

CONSERVATION STEWARDSHIP PROGRAM, FY2010 OVERVIEW AND ENROLLMENT STATISTICS

Summary

The Natural Resources Conservation Service conducted two Conservation Stewardship ranking periods through FY 2010. These two ranking periods resulted in 20,567 contracts covering 25,164,327 operation acres, and \$320,399,890 in first year obligations. As part of each contract, participants agreed to apply an additional 78,947 reported conservation activities designed to enhance conservation already on the land.

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Program Overview

Conservation Stewardship Program (CSP) assistance is authorized under the provisions of Title II, Subtitle D, of the Food, Conservation and Energy Act of 2008, Public Law 110-246 (2008 Farm Bill). Section 2301 amends Chapter 2, Subtitle D of Title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) by inserting Subchapter B, Conservation Stewardship Program. The Secretary of Agriculture acting through the Chief of the Natural Resources Conservation Service (NRCS) administers the program.

The Conservation Stewardship Program (CSP) is the second largest working lands program administered by the Natural Resources Conservation Service. The program's purpose is to encourage agricultural and forestry producers to comprehensively treat their soil erosion, soil quality, water quality, water quantity, air, plant, animal and energy resource concerns. Producers enrolled in CSP agree to improve, maintain, and manage existing conservation activities and undertake additional conservation activities that satisfy one or more stewardship thresholds set for the program's resource concerns. In return, producers receive yearly payments for five years. Payments are based on estimated environmental benefits associated with the conservation activities listed in the contract. NRCS developed a proxy environmental benefits index that is founded on its conservation physical practices effects approach¹. Producers may also receive CSP payments for adopting resource-conserving crop rotations and for conducting farm research or demonstrating new conservation techniques or activities.

CSP Eligibility

Eligible applicants², who accept enrollment in CSP, sign 5-year contracts. Payments per person or legal entity cannot exceed \$40,000 per year or \$200,000 over five years. Payment per person or legal entity and payment per contract are the same except in two instances. For joint operations, the contract payment cannot exceed \$80,000 per year or \$400,000³ over five years. Second, federally recognized Indian tribes and Alaskan Native corporations are exempt from payments and contract limits.

The CSP is available to all eligible agricultural and forestry applicants – individuals, legal entities, joint operations, Indian tribes, and Alaskan Native corporations – in the United States, the Caribbean, the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern

¹ Expert opinion is used in the conservation physical practices effects (CPPE) approach to summarize the positive and negative impacts of conservation activities on identified resource concerns (soil, water, air, plant, animal and human) in a field. To learn more, go to <http://www.nrcs.usda.gov/wps/portal/nrcs/home> and search for CPPE.

² Applicants must satisfy several eligibility requirements to be eligible for CSP. An applicant must be the operator of record in the USDA's farm record management system for the eligible land being offered, control the eligible land for the term of the contract, comply with the highly erodible land and wetland conservation provisions (7 Code of Federal Regulations part 12), comply with adjusted gross income provisions (7 Code of Federal Regulations part 1400), and include the entire agricultural operation or forestry operation in the application.

³ Payment per contract for joint operations became effective for ranking period 2 (CSP-2010-2).

Marianna Islands. It provides equitable access to benefits for all eligible applicants regardless of crops produced, size of operation, or geographic location.

As part of the authorizing legislation, Congress imposed several conditions. First, CSP yearly enrollment cannot exceed 12,769,000 acres for each fiscal year (FY) during the period October 1, 2008, through September 30, 2017. For fiscal years 2009 through 2012, Congress authorized 51,076,000 acres⁴. Second, the national average per acre compensation rate cannot exceed \$18 per acre for CSP. This translates into a maximum yearly expenditure of \$229,842,000 for all financial assistance and technical assistance. The maximum total expenditure for the 51,076,000 acres cannot exceed \$4,596,840,000⁵. Third, the entire agricultural or forestry operation must be enrolled. Fourth, non-industrial private forestland enrollment may not exceed 10 percent of the acres enrolled annually.

CSP Framework

The Conservation Stewardship Program (CSP) has been constructed to provide maximum flexibility to agricultural and forestry producers while simultaneously providing government the opportunity to maximize the benefits generated per application selected for enrollment. Key components of CSP follow.

- NRCS initially allocates every fiscal year's program acreage among the states and territories according to each state's percentage of U.S. agricultural and forested land. Data from the National Agricultural Statistics Service and the United States Forest Service were used to identify each state's allocations of agricultural and forested lands as shown in Appendix A, Table A1. NRCS redistributes unused acres near the end of each ranking period to states that have committed their initial allocations and still have eligible producers willing to enroll in CSP.
- States create pools, and distribute their agricultural and forestry acreage allocations among the pools. States are required to create at least six pools: agricultural lands-general, agricultural lands-beginning farmer, agricultural lands-socially disadvantaged, NIPF-general, NIPF-beginning farmer, and NIPF-socially disadvantaged. States may create additional pools to account for distinctly different production regions, unique ecological areas or other characteristics to maintain producer and program competitiveness.
- States customize each pool to account for the relative importance of resource concerns by selecting three to five of CSP's resource concerns – soil quality, soil erosion, water quality,

⁴ The 51,076,000 acres equal 12,769,000 acres x 4.

⁵ For all ranking periods and contracts enrolled in a fiscal year, total payments cannot exceed \$229,842,000. Contracts enrolled in a fiscal year entail a five-year commitment, which equals \$1,149,210,000 (\$229,842,000 x 5). Congress authorized enrollment for four fiscal years, which equals \$4,596,840,000 (\$1,149,210,000 x 4).

water quantity, air, plant resources, animal resources, and energy resources – as priority resource concerns.

- Conservation activities recorded in an application that mitigate priority resource concerns increase the ranking score of an application compared to activities that treat non-priority resource concerns.
- Producers may submit agricultural lands and NIPF applications continuously throughout a fiscal year (October 1 to September 30) to the appropriate pool in their area.

- NRCS began accepting CSP applications August 10, 2009. NRCS periodically announces a cutoff date for ranking and funding a portion of the applications submitted prior to a specified cutoff date within a fiscal year. Thus far, three cutoff dates have been announced as shown in

Table 1. Conservation Stewardship Program Dates

Ranking Period	Cutoff Date
CSP-2010-1	September 30, 2009
CSP-2010-2	June 25, 2010
CSP-2011-1	January 21, 2011

Table 1. At least one cutoff date is announced per fiscal year because program funds are linked directly to a specific fiscal year.

- Applicants compete for enrollment within a pool. NRCS uses a conservation measurement tool (CMT) to check producer eligibility, assign “conservation performance points” for existing and additional activities, and rank applications within each pool. A conservation performance point is a unitless estimate of the environmental improvement. Applicants receive ranking points based on the types of conservation activities already on the land and activities proposed in their applications. Conservation performance points may be positive or negative and accrue under each of the program’s eight resource concerns.

- NRCS sorts a pool’s eligible applications in descending order using each application’s ranking score. Beginning at the top of the ranked list, NRCS offers enrollment to eligible applicants until a pool’s acreage or financial assistance

Table 2. CSP Payment Schedule by Land Use and Ranking Period

Land use	Payment Per Conservation Performance Point			
	CSP-2010-1		CSP-2010-2	
	Existing Activities	Additional Activities	Existing Activities	Additional Activities
Cropland	\$0.0605	\$0.0605	\$0.0411	\$0.1217
Pastureland	\$0.0329	\$0.0329	\$0.0271	\$0.0492
Pastured Cropland	-- ^a	-- ^a	\$0.0444	\$0.0492
Rangeland	\$0.0120	\$0.0120	\$0.0060	\$0.0200
Forestland	\$0.0164	\$0.0164	\$0.0049	\$0.0633
RCCR	\$16.00/acre		\$12.00/acre	

^aNot applicable.

allotment is reached. The national office tracks obligations and redistributes unused acreage and financial assistance dollars to states and pools that can obligate them.

- For the first ranking period, NRCS used the prices per conservation performance point shown in Table 2 under CSP-2010-1. For the second ranking period, NRCS created a two-tier price structure to encourage producers to apply more additional activities. Prices for performance points generated by existing activities were lowered, and prices for points earned by additional activities were increased as shown in Table 2 under CSP-2010-2.
- A new land use category, pastured cropland was added for the second CSP ranking period. Pastured cropland is high quality land that could be easily converted to row crop production. Performance points generated by existing activities on pastured cropland receive a higher price of \$0.0444 compared to the price of \$0.0271 received for every performance point generated on lower quality pastureland (see Table 2).

Enrollment Statistics

On August 9, 2009, continuous sign-up began for the Conservation Stewardship Program (CSP). NRCS announced September 30, 2009 as the first cutoff date for accepting, ranking, selecting, and funding eligible applications. This first cutoff date was followed by a second cutoff date of June 25, 2010. This report covers these first two ranking periods through September 30, 2010.

Contracts, Acres, and Obligations by Ranking Period

CSP proved to be very popular among producers during its first two ranking periods. Of the 17,587 partial and complete applications⁶ submitted during ranking period one, CSP-2010-1, NRCS funded 10,612. For CSP ranking period two, CSP-2010-2, NRCS funded 9,955 of the 20,915 partial and complete applications submitted.

Contracts, acres, obligations, and obligations per acre through FY 2010 are shown in Table 3. Acres enrolled remained relatively stable between the two ranking periods while obligations increased in the second period. Fewer contracts and the two-tier price structure for existing and additional activities partially contributed to the differences. State and county data for contracts through FY 2010 can be found in the appendix (Table A2. CSP Contracts, Acres, and Obligations by Ranking Period and State, FY 2010 and Table A3. Conservation Stewardship Program: Contracts, Acres, and Obligations by State and County, FY 2010).

⁶ Applications submitted are coded active, preapproved, eligible, terminated, cancelled, pending, deferred, or ineligible. Active contracts are funded contracts.

Table 3. CSP Contracts, Acres, and Obligations by Ranking Period, FY 2010

Ranking Period	Contracts	Acres ^a	Obligations	Average Oblig./Contract	Average Obligation/Acre
CSP-2010-1	10,612	12,606,679	\$144,782,194 ^b	\$13,643.25	\$11.48 ^d
CSP-2010-2	9,906	12,510,707	\$174,630,192	\$17,628.73	\$13.96
CSP-2010-2-CCPI	4	4,091	\$73,308	\$18,327.00	\$17.92
CSP-2010-2-CCPI-MRBI	45	42,850	\$914,196	\$20,315.47	\$21.33
Total for CSP-2010-2	9,955	12,557,648	\$175,617,696 ^c	\$17,641.15	\$13.98 ^e
Grand Total	20,567	25,164,327	\$320,399,890	\$15,578.35	\$12.73

^aCongress authorized a maximum enrollment of 12.769 million acres per fiscal year.

^bTotal obligations to producers cannot exceed \$190,130,410 (\$229,842,000 - \$39,711,590 for technical assistance).

^cTotal obligations to producers cannot exceed \$209,539,290 (\$229,842,000 - \$20,302,710 for technical assistance).

^dAverage obligation per acre cannot exceed \$14.89 (\$18 - \$3.11 for technical assistance).

^eAverage obligation per acre cannot exceed \$16.41 (\$18 - \$1.59 for technical assistance).

Enrolled acres and obligations were below mandated maximums. For both ranking periods, the mandated 12.769 million acre yearly cap became the limiting constraint for two reasons. First, the next eligible application in the pools exceeded the available acres remaining. Second, some producers withdrew applications or cancelled contracts a day or two before the enrollment deadline, thus making it impossible to notify the next eligible applicants and complete the necessary paperwork.

Contracts, Acres, and Obligations by Program Pool Categories

National enrollment can be further divided into the six broad program pool categories: agriculture and non-industrial private forestland, each with separate pools for general, beginning farmers, and socially disadvantaged producers (Table 4). The percentage split between agricultural and non-industrial private forestland (NIPF) contracts is 81 and 19 percent; for acres, 92 and 8 percent; and for obligations, 95 and 5 percent. The general agricultural lands category contains 74% of the contracts, 83% of the acres, and 89% of the obligations. The next largest category is NIPF-general that contains 17% of the contracts, almost 7% of the acres, and 4% of the obligations. Participation by agricultural and NIPF beginning and socially disadvantaged producers amounted to 9.2%, 10.3%, and 7.4% of all contracts, acres, and obligations.

Table 4. CSP Contracts, Acres, and Obligations by Pool Category, FY 2010

Contract Category	CSP-2010-1			CSP-2010-2 ^{a,b}			Total FY 2010		
	Contracts	Acres	Obligations (\$)	Contracts	Acres	Obligations (\$)	Contracts	Acres	Obligations (\$)
Agricultural Lands - General	7,756	10,369,498	128,981,457	7,401	10,565,474	155,183,935	15,157	20,934,972	284,165,392
Agricultural Lands - Beginning Farmer	528	419,709	5,246,324	657	516,641	8,440,494	1,185	936,350	13,686,818
Agricultural Lands - Socially Disadvantaged	132	652,116	3,046,069	193	541,255	3,888,563	325	1,193,371	6,934,632
NIPF - General	2,038	909,866	6,033,562	1,479	737,387	6,415,523	3,517	1,647,253	12,449,085
NIPF - Beginning Farmer	125	53,834	185,908	189	45,380	502,911	314	99,214	688,819
NIPF - Socially Disadvantaged	33	201,656	1,288,874	36	151,511	1,186,270	69	353,167	2,475,144
Grand Total	10,612	12,606,679	\$144,782,194	9,955	12,557,648	\$175,617,696	20,567	25,164,327	\$320,399,890

^aFor CSP-2010-2, there were 4 CCPI contracts (4,091 acres, \$73,308) in general agricultural lands category.

^bFor CSP-2010-2, there were 44 CCPI-MRBI contracts (42,817 acres and \$913,462) in the general agricultural lands category and 1 CCPI-MRBI contract (33 acres and \$734) in the general agricultural lands/beginning farmer category.

States could establish more than the six required pools to account for CCPI areas, CCPI-MRBI areas, distinctly different production regions, ecological regions, or other landscape characteristics to avoid program biases while maintaining competitiveness. Contracts, acres, and obligations by active pools within states can be found in the appendix (see Table A3. CSP Contracts, Acres, and Obligations by State and Pool Category, FY 2010).

Contracts, Acres, and Obligations by Land Use

The primary land uses are cropland, pastureland, rangeland, and private forestland (non-industrial private forestland). Combinations of cropland, pastureland, and rangeland are possible because all acres of an agricultural operation must be part of a contract.

Contract, acre, and obligation information by land use are presented in Table 5. For ranking period 1 (CSP-2010-1), obligations to only cropland operations accounted for 45% of total obligations. Obligations to cropland operations and mixed cropland, pastureland, and rangeland operations equaled 82% of total obligations. Rangeland, forestland, and pastureland obligations garnered the fifth through seventh positions. Although obligation per rangeland conservation performance point (\$0.0120) was the lowest and obligation per forestland conservation point (\$0.0164) was the second lowest, the number of acres enrolled moved them ahead of pastureland.

Table 5. CSP Contracts, Acres, and Obligations by Land Use Mixes, FY 2010

Land Uses	CSP-2010-1			CSP-2010-2			Total		
	Contracts	Acres	Obligations	Contracts	Acres	Obligations	Contracts	Acres	Obligations
Cropland	3,818	3,039,980	\$65,512,694	3,996 ^a	3,771,991 ^a	\$90,423,054 ^a	7,814	6,811,971	\$155,935,748
Cropland & Pastureland	1,725	914,839	\$19,498,679	1,604 ^c	967,276 ^c	\$22,219,027 ^c	3,329	1,882,115	\$41,717,706
Cropland & Rangeland	715	2,047,066	\$18,450,259	688	2,163,101	\$20,521,943	1,403	4,210,166	\$38,972,202
Cropland, Pastureland, & Rangeland	575	1,740,332	\$15,278,320	590	1,812,738	\$16,735,051	1,165	3,553,070	\$32,013,371
Rangeland	501	2,959,667	\$11,505,530	341	2,117,707	\$8,547,292	842	5,077,374	\$20,052,822
Forestland	2,201	1,166,466	\$7,516,239	1,693	925,731	\$7,983,355	3,894	2,092,196	\$15,499,594
Pastureland	879	241,576	\$3,947,618	832 ^b	257,702 ^b	\$4,755,603 ^b	1,711	499,279	\$8,703,221
Pastureland & Rangeland	198	496,753	\$3,072,855	184	514,498	\$3,584,783	382	1,011,251	\$6,657,638
Data Unavailable ^d	-- ^e	-- ^e	-- ^e	27	26,906	\$847,588	27	26,906	\$847,588
Total	10,612	12,606,679	\$144,782,194	9,955	12,557,648	\$175,617,696	20,567	25,164,327	\$320,399,890

^aIncluded are 4 CCPI contracts (4,091 acres, \$73,308) and 35 CCPI-MRBI contracts (33,383 acres, \$729,994).

^bIncluded is one CCPI-MRBI contract (137 acres, \$1,698).

^cIncluded are 9 CCPI-MRBI contracts (9,331 acres, \$182,504).

^dContract data are not available electronically. Contracts are stored in county offices.

^eNot applicable.

A two-tier price structure – separate prices for existing and additional conservation performance points – replaced the single price structure in the second ranking period. Obligations to cropland only operations increased to 51.5% of total obligations (Table 5, CSP-2010-2). Obligations to cropland operations and mixed cropland, pastureland, and rangeland operations also increased slightly to 85.4% of total obligations. Rangeland, forestland, and pastureland maintained their fifth to seventh positions and accounted for 14.2% of total obligations in ranking period 2. A noticeable drop was also noted in ranking period 2 for rangeland acres and obligations and a noticeable increase in pastureland acres and obligations occurred.

More detailed tables of contracts, acres, and obligations by state and land use can be found in the appendix. One set of tables contains contract, acre, and obligation information for both ranking periods by state. A set of much larger tables contain the same information by ranking period as well as averages, minimum, maximum and standard deviation estimates (see Table A4 through Table A14).

Average acres per contract, average obligation per acre, and average obligation per contract by ranking period and land use are exhibited in Table 6. Overall, averages between the first and second ranking periods increased. The increase in average obligation per contract between the two periods is likely due to the enrollment of larger operations and the higher prices for additional activities.

Table 6. CSP Acre and Obligation Averages by Ranking Period and Land Use, FY 2010

Land Use	Average Acres/Contract		Average Obligation/Acre		Average Obligation/Contract	
	CSP-2010-1	CSP-2010-2	CSP-2010-1	CSP-2010-2	CSP-2010-1	CSP-2010-2
Cropland	796	944	\$21.55	\$23.97	\$17,159	\$22,628
Cropland & Pastureland	530	603	\$21.31	\$22.97	\$11,304	\$13,852
Cropland & Rangeland	2,863	3,144	\$9.01	\$9.49	\$25,805	\$29,828
Cropland, Pastureland, & Rangeland	3,027	3,072	\$8.78	\$9.23	\$26,571	\$28,364
Rangeland	5,908	6,210	\$3.89	\$4.04	\$22,965	\$25,065
Forestland	530	547	\$6.44	\$8.62	\$3,415	\$4,716
Pastureland	275	310	\$16.34	\$18.45	\$4,491	\$5,716
Pastureland & Rangeland	2,509	2,796	\$6.19	\$6.97	\$15,519	\$19,483
Data Unavailable ^a	-- ^b	997	-- ^b	\$31.50	-- ^b	\$31,392
Average Total	1,188	1,261	\$11.48	\$13.98	\$13,643	\$17,641

^aContract data are not available electronically. Contracts are stored in county offices.

^bNot applicable.

Several other patterns can be observed in Table 6. Rangeland and mixed rangeland land uses resulted in the highest average acres per contract. Except for pastureland, cropland and mixed cropland land uses garnered the highest average obligations per acre. Prices per performance point (Table 2) for pastureland are the second highest among land uses and partially contribute to its relatively high obligations per acre (\$16.34 and \$18.45). These obligations also suggest the combination of existing and additional conservation activities generated a sizable number of conservation performance points. Lastly, rangeland and mixed rangeland land uses resulted in some of the highest obligations per contract. Again, operation acres are the driving force behind this trend.

Contracts, Acres, and Obligations by Land Use

Enrollment statistics by specific land use are reported in Table 7. Contract numbers reported are higher than the number of actual contracts because some contracts include multiple land uses. Obligations by individual land use are also an estimate because obligations are currently

only reported by contract. Points earned for conservation activities already on the land and points earned for proposed activities and prices per point were used to divide total contract obligations among specific land uses.

As reported in Table 7, cropland acres account for 42.2% of enrolled acres and 73.3% of estimated obligations whereas rangeland acres account for 43.3% of enrolled acres and 14.2% of estimated obligations. The difference in estimated obligations between these two land uses is largely due to the much lower prices for conservation performance points earned for existing and proposed conservation activities applied to rangeland (see Table 2). Together, cropland and rangeland account for 85.6% and 87.5% of enrolled acres and estimated obligations, respectively. Acres and obligations by state and by land use are summarized in the appendix (Table A15. CSP Acres and Obligations by State and Land Use, FY 2010).

Table 7. CSP Contracts, Acres, and Obligations by Land Use, FY 2010

Land Use	CSP-2010-1			CSP-2010-2			FY 2010		
	Contracts ^a	Acres	Obligations ^b	Contracts ^a	Acres	Obligations ^b	Contracts ^a	Acres	Obligations ^b
Cropland	6,833	4,872,408	\$103,021,529	6,899	5,759,219	\$131,913,648	13,732	10,631,627	\$234,935,177
Pastureland	3,377	754,573	\$11,188,478	2,953	643,121	\$10,244,849	6,330	1,397,694	\$21,433,327
Rangeland	1,989	5,813,232	\$23,055,948	1,805	5,089,903	\$22,281,066	3,794	10,903,136	\$45,337,014
Forestland	2,201	1,166,466	\$7,516,239	1,698	934,254	\$8,082,270	3,899	2,100,719	\$15,598,509
Pastured Cropland	-- ^c	-- ^c	-- ^c	996	131,152	\$3,095,863	996	131,152	\$3,095,863
Grand Total	14,400	12,606,679	\$144,782,193	14,351	12,557,648	\$175,617,696	28,751	25,164,327	\$320,399,890

^aThe total number of contracts listed is higher than actual contracts because more than one land use is listed in several thousand contracts.

^bEstimate. Obligations are reported by contract. Points earned for existing activities and additional activities by land use were used to divide a contract's obligation among land uses.

^cNot applicable.

Contracts, Acres, and Obligations by Conservation Activity and Land Use

Obligation information can be further divided into dollar amounts associated with existing conservation activities already on the land and proposed activities. Given the information shown in Table 8, existing activities accounted for 64.9% of estimated obligations in ranking period 1 (CSP-2010-1), 36.3% in ranking period 2 (CSP-2010-2), and 49.2% across both periods. The reversal of percentages between the first and second ranking periods is largely due to the two-tier price structure introduced beginning with ranking period 2 that lowered prices for performance points earned of existing activities and increased prices of performance points earned for proposed activities. More information from future ranking periods is needed to determine if the two-tier price structure will stimulate more additional activities and widen the percentage gap between payments for existing and additional activities. A state level summary

of this information is available in the appendix (Table A16. CSP Contracts, Acres, and Obligations by State and Type of Conservation Activity, FY2010)

CSP-2010-1	Cropland	Pastureland	Rangeland	Forestland	Pastured Cropland	Total
Contracts^a	6,833	3,377	1,989	2,201	-- ^c	14,400
Acres	4,872,408	754,573	5,813,232	1,166,466	-- ^c	12,606,679
Obligations^b - Existing Activities	\$67,338,668 (65.4%)	\$6,927,512 (61.9%)	\$14,222,869 (61.7%)	\$5,490,565 (73.0%)	-- ^c	\$93,979,614 (64.9%)
Obligations^b - Additional Activities	\$35,682,861 (34.6%)	\$4,260,966 (38.1%)	\$8,833,078 (38.3%)	\$2,025,674 (27.0%)	-- ^c	\$50,802,580 (35.1%)
Obligations^b - All Activities	\$103,021,529	\$11,188,478	\$23,055,948	\$7,516,239	-- ^c	\$144,782,194
CSP-2010-2	Cropland	Pastureland	Rangeland	Forestland	Pastured Cropland	Total
Contracts^a	6,899	2,953	1,805	1,698	996	14,351
Acres	5,759,219	643,121	5,089,903	934,254	131,152	12,557,648
Obligations^b - Existing Activities	\$49,432,016 (37.5%)	\$4,791,407 (46.8%)	\$6,491,197 (29.1%)	\$1,294,672 (16.0%)	\$1,708,050 (55.2%)	\$63,717,342 (36.3%)
Obligations^b - Additional Activities	\$82,481,632 (62.5%)	\$5,453,442 (53.2%)	\$15,789,869 (70.9%)	\$6,787,598 (84.0%)	\$1,387,813 (44.8%)	\$111,900,354 (63.7%)
Obligations^b - All Activities	\$131,913,648	\$10,244,849	\$22,281,066	\$8,082,270	\$3,095,863	\$175,617,696
FY 2010	Cropland	Pastureland	Rangeland	Forestland	Pastured Cropland	Grand Total
Contracts^a	13,732	6,330	3,794	3,899	996	28,751
Acres	10,631,627	1,397,694	10,903,136	2,100,719	131,152	25,164,327
Obligations^b - Existing Activities	\$116,770,684 (49.7%)	\$11,718,919 (54.7%)	\$20,714,067 (45.7%)	\$6,785,237 (43.5%)	\$1,708,050 (55.2%)	\$157,696,956 (49.2%)
Obligations^b - Additional Activities	\$118,164,493 (50.3%)	\$9,714,408 (45.3%)	\$24,622,947 (54.3%)	\$8,813,272 (56.5%)	\$1,387,813 (44.8%)	\$162,702,934 (50.8%)
Obligations^b - All Activities	\$234,935,177	\$21,433,327	\$45,337,014	\$15,598,509	\$3,095,863	\$320,399,890
^a The total number of contracts listed is higher than actual contracts because more than one land use is listed in several thousand contracts. ^b Estimate. Obligations are reported by contract. Points earned for existing activities and additional activities by land use were used to divide a contract's obligation among land uses. ^c Not applicable.						

Maximum Obligations

As noted earlier, CSP has obligation maximums. Currently, obligation to a person or legal entity cannot exceed \$40,000 per year or \$200,000 over five years. Second, obligation to a joint operation cannot exceed \$80,000 per year or \$400,000⁷ over five years. Third, federally recognized Indian tribes and Alaskan Native corporations are exempt from obligation maximums or caps. Regardless of the obligation limitations, the entire operation must be

⁷ Payment per contract for joint operations became effective for CSP-2010-2.

enrolled. Summary statistics through FY 2010 follow. Detailed information by state is available in the appendix.

Contracts, acres and obligations through FY 2010 were summarized into five categories as shown in Table 9. For the first ranking period, obligations equaled the \$40,000 obligation cap for 1,446 contracts and exceeded the limit for 12 contracts signed by Indian tribes and/or Alaskan native corporations. These 1,458 contracts equaled 13.7% of the 10,612 contracts, 58.9% of the 12,606,679 acres, and 41.9% of total obligations for ranking period one.

For ranking period two, a new obligation cap of \$80,000 for joint operations was introduced. As displayed in Table 9, the number of contracts that hit the \$40,000 cap equaled 1,539; the \$80,000 cap, 189; and Indian tribe and Alaskan Native corporations, 9. These 1,737 contracts equaled 17.4% of the 9,955 contracts, 57.2% of the 12,557,648 acres, and 45.1% of the \$175,617,696 obligations for ranking period two. Without the \$80,000 cap for joint operations, another 198 contracts, 460,032 acres, and at least \$7,920,000⁸ (\$40,000 x 198) in obligations would have been added to the maximum obligation statistics for ranking period two.

Category	CSP-2010-1			CSP-2010-2			Total FY 2010		
	Contracts	Acres	Obligations	Contracts	Acres	Obligations	Contracts	Acres	Obligations
<\$40,000	9,154	5,184,676	84,173,693	8,020	4,908,836	84,933,997	17,174	10,093,513	169,107,690
\$40,000	1,446	6,892,943	57,840,000	1,539	5,812,344	61,560,000	2,985	12,705,287	119,400,000
\$40,001 to \$79,999	4	8,935	198,888	198	460,032	11,430,531	202	468,967	11,629,419
\$80,000	-- ^a	-- ^a	-- ^a	189	959,190	15,120,000	189	959,190	15,120,000
>\$80,000	8	520,125	2,569,613	9	417,246	2,573,168	17	937,370	5,142,781
Grand Total	10,612	12,606,679	144,782,194	9,955	12,557,648	175,617,696	20,567	25,164,327	320,399,890

^aNot applicable.

This same information by state is available in the appendix. It can be found in “Table A17. CSP Contracts, Acres, and Obligations by Obligation Category and by State, FY 2010.”

A more detailed breakdown of contracts, acres, and obligations using more obligation categories is shown in Table 10. Those contracts receiving less than \$10,000 annually represent 54% of FY 2010 contracts, 10.9% of the 25.2 million acres, and 11.6% of the \$320.4 million acres. Those contracts receiving more than \$40,000 annually represent 16.5% of FY 2010 contracts, 59.9% of total acres, and 47.2% of obligations.

⁸ An exact amount could not be determined because Indian tribes and Alaskan Native corporations, which are exempt, could not be identified.

Table 10. CSP Contracts, Acres, and Obligations by Dollars Obligated, FY 2010

Contract Categories	CSP-2010-1			CSP-2010-2			Total FY 2010		
	Contracts	Acres	Obligations	Contracts	Acres	Obligations	Contracts	Acres	Obligations
<\$1000	1,567 (14.77%)	115,247 (0.91%)	812,137 (0.56%)	933 (9.37%)	94,055 (0.75%)	464,358 (0.26%)	2,500 (12.16%)	209,302 (0.83%)	1,276,495 (0.40%)
\$1000	2 (0.02%)	456 (0.00%)	2,000 (0.00%)	289 (2.90%)	16,330 (0.13%)	289,000 (0.16%)	291 (1.41%)	16,786 (0.07%)	291,000 (0.09%)
\$1,001 to \$4,999	2,989 (28.17%)	652,126 (5.17%)	7,817,702 (5.40%)	2,383 (23.94%)	501,910 (4.00%)	6,454,522 (3.68%)	5,372 (26.12%)	1,154,036 (4.59%)	14,272,224 (4.45%)
\$5,000 to \$9,999	1,602 (15.10%)	752,174 (5.97%)	11,613,895 (8.02%)	1,341 (13.47%)	609,313 (4.85%)	9,790,155 (5.57%)	2,943 (14.31%)	1,361,487 (5.41%)	21,404,050 (6.68%)
\$10,000 to \$19,999	1,537 (14.48%)	1,299,588 (10.31%)	22,072,972 (15.25%)	1,471 (14.78%)	1,180,208 (9.40%)	21,107,075 (12.02%)	3,008 (14.63%)	2,479,796 (9.85%)	43,180,047 (13.48%)
\$20,000 to \$39,999	1,457 (13.73%)	2,365,086 (18.76%)	41,854,987 (28.91%)	1,603 (16.10%)	2,507,022 (19.96%)	46,828,887 (26.67%)	3,060 (14.88%)	4,872,107 (19.36%)	88,683,874 (27.68%)
\$40,000	1,446 (13.63%)	6,892,943 (54.68%)	57,840,000 (39.95%)	1,539 (15.46%)	5,812,344 (46.29%)	61,560,000 (35.05%)	2,985 (14.51%)	12,705,287 (50.49%)	119,400,000 (37.27%)
\$40,001 to \$79,999	4 (0.04%)	8,935 (0.07%)	198,888 (0.14%)	198 (1.99%)	460,032 (3.66%)	11,430,531 (6.51%)	202 (0.98%)	468,967 (1.86%)	11,629,419 (3.63%)
\$80,000	-- ^a	-- ^a	-- ^a	189 (1.90%)	959,190 (7.64%)	15,120,000 (8.61%)	189 (0.92%)	959,190 (3.81%)	15,120,000 (4.72%)
>\$80,000	8 (0.08%)	520,125 (4.13%)	269,613 (1.577%)	9 (0.09%)	417,246 (3.32%)	2,573,168 (1.47%)	17 (0.08%)	937,370 (3.72%)	5,142,781 (1.61%)
Grand Total	10,612	12,606,679	144,782,194	9,955	12,557,648	175,617,696	20,567	25,164,327	320,399,890

^aNot applicable.

Contracts, Acres, and Obligations by Size of Operation

CSP contracts, acres, and obligations categorized by operation size are displayed in Table 11. Relatively small operations account for the majority of contracts, a small portion of enrolled acres, and a small portion of total obligations. Operations less than 100 acres, for example, account for 15.7% of total FY 2010 contracts, 0.7% of acres, and 1.0% of obligations.

Operations less than 500 acres account for 53.2% of the 20,567 contracts, 8.7% of the 25.2 million acres, and 13.8% of the \$320.4 million of obligations. At the opposite end, operations equal to or greater than 2,500 acres amounted to 10.9% of total contracts, 57.2% of acres, and 29.3% of obligations in FY 2010.

Table 11. CSP Contracts, Acres, and Obligations by Operation Size, FY 2010

Operation Size (Ac)	CSP-2010-1			CSP-2010-2			Total FY 2010		
	Contracts	Acres	Obligations	Contracts	Acres	Obligations	Contracts	Acres	Obligations
<50	718 (6.77%)	22,104 (0.18%)	356,548 (0.25%)	587 (5.90%)	17,672 (0.14%)	424,084 (0.24%)	1,305 (6.35%)	39,776 (0.16%)	780,632 (0.24%)
50 to 99	1,079 (10.17%)	80,156 (0.64%)	1,292,468 (0.89%)	836 (8.40%)	61,415 (0.49%)	1,159,759 (0.66%)	1,915 (9.31%)	141,572 (0.56%)	2,452,227 (0.77%)
100 to 249	2,239 (21.10%)	371,697 (2.95%)	6,704,811 (4.63%)	1,863 (18.71%)	311,158 (2.48%)	6,318,069 (3.60%)	4,102 (19.94%)	682,855 (2.71%)	13,022,880 (4.06%)
250 to 499	1,936 (18.24%)	700,224 (5.55%)	14,056,984 (9.71%)	1,681 (16.89%)	610,066 (4.86%)	13,710,632 (7.81%)	3,617 (17.59%)	1,310,290 (5.21%)	27,767,616 (8.67%)
500 to 999	1,773 (16.71%)	1,279,307 (10.15%)	28,234,007 (19.50%)	1,769 (17.77%)	1,271,440 (10.12%)	32,400,602 (18.45%)	3,542 (17.22%)	2,550,747 (10.14%)	60,634,609 (18.92%)
1000 to 2,499	1,785 (16.82%)	2,792,196 (22.15%)	51,930,618 (35.87%)	2,069 (20.78%)	3,247,280 (25.86%)	70,015,727 (39.87%)	3,854 (18.74%)	6,039,476 (24.00%)	121,946,345 (38.06%)
2,500 to 4,999	637 (6.00%)	2,185,503 (17.34%)	22,437,289 (15.50%)	731 (7.34%)	2,524,660 (20.10%)	31,002,248 (17.65%)	1,368 (6.65%)	4,710,163 (18.72%)	53,439,537 (16.68%)
>=5,000	445 (4.19%)	5,175,492 (41.05%)	19,769,469 (13.65%)	419 (4.21%)	4,513,957 (35.95%)	20,586,575 (11.72%)	864 (4.20%)	9,689,450 (38.50%)	40,356,044 (12.60%)
Grand Total	10,612	12,606,679	144,782,194	9,955	12,557,648	175,617,696	20,567	25,164,327	320,399,890

Environmental Benefit Statistics

As part of CSP, participants must enroll their entire operations; agree to improve, maintain, and manage existing conservation activities; and identify and apply one or more additional conservation activities during the life of the contract. The eligible additional activities consisted of enhancements that were created specifically for CSP and traditional conservation practices. Enhancement activities increase the effectiveness of standard conservation practices in treating resource concerns beyond minimum practice standards. For example, AIR07 – GPS targeted spray application (e.g., SmartSprayer), or other chemical application electronic control technology – utilizes electronically-controlled or managed chemical spray application technology to apply agricultural pesticides more precisely to intended targets. In many cases, chemical usage and chemical drift potential are reduced. Traditional conservation practices include Residue and Tillage Management, No-Till/Strip Till/Direct Seed (practice 329), firebreak (practice 394), Stream Habitat Improvement and Management (practice 395) plus other well known conservation activities.

Enhancements and Practices

For the first two ranking periods, CSP participants agreed to apply almost 80,000 additional activities (enhancements and practices). As displayed in Table 12, the number of additional activities is almost evenly split between ranking period one and ranking period two. The total number of enhancement activities (75,318) greatly exceeded the number of practices selected (3,629). The 42,208 activities targeted for cropland account for slightly more than 53% of the reported 78,947 activities. More information about specific activities by ranking period is available in the appendix (see Table A18. CSP Total Enhancements and Practices by CSP Ranking Period and By State, FY 2010 and Table A19. CSP Individual Enhancements and Practices by Ranking Period and by State, FY 2010).

Land Use	CSP-2010-1			CSP-2010-2 ^a			FY 2010 ^a
	Enhancements	Practices	Total	Enhancements	Practices	Total	Grand Total
Cropland	19,562 (52.2%)	500 (25.5%)	20,062 (50.9%)	21,332 (56.4%)	814 (48.8%)	22,146 (56.1%)	42,208 (53.5%)
Pastureland	7,920 (21.1%)	347 (17.7%)	8,267 (21.0%)	7,791 (20.6%)	201 (12.1%)	7,992 (20.2%)	16,259 (20.6%)
Rangeland	5,748 (15.3%)	225 (11.5%)	5,973 (15.1%)	4,496 (11.9%)	127 (7.6%)	4,623 (11.7%)	10,596 (13.4%)
Forestland	4,253 (11.3%)	889 (45.3%)	5,142 (13.0%)	4,216 (11.1%)	526 (31.5%)	4,742 (12.0%)	9,884 (12.5%)
Grand Total	37,483	1,961	39,444	37,835	1,668	39,503	78,947

^aEnhancement and practice data are not available for 27 contracts. Contracts are stored in county offices.

Slightly more than 80% (63,632) of the 78,947⁹ documented conservation activities (enhancements and practices) will be applied directly to agricultural and forestland acres. For contracts through FY 2010, 40.8 million acre treatments (see Table 13) are scheduled on agricultural and forest lands enrolled in CSP. Information for the activities not measured in terms of acres (e.g., feet, or number) will be available beginning in FY 2011. Acre treatments by conservation activity are available in the appendix (see Table A20. CSP Enhancements and Practices, FY 2010). Practices and enhancements by land use are also summarized in the appendix (Table A21. CSP Enhancements and Practices by Land Use and Ranking Period).

⁹ Enhancement and practice data are not available for 27 contracts. Contracts are stored in county offices.

Table 13. CSP Total Conservation Activities Proposed and Acre Treatments, FY 2010

Activities Measured in Acres						Activities not Measured in Acres ^b		
CSP-2010-1		CSP-2010-2		FY 2010		CSP-2010-1	CSP-2010-2	FY 2010
Number	Acre Treatments ^a	Number	Acre Treatments ^a	Number	Acre Treatments ^a	Number	Number	Number
28,889	18,825,538	34,743	22,014,430	63,632	40,839,968	10,555	4,760	15,315

^aEstimate.
^bMeasured quantities (feet, number, etc.) will be reported in FY 2011.

Environmental Improvement

As part of the Food, Conservation, and Energy Act of 2008, Congress instructed NRCS to develop conservation measurement tools for use in estimating environmental benefits and ranking applications. NRCS developed two unitless environmental index equations for assigning points to existing conservation activities and to proposed activities. A maximum of 1,600 conservation performance points per acre – 800 for existing activities and 800 for additional activities – are possible. The maximum possible number of unitless conservation performance points per ranking period is 1,600 times enrolled acres. The actual number of points earned becomes the basis for payment per acre using the price information recorded in Table 2.

As currently defined and calculated, the value of a conservation performance point does not vary across land uses or resources. Points earned for improving wildlife habitat on cropland acres, for example, have the same value as points earned for improving wildlife habitat on rangeland.

For the 20,567 operations enrolled in CSP through FY 2010, existing activities already on the land and proposed activities accounted 61.3% and 38.7% of earned conservation performance points, respectively (see Table 14). The distributions of these unitless conservation performance points across the first two ranking periods between existing and additional activities and among land uses are quite similar. As reported earlier, for the various land uses, cropland and rangeland conservation activities account for 86.6% (37.3% + 49.3%) of total points earned through FY 2010.

Table 14. CSP Total Conservation Performance Points and Percentage Distribution of Points by Land Use

	CSP-2010-1			CSP-2010-2 ^a			FY 2010 ^a		
	Exist Activities	Additional Activities	Total	Exist Activities	Additional Activities	Total	Exist Activities	Additional Activities	Total
Index Points	63.0%	37.0%	100.0%	59.6%	40.4%	100.0%	61.3%	38.7%	100.0%

Land Use	Percentage Distribution of Points by Land Use								
	Exist Activities	Additional Activities	Total Points	Exist Activities	Additional Activities	Total Points	Exist Activities	Additional Activities	Total Points
Cropland/Hayland	36.3%	34.0%	35.4%	40.9%	36.5%	39.1%	38.5%	35.3%	37.3%
Pastureland	5.9%	6.2%	6.0%	6.5%	6.3%	6.4%	6.2%	6.2%	6.2%
Rangeland	49.0%	54.3%	51.0%	44.8%	52.0%	47.7%	47.0%	53.1%	49.3%
Forestland	8.8%	5.6%	7.6%	7.8%	5.3%	6.8%	8.3%	5.4%	7.2%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

^aEnhancement and practice data are not available for 27 contracts. Contracts are stored in county offices.

Every existing conservation activity and every additional activity can positively or negatively impact one or more of CSP’s national concerns. Given total conservation performance index points, the percentage distribution of those points among the 8 national resource concerns – soil erosion, soil quality, water quantity, water quality, plants, animals, air quality and energy – is shown in Table 15. Existing and additional activities contributed to the largest point totals for plants (17.4%), animal (16.0%), and water quality (14.8%) concerns. Overall, existing and additional activities contributed to improvements across all resource concerns.

Table 15. CSP Total Conservation Performance Points and Percentage Distribution of Points by Resource Concern^a

	Air Quality	Animal	Energy	Plants	Soil Erosion	Soil Quality	Water Quality	Water Quantity
Index Points	9.1%	16.0%	10.1%	17.4%	10.4%	12.2%	14.7%	10.0%

Land Use	Percentage Distribution of Points by Resource Concern							
	Air Quality	Animal	Energy	Plants	Soil Erosion	Soil Quality	Water Quality	Water Quantity
Cropland/Hayland	49.2%	34.8%	50.8%	37.1%	29.7%	30.7%	35.4%	35.6%
Pastureland	6.5%	6.1%	5.6%	5.8%	7.0%	6.8%	7.0%	4.6%
Rangeland	36.1%	51.8%	37.3%	48.9%	55.7%	56.6%	50.6%	53.2%
Forestland	8.2%	7.4%	6.3%	8.3%	7.6%	5.9%	7.0%	6.6%
Total	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

^aEnhancement and practice data are not available for 27 contracts. Contracts are stored in county offices.

Appendix

Appendix tables are located in a separate downloadable document at this website.