

State Technical Committee Minutes

Richmond, Virginia

February 18, 2014

Wade Biddix, NRCS ASTC-Programs, began the meeting at 1:00 by asking who had joined us via teleconference. Then he welcomed everyone, introduced himself and asked attendees to do the same. He thanked the group for understanding the need to postpone the meeting from January to February. Felt there was no need for the meeting in January since there was no Farm Bill at that time.

Attendance: Wade Biddix (NRCS), Jack Bricker (NRCS), Ron Wood (NRCS), Chad Wentz (NRCS), Emily Horsey (FSA), Philip Reed (VOF), Patricia Stansbury (VABF/WRIR), Kristen Hughes Evens (Sustainable Chesapeake), Dale Gardener (Water Stewardship), Libby Norris (CBF), Jim Baird (AFT), Blaine Delaney (NRCS), Don Looock (PEC), William Hale (VABF), Hillary Mehl (VT), Jim Schroering (VCE), Patrick Vincent (NRCS), Diane Dunaway (NRCS), Georgia Solseth (NRCS Recorder). **Connected via teleconference:** Seth Coffman (Trout Unlimited), Julie Hawkins (NRCS).

Opening Comments:

Jack Bricker, NRCS State Conservationist – Welcomed everyone. He explained to the attendees that were just there for the STC meeting that some members participated in the National Crop Cover and Soil Health Forum in the morning and that he appreciated their input. There was good discussion about where to go from here in Soil Health. The big news was that there was a new Farm Bill. The Agricultural Act of 2014 was signed by the President on February 7. NRCS programs staff will share what they know of the changes. There is still a lot that is unclear and everything is essentially on hiatus while National NRCS establishes new program policy and rules. He asked that everyone be patient.

Program Updates:

Emily Horsley (FSA) – Likewise, FSA programs are on hold until Farm Bill 2014 policies are established at National level.

Diane Dunaway (NRCS) – Easements – (Handout) – Provided a quick overview of the Farm Bill 2014 changes to the easement programs. FRPP, GRP, and WRP have been repealed and replaced with ACEP – Agricultural Conservation Easement Program. See handout for details.

Patrick Vincent (NRCS) - EQIP/ WHIP/CSP – (Handouts) – Because of the new Farm Bill, we are not able to obligate any program funds until the new program rules are determined. We have pre-approved contracts ready and waiting for contract obligation.

Blaine Delaney (NRCS) - (Handouts) - Provided a summary of current Virginia Conservation Innovation Grant (CIG) projects. FY14 Virginia CIG Program has been allocated \$350,000. CIG Announcement should be released in early March. Pre-Proposals will be due on May 2 and selected Pre-Proposal applications will be announced on May 23. Full Proposals will be due on June 27. Topics can cover soil health (highest priority), wetland restoration design, precision agriculture, silvopasture, and/or economics.

Wade – Presentation on 2014 Agricultural Act (New Farm Bill) – Wade provided a PowerPoint presentation on the highlights of the Agricultural Act of 2014. Copy of the presentation is attached. Some concern was expressed by attendees regarding the provision that no Regional Conservation Partnership Program (RCPP) funds may be used to cover partner administrative costs. Another question was asked about FRPP certified partners. Clarke County in Virginia is the only FRPP certified partner in the nation. Jim mentioned that American Farmland Trust is hosting webinars every Wednesday at 4:00 pm on the Farm Bill – tomorrow's program is on Easements.

Agency Updates:

Kristen Hughes Evans (*Sustainable Chesapeake*) – Working with NFWF on national CIG grant on injecting manure and its proper utilization which has impact in Virginia. Poultry litter has some problems which they will review. Multiple partners are involved. Sustainable Chesapeake has overall coordination of project. Manure injection program looking at soil improvements in the short-term.

Libby Norris (*CBF*) – General assembly is having a strong water quality year. CBF congressional folks worked on the hill on Farm Bill. CBF will be working on several riparian buffers in March. CBF on Eastern Shore is working with Green Seed Technologies on soil quality. The calendars for Graziers planners are out and available along with the soil planners. Working on the National CIG grant which is in its second year - looking at BMPs and how they are helping the Bay.

Jim Baird (*American Farmland Trust*) - Provided a handout on the BMP's Challenge. Have been addressing pre-sidedress nitrate testing – looking to see if farmers will be more responsive to tests. Right now they are having systemic conversations and will pull together a report of their findings. There appears to be a lot of risk - out of 10 fields studied half had a lower yield. With the reduced nitrogen only two had negative reports. They are having soil health meetings with cooperators – set up replicated strip trials to convey effects. Also working with Ag. retailers. Conservation insurance – allow them to have customary practice and the new practice. If they suffer a yield loss, AFT will pay them for the loss. Allows farmers to try it before adoption with very little risk. Need grant funding and can also partner with others.

Don Loock (*PEC*) – Introduced himself. He is replacing Sue Ellen Johnson on the committee. PEC has partnered with Clarke County on three easements. They also have a new CIG grant on soil health – multi-species farming in Rappahannock. They are using it to draw in existing farmers.

Jim Schroering (*VCE*) – VCE agents have been very involved in forage and other meetings through the state especially pesticide meetings. This has been an odd year for farmers. Fields have been saturated and farmers haven't been able to add any nitrogen to their fields.

Philip Reed (*VOF*) – The Virginia Outdoors Foundation had its biggest year ever - 60,000 acres going into conservation easements. Send farmers that want to do permanent easements to them.

Seth Coffman (*Trout Unlimited*) – They will be involved in several riparian plantings in March. They have signed a contract with NFWF for Chesapeake Bay Stewardship Grant. Grants were submitted to get funding to expand TU's service area.

Closing Comments:

Jack Bricker (*NRCS*) – expressed thanks to everyone who attended the meeting; he stated that NRCS appreciates the input and looks forward to seeing how we can all work together with the new Farm Bill.

Wade Biddix (*NRCS*) – Wade passed around the Soil Planners. Wade stated that he would like to get back on the normal STC schedule which means that the next meeting will be March 25. However, that may change depending on what information is available regarding the Farm Bill 2014. He will let everyone know.

NOTE: Next State Technical Committee Meeting will be March 26, 2014 at 1 p.m. at the NRCS State Office.

State Technical Committee Meeting
February 18, 2014 at 1:00 p.m.
NRCS State Office Conference Room

A G E N D A

Welcome and Opening Remarks	NRCS - Bricker
Conservation Reserve Program (CRP & CREP)	FSA - Horsley DCR - Moore
Status of FY-14 Program Funds Easements EQIP, CSP and WHIP National and State CIG	NRCS - Dunaway NRCS - Vincent/Wood NRCS - Delaney
2014 Agricultural Act (New Farm Bill) Key Provisions and Changes NRCS Subcommittees	NRCS - Biddix
Agency Updates	All

Next Meeting - March 25, 2014



United States Department of Agriculture
Natural Resources Conservation Service

Easements: ACEP, FRPP, GRP, WRP, FPE

Report to State Technical Committee, Virginia

February 18, 2014 Meeting

New Farm Bill 2014 Easement Program - ACEP

- FRPP, GRP and WRP have been repealed, but their purposes and functions have been consolidated into ACEP - Agricultural Conservation Easement Program.
- ACEP has two components:
 - ALE - Agricultural Land Easement (FRPP, GRP functions)
 - WRE - Wetland Reserve Easement (WRP functions)
- ACEP has few new statutory provisions when compared to GRP, FRPP and WRP, though ACEP will require a new regulation for its implementation.
- Does not impact authority to provide support for easements and agreements obligated under previous legislation.
- New fy-14 funds are forthcoming.
- WRE highlights:
 - Reduces ownership requirement from 7 years to 2 years.
 - Authorizes waiver process to allow enrollment of CRP land established to trees.
 - No option to enroll stand-alone restoration cost-share agreements.

FRPP :: Farm and Ranch Lands Protection Program

- 10 FRPP easements are in the acquisition process, total 2,566 acres.
- 3 closed in fy-14 first quarter, total 285 acres.

GRP :: Grassland Reserve Program

- 2 GRP easements are in the acquisition process, total 182 acres.

WRP :: Wetlands Reserve Program

- 8 WRP easements are in the acquisition process, total 263 acres.
- 1 closed in fy-14 first quarter, total 33 acres.
- 8 restorations are underway.

FPE :: Floodplain Easements, in Emergency Watershed Protection Program (EWPP)

- None funded at this time.

Monitoring

- The annual monitoring process is underway for all conservation easements. Work needs to be completed by August 2014.

*Diane D. Dunaway, Easement Specialist for ACEP - ALE, WRE (FRPP, GRP, WRP),
(804) 287-1634, Diane.Dunaway@va.usda.gov*

State Technical Committee Meeting

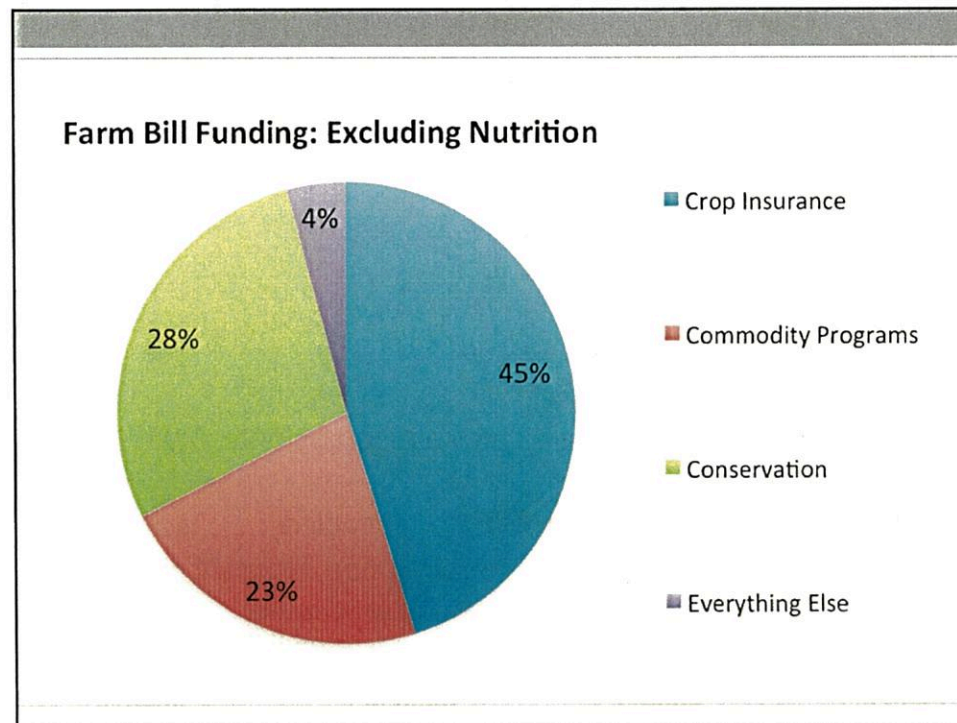
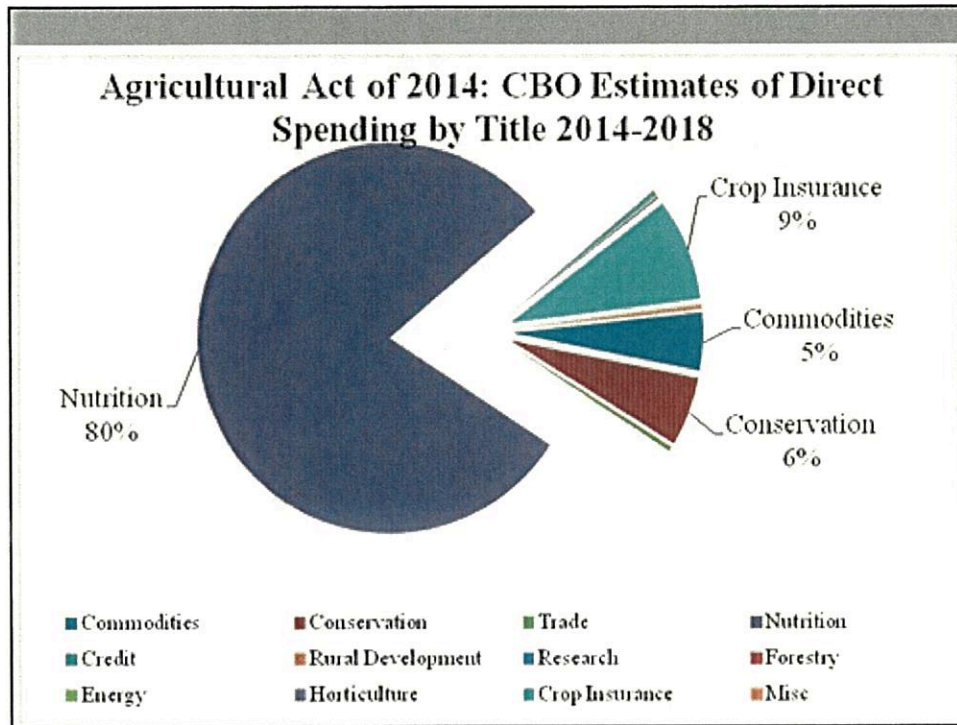
Highlights of the Agricultural Act of 2014

By

Wade Biddix
USDA - NRCS

Agricultural Act of 2014

- Funding level = \$956.4 Billion
 - 80% to SNAP, WIC, and School Lunch Programs
 - 9% to Crop Insurance
 - 6% to Conservation
 - 5% to Commodities
 - <1% to All Other Programs
- All conservation programs are reduced by only \$200 million over 5 years
- Section 1619 (Protection of PII) still applies
- Included funding for Dam Rehabilitation Program at
 - \$250 M mandatory funding – available until expended
 - \$85 M annually from 2014 to 2018



Conservation Programs

- New FB consolidates 23 conservation programs into 13
- CRP acreage limit gradually reduced to 24 M acres
- EQIP funding stays the same but must support WHIP at minimum of 5% annually for wildlife habitat projects
- CSP acres reduced from 12.7 M acres to 10 M acres
- Three programs (GRP, WRP and FRPP) combined into Agricultural Conservation Easement Program
- Conservation Innovation Grants continued

Conservation Funds Are Now “No-Year”

- Funds are available until expended
- Funds from cancelled/terminated/completed contracts are returned to the State as current year dollars
- States can rollover funds from one year to the next without loss
- TA Ratio for each program will be set by Sec. of Ag. – not OMB

Payment Limitation

- The new payment limitation is \$450,000 per individual.
- A waiver is no longer available for projects with environmentally sensitive projects
- RCPP allows for AGI waivers in certain situations

Adjusted Gross Income

- New AGI limit is \$900,000 for both commodity and conservation programs
- Applies to both farm and non-farm income
- AGI requirements do not apply for FY-14 but will become effective for FY-15
- Successors of interest for contract transfers are responsible to meet AGI requirements for the year the original contract was obligated

Veterans

- Veterans were added as a new group for the higher payment rate
- Veterans will not have a separate fund pool like New/Beginning Farmers and Socially Disadvantaged Farmers but they can get up to 90% payment rate.
- Veterans Definition – Anyone serving that did not have a dishonorable discharge

Advance Payments

- Can now go up to 50% of contract (up from 30%)
- Now must utilize the funds in 90 days (up from 30 days)

EQIP Funds

- At least 60% of EQIP funding must go to livestock
- 10% goes to New/Beginning Farmers, Limited Resource Farmers, Veteran Farmers or Socially Disadvantaged Farmers
- Minimum of 5% goes to wildlife habitat projects

Authorized EQIP Funding Level

- 2014 = \$1.35 Billion
- 2015 = \$1.65 Billion
- 2016 = \$1.65 Billion
- 2017 = \$1.65 Billion
- 2018 = \$1.75 Billion

Agricultural Conservation Easement Program (ACEP)

- Two major components are:
 - WRE - Wetland Reserve Easement (old WRP)
 - ALE - Agricultural Land Easement (old GRP and FRPP)
- Expect an enrollment period to be announced for FY-14 applications
- Will use existing rules and regulations for FY-14 programs
- WRE – reduces ownership requirement from 7 years to 24 months.
- No option now for stand-alone WRE restoration cost-share agreements
- GRP Rental Agreements are now part of CRP and administered by FSA

Authorized ACEP Funding Levels

- 2014 = \$400 Million
- 2015 = \$425 Million
- 2016 = \$450 Million
- 2017 = \$500 Million
- 2018 = \$250 Million

Conservation Stewardship Program (CSP)

- Authorized at 10 M acres per year – down from 17.7 M
- 10% forestry cap was removed
- Application deadline of February 7th still applies for FY-14 sign-up #1
- May be another sign-up announced this year if we do not meet 10 M acre limit with first sign-up

Regional Conservation Partnership Program (RCPP)

- Combined
 - CBWI
 - Great Lakes
 - AWEP
 - CCPI
- Funded with \$100 M in mandatory funds plus 7% of program funds
 - Totals about \$250 M annually
- Encourages Partners to cooperate with producers
- NRCS will provide assistance through:
 - Partnership agreements
 - Program contracts and/or easement agreements

RCPP Partnership Agreements

- Competitive Process
- NRCS will make public the evaluation criteria
 - Not sure if this will be national or state criteria
- Partners are responsible for:
 - Contributing a significant portion of costs (No set rate included)
 - Conducting outreach and education to producers
 - Acting on behalf of participants, if they request it
 - Leveraging federal FA and TA with additional non-federal funds
 - Conducting an assessment of the project costs and conservation effects and benefits of the project
- Note: No RCPP funds may be used to cover partner administrative costs

RCPP – Critical Conservation Areas

- Secretary of Ag. can select up to 8 nationwide
- Areas designated for 5 years but may be extended
- 35% of RCPP goes to these areas
- Chesapeake Bay Watershed expected to be named
- Also includes authorities under PL-566 Small Watershed Program except for Dam Rehabilitation

RCPP Fund Allocation

- 25% for State Projects
- 40% for National Projects
- 35% for Critical Conservation Areas

RCPP Priorities

- Water Quality
- Water Quantity
- Erosion Control
- Wildlife Habitat
- Drought Management
- Flood Control
- Others

RCPP

- Secretary of Ag. can waive AGI limits if needed to achieve the purpose of the project
- Allows Secretary of Ag. to make adjustments to discretionary program rules, if requested by partners
- Irrigation history not required for participation under limited circumstances

HEL and WC Compliance

- "Recoupling" federal crop insurance premium support benefits to HEL and WC Compliance requirements
 - HEL Compliance for Crop Insurance
 - Will have 5 years to develop and comply with conservation plan
 - 2 years for existing operations with violations
 - Wetland Conservation Compliance for Crop Insurance
 - New conversion trigger date is 2/7/14
 - "Payment in lieu" option for mitigation of conversions <5 ac
 - New mitigation timelines
- NRCS will work with FSA and Risk Mgt. Agency to coordinate certification process and recordkeeping
- Mandated USDA-assisted wetland mitigation banking program
- HEL and WC compliance still required for Conservation Programs

Pollinators

- Pollinator protection provisions extended to 2018
- “Honey Bees” added to conservation provisions for native and managed pollinators
- USDA, in consultation with DOI and EPA, to publish guidance on enhancing long term pollinator habitat and long term viability of pollinators
- Forest Service lands will now allow planting and maintaining forages for natives and managed honey bees

For more information visit

www.nrcs.usda.gov/FarmBill

Any Questions?

State Technical Committee

Henrico, Virginia

February 18, 2014

Conservation Innovation Grants (CIG) Report

\$350,000 for the FY14 Virginia CIG Program (compared to \$400,000 last year)

Our CIG Announcement has not been released yet, hopefully in early March.

- Pre-Proposals due on May 2, 2014
- Selected Pre-Proposal applications will be announced on May 23rd
- Full Proposals (selected applicants) due on June 27, 2014
- \$75,000 is the maximum Virginia CIG Award

FY14 TOPICS for Consideration

- PRIORITY NEED = **SOIL HEALTH**
- Other Topics for Consideration:
 - Wetland Restoration Design
 - Precision Agriculture
 - Silvopasture
 - Economics

FY13 Factoids

- 16 CIG Pre-proposals (\$853,000 requested) were received
- **9 applicants** were asked to submit full proposals
- **7 Full Proposals** were submitted; all were funded (\$406,641)

Summary of Current VA NRCS Conservation Innovation Grants (CIG) Projects

Project Title	Start	Duration	Recipient Organization(s)	Contact Person	Geographic Region Targeted	NRCS Financial Contribution
Soil Health and Wallet Wealth in Intensive Dairy Systems (SOIL HEALTH)	Fall 2013	2 years	American Farmland Trust	Jim Baird	Shenandoah Valley & Northern Piedmont	\$75,000
Strip Tilling Vegetables to Boost Soil Organic Matter, Farmland Conservation and Grower Productivity (SOIL HEALTH)		2 years	Appalachian Sustainable Development	Chick Fish	Southwest Virginia	\$32,913
Farming on the Edge: Evaluation of the edge effect in grain cropping systems		1 year	Colonial SWCD	Brian Noyes	Tidewater	\$12,350
Improved Soil Health through Livestock and Pasture Diversity: a Farm Demonstration (SOIL HEALTH)		3 years	Piedmont Environmental Council of Virginia	Don Look	Northern Piedmont	\$62,276
Soil Health and Grazing Management: Putting Science into Practice (SOIL HEALTH)		3 years	Virginia Forage and Grassland Council	Patricia Johnson	Statewide (Western VA emphasis)	\$75,000
Healthy Farms from the Soil Up: Finding Common Ground (SOIL HEALTH)		3 years	Virginia Tech	Eric Bendfeldt	Shenandoah Valley & Northern Piedmont	\$74,102
Establishing and Managing Pine and Hardwood Silvopastures in the Mid-Atlantic Region of the United States		3 years	Virginia Tech	Chris Teutsch	Statewide	\$75,000

Project Title	Start	Duration	Recipient Organization(s)	Contact Person	Geographic Region Targeted	NRCS Financial Contribution
Feasibility of Multi-species Cover Crops in Central Virginia Cropping Systems to Affect Soil Quality (SOIL HEALTH)	Fall 2012	3 years	Hanover-Caroline SWCD	Jim Tate	Northeast VA	\$49,900
Managed Grazing for Improved Soil Health and Environmental Protection (SOIL HEALTH)		3 years	Virginia Tech	Ben Tracy	West of Blue Ridge	\$75,000
Innovative Cropping Systems Using Diverse Cover Crops & Manure Injection (SOIL HEALTH)		3 years	Virginia No-Till Alliance	Matt Yancey	Shenandoah Valley	\$39,515
Strategically Reducing Phosphorus Excretions in Grazing Beef Cattle		2 years	Virginia Tech	Mark McCann	Statewide	\$30,000
Enhanced Nutrient Management in Virginia: Precision Soil Phosphorous, Potassium, and pH Management	Summer 2011	3 years	Virginia Tech	Mark Reiter		\$75,000
Comprehensive Conservation Outreach Training for Limited Resource and Beginning Farmers in Central Virginia		2 years	Local Food Hub, Inc.	Adrianna Vargo	Central Virginia	\$75,000
Beneficial Reuse of Large Animal Mortality		2 years	Virginia Tech	Bobby Clark	Shenandoah Valley	\$2,900
GPS Zone-Based Variable Rate Nitrogen Fertilizer ClG Project		3 years	Colonial SWCD	Brian Noyes	Tidewater	\$15,804
Greenseeker Sensor-Based Variable Rate Nitrogen Fertilizer ClG Project		3 years	Colonial SWCD	Brian Noyes	Tidewater	\$50,000
Alternative Winter Cover Crop Species and Seeding Techniques for Virginia (SOIL HEALTH)	Fall 2010	2 years	Virginia Tech	Wade Thomason	Statewide	\$69,769
Cost Share for Slug Management in Corn and Soybeans		3 years	Virginia Tech	Bobby Clark	Shenandoah Valley	\$73,285

FY14 EQIP Budget Allocation - 2/18/14

Account Name	Allocated	Contract Approval	# of Preapprovals	Preapproval Funding	Funds Remaining	Previous Ranking Period	Eligible / Pending Applications Remaining	Total Estimated Cost	No Cost
Virginia	\$17,901,425.00	\$1,957,141.00	519	\$14,356,379.53	\$1,587,904.47		365	\$5,574,748.00	135
Aquaculture	\$125,000.00	\$5,000.00	16	\$86,975.00	\$33,025.00	Funded All	1	\$7,000.00	0
Beginning Farmer	\$870,921.00	\$0.00	15	\$870,921.00	\$0.00		27	\$518,277.00	6
CAPS-Conservation Activity Plans	\$150,880.00	\$25,800.00	58	\$125,080.00	\$0.00	Funded All	12	\$3,900.00	10
Cropland - Christiansburg	\$100,000.00	\$5,815.00	4	\$29,683.00	\$64,502.00	Funded All	3	\$0.00	3
Cropland - Farmville	\$362,713.00	\$585.00	11	\$341,998.00	\$20,130.00	Funder All	3	\$0.00	3
Cropland - Harrisonburg	\$1,066,271.60	\$257,302.00	24	\$808,969.60	\$0.00		14	\$201,177.00	7
Cropland - Smithfield	\$1,579,846.00	\$102,300.00	62	\$1,359,146.80	\$118,399.20	Funded All	11	\$34,664.00	8
Forestry - Statewide	\$800,000.00	\$483,972.00	21	\$294,924.00	\$21,104.00		121	\$885,740.00	22
FY14 Certified Organic	\$49,049.00	\$0.00	2	\$49,049.00	\$0.00	Funded All	0	\$0.00	0
FY14 On-Farm Energy	\$473,362.35	\$0.00	26	\$473,362.35	\$0.00		17	\$266,224.00	4
FY-14 On-Farm Energy CAP	\$85,700.00	\$19,300.00	28	\$66,400.00	\$0.00	Funded All	1	\$0.00	1
FY14 Organic Transition	\$25,000.00	\$9,260.00	1	\$0.00	\$15,740.00	Funded All	0	\$0.00	0
Irrigation Water Management	\$67,640.00	\$0.00	4	\$40,073.60	\$27,566.40	Funded All	1	\$0.00	1
Livestock - Christiansburg	\$2,568,960.00	\$536,973.00	31	\$2,008,417.00	\$23,570.00		34	\$1,357,544.00	11
Livestock - Farmville	\$2,843,418.00	\$161,038.00	64	\$2,607,380.00	\$75,000.00		40	\$1,050,210.00	16
Livestock - Harrisonburg	\$3,654,503.40	\$112,447.00	53	\$3,532,495.13	\$9,561.27		50	\$1,008,431.00	26
Livestock - Smithfield	\$197,500.00	\$0.00	5	\$197,500.00	\$0.00	Funded All	1	\$131,312.00	0
Long Leaf Pine Initiative	\$79,000.00	\$0.00	1	\$17,487.00	\$61,513.00	Funded All	1	\$6,800.00	0
NWQI - Fifteen Mile Creek	\$225,334.00	\$0.00	2	\$45,324.00	\$180,010.00	Funded All	0	\$0.00	0
NWQI - Smith Creek - Mountain Run	\$225,333.00	\$0.00	3	\$11,217.25	\$214,115.75	Funded All	1	\$0.00	1
NWQI - Smith Creek - War Branch	\$225,333.00	\$0.00	2	\$46,664.20	\$178,668.80	Funded All	0	\$0.00	0
Seasonal High Tunnel	\$357,219.60	\$13,396.00	40	\$343,823.60	\$0.00		17	\$91,269.00	7
Socially Disadvantaged	\$857,321.00	\$179,044.00	11	\$670,491.00	\$7,786.00	Funded All	0	\$0.00	0
Wildlife - Habitat Maintenance	\$157,321.00	\$39,711.00	7	\$60,676.00	\$56,934.00	Funded All	3	\$12,200.00	2
Wildlife - Wildlife Habitat Creation	\$335,000.00	\$5,198.00	28	\$268,322.00	\$61,480.00	Funded All	7	\$0.00	7
FY14 EQIP Reserve	\$68,799.05	\$0.00	0	\$0.00	\$68,799.05				
FY14 CIG State Component	\$350,000.00	\$0.00	0	\$0.00	\$350,000.00				
	\$17,901,425.00	\$1,957,141.00	519	\$14,356,379.53	\$1,587,904.47		365	\$5,574,748.00	135

TAKE THE BMP CHALLENGE!™

FIND OUT HOW YOU CAN
REDUCE NUTRIENT AND
TILLAGE COSTS – RISK FREE!



American Farmland Trust

SAVING THE LAND THAT SUSTAINS US

BACKGROUND ON AFT's BMP CHALLENGE™

What it is: BMPC allows a producers to compare a new nutrient or tillage management practice against their standard practice and receive a payment if the new practice returns a loss. It is a risk-free "test drive" of a recommended practice that the farmer may not have adopted due to fears of lost yield/income.

How it works: A producer works together with a crop advisor to **a)** identify a nutrient or tillage management practice of interest, **b)** develop the plan to compare the new and current practice on a field, **c)** implement comparison strips to measuring any yield difference, and **d)** harvest the two portions separately. If the **net return is negative** (yield losses minus savings in fertilizer or equipment use), a guarantee payment is made for the loss.

How it was developed: The BMPC system was developed through the NRCS Conservation Innovation Grants program where its technical and financial components have been thoroughly reviewed and approved in several nationwide CIG grants. It has been used on over 20,000 acres in 18 states.

What it is not: The BMPC system is **not insurance**. It's a service agreement like the warranty on a purchase that helps give the buyer peace of mind). It is **not research**. The practice has already been researched. This is a demonstration using a comparison that can show a difference in outcomes and is the basis for determining a payment whether to make a payment.

Eligible Practices: BMP Challenge can be used with numerous practices based on priorities of the farmer, with input from his/her advisers. Below are a number of practice options that are eligible for 2012.

1. **Reduced tillage:** Includes any variation that retains at least 30 percent residue (e.g., no-till, conservation till, strip, ridge, etc.)
2. **Nutrient Management Implementation—Basic/Advanced:** Implementing steps to manage the amount, source, placement, form, and timing of the application of plant nutrients and soil amendments.
3. **Pre-Sidedress Nitrate Test:** Base final N application on in-season soil test recommendation.
5. **Minimum Disturbance Fertilizer Application:** Applying organic or inorganic fertilizers using incorporation or injection equipment (e.g., vertical tillage, field cultivator, knife rig). Total N application based on efficiency value of fertilizer incorporation.
7. **Enhanced Nitrogen products:** (e.g., slow release, polymer coatings, inhibitors)
8. **Sensor-based variable rate application:** (Crop Circle, Green Seeker)

WHEN BEST TO USE THE BMP CHALLENGE?

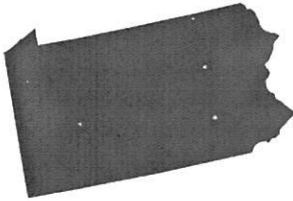
When a farmer and their adviser recognize that a particular practice could be a benefit to the operation, but concern about lost income is holding the producer back from trying it out.

Proud to Partner with:



United States Department of Agriculture
Natural Resources Conservation Service

Practices Guaranteed in 2009 through '13 Demonstrations



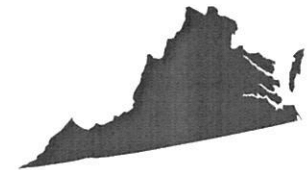
Pennsylvania

- ♦ Manure Incorporation/Tillage
 - ♦ Variable Rate Applications
- With 29 Farmers
On 3,685 acres



Maryland

- ♦ Commercial N Incorporation
 - ♦ Manure Incorporation/Tillage
 - ♦ Manure Injection
 - ♦ Variable Rate Applications
- With 14 Farmers
On 2,869 acres



Virginia

- ♦ Pre Side-Dress Nitrate Test
 - ♦ Starter Phosphorus
- With 11 Farmers
On 160 acres

Results from 2011 survey of past nutrient management and tillage participants:

- ♦ 88% percent were continuing, or planning to continue the new practice (or a modified form of the practice) after their experience.
- ♦ 89% of respondents were satisfied with the income protection provided.
- ♦ Seventeen out of 18 respondents in 2010 rated both "fear of yield loss" and "cost versus profit" as "very important" when considering the adoption of new BMPs.

Comments from PA, MD and VA participants from the last 3 years

- ♦ *"I appreciate being able to take part in this program and also feel it is cost beneficial to my farming operation."*
- ♦ *"One way I benefit is that it protects my investment in the crop while reducing input costs, and maintaining farm income potential. Another way ...while not a tangible benefit, I know that by reducing my N use, there is less potential N runoff from my farm and that helps improve the water quality in my neighborhood."*
- ♦ *"It gives me an education on N responsiveness at different rates & weather scenarios over a few years."*
- ♦ *"It takes the worry out of changing management practices that directly effect yield/income."*



American Farmland Trust

SAVING THE LAND THAT SUSTAINS US

WWW.FARMLAND.ORG - jbaird@farmland.org