

## **Kentucky USDA State Technical Committee**

December 6, 2017

Lexington, Kentucky

Natural Resources Conservation Service Acting State Conservationist Amanda Moore opened the meeting at 9:30 a.m., welcoming the group. She said the agency values their input, and she looks forward to hearing their comments. She said that anytime during the year the group should feel free to provide comments to the agency.

Amanda asked everyone to introduce themselves. See attached list of attendees.

### **ACEP-WRE Geographic Area Rate Cap**

First on the agenda was Doug Hines, NRCS Easement Acquisition Coordinator. He discussed the compensation process for easements acquired under the Agricultural Conservation Easement Program – Wetland Reserve Easement (ACEP-WRE). He noted that ACEP-WRE is a program established by the 2014 Farm Bill which serves a similar purpose of the former Wetlands Reserve Program (WRP), which was repealed by the 2014 Farm Bill. Under both programs, the landowner keeps fee title of the land as well as some reserved rights (such as hunting).

He provided an update for easement compensation for fiscal year (FY) 2018. He explained that the basis for the compensation offer is the lowest of the three following valuations: (1) fair market value of the land as determined by an appraisal or area-wide market analysis; (2) geographic area rate cap (GARC) (which represents the value of the easement rights and excludes the residual value retained by the landowner); or (3) an amount voluntarily offered by the landowner. He noted that usually the GARC is the lowest. He provided a handout to the group showing the Kentucky WRE GARC values for FY 2017.

He said that states that have a small program are encouraged to use appraisals. For more robust states like Kentucky, they are encouraged to use a market analysis. Over the past year, Kentucky has not seen a significant change in land values. This is the first time since Kentucky has offered the program that the agency has used the same GARC values two years in a row. He said that although land values had not increased, it was good that there haven't been significant decrease in land values either.

He said that as in prior years, Kentucky uses both area-wide market analysis values and appraisal values to establish easement offers. He noted that relative to many of the surrounding states, Kentucky sees a wide range of value for cropland. He said that easement compensation for FY 2018 will remain unchanged from that used in FY 2017. He asked if there were any questions and there were none.

Doug then asked for comments and input for the FY 2019 GARC. There were none expressed at the meeting, but if anyone would like to provide input, they may contact Doug Hines or Reed Cripps.

See attached PowerPoint presentation entitled "Determining ACEP-WRE Easement Compensation" for a copy of the aforementioned map.

### **Fiscal Year 2017 Program Updates & Fiscal Year 2018 Changes**

The next session highlighted the FY 2017 Program Accomplishments and changes for FY 2018.

First, Reed Cripps, NRCS Assistant State Conservationist for Easements, discussed the ACEP-WRE and WRP. He said that NRCS has received all of the expected WREP funds, and so far has received 25 percent of the amount NRCS had last year for ACEP-WRE. He expects \$10 million for FY 2018. Ranking decisions will be made in early January and offers will be sent out shortly after that. If there is more money than applications, there will be a second sign up.

There is WRP, or “legacy money” which expires September 30, 2018. Kentucky NRCS is on track to get all easements and restorations done by then. There is also some additional funds that the NRCS national office would like to see states spend. Kentucky NRCS has entered agreements with The Nature Conservancy (TNC) and University of Kentucky (UK) to measure the impact of WRP/WRE easements in the Purchase Area. Also, some stream restoration designs have been contracted out to a private engineering firm.

In Arkansas, their state fish and wildlife agency owns a lot of easements that are Wildlife Management Areas (WMAs). KDFWR doesn’t have that here. If there is something we want to do for wildlife through WRP/WRE, let him or NRCS State Biologist Casey Shrader know.

Next, Reed discussed the Regional Conservation Partnership Program (RCPP). He said that a number of projects currently exist and that several more proposals are under consideration for approval at this time. In the last proposal period, there were four state-level applications that have been sent up to the national level for approval; they are still pending. He said he hopes that approvals will be completed shortly after the new year, adding that this year’s RCPP funding has been discussed as an option to help cover hurricane damages. The pending state-level proposals include ones from Knox County Conservation District, Kentucky State University, and Pine Mountain Settlement School. Multistate proposals include ones from Security Seed & Chemical Company, TNC, and one from the Tennessee Department of Wildlife Resources which includes part of Kentucky in their proposal. As of now, there is no RCPP sign up for this year (2019).

Next on the agenda was Jacob Bowman, Farm Service Agency (FSA) Conservation Specialist, who introduced himself and identified his programs of responsibility including the Biomass Crop Assistance Program (BCAP), Emergency Conservation Program (ECP), Emergency Forest Restoration Program (EFRP), Conservation Reserve Program (CRP) and Agricultural Foreign Investment Disclosure Act (AFIDA).

He then reported on CRP. He said that the program has changed a lot in the last few years. Two predominate changes are the adjustment of soil rental rates – some went down, some went up. None of the increases to the soil rental rates exceeded \$25 additional per acre. He further said that continuous CRP has been concluded in totality except for grassland signups, but that no grassland ranking period has been identified at this time. The new Farm Bill will have an impact on what happens with CRP. He asked if there were any questions.

Question: What is the future of CREP?

Response: The Conservation Reserve Enhancement Program (CREP) falls under continuous CRP. It is different in that it is focused on wildlife or environmental needs in a specific geographic area. Kentucky had nearly a 100,000 acre CREP allocation initially, and almost all of the acreage allocation was utilized. The FSA national office has looked at those programs, evaluating success rate and monetary priority based on need as determined by program goal. Kentucky’s Green River CREP has been successful and there is no way to fund continued implementation. Ultimately, the FSA national office decided to conclude the program, but have approved a one year extension for those eligible with contracts that

expired September 30, 2017, so there wouldn't be such an abrupt change and those specific participants would better be able to plan for any necessary changes.

There being no more questions for Jacob, Deena Wheby, NRCS Assistant State Conservationist for Programs, then gave an update on the programs she manages. She asked the group not to use the numbers in her presentation as "official agency numbers", but rather just as information. If official numbers are needed for publication or other use, she may be contacted and will provide those after they receive the proper clearance. She provided updates for FY 2017 Environmental Quality Incentives Program (EQIP), Conservation Stewardship Program (CSP), and Agricultural Lands Easements (ALE) component of ACEP.

For EQIP, she said it was a record year for Kentucky regarding both number of contracts entered (850) and dollars obligated (more than \$16.7 million.) She said she was very pleased that more than \$4.7 million of the FY 2017 dollars have already been paid out (28 percent) for practices implemented on those contracts. She said that more than 1,000 applications with an estimated value of \$20 million went unfunded last year due to lack of funds. Her presentation included maps of where contacts were entered and where unfunded applications remained. (PowerPoint is attached.) She noted that the state exceeded the required percentages for livestock related practices, wildlife and beginning farmers. She then went through a number of slides showing how the funds were utilized (to high tunnels, forestry, energy, etc.) She briefly discussed initiatives including the Mississippi River Basin Healthy Watershed (MRBI) and National Water Quality Initiative (NWQI), noting what an important and active partner the Kentucky Division of Water has been for NWQI. She also provided a slide showing the top dollar practices for FY 2017 (seasonal high tunnels and fence), and those additional practices where more than \$1 million was spent (forestland improvement, cover crops, livestock pipeline, and forage/biomass planting.)

Deena then discussed the Conservation Stewardship Program. She said all eligible applications were funded in FY 2017 and that she thought there was opportunity to grow this program in Kentucky. All renewal-eligible contracts (2012 contracts expiring in 2017) that requested renewal were also approved. In all, 137 contracts on 60,400 acres were approved for FY 2017 CSP. These are five year contracts, so they represent nearly \$7.5 million of financial assistance.

She added that in addition to the new contracts entered in FY 2017, that many other EQIP and CSP contracts are still active, requiring NRCS assistance. Including new 2017 contracts, NRCS in Kentucky has 1,156 active EQIP contracts and 532 CSP contracts. These cover almost 320,000 acres of land receiving conservation treatment. She said since the agency started keeping track of contracts in the "ProTracts" contracting system in 2002, that NRCS Kentucky had entered 15,525 contracts with participants, obligating almost \$203 million for conservation measures on 1.6 million acres (acres receiving duplicate treatment may be counted more than once). Of these obligations, more than \$176 million has been paid out. She noted that in addition to conservation being good for the land, that these conservation programs put a lot of money into local, rural economies.

She also briefly mentioned the Agriculture Land Easement (ALE) component of ACEP. She said nine perpetual conservation easements were entered in FY 2017 on almost 1,000 acres, with a federal share of \$1.5 million. She said this is the one NRCS program where the agency does not take applications directly from landowners, but rather from eligible entities. She discussed what made entities eligible.

Next, Deena discussed the EQIP changes for FY 2018. These included going back to one “batching period” for most general EQIP accounts (but not RCPP or some initiative accounts); going from three large general EQIP competition areas to 13 work unit areas (and asking that the group be involved local work groups to ensure that FY 2019 EQIP were more focused on locally led conservation); added two new accounts including Irrigation Water Management (IWM) and Gunpowder Creek NWQI; changing the screening process to, for most accounts, only have a high or low priority; adding new practices for the IWM account; and national changes for lifespans for high tunnel systems (was 4 years, now 5) and watering facility (was 20, now 10).

Finally, she spoke briefly on the active RCPP projects, including new ones for assistance in FY 2018. Details on each project may be found in her PowerPoint (attached) and on the Kentucky NRCS RCPP webpage.

After addressing several questions about her presentation (clarifications of presented information), she turned the floor back over to Amanda Moore. Amanda asked if there were any more questions, and one of the attendees said that he didn’t have a question, but a comment. He complimented NRCS and other groups in the room on how much conservation that they help get on the ground. He went on to say that he had recently been at a large gathering of farmers and one of the speakers was the head of EPA. He said he heard the speaker say that farmers do not like regulations and that they needed to be wiped out or redone. He said he disagrees with this statement, and believes that most farmers are interested in environmental protection and want to maintain their soil, water and other resources.

This generated a good discussion among the group about how the story of farmers doing the right thing for the environment needs to be better told. One attendee suggested that most farmers are not purposefully doing anything wrong, but maybe need to be better educated. Amanda added that she believes that through voluntary efforts, such as NRCS programs, it shows that farmers want to do the right thing. She noted that the Kentucky Association of Conservation Districts (KACD) is planning to hire an Executive Director, and hoped that having a person in this position will help to better get the conservation message out there.

A representative of the University of Kentucky asked for specific ways that they could help. The original commenter said that we should all encourage farmers not to accept the negative things that are being said about the environment, but instead talk about the conservation efforts/practices and how they work, and why others should do similar things. He said that conservation minded farmers should talk to their neighbors, to their church members, etc. They need to show that farmers are not negative about addressing environmental concerns.

It was suggested that examples of how conservation is working could be shared in newsletters of the groups in attendance at the meeting. Amanda mentioned that the NRCS annual report will contain farmer highlights and that the Ag Water Quality Authority has produced some videos about producers and their plans. NRCS is working on building up their public affairs staff and needs to figure out how to get “past the choir and to the other church members” with the agency’s story. She asked if there needed to be a subcommittee assigned to consider this matter.

A representative from the Organic Association of Kentucky said that there had been an RCPP outreach event with at least 30 growers at the three hour event and that there was a lot of enthusiasm to participate in NRCS programs. A representative of the Kentucky Dairy Development Council said that some days there are good turn outs at meetings, and other days not. He said that there is a lot of

information associated with government programs and it is a lot to take in, adding that some farmers are unsure about how to feel comfortable within the system to be able to utilize the opportunities. He said there had recently been a good meeting where NRCS explained the agency's programs, Kentucky Division of Water explained what they do when they come to your farm, a Technical Service Provider talked about what they could do, and a farmer spoke about record keeping. He said it was a good informational meeting, although not well attended. He said he believes other state face similar issues.

Pam Snyder, Kentucky Division of Forestry, mentioned that the Leopold Award was always looking for good producers for nomination. The award comes with \$10,000 cash and is a good way to highlight outstanding conservation efforts.

In summary, this session generated good discussion about how most farmers want to do the right thing, including managing their operations while respecting the environment, and that this story needs to be better told. Amanda thanked everyone for their input.

### **Wildlife Priorities Discussion**

Next, NRCS State Biologist Casey Shrader discussed wildlife priorities for NRCS programs including EQIP and CSP. He asked that the dollars and numbers in his presentation not be used as official agency numbers, but if anyone needed official numbers, to contact him.

He began by saying that Kentucky landowners are great stewards of the land, and that they do good stewardship through conservation planning. He said that NRCS's efforts promote voluntary conservation and by the number of program applicants, it shows that these are landowners who want to be involved.

He said that since 2013, we haven't had a discussion about wildlife priorities. He presented information showing the top funded wildlife oriented conservation practices obligated through NRCS programs from 2013 through 2017. The top practices were Forest Stand Improvement, Brush Management for invasive species control, and Conservation Cover for native warm season grasses and forbs and other wildlife friendly species establishment. He also discussed different the EQIP fund accounts that focus on wildlife and showed a map of where wildlife contracts have been entered.

Casey said that since he came to the state, he has not been involved in establishing/updating priorities and asked if we are addressing the species that are important to other agencies. Is what the agency accomplishing good? He would like to hear from partners such as the Kentucky Division of Water, Conservation Districts, landowners, US Fish and Wildlife Service, Kentucky Department of Fish and Wildlife Resources, other interested persons. Are we overlapping or competing with other programs?

He would like to have a wildlife subcommittee in the near future (late January or early February) and asked for any interested persons to sign up for committee. Casey added that we may be missing the boat not having nongovernmental organizations and other non-traditional groups on the wildlife subcommittee. His goal is to ensure that NRCS is administering the programs in the best way and best place it can when it comes to addressing wildlife.

See Casey's attached PowerPoint presentation for more information.

Deena made a few remarks regarding subcommittees. She reminded the group that the State Technical Committee serves in an advisory capacity to USDA. She also said that there is a Standard Operating Procedure (SOP) published in the Federal Register that governs how the Committee and subcommittees

work. She said that it is required that subcommittees report back to the full Committee after their meetings. She noted that at one time Kentucky had a number of subcommittees, but after the SOP was published, that rather than identify subcommittee members, that when there was a need to have a subcommittee meeting, that the entire Committee was invited. That way, no one was left out, and if a person was interested in whatever the subcommittee topic was, they could attend. She said there have been times when “committee meetings” have been held by transmitting information and requesting input by email.

On a different subject, speaking as the acting State Resource Conservationist, Casey said if anyone knows anyone wishing to become a certified Technical Service Provider (TSP), especially one to write Irrigation Water Management plans, to let him know.

### **Technology on the Farm and Using it to Make Better Decisions**

Amanda next called on Tom Daniel, President of Security Seed and Chemical Company, Inc., to make a presentation. Tom said that Security Seed is a retail organization with a full time staff, including agronomists, on the ground. He discussed his company and what they do, then introduced Security Seed Director of Research and Development Patrick Hurt.

Patrick said that Security Seed has been conducting research since 2009. The company has worked with growers who wanted to use new technology but didn't have the finances to do so. He said they have looked to see how government and private industry could work together to inform growers about what is available for them to use. They have an RCPP project under consideration now which will begin in 2019 if approved. The project has worked with other entities to partner and will address the Red River Watershed and parts of Tennessee. Their goal is to prove practices in place are worth their financial investment, using EQIP to help producers adopt a practice. Farmers need to be able to prove that the cost of conservation has a financial gain/advantage for the producer.

He then made a presentation about how technology on the farm can work to address both the environment and the grower's bottom line. See his PowerPoint entitled, “Using Technology to Make Informed Decisions” for more information. Tom wrapped up the session by saying that growers are good at farming, not necessarily reading a soil test. His company provides technical assistance to interpret that kind of thing for the producer. Most growers don't know how to process the large amount of information, and his company can help with that.

### **Comments/Announcements from Group**

Ms. Moore thanked Security Seed for their presentation and asked if there were any announcements or comments from the group. There being none, the meeting concluded at 12:22 pm.

## Attendees

### State Technical Committee Meeting

December 6, 2017

<b>Name</b>	<b>Organization</b>
John McCauley	Kentucky Department of Agriculture (KDA)
Tod Griffin	AgriBusiness Association of Kentucky (ABAK)
Biff Baker	Governor's Office of Agricultural Policy (GOAP)
Bonnie Jolly	Kentucky Pork Association
Patrick Hurt	Security Seed & Chemical
Brad Lee	University of Kentucky
Meredith Scales	Kentucky Dairy Development Council (KDDC)
Ray Smith	University of Kentucky
Travis Chick	USDA - Farm Service Agency (FSA)
Jacob Bowman	USDA - Farm Service Agency (FSA)
Kati Bowman	Kentucky Center for Agriculture and Rural Development (KCARD)
Ben Koostra	Limestone & Cooper
Steve Kull	Kentucky Division of Forestry
Dan Olsen	US Forest Service
Pam Snyder	Kentucky Division of Forestry
Danna Baxley	The Nature Conservancy - Kentucky (TNC)
Harold Duckworth	TASK, Inc.
Doug Wilson	TASK, Inc.
Danny Hughes	Kentucky Division of Fish and Wildlife Resources
Cliff Drouet	Office of Surface Mining Reclamation and Enforcement (OSMRE)
Jim Roe	Kentucky Division of Water (DOW)
Alanna Conley	Environmental Protection Agency (EPA)
Brent Harrel	US Fish and Wildlife Service (USFWS)
Tom Daniel	Security Seed & Chemical
Henry Duncan	Kentucky Woodland Owners Association
Brook Gentile	Organic Association of Kentucky (OAK)
Maury Cox	Kentucky Dairy Development Council (KDDC)
Ed Thompson, Jr.	USDA - Office of Advocacy and Outreach (OAO)
Bijaya Shrestha	Kentucky Waterways Alliance
Amanda Moore	USDA - Natural Resources Conservation Service (NRCS)
Reed Cripps	USDA - Natural Resources Conservation Service (NRCS)
Doug Hines	USDA - Natural Resources Conservation Service (NRCS)
Casey Shrader	USDA - Natural Resources Conservation Service (NRCS)
Deena Wheby	USDA - Natural Resources Conservation Service (NRCS)