

The Minnesota CREP

Proposal Summary



December 2015

Minnesota is ready to implement a Conservation Reserve Enhancement Program (CREP) that will directly address resource problems with strategic, long term solutions. This CREP will not only yield significant progress for the state's water quality and habitat needs, but serve as a national model for local-state-federal partnerships.

Scope

- 100,000 acres
- 5-year program
- Prioritize and target water quality and habitat
- Approximately \$800 million in project costs, at a 4:1 federal to state ratio
- Voluntary approach using the nationally-recognized state Reinvest in Minnesota (RIM) easement program and the USDA Farm Service Agency (FSA) Conservation Reserve Program (CRP)



Key Factors and Existing Conditions

Several key factors have influenced the State's interest in developing a CREP proposal:

- **Science-based targeting:** Minnesota has completed a number of systematic assessments and plans on nutrient and sediment issues, grasslands, wetlands, and other topics that have helped focus prioritization of restoration and protection areas to the critical places where they are most needed and most cost effective.
- **Critical review of expiring CRP:** Minnesota is experiencing a significant loss of grasslands – further complicated by the expiration of over 500,000 acres of Minnesota CRP contracts over the next five years.
- **Funding for multi-benefit conservation and clean water projects:** Interest in the state's Reinvest in Minnesota (RIM) program, which provides durable, permanent conservation easements, greatly exceeds available funding. Minnesota is positioned to supplement USDA FSA federal funding with constitutionally derived Legacy funds and other sources, such as capital investments.
- **Local program delivery readiness:** USDA, local Soil and Water Conservation Districts, state agencies, and non-governmental organizations have a strong field-based presence via coordinated efforts such as the Farm Bill Assistance Partnership, Prairie Plan Implementation Teams, and many watershed-based planning projects. These efforts are ready to ramp up with the technical and financial assistance services necessary to provide landowners and producers the information they will need to participate.

Project Objectives

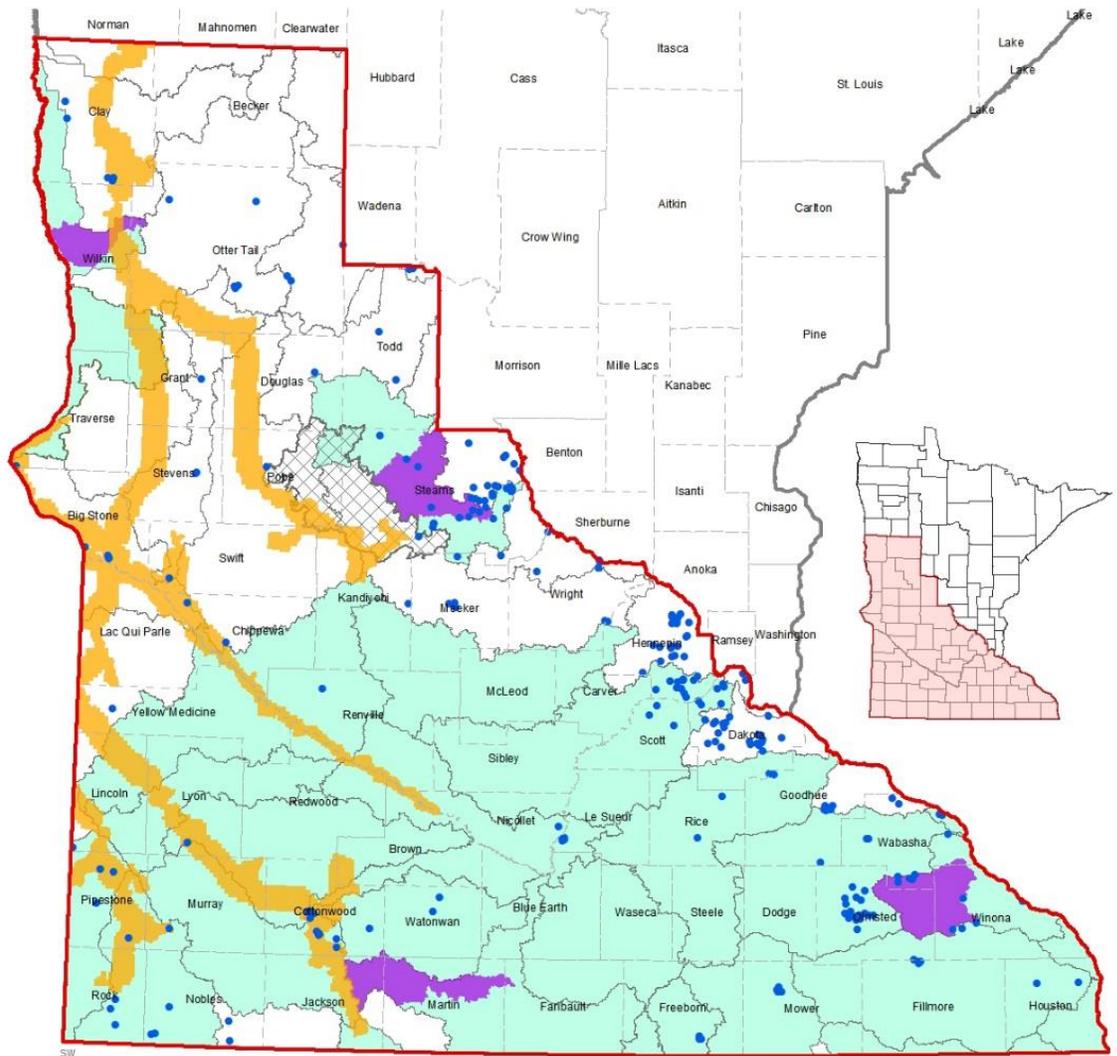
- Target riparian areas and marginal ag land
- Restore hydrology, increase infiltration, provide habitat, and provide flood mitigation
- Reduce nitrate loading in drinking supplies in Drinking Water Supply Management Areas

Geographic Focus

The project area for the proposed CREP focuses on 24.4 million acres in 54 counties in the southern and western regions of Minnesota, which are the dominant agricultural regions of the state.

The CREP will prioritize and target 100,000 acres in this area to treat agricultural-related concerns and meet water quality and habitat objectives.

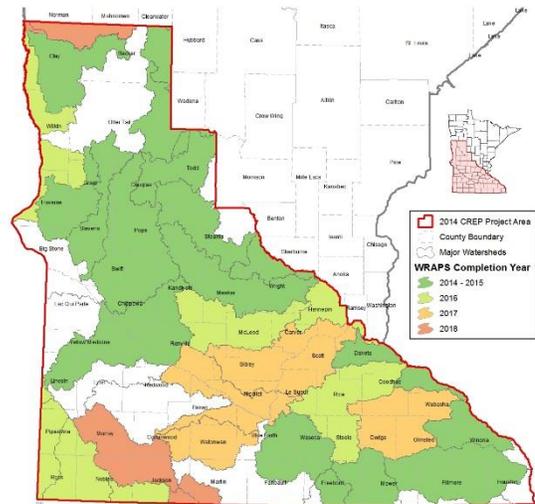
MN CREP Proposed Project Area



Additional Objectives

- Focus on expiring CRP contracts
- Leverage state funding for multi-benefit conservation and clean water projects
- Prioritize and Target:
 - Using recent water quality scientific data, studies, and analysis
 - Incorporating Watershed Restoration and Protection Strategies, pictured on the map, right
 - Progressing toward long-range goals for Minnesota’s water resources

Watershed Restoration & Protection Strategies (WRAPS)
Major Watersheds: Planned Completion Year



CRP Practices

Federal Conservation Reserve Program Conservation Practices (CP) focus on four main areas to create filter strips, restore floodplain wetlands, restore depressional wetlands for water quality and habitat, as well as protect sensitive wellhead protection areas. In some practice areas, water treatment alternatives may be enhanced by designing tile outlet systems, saturated buffers or wetland treatment areas.

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| <p>1. Riparian Lands - Grass Filter strips (CP 21)</p> <ul style="list-style-type: none"> * 30'-350' width * Acreage Goal: <u>50,000 acres</u> | <p>3. Wetland Restoration – Floodplain (CP 23)</p> <ul style="list-style-type: none"> * 3:1 upland to wetland ratio * Acreage goal: <u>15,000 acres</u> |
| <p>2. Wetland Restoration - non floodplain (CP 23a)</p> <ul style="list-style-type: none"> * 8:1 upland to wetland ratio * Acreage Goal: <u>30,000 acres</u> | <p>4. Wellhead Protection Areas (CP 2)</p> <ul style="list-style-type: none"> * High/very high vulnerability * Acreage Goal: <u>5,000 acres</u> |

Outcomes

Changing the land cover of 100,000 acres of annual cropland to perennial vegetation will provide significant nitrogen, phosphorus, and sediment load reductions, including:

- 32,000 pounds of total phosphorus per year
- 2,400,000 pounds of total nitrogen per year
- 205,000 tons of sediment per year

Additional benefits include restored hydrology, increased filtration, and enhanced habitat for resident and migratory wildlife.

Proposed Funding

A combination of USDA CRP payments and incentives will be necessary to achieve a potential 80:20 federal to state match expectation.

Federal Funding	State Funding	Total
\$634,000,000	\$161,000,000	\$795,000,000

The budget utilizes acreage goals for each of the focuses of the project (buffers, wetlands, floodplain wetlands, and wellhead) divided by the most recent historic average of easement size. The result calculated an estimated total of 3,755 easements/CRP contracts.

State Support

The minimum \$161 million of non-federal revenues needed to support this CREP represents approximately 20% of the total costs. In addition, approximately \$10 million of easement stewardship costs needed after the 15-year CRP contracts expire will also be borne by the state but cannot be included in the CREP totals.

State funding is planned to be secured through the sources below:

- Capital Investment (Bonding)
- The Clean Water, Land and Legacy Constitutional Amendment (Clean Water and Outdoor Heritage Funds)
- Environment and Natural Resources Trust Fund



Payment to Landowners

The payment to the landowner will include both CRP and RIM. CRP annual rental payments, conservation practice cost-share, and incentives will be provided to landowners during the contract period.

RIM standard easement payment rates will be used which best approximate 90% (crop rate) and 60% (non-crop rate) of the land value for permanent easements using the Township Average Tillable Land value as reported by the Minnesota Department of Revenue via the University of Minnesota Land Economics website, based on local assessor's reporting of prior year land sales.

Conservation Continuum: Landowner Choice

Landowner installs conservation practices without outside support	Technical Assistance (Info/education and planning by local, state, federal govt; crop advisors; etc.)	Contracts (EQIP, CSP, cost share)	Short-term land retirement (CRP, Continuous CRP)	Long-term land retirement (RIM, CREP, ALE)
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