

Matt Lohr
Chief, Natural Resources Conservation Service
U.S. Department of Agriculture
Washington, DC 20250

Re: Conservation Stewardship Program Interim Final Rule, NRCS-2019-0020 (Fed. Reg. Vol. 84, No. 218, Nov. 12, 2019, page 60883ff.)

Dear Chief Lohr:

Thank you for the opportunity to comment on the Conservation Stewardship Program Interim Final Rule. For over 30 years, the Institute for Agriculture and Trade Policy has advocated for policies and programs that benefit family farmers, rural communities, and the environment. Conservation programs are an invaluable tool to incentivize farmers to adopt practices that are good for soil and water and help them adapt to and mitigate climate change. As the largest conservation program in the U.S., the Conservation Stewardship Program has incredible potential to support farmers.

CSP was established by Congress to reward farmers who implement advanced, whole-farm conservation systems that comprise truly sustainable agriculture. As such it can be NRCS' preeminent soil health program, while also improving water quality, conserving water, and increasing biodiversity.

The interim final rule, as written, undermines this purpose of CSP. **CSP should prioritize what's best for our farmers and natural resources in the following three ways:**

1. Ranking: *base the ranking rules for the program solely on environmental benefits.*
2. Payments: *pay farmers based on their costs, foregone income, and their positive environmental impact.*
3. Renewals: *base contract renewals on total environmental benefits generated.*

1. **RANKING recommendation:** NRCS must ensure CSP is focused on environmental benefits by giving equal weight to the management of new and ongoing conservation measures on the farm when NRCS ranks applicants and determines who gets into the program. Differences in ranking should only reflect differences in environmental benefits, regardless of the timing of initial adoption.

Implementing conservation practices can lead to a number of positive environmental outcomes, including improved soil health, water quality, wildlife habitat, and resiliency to climate impacts. In the face of climate change, agriculture also has the potential to be a carbon sink. Conservation practices such as cover crops, diverse crop rotations, reduced tillage, and management intensive rotational grazing can help mitigate climate change by sequestering carbon in the soil. It's critical to reward these positive environmental impacts regardless of whether the practices are new or ongoing.

2. **PAYMENT recommendation:** NRCS should ensure the final rule and the CSP payment schedule provide equal weight to the active management of a farm's ongoing conservation activity and to the adoption of additional conservation measures needed to reach or exceed the sustainable use level for priority resources of concern. For both new and ongoing conservation, NRCS should be clear that the payment formula reflects costs, forgone income, and conservation and environmental benefits.

Farmers are facing the worst economic crisis since the 1980s. According to the Census of Agriculture, only 43.6 percent of farms had positive net cash farm income in 2017. It's critical that farmers receive the support they need to take the risks that come along with changing farm management practices. Conservation practices have enormous public benefit in the way of reducing water pollution and addressing climate change, and farmers must be financially supported as they steward the land. CSP must, at the very least, provide support that accurately reflects the economic costs borne by farmers for both ongoing and new conservation activities, and the environmental benefits that society is provided by maintaining and enhancing conservation systems. This is especially true as farmers struggle financially in today's agriculture economy.

- 3. *RENEWALS recommendation:*** NRCS should fix the rule to conform to the 2018 Farm Bill and remove the "one-time only" language from the renewal option. In addition, NRCS should clarify in the final rule that CSP participants will be credited for their adoption of additional conservation during the contract period when NRCS assesses and ranks the renewal application. Finally, NRCS should fund all eligible renewal applications that continue to provide substantial environmental benefits.

Many high-impact conservation practices take years to fully achieve results on the ground, and ongoing support through CSP can help make that possible. For instance, building soil health and sequestering carbon in the soil is a slow process that that builds over the course of years. Increased soil health has multiple benefits, including improved water holding capacity in the soil, natural nutrient cycling, and reduced weeds and pests. These benefits are not only environmental, they also help boost a farm's profitability and its ability to withstand extreme weather that is becoming more frequent in the face of climate change. CSP must allow continued renewals and ongoing support in order to support farmers in achieving these benefits in the long term.

The Institute for Agriculture and Trade Policy sincerely thanks you for the opportunity to comment on the Conservation Stewardship Program Interim Final Rule.