

OUTDOOR HERITAGE FUND GRANT APPLICATION

Beginning Farmer Enhancement

Name of Organization: North Dakota Natural Resources Trust

Federal Tax ID#: 36-3512179

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MAJOR Directive:

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:

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

O **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;

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

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

Type of organization:

O State Agency

O Political Subdivision

O Tribal Entity

X Tax-exempt, nonprofit corporation

Project Name: Beginning Farmer Enhancement

Abstract/Executive Summary: When the North Dakota Natural Resources Trust (Trust) develops private lands conservation programs the process involves the following pattern. First the Trust's staff and Board of Directors develop a program concept to address a resource concern, then coordination begins between conservation partners and agricultural interests to fully develop the program, then acreage and habitat accomplishment goals are set, next is formulating the budget and identifying the funding sources, funding applications are submitted and if a successful grant is awarded, a promotion and delivery phase begins. This all ends with a landowner agreeing to participate by signing an agreement to receive financial assistance to complete the project on their property.

For this Outdoor Heritage Fund (OHF) grant proposal instead of ending with the landowner it starts with the landowner. The Trust is proposing a private lands conservation program that is landowner driven, not Trust generated as previously described. Since January 2015, the Trust has completed "kitchen table" discussions with a select group of landowners. These landowners are participants of the Trust's Beginning Farmer Program. During our discussions the Trust asked these landowners to identify high priority projects on their properties given the OHF directives as the primary guidelines. The OHF directives A, B, and C provided the basic guidance for their projects ideas. After several months of

discussions the landowners developed a list of projects to meet these directives. The following grant proposal is the outcome of those discussions.

This Beginning Farmer Enhancement proposal will work with current participants of the Trust's Beginning Farmer Program to improve the agricultural production on their properties while improving water quality and wildlife conservation values. Project ideas were developed on property currently in the Trust's Beginning Farmer program and on additional properties purchased by the landowners since their initial participation in the program.

The proposed projects developed by the landowners include grassland leases of varying lengths from 9 years to 20 years for approximately 1,905 acres, installing 10.5 miles or 55,440 feet of fence, installing water quality management practice at two farm sites, drilling four new water wells, installing solar pumps, water tanks, and pipelines, and seeding 160 acres of cover crop. The total proposed budget for the project is \$257,441 with an OHF request of \$132,884. The OHF funding will be used to provide the water development projects, fencing materials, and the water quality development. The Trust will provide matching funds in the amount of \$67,887 for grass leases and project administration. The landowners will provide match funds in the amount of \$56,670 for their time, hired labor, and materials to install many of the projects. The total match for this grant proposal is \$124,557. This calculates to a 48% overall match, which exceeds the minimum match requirement of 25%, making the OHF proposal a very cost-effective funding request.

Project Duration: The Beginning Farmer Enhancement is a 2.5 to 3 year project.

Amount of Grant request: \$132,884

Total Project Costs: \$257,441

Amount of Matching Funds \$124,557 (48%)

Cash \$70,497
In-kind \$54,060

Source(s) of Matching Funds

NDNRT \$67,887
Landowners \$56,670

Participants: North Dakota Natural Resources Trust and Landowners

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

Organization Information:

The North Dakota Natural Resources Trust was created in 1986 and was originally called the North Dakota Wetlands Trust until 2000. The Trust's mission is to preserve, restore, manage, and enhance wetlands and associated wildlife habitat, grasslands, and riparian areas in the state of North Dakota. The Trust achieves this mission by partnering with agricultural and conservation organizations to promote productive use of private agricultural lands and private property rights that result in enhancement and protection of private lands, to effectively use North Dakota's public lands both for agriculture and recreation, to promote good land use along urban river corridors, and to enhance the state's significant water resources. The Trust helps shape the landscape through its programs and does its best to help shape both public attitude and public policy to support natural resource protection.

The Trust is managed by a six-member board of directors. Three of the directors are appointed by the governor of North Dakota, one by the National Audubon Society, one by the National Wildlife Federation, and one by the North Dakota Chapter of The Wildlife Society. The North Dakota Game and Fish Department director is an ex-officio member. The Trust has an Executive Director and three staff.

From its inception, the Trust has played a role as facilitator between agricultural and conservation interests. In addition to facilitating and funding sound, on-the-ground conservation of natural resources, its goal is to identify common issues, create dialogue, and resolve conflicts.

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

Trust's Beginning Farmer Program Background

The Trust implemented a program called Beginning Farmer Assistance Program from 2001 to 2009. The program worked in concert with the Bank of North Dakota's Beginning Farmer Real Estate Loan program. Individuals who qualified for this Bank of North Dakota loan program were eligible to participate in the Trust's program. The Trust provided financial assistance to the farmer/rancher for real estate purchases and for agricultural improvements that provided conservation benefits. The Trust provided an upfront lease payment option and other financial assistance for the conservation practices. The North Dakota Game and Fish Department (NDGFD) also specifically created a conservation PLOTS program called Beginning Farmer/Rancher Program to work with the beginning farmers who participated in the Trust program and were interested in public access. The NDGFD also provided upfront access payments and other financial assistance for habitat improvement practices. Other cooperating partners in this program included Bank of North Dakota, North Dakota Department of Agriculture, North Dakota Farm Bureau, USDA Natural Resources Conservation Service, and Ducks Unlimited.

Participating Landowners Background

Landowner A – This farmer/rancher is located in Burleigh County. The Trust and landowner A signed the original Beginning Farmer agreement in January 2005, which included a grass lease of 640 acres, 7,920 feet of fence, and 320 acres of NDGFD PLOTS. The Beginning Farmer Enhancement proposal for this farmer/rancher includes 16 wind break panels, 18,480 feet of fence, and 320 acres of 20 year grass lease.

Landowner B - This farmer/rancher is located in Burleigh and Emmons Counties. The Trust and landowner B signed the original Beginning Farmer agreement in April 2004, which included a grass lease of 670 acres, 13,200 feet of fence, 4 water tanks, and 480 acres of NDGFD PLOTS. The Beginning Farmer Enhancement proposal for this farmer/rancher includes drilling water well 5 water tanks, pipeline, and solar pump; 7,920 feet of fence; and 760 acres of 9 year grass lease.

Landowner C - This farmer/rancher is located in Mercer County. The Trust and landowner C signed the original Beginning Farmer agreement in April 2004, which included a grass lease of 700 acres and 29,040 feet of fence. The Beginning Farmer Enhancement proposal for this farmer/rancher includes drilling two water wells, waterway diversion and exclusion fence, 13,200 feet of fence, 160 acres of cover crop, and 185 acres of 19 year grass lease.

Landowner D - This farmer/rancher is located in McIntosh/Dickey Counties. The Trust and landowner D signed the original Beginning Farmer agreement in June 2002, which included grass lease on 830 acres, restoration of 4 wetlands, and 20,429 feet of fence. The Beginning Farmer Enhancement proposal for this farmer/rancher includes an additional grass lease of 10 years on 640 acres, water well with tanks, pipeline and solar pump; and 15,840 feet of fence.

Project Goals, Strategies and Benefits:

The primary goal of Beginning Farmer Enhancement is to create a partnership between OHF, Trust and landowners to improve rangeland and cropland health by implementing landowner driven projects that meet OHF directives.

Additional goals of this proposal include enhancing grassland habitat and improving water quality. The goal of enhanced grassland habitat will be accomplished by installation of fence and water developments for improved rotational grazing systems. To accomplish improved water quality the use of waterway diversions and seasonal manure management will help reduce animal waste from entering rivers and streams.

The Beginning Farmer Enhancement major OHF directive is B which will improve, maintain, and restore water quality, soil conditions, plant diversity, animal systems and to support other practices of stewardship to enhance farming and ranching. This proposal will create more effective livestock grazing systems by providing better watering sources on the grassland acres; create better water quality by distributing livestock during the winter, and diverting excess runoff away from farm site and feedlots; and create better soil

health by planting cover crops. The proposal also addresses directive C by developing and enhancing wildlife habitat. Improved livestock grazing systems and retention of grassland acres provide wildlife habitat for many of the species that live and migrate across the state. In addition some of the proposed developments are on property that was enrolled into the NDGFD's Beginning Farmer PLOTS program. This would address directive A by improving habitat on the public access agreements.

Timetable for Implementation: The timetable for implementing the grant proposal projects is to have all work completed by December 31, 2017. The land management projects would have three growing seasons to get completed. Many of the projects will be installed by the landowners, but some require special contractors. Depending on contractor availability determining exact completion dates can be difficult.

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 Trust and landowners will sign a new agreement to contractually commit to the completion of all projects in this grant proposal. The Trust's grass lease agreements is the contractual agreement and would require the land to be maintain in grass cover and have a managed grazing system. Attached to this lease agreement there will be provisions for all the land management projects. An affidavit and notice of lease agreement will be recorded at the county courthouse for each agreement.

The Trust will oversee and coordinate all activities associated with the proposal. The Trust will work closely with the participants of the Beginning Farmer Enhancement as they develop the proposed projects on their properties. Frequent farm visits will be conducted to ensure that all projects get completed in a timely manner.

The Trust's staff will coordinate the Beginning Farmer Enhancement program from our office located in Bismarck, ND. Terry Allbee, Biologist/Business Manager, will serve as the program coordinator. Terry has 16 years of experience in delivering conservation projects for the Trust. The Trust will provide tracking and reporting of all participant agreements following grant guidelines.

Evaluation – Describe your plan to document progress and results.

Success will be measured by the progress of installing the water development, water quality improvements, fencing, and leasing projects. The Trust will complete periodic site visits when projects are being installed. Photo records and report summaries will be completed to document progress. The participants would be willing to complete a project reviews onsite by OHF members for any completed projects on their properties.

Financial Information (see attached budget)

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

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

The proposed projects, which have been identified by the landowners in this proposal, will have extended value well beyond the timeframe of this grant. The installation of these projects, especially the water development and fencing, will have long-lasting benefits for livestock production and conservation values in the future.

This grant proposal is only working with a few landowners who were part of the Trust's Beginning Farmer Program. If this grant application is successful and these four landowners complete their projects in the agreed upon timeframe, there is a possibility that a similar grant could be submitted in future OHF grant rounds for the remaining Beginning Farmer participants.

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

If the proposal is partially funded the Trust would work with landowners to identify the projects that could be scaled back or removed. Since the list of projects has been developed by each participating landowner, the final decision on how to handle partial funding by OHF would be made by the landowners.

Partner Recognition – If you are a successful recipient of Outdoor Heritage Fund dollars, how would you recognize the Outdoor Heritage Fund partnership?

The Trust will include OHF logo on all newly signed agreements. The OHF partnership will also be recognized on the Trust's website. The Trust will provide an OHF report on Beginning Farmer Enhancement in the ND Water Magazine, which periodically publishes the Trust's Prairie Pondering articles.

**Beginning Farmer Enhancement
Project Budget Standard Form**

Project Expense	OHF Request	Applicant's Match Share (Cash)	Applicant's Match Share (In-Kind)	Landowner's Match Share (Cash)	Landowner's Match Share (In-Kind)	Total Each Project Expense
Land management and development projects	\$132,884	\$	\$	\$12,610	\$	\$145,494
Land projects installation	\$	\$	\$	\$	\$44,060	\$ 44,060
Trust - Leases	\$	\$57,887	\$	\$	\$	\$ 57,887
Trust - Admin	\$	\$	\$10,000	\$	\$	\$ 10,000
Total Project Costs	\$132,884	\$57,887	\$10,000	\$12,610	\$44,060	\$257,441

Budget narrative

OHF - Land management and development projects (\$132,884) – Provide funding for material for 4 wire barbed fence on 47,520 feet @ .80/ft. (\$38,016); supply material for 2 wire electrical fence on 7,920 ft @ .50/ft. (\$3,960); contractor for expansion and repair waterway diversion (\$10,000); wind break panels 16 @ \$700 a panel (\$11,200); drilling 4 water wells and 2 solar pump/panel install (\$50,000); install 7 water tanks/pipeline (\$17,468); and provide seed for 160 acres of cover crop @ \$14/acre (\$2,240).

Landowner - Land management and development project installation (\$12,610) (CASH) - Cash match for completing partial well drilling (\$4,000); material to install high wind break fence around waterway diversion that would exclude cattle (\$5,250); and seeding of cover crop by neighbor or SCD on 160 acres (\$3,360).

Landowners - Land management and development project installation (\$44,060) (IN-KIND) – Match for installation of 4 wire barbed fence on 47,520 feet @ .85/ft. (\$40,392); installation of 2 wire electrical fence on 7,920 ft. @ .40/ft. (\$3,168); and install and supply other materials for 16 wind break panels (\$500).

Trust - leases (\$57,887) (CASH) – The Trust will provide grassland leases on 1,905 acres @ \$2.50/acre (\$57,887). These leases vary in length from 9 years to 20 years.

Trust - Administration (\$10,000) (IN-KIND) – Based on actual staff time, benefits, travel, and overhead to deliver program. This includes completing agreements, coordinating with landowners, on site visits during construction, processing payments, and agreement monitoring through December 31, 2017.

Additional Budget Information by Landowner:

	Landowner A Burleigh Co.	Landowner B Burleigh/ Emmons Co.	Landowner C Mercer Co.	Landowner D McIntosh/ Dickey Co.	Totals
OHF	\$25,984	\$32,194	\$38,800	\$35,906	\$132,884
Trust	\$18,500	\$19,600	\$11,287	\$18,500	\$ 67,887
Landowner	\$16,208	\$ 7,168	\$19,830	\$13,464	\$ 56,670
Totals	\$60,692	\$58,962	\$69,917	\$67,870	\$257,441