

Cost Share Programs for Florida's Agricultural Producers and Landowners¹

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Introduction

Several US Department of Agriculture (USDA) sponsored programs encourage and reward agricultural producers and landowners practicing environmental stewardship. Authorized by the federal Farm Bill and administered by the USDA-Natural Resources Conservation Service (NRCS), these programs provide technical and financial assistance to eligible producers and landowners who voluntarily implement practices to protect soil, water, air, wildlife habitats, and related natural resources. In 2014, congress passed a new Farm Bill that will govern the nation's laws of agriculture for the following five years. This legislation will be regulating funding for nutrition, conservation, research, and energy programs. Of a total \$956 billion budget over ten years, the 2014 Farm Bill dedicates approximately \$58 billion toward conservation programs, specialty crops, pest and disease, research and the expansion of trade, over that period.

Environmental Quality Incentive Program (EQIP)

The EQIP provides technical and financial assistance to agricultural producers and ranchers who voluntarily install or implement structural and management practices on eligible agricultural land to protect soil, water, air quality, and/or wildlife habitat. This program promotes agricultural

production and environmental quality as compatible goals (USDA-NRCS 2014). Eligible participants are able to receive financial and technical assistance to implement conservation practices on their owned land. Payments of up to \$450,000 are made to participants after an EQIP plan/practice is constructed and/or measures have been carried out (generally, covering not more than 75% of the conservation project cost, and not more than 100% of the foregone income). EQIP contracts have maximum ten-year duration for funding. In addition, socially disadvantaged, new and limited resource farmers, Indian tribes, and veterans are eligible for/may be eligible to receive advance payment of up to 50 percent to purchase materials and/or services needed to carry out conservation practices as dictated in their EQIP contract, and may be able to request EQIP funding to cover up to 90% of the project costs. The former Wildlife Habitat Incentive Program (WHIP) is now merged with EQIP, providing cost-share for the landowners who improve habitat (USDA-NRCS 2014). New programs that have merged under EQIP are the Air Quality Initiative (AQI), Organic Initiative, and National Water Quality Initiative, and are available to Florida agricultural land owners and producers.

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The priorities for EQIP's national and state participation are to:

- reduce pollutants, such as excess nutrients, pesticides, and salinity that may harm surrounding surface or ground water resources;
- reduce emissions such as oxides of nitrogen, organic compounds and particulate matter to protect air quality;
- reduce soil erosion and excess sediment accumulation on farm land;
- protect existing habitats of endangered and threatened wildlife;
- create new habitats or improve existing habitats for specific fish and/or wildlife species (former WHIP program) (NRCS 2014).

To be eligible for EQIP funding, the applicants must be agricultural producers or owners of non-industrial private forestland. Indian tribes are also eligible to apply for EQIP. Land that is eligible includes cropland, rangeland, pastureland, non-industrial private forestland, and other farm or ranch lands, that are privately owned. The producer or land owner and local NRCS will create a specific plan of operation that includes specific environmental conservation measures to be achieved, identifies one or more conservation management practices that will be used, and includes a timeline of implementation. Application deadlines for this program are determined annually by NRCS.

- Newly added and more focused regions of EQIP include the Air Quality Initiative (AQI), Organic Initiative, and National Water Quality. These programs all fall under EQIP jurisdiction but are more specific in their areas of focus (USDA-NRCS, 2014).
- The Air Quality Initiative provides financial assistance to agricultural producers or land owners to implement conservation practices for air quality resource concerns and reduction of air ozone and particulate pollutants for certain high priority geographic locations. Priority states are designated by the Environmental Protection Agency (EPA) yearly.
- The Organic Initiative (OI) provides assistance and helps producers plan and develop a conservation plan with NRCS to keep their organic operations environmentally sustainable. This plan includes producers who are already certified organic or are transitioning to organic status.
- National Water Quality helps producers and ranchers create and implement a conservation system to reduce nutrients such as nitrogen, phosphorous, sediment,

and pathogens from farm or ranch land to a specific designated watershed.

More information on application can be found on the following website <http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/eqip/> (USDA-NRCS 2014).

Agricultural Conservation Easement Program (ACEP)

The Agricultural Conservation Easement Program (ACEP) provides financial and technical help to landowners or producers to help conserve and protect integrity of agricultural land and wetlands, and prevent conversion of agricultural lands to non-agricultural uses. This program was not available in the previous Farm Bills, and it integrates components of former Wetland Reserve Program, Farmland Protection Program, and the Grassland Protection Program. There are two components to this program: (1) Agricultural Land Easements component, which aids Indian tribes, state and local governments and non-governmental organizations protect current agricultural land and limit non-agricultural use of the land; and (2) Wetlands Reserve Easements that includes restoration, protection and enhancement of enrolled wetlands (USDA-NRCS 2014).

The benefits of this program are seen in the two program sections. Agricultural Land Easement was developed to protect the long-term functionality of the US food supply by preventing conversion of working agricultural land to non-agricultural uses. Land is protected by agricultural land easements to provide the following benefits: enhancing environmental quality, historic preservation, wildlife habitat and inclusion of open space. The benefit of Wetland Reserve Easements is to provide an enhanced habitat for fish and wildlife, with emphasis on endangered species, improve water quality through filtration and removal of excess sediment and chemical waste, reduce flooding and erosion, recharge groundwater sources, protect biodiversity of species, and provide opportunities for public educational, scientific and recreational activities (USDA-NRCS 3/2014).

Part 1: Agricultural Land Easements (ALE)

Financial assistance is available to eligible partners for the purchase of Agricultural Land Easements (ALE) that protect land that meets criteria for agricultural use and natural conservation measures. In the case of working agricultural lands, the program helps producers keep their land in agriculture and prevents non-agriculture development. ALE portion of ACEP also utilizes agricultural grazing land for continued grazing and related conservation by conserving

grassland, rangeland, pastureland and scrubland. Partnership eligibility includes the following: Indian tribes, state and local governments, and non-governmental organizations that have farmland or grassland protection programs. The financial assistance provided by the NRCS is as follows: NRCS may contribute up to 50 percent of the fair market value of the agricultural land easement. In certain surveyed areas where NRCS determines that a particular grassland is of an important environmental significance, up to 75 percent of the fair market value of the agricultural land easement may be compensated for (USDA-NRCS 3/2014).

Part 2: Wetland Reserve Easements (WRE)

Financial aid from the NRCS is available to private landowners and Indian tribes to restore, protect, and enhance wetlands through the purchase of a wetland reserve easement. For land owned by an Indian tribe, there is the possibility of an extended 30-year contract. Wetland reserve easements covered costs include the following recording the easement in the local land records office, charges for abstracts, survey and appraisal fees, and title insurance (USDA-NRCS 2014).

- **Permanent Easements**—Permanent Easements are conservation easements with indefinite ownership and management through the NRCS. NRCS will pay 100 percent of the easement value for the purchase of the easement. Associated restoration costs are absorbed by the NRCS at 75-100 percent.
- **30-year Easements**—These easements will expire after 30 years. NRCS will pay 50 to 75 percent of the easement value for the purchase of the easement and between 50 to 75 percent of the restoration costs.
- **Term Easements**—Term easements are easements that are for the maximum duration allowed under individual state law. NRCS will pay 50 to 75 percent of the easement value for the purchase of the term easement and between 50 to 75 percent of the restoration costs (USDA-NRCS 3/2014).

Applications for enrollment are taken year around and more information can be found at the NRCS website at <http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/easements/acep/?cid=stelprdb1242695>.

Conservation Stewardship Program (CSP)

The current CSP program is designed to reward agricultural producers who have a record of implementing practices that conserve and protect soil, water, wildlife habitats,

air, and environmentally responsible energy production. CSP participants will receive payments for conservation performance the greater the performance level the higher the payment (although the payment may also be based on costs incurred and income foregone).

Eligibility for CSP includes privately owned and tribal land used for agricultural purposes. Cropland, grassland, pastureland, rangeland, and nonindustrial forest land are all eligible. CSP is available to all producers in all 50 states, the District of Columbia, and the Caribbean and Pacific Island areas. There is no size or crop limitations imposed by this program. Individuals, legal entities, joint operations, or Indian tribes are eligible as long as they have at least two priority resource concerns upon application. Applicants must meet or exceed the stewardship threshold for at least one additional priority resource concern by the end of the contract as determined by the NRCS (USDA-NRCS 3/2014).

CSP has two payment types depicted in five-year contracts: annual payments for installing new conservation measures and maintaining existing accepted practices; and supplemental payments for adding in a resource-conserving crop rotation. Producers may be able to renew a contract yearly if they have fulfilled the original contract and agree to add one more additional conservation practice for each year of renewal. A financial limit of no more than \$200,000 for an individual or legal entity is in place for fiscal years 2014-2018. Applications are taken year round with payments received in October of the fiscal year. For more information please see the website

<http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/csp/>.

Regional Conservation Partnership Program (RCPP)

The Regional Conservation Partnership Program (RCPP) is a new program adopted by the 2014 Farm Bill that is designed to promote coordinated efforts between NRCS and other partners to deliver conservation financial assistance to producers and landowners on regional and/or watershed scales. NRCS uses program contracts or easement agreements to form partnership agreements for financial assistance to agricultural producers. RCPP is a combination of four former conservation programs – the Agricultural Water Enhancement Program, the Chesapeake Bay Watershed Program, the Cooperative Conservation Partnership Initiative, and the Great Lakes Basin Program (USDA-NRCS 2014).

The goal of RCPP is to encourage environmental resource partners to join in efforts with agricultural producers to increase the improvement and sustainability of soil, water, wildlife, and related natural resources on regional or watershed scales. The RCPP program utilizes NRCS and its partners to aid producers in developing a conservation plan, along with installing and maintaining conservation activities in specified regional areas. RCPP funding in project areas is based on the level and quality of achieved. The Secretary of Agriculture may also designate up to eight critical conservation areas to focus RCPP assistance. This is currently being addressed (USDA-NRCS 3/2014).

Eligible Partners

Eligible Partners include agriculture producer associations, farmer cooperatives, state or local governments, American Indian tribes, municipal water treatment groups, water and irrigation districts, conservation-driven nongovernmental organizations, and institutions of higher education. Eligible Participants include agricultural producers and landowners and owners of non-industrial private forestland. Either participant is eligible to merge with a Partner to develop conservation program contracts or easement agreements under a mutual partnership agreement.

Applications for Participants

<http://www.nrcs.usda.gov/wps/portal/nrcs/detail/national/programs/farmbill/rcpp/?cid=stelprdb1242732>

NRCS will outline requirements for proposal submissions for funding. Partnership proposals will be reviewed according to the priorities announced, and then selections will be made. After selection of a partnership proposal, NRCS and the partner will enter into a partnership agreement, where both parties coordinate to provide producers in the designated project area financial and technical assistance. Partnership agreements may be for a period of up to five years. NRCS has the ability to extend the partnership an additional twelve months in order to complete the project (USDA-NRCS 3/2014).

1. If the producer is in agreement, a partner may submit the application for participation in a selected project area
2. Directly at their local USDA Service Center in a selected project area
3. Directly at their local USDA Service center in a critical conservation area designated by the Secretary of Agriculture

Partnership Agreements

1. Eligible activities to be constructed
2. Designation of agricultural or nonindustrial private forest operation affected
3. Geographic area covered (local, state, or regional)
4. Planning, implementation, and assessment to be conducted

Partners are responsible for financial support of the project, providing education to eligible producers for potential participation in the project area, and for conducting an assessment of the long term goals of the project. Partners may act on behalf of the eligible landowner or producer in the application and negotiation process for developing the project and receiving appropriate funding provided. Before finalizing the contract the partner must provide an assessment of the project costs, plan of action, and conservation effects (USDA-NRCS 3/2014).

Conclusion

Overall, 2014 Farm Bill provides a variety of cost-share programs to encourage implementation of environmental stewardship programs on agricultural lands. Significant emphasis is made on funding environmental programs and projects on working land conservation programs (e.g., EQIP and CSP programs), as opposed to funding agricultural land retirement projects (e.g., CRP). Specifically, combined funding for EQIP and CSP is projected to account for more than 50% of the Farm Bill conservation spending in 2014–2018 (even though a large proportion of these funds will be spent on the contracts signed in the past).

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