

MINUTES
NRCS State Technical Committee Meeting
Raleigh, NC
October 4, 2012

North Carolina State Conservationist JB Martin Jr. called meeting to order 10:05am and the participants made introductions.

There have been numerous incidents recently with fatalities in North Carolina and Iowa, both states with significant hog production. A 73 year old was consumed by his hogs, and two toddlers suffered from gas inhalation from a waste lagoon.

JB personally thanked the participants. We have struggled at NRCS but we have also achieved, from our Financial Assistance programs to our easement programs. We want to continue that trend, but we don't know what the budget holds for us yet. We have items on the agenda that will tell you how we intend to prioritize for Fiscal Year 2013. We may see some travel restrictions for meetings. We want to thank Dick Fowler for his support.

Greg Walker, Assistant State Conservationist for Programs

This year was an unusual year because of the sorghum issue. We had an unusually high price per acre for sorghum to control weeds. It was a very popular program.

We did a million dollars in forestry. That is more than we have been doing. When you combine that with Long Leaf, that is a very large amount for North Carolina.

The National Water Quality Initiative. This one caught us by surprise, beyond the half way point in our fiscal year. The Chief of NRCS wanted to do some micro conservation in 3- 12digit HUC codes and we had to spend 5% of our original allocation. We have been trying to do more stream restoration in NC. We were able to build on previous work, where we had designs in place, that could go be implemented quickly. Had we received instructions last October or November we might have done things differently. We would like to do more of this work, especially if we are going to be at the \$20 million dollar for allocations.

NC Special Project. Very late in the year we heard from Congressman Butterfield that he wanted to see NRCS in North Carolina do more with irrigation and minority communities. The resource concern was inefficient water use on irrigated land. We had \$1 million dollars that showed up quickly in our system and pretty late in our fiscal year. J.B. Martin added that we have a lot of truck crop farmers in NC, and this helps us address some of the challenges they face. We will have the opportunity to be a strike force state (Alabama and Mississippi are strike force states). The 5-10-15 acre farm is beginning to be more productive in this state. We are looking to address issues that face the small farmer. A lot of these things are top-down, and we try to do the best we can to appease. One thing we are very proud of is our contract management component. When we have events like this occur, it can throw a wrench in our system. But I am very proud of how we handled that late year allocation.

Greg Walker: We spent \$818,000. We don't have authority to put in irrigation for anyone. To qualify, an existing system must be in place that is inefficient.

We are required to fund 5% of our funds for socially disadvantaged and new and beginning farmers. This year we were able to exceed that requirement.

Miscellaneous pools: Seasonal High Tunnel (SHT) was a national initiative. The national initiatives have their own timelines, batching periods, and fund amounts. North Carolina did very well with the SHT initiative, putting in the 3rd highest in the country. We got 95% of what we asked for. This can be related back to Organic because those who received funding in SHT dropped out of the Organic pool.

Longleaf Pine Pool: North Carolina did very well here. We had some trouble early in the year because the Wildlife Habitat Incentives Program (WHIP) changed.

On-Farm Energy – National Initiative. This is completely new material for our field staff and our engineers. This past year we had significant interest. There was a rule in place to require a Type II audit (a good plan) to apply to EQIP to any improvements for lighting or ventilation systems. We spent \$61,000 on audits. North Carolina funded all applications. Now we are trying to look forward to get those done correctly and to implement their plans.

FY12 Irrigation Efficiency. – This has been very popular, but we capped them. We funded every application we got, but we think that these have become quite expensive and the incentive is not there.

Ag Secondary Containment Facility - \$0. This has been very popular, and it is supported by Farm Bureau. This has to do with potential chemical or fuel spills. EPA requires that these structures be in place. That application date has come and gone several times, but North Carolina did not receive any applications this year. **Question** - Dewitt Hardee - Is part of that education not getting to the people?

Answer - JB Martin– Based on my travels I would say that is a big part of it. I think we are going to have to be in a better situation to provide education up front. That is going to take a lot of hands to help us out, but sometimes we don't have that luxury. We need to explore other avenues. Greg - The CAP was likely low \$10,000. It appears that nobody wants to get \$10,000 and spend \$40,000.

Question – Does the regulation include volume?

Answer - Yes.

Action Item – Terri Ruch will look into barriers to implementation. Discuss with extension partners.

Conservation Practices – The 2012 Grain Sorghum practice adjusted our most popular practices. Two years ago fence was our most popular. These shuffle each year based on payment schedules. Dewitt Hardee– I just want to comment that that may be high, but it was really needed to address our problem in the state. The people that have been working that grain sorghum have been working rather than tearing up all the soils. It costs, but it's worth it. The western part of the state has it to a lesser degree. Due to chemical resistance of pig weed, all the crops that are modified are struggling. We are trying to change the chemical mode of action, try to attack it some other way. Pig weed is one of 5-6 weeds that are becoming resistant. Dick Fowler – The focus of EQIP was not the weed, the purpose of the program was to prevent deep plowing because agronomists were recommending deep tillage to turn the seed down deep. This was a solution that would discourage deep plowing. The program itself targeted soybeans or cotton that had chemical resistant weeds.

WHIP. Just a reminder we had this conversation last winter/spring with our subcommittees and main State Technical Committee. WHIP has funding dropped off. The Chief looked at ways to be more effective with what was left. Working Lands for Wildlife was implemented in partnership with the US Fish and Wildlife Service to target specific species. The only targeted species in North Carolina is the Golden Wing Warbler. J.B. Martin added that the budget for 2013 will see the return of WHIP. Hopefully we can get back to LLP in WHIP, but that is unknown at this time.

In 2012 we were able to get 1.1 million in North Carolina under EQIP. We had sufficient funds to fund outside of priority areas and into the historic range. We were able to meet all applications that came in by the deadlines. We would like to address the priority areas through ranking questions if we continue to see funding that meets the demand.

NC EQIP Allocation – (See presentation handout.) The 10, 11, and 12 allocations indicate an increasing trend, which leads to an increase in the number of contracts and challenges regarding contract management. Look at 10, 11, 12 and the number of contracts. It's one thing to obligate all these funds; it's another to get it all on the ground. Now we have to manage these contracts to make sure that this work gets on the ground at a very high rate. When you have a limited number of personnel but see an increase in funding and contracts, this places a much higher workload on the existing personnel. It is important to note that states such as Georgia and Kentucky have similar or less EQIP allocations, yet they have more personnel.

Proposed budget for 2013. Conservation Security Program (CSP) and EQIP make up significant chunks of the 2013 conservation budget. The Conservation Stewardship Program (CStP) is authorized for 2013. (See handout.) What I want to cover here is of where our dollars and contracts are with 2012. Look at our ranking pool names. First look at the region. We are required by statute to have a new and beginning and socially disadvantaged in each of the regions and each of the categories. That's why these things are named the way they are. That's what I must have by statute. About two years ago, we had a subcommittee meeting to decide on these physiographic provinces. It hasn't come into play yet, since we've been able to fund nearly all of the application requests for CSP.

2013 is open for applications, but we don't have any funding levels yet. We are trying to have two batching periods. We are trying to have CSP on either side of the EQIP to assist our field staff. We haven't settled on these yet, but the May 17th application deadline is set.

For general EQIP we presume we will have one batch on our original allocation. Batches create a lot of work for our field staff and planning suffers. We will make one exception for a Forestry batch. Participants agree that this is a good idea.

Funding Pools for 2013 – We anticipate keeping these the same. We have not heard anything from headquarters on national initiatives, but we anticipate they will be the same.

Participants were asked whether they had any issues and there were none reported.

WHIP – Don Riley, NRCS State Biologist

A regional team of experts were responsible for developing the focal area boundary for the Golden-Wing Warbler (GWW). This boundary was the basis for where the funding was made available within each

state. Additionally, technical criteria was developed and provided to the states for screening and ranking criteria for all applications within the region. States did have input on “Local Considerations” within the screening/ranking tool. In short, the habitat requirements consist of young deciduous forest (3-12 years) with limited herbaceous vegetation (grasses) on sites at elevations above 3000 feet.

John Ann Shearer – We hear that new species may be added.

Don Riley– States were asked for input on species. NC sent a lot of information, but we don’t know where that stands at this point.

Robert Horton and Don had the distinct privilege of working with the Wildlife Forestry subcommittee. Greg already hit on the transition of LLP from WHIP to EQIP. The most important topic on the table now is the Conservation Reserve Program (CRP) management activity recommendations. Brief history – CRP has been around for a while, most people know it started out as a Highly Erodible Land retirement to establish permanent vegetation. As time went on it evolved for species diversity, water quality, and the like. Several years ago, some of the STC participants set up management requirements and maintenance requirements. Maintenance costs are non-cost shareable and required to keep cover in place. Management costs are cost shareable to maintain cover above the minimum. Those minimums were set by the team and are dependent upon EBI scores, like cover type, etc.

We have been meeting and trying to get these updated. These are the recommendations from the Forestry and Wildlife subcommittee and how they would be updated moving forward. The STC would say “we support this” it goes before the FSA state committee; if they approve it then it would get support nationally.

I want to briefly point out some of these things. Handout. See what practice we are talking about and who was there deciding.

Question – So you would not be thinning on first contract, but only re-authorized acres?

Answer – Correct.based on trees per acre, to get the higher level you would have to create the openings at the beginning. The majority of what we are seeing in CRP is 85% previously enrolled land being re-enrolled.

Question – When we say ok, we still have to wait on DC?

Answer- Almost. We say ok, and then NC FSA State Committee agrees. Susan Woodall, FSA – We may not have to send everything to DC.

John Ann Shearer - Comment: Don presented this, but I wanted to say that a lot of thought went into this and FSA has been involved so there are no surprises for Susan and Tim.

Susan Woodall – our State Committee meets next week.

John Ann Shearer - One of the things we discussed is how we can all work together to match participants with what they want.

Don Riley - We hope that partners will continue to help us to update technical requirements and getting the word out.

David- I don't understand the purpose of disking with non-native grasses.

Don Riley - The idea is that by putting disturbance into the site you are enhancing the habitat value. Add in species diversity.

Based participants' feedback NRCS will forward to FSA and update the committee in the fall.

Mike Hinton, NRCS Assistant State Conservationist – Easement Programs and Water Resources

Mike sent NRCS Geographic Area Rate Caps (GARC's) out to the STC a few weeks ago. They were the same that were used for 2012. We did an update on the 2012 market analysis and determined that land prices had not changed within +/-5%. We got a lot of applicants at those rates. Mike anticipates that those will remain the same. Right now with the expiration of the Farm Bill we have no authority to enroll acres in Wetlands Reserve Program (WRP). We can take applications, but we'll just have to see where that goes.

Accomplishments: We enrolled seven new tracts in WRP, including one large tract in Bladen County. They total over 1,200 acres and \$2.7 million. Several small tracts (riparian tracts along streams and waterways) included three in Halifax along Fishing Creek that build on the special project we had a few years ago. There is quite a corridor that we have there between WRP, the State's Environmental Enhancement Program (EEP), and other conservation easements. There is a pretty long corridor in that Upper Tar River Basin area.

The real success has been in restoration. Anyone familiar with WRP knows that NRCS has been good at enrolling land, but not as good at restoring. We had a lot of turnover in engineering staff for restoration. This year, after begging for more technical assistance funds, we got some additional funds and more Financial Assistance funding for restoration with the expectation that it would all get done this year. We began the year with one design sitting on the shelf ready to go to contract. We received over \$6 million to go to restoration. We hired an engineer to work on WRP and detailed a few engineering staff to work on our design needs. The end result was to get a lot of work under contract. Right now North Carolina has 19 restoration contracts underway, some of which are tree planting. Not all are earth moving. We have nine construction contracts. They are all awarded and either under construction or will be soon. We were able to obligate \$5.9 million. We used all but \$200,000 that was allocated to NC. That is really going to put a big dent in our backlog of restoration work. We are really going to get caught up to where we should be.

With the Farm and Ranchlands Protection Program (FRPP), North Carolina enrolled 10 new parcels for a little over 1,000 acres and obligated over \$2.3 million. We had to return \$400,000. As has been the case in previous years, the availability of matching funds has been the limiting factor. NRCS hopes that will improve someday; however, there is not any real light at the end of the tunnel. The proposed 2013 budget showed a slight increase in FRPP funding. Whether that would come to North Carolina is unknown. If there is any way to grow our ability to come up with more matching funds, through trust fund, private

sources, fundraising efforts or other grants land trusts can access, the federal funds are there. We just need matching funds.

NRCS goes through a ranking process and a lot of times our higher ranked farms are one in the same with the state's priorities. Generally they coincide fairly well. Every once in a while we enroll a less desirable FRPP application because it has matching funds. It would be preferable to have more situations for more eligible farms that have matching funds.

Dewitt Hardee – The State is opening up requests from Oct 15-Dec 17 for the next cycle.

Question: David – Are people applying that know they don't have matching funds?

Answer: Yes. Sometimes they apply to both and anticipate funding. It can be a chicken/egg situation. Technically, it's not eligible if matching funds are not in place. Because the federal fiscal year does not match with state fiscal year, sometimes they don't have the funds in place. As a result we delay our obligation until they have matching funds. It is not ideal, but that is the way it must be done because of timing and constraints.

PARTNER UPDATES

Dick Fowler, North Carolina Association of Soil and Water Conservation Districts

Military project. This project has been on the drawing board for many years. There is strong support from partnerships: Foundation, Association, NC Centennial landscapes, Farm Bureau. The project involves the Marine Corps for one of their military flight paths. Carteret County to Beaufort, Martin, Bertie, Edgecombe.....back to Onslow. Touches portion of 18 counties. Two miles wide. Planes will fly this path primarily at night and very, very fast. Segments as low as 200, 600, 1200-1500 feet. It is very critical for them. They can't replicate this anywhere in the US. The flight path starts close to the Marine base, close to water, and provides a very unique training opportunity. Over time they are losing this because of encroachment due to development. Structures present problems as do cell phone towers and any light that shines up or any strobe that interferes with their night vision equipment. We have come up with a very innovative project. Bases are used to dealing with land within their fencelines and adjacent to their bases. This is new. This land is "away space". We have been working with them to change their thought process away from perpetual easements and into contracts. NCSU shows a much higher percentage of people who are willing to enter into contracts rather than perpetual easements. The concept is to allow landowners directly under this flight path to offer a bid to keep their land in other open space related uses. This is where the market comes in – market-based conservation. Another important factor is the delivery systems will be through the local conservation districts, but the cooperating agencies will be important to get the word out.

Objectives:

1. Protect integrity of the flight path by restricting structures and light.
2. Provide incentive to keep land in forestry, wildlife, and agricultural land.

3. Conservation component. Incorporating strong natural resource component. For instance, landowners will be required to have a conservation plan, forest plan, and/or wildlife plan.

The project will be rolled out in phases. Phase I will include Wake, Harnett, Duplin, Sampson, and Lenoir. The military selected phasing of the project. We will have a training session for these on 17th of October in Clinton for districts/staff. In early 2013, those counties will have a landowner workshop. Hopefully the first bid opportunity will occur in March. The concept is that the landowners will have at least two opportunities to bid. The contract will be between landowner and the Foundation and not the military. The Foundation will be making annual payments. Contracts will be 10-20-30 contracts. There will be a ranking process. We will submit to the Marine Corps Operations East (MCOE). The agreement to make this happen was signed Sept 21 between the Navy and the Foundation.

Designed as a 3 year pilot project, success will not be measured by how many acres as proof of concept. The Foundation has already received calls from the Air Force and the Army. All have different flight paths.

Question – You and I are neighbors and you enter into a 20 year contract. I decide not to. 2 years into your contract AT&T comes to me and I put up a cell tower. Will that jeopardize the flight path....will you still get your payment?

Answer – You'll still get your payment. It's a legal commitment. The total contract funds will be moved into the account of the Foundation, and we will escrow those funds. There are 400,000 acres that covers that strip. Right now it's mostly about proof of concept. The pilot is proof of concept to see how the military may be able to use this.

Question – What type of penalties exist?

Answer – Liquidated damages, repayment, requirements to remove structure. It's got some teeth. It's a contract; you've got to treat it as a contract.

Question – What happens in the event of death of landowner?

Answer – Declaration of restriction will be recorded at the court house. Title search would reveal this through chain of title.

Question – Are local conservation Districts responsible for enforcement?

Answer – Yes. They will hold training and take in ranking and work with them from the beginning. Looking at floodplain, voluntary agricultural districts, questions like that. Packets are batched and ranked by foundation.

Question – Will they monitor?

Answer – Compliance will rest with the Foundation. The Foundation will work with Districts. 50% of contracts will be visited on ground. Other 50% will be done through aerial photography.

Question – Is this on the webpage?

Answer – A lot of the forms will be on the Foundation’s webpage. We are sort of building this plane as we fly it. The Foundation is going to try to give conservation districts a flash drive with forms, manual, example contracts, etc. We are very interested in making sure that the forestry landowners are aware. We are working with forestry association and extension.

Question – How will protected lands participate?

Answer – It will depend. It’s rare to find land restrictions that restrict tall structures and light. We’ll have to approach on an individual basis. The light is the real one we’ll have to watch. That will be an interesting question as we move through this thing.

Question – What about trees approaching that 100 foot level?

Answer – That came up. We said, if they are flying over trees now, let them fly over them. We didn’t want to go there. It’s not a structure.

Question - Do you think the rates will be similar to or lower than soil rental rates?

Answer – We don’t know yet. We hope we’ll use CRP, Grasslands, etc. Those others you forgo ag income, this one you don’t. We’ll just have to see what offers come in. We also anticipate that rates will vary by county. There is a big difference between Johnson and Bertie counties.

Susan Woodall, Farm Service Agency

The Farm Bill expires Sept 30th and as a result we have no more authority. We have been told we cannot accept any more offers until we receive an official extension

See FSA Report. 7,558 contracts. 49,000 acres comes under general sign up. 57000 is in continuous programs CRP, SAFE, and regular CRP. 33,566 is CREP

The Biomass Crop assistance Program (BCAP) is a new program late in the year on Sept 14th. Everything had to be loaded by Sept 30th. FSA was given \$3.99 million and 1,400 acres. Because of the timeframe, the Chemtex facility to be built in Sampson County did not have their loan approval. Eleven counties are in that BCAP project area. In six of those counties, 673 acres were enrolled. The remaining money was given to drought stricken states. There is not a breakdown showing how much was miscanthus vs switchgrass, but the majority was miscanthus. FSA did finally get approval to have interim plans. Plans must be in place by Dec 31st.

ECP EFRP – Emergency programs. The farm bill did not end those programs. We maintained funding and are still making payments on those counties affected by Hurricane Irene.

Start paperwork on HEL-CNC, highly erodible land and wetland conservation. These will still apply.

Greg Walker closed the meeting.

Handouts can be found online at <http://www.nc.nrcs.usda.gov/STC/index.html>.