

State Technical Committee (STC) Meeting
November 9, 2022

Welcome and Openings Comments – Jessica Michalski, State Resource Conservationist, served as the moderator for the meeting. We have had a lot of exciting news that has been coming up over the last couple of months. One big item is the passing of the Inflation Reduction Act (IRA) which Jeff Vander Wilt is planning to visit with you in more detail later. This is going to provide a very large incentive or not incentive, but investment to conservation across the nation. In South Dakota (SD), we are going to be looking at approximately 25 percent (%) increase in funding starting this year. Followed by a 30% increase in funding and 2024 and then up to 100% increase in funding across most categories for fiscal year (FY) 2025 and 2026. With this additional funding, we are going to have to find ways to target and prioritize our funding and find different ways to adjust our processes to make sure that we are able to utilize this funding moving forward. It is a really good opportunity to invest in agriculture and conservation across SD. So, I'm really excited about this; however, it will bring changes to the agency, but it's something that I know that we are up to accepting the task and we are starting to work on this right now. I am expecting to see an increase in our funding coming as early as December of this year.

Another opportunity that has popped up across SD is the climate smart partnerships. This was an investment that was made in the agency or in conservation, but a \$2.8 billion investment made to partners. We had several partners from across the nation that applied for opportunities for funding through that climate smart partnerships opportunity. The 70 applications that were accepted and funded SD has been named in about 19 of those. It is a really cool time right now for SD and the investment that's being made in conservation, and I'm really excited to see where we are going with this over the next few years.

We have been focused on trying to get our capacity built here in SD. We have been a little low on staffing across the state. Right now, our ceiling for staffing is about 314 and we have been setting really close to 285. So, we are about 30 staff members short right now across the state. We have been actively hiring. We probably have had an advertisement on USA Jobs weekly. We have had quite a few retirements. We have had some folks who have gone to other agencies, but we're gaining also. While we are not gaining as fast as I would like to gain, we are picking up staff, we are going to be working on a renewed focus on technical training and just building that staff capacity. Some positions that we are entertaining bringing to the roster would be a state economist position, which we hope it will helping us to work with our landowners in a different level to start discussing financial or economic data a little bit better so that the producers have a better understanding of how our conservation packages will impact the bottom line and their farming operations.

We have a lot of opportunities, and we will be leaning on our partners heavily as we move forward through these next few years. We are going to need your help. We are still working on coming up with some ideas as far as how best to engage our partners across the state, but we will be looking at agreements and new opportunities. So, please stay tuned as we work through this process.

Congressional Reps – Ryan Donnelly, Senate Thune's Office, provided an update. We have our first Ag Committee hearing next week on the Rural Development energy programs in the Farm Bill. Another hearing will also be held at a later date. However, the bigger ticket items like

the Conservation and Commodity title hearings will not be held until next year and that is when the real Farm Bill drafting work will be kicked off. We also have a few bills on the conservation data for the Conservation Reserve Program (CRP) that we are working on to get included in the Farm Bill. We also had a proposal on the Emergency Conservation Program trying to expedite assistance through that program and I am happy to share that if anyone who's interested in more information on Farm Bill items or has ideas, we are interested in definitely seeking your input.

Conservation Reserve Program (CRP) – Owen Fagerhaug, Farm Service Agency (FSA), provided an update. I just plan on updating you on a few things that have happened since the last STC Meeting and some things that maybe in front of us going forward. On October 19, 2022, the State FSA Committee met and discussed addressing land priority areas which is going to be returning to a 15-point value for any offers submitted under the grasslands CRP. Owen provided a map which showed the priority of zone areas that we used for the last three grassland CRP sign-ups. What was reviewed and evaluated was the prior 10-years' worth of data for grassland converted to cropland. We also looked at prior data statistically on offers that would have been accepted in these higher conversion counties had the 15 points been attributed in those counties for prior sign-ups. Just in the last sign-up alone, we would have had 71 more offers that would have been accepted. Under the sign-up 204 grasslands, they got the 15 points in counties that were not getting them previously. This has been submitted for proposal to be the new priority area going forward for the upcoming grassland sign-up for 2023, and that action had been taken on behalf of the STC and the CRP Subcommittee.

The Big Sioux River Conservation Reserve Enhancement Program (CREP) Project has 25,000 acres available. That sign-up started on November 1, and it is a continuous sign-up along with the James River Watershed.

Soil Health Update – Tanse Herrmann, State Grazinglands Soil Health Specialist, provided an update on the topic of Rangeland Health – Even in Drought. Below is a link to his PowerPoint presentation for your information and access. If you have any questions, please contact Tanse via e-mail at tanse.herrmann@usda.gov.

[STOCKGROWERS SOIL HEALTH GRAZING PRINCIPLES.pdf](#)

Conservation Collaboration Grants and Cooperative Agreements Update – Colette Kessler, Assistant State Conservationist for Partnerships, stated we are looking forward to FY 2023, we will have an initial allocation and some funding for agreements. If you have any ideas on climate smart practices for proposals, please let us know. We are looking at implementing these practices and if you are using some of these practices on your operations, please consider the Conservation Innovation Grant for this year.

Please consider visiting the national web site that has all of the funding opportunities listed: www.grants.gov. Interested organizations should review the application section to ensure they are up-to-date with registrations, etc. GRANTS.GOV | Find. Apply. Succeed. The government web site is where federal agencies post discretionary funding opportunities and grantees find and apply for them.

Here is the information for Conservation Innovation Grants (CIG) <https://cig.sc.egov.usda.gov/>.

Inflation Reduction Act – Jeff Vander Wilt, Assistant State Conservationist for Programs (ASTC(P)), was welcomed back to SD from Wisconsin as the Acting State Conservationist. We are looking at what we will receive from IRA for SD.

Jeff mentioned that he would provide you his best estimation of the funding we will received through IRA funding for the next four years. See the numbers below:

<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>2026</u>
EQIP- \$23.75 million	\$61.25 million	\$92.5 million	\$103.75 million
CSP - \$18.05 million	\$24.3 million	\$36.8 million	\$ 49.3 million

Estimating Regional Conservation Partnership program (RCP) and Agricultural Conservation Easement Program (ACEP) are much more difficult; however, here is the overall increases in these programs

ACEP - \$100 million	\$200 million	\$500 million	\$600 million
RCP - \$250 million	\$800 million	\$1.5 billion	\$2.4 billion

There will also be a \$1 billion increase in Conservation Technical Assistance funding.

So, as you can see, we are talking about a major investment in conservation funding. Most of these additional funds will have to be spent on climate smart activities. We are hoping to get our allocation as well as more details in January. In the interim, we will be working to see if there are improvements we can make to processes as well as looking for new ways to utilize this funding.

This will be a group effort to help us with finding new partners over the next four to five years. To address the resource concerns that are out across the state. Stay tuned because we do not have a lot of details and/or all the laws at this time. Get your wheels spinning on ideas and how to spend these funds to use this increase. We will get more information out as it comes available. We hope to have more details at our next STC Meeting.

Regional Conservation Partnership Program (RCP) - Krecia Leddy, Acting RCP Coordinator, provided an update. She will be acting through January. The national funding will be announced in January and then due in March. So, if here are some partners out there that are interested in doing some projects, please get in touch with myself or Jeff Vander Wilt and we will help you get your project moving forward. Just for your information, there is a portal to access for RCP; however, it was determined that it was a little cumbersome for our partners to access. So, in the future, we will also be working through the RCP Coordinator.

Classic RCP			
Project #	Project Name	Sponsor	Dollars
#1853	Big Sioux Watershed Partnership Project <ul style="list-style-type: none"> • 26 producer contracts for \$1,774,495 	Minnehaha CD	\$2,597,403.00
#2069	BFRWP Irrigation Efficiency and Soil Health	Belle Fourche River Watershed Partnership	\$1,671.429.00

	<ul style="list-style-type: none"> • 6 producer contracts for \$570,274 		
#2391	NE SD Glacial Lakes Project <ul style="list-style-type: none"> • Batching Date set for December. 9, 2022 	Roberts CD	\$2,425,423.90
#2406	Building Ranch Resiliency in SD and NE	World Wildlife Fund	\$1,428,571.00
#2276	Lewis and Clark/Lower James Water Quality Project (Renewal)	James River Water Development District	\$2,701,948.00
#2743	Conservation Easements in the Black Hills of SD	SD Agricultural Land Trust	\$4,254,545.00
TOTAL CLASSIC DOLLARS			
\$15,079,319.90			
AFA RCPP			
#2189	Scaling Soil Health in the Prairie Pothole Region <ul style="list-style-type: none"> • 14 producer applications accepted 	Ducks Unlimited	\$8,732,740.01
#2644	Expanding Soil Health Through Carbon Markets <ul style="list-style-type: none"> • 70 producer applications accepted 	American Coalition for Ethanol	\$7,500,000.00
#2655	Great Plains Grassland Conservation	National Fish & Wildlife Foundation	\$7,780,000.00
TOTAL AFA DOLLARS			\$
24,012,740.00			
GRAND TOTAL RCPP DOLLARS			\$39,092,059.90

Environmental Quality Incentives Program 9EQIP) – Jennifer Wurtz, EQIP Coordinator, provided an update on this program. Jennifer provided the summary of last year’s obligation and the breakdown of the funding in addition of also sending out a news release for the state initiatives and general funding pools. We did have to return some funds of the National Water Quality Initiative money because it is now more focused on the Conservation Implementation Strategy (CIS) projects. The first two years are listed in the handout in the CIS breakdown but the third year we have another 12 projects coming in as new projects across the state. So, from our \$17 million dollars of our initial allocation that Jeff Vander Wilt eluded to earlier, about \$12 million of those dollars are going to go towards CIS Projects. The other pieces of those dollars are going to be broke up into the fund pools that we have had in the past. At this time, we have not received our allocation for the Sage Grouse and National Water Quality Initiatives.

Conservation Stewardship Program (CSP) - Christi Grant, Acting CSP Coordinator, provided an update to the group.

FY2023 Renewal Applications

- Application deadline was April 15, 2022
- 333 applications received
- South Dakota allocation \$10,900,000
- Ranking deadline was November 4, 2022
- Preapproval by November 11, 2022
- Obligation deadline December 16, 2022

FY2023 CSP-Grasslands Conservation Initiative (GCI)

- Application deadline was October 14, 2022
- 49 applications – 323 active contracts
- Obligation deadline December 30, 2022

FY2023-Classic Sign-up Applications

- South Dakota allocation \$11,800,000 and \$400,000 Organic
- Application deadline December 9, 2022
- Eligibility deadline March 10, 2023
- Ranking deadline March 10, 2023
- Obligation deadline April 21, 2023

2023 Annual Payments

- FY22 completed items certified by November 30, 2022
- CY2022 payment items certified by December 16, 2022
- CY2023 payment items certified by February 24, 2023
- Annual contract reviews due March 31, 2023

Agricultural Conservation Easement Program (ACEP) – Jeff Vander Wilt, ASTC(P), provided an update on the program. He indicated that we had kind of a bad year this year. We made several offers out to producers for easements. As we worked through the process, we had several applicants initially accept those offers even with what happened with land prices in SD, but many of our applicants backed out just because our offers were not up to current land values. Therefore, we plan on doing a new market analysis to look at our geographical area rate caps (GARCs) and maybe doing more appraisals to be favorable. We are currently waiting to get the GARCs approved from National Headquarters. Looking to do some changes and updates and also sharing with our subcommittee for suggestions and changes. Hopefully we have some new maximum amounts that we will be willing to pay for easements in order to be a little more competitive in the current market analysis. More information will be provided after the first of the year and share more at future STC Meetings.

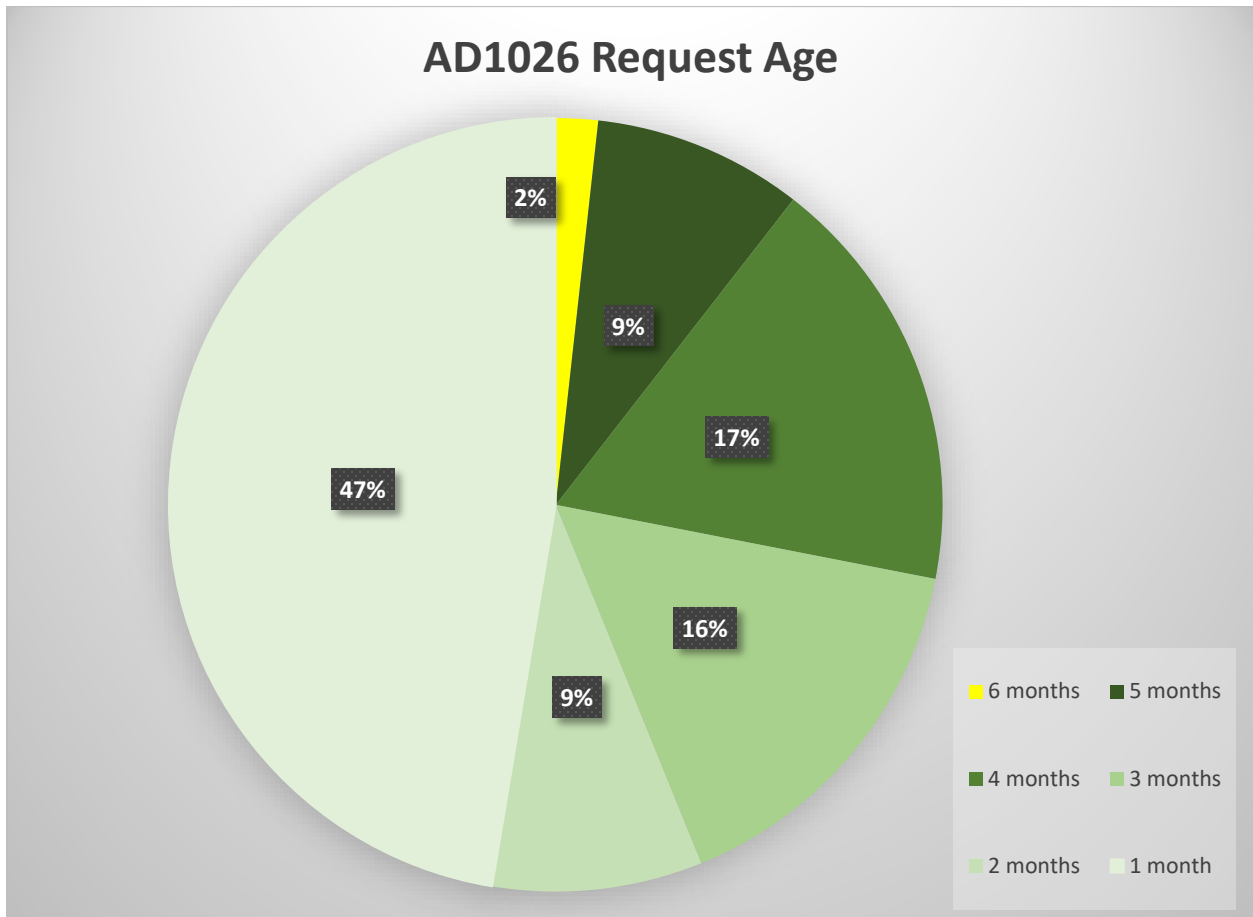
Wetland Workload in South Dakota as of October 1, 2022 – Joel Murano, State Compliance Coordinator, provided an update on the topic.

FSA-569 data from October 1, 2021: (includes carryover from FY2021)

- -22 in Progress
- -36 Completed
- -52 Received

AD-1026 data from October 1, 2021: (Includes Carry over from FY2021)

- -192 In Progress
- -1,117 Completed
- -1,030 Received



Highly Erodible Land Workload in SD as of October 1, 2022

HEL AD-1026 data from October 1, 2021:

- -1,831 Completed
- -63 Outstanding
- -1,226 New Breakings
- -214 Determined HEL

Partnership Updates

Cindy Zenk, South Dakota Soil Health Coalition, mentioned that their annual meeting is scheduled for January 24-25, in Sioux Falls. For more details and a copy of the agenda visit their web site at [SD Soil Health Coalition Annual Meeting - Search \(bing.com\)](#). We also have an SD Soil Health School scheduled for the week of August 28.

South Dakota Grassland Coalition - Judge Jessop reported that they have the Wall Grazing School scheduled for the June timeframe along with the East River Grazing School the end of July, and the annual bird tour the first weekend of June. Our annual meeting is scheduled for December 8 in Pierre.

Dan Rasmussen spoke on the strategic plan that they are currently doing with the grazing schools and the grazing school follow-up on the Ranch Consulting Program. How do we bring more people into getting signed up for this program?

Mark Norton – South Dakota Department of Game, Fish and Parks (SDGFP) - Mark stated that the Big Sioux River CREP is active. Everything is completed and we are starting to enroll people in the watersheds for training. This is very similar to the CREP in the James River Watershed targeting water quality, wildlife habitat, and increase public hunting and fishing access on all those enrolled lands. There is a requirement for access to enroll in CREP. They also will receive an additional payment from SDGFP for that access opportunity and is part of the continuous CRP. Participants can enroll all through the year.

Kris Dvorak, 319 Coordinator, South Dakota Department of Agriculture and Natural Resources (SDDANR) – Our annual Nonpoint Source Task Force Meeting is scheduled for December 6. Right now, it looks like we have about four projects that are coming in for funding. We are probably looking at the same funding that we received last year, which is about \$2,000,000.

Marcus Warnke, Forester, SDDANR – I mostly wanted to introduce myself. Our staff acts as the technical service provider for the service forestry practices that NRCS approves. We are looking forward to continuing our relationships and our partnerships with the NRCS as we look at this large influx of funding. We also are getting additional funds to implement our Forest Action Plan. I am also on the Board of Directors for the South Dakota Family Forest Association. These directors are the landowners in the Black Hills and across the state that benefit greatly from the EQIP and CSP programs that NRCS provides funding for. We are looking at inviting someone from NRCS to come and speak on our next board meeting which will be held early in the spring. We are looking into the new cooperative agreements that other states are implementing with the NRCS as opposed to the current cost-share funding mechanism that they currently have. We hope to schedule a time in the future to sit down and visit with NRCS about these opportunities.

Matt Morlock, Pheasants Forever – This message is for all partners out there. We have our team across the state if you have programs and stuff that you need some assistance on, please be sure to reach out to me. At this time, we are one person short of having a full team. Just for your information, in February we are having our Pheasant Fest in Minneapolis which will be face-to-face. There should be a lot of information there for landowners. We are planning on doing more of a non-operating landowner focus on the front end of this conference. We are doing some outreach into the five-state area to get those landowners that are not on the land to come and visit with us and learn how we can work with them on their wildlife side of things also.

Bruce Toay, Ducks Unlimited – We have been working on the RCPP Sign-up from last summer. We had 14 applicants and currently working on contracting for five of those agreements. Figuring out the details for the alternative funding arrangement style so we get comfortable with that so we can have another sign-up later this winter or before the 2023 field season to get another batch of applicants. So, if you are interested in practices like cover crops, crop rotation, grass establishment, and grazing infrastructure, please reach out to our staff and we can start putting the details together. We also have several wetland restoration projects going and we are looking forward to some moisture but hopefully not too much over the next couple of weeks so we can keep the construction plans moving. Staff are working with several cooperators on some grazing infrastructure projects on grasslands and cropland with wetlands on both. If you have any other questions, please feel free to reach out to Bruce.

Matt Bogue, South Dakota Farm Bureau – We have our convention coming up on November 18-19, 2022, in Rapid City, SD. So, if you are in the area, please stop by.

Jessica thanked all of our partners that gave a report on their projects. We are focusing on trying to make this as much of a partner-focused event as we can. Thank you for participating today and I will keep everyone in the loop as we receive more information on our additional funding.

The meeting was adjourned.

Kathy Irving

KATHY IRVING
Recorder