

STEWARDED SUCCESS


CSP UNDER THE 2018 FARM BILL



**NATIONAL SUSTAINABLE
AGRICULTURE COALITION**

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EXECUTIVE SUMMARY

The Conservation Stewardship Program (CSP) is the nation's largest conservation program, with 69 million cumulative acres¹ currently enrolled in the program. CSP is an innovative federal program for working farms, built on the belief that we must enhance natural resources and environmental protection as we simultaneously produce profitable food, fiber, and energy. By providing comprehensive conservation assistance to whole farms, CSP offers farmers the opportunity to earn payments for actively managing, maintaining, and expanding conservation activities - like cover crops, rotational grazing, ecologically-based pest management, buffer strips, and the transition to organic farming - even while they work their lands for production.

This report examines CSP enrollment during the lifespan of the Agriculture Improvement Act of 2018 (2018 Farm Bill) to uncover and illustrate trends in program spending and practices utilized that have contributed to increased environmental outcomes at the farm, state, and national level. The analysis - which updates previous National Sustainable Agriculture Coalition (NSAC) special reports on CSP, most recently from **2017** and **2020** - underscores how critical it is for the next farm bill to continue to invest in this essential conservation program.

During the life of the 2018 Farm Bill (Fiscal Year (FY) 2019-2023), 36,799 new CSP contracts were signed, 49 million new acres were enrolled, and 20% of expiring contracts were renewed. Compared to past farm bills, this renewal rate represents a major loss for long term conservation on farms, as previous policy allowed for automatic renewal of qualified continual improvement CSP contracts. The 2018 Farm Bill made renewals competitive while also cutting overall CSP funding and as a result renewals dropped from **nearly 60% annually** to 20%.

The practices, enhancements, and bundles funded through CSP show a strong programmatic focus on water quality and soil health and an increasing focus on climate resilience. The most **common practices** funded through CSP contracts were prescribed grazing, integrated pest management (IPM), nutrient management, cover crops, and herbaceous weed control. Of the **ten most common enhancements**, four were enhancements to integrated pest management, three were enhancements to prescribed grazing, two were enhancements to nutrient management, and one was an enhancement to reduced tillage. Of the **ten most common bundles** - targeted groupings of enhancement activities - three were for rangeland, two for cropland, three for the Mississippi River Basin Healthy Watersheds Initiative, and two for forestry.

The **Inflation Reduction Act** of 2022 (IRA) significantly increased CSP funding, resulting in an additional 2,400 new contracts and 3.28 million acres enrolled in FY23.² The **climate smart practices** that received the greatest support from IRA funding were cover crops, prescribed grazing, nutrient management, no till, and reduced tillage. Seven of the top ten practices supported by the IRA were also in the top ten most common practices for CSP acres overall.

¹ NSAC calculates cumulative acres to include all acres under CSP contracts in a current year: acres that were newly enrolled that year, previously enrolled acres that remain under their five-year contract term, and acres under contracts expiring that year that were renewed. Cumulative acres reported do not include acres funded by the Grasslands Conservation Initiative.

² Data obtained via FOIA request.

EXECUTIVE SUMMARY

The **enhancements** to practices that received the greatest support from IRA funding were improving nutrient uptake efficiency and reducing risk of nutrient losses, planting for high carbon sequestration rate, and reducing risks of nutrient loss to surface water by utilizing precision agriculture technologies. The **bundles** that received the greatest support from IRA funding were the climate smart advanced soil health bundle and the grazing bundle #1 that includes prescribed grazing, herbaceous weed treatment, and upland wildlife habitat management.

The report begins with a **national overview** of CSP participation in terms contracts, acreage, and contract renewals over the lifespan of the 2018 Farm Bill (FY2019 - FY2023), and also includes data highlighting the performance of the IRA. It then moves to detailed state

comparisons of CSP **contracts, acreage, contract renewal rates, and proportion of agricultural land** enrolled in CSP before shifting to a comprehensive analysis of the types of **land use** in CSP contracts and the most common **practices and enhancements** supported as part of CSP contracts, including **prescribed grazing, integrated pest management (IPM), nutrient management, cover crops, and herbaceous weed control.**

The report also examines CSP's enrollment of **Beginning Farmers and Ranchers (BFR), Socially Disadvantaged Producers (SDA), and Limited Resource Producers,** small farms that receive the **minimum contractual payment,** and **organic** producers. Finally, the report concludes with an examination of **IRA funding** in CSP and the resulting new contracts and acreage enrolled in climate smart agricultural practices.

CONSERVATION STEWARDSHIP PROGRAM OVERVIEW

The **Conservation Stewardship Program (CSP)** was first established in the Farm Security and Rural Investment Act (2002 Farm Bill) as the Conservation Security Program, becoming the Conservation Stewardship Program in 2008. When the Conservation Security Program was revised into the Conservation Stewardship Program in the 2008 Farm Bill, US Department of Agriculture (USDA) took the opportunity during implementation to make CSP available to all states and counties every year. CSP was subsequently reauthorized in the Agricultural Act of 2014 (2014 Farm Bill) and the 2018 Farm Bill.

The 2018 Farm Bill made several significant changes to CSP. In particular, the bill made changes to program funding, ranking criteria, the renewal process, and payments for the most effective conservation activities, comprehensive conservation planning, funding for organic participants, and coordination between the Environmental Quality Incentives Program (EQIP) and CSP.

However, the most substantial changes to CSP in the 2018 Farm Bill were a reduction in overall funding and the switch from an acreage-based to a dollar-based program. While the 2008 and 2014 Farm Bills set a target number of acres to enroll in CSP and required the program be managed to achieve an average per acre payment rate of \$18, the 2018 Farm Bill capped spending on CSP contracts to \$700 million in FY2019, rising to \$1 billion in FY2023, regardless of the number of acres enrolled. This change from an acreage-based to a dollar-based program **cut overall funding available to CSP over the course of the 2018 Farm Bill** and reduced CSP's baseline funding (and thus total Conservation Title baseline) for subsequent farm bills.

Still, today CSP is the largest federal conservation program by acreage. It is administered by the Natural Resources Conservation Service (NRCS), a division of the USDA, and offers financial assistance to farmers and ranchers to: (1) improve, maintain, and manage a wide range of **existing** conservation practices and (2) to support the adoption and expansion of **additional** conservation practices.

Unique among farm bill conservation programs, CSP requires participants to have already demonstrated a commitment to conservation, incorporates the whole farming operation, is focused on management and vegetative practices, and offers the ability to renew. It is **highly customizable** in that producers can receive support for conservation practices that are most appropriate to their operations and environment. A local NRCS staff member will work with producers to identify their existing conservation practices that may qualify for support and to identify and prioritize additional conservation practices suited to their operation and develop a customized conservation plan. CSP supports conservation practices as diverse as improved grazing management, nutrient management, cover cropping, riparian buffers, and conversion to organic production.

In FY2023, NRCS obligated \$835 million and managed 11,063 new CSP contracts with producers across the nation covering a wide range of conservation practices and plans. Contracts last five years with the option for renewal if contract terms are met. All private agricultural land is eligible for CSP enrollment, and producers may apply for CSP enrollment on land that they own or rent, as long as they operate and have effective control of the land and conservation practices on that land.

CSP contracts are competitively awarded on an annual basis and producers may apply for a CSP contract at any time. As noted above, the **2018 Farm Bill changed CSP** from having a cap on total acreage enrolled to a set amount of total funding for new contracts. This change substantially reduced the total funding available, making it harder to meet the programs' producer demand. Payments to producers are capped at a maximum of \$40,000 per year or \$200,000 over the five-year contract. The 2018 Farm Bill provides guidance on how NRCS should fund and prioritize the most effective conservation practices, and allows CSP contracts for the development of comprehensive conservation plans. Payments to producers vary widely within CSP as the practices covered by CSP contracts also vary widely. Throughout the lifespan of the 2018 Farm Bill, producers were offered a minimum payment of \$1,500 per year; notably, however, minimum payments to producers were increased to \$4,000 per year in FY24.

WHO CAN ENROLL IN THE CONSERVATION STEWARDSHIP PROGRAM?

To qualify to enroll in CSP, producers must have existing or planned conservation practices that align with priority natural resource concerns in their state or region. NRCS sets priority natural resource concerns in consultation with State Technical Committees and Local Working Groups. By law, states must select at least five priority natural resource concerns, though NRCS has chosen to raise this minimum number to at least eight for each state or region. Producers must: (1) **currently** meet or exceed the stewardship threshold for at least two priority natural resource concerns and (2) meet or exceed the stewardship threshold for at least one **additional** priority natural resource concern by the end of the five-year contract.

Beginning farmers and ranchers, socially disadvantaged farmers and ranchers, and veteran farmers and ranchers receive special priority in awarding CSP contracts. The 2018 Farm Bill updated the requirement that NRCS set aside 5% of acres enrolled in CSP for contracts with beginning farmers and ranchers and an additional 5% of funding for socially disadvantaged producers. Veteran farmers and ranchers receive priority in both of these set-asides.

NRCS competitively ranks CSP applications using the Conservation Assessment and Ranking Tool (CART). CART ranks applications based on five criteria: (1) Site vulnerabilities: how much the current conditions or soil, water, and other resources fall below their stewardship thresholds; sites with greater vulnerability receive higher rankings. (2) Planned activities: higher ranking points are awarded to planned activities with greater expected conservation benefits. (3) Resource priorities: points are awarded based on how well the existing and planned conservation activities align with priority natural resource concerns in the state or region. (4) Program priorities: points are awarded based on alignment with other program priorities set each year that may include things such as a specific location focus (i.e., location within a specific impaired watershed) and/or demographic factors (i.e., veteran producers). And (5) Efficiency: efficiency is rated as a ratio of the contract cost to the expected conservation benefits with higher ranking points given to applicants with lower cost/benefit ratios.

THE INFLATION REDUCTION ACT

The Inflation Reduction Act of 2022 (IRA) appropriated more than \$19.5 billion to **support climate smart agriculture** within USDA's existing conservation programs, including \$3.25 billion for the CSP.

To qualify for CSP IRA funds, producers must commit to implementing "1 or more agricultural conservation practices, enhancements, or bundles that the USDA determines directly improve soil carbon, reduce nitrogen losses, or reduce, capture, avoid, or sequester carbon dioxide, methane, or nitrous oxide emissions, associated with agricultural production." To satisfy this requirement, NRCS publishes an **annual list of Climate Smart Agriculture and Forestry (CSAF) practices** which determines the practices eligible for IRA funding in a given fiscal year. Beyond the requirement to mitigate climate change, the infusion of IRA funding into CSP was also intended to address the backlog of CSP applications, the chronic problem of oversubscription, and to rectify historic disinvestment in the program. Prior to the IRA, **only about 25% of producers applying to CSP were able to secure contracts.**

In FY2021 and FY2022 – before IRA funding was available – **farmer demand resulted in significant portions of total CSP funding flowing to CSAF practices**, indicating that these practices were wildly popular with farmers even before IRA funding was available. In FY23, not only did all IRA CSP dollars go toward climate-smart practices, but **nearly 40% of the combined baseline funding for CSP and EQIP also went to supporting CSAF practices**, again underscoring the sheer size of farmer demand for assistance funding these practices. Further, even with a combined total of \$1.25 billion in funding available for new CSP contracts in FY23, **only about 30% of producers applying to CSP secured contracts**, hardly any change from the application success rate in the years prior to IRA, indicating that further investment is required to truly address the overwhelming demand for this program. Given the continued strong demand for CSP writ large, and the overwhelming and expanding demand for CSAF practices, NSAC concludes that IRA investments in CSP have been a wild success and justify significant increased funding for CSP in the next farm bill, as well as a codified requirement to target a large portion of program funds at CSAF practices, enhancements, and bundles.



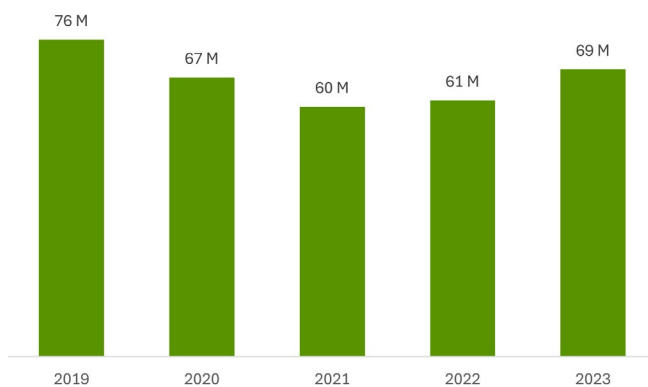
Photo: USDA

CSP PARTICIPATION: NATIONAL OVERVIEW

CSP remains the largest conservation program in the United States. In FY2023, there were approximately 69 million cumulative acres enrolled in CSP contracts and CSP enrollment covered approximately 8% of all farmland in the United States.

NSAC calculates cumulative acres to include all acres under CSP contracts in a current year: acres that were newly enrolled that year, previously enrolled acres that remain under CSP contract because they are still within their five-year term, and acres where the CSP contract was expiring that year but was renewed.

Figure 1: Total (National) Cumulative Enrolled Acres (in millions) FY2019-2023



While the figure above shows a general downward trend in total cumulative acreage, with a slight up-tick in FY2023, it is important to recall the multi-farm bill history of CSP's funding. **Both the 2014 and 2018 Farm Bills contained cuts to CSPs total funding**, funding that is still subject to further reductions through **mandatory sequestration**, leading to a long term trend of shrinking program acreage. Under the 2018 Farm Bill, funding stair-stepped up from \$700 million for new contracts in FY2019 to \$1 billion for new contracts in FY2023. FY2023 CSP funding was also supplemented by \$250 million dollars of IRA funding for new CSP contracts.

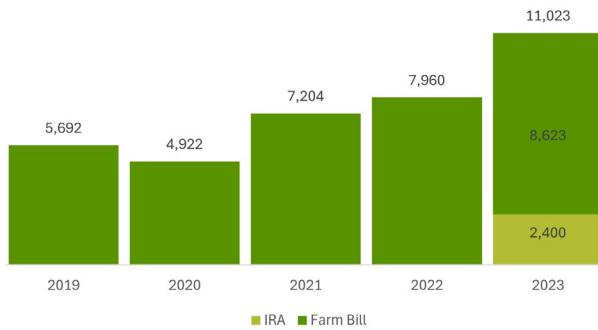
However, CSP's shrinking national footprint clearly shows that even the combined stair-step of 2018 Farm Bill funding and infusion of IRA dollars was not enough investment to reverse multiple farm bills worth of underfunding. This has been and continues to be a major loss for conservation agriculture, as acreage under CSP contracts is one of the clearest metrics available nationally of practice permanence on the landscape supported through federal investment. Congress must fix this long term trend of disinvestment if we hope to see a new trend of a growing CSP footprint under the next farm bill.

Beyond disinvestment, CSP also faces other hurdles. Prior to the 2018 Farm Bill, NRCS undertook a reinvention of CSP. At that time, payment schedules for enhancements were revised, greatly increasing the per acre payment rate offered for certain enhancements. The 2018 Farm Bill subsequently removed the requirement for NRCS to achieve an average per acre payment rate of \$18 for CSP nationally. This meant that the increased payment rates for some enhancements established during the reinvention no longer had to be balanced against lower payment rates for separate enhancements. Taken together, the reinvention and the 2018 Farm Bill provided both the legal ability and the program design necessary to raise the average per acre payment rate nationally, meaning the same amount of money would likely reach fewer acres during the 2018 Farm Bill cycle. Coupled with the spending cuts discussed above, it is no surprise the data shows a shrinking national footprint in the early years of the 2018 Farm Bill cycle.

Nationally, there were 36,799 new CSP contracts signed with American farmers and ranchers between FY2019 and FY2023.³ The largest number of new contracts was signed in FY2023, with 11,023 new CSP contracts. Of those new FY2023 contracts, 2,400 (22%) were funded through the IRA. NRCS differentiates CSP contracts by funding which makes it possible to differentiate CSP contracts funded by general farm bill from those funded by IRA.

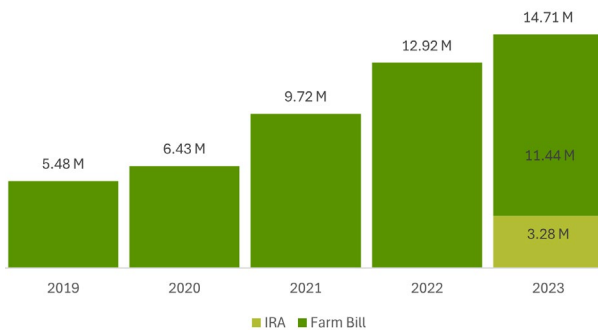
³ Including CSP-farm bill and all CSP contracts funded by the IRA.

Figure 2: Total (National) New CSP Contracts by FY2019-FY2023



Nationally, there were more than 49 million “new” CSP acres enrolled across the United States between FY2019 and FY2023. New acres are those that were **newly** enrolled in a given year and do not include acres enrolled in previous years but that remain under contract. The largest number of new acres was enrolled in FY2023, with 14.71 million new acres enrolled. Of those new 2023 acres, 3.28 million (22%) were funded through the IRA. These numbers suggest a growing trend of higher amounts of new acres entering the program each year, moving the program back towards levels seen under previous farm bills with more funding. However, it is worth noting that while these acres are reported on “new” contracts by NRCS, it is possible that a large portion of these acres were part of unsuccessful renewal applications that then competed to re-enroll in CSP through the regular sign up. Because the 2018 Farm Bill eliminated automatic renewals for qualified CSP contracts, the boundary between the two types of CSP enrollment has been blurred and the resulting anonymized data less definitive.

Figure 3: Total (National) Newly Enrolled CSP Acres by FY2019-FY2023



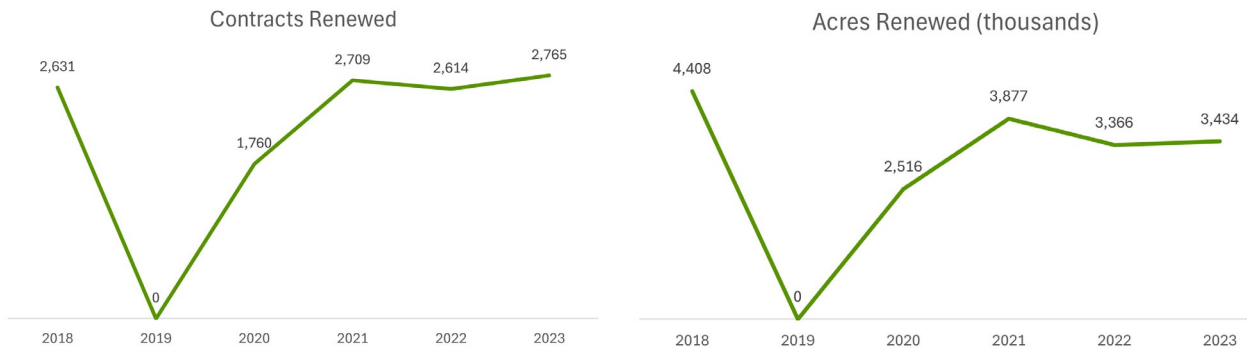
At the end of their 5-year contract, CSP participants are eligible to renew their contract for an additional five years, provided they are in compliance with the original contract and agree to adopt additional conservation practices and higher levels of stewardship. The option to renew provides the opportunity to continue and expand their existing conservation activities and to avoid any gaps in CSP payments. Unfortunately, NRCS was required to **pause renewals** in FY2019 as they developed the new competitive ranking process to be used to evaluate applications and renewals. This means that there were no renewals for FY2019. Instead, the 2018 Farm Bill authorized a yearlong extension, with an additional year of payments, for contracts signed in 2014 and 2015. This gave NRCS time to put the new renewal process in place, and producers were able to apply to renew in 2020, before their extended contracts expired.

To illustrate the significance of this transition to a competitive renewal process between FY2018 and FY2019, the following charts include renewal data from FY2018 even though that fiscal year fell in the previous farm bill cycle. The chart shows strong renewals in FY2018, none in FY2019 when expiring contracts were extended, and noticeably low renewals in 2020. This is alarming as FY2020 should have had significantly more producers eligible to renew out of any year during the 2018 Farm Bill period, and therefore should have been a likely year to observe a spike in total contracts and acres renewed. While there was a relatively low amount of total funding available for contracts in FY2020, seeing effectively the lowest renewal numbers in this fiscal year suggests that there was either a problem with or low interest in the contract extension process, or that some element of that initial year of competitive contract renewals failed to account for the higher volume of farmers competing for renewed contracts. Low interest seems an unlikely culprit given that few fiscal years before or after the implementation of the competitive process saw such a limited number of renewals as FY2020. Regardless, the resulting impact is the same: the rollout of an underfunded, competitive renewal process seems to have pushed several thousand contract holders out of CSP.

To estimate the lasting effect of the FY2018-2019 renewal transition, NSAC developed a hypothetical scenario in which states had FY2019 renewals equal to the average of their renewals in FYs 2018, 2020, 2021, 2022, and 2023. If this average renewal had occurred in 2019, there would have been more than 3 million additional acres under CSP contracts at the end of FY2023.

Despite the difficult FY2018-2019 transition to competitive renewals, 12,479 (20%) CSP contracts were renewed between FY2018 and FY2023. The greatest number of CSP contracts was renewed in FY2023, with 2,765 contracts renewed. 17.6 million (27%) CSP acres (as opposed to contracts) were renewed between FY2018 and FY2023.

Figure 4: Total (National) Contracts and Acres Renewed by Fiscal Year 2018-2023



CSP STATE ANALYSIS: NEW CONTRACTS

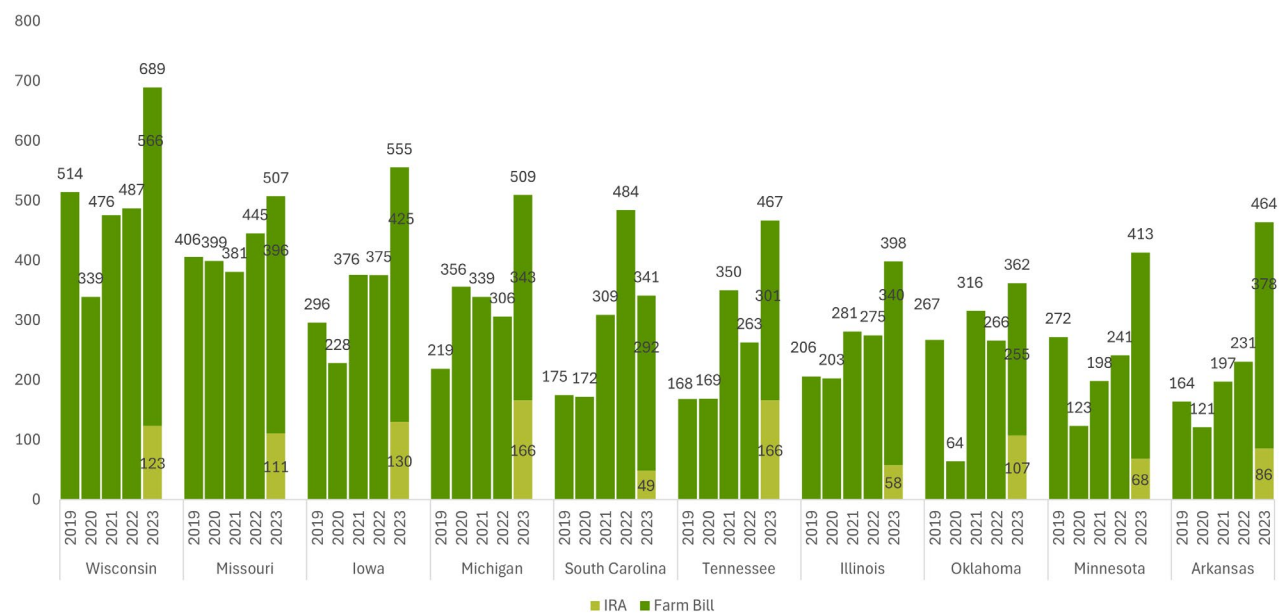
There were 36,799 new CSP contracts signed with American farmers and ranchers between FY2019 and FY2023. New contracts bring new producers and new acres into CSP and provide a measure for the spread of conservation practices. As noted above, the change from an automatic renewal process to a competitive renewal process may have resulted in more current CSP contract holders opting to compete for a “new” contract in order to stay enrolled. Because of this detrimental change in the 2018 Farm Bill, the line between the two types of enrollment has been blurred and the ability to report definitive results impeded. Nonetheless, examining trends in new contracts is still very informative. Comparing the contracts enrolled in each state can highlight which states have room for improvement in their CSP outreach and enrollment.

The figure below shows the number of new CSP contracts each fiscal year for the top ten states for new contracts, as well as how many of those contracts in FY2023 were funded through the IRA. Nationally, 22% of the new CSP contracts signed in 2023 were funded through the IRA.

Wisconsin had the highest number of new CSP contracts, with 2,505 new contracts between FY2019 and FY2023. Missouri had the second largest number of new contracts, with 2,138 new contracts between FY2019 and FY2023, and Iowa had the third largest number of new contracts, with 1,830 new contracts between FY2019 and FY2023.

Of the top ten states, Tennessee had the highest proportion of new FY2023 contracts funded through the IRA. 36% of Tennessee’s FY2023 CSP contracts were funded by the IRA. Michigan and Tennessee also had the highest overall number of contracts funded by the IRA of the top ten states, with 166 IRA contracts each in FY2023.

Figure 5: Top 10 States by New CSP Contracts FY2019-2023



CSP STATE ANALYSIS: NEW ACRES

Examining new acres enrolled gives us a sense of the additional land receiving a suite of new or enhanced conservation practices applied as part of a CSP contract. Comparing the newly enrolled acres across states again highlights which states have a growing CSP base and which states could stand to improve their CSP enrollment.

It is important to note that states with the highest number of new CSP contracts are not necessarily the states with the highest number of new CSP acres. This reflects the difference in average operation size throughout the country, with some states having much larger operations than others. For example, in the **2022 Agricultural Census**, only six states had an average farm size of over 1,500 acres, all Western states: Wyoming, Montana, Nevada, New Mexico, North Dakota, and Arizona. Western states are also much more likely to feature large grazing operations, with state average grazing acreage of 374 acres per farm in New Mexico, for example, more than three times the national average of 101 acres per farm in the **2022 Agricultural Census**.

Likewise, in FY2023, the average CSP contract size in Arizona was 30,733 acres. In New Mexico, the average was 18,535 acres per CSP contract. On the lower end, Wisconsin averaged 515 acres per CSP contract and Missouri 498 acres per contract. Further, states with large tribal populations and large portions of land held by tribes may push up average contract sizes, since entire Tribes are eligible to apply for a single CSP contract. For example, the Arizona Department of Agriculture **reported** in 2018 that Indigenous producers operated roughly 57% of Arizona's farms and ranches, covering more than 20 million of the state's roughly 27 million acres of agricultural land.

There were more than 49 million new CSP acres added across the United States between FY2019 and FY2023. The figure below shows the number of new CSP acres for each year for the top ten states for new acreage, as well as the number in FY2023 that were funded by the IRA. Nationally, 22% of the new CSP acres added in FY2023 were funded through the IRA.



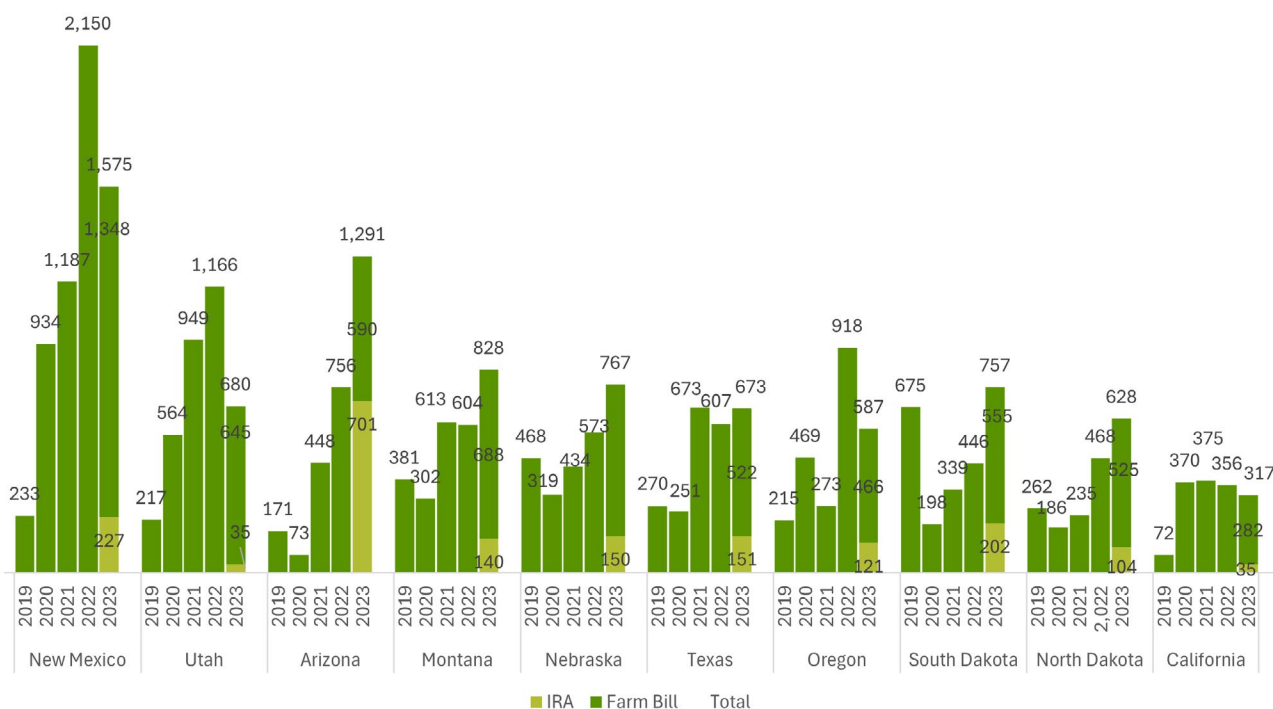
Photo: Rafal Maciejski

CSP STATE ANALYSIS: NEW ACRES

New Mexico had the highest number of new CSP acres, with 6.1 million new acres enrolled between FY2019 and FY2023. Utah had the second largest number of new CSP acres, with 3.6 million new acres between FY2019 and FY2023, and Arizona had the third largest number of new acres, with over 2.7 million new acres between FY2019 and FY2023. Five of the top ten states were Western states: New Mexico, Utah, Arizona, Montana, and Oregon.

This is unsurprising given the larger average farm size in Western states and higher average acres per CSP contract in Western states, as well as the **focus on rangeland operations in Western states**. Of the top ten states, Arizona had the highest proportion of their FY2023 acres that were funded by the IRA. 54% of Arizona's 2023 CSP acres were funded by the IRA. Arizona also had the highest number of acres funded by the IRA in the top ten states, with 700,687 acres funded by the IRA in FY2023.

Figure 6: Top 10 States by New CSP Acres FY2019-2023 (Thousands)



CSP STATE ANALYSIS: NEW RENEWALS

At the end of their 5-year contract, CSP participants are eligible to renew their contract for an additional five years, provided they are in compliance with the original contract and agree to adopt additional conservation practices and higher levels of stewardship. Because of the delay to develop a new competitive ranking system, no renewals took place in FY2019. Instead, the 2018 Farm Bill authorized a yearlong extension, with an additional year of payments, for contracts signed in FY2014 and FY2015. This gave NRCS time to put the new renewal process in place, and producers were able to apply to renew in FY2020, before their extended contracts expired.

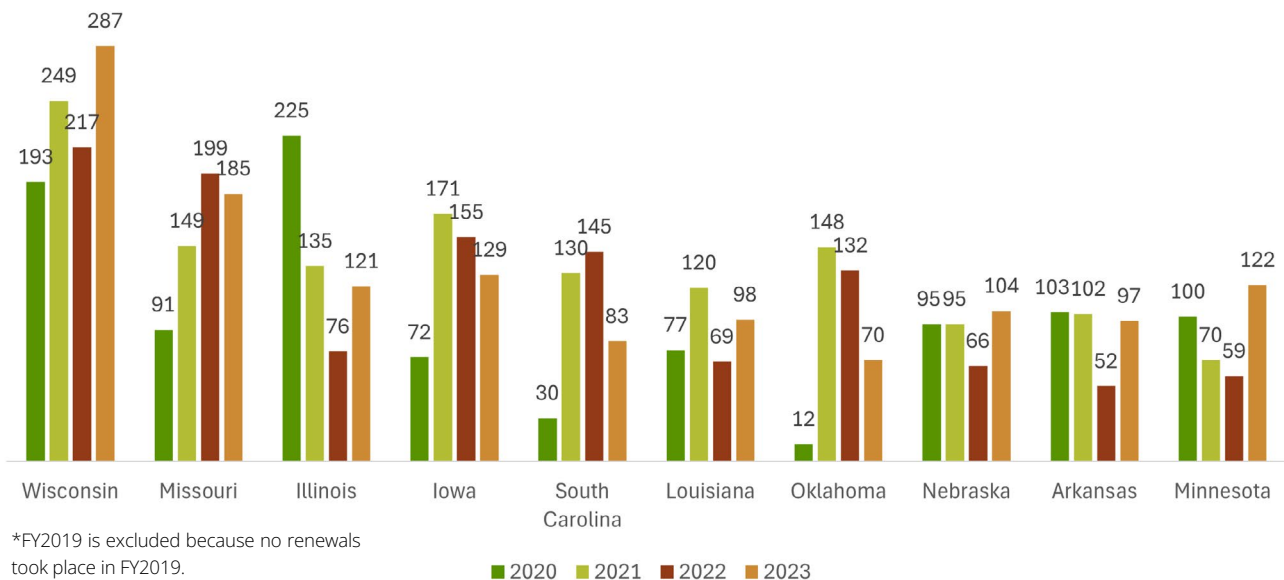
Renewals are an important tool to maintain and improve long-term conservation systems on farms. Despite the troubled transition to a competitive renewal process in FY2019, 9,848 contracts were renewed across the nation in fiscal years 2020, 2021, 2022, and 2023. This represents a national contract renewal rate of just under 21% for this farm bill cycle.

The lowest national contract renewal rate during this farm bill cycle (excluding FY2019 when it was zero) was in FY2020 at just 10% of all contracts renewed. This is a troubling decline in renewals from the national renewal rate of **60% in FY2017 and 38% in FY2018**, a decline that is likely a direct result of the damaging and underfunded transition to competitive renewals.

States with low renewal rates should focus on improving outreach to and retention of CSP contract holders to ensure long-term investments in conservation practices and may need to consider developing new and expanded conservation activities to serve the unique needs of farm systems achieving high levels of stewardship in their region.

Wisconsin had the highest number of total contract renewals, with 946 total contracts renewed between FY2020 and FY2023. Missouri had the second highest number of total contract renewals with 624 total contracts renewed between FY2020 and FY2023. Illinois had the third highest number of total contract renewals with 557 total contracts renewed between FY2020 and FY2023.

Figure 7: Top 10 States by Renewal of CSP Contracts Between FY2020 and FY2023



New Mexico had the highest number of acres renewed, with 1.45 million total acres renewed between 2020 and 2023. Utah had the second highest number of total acres renewed with 1.02 million total acres renewed between 2020 and 2023. Montana had the third highest number of total acres renewed with just under 1 million total acres renewed between 2020 and 2023.

Figure 8: Top 10 States by Renewal of CSP Acres (in thousands) Between FY2020 and FY2023

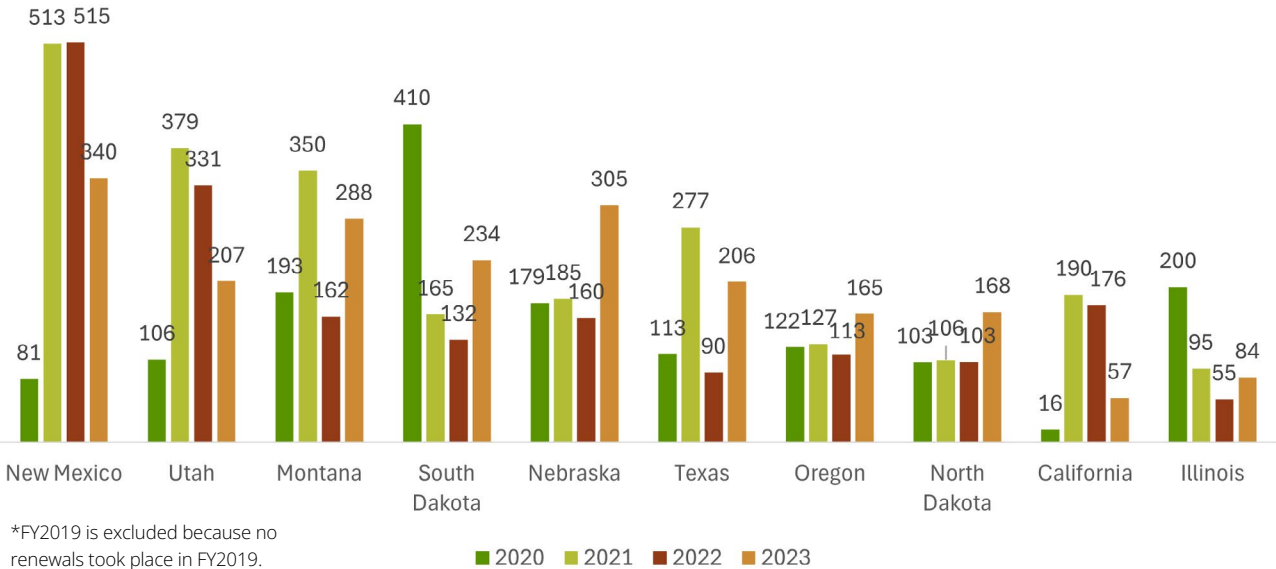
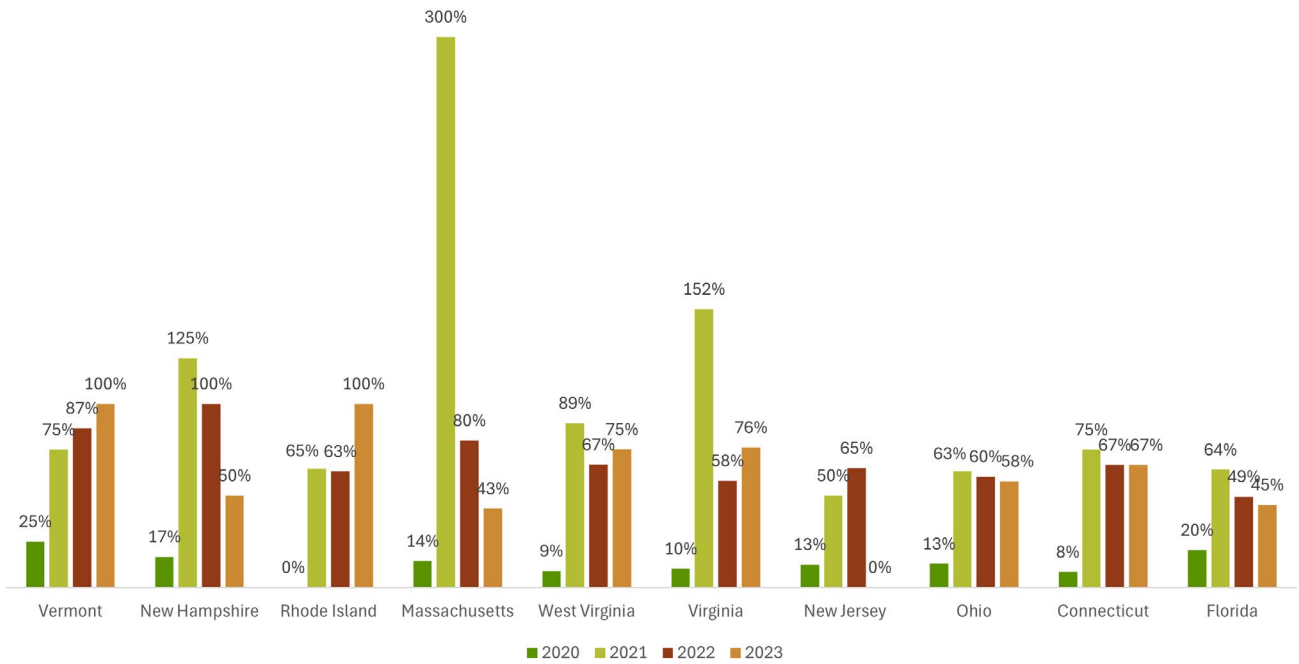


Photo: USDA

Vermont had the highest percentage of total CSP contracts renewed between FY2020 and FY2023, renewing 79% of total CSP contracts. All of the states in the top ten renewed more than 40% of their total CSP contracts between FY2020-2023. Wyoming had the lowest percentage of CSP contracts renewed between FY2020-2023, with just 5% of CSP contracts renewed.

Figure 9: Top Ten States by Percent of Total CSP Contracts Renewed Between FY2020 and FY2023



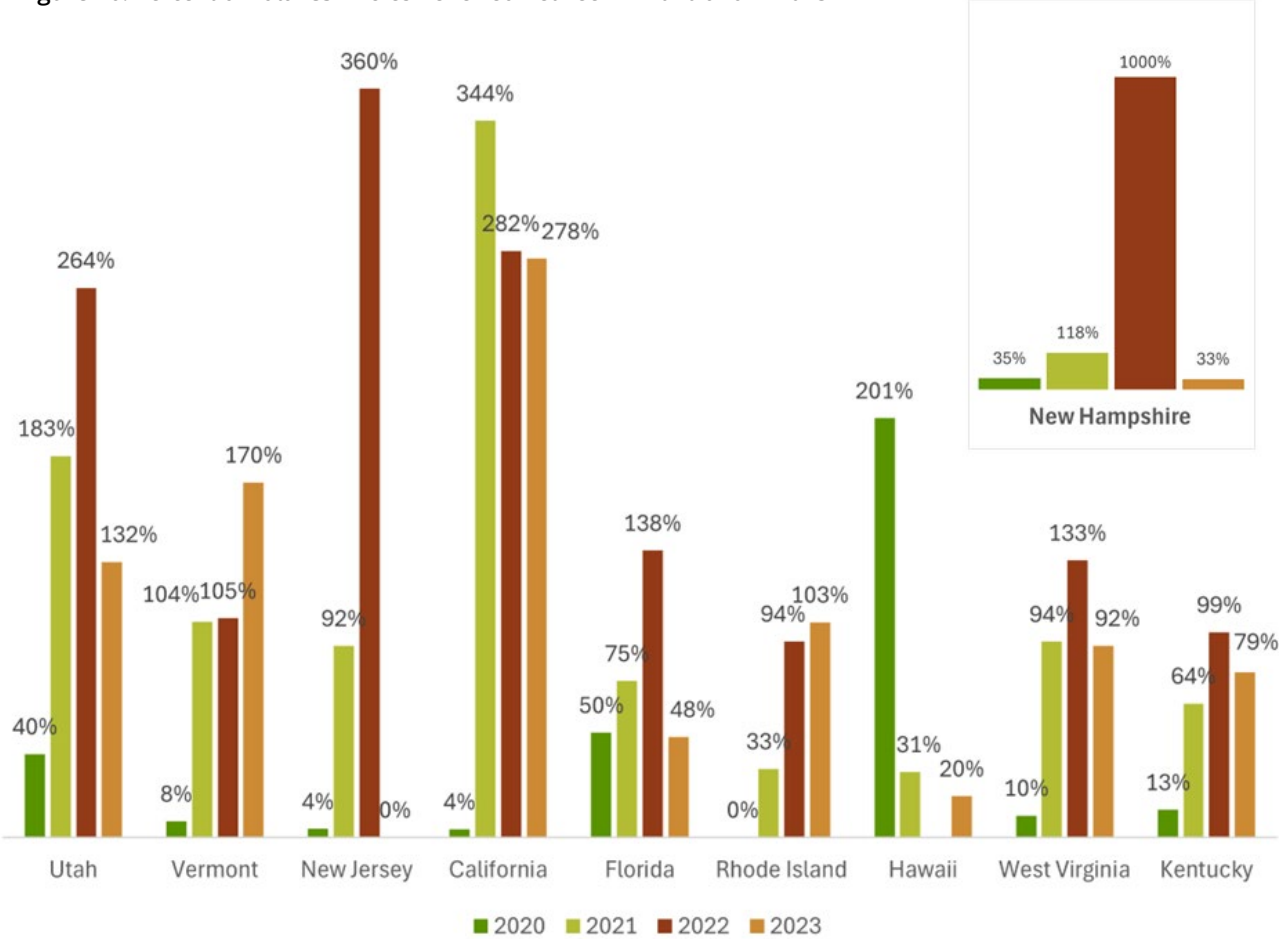
*FY2019 is excluded because no renewals took place in FY2019.

** Some percentages are greater than 100% because they included delayed renewals from FY2019.



New Hampshire had the highest percentage of total CSP acres renewed between FY2020-2023, largely due to one extremely large renewal in FY2022. All of the states in the top ten renewed more than 50% of their total CSP acres between FY2020-2023. Arizona had the lowest percentage of CSP acreage renewed between FY2020-2023, with just 10% of CSP acreage renewed. The higher average acres per CSP contract in Arizona means that if just a small number of very large CSP contracts do not renew, then the overall acreage renewal rate may be significantly affected.

Figure 10: Percent of Total CSP Acres Renewed Between FY2020 and FY2023

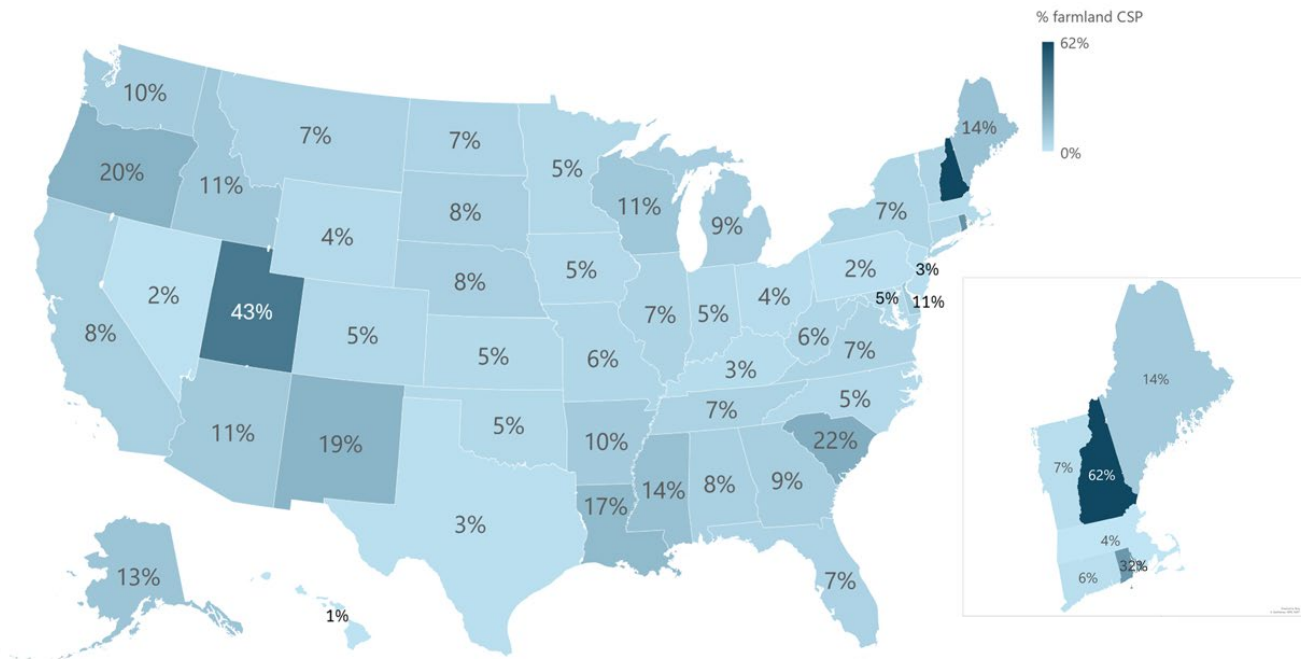


*FY2019 is excluded because no renewals took place in FY2019.
 ** Some percentages are greater than 100% because they included delayed renewals from FY2019 and also because contracts may add acreage when they renew.
 *** New Hampshire had a single renewal in 2022 that totaled over 55,900 acres and was a substantial acreage expansion over that contract’s initial acreage in 2017.

CSP STATE ANALYSIS: CSP ENROLLMENT AS A PERCENTAGE OF TOTAL AGRICULTURAL LAND

To understand the role that CSP plays in a state's overall agricultural economy, it is important to evaluate the percentage of a state's total farmland (acreage) that is enrolled in CSP. CSP's footprint - determined by comparing a state's percentage of farmland enrolled in CSP in FY2018 to the percentage enrolled in FY2023 - is increasing. Thirty-six states had a higher percentage of their agricultural land enrolled in CSP in FY2023 than in FY2018. New Hampshire had a 40% increase in the share of farmland enrolled in CSP, followed by Utah which had a 34% increase in the share of farmland enrolled in CSP.

Figure 11: Percent of Total Farmland in CSP by State, FY2023

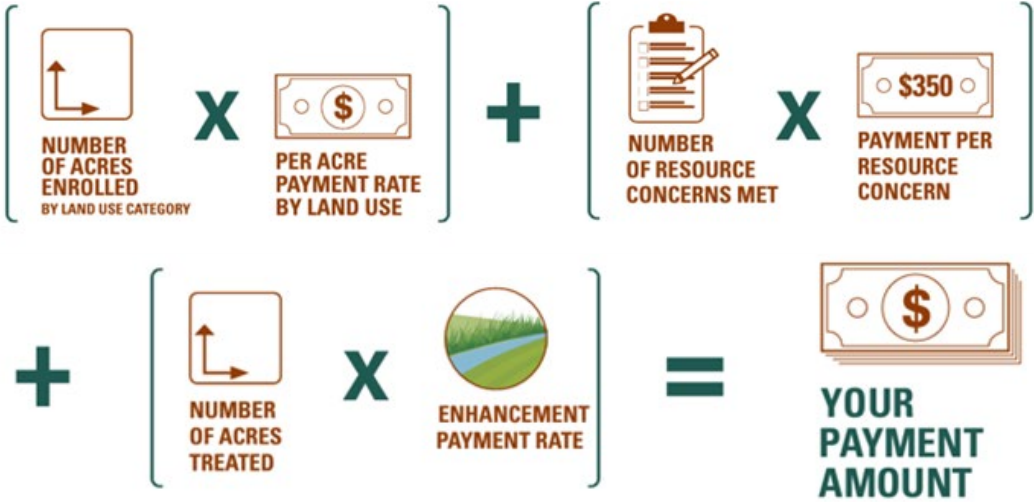


LAND USE

Since CSP contracts include the entire operation, a wide variety of land uses are eligible and included in CSP contract acreage, including cropland, pastureland, rangeland, forest land, and other associated agricultural land. It is important to evaluate the breakdown of land use for CSP enrolled acres because different land uses have different potential conservation practices, different costs of those practices, and different impacts.

CSP payments are based on existing conservation activities and additional conservation activities determined at the start of the contract. The Existing Activity Payment is calculated by combining a per acre payment rate for all land in the operation (broken up into land use classes) and a separate \$350 payment for each resource concern meeting or exceeding stewardship thresholds on each land use at the time of enrollment. The Additional Activity Payment is based on NRCS' established per unit cost share rate for each practice, enhancement, or bundle a producer installs over the life of their CSP contract.

Figure 12: Payment Formula for CSP Contracts



The cost of managing land and maintaining and implementing stewardship practices varies by land use. To account for these differences, CSP contracts pay different rates for the primary different land uses: cropland, farmstead, pasture, range, forest, and associated agricultural land. In FY2018, NRCS made an unfortunate and significant change in how they classified land use for pasturelands.

Prior to FY2018, NRCS paid a higher rate for pasture that was also suitable for cropland than for other pasture, a policy NSAC long supported. This higher payment was intended to recognize the lost potential income from keeping this land in pasture instead of cropland. Beginning in FY2018, however, pastured cropland was paid the same rate as all pasture.

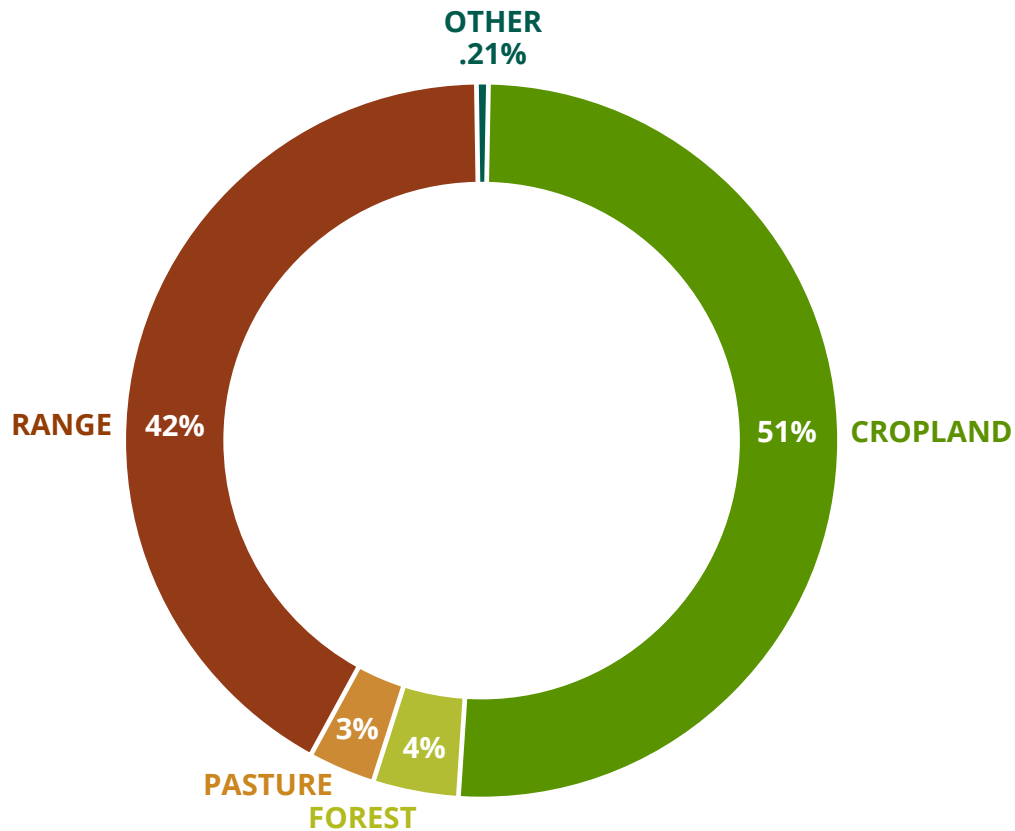
Table 1: Land Use Types by CSP Payment Rate Per Acre

Land Use Type	CSP Payment Rate Per Acre
Cropland	\$7.50
Farmstead	\$7.50
Pasture	\$3.00
Range	\$1.00
Forest	\$0.50
Associated Agricultural Land	\$0.50

Cropland continues to account for the largest percentage of total CSP acres, totaling 51% of all acres between FY2019-FY2023. This was followed by rangeland at 42% of acres, forest at 4% of acres, and pasture at 3% of acres, reflecting the distribution of land use in the previous farm bill. The charts below illustrate the overall percentage of enrolled acres by land use between FY2019-FY2023 and the land use for each individual year.

Notably, a consistent trend of rising rangeland acres and falling cropland acres in Figure 14 shows a slow shift in which land uses are predominantly enrolled in CSP. It also indicates that rangeland could make up the majority of program acres over the life of the next farm bill, barring any major policy changes that would influence this trend.

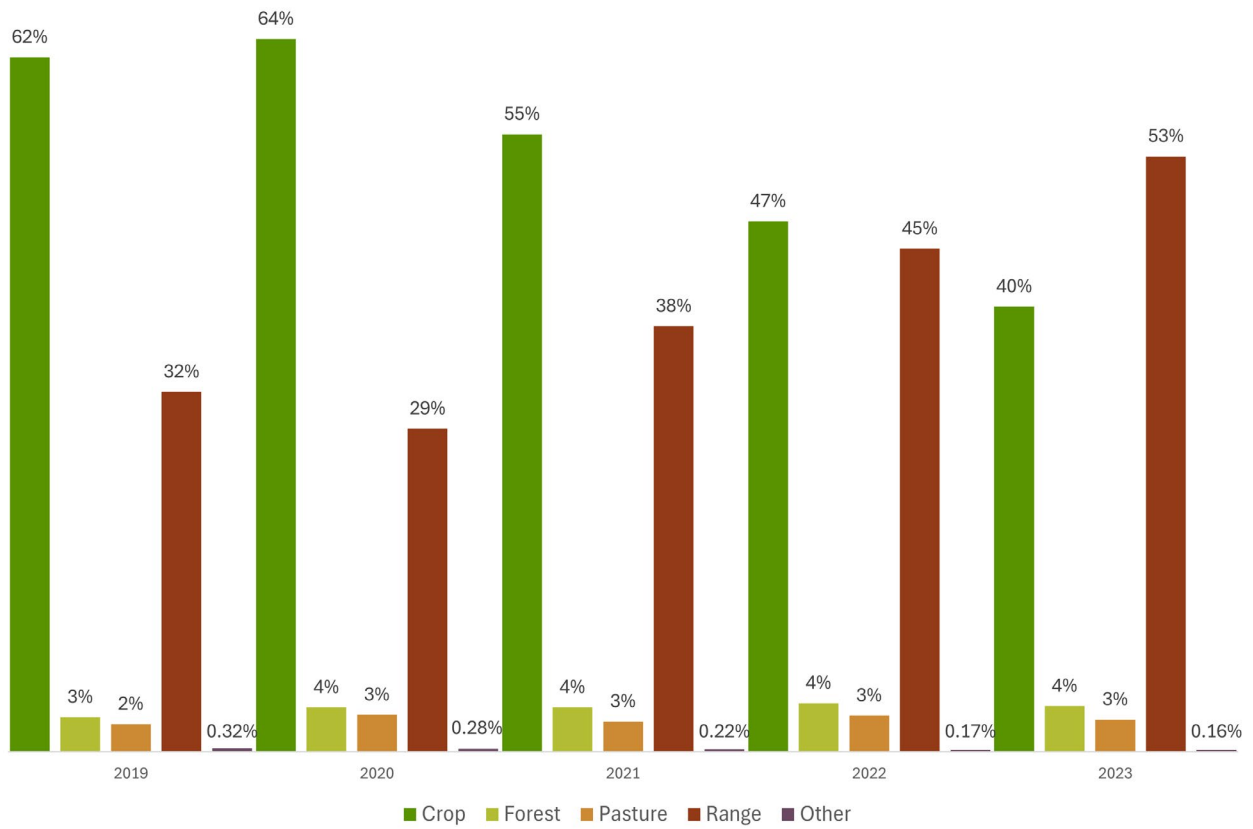
Figure13: Acres by Land Use, FY2019-2023



*The data presented in this section reflect the fiscal year in which conservation practices were actually applied. Totals presented here are not comparable to program enrollment acres or contract acres.

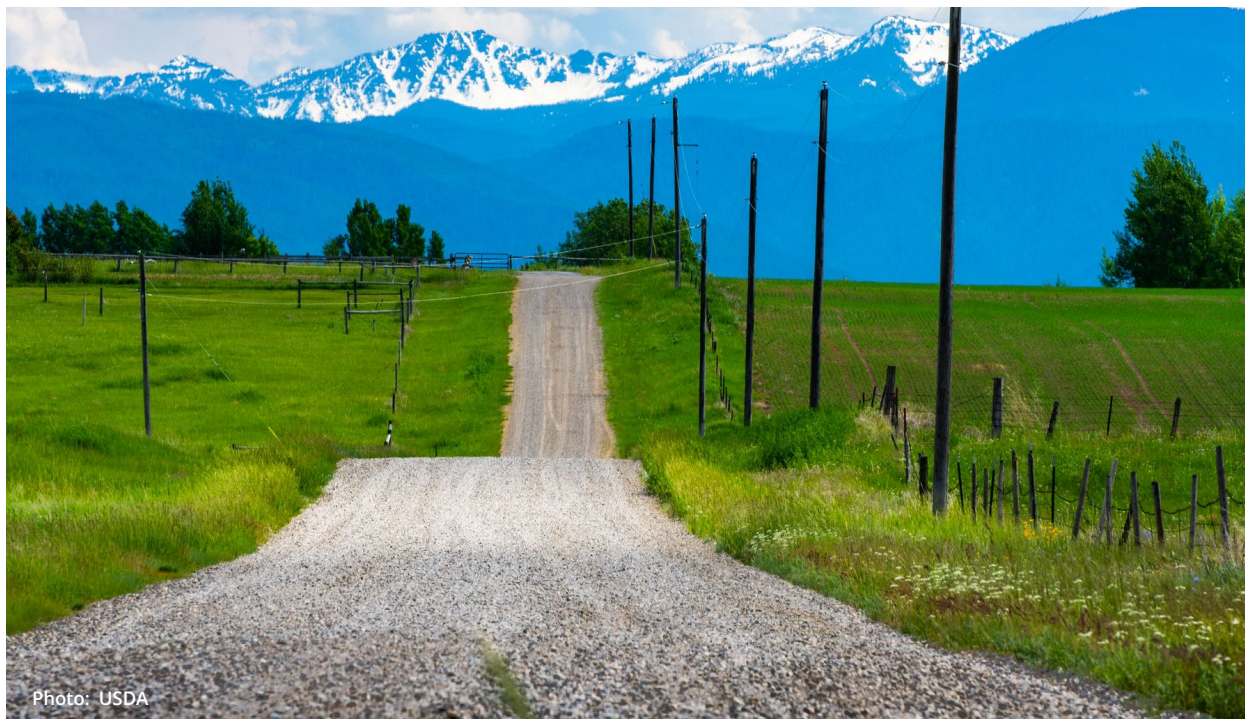
**Other includes associated agricultural land, farmstead, developed land, other rural land, protected land, and water.

Figure 14: Acres by Land Use by FY2019-2023



*The data presented in this section reflect the fiscal year in which conservation practices were actually applied. Totals presented here are not comparable to program enrollment acres or contract acres.

**Other includes associated agricultural land, farmstead, developed land, other rural land, protected land, and water.



CONSERVATION PRACTICE AND ENHANCEMENT DATA

NRCS provides data regarding which conservation practices and enhancements are actually applied by CSP participants. A single acre may have more than one conservation practice applied. This means the acreage counts presented here are not comparable to program enrollment acres or contract acres. Evaluating the most common conservation practices gives us a sense of the on the ground impact CSP creates. Since NRCS offers hundreds of practices and enhancements to producers, meant to address 47 specific resource concerns, evaluating the top practices, enhancements, and bundles funded through CSP is one of the most powerful ways to assess the specific environmental impact of billions of dollars worth of farm bill spending and which kinds of farms are generating those impacts.

A conservation “practice” is a farming activity that can improve soil, water, plants, air, wildlife habitat, and related natural resources. Each conservation practice must be performed using NRCS practice standards developed by each state that define the criteria that must be met. More than 70 different practices were available to participants in farm bill conservation programs, including cover crops, conservation crop rotation, nutrient management, and a wide range of other practices aimed at improving soil quality, water quality, and other natural resources.

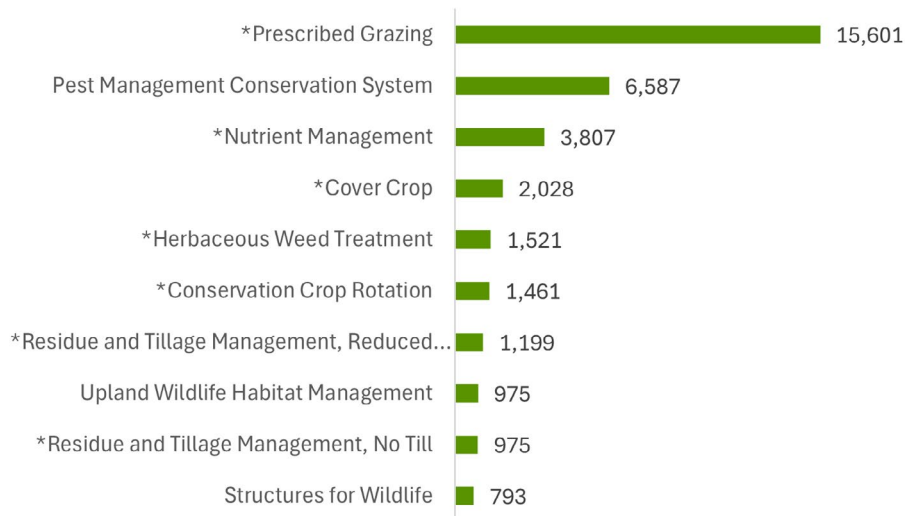
“Enhancements” allow a producer to take their conservation beyond the basic standards of the conservation practices. Since many participants in CSP have already implemented a variety of conservation practices, enhancements are

designed to allow producers to further develop their conservation efforts. CSP offers producers 140 different enhancements to their conservation practices. Producers can select enhancements based on their existing conservation practices and based on enhancements recommended for their commodity and their priority resource concerns.

Finally, “bundles” are a combination of three or more enhancements that work together to offer a greater cumulative conservation benefit. A bundle of enhancements is “greater than the sum of its parts,” in that the enhancements offer the largest conservation benefit when they are applied together. To encourage this holistic management approach, bundles receive a higher level of financial assistance than the individual enhancements. Bundles group enhancements by land use – crop, pasture, range and forest – and by specific agency initiatives.

The top four conservation practices during the 2018 Farm Bill by acreage were prescribed grazing, pest management conservation system (formerly integrated pest management, or IPM), nutrient management, and cover crops, demonstrating a strong programmatic focus on water quality and soil health. Seven of the top ten funded practices are considered climate smart and eligible for IRA funding in FY2024, and NSAC recommends making pest management conservation system IRA eligible in the future.

Figure 15: Top Ten Conservation Practices by Total Treated Acres (in thousands) FY2019-2023

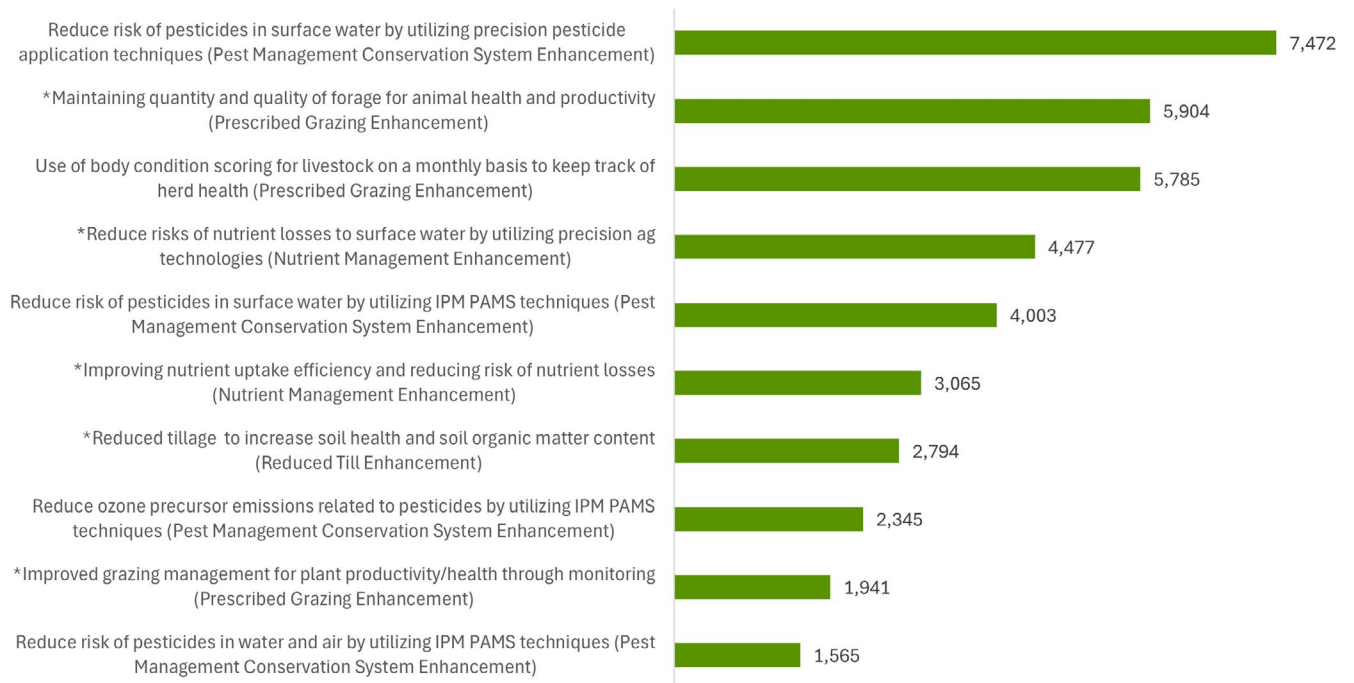


*Indicates a practice classified as Climate-Smart Agriculture and Forestry (CSAF) eligible for IRA funding in FY2024.

**Totals presented here are not comparable to program enrollment acres or contract acres because a single acre may have multiple conservation practices applied.

The top enhancements by total treated acres during the 2018 Farm Bill are presented in the chart below. Four of the top ten enhancements were related to pest management conservation system enhancement (formerly IPM), three to prescribed grazing, two to nutrient management, and one to reduced tillage. Five of the 10 are NRCS climate mitigation enhancements that are also eligible for IRA funding.

Figure 16: Top Ten Enhancements by Total Treated Acres (in thousands) FY2019-2023



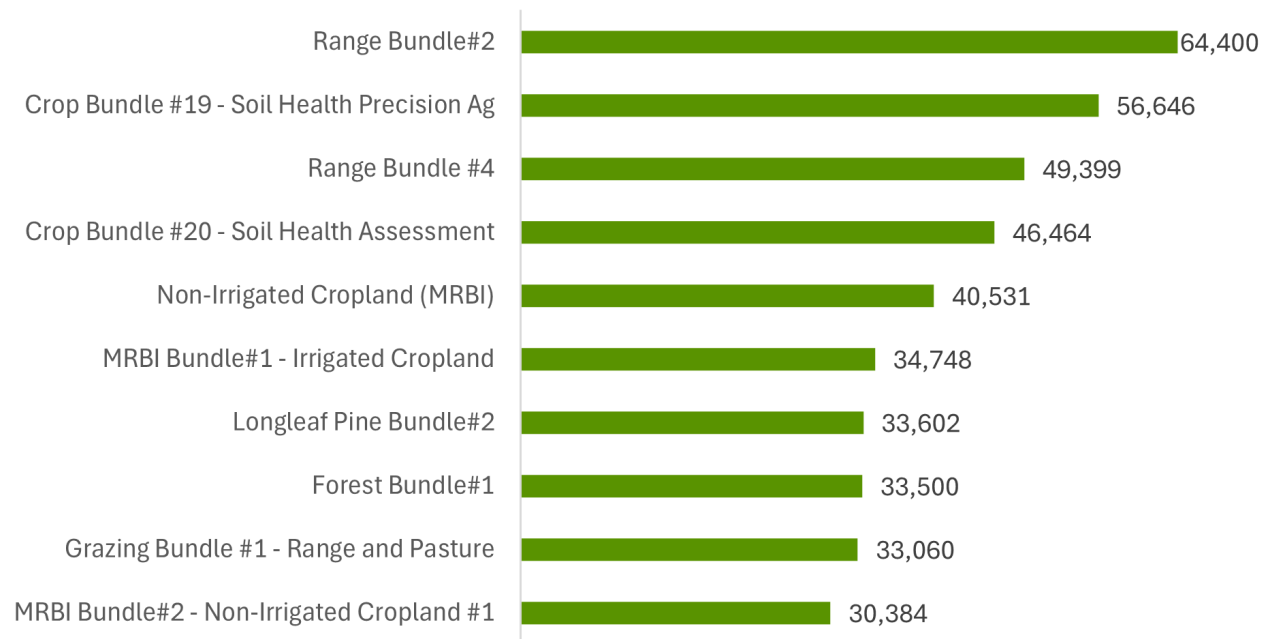
*Indicates an enhancement classified as Climate-Smart Agriculture and Forestry (CSAF) eligible for IRA funding in FY2024.

**Totals presented here are not comparable to program enrollment acres or contract acres because a single acre may have multiple conservation practices applied.

The top bundle by treated acres during the 2018 Farm Bill was Range Bundle 2, which is aimed at addressing access control, fencing, and streambank and shoreline protection. This is followed by Crop Bundle 19 which is aimed at the use of precision agricultural techniques to improve soil health.

Three of the top bundles were for rangeland, two for cropland, three for the Mississippi River Basin Healthy Watersheds Initiative and two for forestry. All of these bundles are climate mitigation bundles and therefore eligible for IRA funding.

Figure 17: Top Ten Bundles by Total Treated Acres FY2019-2023



* Totals presented here are not comparable to program enrollment acres or contract acres because a single acre may have multiple conservation practices applied.

Enhancements are paired with a conservation practice, and the table below lists the enhancements that accompany the five most common conservation practices on CSP acres. Nearly 40 million acres were dedicated to prescribed grazing practices and enhancements, nearly 23 million acres to pest management conservation system (IPM) practices and enhancements, more than

15 million acres to nutrient management practices and enhancements, and nearly 5 million to cover crop practices and enhancements. Four of the five most common CSP practices are climate mitigation practices which in turn are also eligible for IRA funding. The fifth, pesticide reduction through pest management conservation system (IPM), including advanced IPM enhancements, may be made eligible for IRA funding in future years.

Table 2: Top Five Conservation Practices and Related Enhancements in FY2019-FY2023

Practice/Enhancement	Resource Concern	Total acres
Prescribed Grazing Practice and Enhancements (528)		39,921,733
Practice		15,601,046
Maintaining quantity and quality of forage for animal health and productivity	Livestock production limitation	5,903,682
Use of body condition scoring for livestock on a monthly basis to keep track of herd health	Livestock production limitation	5,785,465
Improved grazing management for plant productivity/health through monitoring	Degraded plant condition	1,940,933
Prescribed grazing that improves or maintains riparian and watershed function-erosion	Soil erosion	1,292,871
Improved grazing management for soil compaction on rangeland through monitoring activities	Soil quality degradation	1,191,538
Grazing management for improving quantity/quality of plant structure/composition for wildlife	Fish and Wildlife	989,359
Improved grazing management through monitoring activities	Soil quality, Plant condition, Water quality	971,745
Incorporating wildlife refuge areas in contingency plans for wildlife.	Fish and Wildlife	877,057
Improved grazing management for enhanced plant structure and composition for wildlife	Fish and Wildlife	870,588
Grazing management that protects sensitive areas from gully erosion	Soil erosion	637,826
Improved grazing management for water erosion through monitoring activities	Water quality degradation	564,605
Improved grazing management for plant structure and composition through monitoring activities	Degraded plant condition	412,350
Grazing management for improving quantity and quality of cover and shelter for wildlife	Fish and Wildlife	325,970
Grazing management for improving quantity and quality of food for wildlife	Fish and Wildlife	307,531
Prescribed grazing that improves or maintains riparian/watershed function-elevated water temperature	Water quality degradation	189,485
Improved grazing management for wind erosion through monitoring activities	Soil erosion	188,419
Incorporating wildlife refuge areas in contingency plans for wildlife food	Fish and Wildlife	178,808
Grazing management that protects sensitive areas-surface water from nutrients	Water quality degradation	170,287
Clipping mature forages to set back vegetative growth for improved forage quality	Fish and Wildlife	160,612
Incorporating wildlife refuge areas in contingency plans for prescribed grazing-cover/shelter	Fish and Wildlife	158,923
Grazing management for improving quantity and quality of food or cover and shelter for wildlife -	Degraded plant condition	145,064
Improved grazing mgmt for plant productivity/health through monitoring	Degraded plant condition	137,815
Prescribed grazing that maintains/improves riparian/watershed function-pathogens/chemicals	Water quality degradation	113,717
Improved grazing management that reduces undesirable plant pest pressure through monitoring	Degraded plant condition	112,153
Management Intensive Rotational Grazing	Degraded plant condition	104,321
Grazing management that improves Monarch butterfly habitat	Fish and Wildlife	92,954
Grazing management that protects sensitive areas-ground water from nutrients	Water quality degradation	84,779
Implementing Bale or Swath Grazing to increase organic matter and reduce nutrients in surface wate	Water quality degradation	81,240

Table 2: Top Five Conservation Practices and Related Enhancements in FY2019-FY2023

Practice/Enhancement	Resource Concern	Total acres
Prescribed grazing that maintains/improves riparian/watershed function impairment from nutrients -	Water quality degradation	73,024
Improved grazing management for soil compaction through monitoring activities	Soil quality degradation	42,742
Stockpiling cool season forage to improve plant productivity and health	Degraded plant condition	41,201
Grazing management that protects sensitive areas -surface or ground water from nutrients	Water quality degradation	32,883
Improved grazing management on pasture for plant productivity and health with monitoring activitie	Degraded plant condition	28,678
Prescribed grazing that maintains/improves riparian/watershed function-min sediment in surface wat	Water quality degradation	24,732
Stockpiling cool season forage to improve structure and composition or plant productivity and heal	Degraded plant condition	20,589
Incorporating wildlife refuge areas in contingency plans for livestock feed and forage	Fish and Wildlife	18,369
Improved grazing management for soil compaction on pasture through monitoring activities	Soil quality degradation	16,700
Stockpiling cool season forage to improve structure and composition	Degraded plant condition	16,050
Prescribed grazing on pastureland that improves riparian and watershed function	Water quality degradation	9,318
Grazing management that improves monarch butterfly habitat	Fish and Wildlife	4,042
Soil Health Improvements on Pasture	Water quality degradation	1,187
Prescribed grazing to improve/maintain riparian and watershed function-elevated water temperature	Soil quality degradation	840
Incorporating wildlife refuge areas in contingency plans for prescribed grazing-water access	Water quality degradation	235
Pest Management Conservation System Practice and Enhancements (595)		22,970,984
Practice		6,586,744
Reduce risk of pesticides in surface water by utilizing precision pesticide application techniques	Water quality degradation	7,471,747
Reduce risk of pesticides in surface water by utilizing IPM PAMS techniques	Water quality degradation	4,003,349
Reduce ozone precursor emissions related to pesticides by utilizing IPM PAMS techniques	Air quality impacts	2,345,232
Reduce risk of pesticides in water and air by utilizing IPM PAMS techniques	Water quality, air quality	1,565,190
Eliminate use of chemical treatments to control pests and to increase the presence of dung beetles	Fish and wildlife	706,376
Eliminate use of chemical treatments to control pests and increase dung beetle populations	Fish and wildlife	265,854
Increase the size requirement of refuges planted to slow pest resistance to Bt crops	Fish and wildlife	13,774
Reducing routine neonicotinoid seed treatments on corn and soybean crops	Water quality degradation	12,717

*Totals presented here are not comparable to program enrollment acres or contract acres because a single acre may have multiple conservation practices applied.

**All enhancements that were associated with a given practice for any fiscal year are listed. Enhancements may not be offered every year and/or may be renamed or reclassified by NRCS.

Table 2: Top Five Conservation Practices and Related Enhancements in FY2019-FY2023

Practice/Enhancement	Resource Concern	Total acres
Nutrient Management Practice and Enhancements (590)		15,191,302
Practice		3,806,703
Reduce risks of nutrient losses to surface water by utilizing precision ag technologies	Water quality degradation	4,476,993
Improving nutrient uptake efficiency and reducing risk of nutrient losses to surface water	Water quality degradation	3,064,507
Improving nutrient uptake efficiency and reducing risks to air quality emissions of GHGs	Air quality impacts	1,265,396
Improving nutrient uptake efficiency and reducing risk of nutrient losses	Water quality degradation	940,897
Improving nutrient uptake efficiency and reducing risk of nutrient losses to groundwater	Water quality degradation	855,713
Reduce risks of nutrient loss to surface water by utilizing precision agriculture technologies	Water quality degradation	600,704
Reduce risks of nutrient losses to ground water by utilizing precision agriculture technologies to	Water quality degradation	129,921
Improving nutrient uptake efficiency and reducing risk of nutrient losses on pasture	Water quality degradation	50,468
Cover Crop Practice and Enhancements (340)		4,862,927
Practice		2,028,273
Use of multi-species cover crops to improve soil health and increase soil organic matter	Soil quality degradation	575,531
Cover crop to suppress excessive weed pressures and break pest cycles	Degraded plant condition	441,856
Cover crop to minimize soil compaction	Soil quality degradation	439,715
Intensive cover cropping to increase soil health and soil organic matter content	Soil quality degradation	428,763
Cover crop to reduce water erosion	Water quality degradation	276,436
Cover crop to reduce soil erosion	Water quality degradation	183,045
Cover crop to reduce water quality degradation by utilizing excess soil nutrients-surface water -	Soil erosion	170,726
Cover crop to reduce water quality degradation by utilizing excess soil nutrients	Water quality degradation	121,261
Use of SHA to assist with development of cover crop mix to improve soil health and increase SOM -	Soil quality degradation	78,359
Cover crop to reduce wind erosion	Soil erosion	43,309
Intensive cover cropping (orchard/vineyard floor) to increase soil health and SOM content	Soil quality degradation	34,057
Use of soil health assessment to assist with development of cover crop mix to improve soil health	Water quality degradation	29,151
Cover crop to reduce water quality degradation by utilizing excess soil nutrients-ground water	Soil quality degradation	10,171
Intensive orchard/vineyard floor cover cropping to increase soil health	Soil quality degradation	1,315
Using cover crops for biological strip till	Soil quality degradation	959
Herbaceous Weed Treatment Practice and Enhancements (315)		3,517,733
Practice		1,520,968
Herbaceous weed treatment to create plant communities consistent with the ecological site	Degraded plant condition	748,629
Herbaceous weed control (plant pest pressures) for desired plant communities/habitats	Degraded plant condition	742,364
Herbaceous weed control (inadequate structure and comp) for desired plant communities/habitats	Degraded plant condition	262,872
Herbaceous weed control for desired plant communities/habitats consistent with the ecological site	Degraded plant condition	242,900

PRESCRIBED GRAZING

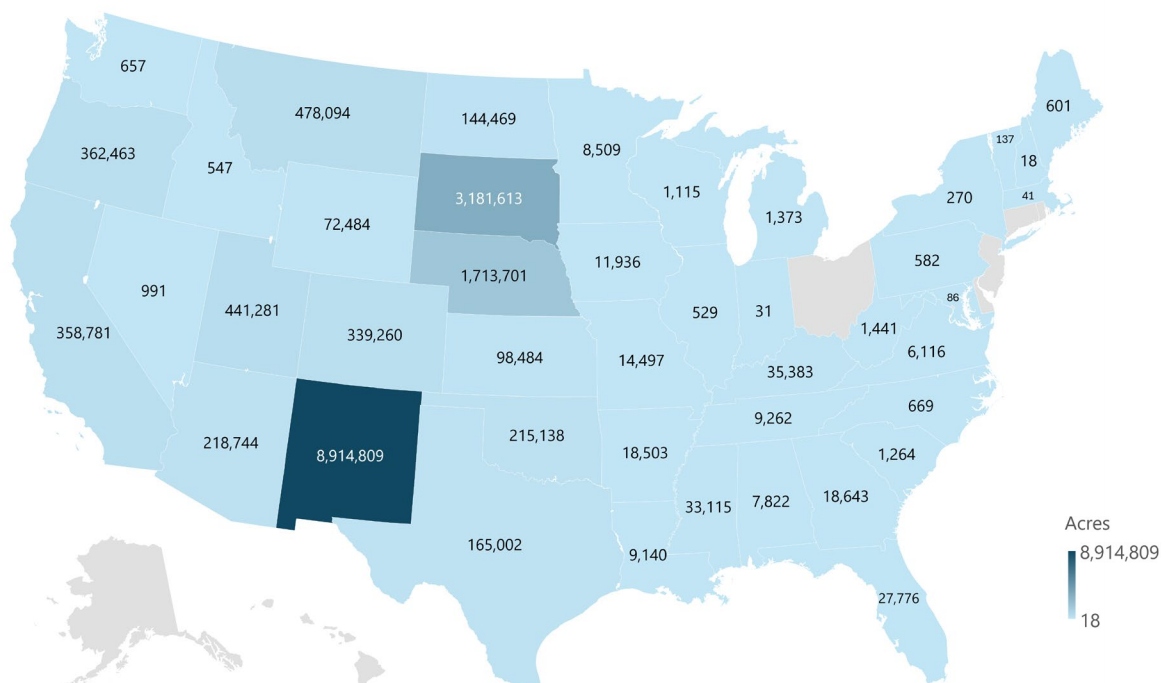
Prescribed grazing offers a **wide suite of conservation benefits** including improved wildlife habitat, plant diversity, water quality, and economic benefits and can serve as an important tool to increase **carbon sequestration and build climate resilient grassland systems**.

Nationwide, 42 states enrolled acres in the prescribed grazing conservation practice and enhancements during the 2018 Farm Bill cycle. Prescribed grazing was mostly used in states with large ranching and livestock industries, led by New Mexico, South Dakota, Nebraska, Montana, and Oregon. New Mexico, South Dakota, Nebraska, and Oregon also had very high levels of associated enhancements. Texas had a moderate level of usage of the prescribed grazing practice (131,603 acres) but much higher use of the associated enhancements (3.2 million acres). While counterintuitive, this is possible because farmers are not required to include a base practice in their CSP contract in order to plan and receive cost share for an enhancement

Many producers have base practices in place at the time of enrollment, in which case it would not be included in their CSP contract as an additional conservation activity.

It is important to note while examining acres receiving grazing enhancements that acres under **Management Intensive Rotational Grazing (MIRG)** enhancement, E528R, are visible in this data set, but acres receiving the **Advanced Grazing Management (AGM)** suite of enhancements are not. AGM involves implementing four separate enhancements simultaneously to maximize natural resource stewardship within grazing operations. As a result of NSAC's advocacy, the 2018 Farm Bill provided producers implementing AGM with **supplemental activity payments** to recognize both their increased commitment to stewardship and the additional labor required to realize that commitment. Failing to include supplemental activity payments in data sets prevents stakeholders from having a comprehensive understanding of the total impact of the most advanced management activities supported by working lands conservation programs. NSAC will continue to urge NRCS to make this data available.

Figure 18: CSP Acres in Prescribed Grazing FY2019-FY2023



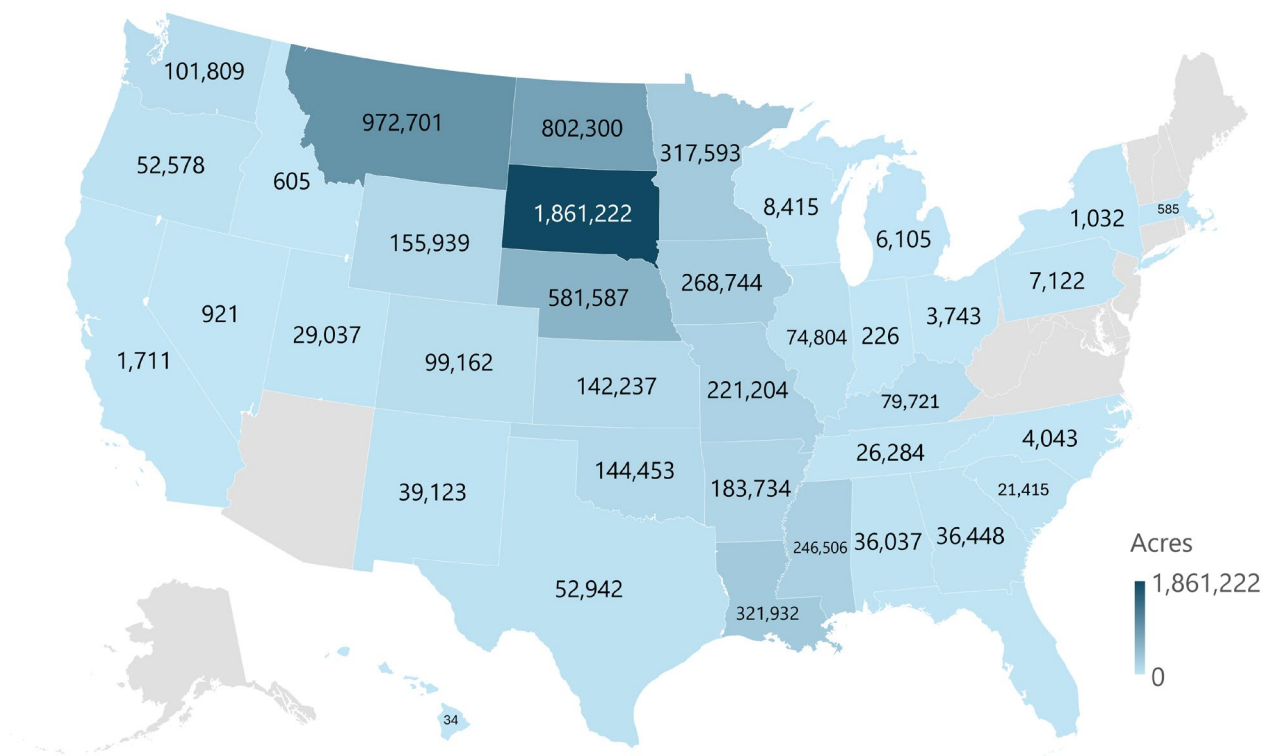
PEST MANAGEMENT CONSERVATION SYSTEM (PMCS)

Pest Management Conservation System (formerly IPM) is an ecologically-based system to manage both plant and animal pests that **reduces both environmental and human health risk from imprudent chemical pesticide use.**

Nationwide, 38 states enrolled acres in the PMCS practice and enhancements during the 2018 Farm Bill. PMCS was most widely used in South Dakota, Montana, and North Dakota with high acreages also going toward the PMCS practice in Nebraska and Louisiana.

South Dakota, North Dakota, and Montana also had high acreage enrolled in the associated enhancements. Mississippi had a moderate number of acres enrolled in the PMCS practice (151,198 acres) but a much higher acreage enrolled in the associated enhancements (3.3 million acres). Arkansas also had a much higher usage of the associated enhancements than the PMCS practice.

Figure 19: CSP Acres in IPM FY2019-FY2023

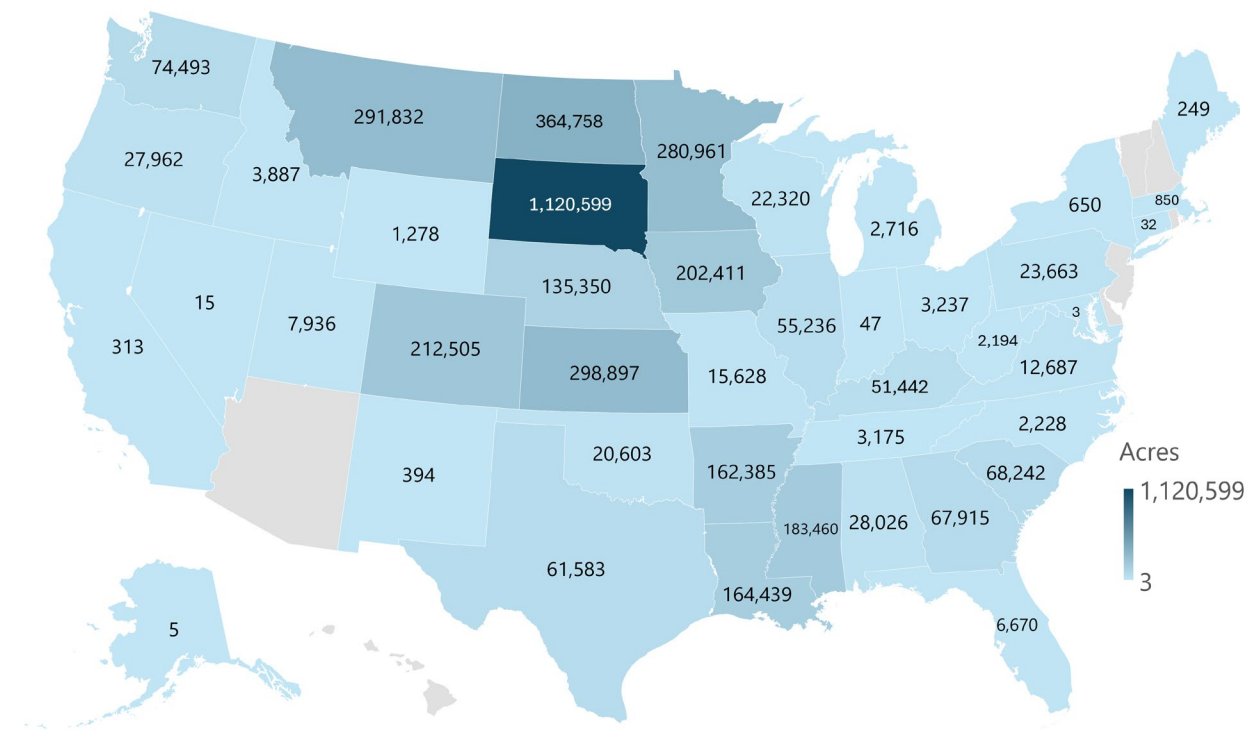


NUTRIENT MANAGEMENT

Nutrient management involves planning the use of fertilizers, soil amendments, and soil health conservation practices in concert to meet crop nutritional needs and minimize environmental and health risks of excessive nutrient application. Nutrient management is extremely important to protect water quality and also reduces the release of potent greenhouse gasses from fertilizer.

Nationwide, 43 states enrolled acres in the Nutrient Management practice and enhancements during the 2018 Farm Bill. Nutrient management was used most widely in South Dakota, North Dakota, Montana, Minnesota, and Iowa. Although Mississippi had a moderate number of acres enrolled in nutrient management (93,299 acres), they had a much higher enrollment of acres in the associated enhancements (2.1 million acres). Arkansas also had a much higher usage of the associated enhancements than the nutrient management practice.

Figure 20: CSP Acres in Nutrient Management FY2019-FY2023



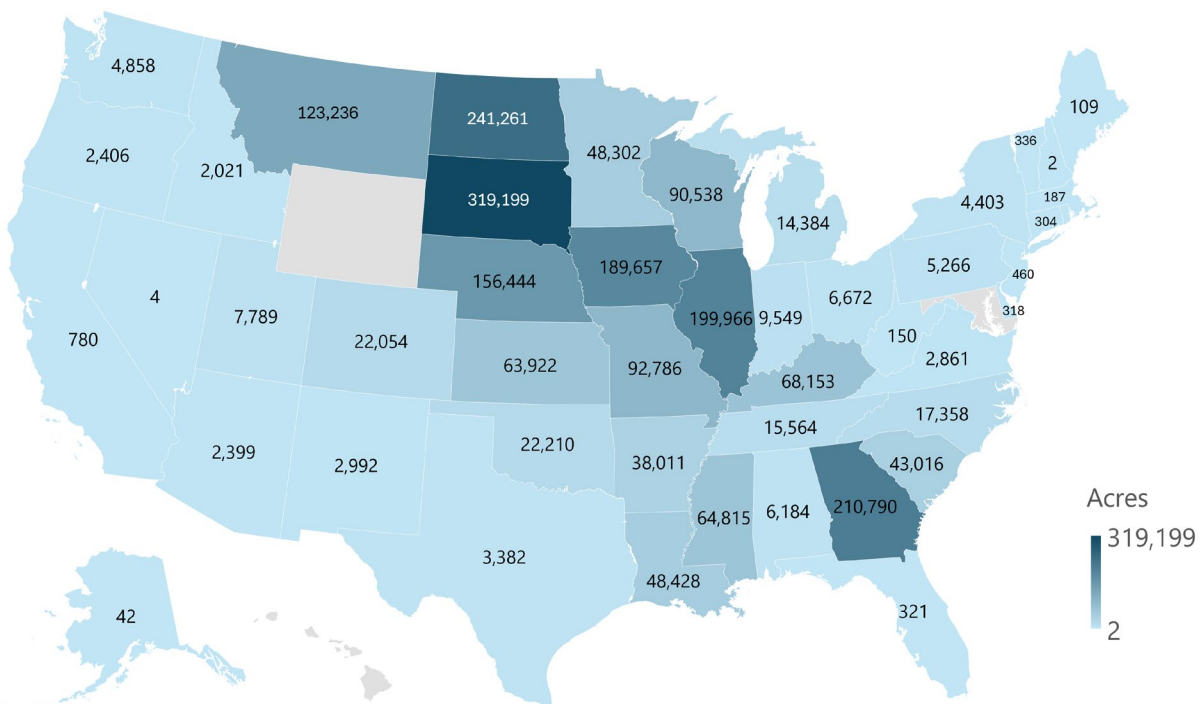
COVER CROPS

Cover crops are a **vital conservation tool** to improve crop yields, soil health, and reduce costs. Cover crops also increase biodiversity, improve water quality, and increase carbon capture while making individual farms more resilient.

Nationwide, 48 states enrolled acres in cover crop practices and enhancements during the 2018 Farm Bill.

Cover crops were most widely used in South Dakota and North Dakota, followed by Georgia, Iowa, and Nebraska. South Dakota, North Dakota, and Georgia also had high levels of the associated enhancements. While Missouri had moderate use of the cover crops practice (62,703 acres), they had much higher use of the associated enhancements (204,770 acres). Arkansas and Mississippi also had substantially more usage of the associated enhancements than the cover crops practice.

Figure 21: CSP Acres in Cover Crops FY2019-FY2023



HERBACEOUS WEED TREATMENT

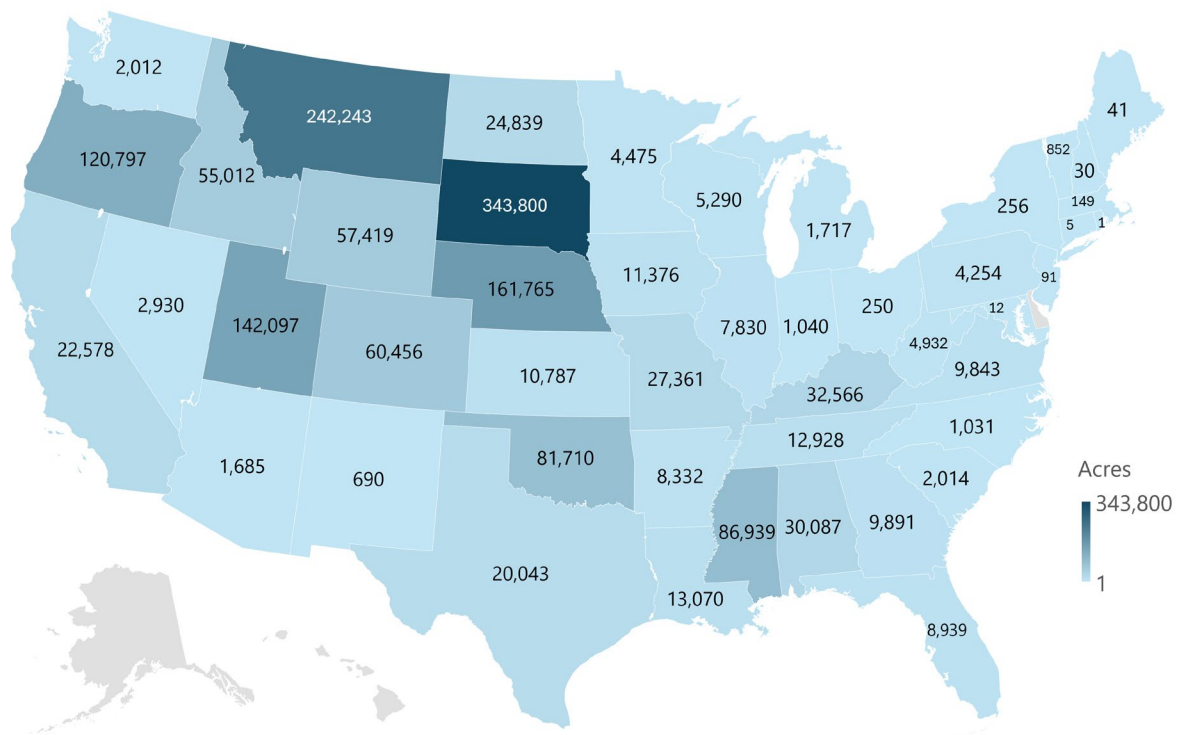
Herbaceous weed treatment involves the removal of invasive or otherwise undesirable herbaceous plants and helps support native plant communities, protect soils, reduce wildfire risk, and improve forage.

Nationwide, 47 states enrolled acres in the herbaceous weed treatment practice and enhancements during the 2018 Farm Bill. The herbaceous weed control practice was most popular in South Dakota, Montana, and Nebraska,

while Mississippi had the highest treated acres in the South alongside high treated acres in Oregon and Utah.

While Wyoming had overall moderate levels of use of the herbaceous weed control practice (18,102 treated acres), they had a high usage of the associated enhancements (nearly 2 million acres). Ohio, Texas, Tennessee, and South Carolina also report substantially higher enrolled acres using the associated enhancements than using just the herbaceous weed control practice.

Figure 22: CSP Acres in Herbaceous Weed Control FY2019-FY2023



BEGINNING, SOCIALLY DISADVANTAGED, AND LIMITED RESOURCE FARMERS AND RANCHERS

The opportunity to enroll in CSP is particularly important for beginning farmers and ranchers (BFR), **limited resource producers**, and socially disadvantaged producers (SDA). These populations **face many unique challenges**, including less access to capital than established producers and have historically faced discrimination and challenges accessing USDA support and as a direct result, these populations often have a higher level of need.

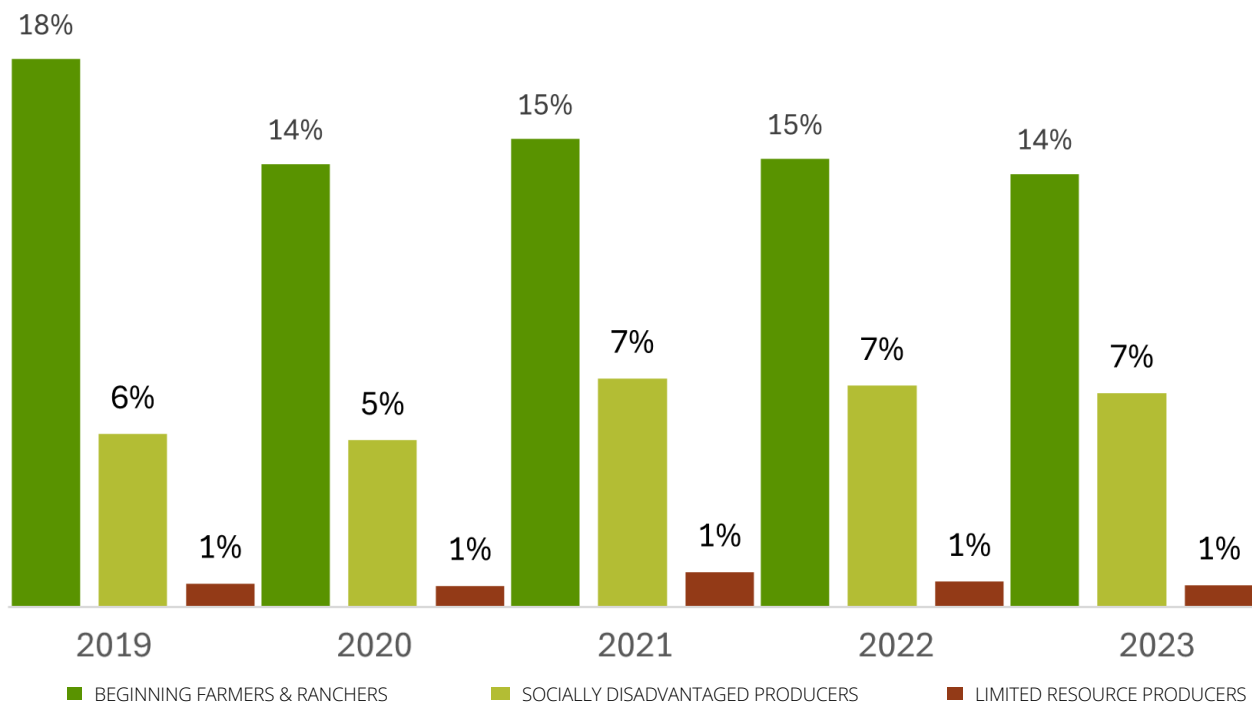
CSP enrollment can offer long-term benefits. The 2018 Farm Bill maintained the requirement for NRCS to set aside 5 percent of CSP funding for **beginning farmers and ranchers** and another 5 percent of funding for **socially disadvantaged producers**.

Summary

The percentage of CSP dollars obligated to beginning farmers and ranchers held relatively steady between 14% and 18% of total CSP spending throughout the 2018 Farm Bill cycle. The percentage of CSP dollars obligated to socially disadvantaged producers also held relatively steady just over the mandated set-aside, varying from 5% of total CSP dollars obligated in FY2019 and FY2020 to highs of 7% in FY2021, FY2022, and FY2023. Limited resource producers received approximately 1% of all CSP dollars obligated in each fiscal year.

This data is significant in that it demonstrates two things clearly. First, CSP consistently meets the statutory requirement of distributing 5% of total program funds to BFRs and an additional 5% to SDA producers. Second, set-asides for both groups should be increased, both to keep pace with natural program enrollment trends and to provide a clear mandate for NRCS staff in individual states to increase outreach efforts to SDA producers. State by state CSP acreage maps for both groups included below underscore this second point further.

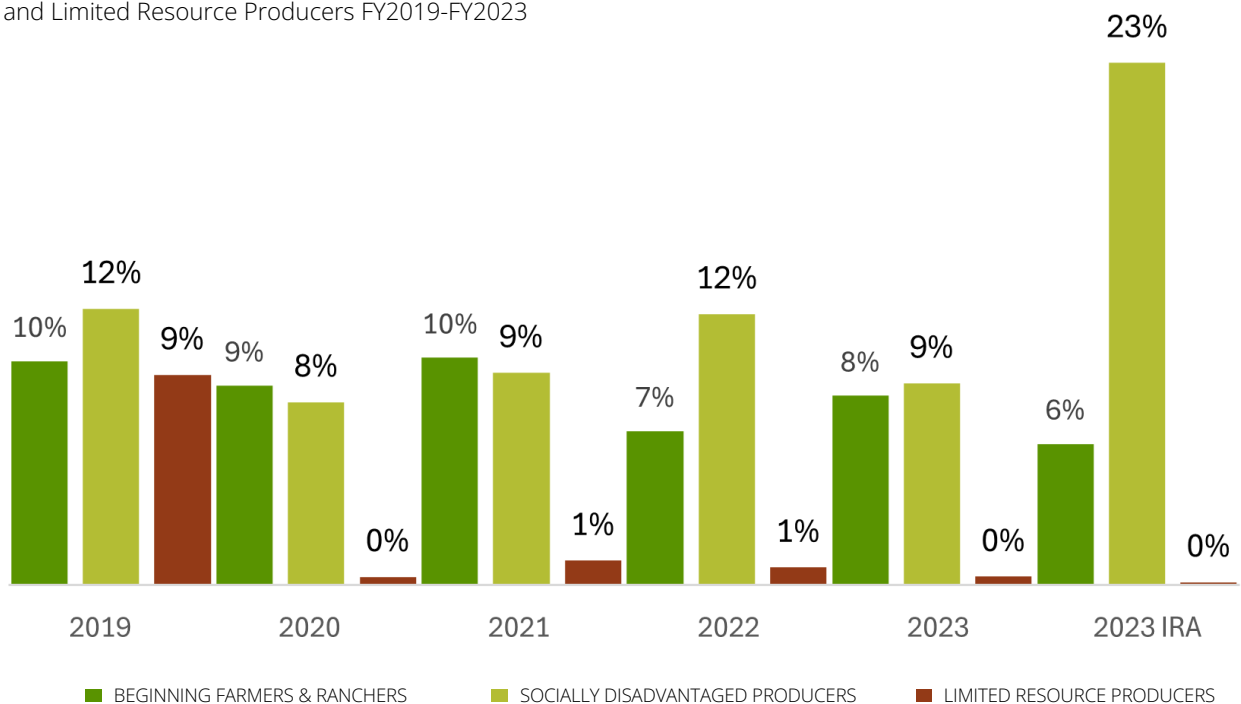
Figure 23: Percent of Total CSP Dollars Obligated by Beginning Farmers and Ranchers, Socially Disadvantaged Producers, and Limited Resource Producers FY2019-FY2023



CSP acreage enrolled by beginning farmers and ranchers has varied between a low of 7% in FY2022 to a high of 10% in FY2019 and FY2020. Beginning farmers and ranchers accounted for 6% of acres funded by the IRA climate-focused funding in FY2023. CSP acres enrolled by socially disadvantaged producers has ranged from a high of 12% of acres in FY2019 and FY2022 to a low of 7% of acres in FY2021. Socially disadvantaged producers enrolled 23% of total IRA acres in FY2023. CSP acreage enrolled by limited resource producers has varied from a high of 9% of acreage in FY2019 and FY2020 to a low of less than 1% of acreage in 2023.

The high proportion of IRA-funded acres enrolled by socially disadvantaged producers is extremely encouraging. It shows that increased CSP funding from the IRA helped bring more acres managed by disadvantaged producers into CSP, and suggests that these producers may especially see the value in climate-smart practices. While more information is needed to fully understand this jump, it may be the initial influence of several years worth of **Equity in Conservation Outreach Cooperative Agreements** administered by NRCS to help trusted third party organizations connect SDA producers to conservation programs. These agreements were launched in years just prior to and during the initial availability of IRA funding in CSP.

Figure 24: Percent of Total CSP Acres Enrolled by Beginning Farmers and Ranchers, Socially Disadvantaged Producers, and Limited Resource Producers FY2019-FY2023

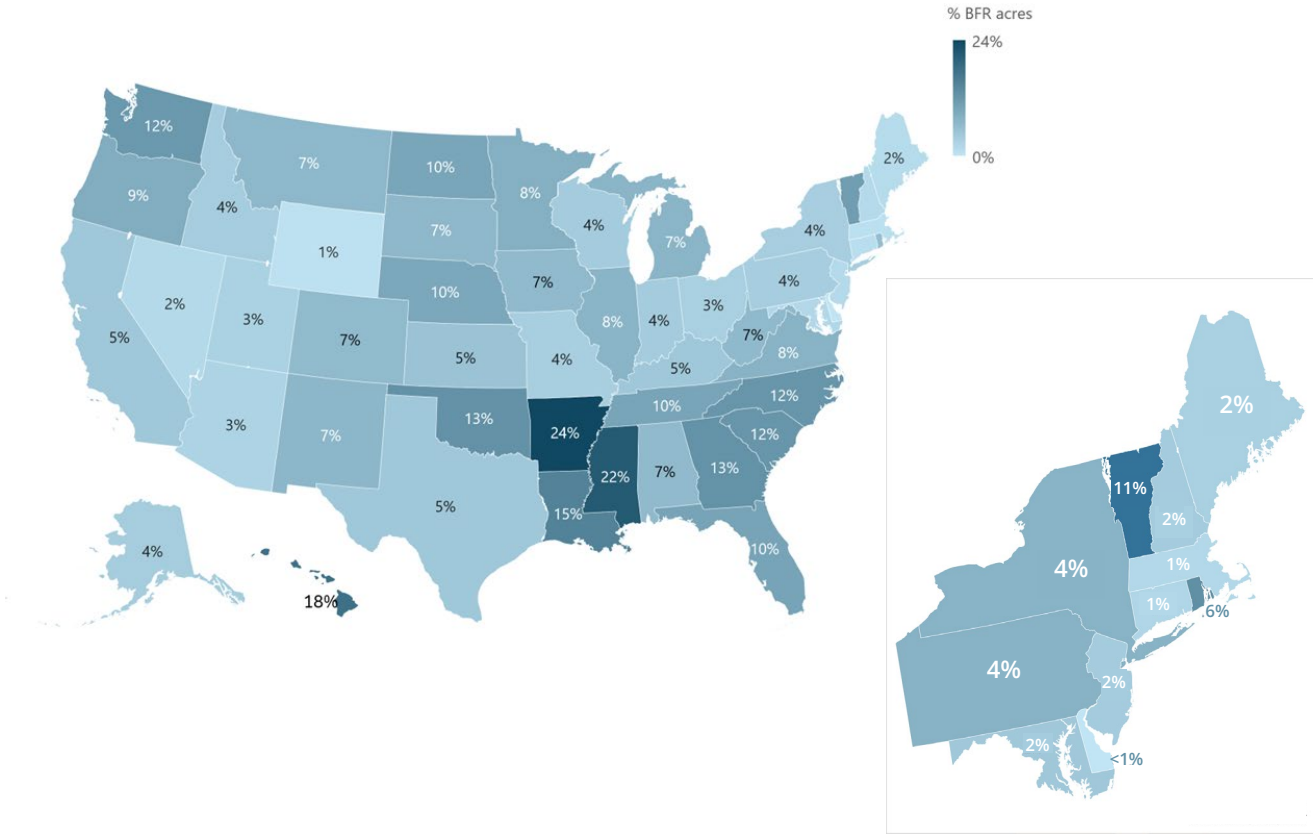


BEGINNING FARMERS AND RANCHERS

Arkansas, Mississippi, and Hawaii had the highest percentage of CSP acres enrolled by beginning farmers and ranchers between FY2019 and FY2023, and many states had at least five percent of their state CSP acres enrolled by beginning farmers and ranchers. Several states, however, had less than one percent of CSP acres enrolled by beginning farmers and ranchers including Connecticut, Massachusetts, Wyoming, and Delaware.

Several states in the Southeast and Southwest like Alabama and Texas could certainly improve the number of acres enrolled in CSP by beginning farmers and ranchers. The inconsistent ability of individual states to enroll beginning farmers suggests an improved set-aside is needed in the next farm bill to ensure beginning farmers in every state have a fair opportunity to enroll in CSP. Further, whether or not an improved set-aside is included in future farm bills, NRCS should consider establishing target enrollment percentages for each state based on the estimated population of BFRs in each state.

Figure 25: Percent of CSP Acres Enrolled by Beginning Farmers and Ranchers Fiscal Years 2019-2023



SOCIALLY DISADVANTAGED (SDA) FARMERS AND RANCHERS

Socially disadvantaged (SDA) farmers and ranchers include producers who are members of a group that have been subject to racial or ethnic prejudice. It is particularly important to understand the enrollment of SDA producers to evaluate whether NRCS is meeting the requirements to set aside a minimum of 5% of funding in CSP for SDA farmers and ranchers. Comparing state enrollment of SDA producers highlights states that are successfully engaging SDA producers in CSP and states that need to improve their outreach and enrollment.

While we understand the importance of protecting producer privacy, NSAC is concerned about a recent NRCS data suppression policy that is leading to the suppression of a large amount of data, particularly for subpopulations such as SDA farmers and ranchers. This policy has led to the suppression of a large amount of contract, acreage, and other data, for example, suppressing all data related to CSP contracts with SDA producers for 60% of states in 2023. We hope to find a way to ensure transparency and data access while still safeguarding individual privacy. In most states and years, the number of CSP contracts with SDA producers has been suppressed and so it is very difficult to estimate the number and percentage of SDA farmers and ranchers.

Of states with enough SDA contracts to avoid data suppression issues, New Mexico had the highest number of acres enrolled by SDA farmers and ranchers (7.5 million acres) between FY2019 and FY2023, for a total of 22% of all new CSP acres enrolled. Oregon, Hawaii, and South Dakota also had the highest percentage of their CSP acres enrolled by socially disadvantaged producers between FY2019 and FY2023, and many states had more than 5% of their new CSP acreage enrolled by SDA farmers and ranchers.

Many states in the Midwest and Northeast could certainly improve their enrollment of socially disadvantaged producers in CSP. Again, the inconsistent ability of individual states to enroll SDA producers suggests an improved set-aside is needed in the next farm bill to ensure farmers in every state have a fair opportunity to enroll in CSP. As with beginning farmers, NRCS should consider establishing target enrollment percentages for each state based on the estimated population of SDA producers in each state.

To further illustrate the need for this approach, the **2022 Census of Agriculture data** shows a high proportion of farms managed by SDA producers in western, southern, and some plains states. Despite these high numbers of SDA producer-operated farms, many of those same states - like Texas, Colorado, and Nevada - enrolled only 2% or fewer of all CSP acres over the entire 2018 Farm Bill cycle in contracts held by SDA producers.

MINIMUM PAYMENT

Applying for any conservation program is a significant undertaking requiring producers to update documents with multiple USDA agencies and progress through NRCS' robust **nine step conservation planning process**. For many small farmers and ranchers, the time and effort to apply may not seem worth the risk of not receiving a contract or receiving a contract payment too small to offset the effort.

In order to incentivize smaller acreage producers to enroll in CSP, USDA has established a minimum contract payment. This is the minimum payment for producers even if their calculated payment based on acreage would

be lower. The minimum payment amount was increased to \$1,500 per year over the life of the 2018 Farm Bill and will be increased to \$4,000 per year in 2024. NSAC has long advocated for increases to CSP's minimum payment and will continue to advocate that this improvement be made permanent in the next farm bill.

The number of contracts receiving the minimum payment increased from 522 in 2018 to 4,112 in 2023, 1,217 of which were funded by the IRA. This is a boost to smaller acreage producers and a sign that the CSP is serving a larger number of small acreage producers.



Photo: USDA

ORGANIC PRODUCTION

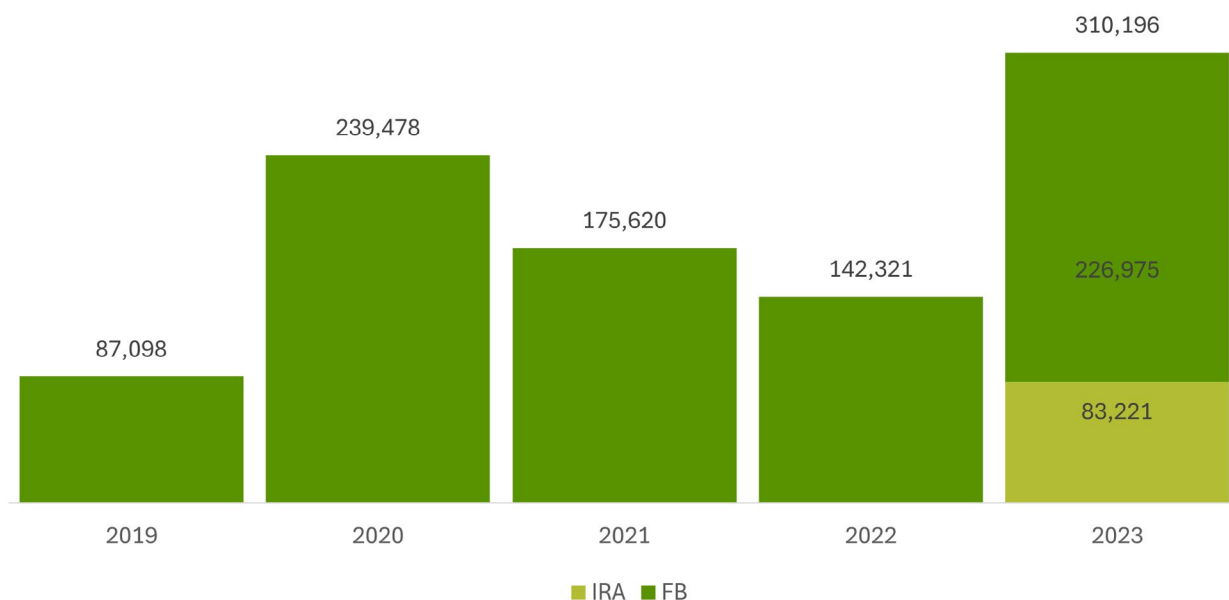
Organic production systems have significant conservation benefits and take careful planning and material resources to build over time. To ensure our federal dollars support meaningful conservation on all farms across the country, it is important that CSP and all NRCS conservation programs are just as accessible to organic producers as conventional producers. Examining organic producer participation in CSP sheds light on NRCS progress in delivering an accessible program to all farmers.

Organic producers can utilize any CSP practices, enhancements, and bundles that are most appropriate for their land as well as receive support with the transition to organic production. Recognizing the opportunity for CSP to support conservation efforts on organic certified farms as well as to offer support for those in the process of transitioning to organic production, the 2018 Farm Bill authorized NRCS to allocate funding to states to be used specifically for these producers. The organic funding allocation is based upon two factors: 1) the number of certified and transitioning to organic operations in each

state, and 2) the total organic acreage of the state. Unfortunately, the NRCS does not provide data to differentiate the funding pools for self-identified certified or transitioning organic producers in CSP. Also, only the enrollment of organic producers for those who choose to self-identify as either certified organic or transitioning to organic production when they apply to CSP can be measured. Thus, all the numbers that follow are likely a significant undercount of total organic participation in CSP.

Between FY2019-2023, 871,492 new CSP acres were enrolled by certified or transitioning organic producers. During that same period, \$24.64 million CSP dollars were paid to certified or transitioning organic producers. In FY2023, 37% of the new CSP organic acres and 32% of the CSP organic dollars were funded by the IRA. Usage of the specific crop bundles for organic production, however, is fairly low with only approximately 1,500 acres enrolled in organic specific bundles.

Figure 28: CSP Acres Enrolled by Certified or Transitioning Organic Producers, FY2019-2023



* Includes producers who self-identify as certified organic or transitioning when they apply to CSP.

IRA SIGNIFICANCE

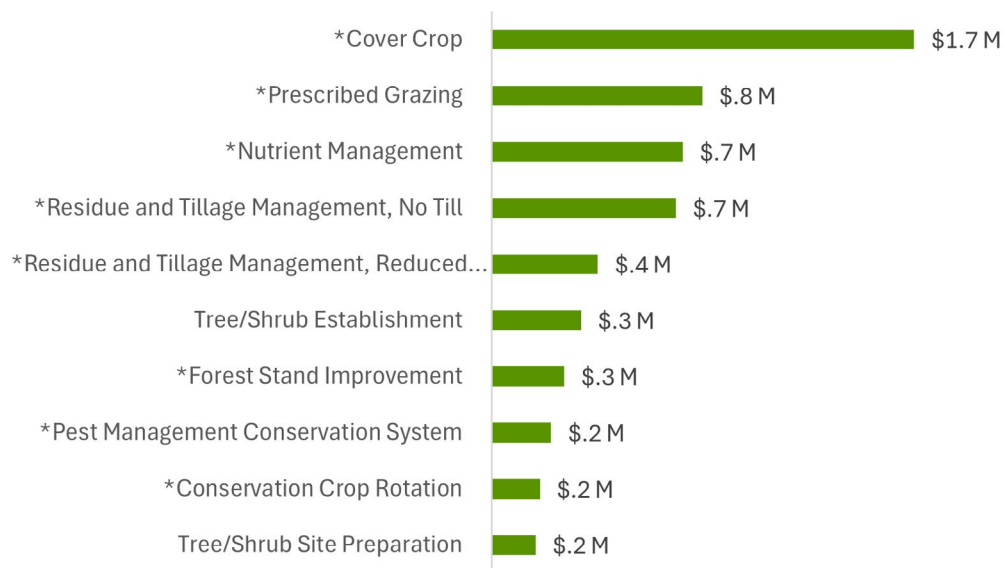
The Inflation Reduction Act provides an additional \$19.5 billion over five years to support USDA's conservation programs to support climate-smart agriculture, with \$3.25 billion for CSP specifically. FY2023 was the first year in which IRA funding was available as part of the CSP and in that year alone, 2,407 contracts were funded, more than 3.3M new acres were enrolled, and nearly \$171 million of IRA funds were spent on **climate-smart agriculture and forestry practices**.

IRA funds can only be used for practices and enhancements that will improve climate mitigation for agriculture. All CSAF practices are popular, classic conservation practices (cover crops, rotational grazing, reduced till, etc.) that first and foremost address non-climate resource concerns on farms (water quality, erosion, soil health, wildlife habitat, etc.) and can be funded with CSP's normal authorized

farm bill funding. However, CSAF practices also have the added benefit of reducing greenhouse gas emissions or sequestering carbon and building agricultural resilience to the impacts of severe weather events - something that is not true of all conservation practices that NRCS supports. Notably, eight of the ten practices receiving the highest total amount of IRA funding were also among the top ten practices funded through CSP's farm bill baseline budget.

The figure below shows the top practices by IRA dollars obligated in FY2023. Cover crops received \$1.7 million in IRA funding, prescribed grazing \$826,000, nutrient management \$750,000, no till \$720,000, and reduced tillage \$416,000. These climate smart practices also provide significant water quality, soil quality, and other ecosystem benefits.

Figure 29: Top CSP Practices by Dollars Obligated in FY2023 IRA Funds

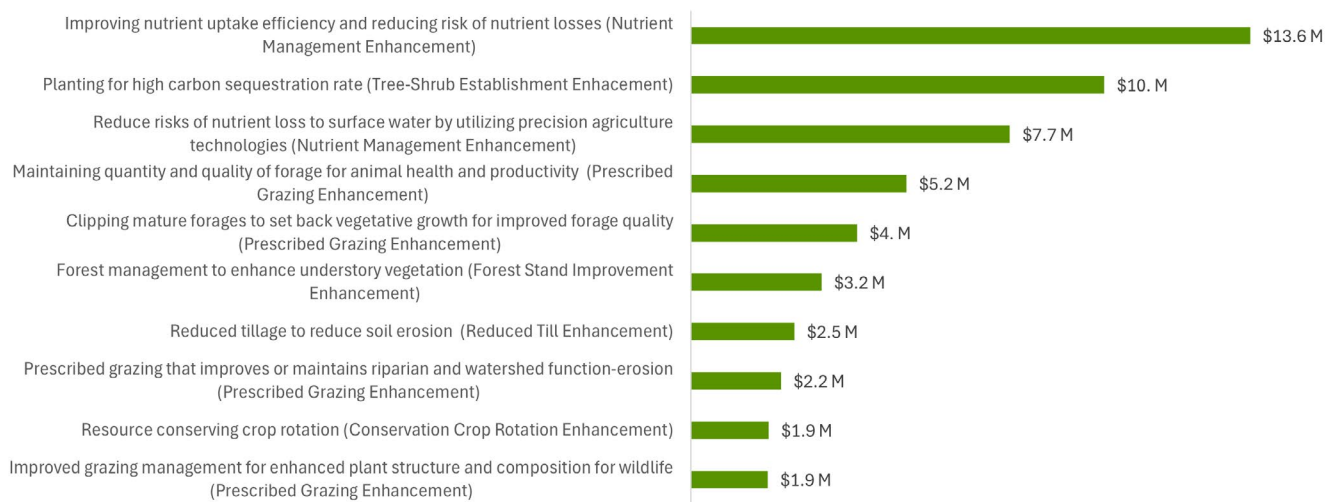


*Indicates a practice that also was amongst the top ten practices for dollars obligated from classic farm bill funding pools in FY2023.

The figure below shows the top enhancements by IRA dollars obligated in FY2023. Improving nutrient uptake efficiency and reducing risk of nutrient losses through Nutrient Management received \$13.6 million. Planting for high carbon sequestration rate through Tree/Shrub Establishment received \$10 million. Reducing the risks of nutrient loss to surface water by utilizing precision

agriculture technologies through Nutrient Management received \$7.7 million. Maintaining quantity and quality of forage for animal health and productivity through prescribed grazing received \$5.2 million. Clipping mature forages to set back vegetative growth for improved forage quality through prescribed grazing received \$4 million.

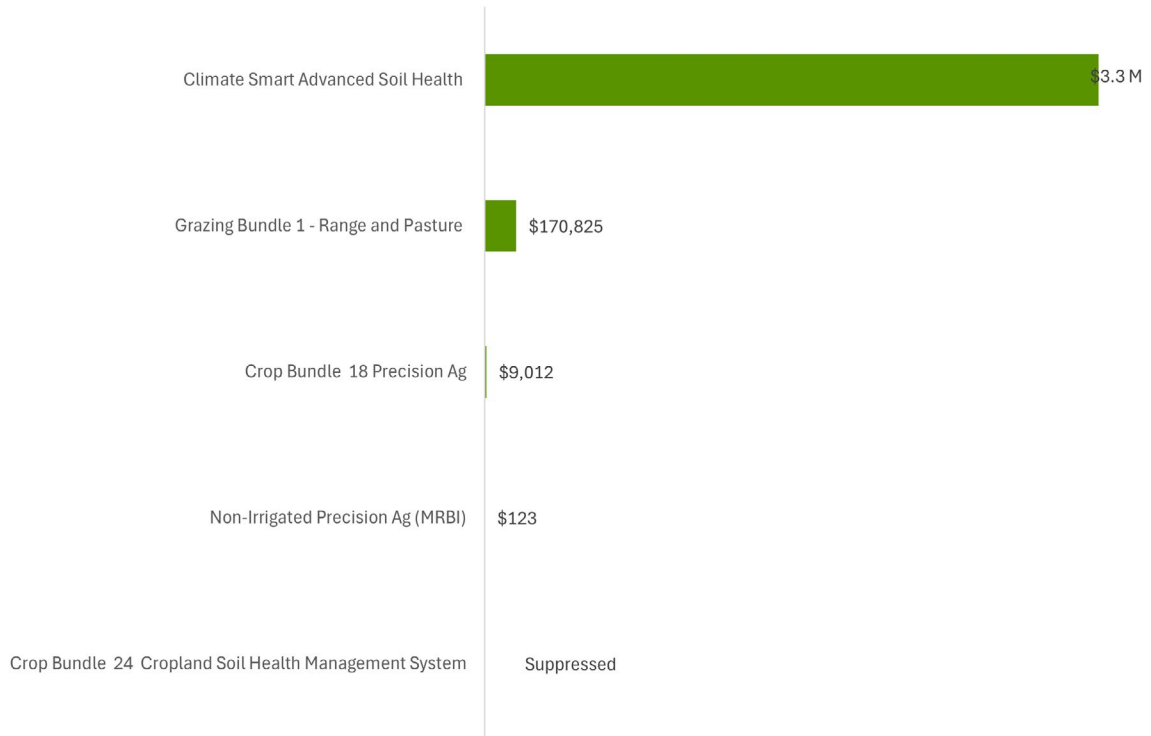
Figure 30: Top CSP Enhancements by Dollars Obligated in FY2023 IRA Funds



The figure following shows the top bundles by IRA dollars obligated in FY23. The climate smart advanced soil health bundle, which aims to “improve crop land soil health by increasing plant diversity and minimizing soil disturbance,” received \$3.3 million, nearly double the funding received by cover crops. The only bundle that received more funding in all of FY23 was Grazing bundle #1, which includes prescribed grazing, herbaceous weed treatment, and upland wildlife habitat management, that received \$3.4 million in general farm bill funds. Grazing bundle #1 also received \$171,000 in IRA funds. This indicates that the availability of IRA funding helped drive interest in bundles, which are among the most advanced conservation activities offered by NRCS. NSAC is heartened by this data and by NRCS’ decision to make all but one bundle eligible for IRA funding in FY24.

However, it is worth noting that only the bundle with the phrase “climate smart” in its name demonstrated strong demand from farmers during the first year of IRA spending. Almost no IRA funding was spent on any other bundles, though others were eligible in FY23. This underscores the importance of clear communication about bundles as climate mitigation tools, and as eligible for IRA funding, to both producers and NRCS field staff. NSAC encourages NRCS to add bundles to the public CSAF list, alongside all other IRA eligible practices and enhancements, in FY25 and all appropriate FYs going forward.

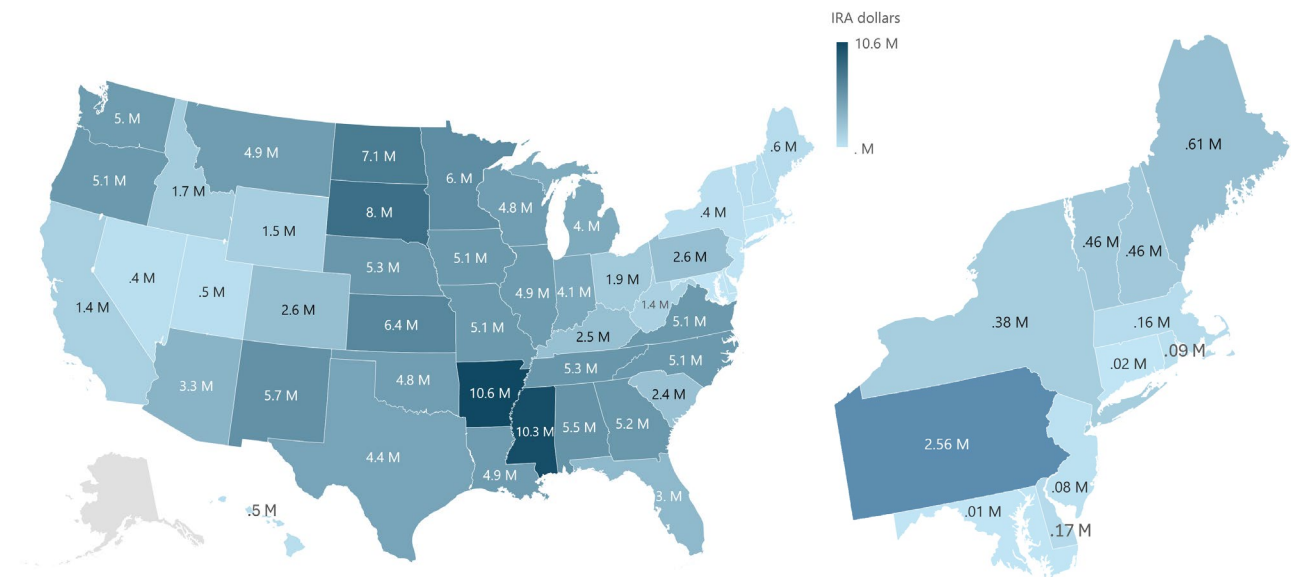
Figure 31: CSP Bundles by Dollars Obligated in FY2023 IRA Funds



The highest amounts of IRA funding were obligated in Arkansas, Mississippi, South Dakota, North Dakota, and Kansas in FY2023.⁴ The lowest amount of IRA dollars was obligated to the Eastern states of Maryland, Connecticut, New Jersey, Rhode Island, and Massachusetts.

Notably, most western states – where critics of IRA claimed producers would go underserved due to a lack of popularity of CSAF in those states – obligated multiple millions of dollars of IRA fundings. The data below shows those criticisms are largely unfounded.

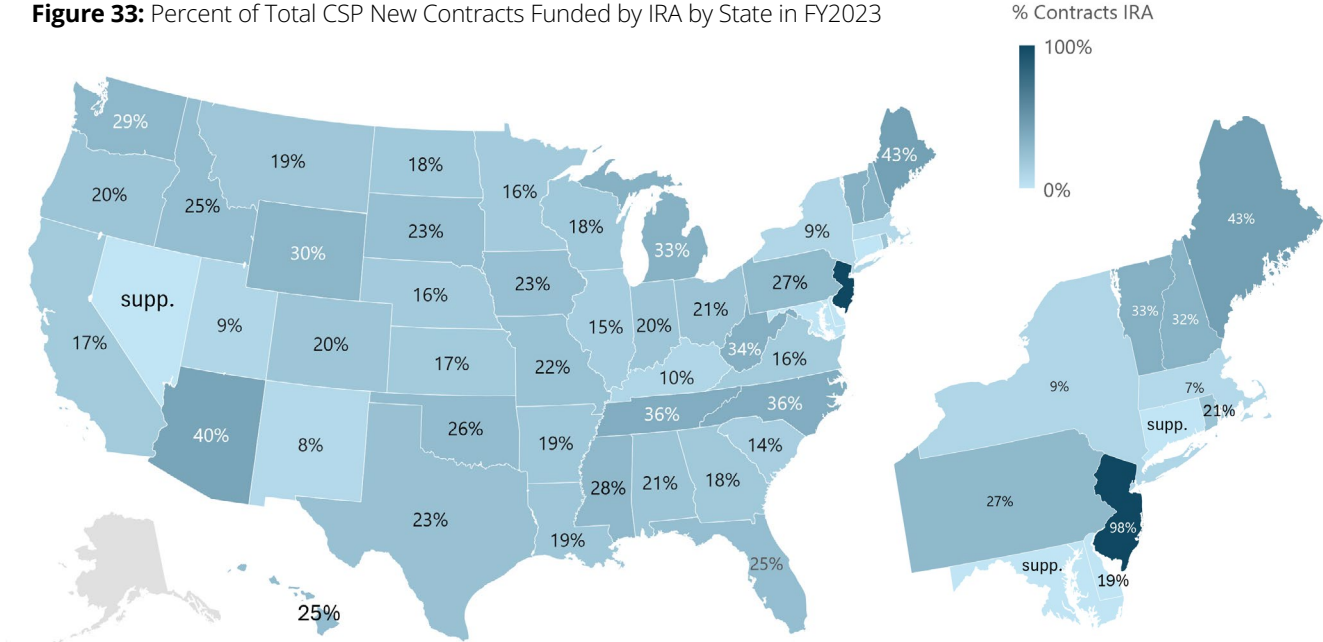
Figure 32: CSP IRA Dollars Obligated by State in FY2023



⁴For states in which IRA contract data was suppressed, NSAC used practice data and the total dollars obligated to all practices paid for by CSP-IRA in FY2023.

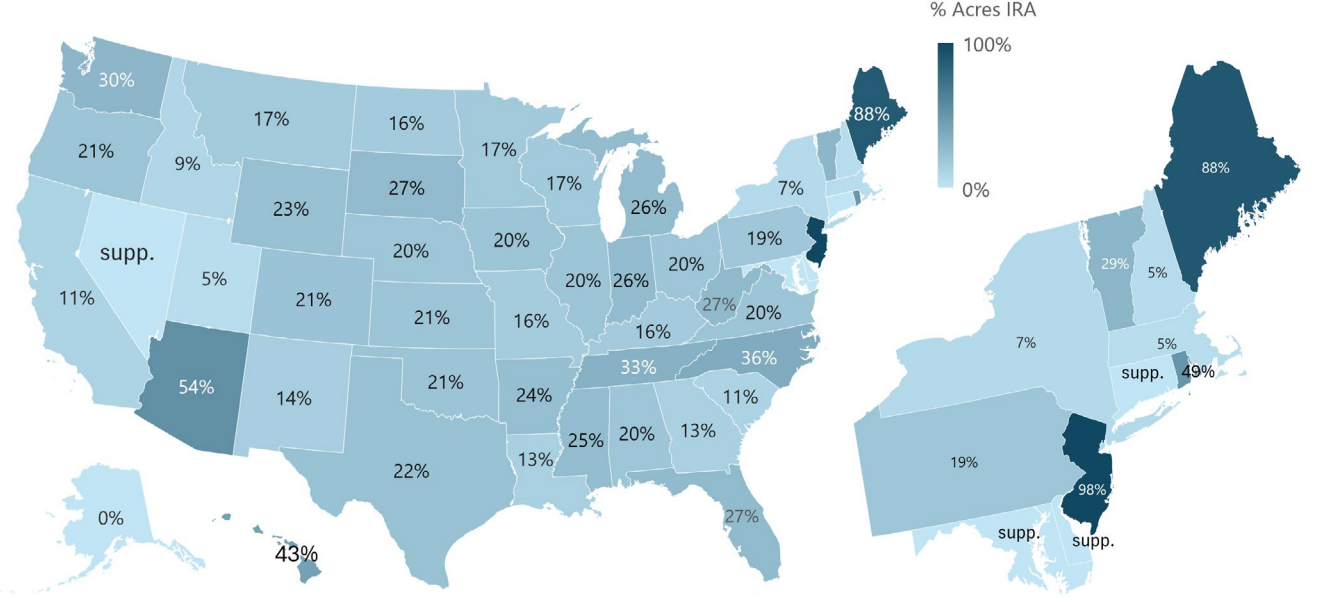
The largest percentage of total CSP contracts funded by the IRA were in New Jersey, Maine, and Arizona. Every state had FY2023 CSP contracts funded by the IRA except Alaska and every state had at least 7% of their 2023 CSP contracts funded by the IRA except Nevada, Connecticut, Delaware, and Maryland, for which data was suppressed. This is significant as it indicates the broad success of IRA touching down in the vast majority of the country the very first year funding was available.

Figure 33: Percent of Total CSP New Contracts Funded by IRA by State in FY2023



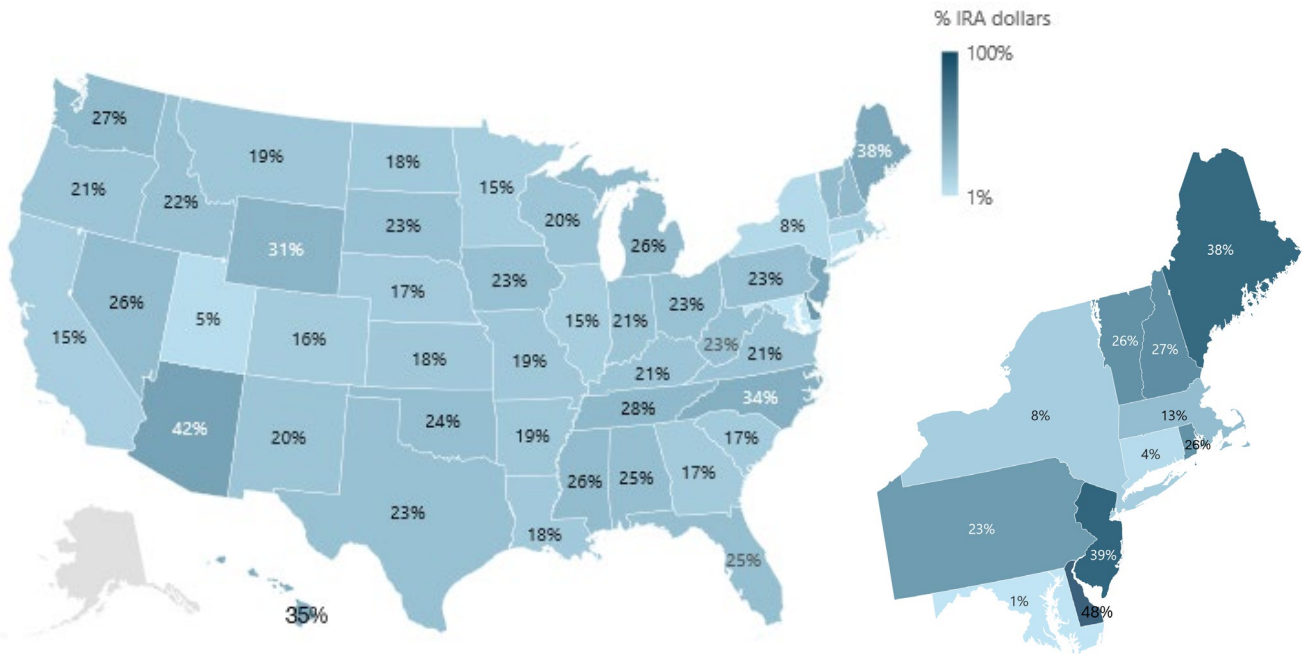
The largest percentage of total CSP acres funded by the IRA were in New Jersey, Maine, and Arizona. Every state had at least 5% of their 2023 CSP acres funded by the IRA except Nevada, Connecticut, Delaware, and Maryland, which had their data suppressed, and Alaska.

Figure 34: Percent of Total CSP Acres Funded by IRA by State in FY2023



To understand the economic impact of the IRA for each state's CSP program overall we also show the percentage of the total CSP spending in FY2023 that was funded by the IRA. The largest percentages of total CSP spending in 2023 that was funded by the IRA were in New Jersey, Delaware, and Arizona. Every state had at least 5% of their total FY2023 CSP spending funded by the IRA except Connecticut, Maryland, and Alaska.

Figure 35: Percent of Total CSP Dollars Obligated in 2023 Funded by IRA by State in FY2023



CONCLUSION

Even with significantly reduced funding under the 2018 Farm Bill compared to prior farm bill cycles, CSP remains the largest conservation program in the country with 69 million acres enrolled nationwide, or about 8% of all agricultural land. CSP continues to set an international gold standard for how to structure durable investments in holistic conservation systems on all manner of farms. Deploying hundreds of conservation practices, enhancements, and bundles to address over a hundred discrete resource concerns on tens of millions of acres each year, CSP lives up to its name by helping farmers tackle the complex task of being responsible stewards of the land.

Further, in the wake of the IRA, CSP has proven to be an effective tool to swiftly mobilize significant public resources. The IRA was signed into law in August 2022, providing \$250 million additional dollars for CSP, available just weeks later at the start of FY2023. This functionally increased CSP's budget by 25% and challenged NRCS to both create new guidance for using the climate directed spending and make full use of the additional resources. By April of 2024, only six months later, farmers could apply for CSP contracts funded by IRA, and by the close of the fiscal year, all available IRA CSP funding for FY2023 had been spent. This is a resounding success, serving as a testament to the readiness of NRCS to tackle big challenges and the expedience existing programs like CSP offer in the face of those challenges. Climate change remains a significant challenge for agriculture that we must address with the greatest expedience and CSP should be Congress' first and favorite tool to do so.

In the first year of IRA implementation through CSP, 2,407 contracts were funded covering more than 3.3 million new acres in **climate-smart agriculture and forestry practices**. Nearly every state had at least 7% of their 2023 CSP contracts funded by the IRA. This is significant as it indicates the IRA's broad success in touching down in the vast majority of the country the very first year funding was available. The IRA drove interest in high value conservation activities with the climate smart advanced soil health bundle –which aims to

“improve crop land soil health by increasing plant diversity and minimizing soil disturbance” – receiving \$3.3 million, nearly double the IRA funding received by cover crops. This underscores the importance of clear communication to both producers and NRCS field staff about bundles as climate mitigation tools eligible for IRA funding.

Four of the five most common CSP practices are climate mitigation practices also eligible for IRA funding. As a result, through both IRA and farm bill funding pools, nearly 40 million acres were dedicated to prescribed grazing practices and enhancements, nearly 23 million acres to pest management conservation system (IPM) practices and enhancements, more than 15 million acres to nutrient management practices and enhancements, and nearly 5 million to cover crop practices and enhancements. The fifth most common CSP practice, – pesticide reduction through pest management conservation system (IPM), including advanced IPM enhancements –may be made eligible for IRA funding in future years. Additionally, five of the 10 most common enhancements are NRCS climate mitigation enhancements that are also eligible for IRA funding, demonstrating CSP's critical role in helping farmers mitigate the impact of climate change.

Finally, a far higher proportion of IRA-funded acres were enrolled through contracts with socially disadvantaged producers than acres enrolled through farm bill funded contracts. This shows that increased CSP funding from the IRA helped bring more acres managed by underserved producers into CSP, and may be indicative of the initial influence of several years worth of **Equity in Conservation Outreach Cooperative Agreements** administered by NRCS. These agreements - launched in the years just prior to and during the initial availability of IRA funding in CSP - support trusted third party organizations connecting historically underserved producers to conservation programs.

With all available data showing such clear and resounding progress, Congress should build on the successes of IRA by making large, permanent, climate-targeted investments in CSP. Any other path would erase significant improvements in the program and on the landscape.

CONCLUSION

Yet even with all of these successes, our analysis shows that the 2018 Farm Bill did material damage to CSP that the next farm bill should repair.

First and foremost, the change from an acreage-based to a dollar-based program **cut overall funding available to CSP over the course of the 2018 Farm Bill** and drove a reduction of enrolled acreage from 76 million in FY2019 to 69 million in FY2023. Congress must increase baseline funding for CSP in the next farm bill to correct this trend and put us on a permanent path to increasing conservation nationwide.

Additionally, contract renewals are an important tool to maintain and improve long-term conservation systems on farms, and opportunities for these renewals were greatly reduced under the 2018 Farm Bill. Due to a rocky transition to a competitive renewal process in FY2019, CSP had a national contract renewal rate of just under 21% for the 2018 Farm Bill cycle. The lowest national contract renewal rate during this farm bill cycle (excluding FY2019 when it was zero) was in FY2020 at just 10% of all

contracts renewed. This is a troubling decline in renewals from the national renewal rate of **60% in FY2017 and 38% in FY2018**, a decline that is likely a direct result of the damaging and underfunded transition to competitive renewals. Congress should fix this by reinstating automatic renewals for qualified producers in the next farm bill.

Finally, the inconsistent ability of individual states to enroll historically underserved farmers and ranchers suggests an improved set-aside is needed in the next farm bill to ensure farmers in every state have a fair opportunity to enroll in CSP. Congress should charge NRCS with establishing target enrollment percentages for each state based on the estimated population of socially disadvantaged and beginning producers in each state.

The Conservation Stewardship Program remains a powerful tool for holistic on-farm conservation, and program data continues to validate its success. Congress should seize every opportunity - in the next farm bill and beyond - to take a great tool and make it even better.

Written by Rebecca Schewe and Jesse Womack

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