

WISCONSIN
Conservation Reserve Enhancement Program

Annual Report



Brown County

2017



Door County



Lafayette County

*Conservation
for all Seasons*



Eau Claire County



Table of Contents

INTRODUCTION	3
ENROLLMENT AND STATE PAYMENTS	3
<i>TABLE A: Wisconsin Total Acres Offered into CREP reported by FSA (Acres By Year)</i>	4
<i>TABLE B: Wisconsin Progress Report: CREP Cumulative State Payments and Acres</i>	4
<i>TABLE C: Active CREP Agreement & Easement Contracts - Acres (Contracts)</i>	5
Expirations.....	5
<i>TABLE D: Wisconsin CREP Agreements with Expiring Federal CRP-1's</i>	5
Re-enrollment	6
TOTAL STATE IMPLEMENTATION COSTS	6
ENVIRONMENTAL GOALS	6
<i>TABLE E: Wisconsin Progress Report: CREP Environmental Goals</i>	7
ANNUAL CREP ACTIVITIES REVIEW	7
Training and Outreach	7
Agreement Processing & Management	8
Forms and Database Updates.....	9
Re-established State-County CREP Agreement with Several Counties	9
POLICY	9
MONITORING	10
CREP IMPLEMENTATION TEAM	10
FUTURE CREP ACTIVITIES	10

INTRODUCTION

Wisconsin's Conservation Reserve Enhancement Program (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); the Wisconsin Department of Natural Resources (DNR); Wisconsin counties primarily through county land conservation committees (LCC), and private land owners. Wisconsin's Conservation Reserve Enhancement Program was signed into effect by the USDA Secretary on October 26, 2001 and continues to allow "new enrollments and re-enrollments subject to the availability of funds, so long as there is statutory authority for such enrollments." The 2014 Farm Bill was passed on February 7, 2014, which included provisions for continuing authority for CREP sign-ups at the Federal level until September 30, 2018. The State of Wisconsin continues to implement CREP as it is defined in the existing agreement with USDA.

CREP was available in 2017 in portions or all of 53 counties in Wisconsin (Exhibit 1). The goal is to enroll acreage into filter strips, riparian buffers, grassed waterways, wetland restorations and grassland habitat to improve water quality and wildlife habitat. Landowners within the CREP project area have the option to enroll their land into either a 15-year agreement or a perpetual conservation easement. DATCP estimates about 362,000 acres of farmland may be eligible for enrollment in CREP. Under the provisions of the current CREP agreement with FSA, 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.

Wisconsin CREP has four project areas: riparian, southern grassland, northern grassland, and Lake Superior. The goal of the Riparian project area is to enroll 80,000 acres of conservation practices in addition to 5,000 acres within the Lake Superior project area. In the 730,000-acre southern and northern grassland project areas, Wisconsin has a goal of entering 15,000 acres of grassland to provide habitat for endangered grassland birds and to improve water quality.

CREP met several milestones in 2017. CREP agreement expirations were at their highest in 2017 and partner agencies worked to offer landowners an option for re-enrollment to keep the CREP conservation practices in place. This year also had an increase over recent years in new enrollment, and statewide CREP was being implemented in several regions that had not been active in the program in years. However, even with the increased activity, the overall number of active CREP contracts and acres enrolled in Wisconsin fell for the first time since the program began due to the high volume of 15-year agreement expirations.

ENROLLMENT AND STATE PAYMENTS

Wisconsin's federal, state and county CREP partners together have contributed toward meeting the project's goals. Table A outlines the progress made over the past 3 years, based on current active acres offered into the program as reported by. Overall, the program has lower total acres this year, with 36% of the 100,000 acre goal currently enrolled by landowners into CREP.

TABLE A: Wisconsin Total Acres Offered into CREP reported by FSA (Acres By Year)

	Maximum Allowed or Goal	Enrolled or In Process October 1, 2015	Enrolled or In Process October 1, 2016	Enrolled or In Process October 1, 2017
Total of all practices	100,000	44,578	46,860	36,376
Grassland Projects	15,000	11,714	13,089	9,567
Riparian/Lk Sup Buffers & Wetland Restoration	85,000	32,864	33,771	26,809

Based on FSA October 1, 2015, October 1, 2016, and October 1, 2017 report on acres offered for CREP

As of October 1, 2017, FSA reported 36,376 active acres enrolled in Wisconsin CREP, almost a 25% reduction in overall acres that were enrolled compared to the previous year. A number of Federal CREP agreements (CRP-1's) that expired on September 30th were not re-enrolled in the program, and both riparian buffer and grassland practices saw reductions in acres. (Table A)

New enrollment offset some loss of acres enrolled in CREP. FSA reported total Signing Incentive Payments (SIP) of \$80,496 and Practice Incentive Payments (PIP) of \$39,429 for Federal Fiscal Year 2017.

Although many acres were not re-enrolled, this year saw a considerable increase in overall enrollment activity. Annual enrollment trends over the past 10 years averaged 1,000 acres on 100 agreements per year. In 2017, CREP enrolled over 5,800 acres on about 490 contracts, of which 189 were new contracts covering 1,800 acres. This included 8 new CREP perpetual easements on 154 acres. (Table C)

Table B reports the State's cumulative payments, acres, and contracts for the previous 3 years on both new and re-enrolled acres. As of October 1, 2017, Wisconsin paid a total of \$15.8 million to 4,960 landowners on 54,381 acres. Payments include \$14.1 million for the state's incentive payments and \$2.2 million for the state's 20% share of practice payments along with other costs such as title searches and recording fees for CREP easements. Of the originally enrolled contracts, 200 contracts covering 2,200 acres have been bought out from CREP on the state side.

TABLE B: Wisconsin Progress Report: CREP Cumulative State Payments and Acres

	Goal or Estimate	Acres and \$\$ Paid (Contracts) Oct 1, 2015	Acres and \$\$ Paid (Contracts) Oct 1, 2016	Acres and \$\$ Paid (Contracts) Oct 1, 2017
Perpetual Easements Incentive Payments	25,000 acres \$26.4 million	6,552 \$6,204,480 (468)	6,766 \$6,258,238 (478)	6,920 \$6,481,771 (486)
15-year Agreements Incentive Payments	75,000 acres \$10 million	38,891 \$5,318,422 (3,281)	41,551 \$6,031,307 (3,514)	47,461 \$7,613,275 (4,006)
Total State Incentive Payments	100,000 acres \$36.4 million	45,443 \$11,522,902 (3,749)	48,317 \$12,289,545 (3,992)	54,381 \$14,095,046 (4,492)
Total State Practice Payments *	\$3.6 million	\$2,125,321	\$2,172,251	\$2,211,770
Total Materials		\$41,008	\$41,008	\$42,093
Total Received		-\$241,981	-\$577,920	-\$578,232
TOTAL *	\$40 million	\$13,447,242 (3,749)	\$13,924,884 (3,992)	\$15,770,677 (4,492)

Based on DATCP October 1, 2015, October 1, 2016, and October 1, 2017 reports on state payments for CREP

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

TABLE C: Active CREP Agreement & Easement Contracts - Acres (Contracts)

	Active Contracts Oct 1, 2016	Expired FFY 2017	New FFY 2017	Reenrolled FFY 2017	Active Contracts Oct 1, 2017	Added Enrollment by Dec 31, 2017
Perpetual Easements	6,516 (469)	N/A	149 (7)	5 (1)	6,670 (477)	19 (7)
15-year Agreements	35,037 (2,931)	14,067 (895)	1,797 (189)	4,018 (294)	26,785 (2,519)	2,865 (236)
Total	41,553 (3,400)	14,067 (895)	1,947 (196)	4,022 (295)	33,455 (2,996)	2,884 (243)

Active CREP contracts are agreements or easements that have not expired or been bought out. This year over 895 agreements covering over 14,000 acres expired. As of October 1, 2017 the State of Wisconsin received and processed almost 300 re-enrollment applications covering 4,000 acres. Accounting for new and re-enrolled contracts in 2017, the State shows 2,996 active CREP contracts on 33,455 acres as of October 1st. CREP applications, however, are often received by the State after the end of the fiscal year on which this report covers. As of end of the calendar year, another 243 CREP applications on 2,884 acres were submitted and processed by the State. Contracts covering an estimated 800 additional acres were still being processed. This brings the total active CREP contracts to around 37,000 acres which is closely aligned with the acres reported by the State FSA office. Active CREP enrolled land is shown by quarter, quarter section on the map in Exhibit 1. (Table C)

The State of Wisconsin and participating counties have completed and paid on 486 CREP perpetual conservation easements covering 6,920 acres at a cost of \$6.5 million. Currently there are 477 active easements on 6,670 acres which is 20% of the total active CREP enrolled acres. The goal is to enroll 25% of the maximum allowable acreage into CREP easements. (Table D)

Expirations

This was the second year that CREP 15-year agreements were scheduled to expire, with the agreements signed in 2002 expiring on September 30, 2017. A 15-year state agreement term, coinciding with a federal CREP contract (CRP-1), is the minimum agreement length for Wisconsin CREP. A total of 1,050 CREP agreements covering 16,197 acres with federal CRP-1's expired. Of these, 895 were CREP 15-year agreements on 14,067 acres and the remaining 155 were CREP perpetual easements on 2,130 acres. To date, the total expirations for CREP in 2016 and 2017 combined is 18,639 acres on 1,282 agreements. After the CRP-1 expires, the perpetual easement continues under the provisions of the CREP easement document and is administered by DATCP and the County. (Table D)

TABLE D: Wisconsin CREP Agreements with Expiring Federal CRP-1's

Year	15-Year Agreements	15-Year Agreement Acres	Perpetual Easements	Perpetual Easement Acres	Total	Total Acres
2016	387	4,572	47	1,004	434	5,576
2017	895	14,067	155	2,130	1,050	16,197
2018	431	5,259	106	1,370	537	6,629
2019	290	3,047	50	738	340	3,785
Total	2003	26,945	358	5,242	2,361	32,187

Re-enrollment

Landowners with expiring CREP agreements can re-enroll eligible acres into a new CREP agreement. Authority for re-enrollment opened in April 2016 and continued in 2017. Re-enrolled acres were signed up and processed under new federal and state agreement numbers. Incentives, cost shares and annual payments to landowners for re-enrolling acres in an expiring CREP agreement are the same as enrollment of new acres. However, re-enrolled acres do not receive the federal signing incentive payment (SIP), as national CRP policy states that the SIP is eligible only for new acres enrolled. Also, annual rental rates and incentive payments for re-enrolled contracts are adjusted to account for present day rates.

As of October 1, 2017, the state re-enrolled 4,022 acres under 295 contracts that expired on September 30, 2017. One of these contracts re-enrolled from a 15-year agreement to a CREP perpetual easement. At the time of this report, the state had not yet received all of the re-enrollment contracts for 2017. The state continues to receive re-enrollment applications and estimates further expiring CREP acres will be re-enrolled. (Table C)

Enrollment into CREP in 2017 also came from expiring contracts from both Continuous CRP and General CRP. Although these acres are CRP re-enrolls, the state considers these contracts to be entirely new agreements and acres being enrolled into Wisconsin CREP.

TOTAL STATE IMPLEMENTATION COSTS

The state has authorized \$28 million in available funding for the CREP program. As of October 1, 2017, the state of Wisconsin paid a total of \$15.8 million for CREP. (Table B) In addition to the state CREP incentive and practice payments, counties reported that they spent \$2.97 million in staff and other costs to implement CREP locally. These costs included non-federal staff costs, and other local costs to administer and implement CREP. Since inception, state and local costs for CREP combined total \$18.8 million. These funds have leveraged over \$100 million in federal funds that will be paid out over the life of the project (federal contracts are for 15 years).

ENVIRONMENTAL GOALS

Wisconsin CREP continued to work towards its environmental goals in 2017. New acres were enrolled in the program providing additional environmental benefits and re-enrolled agreements continue environmental benefits previously reported. Approximately 36% of the 100,000 eligible acres is enrolled with FSA. The State calculates enrolling these lands into CREP and installing the conservation practices (Appendix A) will result in the following environmental benefits:

- 999 miles of stream or shoreline adequately buffered (27% of the 3,700 mile goal)
- 97,698 pounds of phosphorus annually reduced in runoff (16% of the 610,000 pound goal)
- 52,406 pounds of nitrogen annually reduced from runoff (17% of the 305,000 pound goal)
- 47,995 tons of sediment annually reduced from runoff (14% of the 335,000 ton goal)
- 9,567 acres grass established in grassland project areas (64% of the 15,000 acre goal)

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

TABLE E: Wisconsin Progress Report: CREP Environmental Goals

	Goal	Accomplishments 10/1/2015	Accomplishments 10/1/2016	Accomplishments 10/1/2017	% of Goal
Miles of Stream or Shoreline Buffered	3,700 miles	1,542 miles	1,617 miles	999 miles	27%
Pounds of Phosphorus	610,000 pounds	145,015 pounds	152,084 pounds	97,698 pounds	16%
Pounds of Nitrogen	305,000 pounds	76,965 pounds	80,802 pounds	52,406 pounds	17%
Tons of Sediment	335,000 tons	71,234 tons	74,528 tons	47,995 tons	14%
Grassland Acres in Grassland Project Areas	15,000 acres	11,714 acres	13,089 acres	9,567 acres	64%

Based on DATCP October 1, 2015; October 1, 2016; and October 1, 2017, Environmental Benefit Reports

The Wisconsin CREP southern grassland project area reached its maximum allowable acres (10,000 acres) of grassland practice acres in 2016. The grassland CREP practices have been popular and there was a waiting list in 2017 for new grassland practice enrollment in the project area. FSA now reports that there are 8,311 acres of grassland practices which allows for additional enrollment of land into those practices. The conservation practices unique to this project area include CP1 (permanent introduced grasses), CP2 (permanent native grasses), and CP25 (rare and declining habitat: prairie and oak savanna restoration). For Wisconsin CREP these practices must be placed adjacent to and within 1,000 feet of an eligible water body, and be on steep slopes in order to address water quality issues as well as provide habitat for birds and pollinators.

ANNUAL CREP ACTIVITIES REVIEW

During 2017, many of the CREP program management activities revolved around processing re-enrollments, new agreements and easements along with assisting county partners in preparing the State CREP application materials. This included CREP trainings for staff, outreach to landowners, finalizing State CREP database and forms updates, improving the secure electronic application submittal process, and re-establishing several State-County CREP agreements.

Training and Outreach

The state continues to offer (“CREP 101”) training for staff of all agencies working on CREP in Wisconsin. The CREP training provided an overview of the CREP program, discussed agreement processing and logistics, covered local issues, and visited existing sites. Four trainings were held across the state throughout the year, with local Land Conservation Department (LCD), NRCS and FSA office staff attending from counties including: Brown, Door, Iowa and Juneau.

Several CREP landowner workshops were offered in March 2017. These were hosted by the local LCD, FSA and NRCS offices with support from DATCP. Two workshops were offered

with one in Dodge County and the other in Walworth and Racine counties. Mailings went out announcing the workshops to all expiring CRP and CREP contract holders in these counties. The workshops focused on providing landowners with expiring CRP contracts information on the options for their land.

DATCP continues to maintain and update its State CREP website and publications. Also, DATCP CREP staff presented program updates to the DATCP Board and the Land and Water Conservation Board in 2017, both of which continue to support CREP.

Many of the local offices around the state, including the county, FSA and NRCS, made efforts to reach out to landowners and provide information regarding expiring CREP agreements and options for re-enrollment. These efforts included mailings to landowners, announcements in newsletters, radio spots and in-the-field discussions. These efforts both assisted landowners that had expiring CREP agreements with re-enrollment, and stirred up interest in new landowners interested in establishing a CREP agreement on their land.

Agreement Processing & Management

The Wisconsin CREP saw its most active year in over a decade. Annual enrollment trends over the past 10 years averaged 1,000 acres on 100 agreements. In 2017, the State processed 491 contracts, with 483 15-year agreements and 8 perpetual easements. This year also had an increase over recent years in new enrollment with 189 new contracts. (Figure 1)

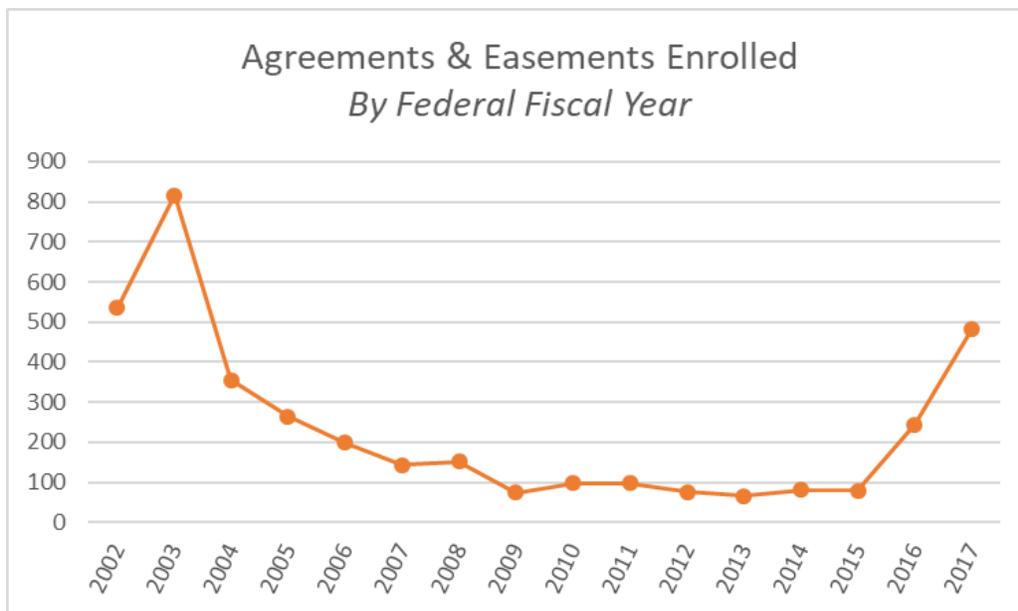


Figure 1: Enrollment by Fiscal Year

As existing CREP agreements mature, the workload of maintaining the agreements continues to build. These tasks include tracking landowner transfers, processing buyouts, monitoring agreements and easements, and answering questions from landowners.

Forms and Database Updates

The state worked on efficiencies in the CREP agreement application process through updates to forms and an electronic submittal process. The State CREP Perpetual Easement Application Form (LWR-209) was updated and reviewed by Department Legal counsel in 2017. The documents were made into fillable and auto calculating forms to assist with processing at the local offices. In addition, CREP staff continued to work with the information technology department to maintain and implement a secure electronic application submittal process through a secure FTP site.

Updates were implemented to the State CREP database along with the implementation of a State SharePoint application tracking system. The database updates were done to account for both the “expired” and “re-enroll” status of contracts that have come about since 2016. These improvements helped to determine and identify CREP agreements that continue to be active under the program. The SharePoint site has been essential for organizing, tracking and efficiently processing CREP agreements submitted to the State.

Re-established State-County CREP Agreement with Several Counties

The State-County CREP agreements with Brown and Door counties were re-established in 2017. These counties had previously lapsed their agreement with the State. The re-established amendments provide spending authority for CREP in each county. Brown county was provided \$240,000 and Door County \$120,000. The agreement also included a few minor changes to provisions related to federal form numbers, county reporting process, and payment distribution.

Both counties signed a State-County CREP agreement to implement CREP in the county. The State-County CREP agreement was signed by Secretary Ben Brancel in 2017.

POLICY

Authorization for CRP enrollment was cut off early again in 2017 for all programs except for CREP. According to FSA, CRP had reached its national 24 million acre cap and FSA subsequently restricted enrollment. CREP likely saw some increase in enrollment in 2017 as landowners expiring from other federal programs looked for an option for their land.

County land conservation departments are the state’s agents for CREP at the local level. CREP activity in Wisconsin corresponds with the amount of promotion the program receives from the local offices. Staff at local offices have worked hard over the past year to train new staff on CREP in preparation for handling the increased workload in 2017. CREP participation by counties is purely voluntary and there is no appropriation of funds directed to counties for CREP implementation from either state or federal sources. Although partner counties have committed to work on CREP enrollments once received, the level of promotion of CREP from their offices is discretionary and variable. Moving forward, it will be essential for state and federal CREP partners to continue to provide training, implement efficiencies in CREP administration for counties, and advocate for funding for the county conservation departments.

MONITORING

Monitoring activities are performed by both state and county CREP staff. Farm visits are done regularly by county conservation department staff. As part of their visits, if issues with a CREP site are noted, either the state or county addresses the issue with the landowners. The goal is to work with the landowner to bring the site back into compliance with the approved conservation plan.

CREP IMPLEMENTATION TEAM

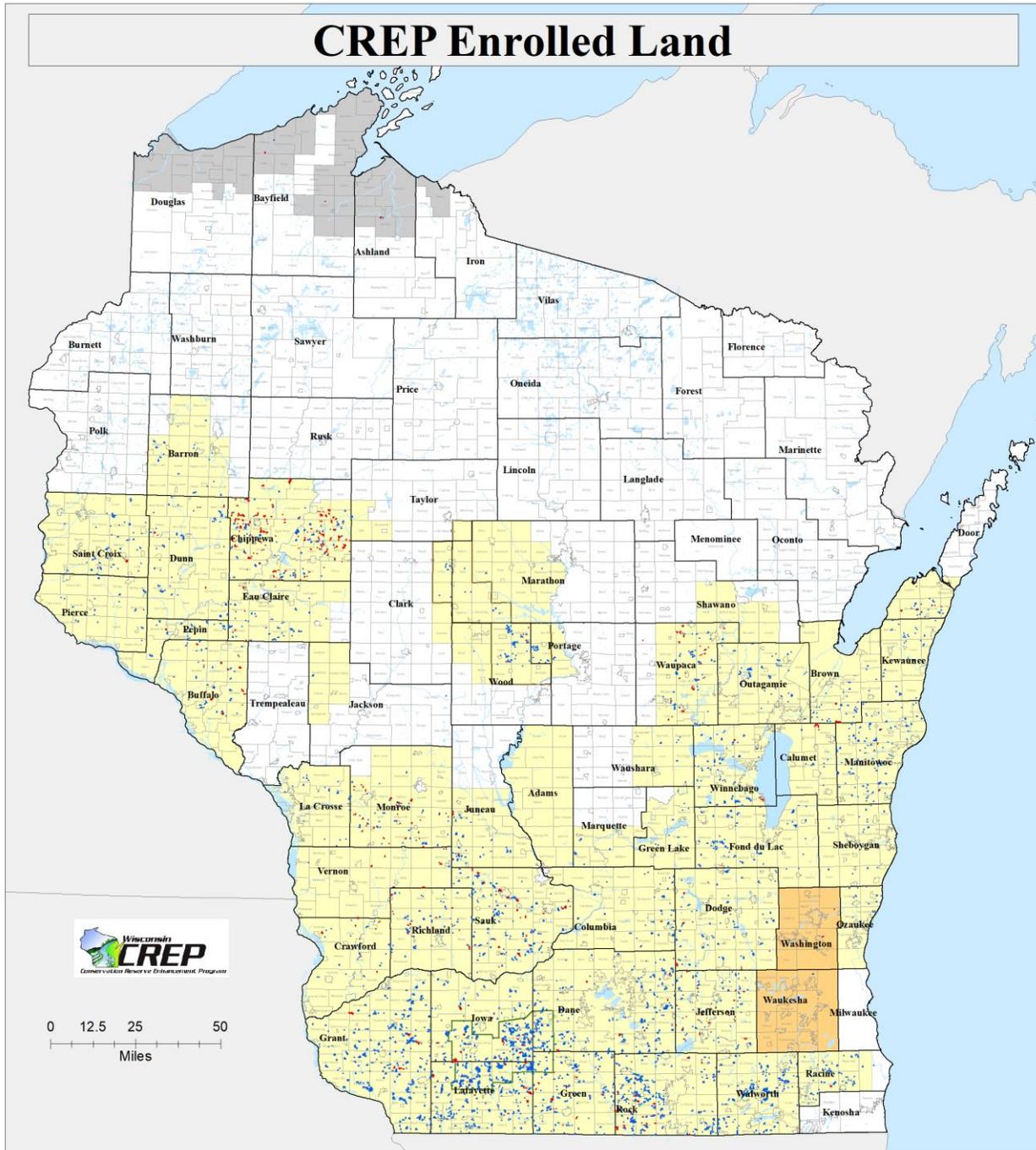
DATCP created the CREP implementation team in late 2001. The team includes representatives of agricultural and producer groups, conservation and environmental organizations, and representatives of local, state, and federal agencies working with CREP. The team is periodically updated on issues related to CREP to keep it apprised of issues and changes to the program. Over time the members on the implementation team have retired or changed positions. DATCP plans to review and update members in 2018 to fill existing openings.

FUTURE CREP ACTIVITIES

DATCP and CREP partners are considering the following items for the upcoming years:

- Continue to coordinate re-enrollment with Federal, State and County partners.
- Establish policy for providing cost share assistance for maintaining conservation practices to perpetual easements after the CRP-1 expires.
- Review perpetual easements with expiring CRP-1's for status and compliance.
- Initiate and coordinate an effort to offer landowners currently enrolled in CREP 15-year agreements an opportunity to convert their agreement to an easement.
- Adjust county spending authority allocations to maintain county program funding needs.
- Update CREP implementation team members to reflect changes in organization personnel.

Exhibit 1 – CREP PROJECT MAP

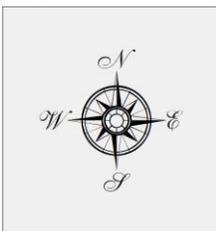


* Locational data indicated by Township, Range, Section to the centroid of the nearest Quarter-Quarter Section.

** Only active agreements shown on map.

Last Updated: 11/2/2018
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.