



MN CREP Amendments Buffers and Wetlands

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Presentation to LSOHC

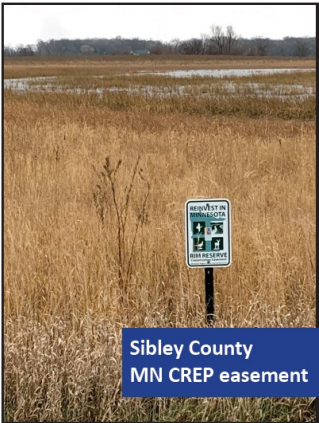
October 7, 2021

- 648 applications awarded
- Nearly 35,000 acres

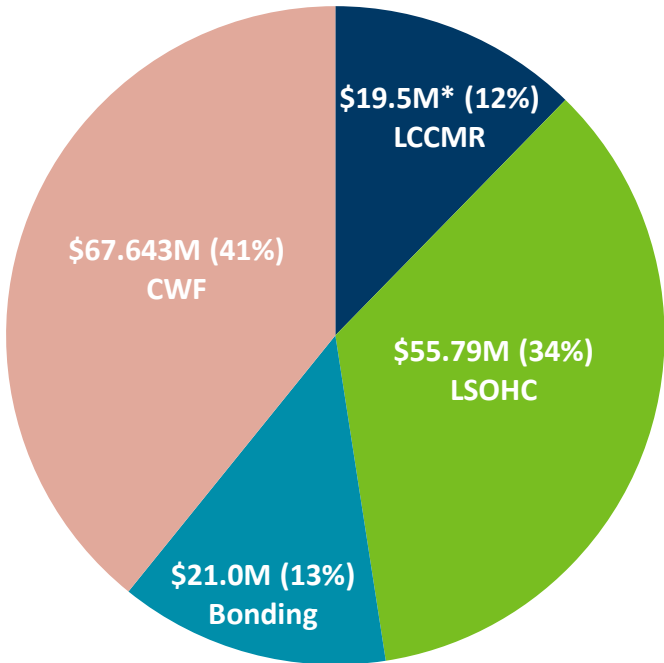
MN CREP Secured State Contribution June 2021



Otter Tail County MN CREP wetlands easement

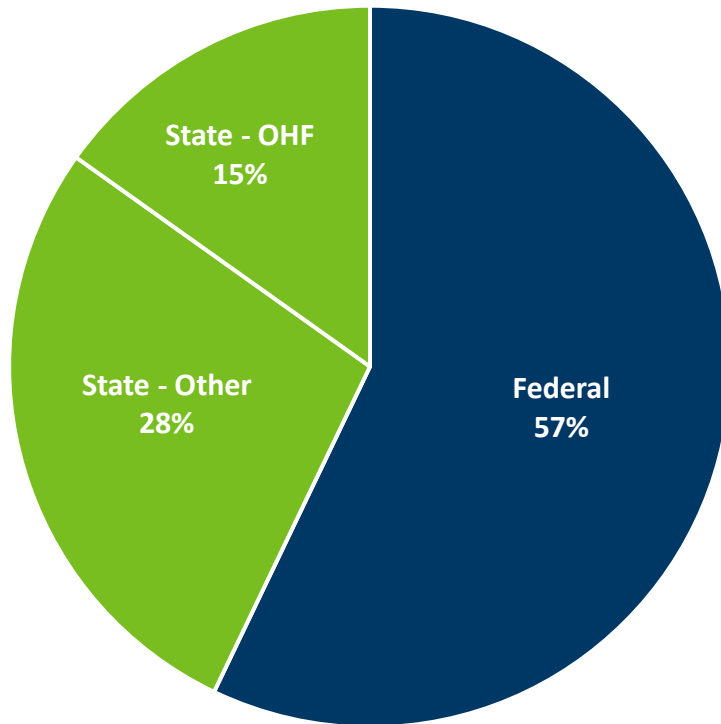


Sibley County MN CREP easement



* includes \$6M for CREP Outreach and Implementation Program grants – not available for easements

Acquisition Breakdown of 35,000 acres



■ Federal Acquisition ■ State Acquisition

- Federal Acquisition: 57%
- State Acquisition: 43%
 - OHF: 35%
 - ENRTF: 9%
 - Bonding: 14%
 - CWF: 42%
- 1.3:1 Federal: State



MN CREP Appropriations – Submitted Amendments





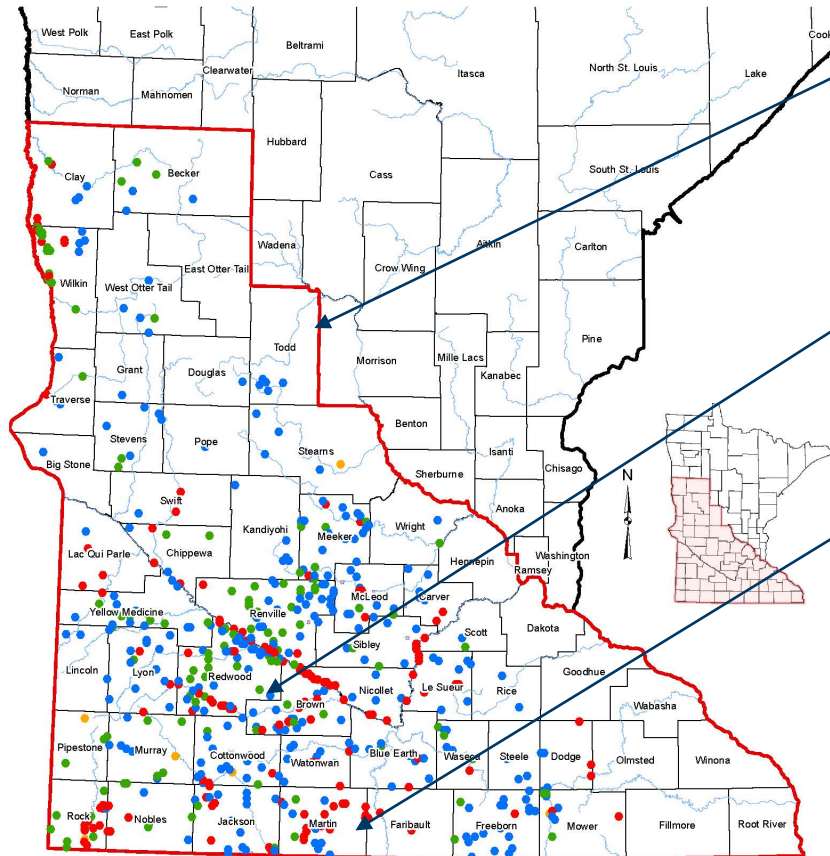
MN CREP Cost Influences



- Payment rate adjusted to reflect increasing agricultural land values
- Increased enrollment in counties with highest land values
- Decreased federal CRP payment rates in high enrollment counties
- Buffer law allowed for a focus on wetlands (and associated buffers) restoration with increased public benefits and costs

MN CREP Payment Comparison

Minnesota Conservation Reserve Enhancement Program (MN CREP) Conservation Easements Applications Funded Through August 11th 2021



- Filter Strip
- Floodplain Wetlands
- Wellhead
- Wetlands
- MN CREP Project Area
- Major Rivers
- SWCD Boundary

- Todd County: Average MN CREP Cropland rate = \$2,227.72/acre
- Redwood County: Average MN CREP Cropland rate = \$7,671.41/acre
- Martin County: Average MN CREP Cropland rate = \$8,261.21/acre



CRP Rate Changes (average per acre) 2017 to 2021



County	CREP Rate Change	Percent Change
Brown	-\$27.20	-8%
Cottonwood	\$3.20	1%
Freeborn	-\$32.00	-8%
Jackson	-\$14.40	-4%
Lyon	-\$6.40	-2%
Martin	-\$33.60	-9%
Meeker	-\$6.40	-2%
Nicollet	-\$41.60	-11%

County	CREP Rate Change	Percent Change
Nobles	-\$36.80	-11%
Redwood	-\$22.40	-7%
Renville	-\$44.80	-12%
Rock	-\$20.80	-5%
Sibley	\$3.20	1%
Wilkin	-\$12.80	-5%
Yellow Medicine	\$6.40	2%
Average	-\$19.09	-5%

15 most active CREP counties (71% of total acres)

CREP payments are static – a decrease in federal CRP rental rates increases the state share of total payment



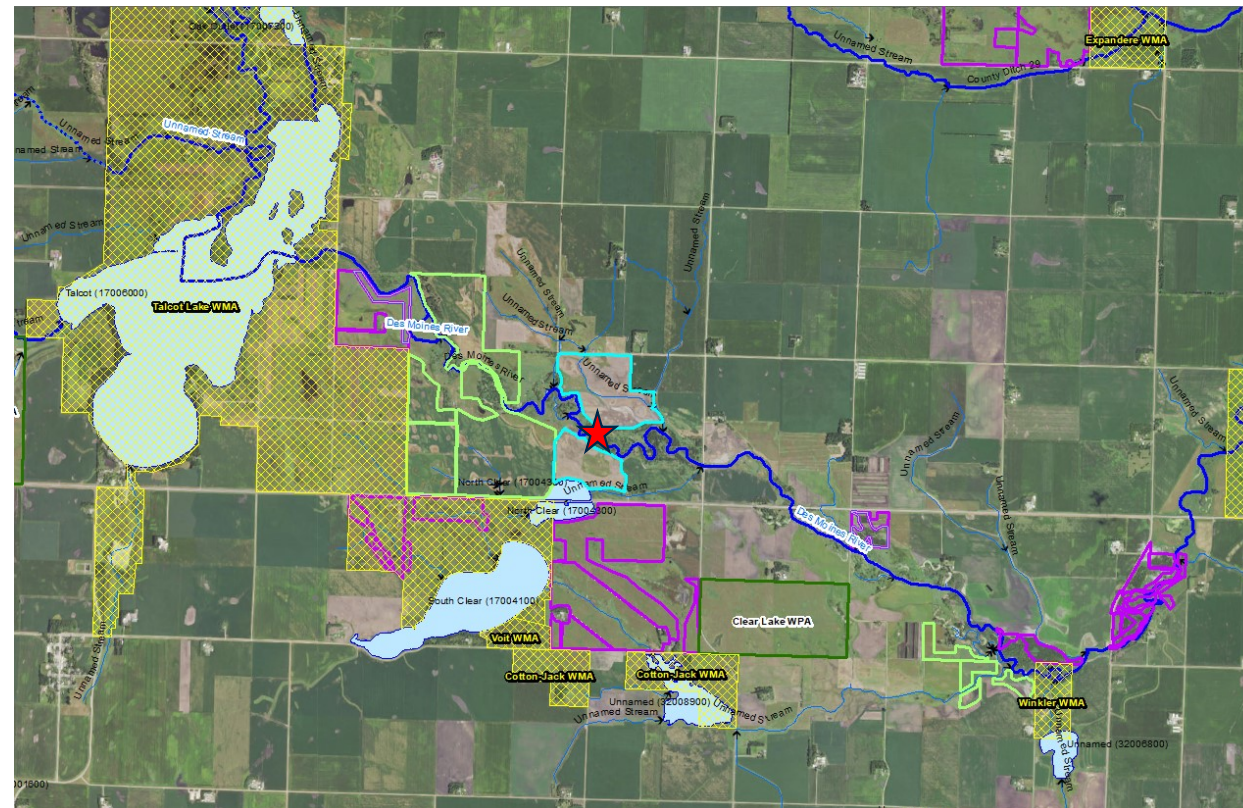
2021 Submitted Amendments – Buffers and Wetlands



- Existing acquisition funding is largely spent, encumbered or committed for buffer and wetland appropriations
- A reduction in federal leverage resulted in a reduction of outputs (acres and easements)
- As a result, several budget line items were reduced proportionately
- The almost \$4M reduction in other budget lines was added to the Acquisition lines

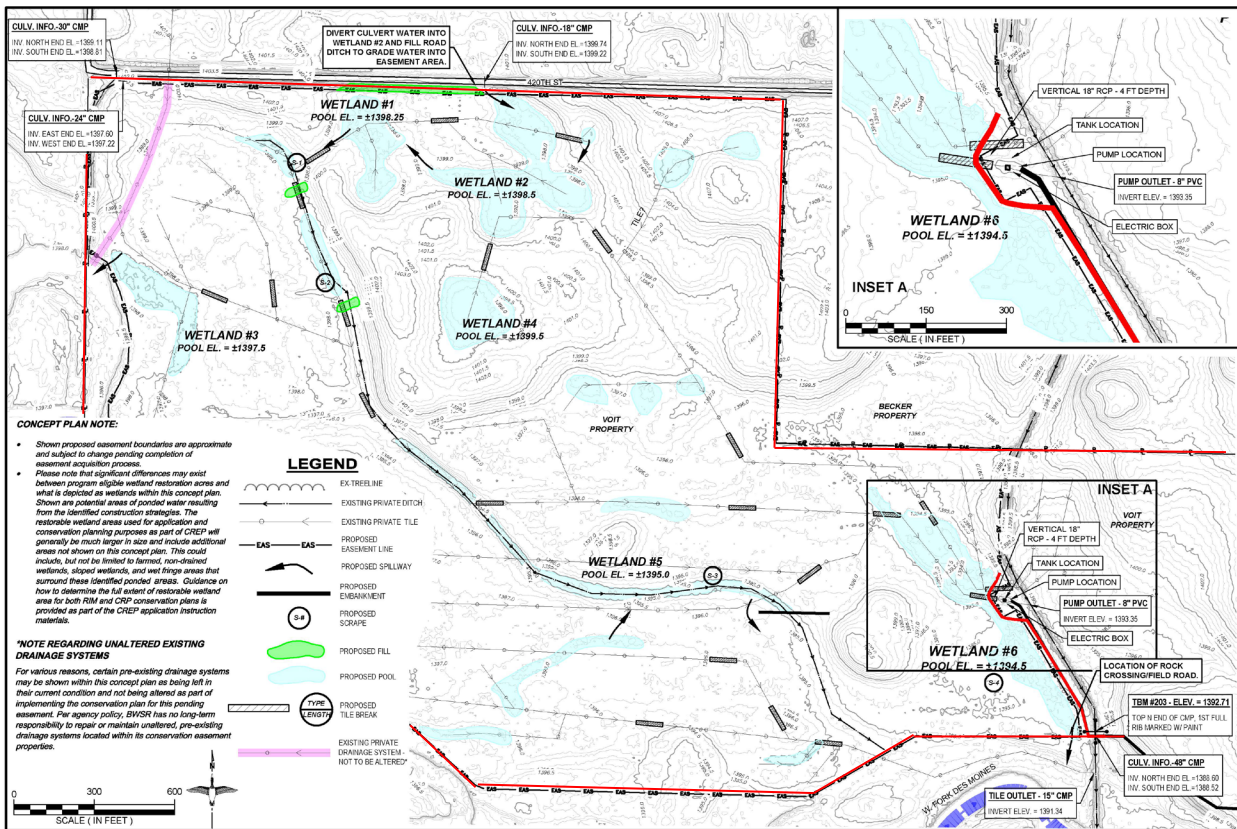
Easement #17-05-20-01 (Cottonwood County)

- Split funded from Buffers 2017/CWF Buffers
 - Recorded July 2021
- 231 acres
- Valuable to the habitat complex
 - Within Prairie Plan Core Area
 - Within 100-year floodplain
 - Several drained wetlands
 - Existing drainage outlets to Des Moines River
 - Adjacent to existing and in-process RIM easements, Talcot Lake WMA
 - Increased connectivity
 - Threatened and endangered species nearby

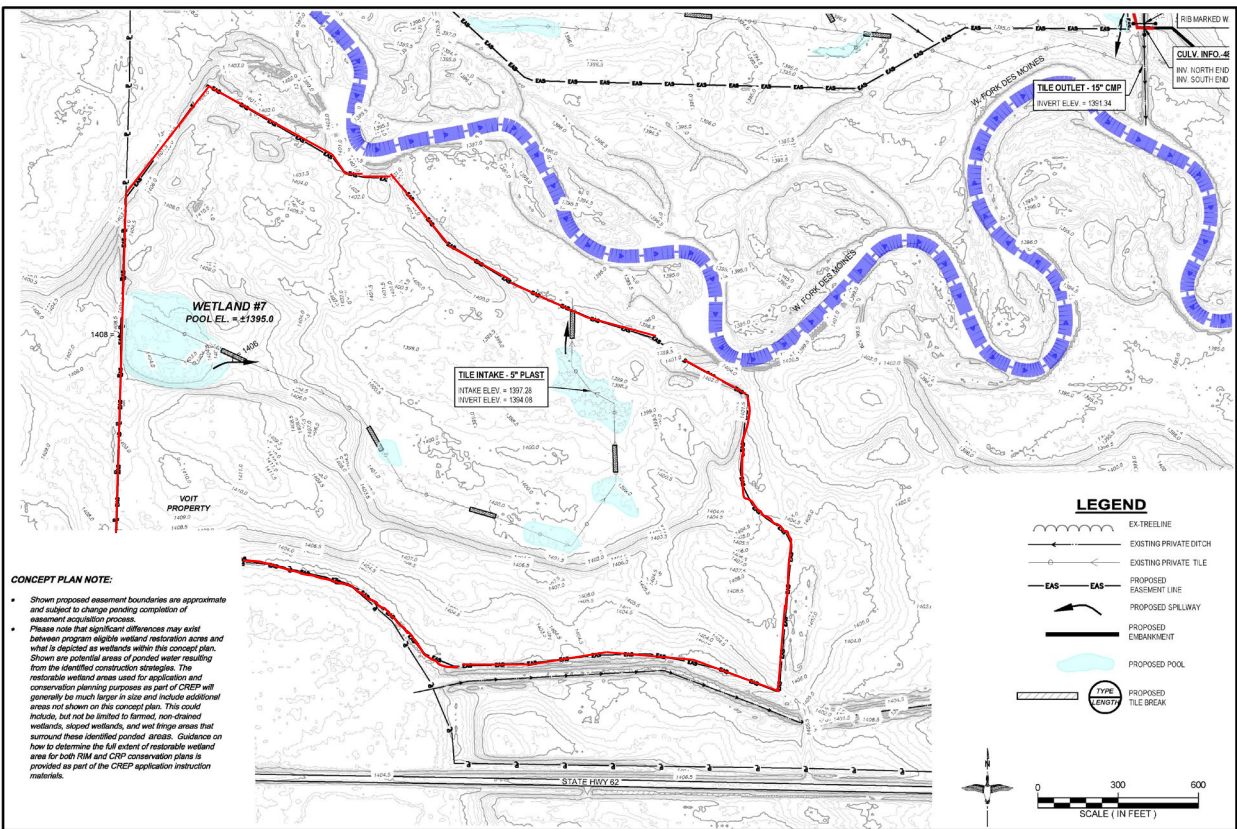


Easement #17-05-20-01 (Cottonwood County)

- North portion of easement
- South portion of easement



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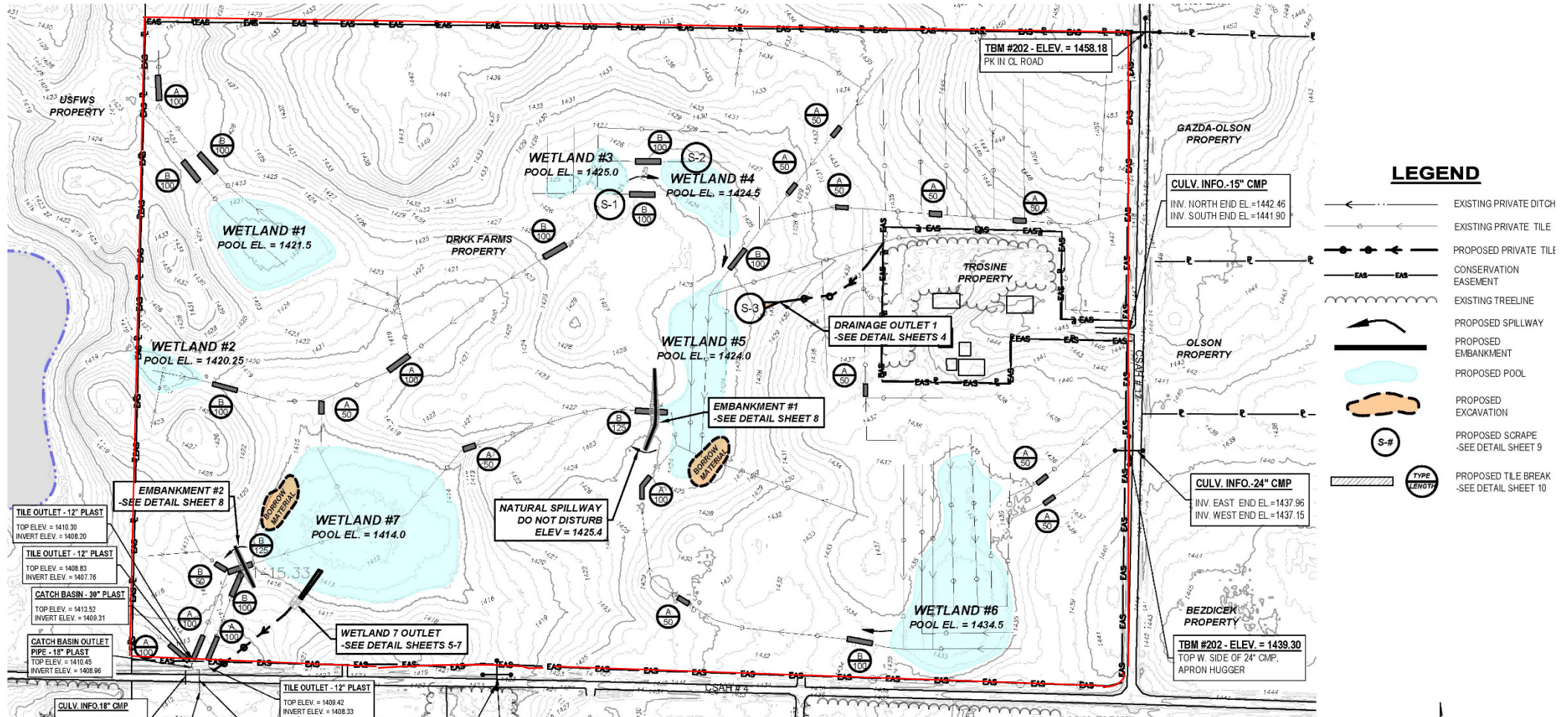
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Easement #32-11-19-01 (Jackson County)

- Funded from Wetlands 2018
 - Recorded June 2020
- Largest CREP easement in Jackson County – 220 acres
- Valuable to the habitat complex
 - 6 drained and 1 partially drained wetlands
 - Wetland to upland ratio 1:1
 - Adjacent to Loon Lake and Loon Lake WPA
 - Increased connectivity
 - Several wetlands on adjacent parcels identified as habitat for threatened and endangered species



Easement #32-11-19-01 (Jackson County)





Easement #32-11-19-01 (Jackson County)



- Due to size and soil rental rate, annual CRP payment was ~\$71,000.
- CRP rules have an annual payment limitation of \$50,000 for any participant or entity.
- State ability to grant a waiver to address this CRP payment limitation in unique situations.
 - ~\$21,000/year not received in CRP payments * 15-year CRP Contract = ~\$315,000 additional state contribution
- Due to size, location and adjacency to Loon Lake and potential as habitat for threatened and endangered species once restored, a waiver was granted for the state to include the “lost” CRP payment as part of the RIM easement payment.
- The state did not fund another application from the same landowner on an additional 78 acres in the same area as the state would have been responsible for 100% of costs.
- 15% of the landowner payments from Wetlands 2018 were used for this easement payment.
- Funded at a ratio of approximately 1.5:1 state to federal funds.



40,000 acres of High-Quality Permanent Habitat



- MN CREP is a great deal for MN and is successful
- High quality habitat for wildlife and improved water quality are a positive impact for MN environment
- Increasing the Acquisition lines for the buffer and wetland appropriations will bring additional federal leverage to MN
- Federal leverage of any amount makes state dollars go further
- Leverages CWF appropriations
- CRP average rental rates were increased significantly in June 2021 and are scheduled to be updated for federal fiscal year 2022