

CONSERVATION PROVISIONS OF THE 2002 FARM BILL

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FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

- Represents the single most significant commitment of resources toward conservation on private lands in the nation's history
- Places strong emphasis on the conservation of working lands, ensuring that land remain both healthy and productive
- Provides farmers and ranchers with voluntary conservation programs commensurate with regulatory challenges they face
- Builds upon past conservation gains
- Responds to the call for a balanced portfolio of tools for conservation, including technical assistance, cost-sharing, and land retirement

PROGRAMS

Environmental Quality Incentives Program (EQIP)
Wetlands Reserve Program (WRP)
Wildlife Habitat Incentives Program (WHIP)
Farmland Protection Program (FPP)
Private grazing land, technical assistance
Conservation Security Program (CSP)
Conservation Innovation Grants
Technical Service Providers (TSP)

ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

Key Points

- The Natural Resources Conservation Service (NRCS) accepts applications throughout the year.
- NRCS provides technical and financial assistance. Technical service providers could provide technical assistance.
- An EQIP plan of operation and contract that has been approved by NRCS is required.

Key Changes

- Funds to be used are allowed in the first year of the contract.
- The total maximum allowable payment amount is increased to \$450,000 over the life of the Farm Bill.
- "Bidding down" to increase ranking is eliminated.
- The animal numbers cap on large confined animal feeding operations is eliminated. All animal feeding operations are eligible for assistance.
- A Comprehensive Nutrient Management Plan (CNMP) as a necessary practice for assisting feedlot operations is defined.
- An incentive payment to develop a CNMP is allowed.
- Ground and surface water conservation is provided for.

Environmental Quality Concerns

Air Quality - Excessive wind erosion

Air Quality - Livestock Management

Grazing Lands Health

Water Quality - Concentrated, non-confined animal waste

Water Quality - Confined animal waste

Water Quality - Nutrient, pesticides, or sedimentation

Water Quantity - Ground and surface water conservation

GROUND AND SURFACE WATER QUANTITY CONSERVATION PROGRAM

The purposes of this program are the following:

- To improve irrigation systems
- To enhance irrigation efficiencies
- To convert to production of less water-intensive agricultural commodity or to dryland farming

Quote from the law

"...assistance will facilitate a conservation measure that results in a net savings of ground or surface water resources in the agricultural operation of the producer."

Funding

In Fiscal Year (FY) 2002, Kansas received \$3.4 million for financial assistance for the High Plains Aquifer Region.

The FY 2003 budget allocation has not been received at the time of this writing.

Eligible Lands

In FY 2002, eligible lands must lie within a township that contains a portion of the High Plains Aquifer.

In FY 2003, the area may be expanded to other irrigated areas. The final rule has not been issued at the time of this writing.

REQUIREMENTS OF WATER CONSERVATION PROGRAM PARTICIPATION

If land continues to be irrigated:

- The producer must currently have or will install a functioning state-approved water meter to state specifications (K.A.R. 5-1-6) before cost-share dollars are disbursed to the producer.
- The producer must use an approved evapotranspiration (ET) based scheduling system. The producer will not exceed the calculated ET by 10 percent the first year of the contract and will not exceed the calculated ET by 5 percent the remaining years of the contract.
- The well capacity must be able to meet the seasonal Net Irrigation Requirements (NIR) with 50 percent chance rainfall for the crop grown.
- On the contract acres, the producer will stay within the certified rate and amount of existing water right at the time the Environmental Quality Incentives Program (EQIP) contract is signed.
- An end gun shall not be used on a center pivot sprinkler system.
- The producer shall not irrigate more land than the reported five-year average of irrigated acres.
- The irrigation water amounts that the producer reported to the Division of Water Resources (DWR) will be used to determine the bench mark condition for net water savings. The producer will furnish the reports from the previous three years to determine the average bench mark water volume.

We anticipate that there will be more sign-ups and requests for assistance than funds available; therefore, we have established the priority ranking system below. The ranking is based on reducing water use from surface and ground water with the major emphasis placed on ground water--specifically the Ogallala Aquifer and connected aquifers such as the Equus Beds. The greatest savings in water use is obtained by converting (1) irrigated land to dryland for the life of the contract and (2) inefficient surface irrigation systems to low pressure center pivots or subsurface drip irrigation (SDI).

In FY 2002, there were 690 applications totaling about \$27 million. Only 82 applications were funded using the \$3.4 million allocated to Kansas. In northwest Kansas, 104 applications were received in the nine counties and only nine were approved. In Kansas, only the applications in the "High Category" with a priority of 1 or 2 were funded.

Therefore, a producer has a better chance of obtaining funds if his or her application involves (1) a conversion to dryland farming (discontinuing irrigation), (2) a change to crops that demand less water, and (3) the installation of irrigation systems that are more efficient in providing water to the plant roots.

HIGH CATEGORY

Priority No. 1

The land will be converted from irrigated to dryland, starting with the first full cropping season of the contract.

Proper wellhead protection must be installed around the "discontinued" well(s) to protect the ground water. The producer must verify that the water rights will not be used elsewhere.

Priority No. 2

The producer will install a three-year crop rotation that will reduce water use by 50 percent. The producer will stay within a three-year average of 1.5 years of the NIR for corn (using 80 percent chance rainfall).

Example:

Thomas County, growing corn, using a center pivot with drop nozzles (90 percent efficiency)

Thomas county NIR (80 percent chance) for corn = 15.4 inches
(15.4 inches x 1.5 years) / 90 percent pivot efficiency = 25.7 inches for 3 years

Priority No. 3

The producer will upgrade the irrigation system to increase the irrigation efficiency by 25 percent or more. Use National Engineering Handbook (NEH) Part 652, Irrigation Guide, Table KS6-1 to determine the existing and planned irrigation efficiencies and record the change in efficiencies.

MEDIUM CATEGORY

Priority No. 1

The producer will install a three-year crop rotation that will reduce water use by 40 percent. The producer will stay within a three-year average of 1.8 years of the NIR for corn (using 80 percent chance rainfall).

Priority No. 2

The producer will upgrade the irrigation system to increase the irrigation efficiency by 15 to 24 percent and determine the change in efficiencies using NEH Part 652, Irrigation Guide, Table KS6-1.

LOW CATEGORY

Priority No. 1

The producer will install a three-year crop rotation that will reduce water use by 30 percent. The producer will stay within a three-year average of 2.1 years of the NIR for corn (using 80 percent chance rainfall).

Priority No. 2

The producer will upgrade the irrigation system to increase the irrigation efficiency by 10 to 14 percent and determine the change in efficiencies using NEH Part 652, Irrigation Guide, Table KS6-1.

Priority No. 3

The producer's current system is at least 85 percent efficient using NEH Part 652, Irrigation Guide, Table KS6-1, and the producer will begin to use an ET-based irrigation scheduling system.

The producer will be asked to provide additional data during the application (sign-up) process such as acres converted to dry cropland, acres converted to

permanent vegetation, acres converted to a less water-intensive crop, acres converted to a more efficient system such as SDI and center pivot, and new application acres of ET-based scheduling.

A person can submit an application at any time, meaning that EQIP has a "continuous sign up" period. At publicly advertised dates, there will be a cutoff when no further applications will be accepted for consideration in the ranking for each of the resource concerns. For 2003, Kansas is planning to set a cutoff date once the final rules are published and money has been allocated to each state.

For each cutoff period, all applications on file in the state will be ranked. Contracts will then be awarded in accordance with the above priority system until the money allocated for the given resource concern has been expended.

An application can be modified or cancelled at any time prior to each cutoff date. Unless the application is withdrawn, it is re-ranked for each subsequent application cutoff.

CONTRACT PRACTICES FOR WATER QUANTITY

When an application has been accepted, a contract is developed. The contract contains the conservation practices that the applicant intends to apply to address the resource concern. This may include pipelines from the well to the location of the center pivot or SDI system. There are also incentives for management practices that include conservation crop rotation and irrigation water management.

The attached table lists the FY 2003 cost-share practices and rates for Kansas.

CONTRACT DURATION

The contract requires that at least one practice be installed in the first years of the contract. After all practices are completed, the contract must be continued for one additional year for maintenance. If all practices are completed the first year of the contract, then the contract will be a two-year contract to provide for maintenance. For center pivot and SDI systems, the participant is required to follow an ET-based scheduling program (such as KanSched) for the two years. If the person does not stay within the allowable application rate and also show water savings over the life of the contract, then he or she may be out of compliance with the contract. NRCS staff and Kansas State University county extension personnel are available to work with the participants to keep the water use within acceptable limits. Management may dictate growing different crops during part of the contract in order to stay within allowable water use limits for the life of the contract.

If an incentive practice is included, then the contract must be a minimum of four years. There is payment for the incentive the first three-years, and the fourth year is maintenance. For example, if irrigation water management (IWM) is selected, then the participant will receive \$10 per acre the first three years; and in the fourth year, the person is still required to apply IWM for maintenance.

For more information, visit your local USDA Service Center or check our website at <http://www.ks.nrcs.usda.gov>

FY2003 Kansas EQIP Eligible Practice List
Resource Concern - Water Quantity (Ground and Surface Water)

<u>Practice Code</u>	<u>Practice Name</u>	<u>Amount/ Rate</u>
<u>Cost-Share Practices</u>		
332	Contour Buffer Strips	70%
340	Cover Crop	70%
342	Critical Area Planting *	70%
351	Well Decommissioning	70%
362	Diversion *	70%
378	Pond *	70%
382	Fence	70%
393	Filter Strip	70%
410	Grade Stabilization Structure	70%
412	Grassed Waterway *	70%
428	Irrigation Water Conveyance, Ditch & Canal Lining	70%
430	Irrigation Water Conveyance, Pipeline	70%
436	Irrigation Storage Reservoir	70%
441	Irrigation System, Microirrigation (Conversion)	70%
442	Irrigation System, Sprinkler (Conversion Surface to Sprinkler)	50%
442	Irrigation System, Sprinkler (Conversion from Water Drive)	50%
442	Irrigation System, Sprinkler (Components Only)	70%
512	Pasture and Hay Planting	70%
516	Pipeline	70%
550	Range Planting	70%
552A	Irrigation Pit	70%
552B	Regulating Reservoir	70%
587	Structure for Water Control	70%
600	Terrace *	70%
614	Watering Facility	70%
644	Wetland Wildlife Habitat Management	70%
645	Upland Wildlife Habitat Management	70%
657	Wetland Restoration	70%
658	Wetland Creation	70%
<u>Incentive Practices</u>		
328	Conservation Crop Rotation	\$5.00
329A	Residue Management, No-Till/Strip-Till	\$12.00
329B	Residue Management, Mulch-Till	\$4.00
329C	Residue Management, Ridge-Till	\$12.00
449	Irrigation Water Management	\$10.00
511	Forage Harvest Management	\$2.00
528	Prescribed Grazing	\$5.00
328, 329A,B,C	Cons. Crop Rotation & Residue Management**	\$34.00
338, 528	Prescribed Burning & Prescribed Grazing ***	\$57.00

Practices must facilitate ground and/or surface water conservation

* Practices are eligible for cost-share on irrigated acres that are converting to non-irrigated.

**Incentive is authorized when the combination of these practices is installed for conversion from irrigated cropland to non-irrigated cropland system on at least 33 percent of the application acres.

*** Incentive is authorized when the combination of these practices is installed for conversion from irrigated cropland to non-irrigated grassland on at least 33 percent of the application acres. (Planting will meet NRCS practice code 512 or 550 standards and specifications).