

Contract No. 003-047

“Working Wetlands in North Dakota”

Submitted by Delta Waterfowl

Principal Investigator: John Devney

Directives: C, B

PARTICIPANTS

Sponsor	Cost Share	
Delta Waterfowl	\$ 130,000	
USDA NRCS	<u>\$3,000,000</u>	
Subtotal Cash Cost Share		\$3,130,000
Delta Waterfowl	<u>\$ 70,000</u>	
Subtotal In-kind Cost Share		\$ 70,000
North Dakota Industrial Commission	<u>\$1,750,000</u>	
Total Project Cost	<u>\$4,950,000</u>	

Project Schedule – 5 years
Contract Date – 12/10/2014
Start Date – 3/5/2015
Completion Date – 11/1/2019

Project Deliverables:
Annual Report: August 1, 2015 ✓
Annual Report: August 1, 2016 ✓
Annual Report: August 1, 2017
Annual Report: August 1, 2018
Final Report: November 1, 2019

OBJECTIVE/STATEMENT OF WORK:

The Working Wetlands in North Dakota project is a new concept to conserve small wetlands in cropland via a new voluntary incentive based program. It is these small, temporary and seasonal wetlands that drive duck abundance in North Dakota and as such they are the critical element in duck production. Beyond the benefits to breeding ducks, these wetlands provide habitat to a multitude of other species and also play a critical role in flood attenuation, water storage and water quality. Funds will be used to provide incentives to producers who agree to leave qualified wetlands intact. Approximately 10,500 acres will be conserved.

STATUS:

Contract has been executed.

Status Report - 8/1/2015 - The bulk of activities from December through March was administrative work to ensure a smooth and sound application process and provide for an effective project launch. Delta staff worked closely with NRCS staff to ensure that the program meets all of the goals laid out in our application and ensure sound delivery. This entailed numerous meetings as well as presentations to local NRCS offices as well as North Dakota private lands biologists to provide information to private landowners who may be interested in the program.

An application process commenced and was completed in the month of April with the applications handled by county NRCS staff. In all, 121 applications were received for 8,514 acres of wetlands and \$3,209 million in requests just slightly less than double the dollars available for the pilot project. We note that this is a positive signal that the project’s core elements (voluntary, incentive based, market payments for wetlands) are well received by North Dakota’s farmers.

Since the application deadline, maps have been provided by NRCS offices to Delta Waterfowl for review and approval. This process is still underway and while time consuming and labor intensive, it ensures the core program elements are preserved and also provides key insights as to program design. Delta Waterfowl staff will be contacting all program participants by phone to go over applications and provide another point of contact between the producer and Delta Waterfowl.

It is envisioned that all applications will be reviewed, NRCS local review, and outreach to producers and mailing of leases and support materials will occur the month of August/early September. Payments will be made to cooperating producers for 2015 after NRCS completes their annual status review which occurs post-harvest.

Status Report 4/25/2016 The Status Report states:

The primary outputs from this period represent the initiation of agreements, disbursements of incentive payments and the continued outreach to potential interested landowners. In all, 106 landowners enrolled and 4,822.2 acres of wetlands are now under agreement for five years.

Additionally, the NRCS match has been confirmed and has been obligated. In all, \$3,442,699.45 (\$688,539.89 per year) in matching funds has been secured for the 5 years of the pilot project. This exceeds the match previously described in the budget submitted with the proposal (\$3,000,000) by \$422,699.45.

The overwhelming majority of the NRCS match (\$3,180,199.45) is in the form of CSP and EQIP conservation payments to participating private landowners for enhancements and conservation actions on lands with Working Wetland agreements. In total, 30,344.10 acres of adjacent uplands and additional wetlands are impacted by this NRCS investment. The balance (\$262,500) is NRCS technical assistance dedicated to the pilot project.

The human dimensions research, which represented a significant outcome of the pilot program, has been initiated by NDSU yet Delta Waterfowl has not been invoiced for these services. As a result, that portion of the match is not reported in this grant report.

Delta Waterfowl has provided a list of the farmer/Co Operator along with address, # of acres and rate that is available in the Commission files.

Status Report 8/3/2016 - The Status Report states:

The pilot project is well underway with 124 individual agreements and encompassing 4,815.4 acres. NRCS will conduct field visits and status reviews on project wetlands post-harvest (late fall) to ensure all project wetlands are in alignment with program terms. Payments will be made to producers after this NRCS review.

Additionally, faculty and graduate students at NDSU have finished their analysis of the surveys received to date. The following will capture a brief summary of some of the key points gleaned from the surveys received to date.

- Average age was 47.2 years old with a range of 25 to 69 years old.
- They most commonly raised crops included soybeans, wheat, corn, barley, and oil seeds. Ranchers with cow/calf herds are included.
- The average farm size amongst respondents is 3,711 acres with 1,452 acres owned and 2,220 acres rented.

- Very large farms (more than \$500,000 or more) made up 45.5% of participants, with large family farms (\$250,000-\$499,000) adding an additional 27.3%; farms generating less than \$250,000 made up 27.3%.
- Farm group membership was diverse amongst respondents with 76.5% noting membership in Farmer's Union, 32.4% in Farm Bureau, 20.6% in Grain Growers and 5.9% in Stockman's Association.
- The average number of wetlands reported by producers was 96 with nearly three-fourths being less than two acres in size.

Participants noted the key determinants in their decision making when considering participation in conservation programs. The factors that ranked the highest include:

- Level of payment/incentive
- That the payment is guaranteed
- Contract length
- Those factors likely to impact farmland quality (soil quality, erosion control and weed pressure).

Financial incentives ranked as the most important factor identified by respondents, and were important to motivate participation in the Working Wetlands Program specifically; with most farmers identifying payment levels as the highest motivator. Environmental benefits, attractive program attributes and education were also mentioned. It should be noted that all participants agreed that they would not have enrolled in the program if they were not allowed to continue to farm their wetlands when possible.

Participants were apt to agree that producer participation in the development of wetland conservation programs is very important, that the promotion of healthy ecosystems is part of their responsibility as a steward of the land and that the terms of the Working Wetlands Project are a good fit for their land in the long run (68.6% agreed).

These results are preliminary and a complete report will be provided when all the data is received and analyzed by NDSU.

Updated August 11, 2016