrolled nearly 20,000 farmers in 280 watersheds across the country, obligating over \$2 billion in long-term contracts for excellent conservation on 16 million acres. While great progress has been made in launching the CSP, funding cuts have limited the impact of the Conservation Security Program. Although \$9 billion was authorized for the Conservation Security Program for the period of 2002-2011, only about \$500 million was made available nationwide for initial enrollments through 2006, forcing USDA to limit enrollment to selected watersheds rather than offering the program nationwide as the farm bill intended. Since passage of the 2002 Farm Bill, Congress has stripped the program of \$4.3 billion, funding that the new farm bill should restore.

STATUS OF CSP IN THE HOUSE AND SENATE VERSIONS

The House and Senate bills' versions of Conservation Security Program make similar, important changes to the detailed substance of the program, but are at polar extremes when it comes to funding. The House bill would cut another nearly \$5 billion out of the program and postpone any new enrollments until 2012, essentially killing the program.

The Senate bill restores more than \$1 billion of the over \$4 billion cut from the program since 2002 and, with other substantive changes, puts the program on a path to reach a total enrollment goal of approximately 80 million acres by 2013. While this does not go far enough, the Farm Bill conferees should adopt the overall Senate approach to funding and acreage levels.

Though far apart on funding, the two bills are much closer on CSP reforms. Both bills:

• Restore the program to a nationwide, continuous sign-up approach, but with a new ranking system to determine acceptable contract offers.

- Retain and improve features making CSP the first and only federal conservation program requiring farmers and ranchers to solve natural resource problems and reach high stewardship standards and to commit to continual improvement to achieve enhanced environmental outcomes.
- Simplify and streamline the program by eliminating enrollment tiers, collapsing the types of payments down to a single stewardship enhancement payment, eliminating the option to enroll just parts of farms in the program, and making all contracts 5 years in length.

There are a variety of substantive differences remaining to be worked out in conference, among them:

- The Senate version attempts to coordinate CSP more closely with the Environmental Quality Incentives Program through a programmatic umbrella known as the Comprehensive Stewardship Incentives Program. *This enhanced coordination should be adopted in the final bill*.
- The Senate bill requires farmers to have met high soil and water quality standards as a condition of eligibility, and to reach high standards for at least one more resource concern during the initial 5-year contracts, whereas the House bill requires farmers to address at least one resource concern to the high standard level as a condition of eligibility, but then address all applicable resource concerns to the high standard level within the first 5-year contract. *Urge farm bill conferees to include a meld of the House and Senate criteria in the final bill*.
- The House bill provides ranking points, and the Senate bill supplemental payments, for adoption of resource-conserving crop rotations. *Urge the adoption of both provisions during conference negotiations*.

Both the House and Senate bills include a crosswalk provision to provide farmer-friendly coordination between the CSP and the National Organic Program for producers using both programs. The House bill provides ranking points for adoption of organic systems, and the Senate bill directs USDA to provide programmatic consideration of organic systems in all elements of CSP implementation. *Urge the farm bill conference committee to adopt of all of these provisions*.