

## Subchapter B—Conservation Stewardship Program

### SEC. 1238D. 16 U.S.C. 3838d DEFINITIONS.

In this subchapter:

(1) **AGRICULTURAL OPERATION.**—The term “agricultural operation” means all eligible land, whether or not contiguous, that is—

(A) under the effective control of a producer at the time the producer enters into a contract under the program; and

(B) operated with equipment, labor, management, and production or cultivation practices that are substantially separate from other agricultural operations, as determined by the Secretary.

(2) **CONSERVATION ACTIVITIES.**—

(A) **IN GENERAL.**—The term “conservation activities” means conservation systems, practices, or management measures.

(B) **INCLUSIONS.**—The term “conservation activities” includes—

(i) structural measures, vegetative measures, and land management measures, including agriculture drainage management systems, as determined by the Secretary; and

(ii) planning needed to address a priority resource concern.

(3) **CONSERVATION STEWARDSHIP PLAN.**—The term “conservation stewardship plan” means a plan that—

(A) identifies and inventories priority resource concerns;

(B) establishes benchmark data and conservation objectives;

(C) describes conservation activities to be implemented, managed, or improved; and

(D) includes a schedule and evaluation plan for the planning, installation, and management of the new and existing conservation activities.

(4) **ELIGIBLE LAND.**—

(A) **IN GENERAL.**—The term “eligible land” means—

(i) private or tribal land on which agricultural commodities, livestock, or forest-related products are produced; and

(ii) lands associated with the land described in clause (i) on which priority resource concerns could be addressed through a contract under the program.

(B) **INCLUSIONS.**—The term “eligible land” includes—

(i) cropland;

(ii) grassland;

(iii) rangeland;

(iv) pasture land;

(v) nonindustrial private forest land; and

(vi) other land in agricultural areas (including cropped woodland, marshes, and agricultural land used or capable of being used for the production of livestock), as determined by the Secretary.

(5) **PRIORITY RESOURCE CONCERN.**—The term “priority resource concern” means a natural resource concern or problem, as determined by the Secretary, that—

- (A) is identified at the national, State, or local level as a priority for a particular area of a State;
- (B) represents a significant concern in a State or region; and
- (C) is likely to be addressed successfully through the implementation of conservation activities under this program.

(6) **PROGRAM.**—The term “program” means the conservation stewardship program established by this subchapter.

(7) **STEWARDSHIP THRESHOLD.**—The term “stewardship threshold” means the level of management required, as determined by the Secretary, to conserve and improve the quality and condition of a natural resource.

**SEC. 1238E. 16 U.S.C. 3838e CONSERVATION STEWARDSHIP PROGRAM.**

(a) **ESTABLISHMENT AND PURPOSE.**—During each of fiscal years 2014 through 2018, the Secretary shall carry out a conservation stewardship program to encourage producers to address priority resource concerns and improve and conserve the quality and condition of natural resources in a comprehensive manner—

- (1) by undertaking additional conservation activities; and
- (2) by improving, maintaining, and managing existing conservation activities.

(b) **EXCLUSIONS.**—

(1) **LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.**—

Subject to paragraph (2), the following land (even if covered by the definition of eligible land) is not eligible for enrollment in the program:

(A) Land enrolled in the conservation reserve program, unless—

- (i) the conservation reserve contract will expire at the end of the fiscal year in which the land is to be enrolled in the program; and
- (ii) conservation reserve program payments for land enrolled in the program cease before the first program payment is made to the applicant under this subchapter.

(B) Land enrolled in a wetland reserve easement through the agricultural conservation easement program.

(C) Land enrolled in the conservation security program.

(2) **CONVERSION TO CROPLAND.**—Eligible land used for crop production after the date of enactment of the Agricultural Act of 2014, that had not been planted, considered to be planted, or devoted to crop production for at least 4 of the 6 years preceding that date shall not be the basis for any payment under the program, unless the land does not meet such requirement because—

- (A) the land had previously been enrolled in the conservation reserve program;
- (B) the land has been maintained using long-term crop rotation practices, as determined by the Secretary; or
- (C) the land is incidental land needed for efficient operation of the farm or ranch, as determined by the Secretary.

## **SEC. 1238F. 16 U.S.C. 3838f STEWARDSHIP CONTRACTS.**

(a) **SUBMISSION OF CONTRACT OFFERS.**—To be eligible to participate in the conservation stewardship program, a producer shall submit to the Secretary a contract offer for the agricultural operation that—

(1) demonstrates to the satisfaction of the Secretary that the producer, at the time of the contract offer, meets or exceeds the stewardship threshold for at least 2 priority resource concerns; and

(2) would, at a minimum, meet or exceed the stewardship threshold for at least 1 additional priority resource concern by the end of the stewardship contract by—

(A) installing and adopting additional conservation activities; and

(B) improving, maintaining, and managing existing conservation activities across the entire agricultural operation in a manner that increases or extends the conservation benefits in place at the time the contract offer is accepted by the Secretary.

(b) **EVALUATION OF CONTRACT OFFERS.**—

(1) **RANKING OF APPLICATIONS.**—In evaluating contract offers submitted under subsection (a), the Secretary shall rank applications based on—

(A) the level of conservation treatment on all applicable priority resource concerns at the time of application;

(B) the degree to which the proposed conservation activities effectively increase conservation performance;

(C) the number of applicable priority resource concerns proposed to be treated to meet or exceed the stewardship threshold by the end of the contract;

(D) the extent to which other priority resource concerns will be addressed to meet or exceed the stewardship threshold by the end of the contract period;

(E) the extent to which the actual and anticipated conservation benefits from the contract are provided at the least cost relative to other similarly beneficial contract offers; and

(F) the extent to which priority resource concerns will be addressed when transitioning from the conservation reserve program to agricultural production.

(2) **PROHIBITION.**—The Secretary may not assign a higher priority to any application because the applicant is willing to accept a lower payment than the applicant would otherwise be eligible to receive.

(3) **ADDITIONAL CRITERIA.**—The Secretary may develop and use such additional criteria that the Secretary determines are necessary to ensure that national, State, and local priority resource concerns are effectively addressed.

(c) **ENTERING INTO CONTRACTS.**—After a determination that a producer is eligible for the program under subsection (a), and a determination that the contract offer ranks sufficiently high under the evaluation criteria under subsection (b), the Secretary shall enter into a conservation stewardship contract with the producer to enroll the eligible land to be covered by the contract.

(d) **CONTRACT PROVISIONS.**—

(1) TERM.—A conservation stewardship contract shall be for a term of 5 years.

(2) REQUIRED PROVISIONS.—The conservation stewardship contract of a producer shall—

(A) state the amount of the payment the Secretary agrees to make to the producer for each year of the conservation stewardship contract under section 1238G(d);

(B) require the producer—

(i) to implement a conservation stewardship plan that describes the program purposes to be achieved through 1 or more conservation activities;

(ii) to maintain and supply information as required by the Secretary to determine compliance with the conservation stewardship plan and any other requirements of the program; and

(iii) not to conduct any activities on the agricultural operation that would tend to defeat the purposes of the program;

(C) permit all economic uses of the eligible land that—

(i) maintain the agricultural nature of the land; and

(ii) are consistent with the conservation purposes of the conservation stewardship contract;

(D) include a provision to ensure that a producer shall not be considered in violation of the contract for failure to comply with the contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary;

(E) include provisions requiring that upon the violation of a term or condition of the contract at any time the producer has control of the land—

(i) if the Secretary determines that the violation warrants termination of the contract—

(I) the producer shall forfeit all rights to receive payments under the contract; and

(II) the producer shall refund all or a portion of the payments received by the producer under the contract, including any interest on the payments, as determined by the Secretary; or

(ii) if the Secretary determines that the violation does not warrant termination of the contract, the producer shall refund or accept adjustments to the payments provided to the producer, as the Secretary determines to be appropriate;

(F) include provisions in accordance with paragraphs (3) and (4); and

(G) include any additional provisions the Secretary determines are necessary to carry out the program.

(3) CHANGE OF INTEREST IN LAND SUBJECT TO A CONTRACT.—

(A) IN GENERAL.—At the time of application, a producer shall have control of the eligible land to be enrolled in the program. Except as provided in subparagraph (B), a change in the interest of a producer in eligible land covered by a contract under the program shall result in the termination of the contract with regard to that land.

(B) TRANSFER OF DUTIES AND RIGHTS.—Subparagraph (A) shall not apply if—

(i) within a reasonable period of time (as determined by the Secretary) after the date of the change in the interest in eligible land covered by a contract under the program, the transferee of the land provides written notice to the Secretary that all duties and

rights under the contract have been transferred to, and assumed by, the transferee for the portion of the land transferred;

- (ii) the transferee meets the eligibility requirements of the program; and
- (iii) the Secretary approves the transfer of all duties and rights under the contract.

(4) MODIFICATION AND TERMINATION OF CONTRACTS.—

(A) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract with a producer if—

- (i) the producer agrees to the modification or termination; and
- (ii) the Secretary determines that the modification or termination is in the public interest.

(B) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract if the Secretary determines that the producer violated the contract.

(5) REPAYMENT.—If a contract is terminated, the Secretary may, consistent with the purposes of the program—

- (A) allow the producer to retain payments already received under the contract; or
- (B) require repayment, in whole or in part, of payments received and assess liquidated damages.

(e) CONTRACT RENEWAL.—At the end of the initial 5-year contract period, the Secretary may allow the producer to renew the contract for 1 additional 5-year period if the producer—

- (1) demonstrates compliance with the terms of the initial contract;
- (2) agrees to adopt and continue to integrate conservation activities across the entire agricultural operation, as determined by the Secretary; and
- (3) agrees, by the end of the contract period—
  - (A) to meet the stewardship threshold of at least 2 additional priority resource concerns on the agricultural operation; or
  - (B) to exceed the stewardship threshold of 2 existing priority resource concerns that are specified by the Secretary in the initial contract.

**SEC. 1238G. 16 U.S.C. 3838g DUTIES OF THE SECRETARY.**

(a) IN GENERAL.—To achieve the conservation goals of a contract under the conservation stewardship program, the Secretary shall—

- (1) make the program available to eligible producers on a continuous enrollment basis with 1 or more ranking periods, 1 of which shall occur in the first quarter of each fiscal year;
- (2) identify not less than 5 priority resource concerns in a particular watershed or other appropriate region or area within a State; and
- (3) establish a science-based stewardship threshold for each priority resource concern identified under paragraph (2).

(b) ALLOCATION TO STATES.—The Secretary shall allocate acres to States for enrollment, based—

- (1) primarily on each State's proportion of eligible land to the total acreage of eligible land in all States; and
- (2) also on consideration of—

(A) the extent and magnitude of the conservation needs associated with agricultural production in each State;

(B) the degree to which implementation of the program in the State is, or will be, effective in helping producers address those needs; and

(C) other considerations to achieve equitable geographic distribution of funds, as determined by the Secretary.

(c) ACREAGE ENROLLMENT LIMITATION.—During the period beginning on the date of enactment of the Agricultural Act of 2014, and ending on September 30, 2022, the Secretary shall, to the maximum extent practicable—

(1) enroll in the program an additional 10,000,000 acres for each fiscal year; and

(2) manage the program to achieve a national average rate of \$18 per acre, which shall include the costs of all financial assistance, technical assistance, and any other expenses associated with enrollment or participation in the program.

(d) CONSERVATION STEWARDSHIP PAYMENTS.—

(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide annual payments under the program to compensate the producer for—

(A) installing and adopting additional conservation activities; and

(B) improving, maintaining, and managing conservation activities in place at the agricultural operation of the producer at the time the contract offer is accepted by the Secretary.

(2) PAYMENT AMOUNT.—The amount of the annual payment shall be determined by the Secretary and based, to the maximum extent practicable, on the following factors:

(A) Costs incurred by the producer associated with planning, design, materials, installation, labor, management, maintenance, or training.

(B) Income forgone by the producer.

(C) Expected conservation benefits.

(D) The extent to which priority resource concerns will be addressed through the installation and adoption of conservation activities on the agricultural operation.

(E) The level of stewardship in place at the time of application and maintained over the term of the contract.

(F) The degree to which the conservation activities will be integrated across the entire agricultural operation for all applicable priority resource concerns over the term of the contract.

(G) Such other factors as are determined appropriate by the Secretary.

(3) EXCLUSIONS.—A payment to a producer under this subsection shall not be provided for—

(A) the design, construction, or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations; or

(B) conservation activities for which there is no cost incurred or income forgone to the producer.

(4) DELIVERY OF PAYMENTS.—In making payments under this subsection, the Secretary shall, to the extent practicable—

(A) prorate conservation performance over the term of the contract so as to accommodate, to the extent practicable, producers earning equal annual payments in each fiscal year; and

(B) make such payments as soon as practicable after October 1 of each fiscal year for activities carried out in the previous fiscal year.

(e) SUPPLEMENTAL PAYMENTS FOR RESOURCE-CONSERVING CROP ROTATIONS.—

(1) AVAILABILITY OF PAYMENTS.—The Secretary shall provide additional payments to producers that, in participating in the program, agree to adopt or improve resource-conserving crop rotations to achieve beneficial crop rotations as appropriate for the eligible land of the producers.

(2) BENEFICIAL CROP ROTATIONS.—The Secretary shall determine whether a resource-conserving crop rotation is a beneficial crop rotation eligible for additional payments under paragraph (1) based on whether the resource-conserving crop rotation is designed to provide natural resource conservation and production benefits.

(3) ELIGIBILITY.—To be eligible to receive a payment described in paragraph (1), a producer shall agree to adopt and maintain beneficial resource-conserving crop rotations for the term of the contract.

(4) RESOURCE-CONSERVING CROP ROTATION.—In this subsection, the term “resource-conserving crop rotation” means a crop rotation that—

(A) includes at least 1 resource-conserving crop (as defined by the Secretary);

(B) reduces erosion;

(C) improves soil fertility and tilth;

(D) interrupts pest cycles; and

(E) in applicable areas, reduces depletion of soil moisture or otherwise reduces the need for irrigation.

(f) PAYMENT LIMITATIONS.—A person or legal entity may not receive, directly or indirectly, payments under the program that, in the aggregate, exceed \$200,000 under all contracts entered into during fiscal years 2014 through 2018, excluding funding arrangements with Indian tribes, regardless of the number of contracts entered into under the program by the person or legal entity.

(g) SPECIALTY CROP AND ORGANIC PRODUCERS.—The Secretary shall ensure that outreach and technical assistance are available, and program specifications are appropriate to enable specialty crop and organic producers to participate in the program.

(h) COORDINATION WITH ORGANIC CERTIFICATION.—The Secretary shall establish a transparent means by which producers may initiate organic certification under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.) while participating in a contract under the program.

(i) REGULATIONS.—The Secretary shall promulgate regulations that—

- (1) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsection (f); and
- (2) otherwise enable the Secretary to carry out the program.