

Conservation Stewardship Program

Agricultural Operation

June 2010

CSP: Overview

The Conservation Stewardship program is a voluntary program that offers payments to agricultural operations that maintain a high level of conservation on their land and adopt higher levels of stewardship. Eligible lands include cropland, pastureland, rangeland and non-industrial forestland.

The following provides a summary of what constitutes an "agricultural operation," and is therefore qualified for consideration under CSP.

Agricultural Operation: Summary

An agricultural operation must meet the following criteria:

- Under the *effective control* of the applicant; and
- Operated by the applicant with equipment, labor, management, and production or cultivation practices that are *substantially separate* from other operations.

Definitions

Effective Control

Effective control is defined as possession of the land by ownership, written lease, or other legal agreement and authority to act as a decisionmaker for the day-to-day management of the operation, both at the time the applicant enters into a stewardship contract and for the contract's duration.

Substantially Separate

When determining if two or more operations are *substantially separate*, consider the following factors:

- *Labor*: The physical activity required to maintain the operation
- *Equipment*: Machinery and implements used in production
- *Management*: General supervision and direction of activities on the operation
- *Production or Cultivation Practices*: Techniques used to produce agricultural products

If three of the four factors are specific to one operation, then it may be designated as substantially separate from another operation.

Examples

A producer manages farmland in two states; a no-till operation in one state, and a conventional tillage operation in the other. The producer provides general supervision of activities for the land in both states, but uses separate equipment, labor and cultivation practices.

These two operations would be designated substantially separate because the labor, equipment and production practices are individual to each operation meaning that three of four factors are not the same for both operations. Therefore both operations may have their own CSP application.

A producer manages one cropping and one grazing operation. Though the producer uses different equipment and production practices for each operation, labor and management are the same.

These two operations are NOT substantially separate. Only two of the four factors are distinct, thereby designating this example as one operation with one CSP application.

Limitations

Payment Limit. A person or legal entity may have more than one CSP contract but, for all CSP contracts combined, may not receive more than \$40,000 in any year or more than \$200,000 during any five-year period.

Contract Limit. The contract limit is the same as the payment limit except in the case of joint operations, for which the contract limit is \$80,000 per fiscal year and \$400,000 over the term of the contract period.

Payment limits and contract limits do not apply in the case of federally recognized Indian tribes or Alaska Native corporations.