



MN FSA Conservation Programs Highlights June 2012

United States Department of Agriculture Farm Service Agency

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USDA Farm Service Agency ensures the well-being of American agriculture, the environment and the American public through efficient and equitable administration of farm commodity programs; farm ownership; operating and emergency loans; conservation and environmental programs; and emergency and disaster assistance.

Biomass Crop Assistance Program (BCAP)

The Biomass Crop Assistance Program (BCAP) provides financial assistance to owners and operators of agricultural and non-industrial private forest land who wish to establish, produce, and deliver biomass feedstocks. BCAP provides two categories of assistance:

- Matching payments that may be available for the delivery of eligible material to qualified biomass conversion facilities by eligible material owners.
- Establishment and annual payments that may be available to producers who enter into contracts with the Commodity Credit Corporation (CCC) to produce eligible biomass crops within BCAP project areas.

The USDA FSA BCAP Website can be viewed at: www.fsa.usda.gov/bcap.

Conservation Reserve Program (CRP)

CRP is a voluntary program for agricultural landowners and operators. Through CRP, participants can receive annual rental payments and cost-share assistance to establish long-term, resource conserving covers on eligible farmland. Certain practices also receive incentive payments for signing up and establishing the practice.

The Food, Conservation, and Energy Act of 2008 Title II, Subtitle B -Conservation Reserve Program extended authority for the continuation of the Conservation Reserve Program (CRP) through September 30, 2012. CRP purpose was expanded to include "issues raised by State, regional, and national conservation initiatives". The

CRP Enrollment authority previously set at 39.2 million acres through 2009 was reduced to 32.0 million acres for fiscal years 2010, 2011, and 2012.

The Commodity Credit Corporation (CCC) makes annual rental payments based on the agriculture rental value of the land, and it provides cost-share assistance for up to 50 percent of the participant's costs in establishing approved conservation practices. Participants enroll in CRP contracts for 10 to 15 years.

The Soil Rental Rates (SRR), in which annual rental payments are based, has been updated as of February 2011. All Minnesota counties' SRR can be found at www.fsa.usda.gov/mn.

The CRP is currently comprised of the Continuous Signup CRP (CCRP), Conservation Reserve Enhancement Program (CREP), Farmable Wetland Program (FWP), General Signup CRP and State Acres For Wildlife Enhancement (SAFE).

Currently, MN has enrolled over 1.5 Million acres of CRP involving over 61,000 CRP contracts in 86 of the 87 Counties in MN into the CCRP, CREP, FWP, General Signup CRP, and SAFE. In Fiscal Year 2011, Minnesota producers received in excess of \$100 million in CRP Annual Payments making the state the **fourth** largest recipient of CRP funds nationally. In Minnesota ~290,000 acres expire in 2012 and ~129,000 acres expire in 2013.

-General Signup CRP

General Signup CRP practices include grasses, legumes, forbs, shrubs and trees.

Producers can offer land for CRP general sign-up enrollment only during designated sign-up periods.

FSA ranks offers for CRP general signups according to the Environmental Benefits Index (EBI). FSA collects data for each of the EBI factors based on environmental indices for the land offered.

FSA ranks each eligible offer in comparison to all other offers and selects from that ranking. After the sign-up ends, FSA will decide where to make the EBI cutoff.

Currently, MN has enrolled over 1 million acres of General Signup CRP involving more than 23,000 CRP contracts.

--General Signup 41 ended Apr 15, 2011

Contracts began 10/1/2011

- Offers Received: 1,642
- Offers Accepted: 865
- Acres Offered: 83,301
- Acres Accepted: 33,201

--General Signup 43 ended Apr 13, 2012

Contracts begin 10/1/2012

- Offers Received: 2,904
- Offers Accepted: 2,480
- Acres Offered: 119,958
- Acres Accepted: 99,716

-CCRP

Environmentally desirable land devoted to certain conservation practices may be enrolled at any time under CRP continuous sign-up. Certain land and producer eligibility requirements still apply however, offers are not subject to competitive bidding like with a General CRP sign-up.

As a part of annual rental payments, FSA offers financial incentives of up to 20 percent of the soil rental rate for field windbreaks, grass waterways, filter strips, riparian buffers, and wetland restorations. Also, in addition to annual rental payments, FSA offers participants the following payment enhancements for certain eligible CCRP practices:

- An up-front signing incentive payment (CRP-SIP) up to \$100 per acre for eligible participants who enroll certain practices. The one-time SIP will be made after the contract is approved and all payment eligibility criteria are met; and
- A practice incentive payment (CRP-PIP) equal to 40 percent of the eligible installation costs for eligible participants who enroll certain practices. The one-

time PIP will be issued after the practice is installed, eligible costs are verified, and other payment eligibility criteria are met.

Land offered for CCRP must be eligible and suitable for any of the following conservation practices; Riparian buffers; Wildlife habitat buffers; Wetland buffers; Filter strips; Wetland restoration; Grass waterways; Shelterbelts; Living snow fences; Contour grass strips; Salt tolerant vegetation; and Shallow water areas for wildlife.

Currently MN has enrolled 400,000 acres of CCRP involving 38,000 CRP contracts.

--CCRP Wellhead Protection Areas

Land within an Environmental Protection Agency (EPA) designated public wellhead area may also be eligible for enrollment on a continuous basis. Recently the CRP Wellhead Protection Eligibility was revised for Region 5 EPA States. 2002 Farm Bill Policy limited CRP wellhead eligibility to a 2000 foot radius around the actual wellhead. Handbook 2-CRP (Rev. 5) paragraph 181B under an "Exception" now allows EPA Region 5 States, which includes MN, to use the EPA-MN Department of Health hydrologically delineated approved public wellhead protection area using a 5-year or 10-year time-of-flow criteria. An additional 10 percent may be added to the soil rental rate for land located within EPA-designated wellhead protection areas.

--CCRP Living Snow Fences

A Living Snow Fence Memorandum of Understanding (MOU) signing between the MN Farm Service Agency (FSA), MN Natural Resources Conservation Service (NRCS), MN Department of Transportation (MnDOT) and Minnesota Association of Soil and Water Conservation Districts (MASWCD) took place on September 5, 2008 at the St. Paul Headquarters office of the Minnesota Department of Transportation.

Through the utilization of CCRP practice CP17A Living Snow Fence, landowners and operators can enter into a CCRP Contract for 10 to 15 years. Eligible participants receive a CRP annual rental payment, an up-front signing incentive payment (CRP-SIP) of \$100 per acre, up to

50% cost-share assistance to establish the practice, and a practice incentive payment (CRP-PIP) equal to 40 percent of the eligible installation costs.

Through the MOU, MnDOT also offers and administers a voluntary Living Snow Fence program to landowners. Through the MnDOT program landowners receive annual compensation for inconvenience and lost efficiency of having to farm around a living snow fence. The duration of MnDOT's living snow fence agreement coincides with the 10 to 15 year CRP Contract.

Living Snow Fences are plantings of trees, shrubs and native grasses located along roads or around communities and farmsteads. Properly designed and placed, these living barriers trap snow as it blows across fields, piling it up before it reaches a road, waterway, farmstead or community. Less salt, fuel and fewer plow and truck trips are needed to keep roadways clear.

By strategically placing living snow fences on Minnesota roads, winter road surface conditions improve. Living snow fences eliminate and/or minimize snowdrifts. Consequently, driver visibility improves dramatically resulting in a reduction of vehicle accidents.

-CREP

Unique Conservation Reserve Enhancement Program (CREP) state and federal partnerships allow you to receive incentive payments for installing specific conservation practices that help protect environmentally sensitive land, decrease soil erosion, restore wildlife habitat, and safeguard ground and surface water. CREP agreements are entered into with State governments or Indian Tribes, eligible cropland and marginal pastureland may be offered and enrolled on a continuous signup basis. CREP policies and procedures typically adhere to those of CRP's continuous signup except where modified by specific provisions outlined in CREP agreements and related State supplements to the 2-CRP handbook.

--MN CREP I

The first CREP for the State of Minnesota was approved February 19, 1998. Under the CREP I, participants received financial

incentives for both Conservation Reserve Program (CRP) and Re-invest in Minnesota (RIM). The CREP I Agreement allowed for enrollment of 100,000 acres of flood prone lands, riparian buffer zones, pothole wetlands and associated uplands in the Minnesota River watershed.

The MN CREP I Authority ended with the 2002 Farm Bill. Under CREP I the MN FSA enrolled 86,000 acres of CRP and the MN BWSR enrolled 100,000 acres of RIM.

--MN CREP II

A CREP II for the State of Minnesota was approved April 22, 2005. The MN CREP II works to meet state environmental objectives and to protect environmentally sensitive land on 120,000 acres in parts of Northwest, Southeast, and Southwestern Minnesota. Under the CREP II, participants received financial incentives for both Conservation Reserve Program (CRP) and Re-invest in Minnesota (RIM) for removing cropland from agricultural production and converting the land to native grasses, trees, and other native vegetation.

The MN CREP II Authority ended with the 2002 Farm Bill. Under CREP II the MN FSA and the MN BWSR enrolled 7,600 acres into CRP and RIM.

-Farmable Wetland Pilot (FWP)

The Food, Conservation and Energy Act of 2008 authorized FWP through September 30, 2012, for the enrollment of the following:

- certain cropped wetlands and associated buffers
- land devoted to constructed wetlands and associated buffers
- land devoted to certain commercial pond-raised aquaculture
- land subject to the natural overflow of a prairie wetland (flooded prairie wetland) and associated buffers.

Farmable Wetland Pilot practices include:

- CP27 Farmable Wetlands
- CP39 Constructed Wetland
- CP40 Aquaculture Wetland Restoration
- CP41 Flooded Prairie Wetland

Statute limits participation in CRP under FWP to 1-million acres in all States, MN allocation is 100,000 acres.

- State Acres for wildlife Enhancement (SAFE)

Owners and operators of certain cropland in designated geographic areas may enroll eligible land in SAFE, provided allocation of acres is available.

USDA accepted SAFE proposals developed by local and regional conservation groups, nonprofit organizations, government agencies, biologists, farmers and ranchers. All SAFE proposals were reviewed at the state level by an interdisciplinary team (State Technical Committee).

The goal of the Minnesota Back Forty SAFE project is to enroll acres to restore and enhance habitat for ring-necked pheasant populations. The project seeks to build upon existing habitats to enhance waterfowl, greater prairie chicken and grassland bird populations. In addition to being the primary limiting factor for pheasants, grasslands have been identified as among the nation's most threatened ecosystems. This threat is evident in Minnesota where less than 1 percent of native prairie remains.

To date Minnesota has enrolled the entire original 23,100 acreage allocation since the beginning of signup in April of 2008. On March 1, 2010 MN began taking applications for the additional 10,800 SAFE acreage allocation. Minnesota has submitted a request for an additional 15,000 acres and has not received an additional allocation.

-Transition Incentives Program (TIP)

The Food, Conservation, and Energy Act of 2008 amendments to the Food Security Act of 1985, as amended, authorized \$25 million for the transition of expiring CRP land from a retired or retiring owner or operator to a beginning or SDA farmer or rancher to return land to production for sustainable grazing or crop production.

TIP provides annual rental payments to retired or retiring owners or operators for up to two additional years after the date of the expiration of the CRP contract, provided the transition is not to a family member.

Enrollment in TIP is on a continuous basis. Beginning or SDA farmers and ranchers

and CRP participants may enroll in TIP beginning one year before the expiration date of a CRP contract. For example, if a CRP contract is scheduled to expire on Sept. 30, 2012, the land may be enrolled in TIP from Oct. 1, 2011, through Sept. 30, 2012.

To be eligible, TIP requires that the retired or retiring farmer or rancher:

- Have land enrolled in the Conservation Reserve Program (CRP) that is in the last year of the contract.
- Agree to allow the beginning or SDA farmer or rancher make conservation and land improvements.
- Agree to sell, or have a contract to sell, or agree to long-term lease (a minimum of 5 years) the land under CRP contract to a beginning or SDA farmer or rancher by October 1 of the year the CRP contract expires.

For FY 2010 and 2011, Minnesota entered into 117 contracts involving 16,000 acres and over the two year period over \$1.4 million in payments. FSA has used the entire allotted \$25 million amount for TIP.

-Voluntary Carbon Data Project

FSA's Voluntary Carbon Data Project will provide interested farmers, ranchers, and private forest landowners with an estimate of the amount of carbon that their eligible tree planting practices are expected to sequester through the Conservation Reserve Program (CRP) contract term and beyond. For the project, FSA will develop a communications tool to facilitate information exchange of carbon sequestration needs and opportunities among interested parties. Carbon estimates will be provided for informational purposes only.

Eligible CRP tree planting practices will include:

- CP3 Tree Planting (wellhead only)
- CP3A Hardwood Tree Planting (wellhead only)
- CP22 Riparian Buffer (cropland only)
- CP23 Wetland Restoration
- CP31 Bottomland Timber Establishment on Wetlands
- CP36 Longleaf Pine Establishment

No additional incentives are authorized under this project.

Tree planting practices yield the highest sequestration rate, making them a better subject for evaluating the effectiveness of tools and protocols. Currently, all CRP practices taken together sequester about 47 million metric tons of carbon per year. Although tree planting practices make up only 11 percent of total CRP acreage, they account for 36 percent of the sequestered carbon.

USDA Forest Service's Forest Vegetation Simulator (FVS) will be used to calculate an estimate of carbon sequestration based on practice specifications, anticipated management and prescriptions specific to the geographic area.

The proposed communications tool, CarbonNet, is expected to function in a manner similar to the popular HayNet website. On HayNet, both farmers and ranchers who have hay to sell and those who need hay as potential purchasers may post advertisements.

The project will focus on Arkansas, Georgia, and Minnesota, areas with a history of significant tree planting, USDA hopes to obtain better representative samples for evaluation and comparison.

Emergency Conservation Program (ECP)

USDA Farm Service Agency's (FSA) Emergency Conservation Program (ECP) provides emergency funding and technical assistance for farmers and ranchers to rehabilitate farmland damaged by natural disasters and for carrying out emergency water conservation measures in periods of severe drought. Funding for ECP is appropriated by Congress.

ECP is administered by state and county FSA committees. Subject to availability of funds, locally-elected county committees are authorized to implement ECP for all disasters except drought, which is authorized at the national office of FSA.

For 2010 and 2011, Minnesota has received \$1.5 million for East Otter Tail County (tornado), Blue Earth, and Wabasha Counties (flooding) for ECP.

Emergency Forest Restoration Program (EFRP)

EFRP provides payments to eligible owners of nonindustrial private forest (NIPF) land in order to carry out emergency measures to restore land damaged by a natural disaster. Funding for EFRP is appropriated by Congress.

EFRP is administered by FSA's state and county committees and offices. Subject to availability of funds, locally-elected county committees are authorized to implement EFRP for all disasters except drought and insect infestations, which are authorized at the FSA national office.

County FSA committees determine land eligibility using on-site damage inspections that assess the type and extent of damage. To be eligible for EFRP, NIPF land must:

- Have existing tree cover (or had tree cover immediately before the natural disaster occurred and is suitable for growing trees); and,
- Be owned by any nonindustrial private individual, group, association, corporation, or other private legal entity, that has definitive decision-making authority over the land.

In addition, the natural disaster must have resulted in damage that if untreated would:

- Impair or endanger the natural resources on the land; and,
- Materially affect future use of the land.

EFRP participants may receive financial assistance of up to 75 percent of the cost to implement approved emergency forest restoration practices as determined by county FSA committees.

Individual or cumulative requests for financial assistance of \$50,000 or less per person or legal entity, per disaster are approved by the county committee. Financial assistance from \$50,001 to \$100,000 is approved by the state committee. Financial assistance over \$100,000 must be approved at the FSA national office. A payment limitation of \$500,000 per person or legal entity applies per disaster.

To restore NIPF, EFRP program participants may implement emergency forest restoration practices, including emergency measures:

- Necessary to repair damage caused by a natural disaster to natural resources on nonindustrial private forest land; and
- Restore forest health and forest related resources on the land.

Minnesota has received an allocation of \$620,000 for East Otter Tail and Wadena Counties for EFRP.

Grassland Reserve Program (GRP)

The revised Grassland Reserve Program (GRP) is a voluntary program that assists grazing operators to maintain and protect grazing lands, including rangeland and pastureland, while conserving related environmental values on grasslands.

The GRP program emphasizes support for grazing operations, plant and animal biodiversity, and grasslands under the threat of conversion.

GRP is authorized by the Farm Security and Rural Investment Act of 2002, as amended by the 2008 Farm Bill legislation. The USDA Natural Resources Conservation Service (NRCS) and USDA Farm Service Agency (FSA) jointly administer the program. Funding for the GRP comes from the Commodity Credit Corporation (CCC).

Applications may be filed for an easement or rental agreement with either NRCS or FSA county office personnel at any time. All enrolled GRP acres are actively managed through a conservation plan which ensures that proper grazing management, wildlife, and biodiversity values are protected. Eligible landowners can submit an application for either an agreement with a 10-year, 15-year, or 20-year life span or they can select a permanent easement option.

For 2012, Minnesota approved 4 contracts and 1 permanent easement for a total of \$91,000 for GRP.

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