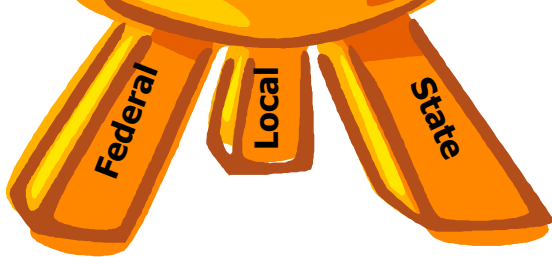


IOWA DEPARTMENT OF AGRICULTURE AND LAND STEWARDSHIP

2006 BUDGET REQUEST -- Infrastructure

Infrastructure Fund	Program	2005 Appropriation	2006 Department Request	Department Request Increase	Governor's Recs-2006	Gov's Rec. Increase
0295/75H	Cost Share	\$ 5,500,000	\$ 8,500,000	\$ 3,000,000	\$ 5,500,000	
0295/71H	Watershed Protection Fund	\$ 2,700,000	\$ 5,400,000	\$ 2,700,000	\$ 2,700,000	
0295/76H	Conservation Reserve Program	\$ 2,000,000	\$ 2,000,000		\$ 2,000,000	
0295/78H	Decision Package - Soil Survey		\$ 200,000	\$ 200,000	\$ -	
0295/79H	CREP	\$ 1,500,000	\$ 3,000,000	\$ 1,500,000	\$ 2,000,000	\$ 500,000
0295/70H	Alternative Drainage System Assistance	\$ 500,000	\$ 2,500,000	\$ 2,000,000	\$ 500,000	
0295/72H	Voluntary Farm Management Demonstration Control	\$ 850,000	\$ 1,000,000	\$ 150,000	\$ 1,000,000	\$ 150,000
0295/77H	Decision Package - Organic Nutrient Program		\$ 1,000,000	\$ 1,000,000	\$ -	
012/0295/66H	Loess Hills	\$ 600,000	\$ 600,000		\$ 600,000	
0295/64H	Southern IA Dev and Conservation Authority	\$ 300,000	\$ 300,000		\$ 300,000	
	TOTALS	\$ 13,950,000	\$ 24,500,000	\$ 10,550,000	\$ 14,600,000	\$ 650,000



voluntary soil conservation and water quality programs

Iowa Financial Incentives Program Recommended FY-06 \$8,500,000

Cost-share--the “cornerstone” of soil and water conservation practice application in Iowa.

The Division of Soil Conservation implements the Iowa Financial Incentives Program in cooperation with Iowa’s 100 soil and water conservation districts (SWCDs). SWCD commissioners set local priorities for the use of these funds, and field office staff are available for conservation planning and practice design. Practices installed are subject to maintenance agreements to assure their long-term, successful performance.

Funds are matched by landowners, spent locally to hire private construction contractors, and reinvested into the economies of local communities. In addition to soil conservation and water quality protection, local jobs and businesses benefit from these financial incentives.

In 2003, this cost-share program marked its 30th anniversary. Iowa became the first state in the nation to appropriate state cost-share funds for conservation practices such as terraces, waterways, structures and water and sediment basins. To date, over \$180 million has been appropriated to the program. It is estimated that cost-share work in SWCDs in the past 30 years has stopped over 18 million tons of fertile topsoil from escaping Iowa’s field.

- 2,500 landowners installed practices to protect more than 27,000 acres in FY-2004
- improves water quality for public use
- protects soil resources to sustain agriculture and the state’s economic base



Iowa Watershed Protection Program Recommended FY-06 \$5,400,000

The watershed approach to comprehensive, efficient and effective resource management.

Watershed Protection projects are set up to reduce soil erosion, protect water quality, provide flood control and protect natural resources. Since 1999, the Iowa Watersheds Protection Program has provided financial assistance for the development of local watershed initiatives.

In FY-03, 44 watershed projects saved an estimated 4,636,947 tons of soil. In FY-04, 34 projects were underway and 10 watersheds were being assessed for future projects. These projects are accelerating protection efforts with cooperation from local, state, and federal partners.

- thorough assessments, proper planning, identification of priorities, and implementation of the best management practices
- reduces soil erosion
- provides flood control
- protects water and other natural resources



District Operations & Initiatives Recommended FY-06 \$2,000,000

Focuses personal contact and financial incentives to enhance landowner involvement.

For more than 60 years, Iowa’s soil and water conservation districts, the Natural Resources Conservation Service, and the Division of Soil Conservation have been partnering for the conservation of natural resources and the protection of soil and water on private lands. Locally-led District Initiatives prioritize and target sensitive areas by providing funds and resources where they do the most good. Districts work one-on-one with landowners and operators to deliver conservation programs, increasing Iowa’s participation in both state and federal programs.

- surface and groundwater quality
- soil and water conservation land
- valuation and property tax

- crop production efficiency and farm profitability
- urban development



Conservation Reserve Enhancement Program Recommended FY-06 \$3,000,000

Wetlands strategically designed and located remove nitrate from cropland tile-drainage water.

The Iowa Conservation Reserve Enhancement Program (CREP) is a major state/USDA initiative to develop wetlands to remove nitrate from cropland tile-drainage water. The program is being implemented to construct and restore up to 8,000 acres of wetlands and buffers over the next three years. Research at Iowa State University has shown that wetlands meeting the program requirements have the potential to remove 40-90% of the nitrate and 90+% of the herbicide in tile drainage water from upper-lying croplands. The wetlands will also provide wildlife habitat. Financial incentives are provided to develop and restore the wetlands. Landowners receive annual land payments for up to 15 years and reimbursements for costs of wetland and buffer establishment. Additional incentives are provided to maintain the wetlands and buffers under either 30-year or perpetual easements. To date, 6 sites have been constructed and 32 are in the design and engineering phase.

- 4:1 USDA/state ratio
- wetlands developed over the next decade will remove 5,000 tons/year of nitrate from water entering Iowa's lakes and streams
- improves the quality of downstream drinking water supplies
- assists environmental goals for hypoxia (dead zone) in the Gulf of Mexico



Agricultural Drainage Well Closure Assistance Program Recommended FY-06 \$2,500,000

Eliminates the environmental risk to drinking water supplies associated with these wells.

The Agricultural Drainage Well Closure Assistance Program protects drinking water aquifers by cost-sharing, with landowners, the closure of high-priority agricultural drainage wells and development of alternative drainage outlets to surface streams. The alternative drainage outlets are typically constructed through formation of drainage districts, although some outlets can be developed by individual landowners. Projects are selected under established priority criteria from applications received statewide from landowners having agricultural drainage wells.

- 186 continued-use permits issued by IDNR in 2002 for ag drainage wells
- 292 ag drainage wells originally registered in Iowa
- 86 wells closed and alternative outlets provided
- an additional 7 high-priority wells will be closed later this year
- alternative drainage costs to date have ranged from \$20,000 to \$200,000 per well



Integrated Farm/Livestock Management Demonstration Program . . . Recommended FY-06 \$1,000,000

"Input management" is key in balancing agricultural production and environmental protection.

In cooperation with soil and water conservation districts, Iowa State University, Natural Resources Conservation Service, Iowa Department of Natural Resources, and Iowa Farm Bureau, the Division of Soil Conservation is establishing the Iowa Learning Farm to serve as a model for learning and exchanging information among farmers, scientists, agribusiness and the general public. Phase I: Conservation Systems will emphasis conservation tillage, cropping systems and nutrient management statewide. Through organized IFLM projects, farm operators participate in and demonstrate on their farms new and emerging technologies that refine management input, resulting in decreased environmental risk and an improved bottomline. They demonstrate to themselves and their communities how to efficiently and effectively utilize animal manure as a commodity rather than a waste, maximize their yield with reduced application of commercial fertilizers, reduce soil erosion and sustain the resource base, and reduce nutrient and sediment loading into Iowa's water bodies.

- improves water quality through reduced nutrient and sediment loading
- improves utilization of manure as a resource
- increases the state's economic base through sustainable ag management

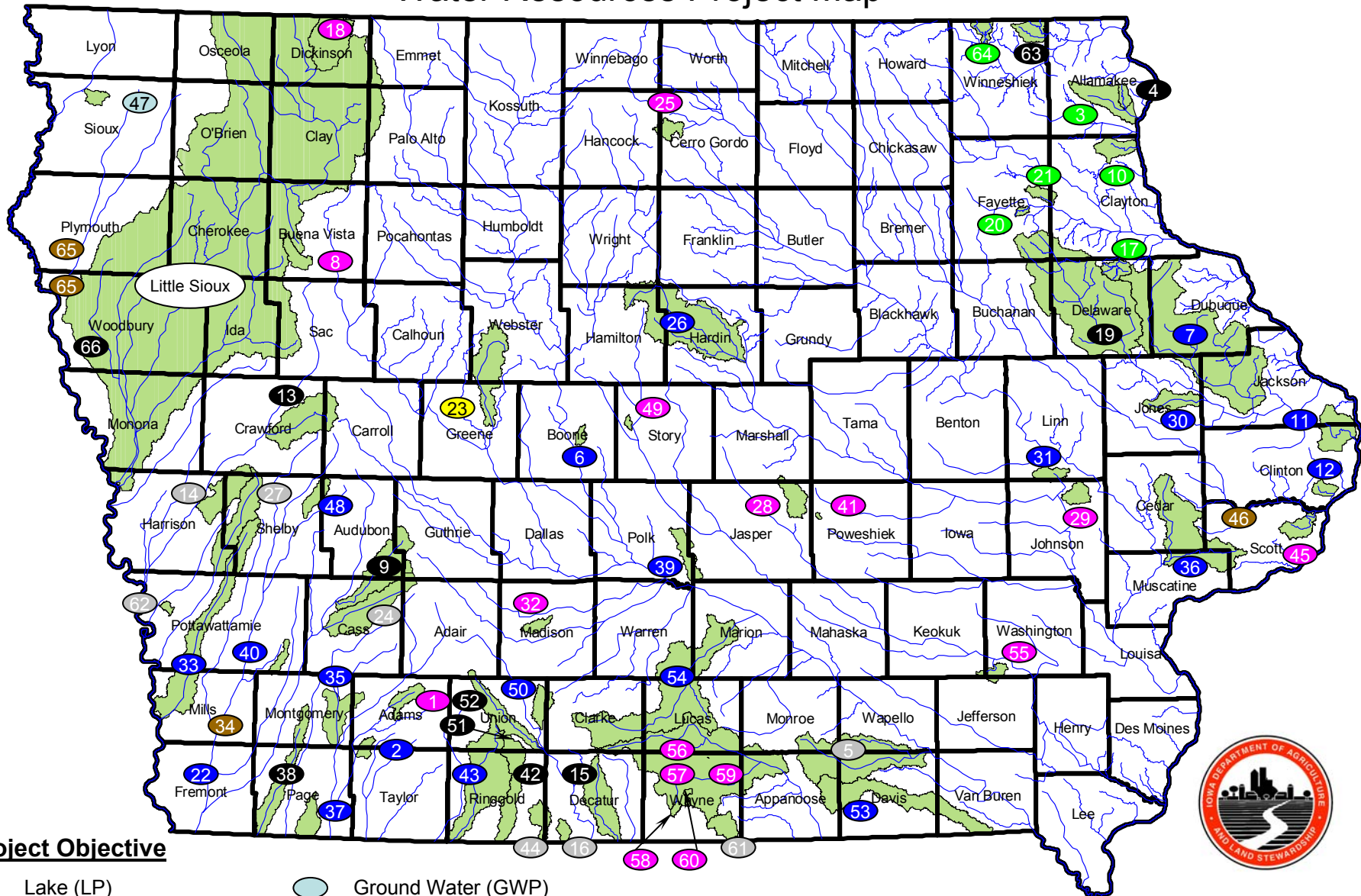


Organic Nutrient Management Program - Reauthorization

This program could accelerate the adoption of livestock waste handling systems in impaired watersheds.

The Organic Nutrient Management Program, last funded in FY-96, would provide livestock producers with much needed

Water Resources Project Map



Project Objective

- Lake (LP)
- Urban (URB)
- Grade Stabilization Flood Control (GSFC)
- Cold Water Stream (CWSP)
- Ground Water (GWP)
- Warm Water Stream (WWSP)
- Ground & Surface Water (G&SWP)
- Multiple Objectives



Local Projects Currently Underway
In Iowa, Including New Projects
That Began In Calendar Year 2004