BUDGET UNIT BRIEF – FY 2019

Fiscal Services Division September 21, 2018



Ground Floor, State Capitol Building

Des Moines, Iowa 50319

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Conservation Reserve Enhancement Program

Background

The Conservation Reserve Enhancement Program (CREP) is a federally administered voluntary program for agricultural landowners that targets specific State and local water quality issues. The federal Farm Services Agency (FSA) administers the federal CREP and partners with State, local, and private entities. In Iowa, CREP provides financial incentives to landowners to establish wetlands for water quality improvement in tile-drained regions of Iowa. This includes 37 counties in north central Iowa that have been identified as contributors to high nitrate loads in the Mississippi River Basin.

Wetland Sites

Through the CREP, 72 lowa wetlands have been restored or are under construction. To participate in the CREP, potential sites must be located in one of 37 counties, have a drainage area of at least 500 acres, and be between 0.5% and 2.0% of the size of the total drainage area. The CREP wetlands may not negatively impact drainage rights upstream or downstream.

Financial Incentives

In Iowa, the CREP is supported by State and federal funding. These incentives provide landowners support for the construction and maintenance of wetlands. Matching State resources complement the federal component of the CREP by providing different options for landowners interested in building wetlands. Below is a list of landowner incentives by source.

Federal Incentives

- Annual rent payments for 15 years for 150.0% of the weighted average rental rate.
- 50.0% cost-share for eligible cost of practice establishment.
- Practice Incentive Payments for 40.0% of the eligible practice installation costs.

State Incentives

- A one-time incentive payment to enter into either a 30-year or perpetual easement.
- Cost-share for 10.0% of construction cost.

Funding History

The CREP receives an appropriation from the Environment First Fund. The annual amount appropriated for the past five years is \$2.0 million.

More Information

Department of Agriculture and Land Stewardship CREP: <u>iowaagriculture.gov/waterresources/CREP.asp</u> LSA Staff Contact: Debra Kozel (515.281.6767) <u>deb.kozel@legis.iowa.gov</u>

Related Statutes and Administrative Rules

Iowa Code section 466.5

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