

Outdoor Heritage Fund Grant Application



Name of Organization * North Dakota Game and Fish Department

Federal Tax ID# * 45-6002467

Contact Person/Title * Kevin Kading, Private Lands Section Leader

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List names of co-applicants if this is a joint proposal

MAJOR Directive: (select the Directive that best describes your grant request)*

Choose only one response

Directive A. Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

Directive B. Improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems and to support other practices of stewardship to enhance farming and ranching;

Directive C. Develop, enhance, conserve, and restore wildlife and fish habitat on private and public lands; and

Directive D. Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Additional Directive: (select the directives that also apply to the grant application purpose)*

Choose all that apply

Directive A. Provide access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen;

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Directive D. Conserve natural areas for recreation through the establishment and development of parks and other recreation areas.

Type of organization: (select the category that describes your organization)*

State Agency

Political Subdivision

Tribal Entity

Tax-exempt, nonprofit corporation.

Project Name* North Dakota Pheasant Habitat Initiative

Abstract/Executive Summary. An Executive Summary of the project stating its objectives, expected results, duration, total project costs and participants.* (no more than 500 words)

Objective:

The objective of this proposal is to utilize OHF to assist the Department in fulfilling its mission statement and achieving goals identified in its 10-year pheasant plan. Delivered through the PLOTS program, the NDPHI will utilize existing Department private lands biologists, already working with private landowners and implementing a variety of conservation practices on private lands. This proposal will leverage OHF project funds with federal USDA funding and existing PLOTS funding to maximize benefits for habitat conservation, water quality, and public hunting access while providing private landowners compensation, cost share and incentives for implementing voluntary conservation practices on their land.

Expected Results:

OHF will be used to assist the Department in achieving goals outlined in its 10-year pheasant plan. The pheasant plan contains several components that set out to maintain an annual harvest of 600,000 roosters; develop or maintain 200,000 acres of grass plantings, develop 20,000 acre of shrub and winter cover, improve 5,000 acres of hayland/grazing land, develop 5,000 acres of wildlife food plots and high diversity cover crops and implement 5,000 acres of tall stubble management over the 10-year

pheasant plan period. The Department will utilize OHF for one specific component of the pheasant plan – as match for the USDA Conservation Reserve Enhancement Program (CREP), which will contribute approximately 50,000 acres towards the 200,000 acres grassland goal.

The Department has partnered with USDA Farm Service Agency (FSA) to initiate a new CREP for a 17-county area with a potential to enroll up to 50,000 acres. CREP is an offshoot of CRP. Administered by the FSA, CREP targets high-priority conservation issues identified by local, state, or tribal governments or non-governmental organizations. In exchange for removing environmentally sensitive land from production and introducing conservation practices, farmers and ranchers are paid an annual rental rate from FSA with additional incentives coming from state partners.

Total Project Costs:

Total OHF project cost over the 5 year grant period will be \$3 million; which will be leveraged with \$34M of federal CREP funding. An additional \$1.2M will be provided through the PLOTS program for payments on adjacent non-CREP acres. \$156,750 of Department private lands biologists salaries, vehicle mileage and equipment such as signs and posts will be used as indirect match and \$2,500 of Department funds will be used as other match for promotion, information and education for the project. The grand total project cost is \$38 million.

NOTE: The \$3 million of OHF funds being requested through this proposal is only partial funding needed to implement a 50,000-acre CREP. To fully implement a 50,000-acre CREP, an estimated \$7.3M in total state partner funds is needed. The Department is prepared to cover approximately \$2.3M of this over the CREP project period; however, it will be necessary for the Department to seek additional partners or future OHF requests to cover the balance needed. If future funds are not secured, the CREP project acreage will simply be reduced.

Participants:

- North Dakota Game and Fish Department (grantee)
- Private landowners
- Hunters/sportsmen
- USDA- Farm Service Agency
- Pheasants Forever

Project Duration:* 5 years

Amount of Grant request \$ * \$3 million

Total Project Costs \$* Approximately \$38 million

(Note that in-kind and indirect costs can be used for matching funds)

A minimum of 25% Match Funding is strongly encouraged. **Amount of Matching Funds \$***

Approximately \$35 million

Source(s) of Matching Funds*

- North Dakota Game and Fish Department PLOTS (\$1,359,250)
 - Program incentives and cost share (cash)
 - Staff time, mileage, indirect and other costs (indirect)

- Signs and posts (indirect)
- Federal USDA Conservation Reserve Enhancement Program (CREP) (\$34,000,000)
 - Annual rental payments
 - Signup incentives, practice incentives and cost share
 - See attached letter of support from FSA

Certifications *

x I certify that this application has been made with the support of the governing body and chief executive of my organization.

x I certify that if awarded grant funding none of the funding will be used for any of the exemptions noted on Page 1 of this application.

Narrative– Briefly summarize your organization’s history, mission, current programs and activities.

Organization Information

The Department has the public trust responsibility for managing the state’s fish and wildlife resources. The mission for the Department is to protect, conserve and enhance fish and wildlife populations and their habitats for sustained consumptive and nonconsumptive use. The Department’s PLOTS (Private Land Open To Sportsmen) program is the mechanism for delivering the mission on to private lands. The Wildlife Division is the administrating unit for the PLOTS program. The PLOTS program is operated out of the Private Land Initiative (PLI). The PLI has three main goals: 1) Conservation of habitats for fish and wildlife populations; 2) Provide landowners interested in wildlife conservation with cost-share assistance for developing and protecting wildlife and fisheries habitat; 3) Provide the public with opportunities to access fish and wildlife resources on private land.

PLOTS is funded with revenue from the sales of habitat stamps, interest accrued from the Department’s reserve fund and special legislative appropriations. A portion of the proceeds from the sale of every hunting and fishing license goes toward a Private Land Habitat and Access Improvement Fund. Three full time employees, located in Bismarck administer the PLOTS program, while eight full time employees, located in district field offices, deliver the programs.

Agreements with landowners are referred to as Conservation PLOTS agreements. Parcels of land are signed and identified in an annually printed Conservation PLOTS Guide; a full-color hunting atlas, which displays PLOTS lands, as well as other public lands available for hunting.

Purpose of Grant – Describe the proposed project identifying how the project will meet the specific directive(s) of the Outdoor Heritage Fund Program *

North Dakota has a rich history and heritage of hunting, fishing and outdoor related activities. Hunting and fishing are important to our state. Our large expanses of native grasslands, CRP, prairie pothole wetlands and lakes attract national attention, from hunting and fishing to birding tours and ecotourism. These recreational activities are important to the state’s economy. Gross business volume of hunting and fishing in North Dakota was estimated at \$1.4 billion in annual input into the state’s economy. Overall, anglers and hunters in North Dakota spent \$642.9 million dollars on equipment, vehicles,

boats, travel, lodging, food and many other items. These expenditures generated nearly \$727 million in secondary economic benefits, gross business volume, secondary employment and state-level tax collections. Hunting and fishing accounted for over 2,500 full-time equivalent jobs and generated over \$40 million in state tax collections. (Source: *Hunter and Angler Expenditures, Characteristics, and Economic Effects, North Dakota, 2011-2012*. North Dakota State University)

In 1985, prior to CRP, approximately 40,000 total pheasant hunters were harvesting between 140,000 – 150,000 roosters annually providing about 140,000 sporting-days of pheasant hunting recreation. Between 2002-2012, pheasant numbers increased dramatically and PLOTS opened nearly 1,000,000 additional acres of private land for walk-in public access. Together this increased the number of annual pheasant hunters to approximately 90,000; pheasant harvest to over 500,000 roosters and provided hunters with 400,000 - 600,000 sporting-days of hunting recreation. Surveys and other analysis indicate a need to maintain an annual pheasant harvest of around 600,000. This number appears to be the right balance where hunter activity and participation is maintained and does not decrease (hunting participation-resident and nonresident, recruitment of young hunters etc... decreases when harvest drops below 500,000) and small towns, rural communities and businesses benefit from increased economic spending. There are two important components to our hunting and fishing heritage – habitat and access. Without adequate habitat, wildlife and fisheries populations cannot flourish and without access to the habitat, most hunters and anglers cannot enjoy the resource. To keep this amount of hunting recreation available to sportsmen, habitat programs must be available to substitute for the continuing loss of CRP and other grassland acres and encourage public access to private lands.

This project meets all the directives of the OHF program, most specifically Directive A: access to private and public lands for sportsmen, including projects that create fish and wildlife habitat and provide access for sportsmen. OHF program funds are best utilized when leveraged or matched with other funds and additional partners. The Department can be most effective in fulfilling its mission by delivering private lands programs this way as well. In today's fast paced agricultural world, changes happen rapidly and producers are very efficient and effective. Producers need programs that work with their operations and through the years, the Department private lands biologists have heard this message from producers loud and clear. The Department's pheasant plan is an ever-evolving plan; not a static plan that gets developed and put on a shelf. Private lands are dynamic, farm bills change and needs of landowners vary widely. The Department's PLOTS program has always been a flexible program, which has proven to be an effective way to deliver conservation. The development of the State/Federal CREP partnership with USDA will strengthen the Department's private lands initiative and pheasant plan.

Project Need

Producers need programs that fit their operation. The PLOTS program has continually adjusted and adapted over the years to do this. The inclusion of CREP in the toolbox for PLOTS is another example of this. Changes are occurring on the landscape. Reduced funding and acreage levels for CRP (nationally and locally) along with higher commodity prices and land values are only some of the factors. Producers have expressed concerns with CRP restrictions and a one-size fits all nationwide approach. The Department recognizes interest in general CRP has decreased in recent signups; in contrast there has been an increase in demand for locally developed practices and projects such as CREP and SAFE (State Acres For wildlife Enhancement) in recent years. With the nationwide cap reduced and less CRP funding and acreage available, it is critically important that acres offered for the

program provide the most benefit for soil, air, water and wildlife. CREP and other projects address local resource concerns and are receiving more attention from producers as well as Congress. The Statement of Committee of Conference (Manager's Report) contains the following language relating to CRP.

"The Managers support ongoing USDA efforts to target the CRP through enrollment of highly-desirable practices such as buffers, filter strips, riparian buffers, acreage of importance to States and local communities, certain wetlands, duck and upland bird habitat buffers, highly erodible land, longleaf pine, and pollinator habitat. This widely-supported targeting effort ensures that critical acreage is protected and productive land remains available for production.

The Managers intend that USDA accelerate this evolution of targeted practices to include important natural resource priorities. Examples of such priorities include: water quality and quantity, wildlife habitat, and recreation purposes. The Managers encourage the Secretary to include the use of potentially larger tracts than have previously been awarded a contract in order to continue meeting wildlife habitat needs.

In addition to the Managers' intention that USDA expand the use of continuous and Conservation Reserve Enhancement Program (CREP) practices, the Managers understand that there are concerns in regard to the Department's operation of certain continuous practices, including State Acres for Wildlife Enhancement or so-called "SAFE" acres. The Managers encourage the Secretary to continue efforts to meet the demand for these practices, which have proved popular in some states. The Managers also expect the Secretary to utilize these acres to meet demand for acreage that will impact threatened or endangered species or species of economic significance in a state or region."

It is critical to maintain adequate habitat by targeting practices and building complexes that provide the necessary components critical for the pheasant's entire life cycle-nesting, brood rearing, winter and escape cover. Research shows that pheasants respond well to local management activities; however, these isolated management activities do not have large impacts on overall populations. Isolated management activities will not be sufficient to maintain the Department's harvest goal of 600,000 roosters. The Department's pheasant plan includes multiple habitat and management practices that fit into a producer's operation and allow farming and ranching activities to be sustained. These practices will be combined and stacked to develop habitat core area complexes.

The CREP is designed with producer's needs in mind, while still providing excellent habitat for resident wildlife and fisheries, migratory species, species of concern and improving water quality. CREP allows a producer to enroll the most sensitive portions of a field into a number of different practices such as filter strips, buffers, grass plantings and provides producers with expiring CRP contract an option to roll over those contracts or portions of those contracts into a new CREP contract. USDA will provide a rental rate with an addition rental rate incentive, along with 50 percent establishment costs. Some practices are eligible for a signup incentive payment and additional practice incentive payments. The Department will provide an additional habitat incentive and cost share for establishment of habitat. The producer would enter into a 10-15 year CRP contract with USDA-FSA on the acres enrolled in CREP. The minimum offer size required is 40 acres; however, not all 40 acres are required to be enrolled in a USDA CREP contract. (Ex. a producer could enroll the entire 40 acres being offered into a CREP contract, or he may choose to enroll only 10 acres of the 40 acres into a

CREP contract. USDA will provide the CREP payments. The remaining non-CREP acres will be paid for by PLOTS) There is no minimum or maximum acreage required for CREP; the only requirement is a minimum of 40 acres must be enrolled in PLOTS. The Department will coordinate with USDA-FSA county staff and training will be provided by Department private lands staff and Pheasants Forever farm bill biologists.

The OHF grant will be for a 5-year period. OHF grant funds (\$3M) will be used to provide a one-time habitat incentive on CREP acres and existing PLOTS funds (\$1.2M) will be used to enhance the adjacent non-CREP through a multitude of practices such as additional grass, shrub and winter cover plantings, hay land/grazing land improvement, wildlife food plots and high diversity cover crops and tall stubble management over the 10-year pheasant plan period.

Management of Project – Provide a description of how you will manage and oversee the project to ensure it is carried out on schedule and in a manner that best ensures its objectives will be met.*

The Department has been working with private landowners and implementing conservation programs for well over 20 years. The private lands section leader has over 10 years in the current position and oversees all program activities, administers budgets, supervises staff, and coordinates and implements conservation and agriculture provisions of the farm bill. An assistant section leader is responsible for maintaining a payment database, administering payments and working with field staff on all aspects of landowner payments and agreements. A field operations coordinator is responsible for supervision of field staff and oversees administration of all agreements, terms of agreements and provides guidance and direction to field staff. Since 1997, Department private lands staff has increased to 12 fulltime positions to achieve and maintain quality acres in the PLOTS program and to satisfy producer demand for the program. Eight Department private lands biologists located across the state are knowledgeable about all state and federal conservation programs and serve as an information source for producers. Private lands biologists work with landowners to help them identify goals and objectives for their land and to find programs and practices that fit into each specific operation; often times a private lands biologist will assist a producer with conservation programs outside of the PLOTS program. Department private lands staff are also active with their local county USDA service centers; serving on local working groups and providing technical assistance on wildlife habitat and conservation programs. They work with private landowners every day and have established long-term working relationships with many of them. They also have an excellent network of county agents, state and county USDA staff, soil conservation districts, NGOs and conservation organizations, grazing associations, water boards, federal and state agencies, local wildlife clubs and chapters, and the communities they live and work in.

Project Schedule-

The Department has established an estimated time frame for this project. Activities on private lands are very dynamic; interest in conservation practices varies greatly depending upon a number of factors including; weather, commodity prices, rents and land values, other programs and so on. Therefore, the delivery time frame is simply an estimate. Promotional and outreach efforts will be made in an attempt to enroll acreage as quickly as possible. A CREP agreement must be signed between USDA and the State (Governor). Prior to a CREP agreement being signed, the Department and FSA will present the full CREP proposal to the USDA State Technical Committee (STC) for their input. Also, in accordance with the National Environmental Policy Act, CREP partners must conduct an

Environmental Assessment (EA). The time required for a fully completed CREP Environmental Assessment is estimated to be 3-6 months. Assuming the EA is initiated in October 2014, and completed in March 2015, the State can then enter into an agreement with USDA shortly after that. It is expected that the CREP will be fully functional and ready to roll out by July 2015. The Department has been in constant discussion with FSA on the development of the CREP and the concept has support from National and State FSA. FSA has provided a letter indicating their support for the CREP. (See attached letter)

September/October 2014	October 2014-March 2015	April-June 2015	June-July 2015	July 2015	July 2015-2020
OHF Grant Award and NDIC agreement signed	CREP Environmental Assessment	Finalize CREP agreement with State of ND and USDA	CREP training	Roll out of CREP using OHF Funds	OHF implementation – enroll acreage

Estimated project schedule.

Evaluation – Describe your plan to document progress and results. *

Through the CREP agreement with USDA, the State is required to provide a CREP annual performance Report (CEP-68R) to Conservation and Environmental Programs Division (CEPD) no later than a specified date indicated in the CREP agreement, usually 90 calendar days after the end of the Federal FY (September 30). The CREP annual performance report is a critical tool used by USDA and partners for the following:

- monitor program accomplishments
- justify average cost per acre of enrollment
- justify continued Federal and State CREP funding
- indicate continued State partner financial and administrative support
- detail CREP changes needed to ensure that CREP goals are achieved in a cost-effective manner.

Each CREP annual performance report must contain certain information, including a detailed monitoring report, according to FSA CRP National directives and the terms of the Agreement.

In addition to CREP reporting, the Department will monitor all PLOTS tracts associated with CREP. Annual evaluations and progress reports are completed to ensure compliance, accuracy in signage and agreement terms and conditions. The Department has monitoring guidelines established that include: GPS photo points, range inventories, vegetation monitoring, species monitoring (bird point-counts, lek counts, roadside counts etc...) and the use of historical imagery.

The Department also conducts hunter surveys for the PLOTS program that measures overall hunter satisfaction, quality of PLOTS acres, hunting pressure and general comments. Beginning in 2014, the Department will be reviewing several aspects of the PLOTS program and will participate in a three year human dimension study through South Dakota State University. The study will:

1. Measure attitudes and intended behaviors towards participating in a variety of conservation programs and barriers to participating in various conservation programs.
2. Identify future changes in farming/ranching practices related to the aging trend of farmers/ranchers, i.e., what plans do older farmers/ranchers have for their land after they retire?
3. Measure the Wildlife Value Orientations of landowners and the relationship with attitudes and intended behaviors towards participating in conservation programs.

Through this effort, we seek to improve the effectiveness of our program, ensure that the needs of landowners, and hunters, are being met and that we are delivering a product that meets the expectations of our constituents. Agreements entered into using OHF project funds will be included in the Department's review and evaluation process of the PLOTS program.

Financial Information

ATTACHMENT: Project Budget – Using the standard project budget format that is available on the website at <http://www.nd.gov/ndic/outdoor-info/page.htm> , please include a detailed total project budget that specifically outlines all the funds you are requesting. Note that a minimum of 25% match funding is strongly encouraged.*

The project budget should identify all matching funds, funding sources and indicate whether the matching funds are in the form of cash or in-kind services. As noted on the standard project budget format, certain values have been identified for in-kind services. Please utilize these values in identifying your matching funds. **NOTE: No indirect costs will be funded.**

X I certify that a project budget will be sent to the Commission*

North Dakota Game and Fish Department Pheasant Habitat Initiative						
Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-kind)	Applicant's Match Share (Indirect)	Other Project Sponsor's Share	Totals
Habitat Development (a)	\$3,000,000	\$1,200,000		\$2,500	\$34,000,000	\$38,202,500
Private Land Biologist (b)				\$110,000		\$110,000
Signs/Posts/Equipment (c)				\$31,750		\$31,750
Mileage (d)				\$15,000		\$15,000
Totals	\$3,000,000	\$1,200,000	\$0	\$159,250	\$34,000,000	\$38,359,250
Budget Narrative						
(a) Habitat Development						
OHF Request: (\$3M) - Habitat Incentive on CREP acres						
Applicant's Cash Match: (\$1.2M) PLOTS - habitat and access payments on adjacent non-CREP acres, cost share on CREP acres						
Applicant's Indirect Match: Information and education, outreach, promotional materials, landowner mailings, landowner workshops. Approximately \$2,500.						
Other Project Sponsor's Share: (\$34M) USDA CREP rental payments, incentives and cost share						
(b) Private Land Biologist: 5 private lands biologists/staff will deliver OHF dollars through agreements with private landowners. Estimated 2,500 hours at an average of \$28/hour. Approximately \$70,000 salaries, \$40,000 indirect.						
(c) Signs/Posts/Equipment: Estimated 2,500 signs and posts. Signs @6.20 per sign. Posts @\$6.50 per post. Approximately \$31,750.						
(d) Mileage: Estimated travel for landowner meetings, field site visits, agreement compliance checks, etc... Estimated 600 miles per year @ \$.55 per mile, 5 private lands staff. Approximately \$15,000						

Sustainability – Indicate how the project will be funded or sustained in future years. *

The concept of this project is to work with producers to identify portions of their fields that are most sensitive and utilize CREP and PLOTS to address those areas. It is our hope that producers mindset will change over time if options exist to initially enroll these sensitive areas. By reducing input costs, time, energy and fuel into these areas, it is expected that a producer's quality of life will improve. Many agricultural groups have begun to recognize the quality of life factor when making decisions on their land. By farming the best and leaving the rest during the contract period, it is our hope that producers will maintain these practices long after the contracts and payments have disappeared simply because of quality of life issues. This is one area that will be looked at during the landowner human dimensions study- to determine producers Wildlife Core Values (WCVs). South Dakota has done some work on this and has found out that most producers have very strong WCVs; we expect to find this is an important consideration for North Dakota producers as well. If we can influence these WCVs through this project, we feel that many producers will continue to maintain practices in place.

Partial Funding – Indicate how the project will be affected if less funding is available than that requested. *

If the project is partially funded the ability to leverage additional USDA federal funds will greatly decrease. The Department would have to consider reducing the CREP funding request and acreage target or would have to utilize existing PLOTS funding to make up for the reduction. This would require a cut or reduction in existing PLOTS agreements where obligations have already been made. The final option would be come back to the OHF with a future request. This would simply delay the availability of options to producers and would result in the full 50,000 acres of CREP not being available to producers.

Literature Cited

Jorgensen CF, Powell LA, Lusk JJ, Bishop AA, Fontaine JJ (2014) Assessing Landscape Constraints on Species Abundance: Does the Neighborhood Limit Species Response to Local Habitat Conservation Programs? PLoS ONE 9(6): e99339. doi:10.1371/journal.pone.0099339

Taylor, Richard D., Bangsund, Dean A. and Nancy Hodur. 2013. *Hunter and Angler Expenditures, Characteristics, and Economic Effects, North Dakota, 2011-2012*. Agribusiness and Applied Economics Report No. 706-S, Department of Agribusiness and Applied Economics, Agricultural Experiment Station, North Dakota State University, Fargo.
<http://purl.umn.edu/145739>

United States Department of Agriculture, Farm Service Agency. 2013. *Summary of Active and Expiring CRP Cropland Acres by State*.
https://arcticocean.sc.egov.usda.gov/CRPReport/monthly_report.do?method=selectState&report=ActiveAndExpiredCRPAcresByState&report_month=October-2013

ATTACHMENT

Farm and Foreign
Agricultural
Services



United States Department of Agriculture

Farm Service
Agency

Farm Programs

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Kevin Kading
North Dakota Game & Fish Department
100 N. Bismarck Expressway
Bismarck, ND 5850

Dear Mr. Kading,

Thank you for your interest in the development of a new Conservation Reserve Enchantment Program (CREP) project for North Dakota farmers and ranchers.

The National office of the Farm Service Agency (FSA) looks forward to the receipt of the proposal for this new project.

FSA generally supports all new and amended CREP projects which are implemented through negotiations with State CREP partners following the National Environmental Policy Act's environmental assessment process.

Sincerely,

A handwritten signature in cursive script that reads "Paul Harte".

CREP Technical Program Manager