

*WISCONSIN*  
**Conservation Reserve Enhancement Program**

**2014**



**ANNUAL REPORT**



*Establishing Agricultural*



*Conservation Practices*

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## **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 2014 in portions or all of 52 counties in Wisconsin. (Exhibit 1) The goal is to enroll acreage into filter strips, riparian buffers, grassed waterways, wildlife habitat buffers, wetland restorations 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 in portions of 9 Counties. The objective in the grassland project areas is to improve and enhance grassland habitat for endangered grassland birds within the grassland project area in addition to improving water quality.

The 2008 Farm Bill expired at the end of the 2013 Federal fiscal year and the new Farm Bill was passed on February 7, 2014, which included provisions for continuing CREP. On June 9, 2014, USDA provided authority for CREP sign-ups to again be accepted at the Federal level until September 30, 2018. The State of Wisconsin also continued at that time to implement CREP as it is defined in the existing agreement with USDA.

## **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, 2014 compared with on October 1, 2013 and on October 1, 2012. Overall, about 46% 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, 2012</b>	<b>Enrolled or In Process October 1, 2013</b>	<b>Enrolled or In Process October 1, 2014</b>
Total of all practices	100,000	43,595	43,793	44,051
Grassland Projects	15,000	11,703	11,658	11,604
Riparian Buffers	75,000	28,688	28,971	29,046
Lk Superior Buffers	5,000	132	132	132
Wetland Restoration	5,000	3,072	3,032	3,269

*Based on FSA October 1, 2012, October 1, 2013, and October 1, 2014 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, 2014, Wisconsin has paid a total of about \$13.0 million to 4,160 landowners on about 45,900 acres. These payments include paying \$11.1 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 and paid on 434 easements covering 6,500 acres at a cost of \$6.0 million for state payments. The acres enrolled in perpetual conservation easements is 16% of the total acres enrolled into CREP. The goal is to enroll 25% of the maximum allowable acreage (25,000 acres) into CREP state or county perpetual conservation easements. (Table B) Also, several new easements are currently in progress for 2015.

*TABLE B: Wisconsin Progress Report CREP State Payments*

	<b>Goal or Estimate</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>	<b>Acres (% of Goal) and \$\$ Paid Out (# of Payments) October 1, 2014</b>
Perpetual Easements Incentive Payments	25,000 acres	6,483 (25.9%)	6,483 (25.9%)	6,483 (25.9%)
	\$26.4 million	\$6,005,491 (434)	\$6,022,414 (434)	\$6,022,414 (434)
15-year Agreements Incentive Payments	75,000 acres	37,352 (49.8%)	38,134 (50.8%)	39,445 (52.6%)
	\$10 million	\$4,592,699 (3,384)	\$4,737,602 (3,512)	\$5,046,725 (3,675)
Total State Incentive Payment	100,000 acres	43,835 (43.8%)	44,617 (44.6%)	45,928 (45.9%)
	\$36.4 million	\$10,598,190 (3,818)	\$10,760,016 (3,946)	\$11,069,139 (4,110)
Total State Practice Payment *	\$ 3.6 million	\$1,914,532 (53.2%)	\$1,928,645 (53.6%)	\$1,934,979 (53.8%)
<b>TOTAL *</b>	<b>\$40 million</b>	<b>\$12,512,721 (3,818)</b>	<b>\$12,688,662 (3,946)</b>	<b>\$13,004,118 (4,110)</b>

*Based on DATCP October 1, 2012, October 1, 2013, and October 1, 2014 reports on state payments for CREP*

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

## TOTAL STATE IMPLEMENTATION COSTS

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. As of October 1, 2014, the State of Wisconsin paid a total of \$13.0 million in state funds for CREP. (Table B) In addition to the state CREP incentive and practice payments, counties reported that they spent \$2.61 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 \$15.6 million. These funds leverage \$121.0 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 provides the location of the 15-year agreements and perpetual conservation easements 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, 2014, approximately 46% 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:

- 1,519 miles of stream or shoreline adequately buffered (41% of the 3,700 mile goal)
- 142,649 pounds of phosphorus annually reduced in runoff (23% of the 610,000 pound goal)
- 75,701 pounds of nitrogen annually reduced from runoff (25% of the 305,000 pound goal)
- 70,237 tons of sediment annually reduced from runoff (21% of the 335,000 ton goal)
- 11,597 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 10/1/2012</b>	<b>Accomplishments 10/1/2013</b>	<b>Accomplishments 10/1/2014</b>	<b>% of Goal</b>
Miles of Stream or Shoreline Buffered	3,700 miles	1,472 miles	1,494 miles	1,519 miles	41%
Pounds of Phosphorus	610,000 pounds	138,300 pounds	140,367 pounds	142,649 pounds	23%
Pounds of Nitrogen	305,000 pounds	73,400 pounds	74,458 pounds	75,701 pounds	25%
Tons of Sediment	335,000 tons	68,100 tons	69,058 tons	70,237 tons	21%
Grassland Acres in Grassland Project Areas	15,000 acres	11,603 acres	11,512 acres	11,597 acres	77%

*Based on DATCP October 1, 2012; October 1, 2013; and October 1, 2014 Environmental Benefit Reports*

## **ANNUAL CREP ACTIVITIES REVIEW**

As with the previous 2 years, CREP enrollment for 2014 was limited to a short window of availability. Initial suspension in CREP enrollment was caused by the 2008 Farm Bill expiration on September 30, 2013 and continued until a the new Farm Bill was passed on February 7, 2014 that included provisions for CREP. The FSA National Office then postponed authorizing enrollment in CREP, until June 9th, 2014. Combined, these delays in CREP enrollment allowed under 4 months total availability within the 2014 Federal fiscal year for Wisconsin CREP partners to enroll producers and landowners in the program.

Despite these delays, however, the program saw an uptick in enrollment with just over 1,300 acres enrolled in 164 CREP contracts at the State. Program enrollment since 2006 has maintained a consistent enrollment rate averaging 1,000 acres annually. The Farm Bill continues CREP until September 30, 2018, and State level CREP partners continue to support the program, working with counties to help producers enroll their land.

According to the 2014 FSA summary report, out of 32 participating states Wisconsin's CREP program remains 6<sup>th</sup> in total number of CREP agreements. The state has dropped to 11<sup>th</sup> in total acres enrolled since South Dakota began its CREP program in 2010. Wisconsin CREP averages around 10 acres per contract where other states, like South Dakota, average 80 acres per CREP contract. CREP activity in Wisconsin corresponds with the amount of promotion it gets at the local offices. County land conservation departments are the state's 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. 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.

State and County CREP partners took steps to promote the program this year. The WI DNR booth at the 2014 Pheasant Fest in Milwaukee featured a CREP display. The State alerted CREP partners to program developments and updated the CREP website in response to changes arising from the new Farm Bill. The Wisconsin CREP brochure was updated and copies of the new brochure were distributed to the County partner offices. Also, State CREP tools such as the Payment Estimate Calculator and online CREP forms were updated to represent the changes in FSA policy. The State also worked with CREP partners to keep them apprised of developments with the new Farm Bill. As a result, County partners often included articles announcing CREP enrollment continuation in local newsletters and papers. Also, the State provide training to several new County staff.

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 agreements and easements, and answering questions from landowners. To date a total of just under 1,800 acres that had been entered in the CREP program have been bought out and removed from CREP on the State side.

## **POLICY**

The 2014 Farm Bill was passed on February 7, 2014, which included provisions for continuing CRP/CREP. These provisions were authorized by USDA FSA National on June 9, 2014. The provisions allow for new CREP sign-ups until September 30, 2018, and were announced through FSA Notice CRP-763. Provisions for CREP under the new Farm Bill included keeping rental rates the same as they were during the previous CREP authorization, setting the crop history window from 2008 – 2013, and contract acres will be recorded in hundredths at FSA offices.

FSA policy on the Federal Signing Incentive Payment (SIP) payments for expiring CRP was announced. The SIP of \$100 per acre on WI CREP is not available for “Land that is currently under contract or has expired and the cover has been maintained” per FSA guidelines. This additional language was added to the FSA CRP handbook at the end of 2013.

FSA also changed its policy regarding CREP eligibility of land with Reed Canary Grass and published USDA Wisconsin Bulletin number 300-14-6 that clarified Job Sheet 397 “Maintenance on Established CRP and acceptable vegetative cover”. Reed canary grass may no longer stand in the way of enrolling land into CREP. Landowners requesting to re-enroll CRP land into CREP Filter Strips (CP21) and Wetland Restorations (CP23) are allowed when the original vegetation seeded is now dominated by Reed Canary Grass (*Phalaris arundinacea*) and the contract is compliant with certain conditions defined in the Bulletin.

Lastly, FSA changed the cost share payment reporting forms for CRP/CREP which will affect how cost share payment reimbursements were reported to the State. FSA moved to a new CRP/CREP database system that no longer generates forms AD-245 and AD-862, which the State has been using for documenting cost share for CREP. These are now replaced with forms FSA-848A and FSA-848B respectively. Although much of the same information is continued on the form 848's, the format and FSA use of the forms are different. The State worked with FSA to develop instructions on how to use the new form for administering CREP and when to submit to DATCP the CREP Practice Payment Reimbursement Form (ARM-LWR-287). DATCP updated form ARM-LWR-287 for future submittals to reflect this change in FSA forms.

## **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**

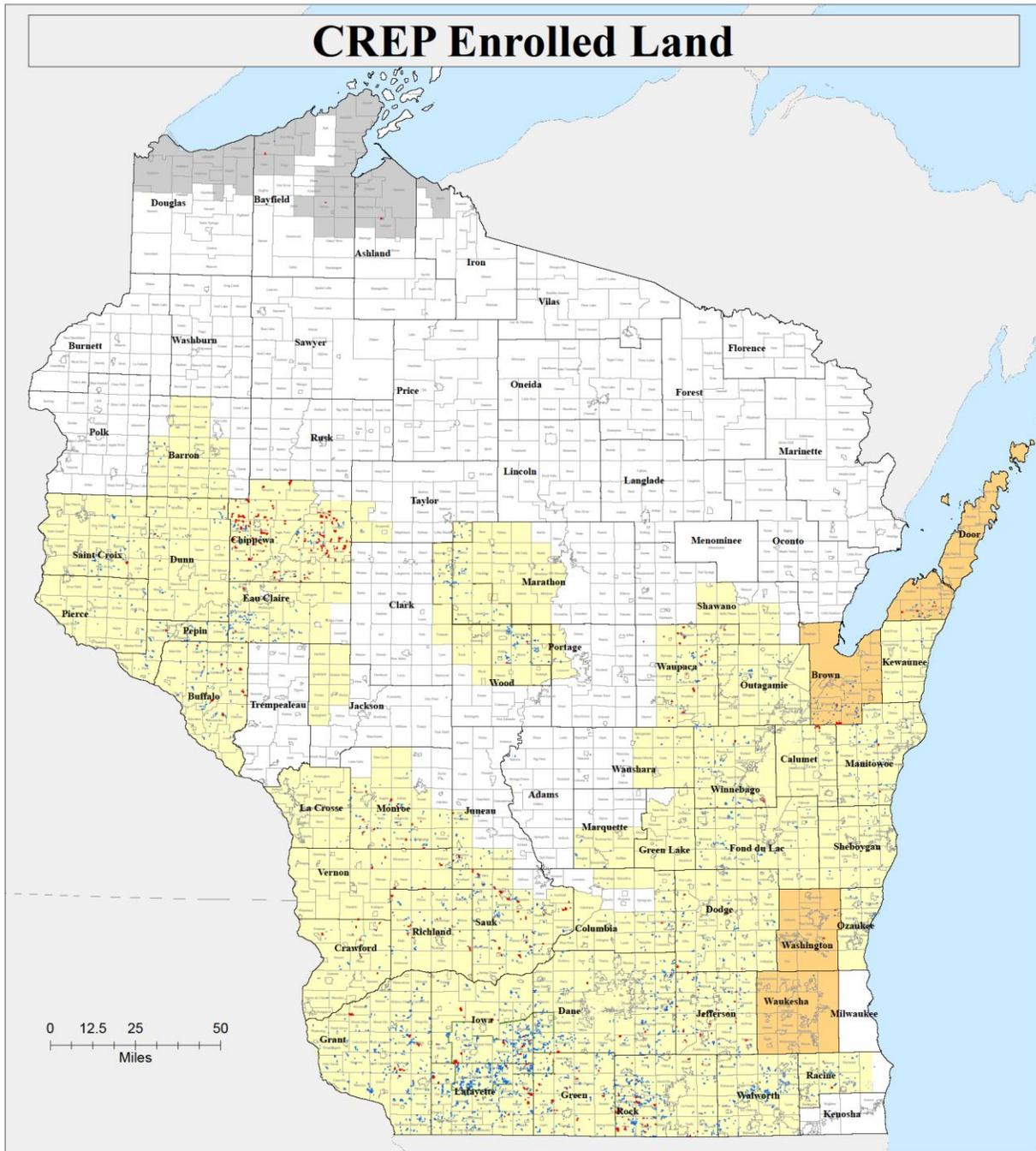
DATCP created the CREP implementation team in late 2001 which includes representatives of agricultural and producer groups; conservation and environmental organizations; and representatives of local, state, and federal agencies working with CREP. Appendix B lists the CREP Implementation Team members and the organization they represent. The team last met in 2010 and will likely convene again in 2015 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 requests from Juneau and Adams County to extend the CREP-eligible area within these counties 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 and potential implications of a subsequent Farm Bill as it pertains to CREP.

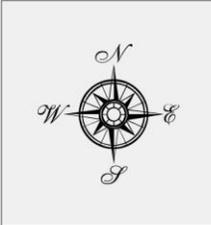
**Exhibit 1 – CREP PROJECT MAP**



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

Last Updated: 12/23/2014  
 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