

FACT SHEET

FARM SERVICE AGENCY

February 2011

Conservation Reserve Enhancement Program - Virginia State

Overview

USDA's Commodity Credit Corporation (CCC) and the state of Virginia have agreed on a plan to implement a Conservation Reserve Enhancement Program (CREP) to improve the water quality of the Chesapeake Bay.

This voluntary program uses financial incentives to encourage farmers and ranchers to enroll in the Conservation Reserve Program (CRP) in contracts to remove lands from agricultural production. CRP is a CCC program implemented through the Farm Service Agency (FSA).

The Virginia enhancement program consists of two projects: the Chesapeake Bay CREP and the Southern Rivers CREP. When fully implemented, these projects will collectively restore up to 30,500 acres of riparian habitat and 4,500 acres of wetlands. One project will target 25,000 acres within the Bay watershed, while a second project will target 10,000 acres in non-Bay drainage basins.

Goals

The Chesapeake Bay CREP has been developed to assist in protecting the Bay from the impacts of excessive nutrient and sediment loading due to agricultural runoff and assist Virginia in meeting the overall goal of reducing controllable nutrient and sediment loading to the Bay by 40 percent.

The Southern Rivers CREP project is directed at watersheds outside the Chesapeake Bay drainage basin.

The objectives include:

• Helping agricultural producers meet nutrient reduction goals

in the Chesapeake Bay Watershed in addition to promoting voluntary nutrient reduction in non-Bay watersheds.

- Achieve the following collective reductions in overall nonpoint source contribution due to agriculture in the affected basins:
- 1. Nitrogen over 600,000 pounds per year
- 2. Phosphorus over 90,000 pounds per year.
- 3. Sediment over 50,000 tons per year.
- Excess flows of freshwater through wetland restoration
- Provide substantial wildlife habitat enhancement for the preservation of natural diversity of Virginia's biological resources, including threatened and endangered species associated with riparian and wetland habitats.

Virginia will conduct monitoring throughout the project duration to evaluate and record progress in achieving these goals.

Benefits

This program is expected to have significant water quality and wildlife habitat benefits. When fully implemented, this CREP is expected to substantially reduce the nitrogen and sediment deposition due to agricultural activities to the Chesapeake Bay watershed as well as protect other nutrient sensitive waterways in Virginia.

Eligible Conservation Practices

To facilitate the achievement of program goals, specific conservation practices have been identified for inclusion in the program. These are:

- CP21 Filter strip;
- CP22 Riparian buffer;
- CP23 Wetland restoration.
- CP29 Marginal Pastureland Wildlife Buffer

Eligibility Requirements

Eligible producers will be able to enroll in either 10 or 15 year CREP contracts. The state of Virginia will attempt to enroll up to 8,000 acres of eligible lands in permanent conservation easements. Enrollment for CREP will be on a continuous basis beginning in March 2000. The applicant must be able to offer acreage that meets one of the following criteria:

- Filter strip within 100 feet from the stream bank or drain-age channel;
- Riparian buffer within 300 feet from the stream bank or drainage channel;
- Wetland restoration entirely hydric soils or predominantly hydric soils, not to exceed 40 acres in size.

The applicant also must satisfy the basic eligibility criteria for CRP. Land must be cropland that has been cropped 4 out of the past 6 years (2002-2007) that is physically and legally capable of being cropped. Marginal pasture land is also eligible to be enrolled provided it is suitable for use as a riparian buffer planted to trees. Producers are eligible if the land has been owned or operated for at least 1 year prior to enrollment. Producers who have an existing CRP contract or an approved offer with a contract pending are not eligible for CREP until that contract expires.

CREP Payments

There are two types of payments for which participants in the Virginia CREP will be eligible: annual rental payments and cost-share assistance in the installation of the conservation practices. The annual rental payment will be based on the soil rental rate, as calculated by FSA. The rental payment will be calculated in accordance with the following schedule:

- On land enrolled as marginal pastureland, the rental payment shall be determined using the county average CRP rental rate within the respective county as the base rate;
- On land enrolled as cropland, the rental payment shall be determined using the weighted average of the current CRP soil rental rates on the enrolled acreage;
- A 120 percent incentive rate will be applied to the respective base rate;
- A \$5 maintenance payment per acre will be included.

The total annual per acre payment, including any state incentives, shall not exceed \$100 on land enrolled in the Chesapeake Bay CREP and \$90 on land enrolled in the Southern Rivers CREP.

Virginia will offer one-time lump sum incentive payments based on the length of the CREP contract. For 10 year contracts, the incentive payment will be \$50 per acre enrolled. For 15 year contracts, the payment will total \$75 per acre enrolled. The state will also provide a tax credit to eligible landowners for costs borne as part of the CREP.

FSA will pay 50 percent of the cost of installing conservation practices (installing new vegetation, fencing, etc.). In addition, the state will pay 25 percent of the eligible reimbursable costs of conservation practice installation. Page 2

Cost

Based on the full implementation of both Virginia CREP projects and an enrollment of 35,000 acres, the financial federal and state obligation will be approximately \$91 million over 15 years, with \$68 million coming from the federal government and \$23 million coming from the state. This does not include any costs that may be borne by producers. The state share is approximately 27 percent of the total program costs and the federal government share is approximately 73 percent. The state will also obligate up to \$3.75 million for the procurement of 8,000 acres of permanent conservation easements: 6,000 acres in the Bay project and 2,000 acres in the Southern Rivers project.

Can I Still Enroll In General CRP and Continuous Sign-up CRP?

Yes, CREP is just another option that farmers may select to enhance their land; applicants may still enroll in general CRP or continuous signup CRP. However, CREP provides additional benefits not available through the general and/ or continuous signup. Under CREP, applicants have flexibility to extend the duration of their conservation contract and thus increase the sum total of rental payments. Also, the enrollment process is on a continuous basis and payments are at a higher rate.

Haying and Grazing

Haying and grazing is not permitted during the CRP contract period unless the Secretary of Agriculture permits it for emergency purposes.

Where and When Do I Apply to Participate?

CREP is available on a continuous basis. Interested parties are encouraged to contact their local U.S. Department of Agriculture Service Centers, Soil and Water Conservation Districts, or State of Virginia Department of Conservation and Recreation.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all of its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, political beliefs, genetic information, reprisal, or because all of part of an *individual's income is derived from any* public assistance program. (Not all bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at (202) 720-2600 (voice and TDD).

To file a complaint of discrimination, write to USDA, Assistant Secretary for Civil Rights, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue, S.W., Stop 9410, Washington, DC 20250-9410, or call toll-free at (866) 632-9992 (English) or (800) 877-8339 (TDD) or (866) 377-8642 (English Federal-relay) or (800) 845-6136 (Spanish Federal-relay). USDA is an equal opportunity provider and employer.