

**MINUTES**  
**State Technical Committee Meeting**  
**Raleigh, North Carolina**  
**April 21, 2009**

The meeting convened at 9:30 a.m. at the NCDA&CS Agronomic Conference Room, 4300 Reedy Creek Road, Raleigh. Mary Combs, State Conservationist, chaired the meeting.

**Mary Combs, NRCS:**

Mary noted that there have been two Federal Register notices regarding the State Technical Committee. The first was a revised rule that came out as a result of the new Farm Bill; the second notice came out last week on the State Technical Committee Standard Operating Procedures. For our next meeting NRCS will provide a hand-out on these procedures so they can be discussed.

NRCS is still waiting on apportionments from the Office of Management and Budget (OMB); hopefully those dollars will be disbursed within the next couple of weeks.

The purpose of this committee is to obtain input from the members on NRCS conservation programs. The committee is an advisory board, not a decision making board. NRCS reserves the right to make the decisions.

Mary asked that everyone introduce themselves.

**WRP, Mike Hinton, NRCS:**

Mike Hinton, Planning Specialist, provided a handout on the 2009 Geographic Area Rate Cap Market Areas. In the past, NRCS would obtain an appraisal for each application to determine what the easement compensation would be. NRCS nationally looked at this process and determined it was too costly and time consuming. To be more efficient NRCS developed Geographic Area Rate Caps (GARC). These rate caps were developed using historical data from the last three years and some other information.

In the 2008 Farm Bill, NRCS will compensate a landowner with either the value of an appraisal, a Geographic Area Rate Cap, or the landowner offer; whichever is lowest. A landowner could offer to take less than the market value or the appraisal of the GARC if he wanted to enhance his chances of getting into the program. One of the concerns of the GARC was did NRCS set the cap where a landowner may get more than what the land was really worth. As a way of checking this, a market analysis of geographic areas was done to determine the average market value in that area and compare it to the GARCs.

The market analysis was just finished last week. The GARCs are based on the common resource areas and then the land use within those areas. The handout showed the Recommended GARC value and the Market Analysis value within the regions. As long as the GARC is below the market analysis value, we are okay. The spread between the GARC and the Market value begins to get wider when looking at the Piedmont and mountain areas due to the influence of development.

Mike Hinton requested comments/input on these recommended GARCs. He informed the committee that the market analysis will be updated annually.

A question arose regarding the large difference between the GARC and the market analysis value in the Southern Blue Ridge region. Mike explained that the sales of land in the market analysis were not sales for agricultural uses; it was sales for development and second homes. When NRCS talked to people

about the actual agricultural value of the land in that area, it was in the \$9-11,000 range, so the \$8,000 GARC for Southern Blue Ridge region is still in line.

Another committee member asked, “How did you factor in merchantable timber?” It was sales comparisons. A committee member recommended that next time this is done to contact the Division of Forest Resources; they work with Timbermart South who provides prices for regions in the state and that may be helpful for this process.

### **CSP, Greg Walker, NRCS:**

CSP now stands for the Conservation Stewardship Program (CSP); not to be confused with the 2002 Farm Bill Conservation Security Program (CSP). The 2002 version of the program allowed states to submit names of eligible watersheds as an attempt to bring a national program into areas we could manage in these watersheds and the watersheds would cycle every 8-10 yrs. North Carolina had sign-ups for the Conservation Security Program in 2005, 2006, and 2008.

The 2008 Farm Bill CSP version promises to make the program less complicated. The tier system has been removed and states will establish their ranking pool boundaries and resource concerns. The Chief, NRCS has asked the states to 1) identify resource concerns for agricultural lands (could be cropland, pastureland, and non-industrial private forestland); 2) choose at least three but no more than five resource concerns in the state (could be air quality, animals, plants, soil erosion, soil quality, water quality, water quantity, and energy); 3) identify ranking pool boundaries (boundaries could be statewide or geographic area boundaries); and 4) identify potential for resource conserving crops. Greg requested input from the committee. The NRCS training session for CSP was scheduled for Apr 27-28 but has now been postponed.

Greg proposed to create a subcommittee to discuss additional rules in order to provide program development input to the NRCS Programs and Technology staffs.

### **AWEP, Greg Walker, NRCS:**

The Agricultural Water Enhancement Program (AWEP) Request for Proposals went out in late January and closed on April 1. There were four applications received in North Carolina. The AWEP program’s purpose is to implement water enhancement activities on agricultural lands for the purposes of conserving surface water, ground water and to improve water quality. This program is embedded in EQIP. It allows entities (Indian tribes, local units of government, states, agricultural associations, etc.) to enter into partnership agreements.

The funds for AWEP go directly to the producers, no funds were allowed for entity administrative costs. National Headquarters will notify North Carolina if any of the applications got funded.

North Carolina sent in four proposals:

1. Sampson SWCD submitted a proposal to improve water efficiency in swine houses;
2. Sampson SWCD submitted a proposal to consider replacing groundwater sources of irrigation water with surface water sources. This proposal would require building surface water storage.
3. Division of Soil and Water Conservation submitted a proposal to convert to micro-irrigation from overhead irrigation in the containerized horticultural plant industry. The proposal promotes the use of higher efficiency nozzles/application methods.
4. Piedmont Conservation Council submitted a proposal to demonstrate a new swine waste management technology on three Piedmont swine farms. This technology was tested at NC State University a few years back.

### **FRPP, Greg Walker, NRCS**

The Farm and Ranchlands Protection Program (FRPP) Request for Proposals went out March 18 with a due date of May 18, 2009. Funds available for this program are \$2.2 million. Greg thanked the participation of a subcommittee of the State Technical Committee who met on Feb 25 to review 2008 Farm Bill changes and prepared the ranking criteria.

The purpose of FRPP is to protect agricultural use and related conservation values of eligible land by limiting non-agricultural uses of the land. USDA is authorized to facilitate and provide funding for the purchase of conservation easements and other interests in eligible land that is subject to a pending offer from an eligible entity. Eligible land includes cropland, grassland, pasture land and forestland not to exceed two-thirds of the easement acreage as well as wetlands and other incidental land that are part of an agricultural operation. A forest management plan will be required if forestland is greater than 10% of the parcel offered.

FRPP will now be a continuous signup. Batching dates will be set each year. The State Technical Committee will review the ranking tool each year for possible revisions to the ranking factors. FRPP contributes no more than 50% of the fair market price. The entity must contribute at least 25% of the purchase price. Greg said that the cooperating entities may choose a standard on which to base compensation: USPAP or UASFLA (Yellow Book). There will be a hazardous materials record check done on each parcel. Each landowner will be interviewed a couple times before the cooperative agreement is signed to make sure they understand the FRPP rules and requirements. Individuals cannot apply to FRPP. NRCS must enter into agreements with entities that have the capability of acquiring easements.

Greg provided a handout on the ranking form. He reviewed both the national and state ranking factors for FRPP with the committee. The ranking factors focused in on where the population growth is, where farmland is being lost. For this program “proximity” means within a mile.

### **EQIP/WHIP, Greg Walker, NRCS**

Greg discussed the major changes of the Environmental Quality Incentives Program (EQIP) and Wildlife Habitat Incentives Program (WHIP). NRCS is required to rank based on similar crop or livestock systems. Twelve million dollars will be disbursed into separate pots of money for forestry, animal agricultural, row crop, etc. NRCS can move these funds within the pots. The Farm Bill emphasizes forestry, organic production and air quality.

There is a payment limitation of \$300,000 (from \$450,000) for this Farm Bill. Adjusted Gross Income went from \$2,500,000 to \$1,000,000.

The annual payment limitation per person for WHIP is \$50,000. Greg provided a handout on the 2009 WHIP Special Project Proposals for the committee to review. Historically Underserved (HU) clients may receive 30% of funds in advance. A committee member questioned if funding upfront for HU clients can be done for management practices. Mary Combs said we would get an answer back to him.

Another committee member asked what is considered a Forest Management Plan? Is it a stewardship plan, a tree farm plan, both? A stewardship plan will meet the criteria for a Forest Management Plan, but not all Forest Management Plans will be stewardship plans. A Forest Management Plan will be done by a licensed forester. Mary Combs stated that NRCS does not want to be a barrier in regards to these plans, if they are done by a qualified person, NRCS will accept it and move forward with cost share.

One of the major changes in regard to ranking is that NRCS is trying to encourage short term contracts; this refers to the willingness of participants to complete all conservation practices in an expedited manner. Also applications that improve existing conservation practices or complete a conservation system will be given some priority points.

The batching date for EQIP and WHIP is April 24; ranking date is set for May 8, and funds need to be obligated by August 2009. NRCS may have to adjust the ranking date due to the Farm Service Agency's Adjusted Gross Income tool availability. The FSA AGI tool for WHIP will be available by April 16 but will not be available for EQIP until May 15 thereabouts. Mary Combs advised that if you have a willing participant to get the applications in. If something comes up in the application process, there is time to work through it. A committee member commented that some District Conservationists are telling some participants to hold off and not apply because NRCS doesn't know everything yet. Mary Combs asked for more information on this issue after the meeting because she wants to address this problem.

EQIP ranking pools for North Carolina will be cropland, pasture, forestry, animal/headquarters, organics, socially disadvantaged, beginning farmer and air quality. The last four listed are nationally mandated pools. The definition of socially disadvantaged is a farmer who has been subjected to racial or ethnic prejudices because of their identity as a member of a group without regard to their individual qualities (Asian, African American, Pacific Islander, Alaskan Native, Native American, Native Hawaiian, Hispanic).

Only EPA non-attainment counties can apply for the air quality pool (Catawba, Haywood, Iredell, Lincoln, Swain, Cabarrus, Davidson, Gaston, Guilford, Mecklenburg, Rowan and Union). These counties were selected at the national level. Funds for this pool is \$600,000; if the funds are not used up, the balance must be returned to the national office. The purpose of the organic pool is to provide a forum to rank these types of operations against similar operations. The organic pool has a payment limitation of \$20,000 per year with an \$80,000 limit for the 2008 Farm Bill. An organic system plan will be required in order to rank in this pool. The cap for 2009 forestry contracts will be \$30,000 this year. Only non-industrial private forestland is eligible. The cropland ranking pool includes erosion control, soil quality, water quality, other supporting practices; it also includes horticultural crops and ornamentals. The animal/headquarters pool consists of confined animal enterprises such as poultry, swine, dairy and stocker operations. Animal mortality, waste storage, closure of waste impoundments, etc also will be ranked in the animal/headquarters pool. All stocker operation applications will be reviewed by the ASTC-Technology and the State Conservation Engineer for consistency and to develop guidelines.

The EQIP budget is set at \$13,059,096; WHIP budget at \$834,794. A handout on 2009 WHIP Special Project Proposals was provided.

### **CCPI, Matt Flint, NRCS:**

The Cooperative Conservation Partnership Initiative (CCPI) was established to focus Farm Bill resources on high-priority issues in the state. It is not a grant program. It is more like a Memorandum of Understanding between NRCS and partner organizations to work cooperatively to promote people's engagement in adopting some type of technology or in treating some type of resource concern. NRCS aims to do a multi-year cooperative agreement that gives a framework for outreach and promotion of natural resource conservation priorities. Approximately \$1M of EQIP and \$65K of WHIP funds have been designated for use by new contracts originating from CCPI partnerships. The Federal Register notice was published in early March and it announced the program, solicited public comment and solicited proposals. Proposals deadline is April 24, 2009. Eligible entities include: state government, local government, Indian tribes with federal recognition, universities, etc.

**CIG, Matt Flint, NRCS:**

Conservation Innovation Grants (CIG) are used to stimulate the development and adoption of innovative conservation approaches and technologies. The funding source for this program comes out of EQIP money; so all grant proposals need to relate back to the objectives of the EQIP program. The terms of the grants are one to three years.

There are separate national and state-level competitions. National CIG has closed for this fiscal year. Fourteen proposals were submitted for projects in North Carolina. State level CIG proposals are due May 15, 2009. Organizations or individuals can apply. \$300,000 of EQIP has been set aside for state level CIG proposals. A committee member made the comment that when this program first started, the grants were supposed to be used for technologies that had gone through research and needed to be implemented/demonstrated. Many of the proposals recently have been flat out research. That standard has not changed.

Matt invited anyone on the committee to be part of the review panel for the state level grant. Matt will put the instructions out via email to register.

**GRP, Matt Flint, NRCS:**

The Grassland Reserve Program (GRP) is established to assist landowners with restoring and conserving grasslands. In North Carolina \$300,000 is allocated for this program. The sign-up will be announced in May and conclude in mid-June. A competitive selection process will be used to select offers for enrollment.

Matt asked for the committee's feedback regarding a proposal to recognize the following priorities in our ranking criteria:

- permanent easements versus 30-year easements or 15-year rental agreements
- grazing land versus other grasslands
- land or water providing habitat for declining species versus other land
- partnerships that leverage contributions to extend the program's reach

Matt notified the committee that during the next six months NRCS will establish a Forestry Workgroup to provide recommendations to the State Conservationist concerning the new Forestry Activity Plans, incentives for tree planting, and other forest management topics for implementation during FY2010. If anyone is interested in participating in this group, please contact Robert Horton, NRCS forester.

The new Farm Bill created an authority in EQIP to cost-share Conservation Activity Plans (CAP) for forestry, organics, air quality, etc. A conservation activity plan will be a written document of natural resource needs and resource assessments and landowner decisions about what is going to be done or needs to be done to improve the level of conservation. The delivery of a CAP would allow NRCS to pay the person to pay their consultant (their Technical Service Provider) for writing that plan. Further information will be provided at the next meeting on this topic.

The meeting adjourned at 11:45 a.m.

/s/

Pamela Chaney  
Recorder

cc:

All State Technical Committee Members