

# WISCONSIN Conservation Reserve Enhancement Program



## 2013

## ANNUAL REPORT



## Table of Contents

<b>INTRODUCTION</b> .....	3
<b>ENROLLMENT AND STATE PAYMENTS</b> .....	3
<i>TABLE A: Wisconsin Progress Report Acres Offered into CREP (acres)</i> .....	4
<i>TABLE B: Wisconsin Progress Report CREP State Payments</i> .....	4
<b>TOTAL STATE IMPLEMENTATION COSTS</b> .....	5
<b>ENVIRONMENTAL GOALS</b> .....	5
<i>TABLE C: Wisconsin Progress Report CREP Environmental Goals</i> .....	5
<b>ANNUAL CREP ACTIVITIES REVIEW</b> .....	6
<b>POLICY</b> .....	7
<b>MONITORING</b> .....	7
<b>CREP IMPLEMENTATION TEAM</b> .....	8
<b>FUTURE CREP ACTIVITIES</b> .....	8

## **INTRODUCTION**

Wisconsin's Conservation Reserve Enhancement Program (CREP) was signed into effect by the USDA Secretary on October 26, 2001 and continues to allow "new enrollments subject to the availability of funds, so long as there is statutory authority for such enrollments." Wisconsin's CREP is a cooperative effort with the USDA Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS); the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) and Wisconsin Department of Natural Resources (DNR); and Wisconsin counties primarily through county land conservation committees (LCC).

CREP was available in 2013 in portions or all of 52 counties in Wisconsin. (Exhibit 1) The goal is to enroll acreage into riparian buffers, wildlife habitat buffers, filter strips, wetland restorations, grassed waterways, and grassland habitat to improve water quality and grassland habitat for wildlife. Landowners within the CREP project area have the option to either enroll their land into a 15-year agreement or a perpetual conservation easement. The program aims to enroll 75,000 acres into agreements and 25,000 acres into perpetual conservation easements for a total of 100,000 acres.

DATCP estimates about 350,000 acres of farmland may be eligible for enrollment. Of this area, 85,000 acres of conservation practices is the goal within the riparian project area. This includes a goal to enroll 5,000 acres within the Lake Superior Project Area.

Wisconsin also has a goal of entering 15,000 acres of grassland habitat within the 730,000-acre northern and southern grassland project areas. The objective in the grassland project areas is to improve and enhance grassland habitat for endangered grassland birds within the grassland project area (portions of 9 counties) in addition to improving water quality.

Currently, as was also reported for 2012, Congress allowed the Farm Bill to expire at the end of the Federal fiscal year and has not enacted a new one to date. Thus, no authority for CREP exists at the Federal level and sign-ups have not been accepted by USDA after September 30, 2013. The State of Wisconsin is prepared to implement CREP as it is defined in the existing agreement with USDA assuming CREP is continued into the future.

## **ENROLLMENT AND STATE PAYMENTS**

Wisconsin's combined Federal, State and County CREP team has made progress toward meeting the project's goals. Table A outlines the progress made, based on acres offered into the program, as reported by FSA on October 1, 2013 compared with on October 1, 2012 and on October 1, 2011. Overall, about 44% of the 100,000-acre goal currently has been offered by landowners into CREP.

*TABLE A: Wisconsin Acres Offered into CREP (acres By Year)*

	<b>Maximum Allowed or Goal</b>	<b>Enrolled or In Process October 1, 2011</b>	<b>Enrolled or In Process October 1, 2012</b>	<b>Enrolled or In Process October 1, 2013</b>
Total of all practices	100,000	43,800	43,595	43,793
Grassland Projects	15,000	11,680	11,703	11,658
Riparian Buffers	75,000	28,991	28,688	28,971
Lk Superior Buffers	5,000	132	132	132
Wetland Restoration	5,000	2,997	3,072	3,032

*Based on FSA October 1, 2011, October 1, 2012, and October 1, 2013 report on acres offered for CREP*

Table B reports on the state's cumulative payments made for the previous 3 years. As of October 1, 2013, Wisconsin has paid a total of about \$12.7 million to 4,000 landowners on about 44,600 acres. These payments include paying \$10.8 million for the state's incentive payments and just over \$1.9 million thus far for the state's 20% share of practice payments. The state also has paid other costs related to obtaining CREP conservation easements, including the costs of title searches and recording fees.

The State of Wisconsin and counties have completed work and paid on 434 easements covering almost 6,500 acres at a cost of about \$6.0 million for state payments. The acres enrolled in perpetual conservation easements is 15% of the total acres enrolled into CREP. The goal is to enroll 25% of the maximum allowable acreage (a total of 25,000 acres) into CREP state or county perpetual conservation easements. (Table B)

*TABLE B: Wisconsin Progress Report CREP State Payments*

	<b>Goal or Estimate</b>	<b>Acres (% of Goal) and \$\$ Paid Out (# of Payments) October 1, 2011</b>	<b>Acres (% of Goal) and \$\$ Paid Out (# of Payments) October 1, 2012</b>	<b>Acres (% of Goal) and \$\$ Paid Out (# of Payments) October 1, 2013</b>
Perpetual Easements Incentive Payments	25,000 acres	6,334** (25.3%)	6,483 (25.9%)	6,483 (25.9%)
	\$26.4 million	\$5,819,400 (425)	\$6,005,491 (434)	\$6,022,414 (434)
15-year Agreements Incentive Payments	75,000 acres	36,553 (48.7%)	37,352 (49.8%)	38,134 (50.8%)
	\$10 million	\$4,482,300 (3,240)	\$4,592,699 (3,384)	\$4,737,602 (3,512)
Total State Incentive Payment	100,000 acres	42,900 (42.9%)	43,835 (43.8%)	44,617 (44.6%)
	\$36.4 million	\$10,301,700 (3,665)	\$10,598,190 (3,818)	\$10,760,016 (3,946)
Total State Practice Payment *	\$ 3.6 million	\$1,876,100 (52.1%)	\$1,914,532 (53.2%)	\$1,928,645 (53.6%)
<b>TOTAL *</b>	<b>\$40 million</b>	<b>\$12,177,800 (3,665)</b>	<b>\$12,512,721 (3,818)</b>	<b>\$12,688,662 (3,946)</b>

*Based on DATCP October 1, 2011, October 1, 2012, and October 1, 2013 reports on state payments for CREP*

\* Also includes payments for title searches, recording fees, costs to monument easements and other CREP costs

\*\* 271 acres were converted from CREP easements to Wetland Reserve Program perpetual conservation easements

## TOTAL STATE IMPLEMENTATION COSTS

The State of Wisconsin paid a total of \$12.7 million in state funds for CREP as of October 1, 2013. (Table B) The State has authorized \$28 million in available funding for the CREP program which has been estimated to be adequate funding for the state commitment on the 100,000 acre CREP goal. In addition to the state CREP incentive and practice payments, counties reported that they spent \$2.55 million in staff and other local costs to implement CREP locally. These costs included non-federal staff costs, and other local costs to administer and implement CREP. Since inception, total state and local costs for CREP are \$15.2 million. These funds leverage \$92.2 million in federal funds that will be paid out over the life of the project (federal contracts are for 15 years).

The location of CREP enrolled land is shown on the map in Exhibit 1 which shows the location of the 15-year agreements and perpetual conservation easements located by 1/4, 1/4 section.

## ENVIRONMENTAL GOALS

Wisconsin CREP made further progress toward meeting its environmental goals. Since the beginning of the program through October 1, 2013, approximately 44% of the 100,000 eligible acres have been enrolled with FSA and paid the state's incentive payments. The State calculates that enrolling these lands into CREP and installing the conservation practices (Appendix A) will result in the following cumulative environmental benefits:

- 1,494 miles of stream or shoreline adequately buffered (40% of the 3,700 mile goal)
- 140,367 pounds of phosphorus annually reduced in runoff (23% of the 610,000 pound goal)
- 74,458 pounds of nitrogen annually reduced from runoff (24% of the 305,000 pound goal)
- 69,058 tons of sediment annually reduced from runoff (21% of the 335,000 ton goal)
- 11,512 acres grass established in grassland project areas (77% of the 15,000 acre goal)

Table C summarizes progress toward meeting the CREP environmental goals of the past 3 years.

*TABLE C: Wisconsin Progress Report CREP Environmental Goals*

	<b>Goal</b>	<b>Accomplishments 10/1/2011</b>	<b>Accomplishments 10/1/2012</b>	<b>Accomplishments 10/1/2013</b>	<b>% of Goal</b>
Miles of Stream or Shoreline Buffered	3,700 miles	1,454 miles	1,472 miles	1,494 miles	40%
Pounds of Phosphorus	610,000 pounds	136,200 pounds	138,300 pounds	140,367 pounds	23%
Pounds of Nitrogen	305,000 pounds	72,200 pounds	73,400 pounds	74,458 pounds	24%
Tons of Sediment	335,000 tons	66,800 tons	68,100 tons	69,058 tons	21%
Grassland Acres in Grassland Project Areas	15,000 acres	11,388 acres	11,603 acres	11,512 acres	77%

*Based on DATCP October 1, 2011; October 1, 2012; and October 1, 2013 Environmental Benefit Reports*

## **ANNUAL CREP ACTIVITIES REVIEW**

The CREP enrollment availability in 2013 was limited to a quarter of its typical time as the program was hampered by limited availability of the program. Initial delay in CREP enrollment was caused by the Farm Bill expiration at the end of the 2012 federal fiscal year and a delay until January 1, 2013 to extend the previous Farm Bill provisions for CREP. Further, after the enactment of the Farm Bill, the FSA National Office did not authorize enrollment into any CRP programs, including CREP, until May 13, 2013. Combined, these delays in 2013 CREP enrollment allowed just over 4 months total availability for Wisconsin CREP partners to enroll producers and landowners in the program.

Despite these delays, the State level CREP partners continued to support the program and work in concert to assist producers with enrolling their land into CREP in 2013. This year just under 800 acres were enrolled in CREP by the State. Program enrollment since 2006 has maintained a consistent enrollment rate averaging 1,000 acres annually, however this year's enrollment level is noticeably short of that rate.

Often a lag period exists from the time FSA approves a CREP application to the time the State completes the enrollment processing. Between October 1, 2012 and December 31, 2012 the State processed over 500 acres of CREP contracts, two-thirds of the total reported in 2013. During this same period there was not authority from the Federal Government to enroll CREP, thus these were all remnants from sign ups that occurred in 2012.

According to the 2011 FSA annual report (2012 annual CRP report not yet available), out of 30 participating states Wisconsin's CREP program remains 6<sup>th</sup> in total number of CREP agreements and 10<sup>th</sup> in total acres enrolled. CREP activity in Wisconsin corresponds with the amount of promotion it gets at the local offices. County land conservation departments are the state agents for CREP at the local level. CREP participation by counties is purely voluntary and no appropriation of funds directed for CREP implementation by counties is available from either state or federal sources. Although the partner counties have committed to work on CREP enrollments once received, the level of promotion of CREP from their office is discretionary. The result is that in counties that actively promote the program, CREP continues to see high rates of enrollment. In counties less active in promoting CREP the enrollment has stagnated. Thus, there exists a range of activity level in CREP across the state. If CREP is to see increased enrollment rates in Wisconsin there needs to be an incentive to stimulate more active promotion of CREP at the local offices. Three County Land Conservation Departments (Brown, Door and Waukesha) did not choose to continue their commitment to the State to implement CREP and are not actively promoting CREP but continue to administer previously established agreements.

Promotional efforts were made in 2013 for Wisconsin CREP by the State and County CREP partners. As reported in the 2012 CREP report, the summer of 2012 brought severe drought conditions to most of Wisconsin. The 2013 season, in contrast, began with an excessively wet and cold spring which resulted in flooding that made it one of the latest planting seasons on record. These conditions often reveal sites in agricultural fields that would benefit the landowner from enrollment in the CREP. As a response, the State issued a press release in July, 2013 titled "Flooded Fields Again this Year? Think about CREP" which urged landowners who have fields

that flood repeatedly to consider CREP for those sites as part of the risk management in their long term business model of their farm. This article was broadcast by several state agricultural news sources as well as included in the newsletters of several of the CREP counties. Additionally, during the general CRP sign up in May, 2013 many of the county conservation staff were on hand to assist landowners interested in CREP.

As existing agreements mature and the expected rebound in new enrollment acreage occurs, the workload of maintaining CREP agreements continues to build, particularly since the first State CREP agreements do not expire until 2017. These tasks include tracking landowner transfers, processing buyouts, monitoring and answering questions from landowners. To date a total of 1,600 acres that had been entered in the CREP program have been bought out and removed from CREP on the State side.

## **POLICY**

The FSA National Office clarified the policy regarding eligibility of CREP land enrolled in Managed Forest Law (MFL) and restrictive easements in August, 2013. The clarification statement from FSA specified that when current CREP contracts expire, they are not eligible to re-enroll into CRP if the land is encumbered with a restrictive easement. This will effect reenrollment in CREP acres that have subsequently been enrolled in the MFL program. This will also make ineligible all the CREP easements for reenrolling in CREP at the Federal level once the original CRP-1 expires.

The CREP agreement with USDA has not been amended to remove Door, Brown and Waukesha Counties from the official CREP project area even though the map (Exhibit 1) indicates that these counties have lapsed CREP contracts with the State. Removing these counties will need to be done in the next amendment to the agreement with USDA.

## **MONITORING**

Monitoring activities are performed by State and County CREP staff. Farm visits are done regularly by County Conservation Department staff. As part of their visit, if issues with a CREP site are noted, it is addressed with the landowner by either the State or County. The goal of the State or County is to work with the landowner to bring the site back into compliance with the approved conservation plan.

## **CREP IMPLEMENTATION TEAM**

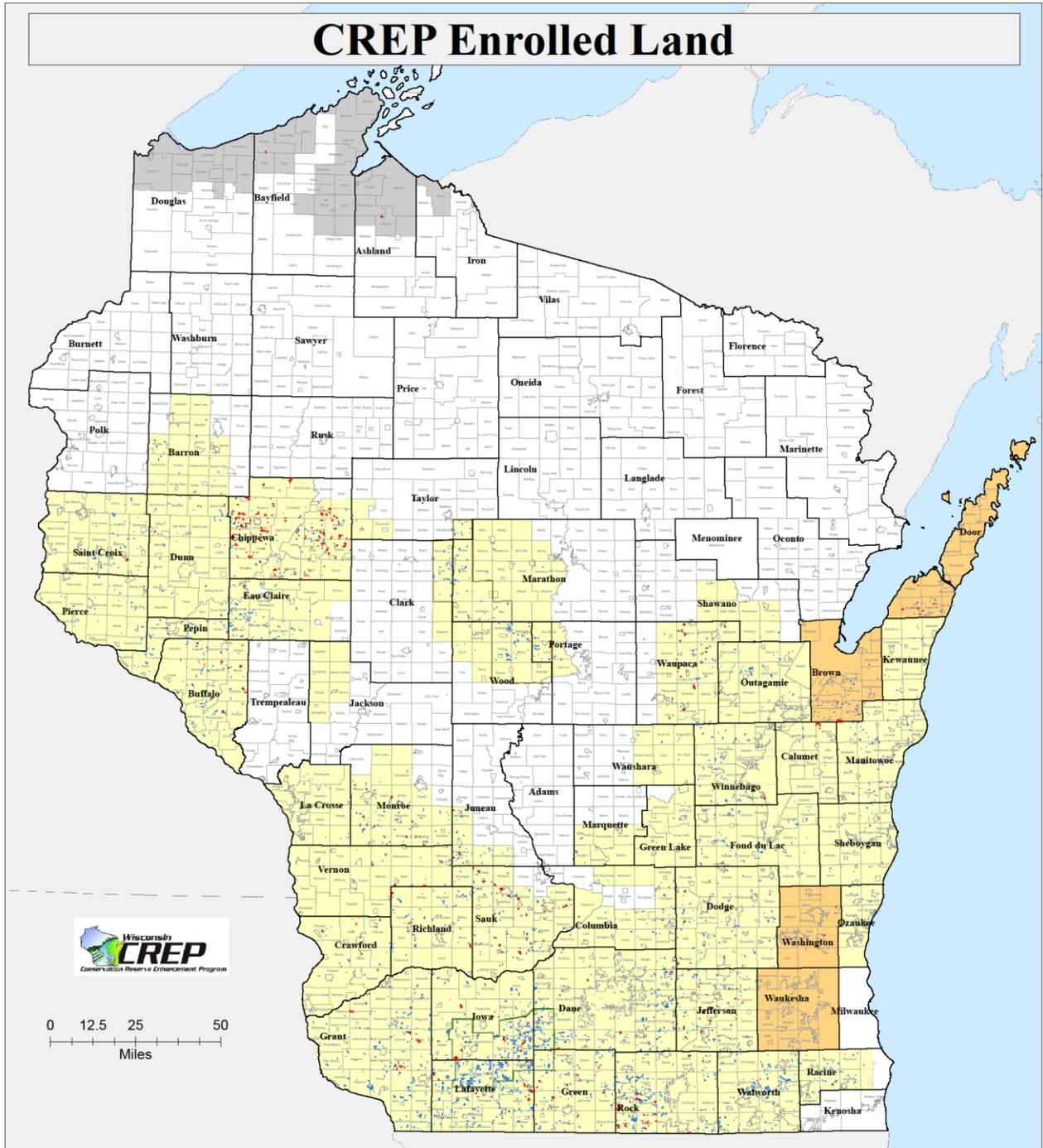
DATCP created the CREP implementation team in late 2001 which includes representatives of agricultural and producer groups; conservation and environmental organizations; and representatives of local, state, and federal agencies working with CREP. Appendix B lists the CREP Implementation Team members and the organization they represent. The team last met in 2010 and will likely convene again in 2014 to discuss the details of the Farm Bill pertaining to CREP and how the state should proceed.

## **FUTURE CREP ACTIVITIES**

Several items are being considered by DATCP for the upcoming years. These include:

- Working with FSA to respond to a formal request from Juneau County to extend the CREP eligible area within the county to include several more townships.
- Initiate and coordinate an effort to offer landowners currently enrolled in CREP 15-year agreements an opportunity to convert their agreement to an easement, particularly agreements with CP21, CP22 and CP23 conservation practices.
- Convene the CREP Implementation Team to discuss the details of a subsequent Farm Bill as it pertains to CREP and potential implications.

Exhibit 1 – CREP PROJECT MAP



\* Locational data indicated by Township, Range, Section to the centroid of the nearest Quarter-Quarter Section.

Last Updated: 12/10/2013  
 Mapped By: WI DATCP/BCL

	15 Year Agreement*		Riparian Project Area
	Perpetual Easement*		Lake Superior Project Area
	County Boundary		Northern Grassland Area
	State-Co CREP Contract Lapsed		Southern Grassland Area



## ***APPENDIX A***

### **CONSERVATION RESERVE ENHANCEMENT PROGRAM (CREP) PRACTICES AND STATE PAYMENTS**

#### **ELIGIBLE CREP PRACTICES:**

##### In all CREP Project Areas

- CP8A - Grassed Waterways
- CP21 - Filter Strips
- CP22 - Riparian Buffer
- CP23 and CP23A- Wetland Restoration
- CP29 - Marginal Pastureland Wildlife Habitat Buffer

##### Only in the CREP Grassland Project Area

- CP1 - Establishment of Permanent Introduced Grasses
- CP2 - Establishment of Permanent Native Grasses
- CP10 - Grass Already Established
- CP25 - Rare and Declining Habitat: Prairie Ecosystem Restoration and Tallgrass Prairie/Oak Savanna and Savanna Ecosystem Restoration

##### Only in the CREP Lake Superior Project Area

- CP30 - Marginal Pastureland Wetland Buffer

#### **CREP PAYMENTS FROM THE STATE OF WISCONSIN:**

##### **Incentive Payments**

The State of Wisconsin, through Counties, will pay eligible landowners 1.5 times the annual rental rate, for land enrolled in 15-year agreements (2.5 times in the Lake Superior CREP); and 12.0 times the annual rental rate (24 times in the Lake Superior CREP) for lands enrolled in perpetual conservation easements. The annual rental rate used to calculate the state payment is determined by the USDA Farm Service Agency for the federal portion of CREP and does not include any additional incentives, maintenance payments, or other payments made by USDA for CREP.

##### **Practice Payments**

The State of Wisconsin, through Counties, will pay eligible landowners a practice payment of 20% of the total eligible costs to install or construct the CREP practices. The total eligible practice costs are determined by the USDA Farm Service Agency as part of the federal portion of CREP.

**APPENDIX B**

**CREP IMPLEMENTATION TEAM**

Mr. Dave Ladd	Conservation Congress	Dodgeville	WI
Mr. Doug Fendry	Pheasants Forever	Middleton	WI
Mr. Richard Gorder	Farm Bureau	Mineral Point	WI
Mr. Bob Oleson	Wisconsin Corn Growers	Palmyra	WI
Mr. Jim Kruger	Professional Dairy Producers	Westfield	WI
Mr. Jim Hebbe	Green Lake County LCD	Green Lake	WI
Mr. Andy Holschbach	Ozaukee County LCD	Port Washington	WI
Mr. Mike Dahlby	Chippewa County LCD	Chippewa Falls	WI
Mr. Kevin Connors	Dane County LCD	Madison	WI
Mr. Jim Baumann	DNR	Madison	WI
Mr. Scott Walter	DNR	Madison	WI
Mr. Rick Klemme	UW – Extension	Madison	WI
Ms. Susan Butler	USDA – FSA	Madison	WI
Mr. Ned Johnson	USDA – FSA	Dodgeville	WI
Mr. Tom Schneider	USDA – FSA	Manitowoc	WI
Mr. Pat Murphy	USDA – NRCS	Madison	WI
Mr. Todd Mau	USDA – NRCS	Alma	WI
Mr. Kurt Waterstradt	U.S. Fish & Wildlife Service	Madison	WI
Mr. Jim Vanden Brook	WLWCA	Madison	WI