

Strengthening Our Investment in Land Stewardship Act (SOIL Stewardship Act) of 2018. Section-by-Section Outline

SECTION 1: TITLE

Short Title: This section names the legislation the Strengthening Our Investment in Land Stewardship Act (SOIL Stewardship Act) of 2018.

SECTION 2: COMMON PROVISIONS AND PROGRAM COORDINATION

Common Provisions and Program Coordination: *Amend the Food Security Act of 1985* to create a new subchapter that authorizes the common authorities and definitions within the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP) in order to better coordinate our working lands conservation programs.

Streamlining and Coordination: Provide NRCS the authority to better coordinate between the application and enrollment processes for EQIP and CSP, including applications, contracting, conservation planning and practices, and related administrative procedures.

Soil Health: Establish a soil health and soil carbon storage initiative within both EQIP and CSP to ensure programs are implemented to address and prioritize conservation activities and applications that benefit soil health.

Wildlife Habitat: Increase the funding target for wildlife beneficial practices within EQIP to 10 percent and extend this funding target to also include CSP.

Organic Systems: Establish an Organic Initiative within EQIP and CSP to support organic production and transition to organic production systems.

Balance: Ensure, to the maximum extent possible, crop and livestock applications are treated equally within both EQIP and CSP.

Active Engagement: Require CSP and EQIP participants to be actively engaged in farming to be eligible for participation.

Program Coordination: Authorize a coordination process between EQIP and CSP, enabling EQIP participants to easily graduate from EQIP to CSP once they have met the stewardship threshold for at least two priority resource concerns.

Common Definitions: *Amend the Food Security Act of 1985* to streamline and coordinate definitions for EQIP and CSP that apply to both programs: agricultural operation, comprehensive conservation plan, eligible land, priority resource concern, and stewardship threshold.

SECTION 3: CSP DEFINITIONS

Amend the Food Security Act of 1985 to reauthorize definitions that apply solely to CSP.

SECTION 4: CONSERVATION STEWARDSHIP PROGRAM

Amend the Food Security Act of 1985 to reauthorize CSP for fiscal years 2019 through 2023.

SECTION 5: STEWARDSHIP CONTRACTS

Amend the Food Security Act of 1985 as follows:

Ranking of Applications: Modify and simplify the CSP ranking process to retain the two basic current criteria - level of active ongoing management of existing conservation activities and the increase in environmental benefit from the adoption of new conservation activities. Additionally, retain the current 5th criterion in current statute – relative cost of the proposal – but modify the restructure it a tie breaker, consistent with current CSP regulations. Streamline the program by eliminating the other, unnecessarily complex criteria.

New Acreage: Add farmer-friendly flexibility by authorizing mid-contract modifications that allow a participant to add newly-obtained additional acreage to their CSP contract prior to renewing for a new contract, provided that the additional acreage increases the overall conservation benefits of the contract at large.

Contract Renewals: Revise the criteria for CSP contract renewals to provide greater farmer flexibility in how to meet the renewals requirement, as well as clarify that participants are eligible for multiple contract renewals provided that they continue to increase their level of stewardship. Provide flexibility to focus in on the results and outcomes, rather than the specific process to get there.

SECTION 6: DUTIES OF THE SECRETARY

Amend the Food Security Act of 1985 as follows:

Average Payment Rate Per Acre: Increase the average payment rate per acre from \$18 to \$23 in order to ensure that high-cost, high-benefit conservation activities are not excluded by the current low average payment limit.

Payment Factors: Clarify that the payment structure must be based on the statutory payment factors.

Minimum Payment: Establish a minimum payment of \$1,500 per year for all successful applications to ensure that the minimum payment currently included in regulation is also included in statute.

Supplemental Payments: Ensure fair treatment for livestock operations by authoring supplemental payments for Managed Intensive Rotational Grazing in addition to the current supplemental payments for resource-conserving crop rotations, and establish a minimum rate for supplemental

payments of not less than \$20 per acre. Include a definition for Managed Intensive Rotation Grazing, and expand the existing definition of Resource-Conserving Crop Rotations to include that additional objective of building soil carbon.

Payment for Comprehensive Conservation Planning: Authorize a payment for comprehensive conservation planning within CSP to ensure that farmers are compensated for some of their costs for undertaking whole farm comprehensive conservation planning, which provides significant conservation benefits and improved program performance, but also requires significant time and investment on the part of the producer. Establish a payment rate for comprehensive conservation planning between \$1,000 and \$3,000, to be determined by two factors: the number of resource concerns addressed in the comprehensive conservation plan, and the number of eligible land uses included in the operation.

Payment for Joint Operations: Clarify that current statute envisions a single payment limitation for the program (except for tribes), to stop the agency from providing multiple payment limits and inviting program abuse.

Combined Payment Limit with EQIP Management Practices: Modify the payments that count toward the existing payment limit for CSP (\$200,000 over 5 years) to also include EQIP management practices, in recognition of the shift to allow for a seamless transition between EQIP management practices and graduation into CSP.

Organic Certification: Expand the current organic certification language to also specify that suites of organic transition-focused activities should be offered through CSP to be support the program's integration with organic transition and certification.

SECTION 7: ENVIRONMENTAL QUALITY INCENTIVES PROGRAM

Include Crop Management in Purposes: *Amend the Food Security Act of 1985* to modify the EQIP purposes to ensure that crop management, in addition to livestock management, is explicitly included within the scope of beneficial conservation changes that participants make through EQIP.

SECTION 8: EQIP DEFINITIONS

Management and Development Practices: *Amend the Food Security Act of 1985* to modify the existing definition of Practice within EQIP to differentiate between management and development practices – management practices include land management, vegetative practices, forest management, and planning activities, while development practices include structures, facilities, equipment, and other related practices, as determined by the Secretary.

SECTION 9: ESTABLISHMENT AND ADMINISTRATION

Amend the Food Security Act of 1985 as follows:

Contract Length: Modify the maximum EQIP contract length from 10 years to 5 years, consistent with CSP, to streamline and improve coordination.

Cost Share Rates: Modify the EQIP cost share rates such that participants can receive up to 75 percent (for management practices) and up to 50 percent (for development practices) of the costs associated with planning, design, materials, equipment, installation, labor, maintenance, or training, and up to 90 (for management practices) and 75 percent (for development practices) for historically underserved participants.

Livestock Allocation: Ensure greater equity in the distribution of funds by eliminating the requirement that at least 60 percent of the EQIP funds available each year need to go to practices relating to livestock production.

Water Conservation: Authorize the Secretary to give priority to irrigation projects that demonstrate benefits to both irrigated agricultural production and to restoring flows to dewatered river and stream reaches.

SECTION 10: LIMITATION ON PAYMENTS

Amend the Food Security Act of 1985 as follows:

Total Payments: Establish a total combined payment limit of \$450,000 for all contracts received under CSP and EQIP, regardless of the number of contracts entered into during the five-year period.

Management Payments: Limit payments that a participant can receive to \$200,000 for all contracts under the management component of EQIP, combined with any payments received under CSP over the course of five years.

SECTION 11: COMMODITY CREDIT CORPORATION

Amend the Food Security Act of 1985 as follows:

Funding Authorization: Authorize EQIP from FY 2019 through 2023, providing \$1.75 billion per year, including not less than \$500 million each fiscal year for management activities that assist producers protecting sources of drinking water.

Set Aside for Beginning Farmers or Ranchers: Increase the percentage of total minimum EQIP funds and total CSP acres – from 5 percent to 15 percent – awarded to beginning farmers or ranchers each year.

Set Aside for Socially Disadvantaged Farmers or Ranchers: Increase the minimum percentage of total EQIP funds and total CSP acres – from 5 percent to 15 percent – awarded to socially disadvantaged farmers or ranchers each year.

Practices Benefiting Wildlife Habitat: Increase the funding target for wildlife beneficial practices from 5 percent to 10 percent of total funding each fiscal year.

Organic: Authorize the Secretary to allocate funds to an Organic Initiative within EQIP and acres to an Organic Initiative within CSP, based on each state's certified and transitioning operations, organic acreage, and previous organic and transitioning participation within EQIP.