



Environment and Natural Resources Trust Fund

M.L. 2022 Approved Work Plan

General Information

ID Number: 2022-299

Staff Lead: Michael Varien

Date this document submitted to LCCMR: December 15, 2022

Project Title: Conservation Reserve Program State Incentives

Project Budget: \$750,000

Project Manager Information

Name: Dusty Van Thuyne

Organization: Board of Water and Soil Resources

Office Telephone: (651) 539-2573

Email: Dusty.VanThuyne@state.mn.us

Web Address: <https://bwsr.state.mn.us>

Project Reporting

Date Work Plan Approved by LCCMR: January 24, 2023

Reporting Schedule: March 1 / September 1 of each year.

Project Completion: June 30, 2026

Final Report Due Date: August 14, 2026

Legal Information

Legal Citation: M.L. 2022, Chp. 94, Sec. 2, Subd. 10e

Appropriation Language: \$750,000 the second year is from the trust fund to the Board of Water and Soil Resources to provide onetime state incentive payments to enrollees in the federal Conservation Reserve Program (CRP) during the continuous enrollment period and to enroll land in conservation easements consistent with Minnesota Statutes, section 103F.515. The board may establish payment rates based on land valuation and on environmental benefit criteria, including but not limited to surface water or groundwater pollution reduction, drinking water protection, soil health, pollinator and wildlife habitat, and other conservation enhancements. The board may use state funds to implement the program and to provide technical assistance to landowners or their agents to fulfill enrollment and contract provisions.

The board must consult with the commissioners of agriculture, health, natural resources, and the Pollution Control Agency and the United States Department of Agriculture in establishing program criteria. This appropriation is available until June 30, 2026.

Appropriation End Date: June 30, 2026

Narrative

Project Summary: Develop a grant program to provide one-time signup incentive payments to private landowners enrolling or re-enrolling in the federal continuous CRP. Local Government Unit staff will implement the program.

Describe the opportunity or problem your proposal seeks to address. Include any relevant background information.

The federal CRP program was first authorized in 1985 and enrollment had a positive trend from federal fiscal year 1986 – 1995. The number of acres enrolled had a negative trend from federal fiscal year 1996 – 1999. Enrollment increased annually during federal fiscal years 2000 – 2007. Beginning in federal fiscal year 2008, the number of acres enrolled in CRP had an annual decrease through 2018.

In an attempt to increase producer interest and enrollment in CRP, the USDA-FSA adjusted soil rental rates, increased payments for practice incentives, and increased payments for water quality practices in 2021. As of June 2022, CRP enrollment totaled 22,072,081 acres, showing a continued decline in acres enrolled. Minnesota contains 999,209 of those acres; 4.5% of the total. Reduced enrollment means environmentally sensitive acres are still in agricultural production or some other land use.

Across the U.S. and in Minnesota, 3,970,351 and 104,955 acres of CRP had an expiration date of September 30, 2022, respectively. Across the U.S. and in Minnesota, 4,963,744 and 247,533 acres of CRP have an expiration date between federal fiscal years 2023 – 2026, respectively.

What is your proposed solution to the problem or opportunity discussed above? Introduce us to the work you are seeking funding to do. You will be asked to expand on this proposed solution in Activities & Milestones.

This project will create a state funded incentive program for landowners enrolling or re-enrolling in the continuous CRP program. Program criteria will be established in consultation with the MDA, MDH, MPCA and the USDA. Under continuous CRP signup, landowners can voluntarily enroll environmentally sensitive land in CRP at any time and offers are automatically accepted by the FSA if the land and applicant meet certain eligibility requirements. The environmentally sensitive land will be taken out of agricultural production for 10 to 15 years.

By providing a one-time, state signup incentive in addition to the federal CRP rental rate, landowners undecided about enrolling or re-enrolling land in CRP may choose to remove their environmentally sensitive land from agricultural production. Factors such as the federal soil rental rate, cost of implementation, favorable commodity prices, or high land rental rate, may not be as large of a financial barrier if a state incentive is provided.

Enrollment or re-enrollment into conservation practices such as filter strips, riparian buffers, and wetlands, as described in the Natural Resources Conservation Service Field Office Technical Guide (FOTG), will protect and enhance Minnesota's natural resources, including habitat, water quality and quantity.

What are the specific project outcomes as they relate to the public purpose of protection, conservation, preservation, and enhancement of the state's natural resources?

Incentivizing landowners enrolling or re-enrolling in the federal CRP program will remove environmentally sensitive land from agricultural production, improving environmental health and quality. Established vegetation will also help improve water quality, prevent soil erosion, and reduce loss of wildlife habitat.

As of September 2022, the average continuous CRP contract in Minnesota was 16 acres. LGUs will determine the reasonable per acre incentive amount. If an incentive payment amount is decided to be between \$100 - \$200 per acre, between 2,875 - 5,750 acres could be impacted on 179 - 359 continuous CRP contracts.

Project Location

What is the best scale for describing where your work will take place?

Watershed(s): Root River, Cedar River, Shell Rock River, Winnebago River, Zumbro River, Cannon River, Watonwan River, Minnesota River - Yellow Medicine River, Pomme de Terre River, North Fork Crow River, Sauk River, Redeye River, Mustinka River, Bois de Sioux River, Wild Rice River, Buffalo River, Red Lake River, Two Rivers, Thief River, Upper Big Sioux River, Lower Big Sioux River, Little Sioux River, Rock River, Red River of the North - Tamarac River, Red River of the North - Grand Marais Creek, Snake River, Red River of the North - Marsh River, Upper Red River of the North, Otter Tail River, Clearwater River,

What is the best scale to describe the area impacted by your work?

Watershed(s): Bois de Sioux River, Buffalo River, Cannon River, Cedar River, Zumbro River, Winnebago River, Wild Rice River, Watonwan River, Upper Red River of the North, Upper Big Sioux River, Two Rivers, Snake River, Shell Rock River, Sauk River, Rock River, Root River, Redeye River, Red River of the North - Tamarac River, Red River of the North - Marsh River, Red River of the North - Grand Marais Creek, Otter Tail River, North Fork Crow River, Pomme de Terre River, Little Sioux River, Lower Big Sioux River, Minnesota River - Yellow Medicine River, Mustinka River, Red Lake River, Thief River, Clearwater River,

When will the work impact occur?

During the Project and In the Future

Activities and Milestones

Activity 1: BWSR staff collaborate with Partners to Develop Program Criteria and Coordinate BWSR Grant Program

Activity Budget: \$100,000

Activity Description:

BWSR staff will develop draft program criteria and create the necessary internal policies and documents necessary to implement a new grant program. Program criteria will then be further refined in consultation with the MDA, MDH, MPCA and the USDA.

Grants will be awarded to up to 20 eligible LGUs located within watersheds with an approved One Watershed, One Plan and greater than or equal to 40% agricultural land. Grant funds will be utilized by LGU staff to provide one-time practice incentive payments to landowners enrolling or re-enrolling in the federal CRP. The incentive payment will be additive to the federal CRP rental rate. A small portion of the grants may be used to cover LGU staff time implementing the program and providing technical assistance to landowners.

LGUs will report accomplishments such as acres and contracts impacted, number of landowners contacted/assisted, and which continuous CRP practices were provided an incentive.

Activity Milestones:

Description	Approximate Completion Date
BWSR staff develop draft program criteria	November 30, 2022
Collaborate with partners to further refine program criteria	January 31, 2023
Release grant program details	April 30, 2023
Review and accept grant workplans awarding funding to up to 20 LGUs	May 31, 2023
Summarize grant awards and accomplishments in reporting - acres, landowners, contracts, practices, funding, etc.	June 30, 2026

Activity 2: LGU staff provide technical assistance to landowners enrolling or re-enrolling in the Federal continuous CRP program

Activity Budget: \$75,000

Activity Description:

Training will be provided to LGUs on continuous CRP practices, if needed. BWSR or neighboring LGU staff may provide the training. Outside agency assistance will be requested, as needed.

LGU staff will provide landowners information and technical assistance on implementing the conservation practice(s) under the CRP contract. Technical assistance may be, but is not limited to, practice information, seed mix recommendations, including pollinator friendly mixes, establishment and/or management advice.

As of September 2022, the average continuous CRP contract in Minnesota was 16 acres. LGUs will determine the reasonable per acre incentive amount. If an incentive payment amount is decided to be between \$100 - \$200 per acre, between 2,875 - 5,750 acres could be impacted on 179 - 359 continuous CRP contracts.

Activity Milestones:

Description	Approximate Completion Date
Train LGU staff on continuous CRP practices, if needed	July 31, 2023
LGUs provide technical assistance to 100 to 300 landowners enrolling or re-enrolling in continuous CRP	September 30, 2025
LGUs provide technical assistance on 2,000 to 6,000 acres of continuous CRP	September 30, 2025

Activity 3: LGU staff provide a one-time signup incentive payment to landowners enrolling or re-enrolling into the Federal continuous CRP

Activity Budget: \$575,000

Activity Description:

LGUs will be awarded a grant from BWSR to provide a one-time incentive payment to landowners enrolling or re-enrolling into the Federal Continuous CRP. The incentive payments will be additive to the USDA-FSA annual rental payment. Examples of conservation practices, as described in the NRCS Field Office Technical Guide (FOTG), that are eligible for continuous CRP include: grass waterway, shallow water area for wildlife, contour grass strip, filter strip, riparian buffer, denitrifying bioreactor on filter strip and riparian buffer, saturated filter strip and riparian buffer, habitat buffers for upland birds, state acres for wildlife enhancement (SAFE), wetland and buffer SAFE practices, wetland restoration on floodplain and non-floodplain, prairie strips, windbreaks, shelterbelts, living snow fences, marginal pastureland wetland buffer and wildlife habitat buffers, duck nesting habitat, pollinator habitat, bottomland timber establishment on wetlands, farmable wetlands program (FWP) constructed wetland, FWP aquaculture wetland restoration, FWP flooded prairie wetland, farmable wetlands and farmable wetland buffer, wellhead protection area practices, highly erodible land initiative. BWSR staff will determine which practices are eligible for a state incentive payment.

An incentive payment amount between \$100 - \$200 per acre, would result in 179 - 359 continuous CRP contracts impacted on 2,875 - 5,750 acres.

Activity Milestones:

Description	Approximate Completion Date
BWSR awards grants to LGUs for staff time and one-time incentive payments to landowners	May 31, 2023
LGUs award one-time incentive payments to landowners impacting 100 - 300 continuous CRP contracts	September 30, 2025
LGUs award one-time incentive payments impacting 2,000 to 6,000 acres of continuous CRP	September 30, 2025

Project Partners and Collaborators

Name	Organization	Role	Receiving Funds
Minnesota Department of Health	Minnesota Department of Health	Consulting agency in establishing program criteria.	No
Minnesota Pollution Control Agency	Minnesota Pollution Control Agency	Consulting agency in establishing program criteria.	No
Minnesota Department of Agriculture	Minnesota Department of Agriculture	Consulting agency in establishing program criteria.	No
Minnesota Department of Natural Resources	Minnesota Department of Natural Resources	Consulting agency in establishing program criteria.	No
United States Department of Agriculture	United States Department of Agriculture	Consulting agency in establishing program criteria.	No
Local Government Units within Watersheds with Approved One Watershed, One Plan with >=40% cropland	Local Government Units	Provide technical assistance to landowners enrolling or re-enrolling in the federal continuous CRP and also award one-time incentive payments to landowners.	Yes

Dissemination

Describe your plans for dissemination, presentation, documentation, or sharing of data, results, samples, physical collections, and other products and how they will follow ENRTF Acknowledgement Requirements and Guidelines.

Board of Water and Soil Resources staff are in frequent contact with LGUs who are awarded grants through the BWSR Grants section. BWSR staff will be in frequent contact with LGUs who receive funds from this appropriation through in-person meetings, phone calls, email, and eLINK (BWSR's grants management system). Data will be collected on acres impacted, landowners contacted, and funds distributed.

The ENRTF will be acknowledged through use of the trust fund logo and/or attribution language on project print and electronic media and other communications per the ENRTF Acknowledgement Guidelines.

Long-Term Implementation and Funding

Describe how the results will be implemented and how any ongoing effort will be funded. If not already addressed as part of the project, how will findings, results, and products developed be implemented after project completion? If additional work is needed, how will this work be funded?

This program may continue if additional funds are secured.

Budget Summary

Category / Name	Subcategory or Type	Description	Purpose	Gen. Ineligible	% Benefits	# FTE	Classified Staff?	\$ Amount
Personnel								
BWSR Staff		BWSR staff will collaborate with partners to develop program criteria and provide program coordination and grant assistance to local government units. 0.25 FTE/year and 22% benefits used. May need to be adjusted.			22%	0.75	X	\$100,000
							Sub Total	\$100,000
Contracts and Services								
Local Government Units	Sub award	Local government units will be awarded a grant from BWSR. Grant funds may be used for local government unit staff time related to outreach/administration/technical assistance to assist eligible landowners enrolling or re-enrolling into the Federal Continuous Conservation Reserve Program. 0.25 FTE/LGU/year used.				15		\$75,000
Local Government Units	Sub award	Local government units will awarded a grant from BWSR to provide a one-time signup incentive payment to landowners enrolling or re-enrolling into the Federal Continuous CRP. The landowner will enter into an Incentive Conservation Activity Reimbursement Contract with the LGU. Per acre incentive payment to be determined by LGU.				0		\$575,000
							Sub Total	\$650,000
Equipment, Tools, and Supplies								
							Sub Total	-
Capital Expenditures								
							Sub Total	-

Acquisitions and Stewardship								
							Sub Total	-
Travel In Minnesota								
							Sub Total	-
Travel Outside Minnesota								
							Sub Total	-
Printing and Publication								
							Sub Total	-
Other Expenses								
							Sub Total	-
							Grand Total	\$750,000

Classified Staff or Generally Ineligible Expenses

Category/Name	Subcategory or Type	Description	Justification Ineligible Expense or Classified Staff Request
Personnel - BWSR Staff		BWSR staff will collaborate with partners to develop program criteria and provide program coordination and grant assistance to local government units. 0.25 FTE/year and 22% benefits used. May need to be adjusted.	Classified : This proposal represents a new initiative/program. Project coordinator duties associated with this new program is above and beyond the job responsibilities associated with this classified position.

Non ENRTF Funds

Category	Specific Source	Use	Status	\$ Amount
State				
			State Sub Total	-
Non-State				
Cash	USDA-FSA	USDA-FSA provides annual rental payments to individuals enrolled in CRP contracts. In MN, the per acre payment rate ranges from \$16 - \$250 per acre, depending on the county. Using the median of \$133 per acre and multiplying that by the range of estimated acres (2,875 - 5,750) impacted by the CRP State Incentives Program, up to \$764,750 in annual CRP rental payments may be provided by USDA-FSA across up to 359 CRP contracts.	Potential	\$764,750
			Non State Sub Total	\$764,750
			Funds Total	\$764,750

Attachments

Required Attachments

Visual Component

File: [162993f3-e9c.pdf](#)

Alternate Text for Visual Component

Map of Minnesota counties with greater than 40% cropland acres...

Optional Attachments

Support Letter or Other

Title	File
One Watershed, One Plan Status Map	be018c08-3aa.pdf
Example of CRP-1	53b15627-5b6.pdf
Continuous CRP Fact Sheet	fc742571-8d5.pdf
Conservation Practice and Acres Tracking Spreadsheet	d9b0e1fa-cc9.pdf

Media Links

Title	Link
MN Field Office Technical Guide Conservation Practice Standards & Support Documents	https://efotg.sc.egov.usda.gov/#/state/MN/documents/section=4&folder=-3
FSA Handbook 2-CRP Revision 6	https://www.fsa.usda.gov/Internet/FSA_File/2-crp_r06_a07.pdf

Difference between Proposal and Work Plan

Describe changes from Proposal to Work Plan Stage

Legislative addition

Additional Acknowledgements and Conditions:

The following are acknowledgements and conditions beyond those already included in the above workplan:

Do you understand and acknowledge the ENRTF repayment requirements if the use of capital equipment changes?

N/A

Do you agree travel expenses must follow the "Commissioner's Plan" promulgated by the Commissioner of Management of Budget or, for University of Minnesota projects, the University of Minnesota plan?

N/A

Does your project have potential for royalties, copyrights, patents, or sale of products and assets?

No

Do you understand and acknowledge IP and revenue-return and sharing requirements in 116P.10?

N/A

Do you wish to request reinvestment of any revenues into your project instead of returning revenue to the ENRTF?

N/A

Does your project include original, hypothesis-driven research?

No

Does the organization have a fiscal agent for this project?

No