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February 27, 2015

To: Michael Schmidt
Deputy Administrator of Farm Programs

Via: David Hoge
Conservation and Environmental Programs Division

From: J. Calvin Parrish
Virginia FSA State Executive Director

Subject: Chesapeake Bay Riparian Forest Buffer Initiative – State Task Force Final Report and Request for Funding

The *Chesapeake Bay Riparian Forest Buffer Initiative* charged FSA and NRCS to assemble a State Task Force to identify opportunities to accelerate implementation of riparian forest buffers. As a result of these efforts, Virginia submits the enclosed report and request for funding. This report was developed with support and cooperation from CREP partners and other participating agencies that were part of the Virginia State Task Force.

Letters of support from CREP partners are enclosed as exhibits to this report. Additional letters of support from partners may be submitted under separate cover.

Please contact Emily M. Horsley in the Virginia FSA State Office at (804) 287-1546 with questions or comments.

Enclosure

J. Calvin Parrish

# Chesapeake Bay Riparian Forest Buffer Initiative

# Virginia State Task Force Final Report and Request for Funding

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## Executive Summary & Request for Funding

The Virginia State Task Force is comprised of a wide array of stakeholders, including agricultural groups, local staff from Conservation Reserve Enhancement Program (CREP) partner agencies, and environmental organizations. The State Task Force considered many opportunities for accelerating riparian forest buffer (RFB) implementation in the Chesapeake Bay Watershed, and across Virginia. The discussion focused greatly on CREP as the program has been acknowledged as a primary vehicle for assisting agricultural producers with RFB implementation.

The top 4 suggestions of highest priority were:

- Increase financial incentives available for CP-22 through CREP;
- Provide greater flexibility in technical recommendations for establishment and management of RFBs;
- Establish a clear priority for forest buffers;
- Increase capacity for trained technical assistance.

Therefore, the Virginia State Task Force hereby submits recommendations for program reforms, and associated funding requests, to the USDA Farm Service Agency. These issues are discussed more fully in the body of the final report and proposal for funding. The goal implementation date of these program reforms is July 1, 2015 in order to coincide with the beginning of the Commonwealth's fiscal year 2016.

The funding requested is based on the average cost of implementation of CREP CP-22 projects installed between 2000-2014, applied to projected enrollment (Table 1):

Table 1: CP-22 Enrollment Projections, 2015-2018

| Year | Beginning Acres Enrolled | Expiring Acres | Reenrolling Acres (75%) | New Acres | Total Acres | Ending Acres Enrolled |
|---|---|---|---|---|---|---|
| 2015 | 13200 | 2900 | 2175 | 1200 | 3375 | 13675 |
| 2016 | 13675 | 3300 | 2475 | 4500 | 6975 | 17350 |
| 2017 | 17350 | 1100 | 825 | 4500 | 5325 | 21575 |
| 2018 | 21575 | 1200 | 900 | 4500 | 5400 | 25775 |
| | | | 6375 | 14700 | 21075 | |

The Virginia State Task Force hereby recommends the following program reforms and requests associated funding to implement the reforms:

**1). Increase financial incentives for CP-22** by amending the CREP Agreement to increase the multiplier, or rental rate incentive, for CP22 from 120% to 150%. The current Agreement provides a rental rate incentive of 120%. The increased incentive of 150% will be applicable on both cropland and marginal pastureland (MPL).

One of the primary reasons that producers regularly cite for not enrolling in CREP is low, noncompetitive rental rates. Rental rates have decreased in recent years in many counties since FSA abandoned the land value survey (LVS) and adopted NASS land value data as the basis for CRP soil rental rates. In many counties, the COC will assert that rental rates are no longer competitive with the dryland cash rent value of cropland or MPL

One way to elevate the cropland SRR as well as the MPL rental rates for this priority practice is to increase the incentive factor that will apply to CP-22 enrollments on cropland and MPL.

- Cost projections are based on average base rental rate (SRR or MPL), plus the maintenance of contracts enrolled between 2000-2015 of $45.06/acre (Table 2):

Table 2: Projected Cost Associated with Increasing the SRR Incentive

| Year | Projected Acres | Base + 120% incentive | Base + 150% Incentive | Increase |
|---|---|---|---|---|
| 2015 | 3375 | $ 334,571 | $ 380,194 | $ 45,623 |
| 2016 | 6975 | $ 691,446 | $ 785,734 | $ 94,288 |
| 2017 | 5325 | $ 527,878 | $ 599,861 | $ 71,983 |
| 2018 | 5400 | $ 535,313 | $ 608,310 | $ 72,997 |
| | 21075 | | | $ 284,892 |

**2). Increase financial incentives for CP-22** by amending the CREP Agreement to increase cost-share available for CP-22. State CREP partners at the Virginia Department of Conservation and Recreation (DCR) will increase the contribution of cost-share for CP-22 projects from 25% to 50%. Combined with 50% cost-share reimbursement from FSA, participants will receive 100% cost-share for all eligible costs associated with CP-22 projects. (See Exhibits.)

The average cost of implementation of CP-22 projects between 2000-2015 is $2,460.94/acre. Implementation of the projected 14,700 new acres by 2018 (ref. Table 1) results in approximately a $9M* increase in State contributions. These additional contributions from DCR (see Table 3, below) provide the match commitment from partners that are required to warrant additional federal resources.

Table 3: DCR Contributions for Projected CP-22 Implementation, 2015-2018:

| Year | Projected New Acres | 25% Cost-Share | 50% Cost Share | Increase |
|---|---|---|---|---|
| 2015 | 1200 | $ 738,282 | $ 1,476,564 | $ 738,282 |
| 2016 | 4500 | $ 2,768,558 | $ 5,537,115 | $ 2,768,558 |
| 2017 | 4500 | $ 2,768,558 | $ 5,537,115 | $ 2,768,558 |
| 2018 | 4500 | $ 2,768,558 | $ 5,537,115 | $ 2,768,558 |
| | | | | $ 9,043,955 * |

*Uncertainty of the future State budgets prevents State partners from making future year obligations to CREP.

Considering Federal contributions to CREP, including the proposed revisions, the State's increased contribution to the cost-share offering will result in the **State maintaining an approximately 20% contribution to the Chesapeake Bay CREP.** The State will also continue to provide a $5 per acre lump-sum rental payment to CREP participants at the time of contract (CRP-1) approval. Below, Table 4 details FSA contributions for the same level of CP-22 implementation if the acres are enrolled for 10 year contracts. (Costs for technical assistance are not included here.)

Table 4: FSA Costs for Projected CP-22 Implementation, 2015-2018

| Acres | SIP | Cost-Share | PIP | Rent | Total |
|---|---|---|---|---|---|
| 14700 | $ 1,470,000 | $ 19,557,909 | $ 14,470,327 | $ 16,559,550 | $ 52,057,786 |

**3). Amend the CREP Agreement to lift the $95/acre cap on all Chesapeake Bay CREP enrollments.** This language is incorporated into the draft revisions to the Chesapeake Bay CREP Agreement. Increasing enrollment of buffers on cropland is a high priority and, at present, the $95/acre cap is an impediment to enrollment on cropland. Lifting the $95/acre cap aims to incentivize enrollment in cropland areas of the watershed located mainly in the coastal plain. Lifting the rental rate cap in the CREP agreement will likely have minimal impacts on MPL

enrolled in CP-22 practices. Because MPL enrollments usually include associated costs of watering components, fence, and other structures, MPL enrollment in CP-22 will be catalyzed primarily by the increase in cost-share by the State partner.

**4). Amend the CREP Agreement to expand the acreage enrollment cap from 25,000 to 30,000 in the Chesapeake Bay CREP Agreement.** As discussed above and infra, the CREP is the primary vehicle for buffer enrollment in Virginia. However, the current CREP acreage cap for all VA CREP practices (25,000) is too low to meet Virginia's WIP goal for riparian forest buffers (80,000 acres). Recognizing the magnitude of state and federal investment, Virginia DCR is only seeking a modest 5,000 acre boost in the VA CREP enrollment cap at this time. The Commonwealth is opting to pursue a conservative, measured, incremental approach: as the pace of enrollment picks up and Virginia comes closer to meeting the 30,000 cap, the Commonwealth will reevaluate and potentially request future incremental increases. This language is incorporated into the draft revisions to the CREP Agreement. Compared to continuous CRP enrollment, the additional cost associated with increasing the enrollment ceiling is approximately $337,950 as detailed in Table 5, below. The same level of SIP, FSA cost-share, and PIP incentives will apply to CCRP and CREP, therefore the only additional federal contribution is associated with rental payments:

Table 5: Additional Costs Associated with Increasing the CB CREP Enrollment Ceiling

| Type | Acres | Rent | Total |
|---|---|---|---|
| CCRP | 5000 | $ 225,300.00 | $ 225,300.00 |
| CREP | 5000 | $ 563,250.00 | $ 563,250.00 |
| | | | $ 337,950.00 |

Note: Enrollment projections provided in Table 1 indicate that CREP enrolment will still be below the 25,000 acre enrolment cap. Therefore, these additional costs will not be necessitated until post 2018.

**5). If an Environmental Assessment (EA) is needed, approximately $40,000 is requested to provide funds needed to conduct the EA.** The proposed changes to the CREP Agreement do not include any changes to the practices that have been implemented through CREP since 2000, nor are there any proposed changes to the geographically boundaries of the program. The Chesapeake Bay CREP, always has, and will continue to be applied to all areas in Virginia located within the watershed.

**6). Increase full-time staff positions dedicated to RFB implementation**. Effective marketing and implementation of RFBs on agricultural land requires highly trained, technical staff as well as informed and cooperative partnerships. Outreach to potential customers has proven to be a time-intensive effort that requires hours of personalized education, consulting, planning, design work, contracting, administration, supervision during implementation, and plenty of follow-up. Existing agency staff is not able to execute all of these phases effectively, considering other agency priorities. Therefore, in order to increase enrollment, a team of specialized staff are needed to supplement existing Agency staff.

A team of buffer specialists to serve in specific areas of the watershed may be an effective outreach approach to increase adoption of this key conservation practice. The team approach would create additional, full-time staff positions that are dedicated to outreach and education, as well as specially skilled and trained technical experts to support planning and implementation. These staff members would work hand-in-hand with existing Federal and State CREP partners to increase adoption of RFBs through available conservation programs.

Partners in Virginia will develop a cooperative agreement that would facilitate the hiring of at least 4 full-time employees. Costs for the positions would be shared by FSA, NRCS, and State partners. Assuming that each position costs approximately $75,000 per year, the total cost to bring on these additional staff members is approximately $300,000 per year, or $900,000 for a 3 year term. Therefore, the funding request for a 3 year contract is $780,000. The 80% FSA contribution ($720,000 total or $240,000/year) could be significantly reduced as additional funding sources are secured.

The Commonwealth may be able to contribute funds from the Chesapeake Bay Restoration Fund. Further coordination with partners is needed to develop an agreement to facilitate these partnership positions. The employees will be trained and supervised by State level FSA, NRCS, and State Agency policy and technical specialists and will be dedicated to outreach and technical assistance for planning and implementation of riparian forest buffers.

**7). Provide additional resources for partners to develop a targeted outreach and marketing strategy.** A top recommendation from the State Task Force was to prioritize RFB enrollments. A key aspect of this is to better coordinate resources through a strategic, targeted outreach plan. Virginia has a significant need to replace old, out of date outreach materials. This is especially true if the proposed revisions to the program are implemented. Virginia also seeks to use GIS and FSA records to develop a targeted outreach plan. The Commonwealth is relying upon the joint outreach request that was submitted by the Forest Service.

However, if that request is unsuccessful, the Commonwealth would need assistance for outreach materials, mailings, and other resources to support the targeted plan development. **A funding request of $65,000 is submitted to develop new materials.** Of the total request, $50,000 is requested for production of updated flyers and/or brochures to include new information pertaining to "CREP 2.0"; $10,000 is requested for mailing expenses. Finally, $5,000 will be used to create a riparian forest buffer "sales" guidebook as a reference for all partners in the Service Center.

**8). Joint Agency training for all partners. A funding request of $110,000 is intended facilitate joint agency training across Virginia for Federal partners**. If these CREP agreements are amended and the CREP program is significantly changed, joint agency training sessions will be needed in order to bring all staff up to speed on the new agreements and policies. State partners, SWCD staff, and NGO partners will contribute commensurate costs for attendance. Additionally, training will be conducted to train new outreach staff on an ongoing basis.

**9). Include a 3-tiered waiver process for waiving cost-share caps.** Cost share caps for various components are often too low and present a barrier to CREP enrollment. The process for even a modest waiver to be considered involves several layers of administrative review and processing, including COC, regional field managers (FSA DD's and NRCS ASTC's), STO staff, STC, and finally CEPD/DAFP determination. Virginia recommends that national policy is revised to allow a 3-tiered waiver process, modeled on the waiver process in the New York CREP Agreement.

As an alternative option, Virginia seeks to amend the VA CREP Agreement to include the 3-tiered waiver process; approval authority may be provided as follows in Table 6:

Table 6: Proposed Tiered Cost-Share Cap Waiver Process

| **Reviewing Authority** | **Approval Limitation Beyond Cost-Share Cap** |
|---|---|
| COC, with concurrence from FSA District Director and NRCS ASTC. | <$1,000 |
| STC, with COC recommendation and concurrence from NRCS State Conservationist | $1,000-$5,000 |
| CEPD, with COC and STC recommendation and concurrence from NRCS State Conservationist | >$5,000 |

**Summary of Proposals and Funding**

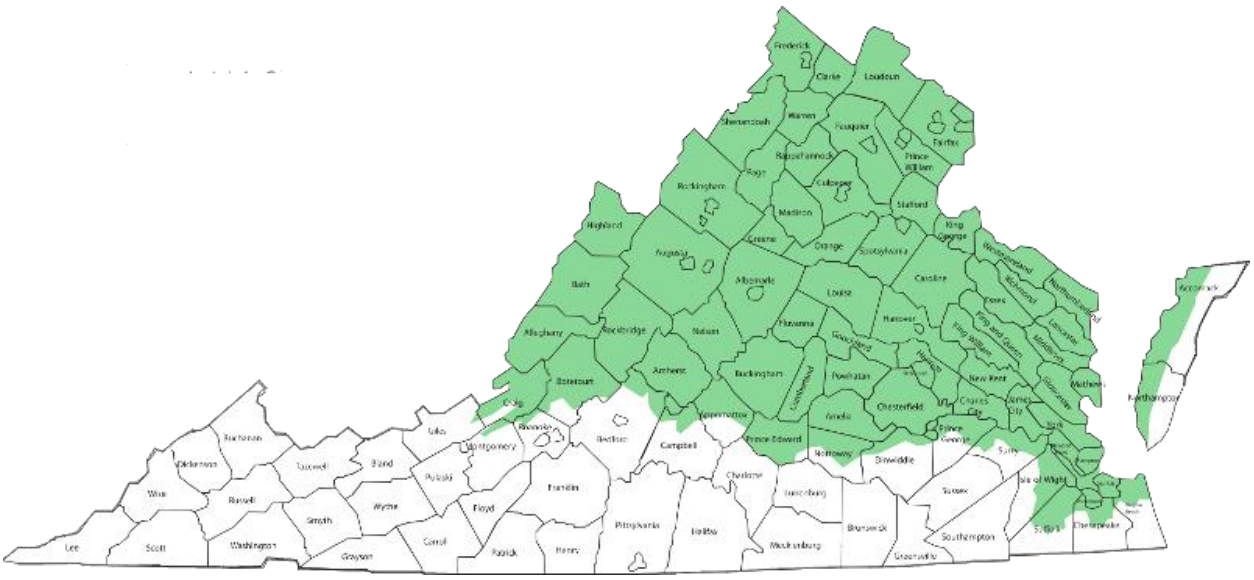
| | 2015 | 2016 | 2017 | 2018 | |
|---|---|---|---|---|---|
| **Increase Rental Incentive (120% to 150%)** | $ 45,623 | $ 139,911 | $ 211,894 | $ 284,891 | |
| **Eliminate Rental Payment Cap of $95/acre/yr** | $ 5,000 | $ 5,000 | $ 5,000 | $ 5,000 | |
| **Expansion of CB CREP - 5,000 acres** | | | | | |
| **Environmental Assessment** | $ 40,000 | | | | |
| **New Staff (4 positions)** | $ 300,000 | $ 300,000 | $ 300,000 | $ 300,000 | |
| **Outreach/Marketing** | $ 55,000 | $ 5,000 | $ 3,000 | $ 2,000 | |
| **Training** | $ 50,000 | $ 5,000 | $ 50,000 | $ 5,000 | |
| **TOTAL** | $ 495,623 | $ 454,911 | $ 569,894 | $ 596,891 | $2,117,319 |

## Objectives

- Document the efforts and outcomes of the Virginia State Task Force;
- Analyze progress toward goals for Riparian Forest Buffer (RFB) implementation;
- Analyze and make appropriate adjustments in programs that support RFB implementation, particularly CREP;
- Identify resources needed to accelerate RFB implementation goals;
- Request funding to provide additional needed resources.

## Background

Virginia is one of six states that directly impact the health of the Chesapeake Bay. Virginia has 15.3 million acres of land (approximately 56 percent of the state) in the Chesapeake Bay Watershed. Over half of Virginia's streams and rivers flow to the Bay and almost three-fourths of the state's 8.0 million residents live within the watershed.

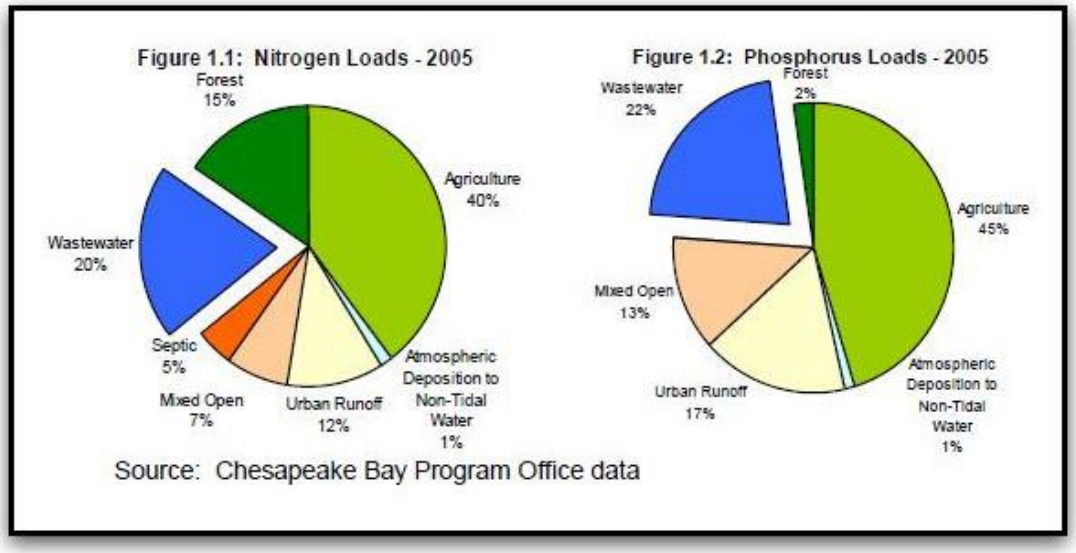



Source: www.virginiaplaces.org

Agriculture accounts for more than one quarter of the land use in the bay watershed with Virginia's top eight (8) agricultural counties located either entirely or partially within its boundaries. The types of agricultural operations vary widely throughout the watershed. In the Shenandoah Valley, there are small to medium dairies, poultry farms and grass-based beef operations. Central Virginia's Piedmont region features a mix of beef and cash grain operations. The Coastal Plain is dominated by corn and soybeans, small grains, some vegetable production and an expanding nursery stock industry.

The health of the Chesapeake Bay is severely impaired with the agriculture sector presenting single largest source of nutrient and sediment pollution. On May 12, 2009, President Obama signed an Executive Order that recognizes the Chesapeake Bay as a national treasure and calls on the federal government to lead a renewed effort to restore and protect the nation's largest estuary and its watershed.

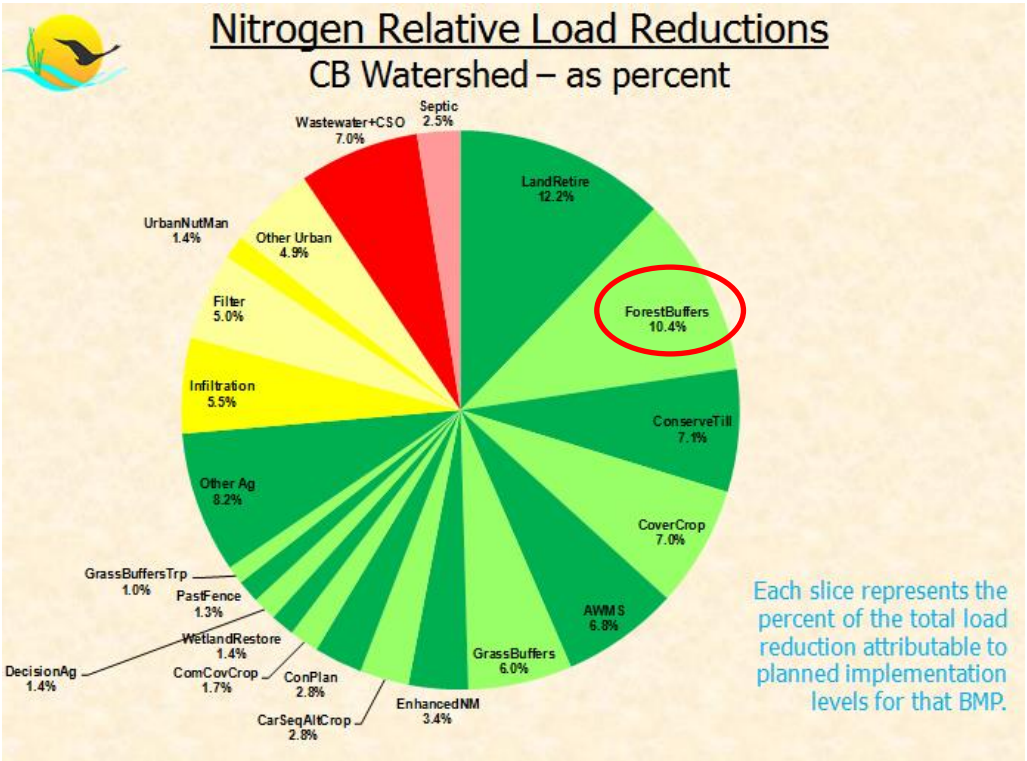
Agricultural activities such as soil tillage, fertilizer and pesticide application, and livestock deposition can pollute rivers and streams when nutrients and sediment run off of land and into waterways.



Through the use of water quality monitoring and assessment techniques, the Virginia Department of Environmental Quality (DEQ) determines whether or not a water body is polluted, or impaired. Approximately 1,450 waters are impaired statewide in Virginia.

In December 2010, the Environmental Protection Agency established a "pollution diet", known as a Total Maximum Daily Load (TMDL). The TMDL describes the maximum amount of pollution – such as nitrogen, phosphorus, and sediment—a particular water course can receive and still meet water quality standards. When State waters are impaired, a TMDL study is conducted and a plan is developed to define a schedule of actions to improve or resolve the impairment.

Most agricultural operations, such as row-crop farms and livestock operations are considered 'nonpoint' sources of pollution because pollution may enter water courses from many diffuse sources on the farm. 'Nonpoint' source nutrient reduction may be achieved through the implementation of voluntary Best Management Practices (BMPs). According to data at the Chesapeake Bay Program, riparian forest buffers (RFBs) rank second of all nonpoint source BMPs needed to meet TMDL targets.




Source: Chesapeake Bay Program Office

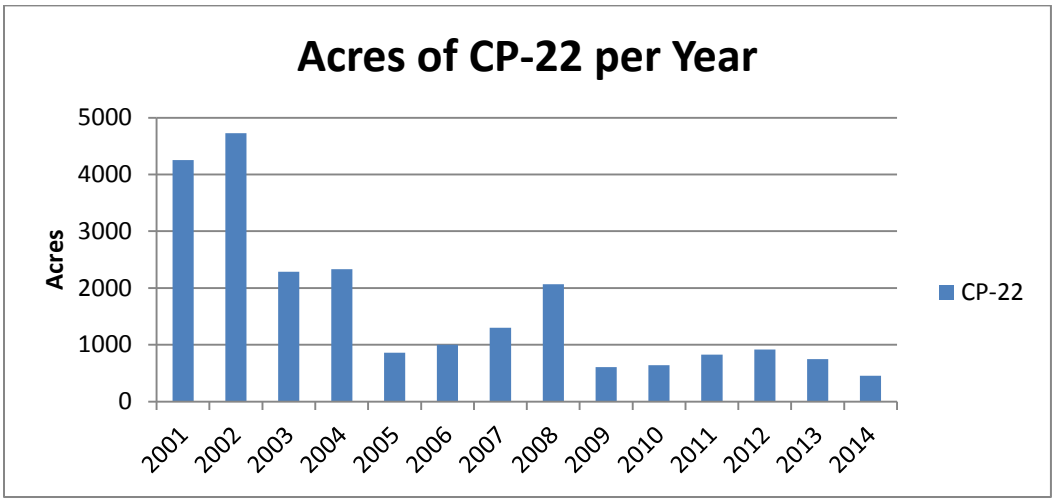
Therefore, the EPA and the USDA, in cooperation with the Alliance for the Chesapeake Bay, launched the Chesapeake Bay Riparian Forest Buffer Initiative in the spring of 2014. The initiative intends to identify and evaluate the current challenges to RFB implementation and develop a strategy for overcoming barriers in order to accelerate RFB progress to meet established state and federal goals.

Agricultural landowners and operators across Virginia, especially within the Chesapeake Bay Watershed, have a wide variety of technical and financial resources available to support and assist them with implementation of forest buffers, including USDA's Conservation Reserve Enhancement Programs (CREP), Environmental Quality Incentives Program (EQIP), and Virginia's Agricultural Cost-Share Program (VACS). Nevertheless, progress toward meeting goals of the RFB implementation in Virginia, and across the watershed, has been falling short of the established benchmarks.

## Current Baseline and Goals

Current data at the Chesapeake Bay Program estimates that in order to meet the goals of the Watershed Implementation Plan, Virginia should implement more than 80,000 additional acres of riparian forest buffers on agricultural land currently in production by the year 2025. However, the Virginia CREP agreement that was originally developed for the Chesapeake Bay called for 25,000 acres to be enrolled in the basin—22,000 acres of riparian areas and 3,000 of wetlands. Therefore, one of the principal outcomes of the State Task Force was for Federal and State partners to review the current CREP agreement and make appropriate revisions—one of those being the acreage enrollment ceiling.

Recommendations from the Chesapeake Bay Program suggest that the target for forest buffer implementation is 900 miles per year across the basin. In Virginia, that annual target equates to approximately 6,215 acres per year converted from agricultural use to forest buffer. The average annual rate of adoption of RFBs, between 2001 through 2014, was approximately 1,650 acres per year enrolled through CREP, and another 100 acres per year implemented through EQIP. In 2001 and 2002, adoption of the RFB practice through CREP reached its highest rate of adoption at approximately 4,500 acres per year. The CREP program was initially announced in Virginia in 2000 and provided a practical and economically feasible package of financial and technical support to assist producers with implementation of this important, but costly BMP. Therefore many early adopters enrolled in the new program. Since, then enrollment has gradually tapered down.



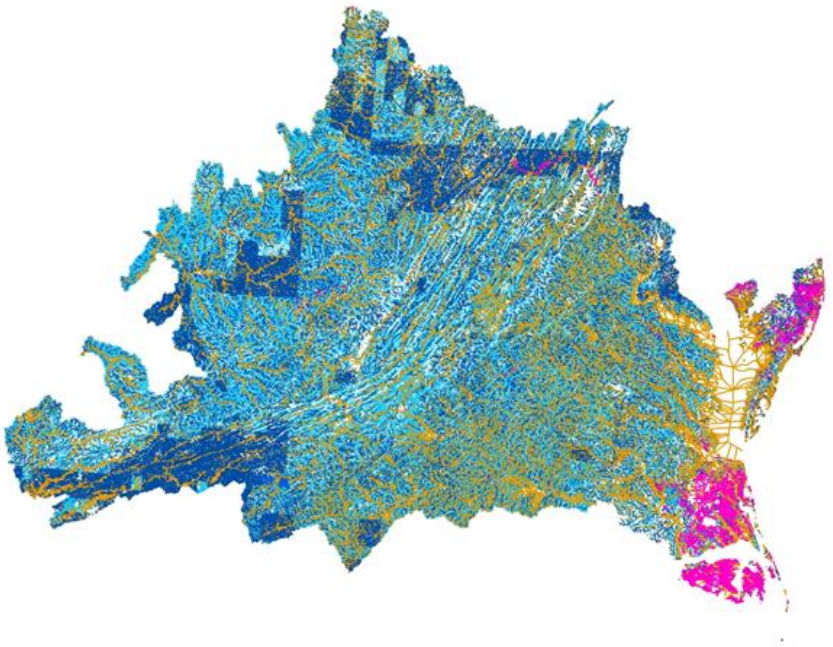

Currently, Virginia administers CREP contracts on nearly 30,000 acres Statewide with more than half of the activity in the Chesapeake Bay Watershed. In 2014, even at its lowest level of implementation to date, CRP still ranked #3 among the top FSA programs providing economic benefits to agricultural producers.

CRP and CREP have the potential to provide some of the most significant beneficial impacts to Virginia producers. Not only do CRP and CREP provide financial benefit directly to the participant in the form of cost-share, incentives, and rental payments, it also drives improvements in land management, facilitates technical assistance from NRCS to provide environmental benefits, and aids participants in building wealth and value in their farming operation by supporting the installation of valuable infrastructure.

Accelerating CP-22 implementation means helping more farmers in Virginia make these positive changes. CREP is tailor-made for working farms and embodies the mission and vision of FSA. Focusing efforts on accelerating CREP in Virginia, and across the Chesapeake Bay Watershed will not only further the States' progress toward WIP goals for watershed restoration; it will also help more farmers and agricultural landowners manage their productive lands more economically, effectively and efficiently.

Based on an analysis of Geographical Information Systems (GIS) managed by FSA, our staff is equipped with the information necessary to identify potentially eligible lands where CREP may be applied to implement a riparian forest buffer. This information will allow partners to coordinate in local working groups to build a strategic outreach plan.

Through GIS analysis at the Virginia FSA State Office, approximately 107,000 miles of hydrography was identified. Installing a 100-foot buffer around all eligible hydrography would result in just over 2.5 million acres to consider.



Of the 2.5 million acres identified, 1.4 million areas accounted for in the Common Land Unit (CLU) that FSA manages. The following table details the land classification of the acreage digitized as part of the CLU:

| Land Classification | Acres |
|---|---|
| Unclassified | 69,190 |
| Urban | 4,462 |
| Cropland | 324,431 |
| Range / Pasture | 6,055 |
| Forest | 921,198 |
| Water | 9,789 |
| Misc | 66,634 |
| TOTAL | 1,468,394 |

Within the cropland category, 324,431 acres are identified. Based on the 2014 data from the Crop Acreage Reporting System (CARS) almost half of the cropland acres identified also had crop acreage reports submitted to FSA documenting active production occurring on acres inside the riparian areas. Below is map showing an example of where crops are reported in the riparian area.


USGS Flowline Type Inside 100-Foot Buffer

Imagery - NAIP 2014

With this valuable information partners can coordinate in local working groups to develop a strategic outreach and marketing plan to work directly with landowners and operators of these lands to inform and educate them about the opportunities to implement RFBs through various programs.

## State Task Force Participating Agencies/Groups

In order to examine progress toward the goals in Virginia's Watershed Implementation Plan (WIP), and to consider strategies for accelerating implementation of RFBs in the Chesapeake Bay Watershed, the USDA Farm Service Agency (FSA) and Natural Resources Conservation Service (NRCS) assembled a group of stakeholders—a State Task Force—to discuss efforts in Virginia. The Virginia State Task Force in Virginia was a diverse and multi-faceted group comprised of representatives from various Federal and State agencies, Soil and Water Conservation Districts, and various advocacy groups:

Federal Agencies: Farm Service Agency (FSA), Natural Resources Conservation Service, (NRCS), US Forest Service (USFS)

State Agencies: VA Department of Conservation and Recreation (DCR), VA Department of Forestry (DOF), VA Department of Environmental Quality (DEQ), VA Department of Agriculture and Consumer Services (VDACS), VA Department of Game and Inland Fisheries (DGIF).

Local Groups: Soil and Water Conservation District (SWCD) staff, VA Association of SWCD's,

Environmental Advocacy Groups: Chesapeake Bay Commission, Chesapeake Bay Foundation, Trout Unlimited, Alliance for the Bay.

Agricultural Advocacy Groups: VA Farm Bureau, VA Grain Producers, VA Agribusiness Council, VA Cattlemen's Association, VA Dairymen's Association.

Other: Smithsonian Institute, private contractors.

Attendees provided valuable experience and viewpoints ranging from local staff ("boots on the ground") to policy specialists, technical experts, program managers, advocacy groups, and more. Most participants had first-hand experience with the variety of programs that are available to support RFB implantation in the State.

The group met for a face-to-face, all-day, facilitated work session to examine drivers, barriers, opportunities and solutions pertaining to implementation of RFBs. Virginia Farm Bureau hosted the event. The group documented a variety of issues and opportunities related to RFB implementation. (See: Factors Influencing Success.) In order to gain a sense of priority from the group, a survey was distributed to all attendees after the meeting. The survey asked participants to consider all of the opportunities and solutions that were suggested by the group and rank the top 4 suggestions of highest priority.

Based on the survey results the items of highest priority were:

- Increase financial incentives available for CP-22 through CREP;
- Provide greater flexibility in technical recommendations for establishment and management of RFBs;
- Establish a clear priority for forest buffers;
- Increase capacity for trained technical assistance.

The feedback provided by the task force could be grouped into 3 broad categories:

- Technical Issues;
- Programs, Policies, and Financial Incentives;
- Outreach, Marketing and Partnership Strategies.

Three follow-up teleconferences were held to address each of these topics in greater detail. Any State Task Force member with an interest in the topic was invited and encouraged to participate in the follow-up discussion. Through this process, broad suggestions made at the initial meeting were discussed in detail and honed down to more practical and applicable solutions.

Finally, a meeting of principle agency leaders was assembled to consider the suggestions of the State Task Force and make decisions on next steps. USDA staff presented data pertaining to buffer implementation and progress toward the WIP goals, as well as the priority suggestions of the State Task Force. Agency leadership discussed the outcomes and considered strategies suggested by the State Task Force to accelerate implementation of forest buffers. Specific, programmatic changes in the Conservation Reserve Enhancement Program (CREP) agreement were the focus of the discussion.

Although the State Task Force was intended to examine the issues pertaining to forest buffer implementation in general, the USDA's Conservation Reserve Enhancement Program (CREP) has been acknowledged as Virginia's premier program for aiding agricultural landowners and operators with implementation of RFBs. Therefore, the State Task Force and the assembly of Agency leadership focused on opportunities to modify the CREP to effectively spur adoption of forest buffers on working lands.

The State Task Force examined the efficacy of the CREP and other program policies, including financial incentives, technical guidance, and outreach and marketing resources. The consensus of the group was that the programs do not create a ***priority*** for forest buffers and that policy revisions were needed in order to create a priority for the RFB practice in various programs. Specifically, the State Task Force recommended that Virginia's CREP agreements should be examined and revised, for both the Chesapeake Bay Watershed and waters outside the Chesapeake Bay (Southern Rivers watershed), in order to elevate the priority for forest buffers.

CREP forest buffer (CP-22) in a pasture field. Photo by: Lindsey Carico, FSA

In addition, program gaps should be analyzed and modified so that financial incentives available through the various Federal and State programs are more collegial and complementary to each other. Overall, more coordination between Federal and State partners was recommended so that competition among programs may be reduced and/or eliminated, to the extent possible. Programs, as well as agency staff should complement each other for the benefit of participants and to achieve the maximum environmental benefit. Finally, the incentive package should reflect a clear priority for forest buffers.

**Current Programs and Gaps**

Agricultural landowners and operators across Virginia, especially with the Chesapeake Bay Watershed, have a wide variety of technical and financial resources available to support and assist them with implementation of RFBs.

Virginia's CREP agreements were originally developed and signed in 2000. The program has been acknowledged as the premier program for aiding agricultural producers with implementation of RFBs on cropland and pastureland. Compared to other programs, CREP offers participants the highest level of financial remuneration for implementing buffers on cropland and pastureland. The Virginia CREP is a partnership between USDA and the Commonwealth of Virginia. It was designed specifically to address water quality as the primary resource concern and wildlife habitat as a secondary concern, through the installation of herbaceous and forest riparian buffers.

Eligible producers may enroll in either 10 or 15 year CREP contracts. Enrollment for CREP occurs on a continuous basis and acceptance in the program is non-competitive. The applicant must be able to offer eligible acreage to be dedicated on one of the following conservation practices:

- CP-21, Filter Strip;
- CP-22, Riparian Forest Buffer;
- CP-23, Wetland Restoration;
- CP-29, Marginal Pastureland Wildlife Habitat Buffer.

The CREP Agreements in Virginia currently provide the same level of incentives for all four practices available. However, with the same level of financial incentive provided for all of the practices, there is no clear priority established for RFBs. Research reveals that forest buffers provide additional environmental benefit beyond that which is provided by herbaceous buffers.

With very few, minor amendments and addendums to the CREP agreements, to date, the State Task Force recommended that the incentive package available for CP-22 should be increased in order to elevate the priority for forest buffers, beyond the herbaceous buffer options.

Beginning in July 2014, DCR introduced a new offering in the VACS program that provided 100% cost-share reimbursement to the participant. VACS policy describes the purpose of the BMP known as SL-6, "Stream Exclusion with Grazing Land Management", as a practice to "reduce non-point source pollution associated with grazing livestock". The offering was intended to remove any financial barrier that might prevent a landowner or producer from adopting livestock exclusion as a management practice. SL-6 does not aim to establish a forest buffer and does not provide cost-share to establish any type of conservation cover in the riparian area.

Across the State, the SL-6 offering to provide 100% cost-share reimbursement has resulted in a high level of interest from the agricultural community. In fact, State policy provided that producers who submitted application for SL-6 in program years 2014 and 2015 were guaranteed approval to receive 100% cost-share. However, at this time the high level of interest in the practice has created a backlog of applicants that the current level of VACS program funding cannot support. Many producers have submitted applications that could remain pending for years, depending on the ranking considerations of various SWCD's.

The offering has created some program gaps and other unintended consequences. Specifically, very few producers have enrolled in CREP since the 100% offering has been available for SL-6. Therefore, fewer forest buffer projects have been initiated. In order to reverse the detrimental trend, these programs need to be modified in order to leverage both Federal and State resources to create a priority for forest buffers. Many producers are interested in receiving 100% cost-share to implement grazing management components and infrastructure, such as fencing, alternative watering systems, and stream crossings.

In order to close these program gaps, DCR will decrease the cost-share level for SL-6 down from 100% beginning in 2016, and shift its investment and priority back into the CREP program in order to spur adoption of RFB projects. Specifically, producers offering land for enrollment in the CREP CP-22 practice will receive 50% cost-share reimbursement from the State to match the 50% cost-share payment from FSA. Therefore, participants may receive up to 100% cost-share reimbursement for CP-22 projects, plus other incentives and rental payments. This offering, along with other proposed adjustments to the incentives available for CP-22 should catalyze adoption of the CP-22 practice and result in more implementation of RFBs in the watershed.

**Factors Influencing Success**

The State Task Force suggested that the following **DRIVERS** effect forest buffer implementation:

- Fear of government regulation
- Landowners/operators want to “do the right thing” for the environment
- Habitat improvement
- Financial gain from programs
- Increased property value and return on investment
- Protect farm streams
- Program requirement
- Increase ranking
- Field staff promote the practice
- Opportunity to sell environmental credits
- Agro-forestry practice
- Risk reduction - financial and flood
- Proper tree species selection

- Growing 'woodland retreat' owners who manage land for recreation and aesthetics
- Positive past experience with program/Agency staff
- Easement programs and public land purchases

The following **BARRIERS** to forest buffer adoption were presented:

- Lack of capital to cover out-of-pocket expenses
- Cumbersome sign-up process to receive financial assistance
- Inconsistent program and funding – Farm Bill gaps resulted in 'stop-and-go' CREP signup
- Consumes [production] acreage
- No employee incentives to encourage staff to promote forest buffer programs
- Unkempt appearance of existing buffers – maintenance and management issues
- Loss of lease revenue [for landowners leasing to producers]
- Program requirement
- Having a choice of a grass buffer which may be preferred to a forest buffer
- Fear of Government intervention -- anti-government attitude
- Lack of program understanding of establishing forest buffers
- Cost-share caps/ maximums are too low
- Technical limitation of assessing where a buffer is needed
- No incentives for localities to retain forest land
- Availability of trained technical assistance
- Low input management style
- Lack of producer willingness to maintain buffer/perceived [low] success rate of buffers
- Improper tree species selection because of program policies
- Length of contract period – 10-15 years is a long term agreement
- Fear of lost production from 'edge effect'
- Appropriate BMP [or inappropriate BMP]
- Produces wildlife conflict
- Lack of understanding of farm demographics
- Lack of labor and equipment [for participant to implement practice]

- No land use breaks/taxes
- Dislike of reforesting open land
- Equity - not fair that urban lands don't have to do the same thing
- Difference in administrative and programmatic policies between local state and federal programs
- Land rental rates not high enough
- Inadequate cost-share structure – not enough to encourage forest buffers
- Lack of clear priority for riparian forest buffers

Finally, the **solutions and opportunities** provided by the State Task Force include:

- Provide part of the cost-share incentives upfront; Utilize DEQ revolving loan fund
- Pay contractors directly
- Boost financial incentives and CREP rental rates to outcompete other program offerings
- Variable state contributions for exclusion+CP-22 to achieve 100% reimbursement
- Targeting SL-6 oversubscription as potential CREP customers
- Broaden CREP eligibility beyond strictly ag
- Reduce State match requirement because of state deficit
- Quantify direct benefit to farmer
- Utilize buffer calculator
- Establish clear priority for buffers; work out conflicts and leadership needs to award achievement (local, state, federal)
- DEQ needs to recognize landowners who put in forest buffers
- Recommend national policy change to increase cost-share cap
- Provide SIP for acres 'treated' by forest buffer*
- Allow higher EQIP ranking score for installation of buffers through other programs
- Greater flexibility in management recommendations (species selection, stocking rate, and maintenance)
- Review of NRCS standards to make sure there are no "hurdles" / (Mowing) - FSA
- Provide additional cost-share scenarios for these buffers - planting larger trees
- Additional rental payment for lost yield on adjoining land
- Make CREP signup less cumbersome

- Increase trained technical assistance - FSA, NRCS, SWCDs
- Marketing and outreach needs to be accelerated by SWCD/FSA/NRCS/State/NGOs
- Outreach to landowners who don't want to work with government
- More identification and targeting to determine where buffers are needed
- Outreach to absentee landowners and Trusts
- Encouraging agricultural practices
- Improve coordination between NRCS and SWCD in areas where needed

**Management Strategy & Work Plan**

The State Task Force and Agency leadership have identified actions needed in the following areas.

***Leadership, coordination and administration of programs*** **–** One of the primary recurring themes during the State Task Force process was the need for a unified and consistent message from Agency leadership that riparian forest buffers are a priority practice. At this time this message is not resounding with field staff or has become muffled because of other work priorities and conflicts. Many in the group relayed that there was a confused perception among Agency field staff that, while RFBs were an important practice to progress toward WIP goals, no one Agency supplies the leadership necessary to focus efforts and advance the mission. Diminished staffing resources have resulted in employees being spread thin and being delegated a variety of collateral duties to cover a wide assortment of work areas. In order to accelerate implementation of RFBs through Federal and State programs, partners must coordinate to develop a strategy to effectively communicate the priority to field staff across multiple agencies.

***Need for National Policy/Guidance Adjustments*** – Many of the suggestions from the State Task Force fall outside the purview and authority of State leadership. The group has pointed out several conflicts in National USDA program policy that may actually be defeating enrollment**.** Recommendations to consider revising in the National policy include the following:

**Cost-Share Caps**: Revise CRP policy to increase cost-share caps for components such as water development, watering facilities, pipeline, etc.

Another approach could be to adjust program policy whereby the County and State Committees would have the authority to approve cost-share cap waivers in a tiered approach. For example, waivers for up to $1,000 may be waived at the local level by the FSA county committee; waivers from $1,000 – $5,000 could be waived at the state level by the FSA State Committee; and waivers that exceed $5,000 could be waived by CEPD. Raising cost share caps or providing for a 3-tiered waiver process would boost enrollments and save administrative resources. Technical review and concurrence can be requested from NRCS as a basis for the decision, instead of elevating these requests to CEPD staff.

**Coordination with EQIP:** NRCS should revise policy and provide guidance permitting that ranking points may be awarded for EQIP applications in the Chesapeake Bay Watershed for applicants who implement RFB's through CREP. Linking EQIP practices to RFB implementation under CREP offers great potential to increase landowner adoption. While this process has been implemented under the Cooperative Conservation Partnership Initiative, states are hesitant to link a regular EQIP contract to performance on a contract under CREP. Headquarters will need to issue policy guidance to allow states to proceed.

**Rental Rates:** Many producers have expressed to FSA staff that a decision to participate in conservation programs is based as much, or more, on economic feasibility, than on environmental resource benefits. If a landowner can earn more money renting the land for production, even in the highly sensitive, riparian areas, the owner may frequently opt to keep the land in production.

During the last SRR review in 2013 many Virginia counties submitted requests for alternative rates however, very few were accepted. COC's analyzed the NASS assigned values to be used as the average SRR and, in many cases, determined that it was not appropriate for the county. This was due to the fact that many counties were assigned the NASS rate for the "Agricultural Statistic District" (ASD) and was not based on survey responses for the particular county.

To ensure this barrier is fully addressed, we ask that States have the opportunity to review both cropland and marginal pastureland rental rates and recommend adjustments when NASS data does not accurately reflect dryland cash rent land values in the county.

**Offer Process for Continuous CRP and CREP**: Revise or adjust processes to make continuous CRP and CREP signup less cumbersome for participants and agency staff, alike. Current policies and software adaptations require an offer for continuous CRP or CREP enrollment to document many subjective and undetermined decisions before the offer is considered complete. In almost every instance, an offer to continuous CRP or CREP, particularly for forest buffers, evolves and may change significantly from the time the producer offers land for enrollment, through the Conservation Plan (CPO) development, until finally the contract is ready for approval. A two-part CRP-2C form is suggested to allow FSA to accept only the very basic information as a complete offer to move forward with onsite consultation and CPO development.

***Need for Additional Financial Incentives*** – Providing additional financial incentives were cited as the primary mechanism for accelerating CP-22 implementation. This was the highest priority suggestion from the State Task Force.

Currently the level of financial reimbursement in CREP is as follows:

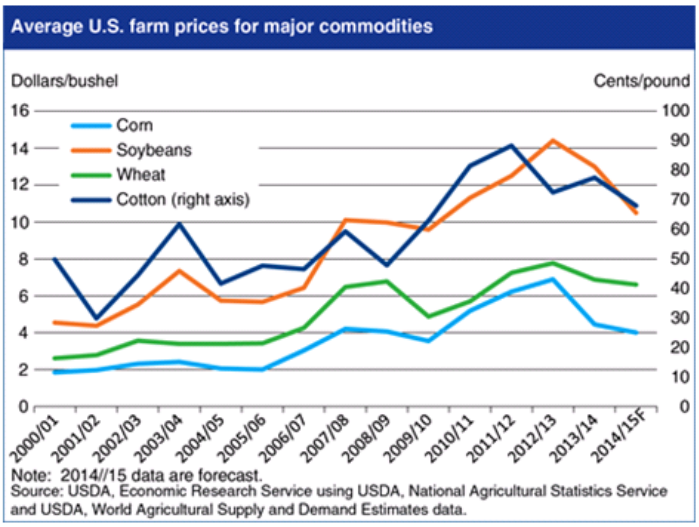
| Payment type | Federal | State |
|---|---|---|
| SIP | $100/acre | - |
| Cost-Share | 50% | 25% |
| PIP | 40% | - |
| Annual Rental Incentive | 120% | - |
| Maintenance | $5/acre | - |
| Other Rent | - | $5/acre |

Proposed adjustments in the CREP would provide the following, increased levels of remuneration to create a priority for RFBs:

| Payment type | Federal | State |
|---|---|---|
| SIP | $100/acre | - |
| **Cost-Share** | 50% | **50%** |
| PIP | 40% | - |
| **Annual Rental Incentive** | **150%** | - |
| Maintenance | $5/acre | - |
| Other Rent | - | $5/acre |

One of the primary reasons that producers regularly cite for not enrolling in CREP is low, noncompetitive rental rates. Rental rates have decreased in recent years in many counties since FSA abandoned the land value survey (LVS) and adopted NASS land value data as the basis for CRP soil rental rates. In many counties, the COC will assert that rental rates are no longer competitive with the dryland cash rent value of cropland or MPL.

One way to elevate the cropland SRR as well as the MPL rental rates for this priority practice is to increase the incentive factor that will apply to CP-22 enrollments on cropland as well as MPL. In many counties, the COC will assert that rental rates are no longer competitive with the dryland cash rent value of cropland or MPL. Therefore, there appears to be a direct correlation between the decreases in CRP average rental rate and the decrease in CREP program participation. The negative impact on program participation is exaggerated when the upward trends in grain prices are considered, as illustrated below:




By increasing the multiplier on soil rental rate for CP22 from 120% to 150% will help mitigate the barrier of low rental rates, identified by the State Task Force. Associated costs will be determined based on projected enrollment.

A projection CP-22 enrollment through 2018 assumes that 75% of expiring CP-22 acres will be reenrolled for another 10 year contract term. In addition, these projections assume that the program policy changes will accelerate CREP enrollment back to levels similar to those observed in 2001-2002. If this level of implementation is realized, more than 6,300 acres of expiring CP-22 acres will be reenrolled and an additional 4,500 acres per year will be enrolled. (Refer to Table 1, also provided on page 1 of the Executive Summary.)

Table 1: CP-22 Enrollment Projections, 2015-2018

| Year | New Current Level | Expiring Acres | Reenrolling Acres (75%) | New Acres | Total Projected Acres |
|---|---|---|---|---|---|
| 2015 | 13200 | 2900 | 2175 | 1200 | 3375 |
| 2016 | 13675 | 3300 | 2475 | 4500 | 6975 |
| 2017 | 17350 | 1100 | 825 | 4500 | 5325 |
| 2018 | 21575 | 1200 | 900 | 4500 | 5400 |
| | | | 6375 | 14700 | 21075 |

The following table details the associated costs of increasing the multiplier on soil rental rate for CP-22 from 120% to 150%. Cost projections are based on average base rental rate (SRR or

MPL), plus the maintenance of contracts enrolled in 2000-2015 of $45.06/acre (Table 2, also provided on page 2 of the Executive Summary):

Table 2: Projected Cost Associated with Increasing the SRR Incentive

| Year | Projected Acres | Base + 120% incentive | Base + 150% Incentive | Increase |
|---|---|---|---|---|
| 2015 | 3375 | $ 334,571 | $ 380,194 | $ 45,623 |
| 2016 | 6975 | $ 691,446 | $ 785,734 | $ 94,288 |
| 2017 | 5325 | $ 527,878 | $ 599,861 | $ 71,983 |
| 2018 | 5400 | $ 535,313 | $ 608,310 | $ 72,997 |
| | 21075 | | | $ 284,892 |

In addition to increasing the rental rate incentives, CREP partners at DCR will increase the contribution of cost-share for CP-22 projects from 25% to 50%. Combined with 50% cost-share reimbursement from FSA, participants will receive 100% cost-share for all eligible costs associated with CP-22 projects. (See Exhibits.)

The average cost of implementation of CP-22 projects enrolled in 2000-2015 is $2,460.94/acre. Implementation of the projected 14,700 new acres by 2018 (ref. Table 1) results in approximately a $9M* increase in State contributions. These additional contributions from DCR (see Table 3, below, also provided on page 3 of the Executive Summary) provide the match commitment from partners that are required to warrant additional federal resources.

Table 3: DCR Contributions for Projected CP-22 Implementation, 2015-2018:

| Year | Projected New Acres | 25% Cost-Share | 50% Cost Share | Increase |
|---|---|---|---|---|
| 2015 | 1200 | $ 738,282 | $ 1,476,564 | $ 738,282 |
| 2016 | 4500 | $ 2,768,558 | $ 5,537,115 | $ 2,768,558 |
| 2017 | 4500 | $ 2,768,558 | $ 5,537,115 | $ 2,768,558 |
| 2018 | 4500 | $ 2,768,558 | $ 5,537,115 | $ 2,768,558 |
| | | | | $ 9,043,955 * |

*Uncertainty of the future State budgets prevents State partners from making future year obligations to CREP.

Considering Federal contributions to CREP, including the proposed revisions, the State's increased contribution to the cost-share offering will result in the **State maintaining an approximately 20% contribution to the Chesapeake Bay CREP.** The State will also continue

to provide a $5 per acre lump-sum rental payment to CREP participants at the time of contract (CRP-1) approval. Below, Table 4 details FSA contributions for the same level of CP-22 implementation if the acres are enrolled for 10 year contracts. (Costs for technical assistance are not included here.)

***Additional Staff for Outreach, Customer Service, and Technical Assistance*** – In order to effectively market forest buffers on agricultural land through programs requires highly training, technical and policy staff as well as informed and cooperative partnerships. Outreach to potential customers has proven to be a time-intensive sale that requires hours of personalized education, planning, design, contracting, implementation, and plenty of follow-up. Sending a postcard, letter or any kind of generalized mass mailing, no longer effectively recruits new participants, as it may have in the past.

Existing agency staff is not able to execute all of these phases effectively. USDA staff, as well as partner agency staff, has many workload priorities. The absence of dedicated staff members who are able to focus exclusively on buffer implementation is a barrier to accelerating enrollment.

Therefore, in order to increase enrollment, **teams of specialized staff are needed to supplement existing Agency staff.** A dedicated and specialized team of buffer specialists to serve specific areas within the watershed have proven to be an effective outreach approach to increase enrollment. A partnership in Pennsylvania provides a successful model of how dedicated staff can effectively increase implementation of RFBs. Partners in Virginia have expressed support of developing **a cooperative agreement that would facilitate the hiring of additional staff to be dedicated to outreach/recruiting as well as technical assistance for planning and implementation.**

Ideally an agreement will facilitate the hiring of at least 4 full-time employees. Cost and administration for the positions would be shared by FSA, NRCS, and State partners. Assuming that each position costs approximately $75,000 per year, the total cost to bring on these additional staff is approximately $300,000 per year, or $900,000 for a 3 year term. **Therefore, the funding request for a 3 year contract is $780,000. The 80% FSA contribution of $720,000 could be significantly reduced as additional funding sources were revealed.** The Commonwealth may be able to contribute funds from the Chesapeake Bay Restoration Fund. Further coordination with partners is needed to develop an agreement to facilitate these partnership positions. The employees will be trained by State level FSA, NRCS, and State Agency policy and technical specialists to be dedicated to outreach and recruiting, as well as technical assistance for planning and implementation, of riparian forest buffers.

***Training*** - Other useful tools, such as web-based tools, may be currently available to mitigate and abate some of the obstacles to enrollment that challenge local staff who work directly with customers. A more thorough understanding of the science behind the function of RFBs may also help Federal and State agency staff in the field gain more appreciation for the important functions these features provide. This education for staff will translate into more effective outreach to producers and, potentially, more implementation. Also, cross training for Federal and State Agency staff, as well as SWCD district staff, will allow the partners to be informed about the various efforts and support for Chesapeake Bay restoration. **The funding request for joint agency training is $110,000.** Virginia also supports the proposal submitted by the USFS Chesapeake Bay Program office that addresses the need to Bay-wide training effort. An increased awareness regarding efforts in other States will provide broadened perspective and creative a forum for partners across the Chesapeake Bay Watershed to share ideas.

***Revision to Technical Guidance*** – Federal and State policy and technical staff will review and make appropriate revisions to *CREP Technical Guidance* documents in order to accommodate recommendations of the State Task Force. Some of these recommendations include:

- Modifying site preparation recommendations;
- Expanding eligible tree species selection list;
- Adjusting tree species composition;
- Review planting density;
- Emphasizing post-planting treatment of invasive competition.

Further, maintenance of RFBs throughout the contract term (10-15 years) seems to be a recurring issue for CREP projects. In order to mitigate and abate some of these issues, the Virginia Department of Forestry (DOF) will provide detailed tree planting plans to all CP-22 participants. Plans will include site, preparation, planting recommendations, and prescribed post-planting treatments based on site conditions. DOF will also conduct post-planting inspections, as well as two year follow up inspections to assist the producer with the treatment(s) and to ensure it is performed effectively. DOF will also facilitate communication with contractors for participants.

Putting more emphasis on site preparation and pre/post planting chemical treatment—as establishment activities to control competition--should prevent many of the maintenance issues we have seen in the past where competing vegetation and noxious/invasive species contribute to tree morality. Also encouraging FSA COC's to consider cost-share for replanting

when there is a practice failure will help producers who had above average mortality due to natural conditions. DCR will also provide 50% cost-share for replanting, when appropriate.

CRP policy provides the PIP as a one-time incentive payment made to participants after completion of practice and certification of performance. Traditionally, FSA has issued the PIP after all of the structural components were installed and trees were planted. However, in many cases, we issue the PIP before the trees are truly established. The participants have relied on the PIP, essentially as cost-share to help cover the upfront expenses, so we have issued that payment ASAP after planting because there has already been a big investment by the participant, in many cases, and they are anxious to recover some of those costs.

In order to encourage and incentivize the post-planting chemical treatment, which should preempt many of the 'maintenance' issues, the guidance to FSA staff will be to withhold the PIP as the 'carrot' to be issued only after the post-planting treatment is applied and certified. Since that is considered an establishment cost it will be eligible for cost-share and PIP, whereas in the past, if the PIP was issued before the post-planting treatment the costs were not included in the PIP.

***Outreach Materials*** **-** Old, out-of-date outreach materials need to be replaced with new, updated materials. Outreach materials need to provide simple explanations addressing:

- the benefits of riparian forested buffers,
- economic costs and benefits of this practice within specific sectors of the agriculture industry (dairy, livestock, crop farming, etc.), and
- highlight success stories.

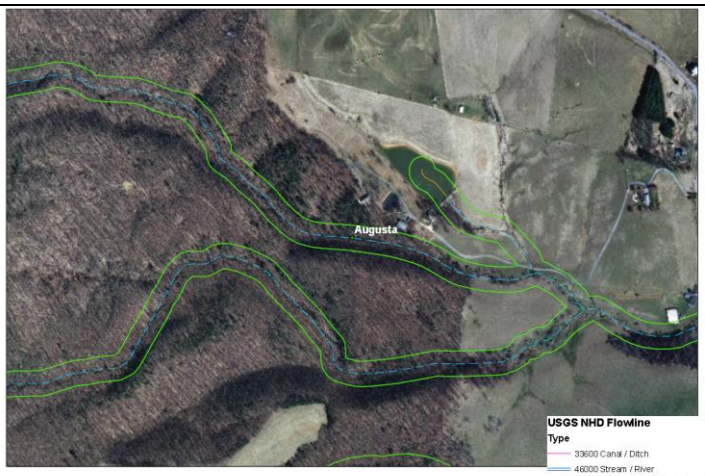
It is challenging for individual States to effectively develop these materials. Most are not educated or training in marketing techniques to create effective public information materials and production is expensive. A more cost-effective approach is to develop regional templates that can be quickly and easily adapted by each Bay state for their own use. NGO partners can support Chesapeake Bay states and develop model RFB outreach materials for states, including:

- Stewardship benefits of RFBs (to better inform target audience of RFBs);
- Fact sheets addressing program changes, such as increases in incentives--this can be a catalyst for increased enrollment;
- Frequently Asked Questions (FAQs);
- Ag industry specific comparison of CREP incentives and benefits with opportunity costs, including:

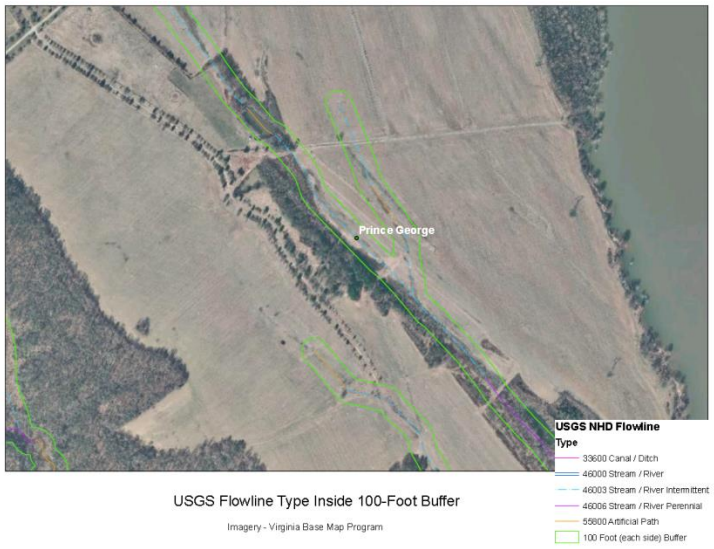
  - RFBs & livestock/dairy;
  - Cropping & RFBs;
  - Horse farms;
  - Re-enrollment of riparian forest buffers & options (CREP, ACEP, etc.);
  - Absentee landowners;
- Success stories & testimonials from RFB participants.

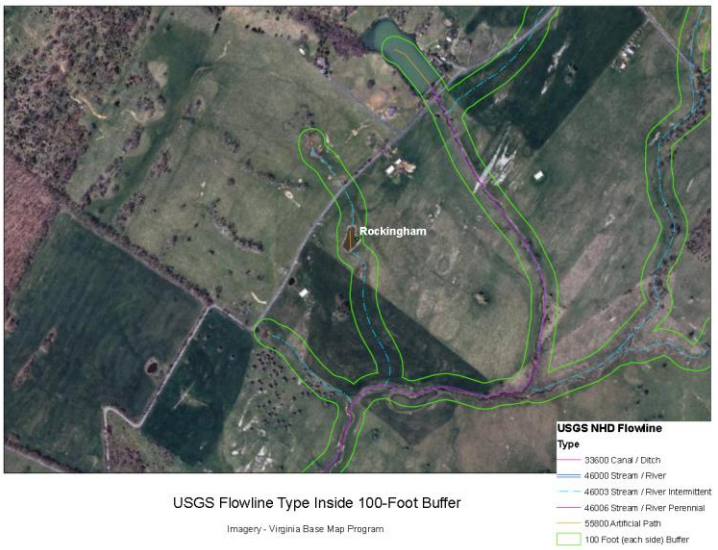
***Targeted Enrollment Strategy*** **-** Using GIS, aerial imagery, USGS hydrography datasets, FSA common land unit (CLU) land use attribution, crop reporting data and farm records we have the ability to identify acres that are potentially eligible for enrollment in CREP. The following images are a few examples of fields, or portions of fields that are reported to FSA where production operations are occurring immediately adjacent to impaired water courses. The imagery in these examples reveals, in many cases, a complete absence of any conservation cover between the water course and the crop or pasture field. The resolution of this imagery even reveals livestock grazing and watering along the banks. A complete, Statewide analysis of the CLU reveals more than 25,000 fields, or portions of fields, in which producers and landowners report production operations occurring immediately adjacent to various water features.

USGS Flowline Type Inside 100-Foot Buffer
Imagery - Virginia Base Map Program



USGS Flowline Type Inside 100-Foot Buffer
Imagery - Virginia Base Map Program




Additional information such as a compilation of soils data, slope, erodibility, may equip local working groups with valuable information to further prioritize areas of focus for enrollment. Virginia partners have made significant progress in implementation of RFBs though CREP, but there is clearly still work to be done.

Molly Joseph Ward
Secretary of Natural Resources

Clyde E. Cristman
Director

Joe Elton
Deputy Director of Operations

Rochelle Altholz
Deputy Director of Administration
and Finance

# COMMONWEALTH of VIRGINIA

## DEPARTMENT OF CONSERVATION AND RECREATION

600 East Main Street, 24th Floor
Richmond, Virginia 23219
(804)786-6124

February 27, 2015

Mr. Calvin Parrish
Executive Director
Farm Service Agency
1606 Santa Rosa Road
Suite 138
Richmond, Virginia 23229

Dear Mr. Parrish:

The Virginia Department of Conservation and Recreation (DCR) supports the suggested changes to the Conservation Reserve Enhancement Program (CREP) as a result of the Chesapeake Bay Riparian Forest Buffer Initiative.

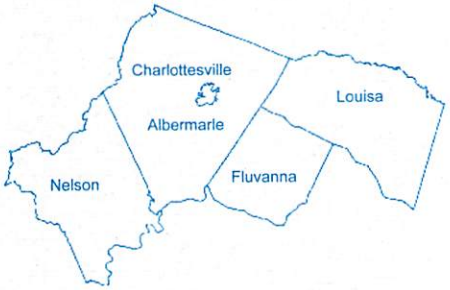
In addition to helping Virginia to make progress towards one of the very important Chesapeake Bay Watershed Implementation Plan goals, CREP also complements our livestock stream exclusion initiative that we began two years ago.

To demonstrate our support for CREP, DCR is willing to increase state match to an amount that will, in combination with CREP, provide farmers with 100% of their costs to initially install these best management practices.

While we do overall support the suggested changes, our concern is that the suggested rate of accelerated implementation of CREP may be difficult to achieve over the next few years, even with the additional incentives that we would offer together with Farm Service Agency. Nevertheless, DCR will do whatever we can to promote increased CREP signup.

Sincerely,

Clyde E. Cristman




**Thomas Jefferson Soil and Water Conservation District**
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Louisa Office: 39 Industrial Dr., Louisa, VA 23093
Phone: 540-967-5940 Fax: 540-967-2557

February 25, 2015

Calvin Parrish, Virginia State Executive Director
Farm Service Agency
1606 Santa Rosa Rd, Suite 138
Richmond, VA 23229

Dear Director Parrish,

On Behalf of the Board of Directors of the Thomas Jefferson Soil and Water Conservation District (TJSWCD), I write to you in support of the suggested enrichments to the Conservation Reserve Enhancement Program (CREP) resulting from the Chesapeake Bay Riparian Forest Buffer Initiative.

Within the Chesapeake Bay watershed, the focus of conservation work should be the establishment of riparian buffers. Historically, CREP has been the best program to use in order to reach this goal. The monthly matching monthly approval structure of the CREP program allows staff to get more conservation on the ground. The TJSWCD values the technical and financial partnership that CREP provides Districts. Working together and sharing the financial burden is the best approach to stretch conservation dollars and staff resources. The District would like to see CREP reemerge as the premier conservation program.

After reviewing the Virginia State Task Force Final Report and Proposal for Funding, the District applauds the following recommendations:

- The increase in CREP acres within the Chesapeake Bay watershed, bringing in additional CREP dollars for buffer establishment.
- The increase in financial incentives, both in raising rental rates and raising national caps on practices such as pipeline, fencing, and water troughs.
- The revisions to the waiver process that would allow County Committees the flexibility to grant approvals beyond the cost-share caps at a local level. The District would like to see the cap on local waiver approvals raised to $2,500.
- The emphasis on staff training for FSA, NRCS, and Districts to facilitate the administration of the program as smoothly as possible to best serve the farming community.

Districts are doing more than writing letters of support for these suggested enhancements to CREP. The State is doubling its financial contribution to the program, matching that of FSA. This financial support and the work of field staff to promote the CREP program should clearly illustrate the support of the State for the establishment of riparian forest buffers and the CREP program. The TJSWCD will be glad to see the emphasis shift back to the planting of buffers through the partner program CREP.

Respectfully,

Brian Wagner, Chair
Thomas Jefferson Soil and Water Conservation District

Cc: Emily Horsley, Agricultural Program Specialist, FSA (via e-mail)
Darryl Glover, Director of the Division of Soil and Water Conservation, DCR (via e-mail)
Gary Moore, Agricultural Incentives Program Manager, DCR (via e-mail)