



Federal Conservation Resources for Sustainable Farming

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This publication introduces federal working-lands conservation programs administered by the Natural Resources Conservation Service (NRCS) and the Farm Service Agency (FSA). It discusses the Conservation Stewardship Program (CSP), the Environmental Quality Incentives Program (EQIP), and the EQIP Organic Initiative and explains the application and implementation processes for these programs. Examples of how these programs can benefit farmers and ranchers are included.

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Photo: USDA-NRCS

Introduction

Anna and Doug Crabtree are beginning farmers in their early forties who have returned to their agricultural roots and have benefited greatly from new programs offered by the U.S. Department of Agriculture's Natural Resources Conservation Service (NRCS). With over 6,000 acres of certified organic cropland, Anna and Doug were awarded an Environmental Quality Incentive Program (EQIP) contract through a special initiative to assist organic farmers and ranchers. They are also enrolled in the Conservation Stewardship Program (CSP). As Doug explains, "Farming is the only thing I ever wanted to do.

I believe farming is the most important avocation. I grew up on a farm that did not make it through the farm crisis of the '80s and have been waiting for the right time and opportunity to return to the land ever since." NRCS programs were critical to the couple's ability to begin organic farming. As Anna relates, "The EQIP Organic Initiative came at just the right time for us, as we literally started our operation from scratch in 2009. The EQIP Organic Initiative provided additional financial support as part of our start-up package. Practices we are implementing include organic transition, nutrient management, pest management, flex-crop, cover crop, field borders, and

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seeding pollinator species. Because we are considered beginning farmers, we were able to be included in the beginning farmer set-aside for the EQIP program.” This publication assists readers in understanding how they can capture benefits like these that help the bottom line and promote more sustainable agriculture.

Federal Conservation Resources and Your Farm or Ranch

The federal government has provided significant benefits to American farmers and ranchers by both retiring marginal and environmentally sensitive lands and supporting the adoption of improved conservation practices on working lands. Since 1996, working-lands conservation support has accelerated. Programs that support agricultural land preservation (Figure 1) have also been initiated. Learning how to take advantage of these important, but often complicated, programs can help farmers and ranchers lower operational risk; provide tangible rewards for the contribution that conservation practices provide in improving soil, air, and water quality; increase profitability; and in general make farming and ranching more rewarding.

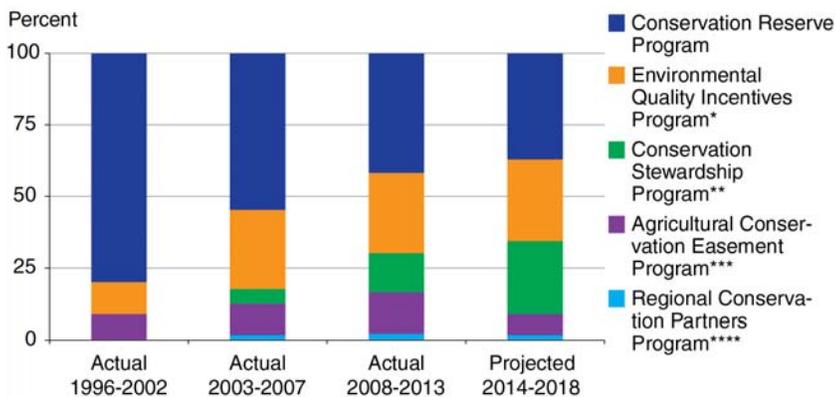
Another important reason to take advantage of expanding federal conservation resources is that the application process itself helps farmers and

ranchers see their operations from new perspectives. This can alert farmers and ranchers to new market opportunities. For example, transitioning to an organic production system on your farm or ranch may lead to higher value for your crops and livestock.

Engaging in federal conservation programs can also move your farm or ranch in a more sustainable direction. (See the ATTRA publication *Sustainable Agriculture: An Introduction*.) “Whole” farm or ranch planning—which assesses the goals and potential resources of the farm or ranch—will likely be necessary for farmers or ranchers interested in maximizing the benefits of these federal conservation programs. Even those unable to take advantage of a particular program will come away with a valuable learning experience through the very process of applying. Learning how federal conservation programs work and going through the application process usually helps agricultural producers better understand current innovative farming and ranching practices. Also, by engaging in federal conservation programs, you learn to be a more active citizen by making these programs work better for all farms and ranches in your community, state, and nation.

Finally, if you are of limited resources, socially disadvantaged, or a beginning farmer or rancher, most federal assistance programs provide either a competitive advantage or higher levels of support. The definitions of these special categories are very specific, however, so make sure you meet the definitions before assuming eligibility. When in doubt regarding eligibility requirements, check with the local office of the federal agency in charge of the specific program. You can find contact information for your NRCS state and local offices at www.nrcs.usda.gov/wps/portal/nrcs/main/national/about/org.

Figure 1. Working land conservation programs—the Environmental Quality Enhancement Program and Conservation Security Program—capture an increasing share of conservation funding. Source: Claassen, 2014



*Includes EQIP and the Wildlife Habitat Incentives Program for 1996-2013.
 **Includes the Conservation Security Program for 2002-2007.
 ***Includes the Wetland Reserve Program, Farmland Protection Program, and Grassland Reserve Program (easement portion) for 1996-2013.
 ****Includes the Agricultural Water Enhancement Program, Chesapeake Bay Watershed Program, Cooperative Conservation Partnership Initiative, and Great Lakes Basin Program for 1996-2013.
 Sources: ERS analysis of Office of Budget and Policy Analysis data on actual expenditures for 1996-2013; spending levels provided in the 2014 Farm Act and Congressional Budget Office estimates for 2014-2018.

What’s Available? Overview of Federal Conservation Resources for Working Lands

The complexity of federal conservation programs—and in particular the application process itself—is perhaps one of the biggest reasons many farmers and ranchers do not access these resources. The programs are voluntary, and many opt out of using them simply because the process is often difficult and intimidating. The programs contain an “alphabet soup” of acronyms

Organic Production and New NRCS Programs

Doug and Anna Crabtree were awarded a contract under a special Organic Initiative of EQIP, which offers a significant opportunity for organic and transitioning organic growers to receive financial assistance in implementing conservation practices as part of their Organic Systems Plans. However, since this special initiative is relatively new (first offered in 2009), specific technical assistance has not been strong. As Doug and Anna relate, "NRCS has been supportive of our efforts and wonderful on the logistics of the actual contract. However, their ability to spend time understanding our integrated systems approach and organic in general could be stronger. For our farm we are attempting to take a whole-farm systems approach and implement practices together in an innovative way. When NRCS administers the EQIP contract, they approach each type of practice individually, so the ability to tailor a specific practice to fit the overall farming system is limited."

The Crabtrees are also pursuing support from the new Conservation Stewardship Program (CSP). However, conflicts between organic and historical NRCS conservation practice standards can cause problems. As Doug relates, "One practice, which we would like to have implemented, 'Non-chemical methods to kill cover crops (WQL17),' illustrates how NRCS needs to better understand organic cropping systems. The practice, which would otherwise be perfect for our system, includes the requirement that 'cash crops must be no-tilled or strip-tilled after cover crop is terminated.' No one with any understanding of dryland organic farming would include such an impossible requirement. We would really like to experiment with mowing and undercutting as less-invasive means of terminating our green manure crops. But, due to this requirement, the NRCS practice will not be of any help to us."

The Crabtrees experienced a couple of challenges in EQIP implementation:

- *Soil testing requirements for the nutrient management practice.* The NRCS contract required soil testing at three depths—and specifically for nitrogen. This is because surface application of fertilizer tends to stratify, and without tillage there isn't any mixing of the applied substance in the soil profile. Therefore NRCS's use of this specification was to help inform fertilizer application rates. The Crabtrees' organic system includes tillage, and they wanted to use soil tests to determine the baseline of the soil nutrients as a place to inform rotational practices, rather than inform application of fertilizer. There does not seem to be any flexibility in tailoring practices and specifications to fit alternative farming systems, such as organic.
- *Coordination between NRCS and the Farm Service Agency (FSA).* Although the two offices were located in the same building, the Crabtrees had to obtain documents from one agency to take to the other. Additionally, as beginning farmers it was challenging for them to understand what paperwork to fill out for all of the programs.

Although the Crabtrees overcame these challenges, it has been a bit frustrating for them, trying to implement conservation activities that are outside of the traditional practices in a systems approach. As they relate, "There needs to be more NRCS staff overall. And specifically more staff training and understanding of the whole-farm system approach that is inherent in organic is crucial for NRCS to be able to provide a higher level of technical support. The NRCS field staff need to receive some basic training in organic agriculture, if they are going to be helpful to farmers trying to use these programs. Our hope is that by increasing their knowledge we will not only help producers who want to move to organic systems but also inform NRCS's practices and standards to support conservation activities that do not include the use of off-farm fertilizers and pesticides."



Doug and Anna Crabtree farm organically in Montana. Photo: Anna Crabtree

Some Definitions

- **Limited-Resource Farmer or Rancher.** A limited-resource farmer or rancher is defined as: (a) a person with direct or indirect gross farm sales of not more than \$100,000 in each of the previous two years (increased each fiscal year since 2004 to adjust for inflation); and (b) has a total household income at or below the national poverty level for a family of four, OR less than 50% of county median household income in each of the previous two years (to be determined annually using Commerce Department data). USDA offers an online Limited Resource Farmer/Rancher Self-Determination Tool at www.lfrrtool.sc.egov.usda.gov/ to determine whether you meet the definition.
- **Beginning Farmer or Rancher.** A beginning farmer or rancher is defined as an individual or entity who: (a) has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years (required of all members of an entity); and (b) will materially and substantially participate in the operation of the farm or ranch.
- **Socially Disadvantaged Farmer or Rancher.** A socially disadvantaged group is one whose members have been subjected to racial or ethnic prejudice because of their identity as members of the group, without regard to individual qualities. A socially disadvantaged farmer or rancher is a member of a socially disadvantaged group. Groups in particular localities subjected to racial or ethnic prejudice are determined by the U.S. Secretary of Agriculture.

and bureaucratic jargon particularly difficult for first-time applicants to understand. The goal here is to present a simplified overview that outlines the essential step-by-step process to access these resources and benefits. The intent is also to help you understand the general purpose of the programs.

This publication specifically concentrates on resources available from the Natural Resources Conservation Service (NRCS). This U.S. Department of Agriculture (USDA) agency is the one most engaged with agricultural conservation practices. The other major USDA agency involved in conservation efforts is the Farm Service Agency (FSA). The FSA shares administrative responsibility with the NRCS for the Conservation Reserve Program (CRP). The FSA also has responsibility for the Conservation Reserve Enhancement Program (CREP), the Emergency Conservation Program (ECP), and the Emergency Forest Restoration Program (EFRP). Table 1 provides an overview of the major conservation programs for working lands.

Conservation Programs and USDA Agency Responsibilities

The first step in accessing these federal resources should be developing a Natural Resources Conservation Service (NRCS) comprehensive conservation plan. An NRCS conservation plan is helpful because it involves the funding agency early in the process. Even if you have done prior planning, it is still important to get NRCS assistance in translating your existing planning efforts into agency language. The local NRCS agent can evaluate the programs and practices available to you and suited to your needs.

While this may be the ideal process, finding available NRCS local staff to assist with this kind of planning is often difficult. The actual process often begins with a farmer or rancher contacting the local NRCS field staff office about a specific

Table 1. Federal Working-Lands Conservation Programs

USDA Agency	Program	Description
Natural Resources Conservation Service (NRCS)	Environmental Quality Incentive Program (EQIP)	Financial support for specific conservation improvements and meeting regulatory requirements. Variable levels of financial support, depending on practices implemented.
	Conservation Stewardship Program (CSP)	Financial support for current conservation performance and future improvements based on broad land-use categories (cropland, grassland, rangeland, and non-industrial private forest land). Maximum financial support is \$40,000 per year for five years.
	Agricultural Conservation Easement Program (ACEP)	Support for farm and ranchland protection through easements. Variable levels of support depending on nature of easement.
	Agricultural Management Assistant Program (AMA)	16-state program for financial and technical assistance to improve water management or irrigation structures. Variable levels of support depending on project.
Farm Service Agency (FSA) and NRCS	Conservation Reserve Program (CRP)	Annual payments to keep sensitive land out of agricultural production.
Farm Service Agency (FSA)	Conservation Reserve Enhancement Program (CREP)	Annual payments to keep riparian areas out of agricultural production (requires state matching funds).
	Emergency Conservation Program (ECP)	Funding for rehabilitating farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought.
	Emergency Forest Restoration Program (EFRP)	Financial and technical assistance to owners of non-industrial private forest land damaged by natural disaster to carry out emergency measures to restore damaged forests and rehabilitate forest resources.

conservation program. The conservation planning begins with a discussion of the application process and eligibility requirements for that program, rather than with development of a comprehensive conservation plan. Indeed, NRCS recognizes its difficulty with assisting farmers and ranchers in preparing comprehensive conservation plans. In a brief attempt at addressing this lack of planning resources, in 2005 the agency began a special pilot project to bring additional resources to planning efforts. Unfortunately, the pilot project was only available in limited areas of nine states and lasted only one year. As a result of the Food, Conservation, and Energy Act of 2008 (otherwise known as the 2008 Farm Bill), the NRCS established support under the Environmental Quality Incentive Program (EQIP) to fund what is termed conservation activity plans or CAPs. Make sure you ask the local NRCS staff about such funding if applying for the EQIP or CSP programs discussed more in this publication.

Barring local NRCS staff availability, however, farmers and ranchers should still attempt to undertake farm or ranch conservation planning. Doing so prepares applicants to interact effectively with NRCS staff. ATTRA has several resources to help with the effort, available online at www.attra.ncat.org or by calling 800-346-9140.

Know the Programs: Working Land vs. Retiring Land

Federal conservation programs can be divided into two broad categories: working-lands programs and land-retirement or easement programs.

The working-lands programs provide financial resources for farmers or ranchers to implement particular practices or conservation structures on working agriculture lands. NRCS offers extensive information on quality criteria for managing natural resources, to help in assessment and planning of future conservation efforts. In addition, NRCS has a list of technical practice standards and conservation enhancements that define varying levels of conservation performance.

Understanding these technical standards can be complicated for many people who are not familiar with NRCS protocols and jargon. However, if you are serious about taking full advantage of the programs, some understanding of these standards and the systems of resource management is important. The major resource that offers

help in understanding technical standards and the general program evaluation processes is the *Field Office Technical Guide* (FOTG). This document is available online at www.nrcs.usda.gov/technical/efotg as the eFOTG. This document is “localized” down to the county level, so obtain the copy relevant your farm or ranch locale. The NRCS prides itself in soliciting local input for program development. Consequently, there is some variation among available programs across states and even locales, particularly for working-lands programs.

Land-retirement or easement programs, on the other hand, are those that either permanently or temporarily pay farmers or ranchers to keep land out of agricultural production. Some programs do allow certain productive uses of easement land, but generally these programs were established to take land out of substantial agricultural productive use.

National vs. Local: Differences in Program Details

As noted, program details can change substantially from state to state and even county to county. The logic behind this approach makes some sense. Land use for agriculture varies dramatically between different parts of the country. For instance, the best conservation grazing management practices for southwest Montana are substantially different from those in central Florida.

On the other hand, local determination of program criteria is often a source for confusion about what programs can and do offer. In Montana, for instance, some NRCS programs provide resources for ranchers to improve fish passage around irrigation diversions. But the programs apply only to certain areas of the state, despite the fact that most areas have important fish-passage issues. The best way to avoid confusion is to go to the respective state NRCS website to pursue specific details of a program for that state. Another way to clear up confusion is to talk with local and state-level NRCS staff.

Note: Check with both local and state-level NRCS staff. Sometimes local staff do not know that funding differences exist between areas. State-level staff often have that information.

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Working-Lands Programs

Conservation Stewardship Program (CSP)

This program is unique because it rewards farmers and ranchers for current conservation practices and for putting in place additional new conservation practices and enhancements over a five-year contract period. The program allows all farmers and ranchers to apply at any time, but to begin a contract in any particular federal fiscal year there are specific deadlines announced by NRCS.

As noted earlier, this program was substantially changed by Congress in 2008 with the passage and subsequent implementation of the Food Conservation and Energy Act, or Farm Bill. In the recent 2014 Farm Bill the program was not significantly changed, but the legislation did authorize continued support for the program through 2018. The key point of this program is that it provides payment on a per-acre basis for conservation performance, rather than an incentive payment for the adoption of specific practices and structures.

Below is a basic step-by-step outline for application, with important information and forms that can help in getting ready to apply for this program.

Step 1: Examine and/or fill-out the Self-Screening Checklist to assess eligibility and requirements of program

The *Conservation Stewardship Self-Screening Checklist* can help producers determine whether CSP is the right program for them. This checklist is available online as a PDF file at www.nrcs.usda.gov/wps/PA_NRCSCconsumption/download?cid=stelprdb1254083&ext=pdf.

If you have any questions about the questions or your answers, contact your local NRCS staff person. You can find contact information for your local office at www.nrcs.usda.gov/about/organization/regions.html.

This screening tool introduces an important term called the “stewardship threshold.” The stewardship threshold is defined as the level of natural-resource conservation and environmental management required to conserve and improve the quality and condition of a natural resource. This

threshold is measured by the Conservation Measurement Tool (CMT) devised for the program, which is discussed below. Meeting these stewardship thresholds is important because an applicant must demonstrate that at the time of application he or she is meeting the stewardship threshold for at least two resources of concern and is committed to meeting the stewardship threshold for one additional resource of concern during the five-year contract term.

Step 2: Make initial application

The basic application form is NRCS-CPA-1200, available online through the CSP website at www.nrcs.usda.gov/wps/portal/nrcs/detailfull/national/programs/financial/csp/?cid=nrcs143_008316 and also from local NRCS offices.

If you have not accessed federal agriculture funding in the past or are a brand-new farmer or rancher, you will need to establish yourself as a legal farm by registering with the Farm Service Agency (FSA) and acquiring a Federal Farm ID number. NRCS and FSA field offices are usually located together in what is known as a Farm Service Center.

Some additional forms will likely be needed to establish basic eligibility:

- AD-1026 Highly Erodible Land Conservation and Wetland Conservation Certification (available at local NRCS offices)
- CCC926 Adjusted Gross Income Certification (available at local NRCS office)

In addition, you will need to obtain a DUNS number and sign up with Central Contractor Registration (CCR). See “How to Get a DUNS Number and Register with CCR” on the NRCS website at www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/?cid=stelprdb1257063.

Step 3: Ranking and the Conservation Measurement Tool (CMT)

For this initial sign-up and after establishing eligibility and application, the next step will be to work with local NRCS staff to establish a ranking score. NRCS staff will use a software tool called the Conservation Management Tool (CMT) to establish your ranking score. This tool is used to

The key point of the CSP program is that it provides payment on a per-acre basis for conservation performance, rather than an incentive payment for the adoption of specific practices and structures.

evaluate an applicant's conservation performance based on current effort and activities proposed during the five-year contract period. Broadly, the CSP targets funding to:

- Address particular resources of concern in a given state or region of a state
- Assist farmers and ranchers to improve soil, water, and air quality
- Provide increased biodiversity and wildlife and pollinator habitat
- Sequester carbon and reduce greenhouse gas emissions to mitigate climate change
- Conserve water and energy

However, each state NRCS office has chosen specific priority resources of concern, and these will impact the ranking system in each state. To find out the priorities for an individual state, contact your NRCS office or look for that information on your state's NRCS website. You can find your state office's contact information at www.nrcs.usda.gov/wps/portal/nrcs/main/national/about/org.

The CMT resource inventory questions and a description of the scoring process are available online at the CSP website. Note that the CMT is complicated. Consequently, it is important that you ask many questions of your local NRCS office staff to make sure that you understand the questions in the CMT and the information being entered into the tool.

NRCS has provided a list of conservation and enhancement activities that are part of the CMT. This CSP Enhancement Information can be examined online at www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/financial/csp?cid=stelprdb1240690.

Also, your ranking and ultimate level of financial support is dependent upon which enhancements and practices you choose to implement. Not all enhancements are of equal conservation benefit, and NRCS has established a ranking of the enhancements and practices available in CSP. So, if you select enhancements or practices with a low conservation-benefit ranking, your application may not be ranked as high as other applicants and you may not receive a CSP contract. Remember, CSP is a competitive program: not all applicants

receive support. Of course, to undertake certain enhancements or practices may not make sense for your farm, so you have to carefully review and understand the available enhancements and weigh the value of practices with your ability and desire to adopt them.

The National Sustainable Agriculture Coalition has provided a ranked list of the CSP enhancements and practices available for the 2014 CSP sign-up period. This can be found online at <http://sustainableagriculture.net/wp-content/uploads/2008/10/CSP-Enhancements.doc>.

Once all applicants for a particular period are ranked, applicants will be selected for funding by moving down the list of ranked applicants until the program acreage limits for each state are reached. The total national program acreage available is 10 million acres for each of the five years (2014-2018) of the program as established by Congress.

Step 4: Work out contract payments and details

Payment amounts will be determined by these three factors:

- Expected environmental benefits as indicated by the Conservation Measurement Tool.
- Costs incurred by the farmer or rancher associated with the planning, design, materials, installation, labor, management, maintenance, or training for conservation activities.
- Income forgone by the producer as a result of conservation activities that are undertaken.

Overall, CSP payments will vary by land type, the extent of existing conservation that will be managed and maintained, and the extent of new conservation practices and activities to be implemented. Individual CSP payments will depend on the details of each contract. Payments to contract holders will be made after October 1 of the year the conservation has been accomplished (i.e., if the terms of the contract are fulfilled during the spring and summer, the accompanying payments will be made in the fall).

Not all enhancements are of equal conservation benefit, and NRCS has established a ranking of the enhancements and practices available in CSP.

Contract, Field Verification, and Conservation Stewardship Plans

As part of contract development for each successful applicant, NRCS is required to visit each applying farm and ranch to verify information provided in the application. In addition, the development of a conservation stewardship plan is required. A conservation stewardship plan is defined as a record of the participant's decisions that describes the schedule of conservation activities to be implemented, managed, or improved during the contract life.

Specialty Crops, Organic Production, and Technical Assistance

The implementation rules for the new CSP commit NRCS to make a special effort to provide technical assistance to organic and specialty crop producers. In particular, NRCS has provided The Organic Crosswalk to help organic farmers and ranchers applying to the program. This document offers an explanation of how producers can use CSP Conservation Enhancements to aid them during the "transitioning" period to organic farming. The Organic Crosswalk is available online at www.nrcs.usda.gov/wps/PA_NRCSConsumption/download?cid=stelprdb1240017&text=pdf.

Resource-Conserving Crop Rotations

In the CSP, special emphasis and supplemental funding is available for applicants who undertake a resource-conserving crop rotation. The understanding of what constitutes such a rotation is still less than clear and will require careful discussion with NRCS field staff.

Size and Program Limitations

To constrain total spending on the program, the new CSP limits the total acreage available to 10 million in each of the five years of the program. In addition, the law sets a target of an average of \$18 per acre nationwide for expenditures. These limitations may make it difficult for very small farms to be able to justify the effort of participation with the ultimate benefit. This issue is a concern for NRCS, and they have stated in the implementation rules for the program that they do not want to limit producer participation because of size or type of operation. If you

are a smaller farm, discuss this issue with your local NRCS staff. There is a minimum contract payment available of \$1,000 per year for participants who are socially disadvantaged, beginning, or limited resource farmers.

Environmental Quality Incentive Program (EQIP)

The Environmental Quality Incentive Program (EQIP) is the largest NRCS working-lands program, with annual budgets around \$1 billion since 2002. EQIP provides incentives to farmers and ranchers for two major purposes. First, the program helps farmers and ranchers reach improved levels of conservation practices. Second, the program helps farmers and ranchers to be in compliance (or stay in compliance) with federal environmental regulations such as the Clean Water Act.

EQIP has provided substantial federal resources to assist farmers and ranchers to stay in compliance with regulations in regard to the operation of Confined Animal Feeding Operations (CAFOs) and Animal Feeding Operations (AFOs). This has raised controversial issues involving large-scale dairies and commercial feedlots. Since 2002, NRCS has been required to try to achieve a target of 60% of EQIP expenditures for livestock conservation practices. While not all of that livestock-related EQIP funding has gone to resolve CAFO/AFO issues, a large percentage has. However, despite these environmental regulatory aspects to EQIP, there have been many farmers and ranchers who have improved conservation practices and their bottom lines by participating in this program.

EQIP has from time to time allocated resources to special initiatives. Currently (2014) there are six national EQIP special initiatives as shown in Table 2.

The bottom line is that EQIP is a very competitive program that is under-funded relative to demand by farmers and ranchers. This means that for your application to be competitive, you must make sure to develop a comprehensive plan of the conservation practices integrated into your farm and ranch before you apply. Also, pay close attention to those elements of your plan that fit with the priorities that NRCS has identified as important for funding in the year you wish to apply.

The bottom line is that EQIP is a very competitive program that is under-funded relative to demand by farmers and ranchers.

Table 2. National EQIP Initiatives

<p>Air Quality Initiative</p>	<p>Provides financial assistance to implement approved conservation practices to address significant air-quality resource concerns for designated high-priority geographic locations throughout the nation.</p> <p>Priority States are designated each fiscal year based upon Environmental Protection Agency (EPA) designations of non-attainment for particulate matter and ozone pollutants. Legislation requires that \$37.5 million of EQIP be targeted to this initiative each fiscal year.</p>
<p>On-Farm Energy Initiative</p>	<p>Enables the producer to identify ways to conserve energy on the farm through two types of Agricultural Energy Management Plans (AgEMP) for headquarters and/or for landscape, also known as an on-farm energy audit (headquarters and/or landscape); and by providing financial and technical assistance to help the producer implement various conservation practices recommended in these on-farm energy audits.</p>
<p>Organic Initiative</p>	<p>Provides financial assistance to help implement conservation practices for organic producers and those transitioning to organic, to address natural resource concerns.</p> <p>Also helps growers meet requirements related to National Organic Program (NOP) requirements and certain program payment limitations.</p>
<p>National Water Quality Initiative</p>	<p>Helps farmers and ranchers implement conservation systems to reduce nitrogen, phosphorous, sediment, and pathogen contributions from agricultural land in specific approved watersheds. Contact your local NRCS field office to see if you are eligible.</p>
<p>Colorado River Basin Salinity Project</p>	<p>Helps producers in this river basin reduce salinity by preventing salts from dissolving and mixing with the river's flow. Different states apply varying criteria. Contact your local NRCS field office to find out more.</p>
<p>Seasonal High Tunnel Initiative</p>	<p>Helps producers plan and implement seasonal high tunnels, which are steel-framed, polyethylene-covered structures that extend growing seasons in an environmentally safe manner.</p>

EQIP Eligibility

There are three conditions for EQIP eligibility. First, the applicant must be in compliance with highly erodible land and wetland conservation practices. Known commonly as “sodbuster” and “swampbuster” provisions, these prevent EQIP from extending benefits to producers who have previously brought highly erodible land and converted wetlands into agricultural production.

Second, individuals or entities with an Adjusted Gross Income (AGI) of \$1 million per year or more are not eligible for EQIP unless two-thirds of that money is derived from agriculture, ranching, or forestry operations. The limit is based on the three tax years immediately preceding the year of the approved application.

Third, a person or entity cannot apply for EQIP if they have exceeded \$300,000 for all EQIP contracts entered into during any six-year period.

All categories of land usage are eligible, including non-industrial forest lands. Interestingly, any land determined to pose a serious threat to soil, air, water, or related resources is also eligible.

Finally, applications are accepted by state NRCS offices all year round, but there are specific dates

Remember, the NRCS runs on the federal government fiscal cycle of October 1–September 30, and not the standard calendar year. Funding allocations are available to each state for that fiscal year only.

by which you must be in-application to be eligible in any particular funding year. Each state sets its own deadlines, so check with your local NRCS agent or state office for the deadlines for your state.

Determining EQIP Benefits

Benefits are determined by an NRCS evaluation of the farmer's or rancher's application against a set of funding priorities known as the "ranking criteria." These criteria are set at the national, state, and county levels. In some larger states, such as California, or where demand for program benefits is high, a "pre-screening" set of selection criteria is often used. As noted, this is a competi-

tive program and each state has the ability to prioritize which resources are of special concern, even down to the county level.

The NRCS gets advice on setting these priorities from two governance committees: the state technical advisory committee (state-level) and the "local working groups." (See the Conclusion on page 14 for more information on how these groups provide input.)

Thus, each state's set of priorities is different and in any given year may not reflect the needs you have identified in your planning efforts for your farm or ranch. However, there is often a fairly wide variety of conservation practices available to

EQIP Program in Reeves County, Texas, 2006

The Environmental Quality Incentives Program (EQIP) offers cost-share assistance to agricultural producers to implement on-farm conservation practices. The Natural Resources Conservation Service (NRCS) determines eligible producers for the EQIP program and determines eligible land. Eligible producers may apply for cost-share assistance on conservation practices that will address the resource concern identified by the Local Work Group (LWG).

Reeves County Office Information

Interested agricultural producers may apply in person at the Reeves County USDA Service Center. Applicants may also request EQIP assistance by telephone, fax, e-mail, or letter.

State Resource Concerns Priority Areas that include part of Reeves County

<i>Specific State Concern</i>	<i>State Resource Concern</i>
AFO-CAFO—Poultry	Water Quality/Air Quality
AFO-CAFO—Swine	Water Quality/Air Quality
AFO-CAFO—Beef	Water Quality/Air Quality
AFO-CAFO—Dairy	Water Quality/Air Quality
Salt Cedar	Invasive Species
Limited Resource Farmer or Rancher (AFO—Animal Feeding Operation) (CAFO—Confined Animal Feeding Operation)	All

Objective:

The objective of the Reeves County Local Work Group (LWG) is to promote the use of conservation practices for improving natural resources throughout the county with major emphasis on improving plant health and water quantity.

County EQIP Resource Concern:

In Reeves County for 2006, the LWG has identified Plant Health and Water Quantity as the major resource concerns.

Priority for Funding:

Water Quantity—High Priority for funding

Land leveling, concrete ditch lining, irrigation water conveyance, sprinkler, sprinkler conversion, and drip irrigation.

Plant Health—High Priority for funding

Fencing, livestock water development, brush management, range ripping and seeding.

All practices receive 50 points.

Eligible Practices and Cost-Share Rates:

Limited Resource Farmers and Ranchers—90 percent

Beginning Farmers and Ranchers—75 percent

Other—50 percent

applicants and it may be hard to tell without going through the process how your planned changes will be “ranked.”

The box on the previous page shows a copy of just one part of the ranking criteria from Reeves County, Texas. This illustrates several aspects of EQIP in Texas. First, the state NRCS—at least in this county—has identified Animal Feeding Operations (AFO/CAFO) issues and salt cedar removal as high-priority concerns. The local county group has added priorities related to conservation practices that promote plant health and water-use efficiency. Both the state and county clearly recognize that when limited-resource or beginning farmers or ranchers apply, they are entitled to higher benefits. Finally, the county has placed limits on the extent of funding by identifying specific priority practices and assigning points to those practices. Thus, in Reeves County, Texas, a farmer or rancher is clearly at a funding advantage for EQIP if CAFO-AFO issues, salt cedar removal, plant health, and water-quantity issues are important to the applicant’s farm or ranch conservation plan.

Practices will be supported based on the regionally established average cost of the practice. The amount of support earned will be the number of units certified after completion, multiplied by the average cost, multiplied by the support percentage.

However, it is important to understand that even if particular conservation measures prioritized locally are relevant to the applying farmer or rancher, there is still no guarantee that the producer will ultimately be provided EQIP benefits. This is true because the applicant is still competing with every other applicant in all other counties. Ultimately, the state NRCS office places every applicant on a list in order of total ranking criteria points with associated total benefits requested. Producers are funded starting at the top of the list and proceeding until that year’s state allocation of EQIP resources is expended.

What this example shows is that applying for EQIP benefits is a little like applying for a grant. The grantor (NRCS) gets to decide the criteria for grant awards and the applicant must match those criteria in order to increase the probability of acceptance. Also, an application for a single practice change is unlikely to be funded. It is useful to have a holistic plan of all the changes you wish and can afford to make on your farm or ranch and then apply for relevant changes that

will garner the highest level of ranking criteria points possible. While NRCS does not want to encourage what it often refers to as “point shopping,” farmers and ranchers must put together the best package possible to be competitive and realize any benefit.

Table 3 is an example from Maine NRCS of how actual dollar amounts are calculated to come up with the total contract benefits. Essentially, if an application is selected based on ranking criteria, then each practice is contracted and calculated and a total contract benefit package is awarded.

Table 3. 2006 Androscoggin/Sagadahoc Counties, Maine, EQIP Cost Lists

Practice Code	Practice Name	Component	Unit Type	Unit Cost \$	Support Rate %
560	Access Road	All components excluding crossings	foot	17	75
560	Access Road	Stream crossing	no.	55,000	75
702	Agrichemical Handling Facility	All components	no.	51,750	75
575	Animal Trails and Walkways	All components excluding crossings	foot	17	60
575	Animal Trails and Walkways	Stream crossing	no.	55,000	60
707	Barnyard Water Management	All components	s.f.	8	75
314	Brush Management	Brush Management	acre	55	100
326	Clearing and Snagging	Clearing and snagging	foot	50	60
317	Composting Facility	All components	no.	125,000	75
100	Comprehensive Nutrient Management Plan	Development of CNMP (one-time payment)	a.u.	10	100
100	Comprehensive Nutrient Management Plan	Implementation of CNMP (one-time payment)	a.u.	40	100
327	Conservation Cover	Grass establishment	acre	330	60
328	Conservation Crop Rotation	Conservation crop rotation	acre	55	100
332	Contour Buffer Strips	Grass establishment	acre	330	60
330	Contour Farming	All components	acre	22	10
340	Cover Crop	Cover crop	acre	55	100
324	Critical Area Planting	All components with heavy site prep	acre	800	60
342	Deep Tillage	Deep tillage	acre	22	100
362	Diversion	All components	foot	5	60

For example, if one of the applicant's "practices" was installation of a composting facility, then the applicant, if successful, would receive \$75,000 (60%) to build the facility—assessed by NRCS to cost \$125,000. For a successful candidate, this valuation would continue until all practices were assessed and a total contract amount set. It is important to remember that "contracts" can be made for up to 10 years. Payments are made when the practice is completed (adopted) or installed. Thus, the development of, for example, a compost facility might take several years to be complete and would likely require a multi-year EQIP contract.

The benefits of obtaining an EQIP contract can be substantial, but doing so requires real work and financial commitment by the applicant farmer or rancher. Again, careful planning and optimization of program criteria are critical for success.

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EQIP Organic Initiative

Authorized by Congress in 2008 and first implemented in 2009, this special EQIP initiative has assisted current organic farmers and ranchers as well as those who want to transition to organic production. This initiative was the result of the recognition that organic production systems have inherent conservation benefits. The initiative was also adopted because it was recognized by NRCS that they had not served organic farmers and ranchers adequately.

In general, the process for application is fairly similar to the general EQIP, but deadlines for application can be different so it is best to contact your local NRCS office or check the website of the state NRCS office for details. Like the general EQIP, payments are set up by a contract that can last several years. However, there are four significant differences between the EQIP Organic Initiative and the general EQIP.

First, the funding pool nationwide has been limited to \$50 million, and thus funding can be especially competitive. Also, the total pool of funding is further divided into support for transitioning and currently certified organic producers.

Second, by law, the amount of support a transitioning or certified organic producer can receive under the Organic Initiative is significantly less than under the general EQIP. The maximum payment for your efforts is \$20,000 per year, with no more than \$80,000 over a six-year period. To make it a little more confusing, however, if

you are an existing certified organic producer, then you can opt-out of the special initiative and compete for general EQIP funds with all other non-organic farmers and ranchers in your state. As noted earlier, the general EQIP is very competitive, but the maximum payment for the general EQIP can be as high as \$300,000 over a six-year period (or even up to \$450,000 if the applicant can justify the application as having unique and significant environmental benefit). Thus, each applicant needs to decide in which arena to compete.

Third, the range of conservation practices for Organic Initiative applicants is less than for the general EQIP and also varies by state. According to NRCS policy, each state is expected to provide support for any conservation practice that is likely to be needed by certified or transitioning producers, but the specific list does vary by state. The only way to know for sure what is offered is to check with your local or state NRCS office for details.

Finally, each state NRCS office provides a separate payment schedule to support practice adoption by certified organic and transitioning producers. In many cases, there are increased costs to conservation practice adoptions in organic systems, and each state estimates these different amounts. Again, it is necessary to check with the local or state NRCS to understand these cost differences.

Implementation

Being awarded an NRCS working-lands conservation program contract is really only the beginning of the process. NRCS working-lands "contracts" are legally binding and commit you to fulfilling your end of the bargain. With contracts lasting in some cases 10 years, it is important to be absolutely clear on your commitments. By the same token, NRCS has also made significant commitments. During the implementation phase, there will be a need to work regularly with your local NRCS agent to make sure you are making timely progress on your contract.

It is possible that disputes may arise about either the fairness of the application process or your obligations during the implementation of the contract. Federal law does provide for a formal processes of appeal. Although NRCS works hard to make sure you understand the details of a program contract prior to implementation, knowing your rights for appealing decisions is important.

Appeals

The appeals process—like the programs themselves—is complex. The first question to be clear about is the basis for your appeal. For instance, if you appeal the rejection of your application for program benefits, remember first that the programs are competitive and that losing in competition is not itself a reason to appeal. The general basis for an appeal includes the following:

- Denial of participation in a program.
- Compliance with program requirements.
- The payment or amount of payments or other program benefits to a program participant.
- Technical determinations or technical decisions that affect the status of land even though eligibility for USDA benefits may not be affected.

There are specific reasons that an appeal can be rejected by NRCS:

- General program requirements applicable to all participants; that is, you cannot make your farm or ranch a “special” case.
- Science-based formulas and criteria; for example, eligibility for CSP is based on a certain minimum Soil Conditioning Index (SCI) score. You cannot appeal your eligibility on the basis that the SCI index is the wrong criteria to use. (However, if you think the wrong information was used to calculate the score, then an appeal may be warranted.)
- The fairness or constitutionality of federal laws; for example, arguing that it is unfair because you think the CSP should provide greater than \$40,000 per year for your conservation efforts when the program is not authorized to offer more.
- Technical standards or criteria that apply to all persons.
- State Technical Committee membership decisions made by the State Conservationist.
- Procedural technical decisions relating to program administration.
- Denials of assistance due to the lack of funds or authority.

Once you have established a basis for an appeal, determine whether you are appealing a “technical determination” or a “program decision.” An

appeal of a technical determination challenges the correctness of “the status and condition of the natural resources and cultural practices based on science and best professional judgment of natural resources professionals concerning soils, water, air, plants and animals” (NRCS). For example, the stocking rate of cattle on a particular range or pasture could be a contested technical decision.

An appeal of a program decision, on the other hand, challenges the correctness of the determination of eligibility, or how the program is administered and implemented. For example, if the local NRCS field staff entered information incorrectly into the Conservation Management Tool in assessing your application to the CSP, then you could appeal on the basis of this error.

After you have decided the basis for an appeal and the type of appeal, the next step is to make sure the program you applied for is a “Chapter XII” program. Chapter XII refers to the title of the Food Security Act of 1985, where the current appeals process was established. All the programs outlined in this publication are Chapter XII programs. Check with your local or state NRCS office for a list of non-Chapter XII programs.

To begin the preliminary phase of the appeal process, ask in writing for one of three actions to take place within 30 days after notification of the decision you wish to contest.

- Make a request for a field visit and reconsideration of an NRCS decision.
- Ask for mediation of the contested decision.
- Appeal directly to the local Farm Service Agency (FSA)—usually county-based—for a reconsideration of a decision.

Which of these three routes to take in the appeals process is up to you. It may be hard to evaluate which is of greater benefit. Even though the first choice explicitly provides for a “field visit,” all others will require a field visit anyway. The reconsideration and mediation routes should be completed within 30 days of the request.

Finally, even after these appeal routes are exhausted, you can still appeal a decision to the National Appeals Division (NAD) of the USDA. This agency is independent of the other USDA agencies and provides participants with the opportunity to have a neutral review of an appeal. The NAD can make independent

Once you have established a basis for an appeal, determine whether you are appealing a “technical determination” or a “program decision.”

findings but also must apply laws and regulations of the respective agency to the case.

Conclusion

The conservation programs outlined in this publication are complex; accessing these resources requires significant effort and an investment in time and energy by producers. The complexities of the programs are in part due to sincere efforts by a large federal agency to make the programs locally relevant and to assure careful expenditure of federal resources. If you do not like the way programs are designed and implemented, the NRCS is unique in that it also provides at least two ways for you to be engaged in changing them.

Local Working Groups

Local working groups are essentially a form of local governance of federal conservation programs. Their meetings are open to the general public, but formal membership is limited to federal, state, tribal, or local government representatives. The meetings are convened by the local conservation district in each state and the purpose of the group is to provide advice to the NRCS on conservation programs. Contact your local NRCS office about the meeting schedule in your area. As a farmer or rancher, you can attend these meetings and offer public comment on the decisions being made. Incumbents of any of several local government offices usually serve as leaders of these groups. The local working groups also provide representatives to serve on a multi-state committee. The working groups provide advice in the following general areas:

- Conditions of the natural resources and the environment
- The local application process, including ranking criteria and application periods
- Identifying the educational and training needs of producers
- Cost-share rates and payment levels and methods of payment
- Eligible conservation practices
- The need for new, innovative conservation practices
- Public outreach and information efforts
- Program performance indicators

State Technical Committee

Each state NRCS office has a State Technical Committee (STC). The committee is comprised of groups or individuals who represent a wide variety of natural resource issues. If you wish to serve on your STC, either as an individual or as a representative of a group, you must write a letter to your State Conservationist explaining your interest and credentials. Several federal agencies must be represented on the committee by law and many non-governmental and state agencies are encouraged to participate, as well. Unlike local working groups, STC members do not have to be “elected” officials. Public notification of meetings must be accomplished no later than 14 days prior to the meeting, and the state conservationist is required to prepare meeting agendas and necessary background information for the meetings. There is no requirement for any number of meetings in any given year, but any USDA agency can request that a meeting be held.

The STC has an extensive list of conservation programs that they are responsible to address. The list is available on the Internet at http://policy.nrcs.usda.gov/scripts/lpsiis.dll/M/M_440_501_B_11.htm or by contacting your local or state NRCS office. However, it is important to remember that the STC is only an advisory body and has no legal enforcement or implementation authority. Nonetheless, even without statutory authority, members of the STCs are generally the leaders of agriculture in a particular state. It would be difficult for any State Conservationist to not give strong consideration to the recommendations of this important group.

Final Word: Is Conservation a Public Good?

There are some farmers, ranchers, and agricultural and conservation organizations who have had philosophical issues with the very intent of working-lands conservation programs. For example, the CSP concept of rewarding farmers and ranchers for their ongoing conservation efforts is fundamentally different from all other federal conservation programs. Some have argued that if some farmers and ranchers are already providing these benefits without public support, then why should scarce public resources be provided to continue these efforts (Batie, 2006)? Others have argued that good stewardship by farmers

and ranchers provides a public good or investment. It is argued that we all benefit from these stewardship efforts, and that public incentives are required for continued good stewardship of the land and—more importantly—to encourage those who do not provide these public benefits (Kemp, 2005).

EQIP supports farmers and ranchers in moving toward improved conservation practices that protect natural resources and the environment. The immediate additions to social benefits seem clearer than with CSP. However, EQIP also has a role to regulate environmental damages resulting from agriculture by changing farming and ranching practices that damage the environment or degrade natural resources before governmental

enforcement actions are imposed. In this regard, EQIP is often criticized for rewarding the worst environmental actors in the agriculture system.

These issues—like many others in our democratic system—strike at the broader issue of the proper role of government engagement in protecting both the environment and the future productive capacity of natural resources. Even with the substantial federal resource increases in conservation since 2002, federal conservation programs still only represent about 8% of all USDA expenditures. So even at this higher level of activity, the federal government is far more engaged in other aspects of our agriculture and food systems than in protection of our agricultural resource base and natural environment. Perhaps conservation efforts could garner higher priority in the United States.

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Further Resources

National Sustainable Agriculture Coalition

<http://sustainableagriculture.net>

This 100+ member coalition offers the latest information

*on federal conservation policy. A recent (2011) publication, *Farmers' Guide to the Conservation Stewardship Program*, is particularly useful for more information on CSP.*

Natural Resources Conservation Service (NRCS)

www.nrcs.usda.gov

If you do not have Internet access, your phone book should list your local county NRCS office in the “blue” federal government sections. If not, call the state office to get the phone number of your local office.

NRCS has an excellent intranet-based information system. The national NRCS website links to all state NRCS websites. In turn, state websites link to local NRCS office websites, if the local office maintains a site. Starting at the national NRCS site is the best way to begin a search of all the programs and services NRCS provides.

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