

## Fact Sheet

## ***EQIP / Ground and Surface Water Conservation***

October 2005

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### ***Overview***

The Ground and Surface Water Conservation (GSWC) portion of the Environmental Quality Incentives Program (EQIP) is a voluntary program that provides assistance to farmers to conserve ground and surface water in their agricultural operations.

Through EQIP/GSWC, the Natural Resources Conservation Service (NRCS) provides assistance to producers to carry out eligible water conservation activities to improve groundwater and surface water conservation. Activities may include improving irrigation systems, enhancing irrigation efficiencies, converting to the production of less water intensive agricultural commodities, converting to dryland farming, improving the storage of water through such measures as water banking and groundwater recharge, and mitigating the effects of drought. Activities must result in a net savings of groundwater or surface water resources in the agricultural operation of the producer.

EQIP/GSWC is authorized in the Farm Security and Rural Investment Act of 2002 (Farm Bill). Funding for EQIP/GSWC comes from the Commodity Credit Corporation.

### ***Benefits***

Since GSWC began in 2002, the U.S. Department of Agriculture (USDA) has entered into over 5,000 contracts, enrolled more than 1.5 million acres into the program, and obligated nearly \$130 million to help producers conserve ground and surface water resources.

In Fiscal Year (FY) 2002, eight states, considered high plains aquifer states, received funding: Colorado, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Wyoming. In FY-2003, in addition to the high plains aquifer states, eight western drought states also received GSWC funding: Arizona, California, Idaho, Montana, North Dakota, Oregon, Utah, and Washington. In FY-2004, the program further expanded to cover a total of 32 states facing water conservation issues. GSWC provided \$45 million for FY-2003, \$60 million in FY-2004, and about \$63 million in FY-2005.

### ***How EQIP/GSWC Works***

GSWC follows the same operating rules as EQIP, except GSWC limits eligible conservation practices to those that will result in a net savings of ground and surface water.

The objective of EQIP, optimize environmental benefits, is achieved through a process that begins with the definition of National priorities. The National priorities are:

- Reduction of non-point source pollution, such as nutrients, sediment, pesticides, or excess salinity, in impaired watersheds, consistent with Total Maximum Daily Loads (TMDLs) where available, as well as reduction of groundwater contamination and conservation of ground and surface water resources;
- Reduction of emissions, such as particulate matter, nitrogen oxides (NO<sub>x</sub>), volatile organic compounds, and ozone precursors and depleters, that contribute to air quality impairment violations of National Ambient Air Quality Standards;

- Reduction in soil erosion and sedimentation from unacceptable levels on agricultural land; and
- Promotion of at-risk species habitat conservation.

These priorities are used by the NRCS Chief to allocate available EQIP funds to State Conservationists. The State Conservationist, with advice from the State Technical Committee, then identifies the priority GSWC concerns in the State, decides how funds will be allocated, what practices will be offered, what the cost-share rates will be, the ranking process used to prioritize contracts, and which of these authorities will be delegated to the local level. The local designated conservationist, with the advice of local work groups, adapts the State program to the local conditions. As a result, EQIP can be different between states and even between counties.

Selection of eligible water conservation practices and development of a ranking process to evaluate applications are the final steps in the process. Applications are ranked based on a number of factors, including the environmental benefits and cost effectiveness of the proposal.

NRCS works with the participant to develop the EQIP plan of operations. This plan becomes the basis of the cost-share contract between NRCS and the participant. NRCS provides cost-share payments to landowners through these contracts that can be up to 10 years in duration.

More information regarding State and local EQIP implementation can be found at [http://www.nrcs.usda.gov/programs/eqip/EQIP\\_signup/2004\\_EQIP/2004\\_EQIP.html](http://www.nrcs.usda.gov/programs/eqip/EQIP_signup/2004_EQIP/2004_EQIP.html)

### ***Eligibility***

Persons engaged in livestock or agricultural production are eligible for the program. Eligible land includes cropland, rangeland, pasture, private non-industrial forestland, and

other farm or ranch lands. Persons interested in entering into a cost-share agreement with USDA for EQIP assistance may file an application at any time. To be eligible to participate, the applicant must:

- Be an agricultural producer;
- Be in compliance with the highly erodible land and wetland conservation provisions of the 1985 Farm Bill;
- Have irrigated eligible land two out of the last five years in order to be eligible for cost-share or incentive payments for irrigation related structures and land management practices;
  - Irrigation can include any kind of delivery of water to a site for purposes of supplemental water for production.
  - Two low-tech examples: irrigating to less than the full demand of the crop; adding supplements to irrigation water to improve efficiency.
- Provide the Social Security Number (SSN) of all individuals who will benefit from the assistance; in lieu of a SSN, Tribes and Alaska Native Corporations and their members may enter into contracts individually or by agreement with the State Conservationist; and
- Develop an EQIP plan of operations, including:
  - The participant's specific conservation and environmental objectives to be achieved;
  - One or more conservation practices in the conservation management system to be implemented to achieve the conservation and environmental objectives; and
  - The schedule for implementing the conservation practices.

The 2002 Farm Bill limits the total amount of cost-share and incentive payments paid to an individual or entity to an aggregate of \$450,000, directly or indirectly, for all

contracts entered into during fiscal years 2002 through 2007.

The Adjusted Gross Income provision of the 2002 Farm Bill impacts eligibility for EQIP and several other 2002 Farm Bill programs. Individuals or entities that have an average adjusted gross income exceeding \$2.5 million for the three tax years immediately preceding the year the contract is approved are not eligible to receive program benefits or payments. However, an exemption is provided in cases where 75 percent of the adjusted gross income is derived from farming, ranching, or forestry operations.

### ***Practice Payments***

Cost-sharing may pay up to 75 percent of the costs of certain water conservation practices, such as more efficient irrigation systems and irrigation water management. The EQIP cost-share rates for limited resource producers and beginning farmers and ranchers may be up to 90 percent. USDA has established a self-determination tool for applicants to determine eligibility as a limited resource producer. The tool can be found at:

<http://www.lrftool.sc.egov.usda.gov>

### ***How to Apply for EQIP/GSWC***

Applications may be obtained and filed at any time with your local USDA Service Center or conservation district office.

Applications are accepted through a continuous sign-up process. The local decision makers periodically will announce a ranking date when applications received will be ranked.

### ***For More Information***

If you need more information about EQIP/GSWC, please contact your local USDA Service Center, listed in the telephone book under U.S. Department of Agriculture or via <http://offices.sc.egov.usda.gov/locator/app>, or your local conservation district. Information also is available on the World Wide Web at: <http://www.nrcs.usda.gov/programs/eqip/>



Visit USDA on the Web at:  
<http://www.usda.gov/farmbill>

**Note:** This is not intended to be a definitive interpretation of farm legislation. Rather, it is preliminary and may change as USDA develops implementing policies and procedures. Please check back for updates.