Maryland Riparian Forest Buffer Initiative State Task Force

DRAFT Interim Report

1. Executive Summary

As part of Maryland's Watershed Implementation Plan (WIP), the state has proposed to plant 1,190 new acres of riparian forest buffers by 2025 or 90 acres per year. Maryland's Conservation Reserve Enhancement Program (CREP) is the primary tool for protecting existing RFBs and increasing enrollment in new riparian forest buffers (RFBs). NRCS programs, such as The Environmental Quality Incentives Program (EQIP), provide some increases in enrollment and ancillary benefits through in field practices. Maryland Department of Agriculture provides important cost share for RFBs, primarily through the Maryland CREP, and Maryland Department of Natural Resources provides technical and financial assistance to implement and conserve RFBs, including easements.

As the first CREP program in the country, Maryland has a long and proud history of state, federal and local partnering on conservation. As is discussed in greater detail below, Maryland has a broad, diverse base of agency and non-governmental organization partners and seeks to help revitalize RFB enrollments, in part, through a robust, coordinated, multi-partner outreach campaign that draws producer and landowner attention to this program and to improvements that will be made as a result of this task force process. In addition, reenrollment is a particularly significant concern in Maryland given the length and success of the Maryland CREP. In the next 5 years, over 1,100 contracts on over 12,600 acres of Maryland CREP will expire. Reenrollment is a key priority to prevent backsliding. The Maryland partners are also discussing a one-time opportunity for interested participants to convert some grass filter strips to RFBs. In addition, some Maryland CREP participants have entered into permanent or long-term easements, such as through Maryland's Rural Legacy Program. Many of these landowners, and their successors, need outreach to better understand their easement commitments and any potential impact on ability to reenroll in CREP as well as technical and, if possible, financial assistance with maintenance of RFBs.

Many of Maryland's CREP RFBs on the Western shore of the Chesapeake Bay occur on marginal pastureland and are associated with livestock or dairy production. Many of the operations are relatively small and the land is owned and operated by many part-time producers. Producers often view the program as an opportunity to increase the value and usefulness of their operations by developing water, exclusion fencing of the stream, developing pipelines and water tanks, and developing stream crossings while enhancing the environmental benefits. The value of these capital enhancements far exceeds the value of annual rental payments and is the principle economic factor that causes producers to enroll. The enhanced property value associated with the capital improvements and the benefits associated with improved grazing distribution and improved herd health must offset the income loss, operation and maintenance cost/issues associated with participating in the program in order for a producer to enroll. Producers' opportunities to participate are also impacted by outreach activities, producers'

preconceived thoughts on the positive and negative impacts of enrollment and the ability to provide timely and professional service to the producer.

On the Eastern Shore of the Chesapeake Bay, most of the RFB enrollment occurs on cropland. Grain production (corn/soybeans/wheat) is the primary use of the cropland and is done by a relatively small amount of large to very large farm operations. These farm operations typically lease a majority of their land and most of these leases are relative short in duration (< 3 years in length). Landowners who enroll in the CREP program generally provide little or no compensation to the producer when the land is enrolled in a RFB. This competition between environmental uses of riparian areas vs. producers' desires to increase crop production/profits has created some conflicts. In 2013, when corn prices were over $6.00/bushel, a producer could see his/her income drop by over $600/acre for every acre of leased land that enrolled into CREP. This inherent competition between the interests of the landowner versus the producer (who leases the cropland) has been reflected in the recent amendments to the CREP agreement. Recent amendments have reduced the relative payments and restricted large buffer widths, thereby benefitting the interests of the relatively small number of large and very large farming operations (over $5 million in annual sales) rather than the interests of the landowners.

Establishment of RFBs on cropland on the Eastern Shore of the Chesapeake Bay is one of the cost-effective means to reduce nutrient loadings. The relative high loading of nitrogen in the crop fields and the hydrogeology along with the relative low capital cost (rent/cost-share/Incentive payment) as compared to buffers on marginal pastureland make this a cost-effective conservation practice.

The following are Maryland's primary, initial findings regarding the challenges and barriers to riparian forest buffer enrollment and initial recommendations to boost enrollment:

A strong commitment of Federal, State and local leadership is needed to support the program efforts and to provide adequate resources in Maryland and throughout the Chesapeake Bay watershed as a whole. A piece-meal approach without adequate resources will not address the issues associated with achieving desired program outcomes. Since RFBs are one of the most cost-effective means to achieve nitrogen reductions the failure to provide adequate resources could lead to higher societal costs. Failure to achieve desired program goals may mandate more expensive nutrient reduction options such as enhanced nitrogen removal or urban storm water retrogrades.

A new outreach campaign is needed to attract producer and landowner attention and boost enrollment. A major rebranding and outreach effort is needed to attract producer and landowner attention and boost enrollment. CREP and EQIP are not new programs, but new attention and excitement can be generated around the suggested revisions in incentives and increases in program flexibility. Maryland seeks to develop a coordinated, multi-partner forested riparian buffer outreach strategy that addresses the appropriate targeted audiences (landowners, farmers, absentee landowners), includes messaging on stewardship and

environmental benefits of RFBs, incentives, RFB maintenance, employs leveraging and cross-selling opportunities (such as through new RCPPs as well as Maryland's new agriculture certainty program), and addresses both opportunities to reenroll expiring CRP as well as enrollment of new acres.

The program complexities and significant perceived risks associated with the program require extensive one-on-one discussions with producers. In addition prior to the launch of a media program there must be sufficient resources to timely and professionally address the increased demand for services. There are insufficient outreach resources currently committed to the program. Annual funding of $10,000-$20,000 per year may be adequate to enhance ongoing media efforts. Maryland will coordinate with other Bay states and work on sharing (where feasible) various media products (video, pamphlets, etc.). The agencies, consistent with privacy requirements, should develop and maintain a database on the ownership, land use, previous contacts etc. for potential participants in the watershed. The project will explore the use of hiring retired agricultural personnel who are familiar with the conservation programs and the local farm community to sell the program one-on one as well as leveraging other programs.

Staffing increases are necessary as there are insufficient staff resources to do the job. FSA staffing has dropped by over 20% since 2002. Fundamental tasks such as practice certification, compliance reviews and outreach are not being completed now. Current staffing levels (FSA/NRCS/State Foresters/SWCD) are inadequate to address the 1,100 re-enrolled contracts plus an additional 100 new contracts to meet the WIP goals. This increase in workload during the next 7 years will require 6????? additional staff years (FSA, NRCS, FS and the SWCDs) to provide resources to implement an outreach program, oversee contracts, reduce contract maintenance issues and ensure Federal resources are spent in an efficient and accountable manner. The estimated annual cost is approximately $?????? per year. It will likely cost $????? in additional staffing costs through 2022. [A rough model for TA would indicate that 1 TSP could handle about 30-50 contracts/year (including reenrolls)].

Sufficient staffing and training are needed to ensure enough capacity to provide producers and landowners the assistance they need to enroll, establish and maintain RFBs. Program complexity requires a well-trained staff. This will require additional trained staff. Employees need to understand issues related to livestock, grazing management, economics, weed control and forestry. Staff training for FSA, NRCS, FS, MDA and Conservation Districts is essential and the employees need to have a better understanding of the important role each plays in developing a contract. Provide $20,000 for staff development and training in face-to-face training.

Seek to provide two RFB teams for one-stop RFB outreach, signup and implementation. Expand the use of turnkey operations that provide one-stop RFB implementation. For example in West Virginia, Trout Unlimited provides one-stop fencing, tree planting and water development to producers that voluntary select the services. This program is well received by the farm community. Many producers do not have the time, equipment or experience in doing the work. Maryland will work with NGOs or with private contractors to develop turn-key operations.

Private contractor could be certified so that they could provide the practice design, install the practice(s) and certify compliance. NRCS would conduct periodic spot checks to ensure program integrity.

Greater flexibility is needed to provide partial practice incentive payments (PIPs) after cost is incurred and to provide cost share for true cost of components. The high capital costs of many of the fencing, stream crossing, etc. and delays associated with PIP processing due to current procedure cause significant cash-flow issues. These issues disproportionately impact small and medium sized operations. Provide the State FSA officials the flexibility to issue PIP payments at the time the cost is incurred rather than after the entire practice is completed. There is also a need to adjust the payment cap issues associated with fencing, water development, pipeline, stream crossing and other components.

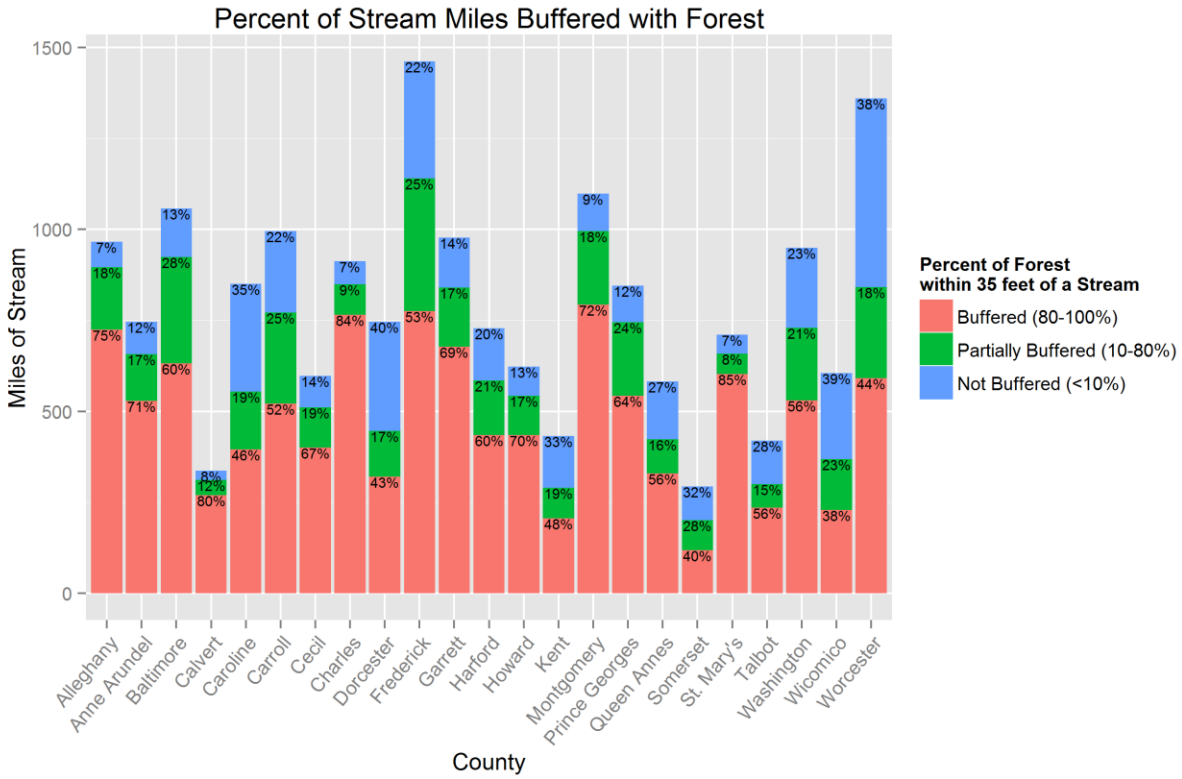
Increase incentives to enhance economic competitiveness with cropland rental rates. Financial incentives for RFBs on cropland are inadequate to provide sufficient returns when there is increased crop price volatility. The opportunity forgone by some producers in 2013 was over $600/acre as compared to an approximate CREP annual payment rate of $240-$330/acre. While the current market prices for many commodities are much lower the perception of higher market rates persists. There are currently a number of options being reviewed to increase the financial incentives including: (1) increasing the soil rental rates to reflect market prices, (2) providing bonus one-time payments to targeted watershed or other geographic areas which have higher loading or other environmental benefits or (3) increasing the incentive rate for RFBs. A concern will be to ensure that RFB incentives are attractive without undercutting important enrollments in other CREP practices, like wetland restoration.

Annual maintenance payments should be raised from $5/acre to at least $?? /acre and should be paid separately from the CRP annual rental payment. Maintenance issues associated with flooding, noxious weed infestation, low tree survival, and deer predation, etc. are significant determents to enrollment. High maintenance cost, lack of labor and/or equipment and lack of familiarity with technical standards are all issues that may adversely impact the enrollment. Increasing the maintenance rate by $5-??? /acre would not match the out-of pocket costs for a producer. A $?? /acre increase in maintenance cost would increase Federal program costs by about $??? (life-of contract) and would require an additional $?????? state match of which only half -- $??? – needs to be cash match. Separating the annual maintenance payment from the annual CRP rental payment would help participants see that they are being compensated for maintenance and that they are expected to conduct maintenance. [Maryland plans to increase establishment success by extending establishment to 5 years, getting partial PIP authority, and providing C/S for more of these activities that need to happen in the first 5 years and currently are covered as maintenance].

Instead of increase annual payment rates, the State could offer CREP permanent easements at the time of enrollment on CP22's, with the payment made up front, and the easement to take effect when the contract expires. This could provide a great incentive for enrollment.

2. Current Baseline and Goals

Riparian buffers are a cost-effective means to reduce nutrient (nitrogen/phosphorus loading) into the Chesapeake Bay and are an integral element of Maryland Watershed Implementation Plan (WIP). Approximately 60% of our Maryland's riparian areas are forested. Our State WIP goal is to increase the amount of riparian forest buffers by 1,190 acres by 2025 acres from the 2009 baseline level. The State WIP currently relies extensively on the use of conservation cover crops to assist in meeting its nitrogen reduction goal from agriculture. The State providing over $30 million??? per year on conservation cover crops. RFBs provide nitrogen cost reductions at approximately the same rate as conservation cover crops but provide other ancillary benefits to water quality (flood protection, wildlife and other environmental benefits, and RFBs are long-term, not ephemeral, practices.



Data Source: Maryland DNR Forest Service. 2014.

Currently there are about 66,740 acres (xxxxx acres of which are in Maryland's Chesapeake Bay watershed) enrolled in the MD CREP program. The MD CREP provides cost-share payments, annual rental payments (10-15 years) and other financial and technical assistance incentives to those who enroll land into riparian forest buffers (CP22). During the next 5 years, over 12,600 acres of existing riparian forest buffer (CP22) CRP contracts will expire, particularly in the latter years. Enrollment trends have been slowing in the program over the past 5 years for various reasons.

3. Agencies and Groups Participating in the Strategy

We have had diverse and numerous participation in our riparian forest buffer initiative state task force with many agencies, groups and individuals participating. The USDA Farm Service Agency (FSA) and the USDA Natural Resource Conservation Service (NRCS) co-chair the task force. NRCS convened three listening sessions located in Western Maryland, Southern Maryland and Maryland's Eastern Shore. FSA and NRCS also hosted a technical session with their key program staff to discuss programmatic strategies and help a state partner meeting. A complete list of participants is available as an Appendix.

Numerous federal and state agencies as well as non-governmental organizations are actively involved in promoting riparian forest buffers in Maryland, and their specific roles, responsibilities, and resources in RFB implementation are described below:

USDA Farm Service Agency: FSA is the lead agency for administration of the voluntary Conservation Reserve Program (CRP) and Conservation Reserve Enhancement Program (CREP). The Maryland CREP was the first CREP in the U.S. and is the leading program in Maryland for implementation of riparian forest buffers (RFBs). The FSA County office system with its local, farmer elected committee is specially designed and has responsibilities to oversee and administer various programs, including conservation, disaster, price support, farm credit, and other services for the public sector. FSA staffing is limited due to recent budget cuts and constraints.

USDA Natural Resources Conservation Service: NRCS is the lead technical agency for assistance with CRP and CREP and is a partner in the Maryland CREP. NRCS is also the lead agency for programs, such as the Environmental Quality Incentives Program (EQIP), the Conservation Stewardship Program (CSP), the Agricultural Conservation Easement Program (ACEP) and Regional Conservation Partnership Program (RCPP), which include riparian forest buffers and/or practices that enhance RFB performance.

US Forest Service: USFS is another agency of the USDA and administers the nation's 155 national forests and 20 national grasslands. Major divisions of the agency include the National Forest System, State and Private Forestry, and the Research and Development branch. Although not an official CREP partner, USFS has actively participated in various activities associated with improving the Chesapeake Bay as well as supporting other Federal and State agencies through their various conservation and natural resource programs and activities including providing financial resources to support riparian forest buffer technical.

US Fish & Wildlife Service: US FWS works to conserve, protect and enhance fish, wildlife and plants, including their habitats. They also partner with private landowners in their mission to preserve and protect natural habitats and wildlife resources. US FWS is a CREP partner and provides technical assistance to private landowners.

Maryland Department of Agriculture (MDA):

Maryland Department of Natural Resources (DNR):

The Maryland Association of Soil and Water Conservation Districts:

Maryland Farm Bureau Federation:

Chesapeake Bay Foundation (CBF):

Ducks Unlimited:

The Nature Conservancy:

Alliance for the Chesapeake Bay: The Alliance is not a CREP partner, but the Alliance and its consultants are playing a role in helping to facilitate the Riparian Forest Buffer state task force process, including facilitating the three public meetings. The Alliance is also implementing riparian forest buffer projects across the state.

4. Current Programs and Gaps

The Maryland CREP was launched in 1997. Maryland was the first state in the nation to establish a conservation reserve enhancement program. The Maryland CREP targets the entire state and has been amended multiple times to, among other things, keep the program incentives economically competitive, reduce the financial incentives for wider buffers and to decrease the overall width of RFBs and grass filter strips. The Maryland CREP was last amended in xxxx at which time the bonus on soil rental rate for RFBs was raised to 200%. CURRENT ENROLLMENT AUTHORITY UP TO 100,000 ACRES AND CURRENT CP22 AND TOTAL ENROLLMENT.

DURING THE NEXT 5 YEARS, over 12,600 ACRES OF EXISTING CP22 ENROLLMENTS WILL EXPIRE (should also list expiring CP3 AND CP3A).

During the late 1990s through 2003 the MD CREP enrollment grew at a fairly fast rate. Factors that influenced the growth were: (1) the program was new and had strong political support (the Vice President, USDA Secretary of Agriculture, the Governor and most of the Congressional Delegation announced the start of the project), (2) it was highly visible (TV, radio, paper, etc), (3) there was strong interagency support, (4) commodity prices were low, (5) the program provided rental rates that were substantially higher than any other previous USDA effort, (6) buffer widths were wider than current program authority, and (7) a cadre of very dedicated interagency staff saw CREP as a unique opportunity to implement significant change.

Over time a number of changes occurred that reduced the rate of growth of buffers. These changes included: (1) political changing of the guard and caused the amendments to the CREP agreement that reduced buffer widths and the payment rate for RFB wider than 50 feet, (2) staffing levels were reduced and/or staff resources were redirected to other higher priorities, (3) outreach efforts that grew stale, (4) NGOs that backed out of their financial commitments to producers and created ill will in the farm community, and (5) staff turnover which also impacted program leadership.

To boost RFB enrollment and meet Maryland's WIP goals, it is necessary to: 1) LIST KEY CREP RECOMMENDATIONS FOR MARYLAND.

Environmental Quality Incentives Program (EQIP) – NRCS administers EQIP. Eligible program participants receive financial and technical assistance to implement conservation practices (inclusive of riparian buffers), or activities such as conservation planning, that address natural resource concerns on their land. Payments are made to participants after conservation practices and activities identified in an EQIP plan of operations are implemented. Contracts can last up to ten years in duration. EQIP has been used in Maryland to create some riparian forest buffers and, more commonly, for exclusionary livestock fencing from riparian areas.

Conservation Stewardship Program (CSP) – Helps agricultural producers maintain and improve their existing conservation systems and adopt additional conservation activities and adopt additional conservation activities to address priority resource concerns. Participants earn CSP payments for conservation performance – the higher the performance, the higher the payment. CSP enhancements include extending riparian forest buffers (ANM05).

Agricultural Conservation Easement Program (ACEP) – provides financial and technical assistance to help conserve agricultural lands and wetlands and their related benefits. Newly created by the 2014 farm bill, ACEP consolidates three former programs: the Wetlands Reserve Program, the Grassland Reserve Program and the Farm and Ranchland Protection Program. Riparian forest buffers could potentially be protected under the agricultural land easements, as part of the working farm, or under a wetland easement, as associated buffer. Under the 2014 farm bill, there are increased opportunities for CREP participants to transition enrollments under expiring CRP contracts to NRCS ACEP easement programs; further discussion is needed to provide guidance on how interested landowners could transition some RFBs from CREP to NRCS easement programs.

Newly funded Regional Conservation Partnership Program Projects (RCPP) through EQIP, CSP and/or ACEP. DESCRIBE MARYLAND PROPOSALS, SUCH AS TNC PROPOSAL.

Maryland Agricultural Water Quality Cost Share (MACS) Program – provides farmers with cost share assistance, up to 87.5% of the cost to install conservation measures. There are more than 25 eligible best management practices (BMPs) that qualify for cost share assistance, including RFBs. MACS comprises the majority of non-federal cash match to the Maryland CREP.

Maryland Department of Natural Resources

Wildlife and Heritage Services: DNR is currently targeting easement purchases on agricultural lands that have implemented CREP programs in the past.

Chesapeake and Atlantic Coastal Bays Trust Fund: The state has directed over $30M in FY 15 to nonpoint source reduction projects including riparian forest buffers to improve Bay water quality. An additional $4.1M in FY 15 will provide technical assistance for further nonpoint source implementation.

Maryland Forest Service: The Forest Service provides technical and financial assistance to landowners to including CREP planting plans and financial assistance through the Mel Noland Woodland Incentives Fund.

5. Factors Influencing Ability to Meet Goal

CREP challenges/constraints on enrollment: Enrollment trends have been slowing in the program over the past five years for various reasons, including economic competitiveness issues, reduced USDA staffing/resources, most recent CREP amendment, reduced marketing/outreach and other reasons.

In Western Maryland, most of the RFB enrollments are on marginal pastureland. Economic competitiveness of the program for livestock/dairy producers is vitally important. Marginal pastureland rental rates are out of date and are estimated to be **xx%** below market rates. They need to be increased. In addition, having to wait extended periods of time for practice incentive payments (PIPs) can have a chilling effect on enrollment, especially given the significant upfront investments participants need to make in items like fencing, water development and stream crossing. Providing greater flexibility for partial-PIPs as components are installed would help. In addition, cost share caps on many components are too low and do not reflect prices participants are actually paying. Increasing cost share caps will increase economic competitiveness and attractiveness of RFB enrollment.

In Southern Maryland and on Maryland's Eastern Shore of the Chesapeake Bay, most of the RFB enrollment occurs on cropland. Grain production (corn/soybeans/wheat) is the primary use of the cropland and is done by a relatively small amount of large to very large farm operations. These farm operations typically lease a majority of their land and most of these leases are relative short in duration (< 3 years in length). Landowners who enroll in the CREP program generally provide little or no compensation to the producer when the land is enrolled in a RFB. This competition between environmental uses of riparian areas vs. producers' desires to increase crop production/profits has created some conflicts. In addition, the recent run up in commodity prices has significantly reduced the economic competitiveness of Maryland CREP RFB enrollments. This problem is further compounded by past CREP amendments that have reduced the relative payments depending upon buffer width, thereby creating a disincentive to enrollment of wider buffers. This benefits the interests of the relatively small number of large and very large farming operations (over $5 million in annual sales) over the interests of landowners. In addition, some expressed concerns that RFBs would present problems for cropland by shading adjacent (and reducing yields) in adjacent rows and by attracting deer. In addition, the Adjusted Gross Income (AGI) issue precludes many in the area from participating.

Like all Chesapeake Bay states, a further challenge in the recent past has been the prolonged shut-downs of CRP/CREP due to Congressional delays in reauthorizing the farm bill. A high priority for our outreach strategy is to inform landowners/farmers that this period of

uncertainty is over as Congress has reauthorized the farm bill and to galvanize excitement around the proposed CREP amendment changes (such as proposed increased incentives).

As the first CREP program in the country, it is particularly important to address the issue of reenrollment in Maryland. The opportunity exists to re-enroll over 1,100 contracts during the next 5 years. A coordinated approach tailored to meet the specific needs of these contract holders should be developed. Unique issues related to interplanting, invasive plant control and weed issues need to be addressed. Technical Service Providers (TSP) should also be familiar with issues related to eligibility associated with easements, succession of contracts, estate issues and tax issues. In addition, at least another 60 to 70 new contracts will be required to meet the State's WIP goals.

Finally, the $50,000 payment cap limitation can be an issue for many in Maryland because costs for RFBs and associated items, such as exclusionary stream fencing, alternative water sources, stream crossings, etc. can total significantly in excess of $50,000 and cause participants to receive PIP payments below the 40% of costs they would otherwise receive.

Staffing cuts & impact on TA/program delivery: Since 2002 staffing for both FSA, NRCS, and State Forestry Agencies have been adversely impacted by budgetary constraints. Many FSA counties have been closed or consolidated and county office staffing has dropped from about 88 employees statewide to about 61 employees currently. County office employees that provide direct assistance to landowners went from 64 to 51. In addition, new Farm bill programs have further increased workload. NRCS also faces similar challenges with decreasing staffing despite increasing demands for services. The Maryland Forest Service has 40 foresters available for landowner technical assistance and outreach for RFBs. ***MDA staffing? SWCD staffing levels?*** The increased workload associated with the necessary increase in RFB enrollment along with re-enrollment of expiring CRP contracts for RFBs during the next five years will provide a significant challenge to a greatly reduced staff for all of the agencies.

Staffing levels need to be increased. Workload models suggest that a TSP can likely develop and service about 30-50 CREP contracts per year. Based on the numbers of contracts that will expire and the number of expected new contracts it will take about 24 to 30 staff years to provide technical assistance over the next 5 years. Dependant on location of the contracts it would take a minimum of about 5 to 6 full time dedicated staff to service the contracts each year. Factoring in additional outreach efforts, staff development and training, distance of the sites from the service office a reasonable staffing level would be 7 to 8 staff years.

Technical assistance is the key element for outreach, customer service, practice success and accountability. At the current staffing levels, program enrollment, conservation planning activities, ongoing maintenance, compliance of contracts and practices, and the potential to achieve WIP goals are all challenged.

Outreach: Riparian forest buffer establishment is a practice that typically requires working one-on-one with a farmer/landowner as this is a more complex practice than, for example, grass filter strips. We have seen strong examples in our state of how dramatically the work of a highly motivated, highly credible, local outreach provider can make in boosting RFB enrollments.

Maryland is currently challenged by insufficient resources for outreach and we believe a coordinated RFB outreach strategy is needed to maximize and leverage existing resources and impact, enlist new resources, and inform farmers/landowners of new incentives and opportunities we hope to achieve (such as expanding the CREP target area, raising total authorized enrollment and providing stronger financial incentives). During 2013, FSA was challenged to have funding for any outreach activities (including postage for notification letters of expiring contracts).

6. Management Approach

Leadership, coordination and administration of programs

Maryland continues to develop a coordinated, riparian forest buffer (RFB) strategy to boost riparian forest buffer (RFB) enrollment/reenrollment through 1) seeking policy/guidance adjustments (and possibly a CREP amendment) to address barriers to enrollment; 2) sending a strong leadership message from the highest levels of the relevant local, state and federal agencies that RFB enrollment/reenrollment is a high priority and promoting interagency cooperation; 3) developing and seeking funding for a coordinated, multi-partner RFB outreach strategy that addresses the appropriate targeted audiences (landowners, farmers, absentee landowners), includes messaging on stewardship and environmental benefits of RFBs, incentives, RFB maintenance, employs leveraging and cross-selling between programs, and addresses both opportunities to reenroll expiring CRP as well as enrollment of new acres; and 4) identifying staffing needs for outreach and technical assistance and seeking funding to fill them.

A key part of this strategy is to identify opportunities for better interagency cooperation and to provide the farmer/landowner with a smoother, quicker, more pleasant enrollment experience. This also is an important opportunity to send a more consistent message across the board, letting farmers/landowners know the importance of RFBs and about enrollment opportunities in CREP, EQIP and MACs. With the reopening of CREP for enrollment under the new farm bill and the approval of RCPP proposals, there are new opportunities to get farmers/landowners' attention and to partner together.

Policy or guidance adjustments

There are a number of policy adjustments that Maryland would like to seek through CREP Amendment or through USDA policy revisions or waivers. Maryland recognizes that some of these policy adjustments are likely priorities for other Chesapeake Bay states as well. Potential policy adjustments include:

- Provide guidance to states and local USDA offices that riparian forest buffers are a priority practice and should be given appropriate attention for technical assistance
- Flexibility to provide partial Practice Incentive Payments (PIPs) as components are completed;

- Update cost share rates to the current market rate. Eliminate payment caps (e.g., fencing, stream fencing, cattle crossing, higher quality tree tubes);
- Expand establishment period for RFBs from 2 years to 5 years;
- Increase number of times can spray herbicides during establishment from 2 times to 4 times or more if needed and with county committee approval;
- Provide flexibility for a one-time opportunity for an agreed upon number (or percentage) of riparian buffers treating cropland runoff to convert to RFBs (requires further discussion at state level first);
- RFB eligibility requires that the practice be needed and feasible to address a conservation resource issue (erosion, water quality, wildlife, etc). In some cases on marginal pastureland, RFBs have been deemed eligible only if livestock are being grazed in the pasture. Marginal pastureland eligibility should be construed flexibly (some of this may be resolved by messaging flexibility to foresters, NRCS, FSA and districts at the county level);
- Provide flexibility in CP21 grass filter strip maintenance requirements to allow some natural regeneration of trees provided that the wildlife community supports the policy change;
- Flexibility in NRCS policy to allow providing extra points in EQIP ranking and thresholds for those who enroll in CREP riparian forest buffers.
- Maryland FSA could use existing authorities to contract with certified TSPs to provide technical assistance

Maryland is also considering potential adjustments in bonuses, such as an incentive for high priority RFBs/corridors[1] or a contiguous stream miles RFB bonus. The contiguous stream miles bonus provides higher incentives as more miles of a stream/river are protected. This model is a used in the Oregon CREP project to protect salmon habitat. This bonus provides incentives for neighbors to work with adjoining landowners to install RBF so that they and the environment can mutually benefit.

Landowner Outreach and Customer Service Strategy

In DATE, The Maryland CREP partners amended the CREP agreement to increase incentives, but there were prolonged shut-downs of CRP due to delays in Congress in reauthorizing the farm bill when it expired in 2012. Potential participants are not necessarily aware that CREP has re-opened for business, the current mix of incentives, and stewardship/scientific significance messages.

A wide variety of organizations, including The Nature Conservancy, National Fish and Wildlife Foundation, and the Alliance for the Chesapeake Bay, have submitted RCPP proposals that, if accepted, may provide increased opportunities to promote installation and/or long-term protection of forested riparian buffers within the suite of conservation practices on the farm.

[1] These ideas need further discussion to flesh out and determine whether to provide and if so, who pays for them. High priority RFBs/corridors bonus might present marketing/fairness issues for FSA.

Maryland Department of Agriculture's launch of Maryland's recently approved agricultural certainty program offers further potential opportunities for cross-selling and encouraging increased forested riparian buffer participation.

Maryland seeks to develop a coordinated, multi-partner forested riparian buffer outreach strategy that addresses the appropriate targeted audiences (landowners, farmers, absentee landowners), includes messaging on stewardship and environmental benefits of RFBs, incentives, RFB maintenance, employs leveraging and cross-selling opportunities, and addresses both opportunities to reenroll expiring CRP as well as enrollment of new acres.

Assuming this issue can be resolved as a policy flexibility issue as discussed above, a priority for outreach will be to work with some interested CRP participants to convert some grass filter strips to RFBs up to agreed upon cap (RFBs would have a conservation plan to meet NRCS standard).

Work with partners (e.g. Maryland Forest Service) to ensure that every farmer under a riparian forest buffer has a "site steward" or point of contact that can provide guidance and assistance for the life of the contract. (Is this feasible – there is a lot of turnover in county offices)

<u>Establishment, Maintenance, Compliance and Re-enrollment</u>
Riparian forest buffer standards should be more responsive to site conditions including design, site preparation, and post-planting care. Maryland is investigating how new or revised practice standards can encourage some economic uses of forest buffers (consistent with water quality and wildlife benefits), be compatible with drainage ditch maintenance and function, lower shading on crops, better address shoreline erosion, and control crop damage from deer.

Evaluate opportunities where drainage ditches/subsurface drain tile or other pipes bisect the RFB to improve water quality benefits of RFB. Should Maryland permit the use of bioreactors and/or saturated buffers? What additional policy flexibility is needed?

Low incentives for maintenance, increasing challenges of invasive plants and pests, and landowner difficulties in providing long-term maintenance can undermine RFB maintenance and limit the effectiveness of riparian forest buffers. Poor functioning and unsightly forest buffers can also limit the appeal of this practice to potential participants. Landowner frustration with poorly understood or communicated maintenance obligations, low incentives, and hassle of conducting maintenance can diminish landowner willingness to reenroll RFBs and/or their eligibility to reenroll RFBs. MACS has a stack of unsatisfactories for RFBs due to improper installation and maintenance. Maryland is investigating new strategies for cost-effectively managing invasive species and pests including deer fencing, and additional, regular spot-spraying treatments.

Maryland is seeking to address these RFB establishment, maintenance and compliance issues and in-field status reviews. FSA and NRCS plan to conduct more compliance checks and in-field

status reviews. Maryland plans to increase compliance checks and have RFB teams work with participants to assist them with compliance. A priority will also be to assist interested CREP participants with grass filter strip enrollments to convert to RFB enrollment with county committee permission and, if possible, cost share assistance from MACs and/or grant funding to assist with any interplanting needs. Maryland is considering pursuing a CREP amendment to, among other things, increase maintenance payments and making these maintenance payments more visible to CREP participations by providing them as a separate payment or cost-shared item, not rolled into the rental payment. Maryland partners (FSA, NRCS, MDA, CBF, SWCDs, etc.) are discussing options, such as deer fencing, increased herbicide applications, providing specialized crews for establishment/maintenance, and/or encouraging landowners to hire farmers renting their land to conduct maintenance.

As the first CREP in the U.S., the Maryland CREP has many CREP contracts that are due to expire in the next few years. The next five years will see over 12,600 acres in CP22 acres come up for reenrollment. It is a high priority to retain these riparian forest buffers. Reenrollment requires: 1) timely outreach to landowners with expiring contracts for CP22 RFBs and site visits to assess whether there are compliance issues to be addressed[2]; and 2) increased flexibility (see above) to enroll grass filter strips that have grown into trees. Some expiring CREP RFBs are protected by permanent or other long-term easements. Further discussion is needed regarding easements and what, if anything, further is needed to ensure these RFBs are successfully maintained and protected into the future.

Maryland is considering providing/seeking additional flexibility in the maintenance agreements for CP21 grass filter strips to allow for some natural regeneration of trees. Maryland will work with the wildlife community prior to implementing any change.

In counties that have a high number of streams already buffered with trees, CREP, EQIP and other programs can be used to ensure the existing buffers are “functional” can be a good strategy.

Technical Assistance Delivery

Maryland recognizes that increasing RFB enrollment and reenrollments requires not only increased outreach, but also providing adequate technical assistance in a timely way. Insufficient technical assistance and bottlenecks in enrollment are issues in some parts of the state. FSA, NRCS and soil and water conservation district staffing levels should be increased to meet these needs. Maryland is seeking to identify when and where there are needs for additional technical assistance, and to seek additional funding to fill these increased technical assistance needs and to provide additional training (such as training outreach and TA providers to more fully discuss maintenance responsibilities when people sign up for RFBs). Maryland is also seeking to identify any lessons learned from counties, like Carroll County, which are highly

[2] An issue of further discussion is whether state program dollars or NGO grant funding will be prioritized to provide some cost/share and/or technical assistance to CP22 CREP participants with out of compliance RFBs to bring them into compliance so they may be reenrolled in CREP or enhanced and protected under ACEP or other programs.

efficient at CREP enrollment, often turning around CRP CP22 conservation plans and CRP contracts in a few weeks.

Maryland FSA is investigating possibly expanding the use of cooperative agreements and data sharing agreements to enhance technical assistance including contract implementation. These agreements can be made with NGOs and other state agencies to provide technical assistance and process contracts.

Increased staffing can reduce wait times for customer service, provide more one-on-one time between TSP and the landowner (allowing them to more fully explain the practice and issues, like maintenance), and provide more capacity for contract follow up (reducing the risk that small maintenance issues grow into big contract compliance issues).

In addition to more staffing, Maryland is investigating developing a network of technical service providers that can be engaged periodically to provide maintenance on contracted farmsThis model would be welcome to some landowners that have a difficult time conducting maintenance and where incentives are not sufficient to cover extensive invasive species and pest invasions.

Provide more staff training so that all staff have a good understanding of the program, practice requirements, etc of the program. FSA/NRCS/SWCD/Forestry Staff should do the majority of the training together to develop better understanding of the program and to enhance staff relations. Training aids could be developed that would include:

- Common Question and Answers
- Examples on Economics of buffers
- Before and after pictures of stream restoration
- Success stories
- Phone apps – items could include – payment rates.
- Latest, cost-effective maintenance techniques

<u>Increased Financial Incentives</u>

At the public meeting, some raised concerns that the levels of incentives were too low in certain parts of Maryland. On the Eastern Shore, FSA's soil rental rates (SRRs) can be off by as much as 100%. In Southern Maryland, there is a general lack of financial incentive sharing between landowners and farmers who are renting. Cost share caps are too low for many components, including stream fencing, water diversion, stream crossings, etc.

Maryland is considering some increased financial incentives. Potential increases in financial incentives include:

- Increase the $5/acre annual maintenance payment **(by how much?)**
- Provide higher incentives in targeted areas for water quality and habitat/high priority corridors

- Provide incentive for contiguous buffer bonus (neighbors)
- Higher soil rental rates on Eastern Shore and Central Maryland
- Increase gap between incentive for CP21 grass filter strips and CP22 RFBs to 2 times
- Consider nitrogen reduction incentive payment
- Remove cost share caps or adjust upwards
- Partial PIP – pay as components as completed, so participants don't lay out a lot of money and have to wait several years for PIP (see policy changes above)
- Investigate how other information sources can augment NASS soil rental rate data including public land auctions and state land leases.
- For large EQIP contracts or for certain practices like livestock exclusion require riparian forest buffers

Other Recommendations

Maryland has begun working with federal, state, and NGO partners to evaluate how coordinate investments in riparian forest buffers that enhance the CREP state match and fill program delivery gaps (e.g. maintenance and cost-share to ensure compliance before reenrollment.)

State task force members should provide regular updates to agencies and foundations on progress towards meeting goals and needed financial assistance.

7. Work plan

Leadership, coordination and administration of programs

Next steps include:

1. FSA and NRCS work together on strategy to offer CRP participants with expiring contracts the opportunity to enroll in ACEP easements (e.g., if farmland preservation, include protection for RFB. If wetland easement, include associated forested riparian buffers)
2. FSA, NRCS, MDA, MDNR, (more?) need to take steps to send top down message that RFBs are a high priority;
3. Find lessons learned from counties with strong RFB enrollment and fast turnaround of CREP contracts and provide mentoring to other counties;
4. Provide guidance at county level to ensure understanding of more flexible scope of Marginal Pastureland and provide mentoring from lessons learned from successful counties;

Need for policy or guidance adjustments

Maryland is working over the next few months to develop detailed policy recommendations and to determine whether to seek a minor CREP amendment.

Next steps include:

1. MDA and the other Maryland CREP partners will work together to determine whether to file CREP amendment request and write an options paper;
2. Work with other Chesapeake Bay states to seek flexibility from FSA HQ to provide partial PIPs as components are completed;
3. NRCS and FSA work with Maryland CREP partners to document CP22 practice components (including fencing, alternate water source, stream crossings, etc) that exceed current caps and propose higher caps to FSA;
4. Request expansion of establishment period for CP22 RFBs from 2 years to 3 years;
5. Seek flexibility in NRCS guidance to allow providing extra points in EQIP ranking for CREP riparian forest buffer enrollments;
6. Meeting with MDA, DNR, FSA, NRCS, wildlife community, Maryland Farm Bureau and other key stakeholders to discuss possible scope of providing a one-time opportunity to convert some grass filter strips treating row crop runoff to RFBs;
7. Seek enhanced flexibility in marginal pastureland definition and determination of conservation need.
8. Maryland should review issue and possibly allow one-time opportunity for CREP participants to convert some CRP contracts grass filter strips that treat row crop drainage into riparian forest buffers;
9. If Maryland decides to pursue CREP amendment, draft request with justification based on options paper (see #1 above) and write draft amendment language.

Maryland is also considering potential adjustments in bonuses, such as an incentive for high priority RFBs/corridors, a contiguous stream miles RFB bonus, and voucher/buffer bonus program. Some of the discussion includes consideration of whether bonus is funded by FSA, the State or grant funding (such as voucher/buffer bonus program).

Recommendation 1: Create a practice that calls for trees and shrubs in the first 15 feet of the buffer and allows grasses in the remaining portion of the buffer.

Recommendation 2: I don't think grass buffers should be discounted as much as they are here. Although they don't provide the shading required for coldwater streams, native grasses have been shown to be very effective at nutrient reductions. One possibility would be to have higher rates for grass buffers with native grasses, and lower rates for grass buffers with introduced grasses.

<u>Landowner Outreach and Customer Service Strategy</u>
Maryland is working over the next few months to develop a forested riparian buffer outreach plan. Partners include: NRCS, FSA, MDA, agriculture organizations (such as Maryland Farm Bureau Federation), and NGOs (such as Chesapeake Bay Foundation, The Alliance for the Chesapeake Bay, and The Nature Conservancy).

Next steps include:

1. Follow up conversations to further develop outreach strategy;
2. FSA/USDA Economic Research Service data mine existing CREP enrollment to better understand demographics of CREP participants & their operations;
3. Inventory who is conducting outreach currently in each county & identify constraints (e.g., staffing, training, resource (e.g., outreach materials) needs);
4. Seek funding for research needs (including survey of existing RFB participants & potential participants);
5. Seek funding to meet increased outreach needs to implement strategy (including more direct, one-on-one landowner outreach by trusted local providers, farm tours, landowner to landowner meetings);
6. Seek to increase role of partners in outreach, particularly the agriculture community: Maryland Farm Bureau Federation (FBF) has a huge mailing list of agriculture landowners and farmers, newsletters to members, and member meetings (such as annual meeting in Ocean City in January and winter meetings at county level);
7. NRCS explore outreach possibilities with partners with successful RCPP proposals;
8. Work with MDA to cross-sell RFB enrollments when discussing new ag certainty program;
9. Develop outreach materials for specific audiences – e.g., brochure for dairy/pasture operations explaining CREP RFBs & stream fencing etc cost share and production benefits (e.g., herd health)
10. Develop or obtain outreach materials using scientific data to show RFB water quality benefits
11. Outreach materials the focus on stewardship, total incentive package and maintenance responsibilities
12. Using GIS, USGS stream data, land ownership and other data sources a list of possible RFB candidates. Link other data sets (FSA farm data etc) to develop a data base with the demographic of possible RFB candidates. By using data on historic participation and off of focus data you could target the RFB candidates most likely to enroll.
13. Develop a State outreach committee comprised of the major program participants, NGOs and agriculture groups (including on staff PR/media professionals)
14. Join other Chesapeake Bay states in a joint request for RFB outreach materials (Sally Claggett lead)
15. Seek funding for RFB – one stop website – this web site could provide examples of successes, Question and Answers, video, information on economics, environmental benefits, etc.?
16. Explore the use of Public Service Announcements – this could be effective on radio stations that have farm reports (crop prices, etc.);
17. Farm tours of RFBs sponsored by NGOs? Provide food/beverages – have good sales people sell the program;
18. Continued use of signage that denotes RFBs
19. Funding for RFB posters to place in county offices

20. Develop a slide show and provide speakers to local organizations such as Rotary, Kiwanis, Garden Club, High School Environmental Classes, etc to talk about RFB. This can create buzz and support for the effort.

Establishment, Maintenance, Compliance and Reenrollment

Maryland is working on establishment, maintenance, compliance and reenrollment policy.

Next steps include:

1. Increase in field status reviews;
2. Seek increased flexibility to reenroll or upgrade existing CP21 grass filter strips that have grown into trees (see above policy or guidance adjustments);
3. Likely seek increased maintenance incentive (see incentives);
4. Seek funding for training for agencies and TSPs to ensure new RFB participants get a "cradle to grave" understanding of establishment and maintenance responsibilities;
5. Further consideration of and research into options, such as deer fencing, increased herbicide applications, providing specialized crews for establishment/maintenance, and/or encouraging landowners to hire farmers renting their land to conduct maintenance;
6. Seek extension of establishment period from 2-3 years (see above policy or guidance adjustments);
7. Prioritize funding and staffing to provide outreach to landowners with expiring CP22 RFBs (including site visits to assess whether there are compliance issues to be addressed) and seek non-FSA funding to help landowners address compliance issues[3];
8. Seek additional flexibility in maintenance requirements for CP21 grass filter strips to allow for some natural regeneration of trees

Technical Assistance Delivery

Next steps include:

1. Research TA needs at county by county level;
2. Seek funding for additional staffing (FSA, NRCS, SWCD, Forestry, qualified NGOs)
3. Research opportunities to pool maintenance financial assistance to administer a network of maintenance providers.
4. Seek funding for training;

Increased Financial Incentives

MDA seek amendment to Maryland CREP Agreement?

Next steps include:

1. Develop budget estimates and rationales for potential increases in incentives;

[3] Note: FSA provides 50% cost share for re-planting RFBs that have failed due to "acts of God", such as flooding or drought.

2. Identify any increases in non-federal match;

Other recommendations

Next steps include:

1. Continue existing Maryland DNR efforts and seek new funding (e.g. RCPP) to roll CREP contracts into permanent easements through Rural Legacy and other easement programs.
2. Currently the CREP agreement limits the width of the RFB below the national FSA practice standard. Permit wider RFBs in the CREP.

Next steps:

1. Examine terms of all applicable easement programs to see what terms & conditions are – is land physically capable of farming (but that includes hay land, pasture, etc, notjust cropland)?

Appendix A: Listening Session Participants

Name	Organization
Myron Frock	Carroll County
Mark Martin	Carroll County Farm Service Agency
Stan Pennington	Carroll County Soil Conservation District
Mike Tracey	Carroll County Soil Conservation District
Tom Hughes	Charles County Planning Commission
Rob Schnabel	Chesapeake Bay Foundation
Jamie Weaver	DNR Forest Service
Beth Sanders	DNR Forest Service
Dave Gailey	DNR Forest Service
Mark Muir	DNR Forest Service
Dan Rider	DNR Forest Service
Robert Wieland	Economist
Amelia A Farrell	Farm Service Agency
Patrick Goode	Farm Service Agency
John Barga	Farm Service Agency
Missy Donnelly	Farm Service Agency
	Landowner
	Landowner
	Landowner
	Landowner
	Landowner
	Landowner
	Landowner

	Landowner
	Landowner
	Landowner
	Landowner
	Landowner
	Landowner
Mike Russell	Maryland Department of Agriculture
Tom Kovak	Maryland Department of Agriculture/Soil Conservation District
Matt Teffeau	Maryland Farm Bureau
Colby Ferguson	Maryland Farm Bureau
Amy Jacobs	Nature Conservancy
Denise Lovelady	Office of Congressman Andy Harris
Yates Clagett	Prince George's Soil Conservation District
Diana Lagunes	Prince George's Soil Conservation District
Kim Kempel	Queen Anne's County Farm Service Agency
Sean Clougherty	Reporter
Serry O'Mara	Talbot County Farm Bureau
Elisa Deflaux	Talbot County Planning and Permits
Nancy Steward	University of Maryland Extension
Lyle Almond	University of Maryland Extension
Jim Lewis	University of Maryland Extension