



# EQIP Conservation Incentive Contracts (CIC)

- Week of March 1- EQIP CIC Payment Schedules and Ranking Guidance
- Mid/Late March: State Rollout of EQIP CIC
- July/August: Begin Obligations

Disclaimer: As EQIP CIC evolves, dates, guidance, and actions are subject to change.



## Recap: EQIP CIC – Purpose

To incentivize additional conservation around locally-established resource priorities:

- States identify High Priority Area(s) (HPA)
- States identify Priority Resource Concern(s) (PRC) associated with HPA
- States identify relevant land uses and the set of incentive practices that will address the PRC(s) in the HPA(s).

Producers agree to address at least one PRC

Steppingstone for producers from EQIP to CSP:

- Allows producers to implement elements of CSP on a smaller scale



# Recap EQIP CIC - Major Features

- Incentive Practices:

- Structural, Vegetative, and Management practices (EQIP Classic practices at 75-90% PR)
- Enhancements for managing, maintaining, and improving existing conservation (CSP Classic enhancements)
- Conservation Activity Plans, Bundled Enhancements, and Existing Activity Payments (EAP) are **not** offered under EQIP CIC

- Incentive Practice Payments:

- Structural, Vegetative, and Management practices are paid after certification (same as EQIP Classic). Practices are paid at the EQIP rate.
- Payments for enhancements are paid as soon as practicable in the fiscal year after certification (same as CSP Classic)
  - Note: EQIP CIC does not require enhancements be scheduled in every FY, so there may be years where there is no “annual” payment



## Recap EQIP CIC – Major Features

- EQIP CIC Payment Limitation:
  - \$200K Payment Limitation, separate from EQIP 'Classic' PL
- EQIP CIC Contract Limitation:
  - Person or legal entity = \$200K Contract Limit
  - Joint Operations (bus type 2 or 3) = \$400K Contract Limit
- Historically Underserved
  - In a contract, all items will be designated as "HU," but only practices (not enhancements) will receive a higher rate.
  - Advanced payment option will only be available for practices (not enhancements).



## Recap EQIP CIC- Allocation

- States will reserve 5% (\$670k) of the general EQIP allocation or \$200,000, whichever is greater for FY2021
  - WA has \$1 million put aside for CIC contracting
- States will have the flexibility to roll unused funds back to the EQIP general fund



# EQIP CIC High Priority Areas (HPAs)

- States, in consultation with the State Technical Committee, will identify areas of high priority
- High Priority Areas:
  - Represent areas of significant concern
  - Must encompass every region within the State
  - May encompass an entire State or overlap with other high priority areas
    - Set of High Priority Areas must cover the whole state
- States will submit high priority area geospatial boundaries to NHQ



# Crosswalk Matrix

Features	EQIP Classic	EQIP CIC	CSP Classic
<b>Conservation target</b>	Addresses identified resource concerns (RCs)	Targets up to 3 priority resource concerns at the RC category level per relevant land use in each high priority area(s)	Encourages maintenance of existing conservation and adoption of new activities
<b>Minimum Planning Footprint</b>	Planning land unit (PLU)	Planning land unit (PLU)	Operation
<b>Requires existing conservation efforts to be in place at time of application.</b>	N	N	Y
<b>Minimum number of priority resource concerns (No.)</b>	N/A	1	Based on program requirements
<b>Payment Limitation (\$ Amount)<sup>1</sup></b>	\$450K	\$200K	\$200K
<b>Minimum contract Period (No. years)</b>	1	5	5
<b>Maximum contract Period (No. years)</b>	10	10	5

<sup>1</sup> See 530.143C for more information, including payment limits for business types 2 and 3

<sup>2</sup> HU payment rates and advance payments are only applicable to practices, not enhancements.



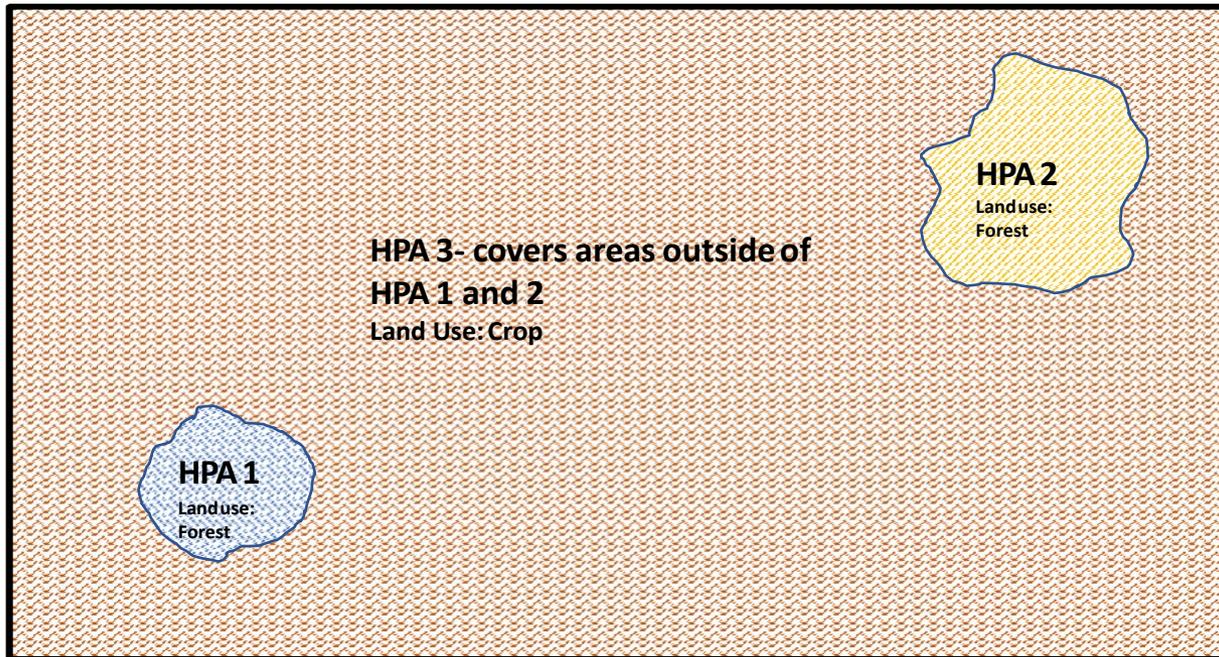
# Crosswalk Matrix

Features	EQIP Classic	EQIP CIC	CSP Classic
<b>Contract must include practices</b>	Yes	No (but practices may be included)	No (but practices may be included)
<b>Contract must include enhancements</b>	N/A	Yes	Yes
<b>Timing of practice payments</b>	Certification	Certification	FY after completion
<b>Timing of enhancement payments</b>	N/A	FY after completion	FY after completion
<b>Minimum Contract Payment (Annual)</b>	N/A	N/A	\$1500
<b>Includes Existing Activity Payment (EAP)</b>	N/A	N/A	Y
<b>Allows Conservation Activity Plans (Y/N)</b>	Y	N	N
<b>HU Payment Rates apply and Advance Payments permissible (Y/N)</b>	Y	Y <sup>2</sup>	N

<sup>1</sup> See 530.143C for more information, including payment limits for business types 2 and 3

<sup>2</sup> HU payment rates and advance payments are only applicable to practices, not enhancements.

# High Priority Area Example





## EQIP CIC Priority Resource Concerns (PRCs)

- States, in consultation with the State Technical Committee, will identify priority resource concerns
- Priority Resource Concern Criteria:
  - States may identify **up to** 3 PRCs for each land use within a given high priority area
    - Note: Not all land uses need to be included
  - The same PRCs may be used for more than one land use within the same high priority area
  - For each PRC, States will identify the incentive practices (practices and enhancements) that will be available
  - Conservation plans must target at least one PRC

# Example: Entire State is HPA





## Example: Selecting PRCs

- **Goal:** Increase participation in soil health initiative/practices
- **Outcomes:**
  - Increase soil health in State
  - Due to positive experiences under EQIP CIC, some participants go on to pursue further conservation benefits on their entire operation through applying for CSP
- **Land Use:** Crop
- **Priority Resource Concern:** Soil Quality Limitations



# Example: Selecting Incentive Practices

- Goal: Select practices/enhancements that target soil health
- Example Practices:
  - 340- Cover Crop
  - 328- Conservation Crop Rotation
  - 329- Residue and Tillage Management, No-Till
- Example Enhancements:
  - E328E- Soil Health Crop Rotation
  - 328F- Modifications to improve soil health and increase soil organic matter
  - 329D- No till system to increase soil health and soil organic matter content
  - E340A/B/C- Cover crop enhancements



## Example: Example Contract Layout

- Year 1: Schedule 340- Cover Crop
- Year 2: Schedule 340- Cover Crop
- Year 3: Schedule 340- Cover Crop
- Years 4 and 5: Schedule E340C- Use of multi-species cover crops to improve soil health and increase soil organic matter



# Summary

- What States can do now
  - Work with State Technical Committee
  - Select High Priority Area(s)
  - Select Priority Resource Concern(s)
  - Select land use(s), practices, and enhancements to address PRCs
  - Develop EQIP CIC enhancement requests
- Upcoming
  - Crosswalk matrix
  - Payment schedule developed by NHQ (will combine existing EQIP & CSP Bundles, EAP, and CAPs will be removed)
  - Outreach materials
  - Trainings - March and beyond
  - NB - EQIP CIC Rollout guidance



United States Department of Agriculture

Questions?