MN CREP Training: 2018 Adjustments

June 28th, 2018

*This PowerPoint contains edits made after the 6/28/18 Teleconference to reflect revisions to the RIM General Program Guidance document and Batching Period Deadlines*
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CCRP

- CCRP Signup now occurring
- New Soil Rental Rates (SRR’s) as of June 4, 2018
- 100% of SRR instead of 120% of SRR
- SIP, PIP not available
- Able to accept offers through August 17th
CCRP and Impact on CREP

- CCRP: Signup now occurring
  - CREP: Signup continues
- CCRP: New Soil Rental Rates (SRR’s) as of June 4, 2018
  - CREP: New SRR’s are in effect for CREP, as well
- CCRP: 100% of SRR instead of 120% of SRR
  - CREP: Still uses 160% of SRR
- CCRP: SIP, PIP not available
  - CREP: SIP and PIP are still available
- CCRP: Able to accept offers through August 17th
  - CREP: Able to accept offers through August 17th
Last CREP Batching Periods of Federal Fiscal Year

1. July 15\textsuperscript{TH}: All CP’s
2. August 1\textsuperscript{ST}: All CP’s
3. August 20\textsuperscript{TH}: All CP’s

1 This should be considered the soft deadline for applications that include a reenrollment into CRP as part of CREP, to ensure the greatest opportunity to meet FSA’s 9/30/18 deadline for CRP-1 approval.

2 BWSR strongly recommends starting the cultural resources review process and CRP planning as soon as possible, even before applications are submitted into the CREP application module.
CCRP and Impact on CREP, Batching Periods

Questions?
CREP Update Input/Engagement Meetings

- 4 Locations within CREP Area
- Heard input from local staff on what’s working/what needs adjustments
CREP Update Input/Engagement Meetings

• Common Points:
  • Increase payment rates
  • More of the total payment should be paid up front
  • Allow more non-cropland to be included in the easement
  • More CRP practices to be eligible under CREP
  • Allow existing CRP acres to be eligible
  • Simplify the payment calculation process
  • Opposition to perpetual easements
Board Resolution # 18-37

MN Conservation Reserve Enhancement Program (MN CREP) 2018 Adjustments

Gerald Van Amburg, Chair
Board of Water and Soil Resources
Attachment: MN Conservation Reserve Enhancement Program (MN CREP) 2018 Adjustments
Rates and Payment Calculations

• Common Points:
  ✓ Increase payment rates
  ✓ More of the total payment should be paid up front
    • Allow more non-cropland to be included in the easement
    • More CRP practices to be eligible under CREP
    • Allow existing CRP acres to be eligible
  ✓ Simplify the payment calculation process
  ✓ Opposition to perpetual easements
Rates and Payment Calculations

• 2018 MN CREP Landowner Payment Rates
  • Uses new values released January 2018 by the UofM
  • Sent via email morning of June 28th

### 2018 MN CREP Landowner Payment Rates

**June 2018**

*MN Land Economics website data released Jan 2018*

*Metro counties located at the end of this document*

<table>
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<tr>
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<th>2018 RIM-only CREP Crop Rate</th>
<th>2018 RIM-only CREP Noncrop Rate</th>
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Rates and Payment Calculations

- 2018 MN CREP Landowner Payment Rates
- Sent via email morning of June 28th

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2017 RIM Crop Rate (90%)

WAS:
2017 RIM Crop Rate (90%)
2017 RIM Crop Rate (90%)
WAS:

2017 RIM Crop Rate (90%)

+$

RIM Payment Calculation
Present Value Amount (2.3%)
2017 RIM Crop Rate (90%)

WAS:

+ $

RIM Payment Calculation
Present Value Amount (2.3%)

"Here’s your total payment amount"
WAS:

2017 RIM Crop Rate (90%)

90%

IS NOW:

+$

RIM Payment Calculation
Present Value Amount (2.3%)

"Here’s your total payment amount"
2017 RIM Crop Rate (90%)

WAS:

2018 MN CREP Cropland Rate

+ $

RIM Payment Calculation

Present Value Amount (2.3%)

"Here's your total payment amount"

IS NOW:
WAS:

"Here’s your total payment amount"

2017 RIM Crop Rate (90%)

90%

RIM Payment Calculation
Present Value Amount (2.3%)

+$

2018 MN CREP Cropland Rate

90%

IS NOW:

Present Value (+14%)

RIM Incentive (+15%)
WAS:

2017 RIM Crop Rate (90%)

IS NOW:

Present Value (+14%)
RIM Incentive (+15%)

"Here’s your total payment amount"
2017 RIM Crop Rate (90%)

WAS:

- Present Value (+14%)
- RIM Incentive (+15%)

IS NOW:

- Present Value (+14%)
- RIM Incentive (+15%)

"Here’s your total payment amount"
Rates and Payment Calculations

• Example: $1000/acre before is now $1,290/acre with the adjustment.

• The MNCREP Cropland Rate includes:
  • 90% of AATV (example: $1000)
  • Present Value estimation folded in to rate from the start (+14%, example: $140)
  • RIM Incentive folded in to rate from the start (+15%, example: $150)
Rates and Payment Calculations

Questions?
Rates and Payment Calculations

• What’s changed with the Workbook?
  • Slight edits to the checklist to clarify necessary maps
  • CEFW revisions
WAS: 

IS NOW: 

New Valuation Type
Rates and Payment Calculations

• We’ve shared what’s changing with the MNCREP Cropland Rate.
• What about the RIM-Only Non-Crop rate?
  • This is calculated the same way, and is 60% of the AATV
• What about this new rate, the RIM-Only Crop rate?
IS NOW:

Present Value (+14%)
RIM Incentive (+15%)
Present Value (+14%)
RIM Incentive (+15%)
IS NOW:

- Present Value (+14%)
- RIM Incentive (+15%)

2018 RIM-only CREP Crop Rate

90%

+14%
+15%
What’s this rate used for?

“I could see a guy saying that’s a good deal.”
Present Value (+14%)
RIM Incentive (+15%)

What’s this rate used for?
We’ll get into specifics later, but there are two scenarios:
1. Enrolling existing CRP (non-reenrolls)
2. Expanding from 4:1 up to 8:1 on CP-23a’s
Lands with Crop History:

**MNCREP Cropland:** Easement acres eligible for this higher payment rate must meet both CRP and RIM eligibility and crop history requirements and be enrolled in MN CREP.

**RIM-Only Crop:** Easement acres eligible for this payment rate must meet RIM eligibility and crop history requirements, but do not currently meet CRP requirements for enrollment as MNCREP Cropland acres. Easement acres eligible for this payment rate are limited.

Lands without Crop History:

**RIM-ONLY NON-CROP:** Easement acres eligible for this payment rate must meet RIM eligibility, but do not meet crop history requirements. Easement acres eligible for this lower payment rate are limited.
Rates and Payment Calculations

Questions?
A new additional incentive payment

Basically, calculates what the landowner would have received if they signed up for two consecutive CCRP contracts
  • Application workbook back-calculates the SRR
  • Uses current CCRP process (100% of SRR’s, no SIP)

We’ll share additional detail on this at a later time (pre-recorded webinar, or a follow-up webinar the week of July 9th)
Current Applications

• BWSR Staff ran the numbers for current applications (184 Pending and Funded apps)

• Majority of applications have a payment increase from RIM using the new rates and workbook
  • 10 applications were exceptions to this rule- these still get their previous rate amount and use the Version 4 workbook

• BWSR will:
  • 1. Upload these workbooks to the App module
  • 2. Notify SWCD via email of these new amounts
  • 3. Mail the Landowner a letter to inform them of new amount, and that no action is needed on their end to accept (cc’ing the SWCD)
    • Four SWCDs sending their own letter

• Apps will pick up where they left off (no new Agreement will be sent)
Rates and Payment Calculations

Questions?
Updated Program Guidance and Roundouts

MN CREP
RIM General Program
Guidance Document
6/27/18

Included in this guidance document for MN CREP is important information relating to application eligibility, submittal requirements, enrollment of non-CRP eligible areas, conservation plans, practices, practice payments, and state of MN requirements for vegetation establishment on Reinvest in Minnesota (RIM) Reserve conservation easements.

The term offer and application should be considered similar terms. Offer is typically used with the CRP Program, while application is used frequently with the RIM Program.
Updated Program Guidance and Roundouts

• Highlights:
  • Ensure app checklist is reviewed and make sure application is complete
    • Impacts if we can verify scoring
  • Scoring & Ranking of offers with multiple CP’s: Scored based on CP with the largest acreage
    • Other CP’s come along for the ride
  • Easement payment
    • Remember those 3 types (MNCREP Cropland, RIM-Only Crop, and RIM-Only Non-Crop)?
    • We’ll go over the situations where the RIM-Only ones will apply.
Updated Program Guidance and Roundouts

• Common Points:
  ✓ • Increase payment rates
  ✓ • More of the total payment should be paid up front
  ✓ • Allow more non-cropland to be included in the easement
  ✓ • More CRP practices to be eligible under CREP
  ✓ • Allow existing CRP acres to be eligible
  ✓ • Simplify the payment calculation process
  ✓ • Opposition to perpetual easements
Updated Program Guidance and Roundouts

RIM-Only Crop:

• **Existing CRP (limited to no more than 50% of MNCREP Cropland acres):** Areas currently enrolled in a CRP contract that meet the following criteria may be enrolled at the RIM-Only Crop rate: Existing CRP contract must have been approved prior to June 4th, 2018, acres must abut or adjoin some portion of the MN CREP application acres, and acres must have originally been enrolled into CRP at a cropland rate. *If acres were originally enrolled into CRP at a non-cropland rate (i.e., pastureland), these may be included as RIM-Only Non-Crop acres utilizing this same maximum 50% ratio (see RIM-Only Non-Crop Other Exception Criteria below).*

*Edited after 6/28/18 Teleconference to match 6/28/18 Program Guidance*
6 - A - Eligibility
Allow RIM only for existing CRP

Legend
- Proposed RIM Easement
- Existing CRP Contract

Proposed RIM Easement: 100 Acres
Existing CRP Contract: 30 Acres

County Highway #68

Erickson Lake
Updated Program Guidance and Roundouts

RIM-Only Crop:

• **Acres that exceed the CP-23a 4:1 upland to wetland ratio:** Areas that will add additional upland acres beyond the 4:1 upland to wetland acres allowed under CRP. The maximum upland acreage shall not exceed an 8:1 upland to wetland ratio. *If upland acres do not meet RIM crop history requirements, these may be included as RIM-Only Non-Crop acres utilizing this same maximum 8:1 ratio (see RIM-Only Non-Crop Other Exception Criteria below).*
6 - B - Eligibility -
Current CP23A Upland to Wetland Ratio

Legend

<table>
<thead>
<tr>
<th>Color</th>
<th>Type</th>
</tr>
</thead>
<tbody>
<tr>
<td>Upland Area</td>
<td>Green</td>
</tr>
<tr>
<td>Wetland Basins</td>
<td>Blue</td>
</tr>
</tbody>
</table>

Upland Area: 100 Acres
Wetland Basins: 25 Acres
Total RIM Easement: 125
Upland to Wetland Ratio: 1 : 4
6 - B - Eligibility -
CP23A Upland to Wetland
Ratio Change

Legend
- Upland Area
- Wetland Basins

Upland Area: 185 Acres
Wetland Basins: 25 Acres
Total RIM Easement: 210 Acres
Upland to Wetland Ratio: 1 : 7.4

0 200 400 800 Feet

N

BOARD OF WATER
AND SOIL RESOURCES
Updated Program Guidance and Roundouts

Questions?
Updated Program Guidance and Roundouts

• RIM-Only Non-Crop:
  • Standard Criteria (NTE 20% of MNCREP Cropland acres)
    • Landlocked areas (filling in the donut)
    • Areas with VH, H DWSMA Vulnerability
    • MN Biological Survey areas of biodiversity significance
    • Areas where enrollment would provide manageable boundaries

Maps! Maps! Maps!
Updated Program Guidance and Roundouts

• RIM-Only Non-Crop:
  • Other Exception Criteria
    • Areas needed for wetland restoration (this used to be part of the 5% noncrop allowance): limited to areas needed for successful restoration of wetlands on the MNCREP Cropland area
    • Existing CRP: limited to 50% of MNCREP Cropland acres
      • Re-stated here, as some CRP was enrolled at a noncropland rate (was pastureland prior to enrollment)
    • Acres that exceed the CP-23a 4:1 upland to wetland ratio
      • Re-stated here, as some of these lands may be noncropland areas.
    • Easement Section Manager can waive criteria in extremely rare circumstances
Updated Program Guidance and Roundouts

• Ability to Mix & Match multiple criteria:
  • Landowner can enroll existing CRP (RIM-Only Crop), enroll land under Standard Criteria (RIM-Only Non-Crop), and enroll wetland areas needed for restoration (RIM-Only Non-Crop)

• Allows you to work with multiple types of situations

• Documentation is key for BWSR to verify
  • Maps! Maps! Maps!
Updated Program Guidance and Roundouts

• RIM Reserve Policy on USFWS Lands (Appendix 2)

Small Wetland Acquisition Program (SWAP) wetland easements, generally referred to as a no fill, drain or burn easements:

“When RIM is partnering with another governmental unit or conservation organization and as a result is providing a discounted or reduced easement payment (i.e. CREP), these USFWS easement lands are eligible for full easement payment from RIM in accordance with the partnership criteria.”

SWAP Easements can receive payment, as long as also eligible for the CRP portion of CREP.
Updated Program Guidance and Roundouts

Questions?
Determining Drained and Altered Wetland Areas

- Scoring vs. Conservation Planning
Definitions

- Depressional Wetlands
- Non-Depressional Wetlands
- Farmed Only Wetlands
- Drained Wetlands
- Basin
- Size of Largest Basin
Example
Assume 100% Eligible for MNCREP
Scored as Depressional Landscape Setting

Easement Area – 58 Acres
Scoring

- Drainage Ditch
- Drainage Tile
Scoring

- Drainage Ditch
- Drainage Tile
Drained, Restorable Wetland Basin
Farmed Only - Basin

Scoring
Ditch Plug
Tile Block

Scoring

Drained, Restorable Wetland Basin (Pool)
Farmed Only - Basin

Largest Basin
Conservation Planning

Wetland basin areas used for scoring purposes **not equal** to restored wetland areas used for conservation plans

- **Wet Meadow Wetland** (saturated soils)
- **Shallow/Deep Marsh Wetland** (open water with wet fringe)
Conservation Planning

- For program purposes, drained wetlands not physically restored are still considered “minimally restored” upon establishment of vegetation.
- Want to report all restored wetland acres via appropriate wetland practice within respective program conservation plans.
  - Accomplishment reporting
  - Practice funding
Determining Drained and Altered Wetland Areas

MN CREP RIM General Program Guidance Document - Appendix 1
Conservation Planning

- Predominantly Hydric
- Partially Hydric
- Predominantly Non-Hydric
Conservation Planning

- Predominantly Hydric
- Partially Hydric
- Predominantly Non-Hydric

- Restorable Wetland Basin (Pool)
Conservation Planning

- Predominantly Hydric
- Partially Hydric
- Predominantly Non-Hydric

- Restorable Wetland Basin (Pool)
- Restorable Wetland Area
Conservation Planning

- Restorable Wetland Basin (Pool)
- Restorable Wetland Area
Determining Drained and Altered Wetland Areas

Questions?
Questions & Answers