

Memo

Date: September 1, 2021

To: Lessard-Sams Outdoor Heritage Council, c/o Mark Johnson, Executive Director

From: John Jaschke, BWSR Executive Director



RE: Context related to the Memo for Agenda Item #5 as it relates to BWSR Buffers and Wetlands

This memorandum is to provide Council members additional context to the Program Status Updates Report scheduled to be covered at the September 2, 2021 LSOHC meeting. The summary information included in the Program Status Updates memo is not inaccurate, however, the additional information in this message is intended to provide a more complete understanding.

All of the appropriations referenced in this memo were utilized as the state match for federal funds as part of the MN CREP initiative. The MN CREP Agreement between the U.S. Department of Agriculture Commodity Credit Corporation and The State of Minnesota was approved in January 2017. Securing a portion of the state commitment prior to execution of the agreement was a key aspect of receiving federal approval. The six appropriations mentioned in the Agenda Item #5 memo made up a portion of the state commitment under this Agreement.

As we are nearing the end of landowner sign-ups for MN CREP, we have been working with LSOHC staff to develop and submit Accomplishment Plan amendments. In general, these amendments reflect the adjustments to prior easements and acres projections, modifies the budgets, and adds money to the easement acquisition line. Several assumptions that went into the Accomplishment Plans as originally submitted and approved have changed (e.g., Federal CRP changes, increasing ag-land valuations, implementation of the MN buffer law) over time requiring BWSR to make adjustments to ensure the successful protection and restoration of thousands of acres of wetlands and riparian areas across the 54-county MN CREP area. A few more details on those adjustments are below.

After the first year of MN CREP sign-ups, several listening sessions were held with Soil and Water Conservation District staff throughout the MN CREP area to determine successes and challenges from the first sign-ups held in 2017. As a result of this important and practical feedback, two significant changes were made to MN CREP in August 2018:

1. RIM payment rates were adjusted to better account for agricultural land values in Minnesota in 2018 - resulting in a 29% increase in the state's contribution to the overall landowner payment; and

2. The percentage of existing CRP acres that could be enrolled with a MN CREP eligible offer was increased. This change increased the state's payment per easement without a corresponding federal match for their MN CREP enrollment.

Three additional trends outside of BWSR's control have impacted easement acquisition costs:

1. MN CREP is significantly more popular in counties with higher land values, resulting in higher than average payment rates for both the CRP contracts and the RIM easements;
2. CRP payment rates, on average, have declined over the last four years in MN CREP counties, decreasing the federal portion of the established payment and requiring more state funds for acquisition costs; and
3. Initial expectations were that nearly half of the acres enrolled in the MN CREP were going to fall within the filter strip conservation practice (buffers). This projected enrollment of acres into the filter strip practice has not been realized. Instead, we have experienced a considerably higher interest by landowners in the wetland restoration practices in every batching period. It should be noted that wetland restorations are considerably more expensive - and have greater habitat benefits - than filter strip practices.

Additional details on these and other matters related to these appropriations are contained in the detailed memo dated July 9, 2021 sent to Executive Director Mark Johnson. We look forward to working with the Council and staff to secure the tremendous value the MN CREP represents for high quality permanent habitat gains for Minnesota.