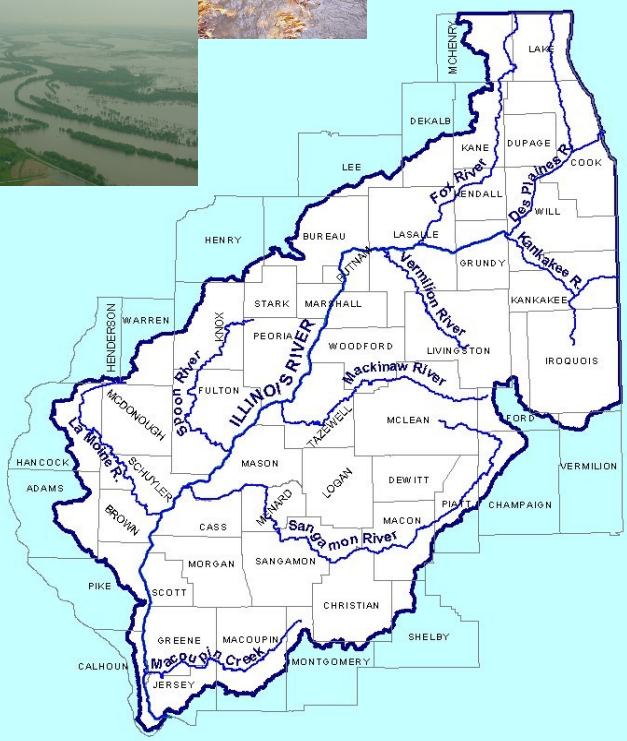
# *ILLINOIS*

## Conservation Reserve Enhancement Program (CREP)

## 2002 Annual Report




**A Partnership Between the**

***USDA and the State of Illinois***

# ILLINOIS CONSERVATION RESERVE ENHANCEMENT PROGRAM ANNUAL REPORT 2002

# Illinois Conservation Reserve Enhancement Program (CREP)
# Reporting Period: October 1, 2001 through September 30, 2002

The Illinois Conservation Reserve Enhancement Program (CREP) is a federal-state program that was created by a Memorandum of Agreement (MOA) between the U.S. Department of Agriculture, the Commodity Credit Corporation, and the State of Illinois in March 1998. Enrollments into this program began on May 1, 1998. Since the beginning, the program has been extremely well received by the landowners in the targeted area. The MOA includes the entire Illinois watershed within Illinois, and total eligible enrollments to 132,000 acres.

CREP is being implemented through a federal-state-local partnership in the eligible area. The Agencies that are implementing the program are USDA - Farm Service Agency (FSA), USDA - Natural Resource Conservation Service (NRCS), the Illinois Department of Agriculture (IDOA), the Illinois Environmental Protection Agency (IEPA), the Illinois Department of Natural Resources (IDNR), and the County Soil and Water Conservation Districts (SWCDs) along with the Association of Illinois Soil and Water Conservation Districts (AISWCD) in the eligible area. Other Agencies and organizations provide guidance and assistance for the program through the CREP Advisory committee, which is a subcommittee of the State Technical Committee.

**Enrollment Summary:**

For the reporting period of October 1, 2001 through September 30, 2002, the USDA-Farm Service Agency (FSA) approved 1,421 CRP contracts, enrolling 32,823.2 acres into CREP. The average rental rate for these contracts was $164 per acre, which includes a $128 per acre average soil rental rate plus maintenance and an average $36 per acre incentive payment.

During the same reporting period, the State approved 127 contracts enrolling 8,923.12 acres into State options. A total of 8,256.8 acres or 92.5% of the acres in State Options are enrolled in permanent easements. Another 206.8 acres or 2.3% are in 15-year contract extensions and 459.6 acres or 5.2% are in 35-year contract extensions. The average state incentive payment per acre for these enrollments is $515 per acre. The average cost to the State per acre is $660 per acre, which includes the incentive payment, cost-share, administrative expenses, state technical assistance and legal expenses.

**Technical Assistance and Program Staff**

Technical assistance in this program is made up of three types:

- Assistance to the landowners during the enrollment process in determining eligibility, options, and selecting approved practices;
- Assistance to landowners in implementing the approved CREP practice once the property is enrolled in the program; and
- Assistance to the SWCD and landowners in the state requirements for execution of the state easement documents.

The Farm Service Agency, Natural Resource Conservation Service, Department of Natural Resources, and the County Soil and Water Conservation Districts primarily provide technical assistance.

The Department of Natural Resource has provided $351,606.93 from its operational funds to provide technical assistance, program administrative assistance, contract and data management, reports, training, and providing GIS coverage.

Other agencies have re-allocated staff time, as well, but as the program continues to grow and expand, all agencies are struggling to meet the program demands for all types of technical assistance.

**Non-Federal Program Expenditures**

The State obligated $5.75 Million dollars for CREP expenditures to pay for the 127 State contracts (8,923.12 acres), State cost-share expenses, monitoring costs, SWCD administrative fees and other associated enrollment and easement costs. In addition, the IDNR has provided another $351,606.93 from its operational dollars to provide for CREP Administrative Expenses, bringing the total State dollars directly expended for CREP enrollments to $6.49 Million.

**State CREP Expenses**
**October 1, 2001 through September 30, 2002**

| | |
|---|---|
| State Bonus Payment for State Option | $ 4,595,563.00 |
| State Cost-Share Payments | $ 903,400.10 |
| Soil and Water Conservation District (SWCD) Administrative Fees | $ 393,358.05 |
| DNR Administrative Expenses - Contract and Data Management, Technical Assistance for CPO's, Reports, Training | $ 351,606.93 |
| Monitoring | $ 248,240.91 |
| **TOTAL** | **$ 6,492,168.99** |

The total federal annual rent payment for the 1,421 CREP contracts (32,823.2 acres) is $5,378,757. The total annual incentive payment is $1,185,752. The total federal annual rent plus incentive and maintenance over the life of the 15-year contracts is $80,745,072. The estimated total federal cost-share is $5,003,695.

The Memorandum of Agreement (MOA) for the Illinois CREP, as amended on July 12, 2002, details the formula to determine the overall costs of the program and to determine if the State has fulfilled its obligation to provide 20% of the total program costs. To determine the overall costs of CREP, the following costs are to be used: the total land retirement costs, which will include the CRP payments made by the Commodity Credit Corporation and the easement payments or the bonus payments made by Illinois; the total reimbursement for conservation practices paid by the CCC and Illinois; the total costs of the monitoring program; and the aggregate costs of technical assistance incurred by Illinois for implementing contracts and easements, and a reasonable estimate of the cost incurred by the State to develop conservation plans. Since the CRP contract payments will be annual payments, an 8 percent per annum discount rate (per the MOA) will be used to compare the CRP payments with the State bonus payments.

**Annual CRP Payments**
**Discounted at 8% for 15 Years**

| Payment Year | Annual Payment | Payment Year | Annual Payment |
|---|---|---|---|
| Year 1 | $5,378,757 | Year 9 | $2,760,480 |
| Year 2 | $4,948,456 | Year 10 | $2,539,641 |
| Year 3 | $4,552,580 | Year 11 | $2,336,470 |
| Year 4 | $4,188,374 | Year 12 | $2,149,552 |
| Year 5 | $3,853,304 | Year 13 | $1,977,588 |
| Year 6 | $3,545,039 | Year 14 | $1,819,381 |
| Year 7 | $3,261,436 | Year 15 | $1,673,831 |
| Year 8 | $3,000,521 | **TOTAL 15 Years** | **$47,985,831** |

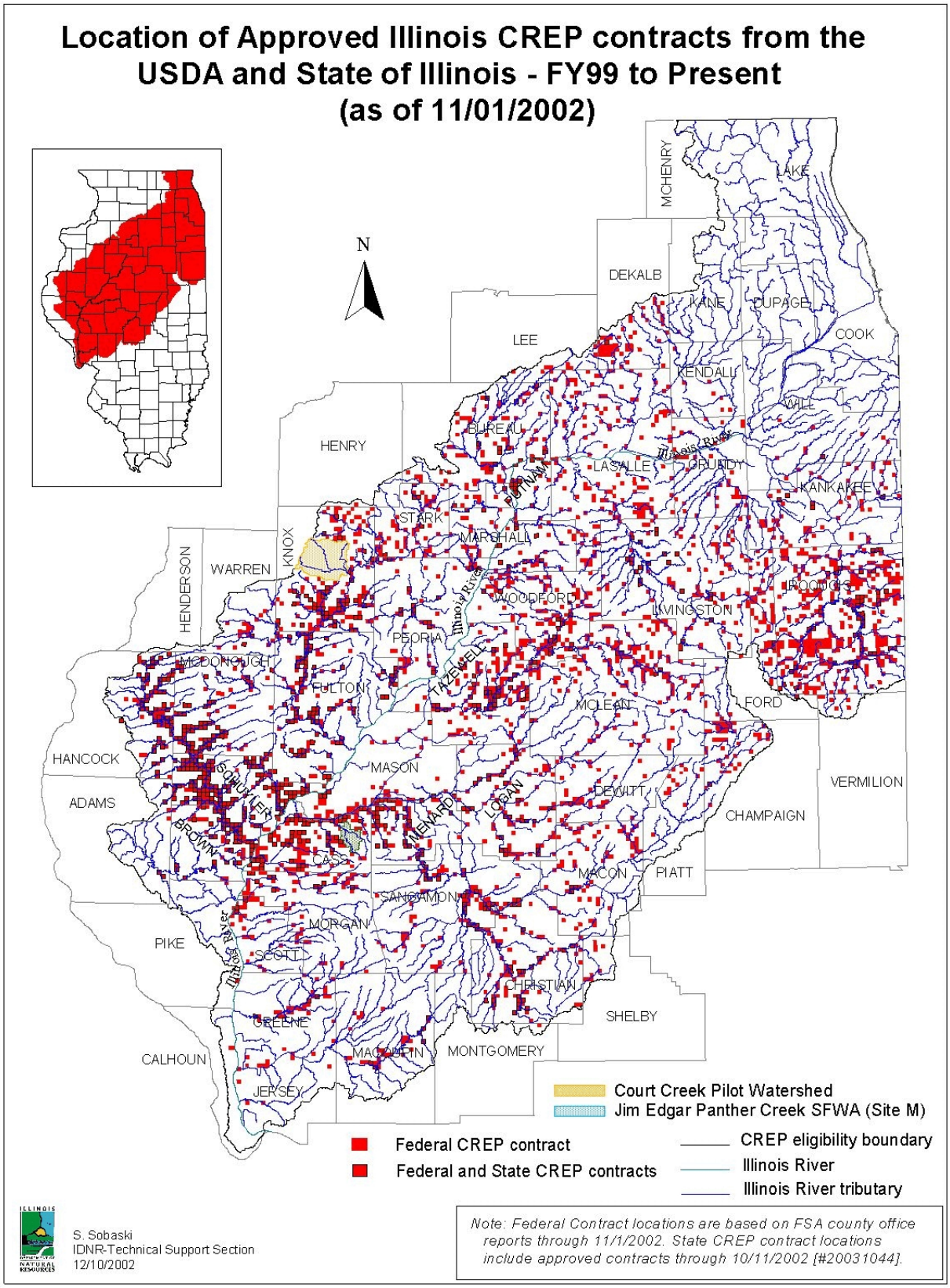
**Total Federal and State Expenditures**
**October 1, 2001 through September 30, 2002**

| | | | |
|---|---|---|---|
| **CRP Payments (Before Discount)** | $79,860,390 | **CRP Payment (Discounted 8%)** | $47,985,831 |
| **Federal Cost-Share** | $ 5,003,695 | **Federal Cost-Share** | $ 5,003,695 |
| **State Payments for CREP Enrollments** | $ 6,492,169 | **State Payments for CREP Enrollments** | $ 6,492,169 |
| **Total Program Costs** | **$91,356,254** | **Total Program Costs** | **$59,481,695** |

The total Federal and State costs of the CREP from October 1, 2001 through September 30, 2002 was $91,356,254. The State's share of costs for the reporting period was $6,492,169. Using the 8% per annum discount rate per the MOA, the Federal costs to be used for comparison to the state expenditures are $47,985,831.

Per Amendment 7, The State must contribute 20% from the Program inception in May 1998. Total Program discounted costs for this period are $219,986,506. The State contributed $45,291,169, or 20.6% of the total program costs after using the discount rate. The State has met the requirement for incurring 20% of the total Program costs.

# MAP 1


Location of Approved Illinois CREP contracts from the USDA and State of Illinois - FY99 to Present (as of 11/01/2002)
N
MCHENRY
LAKE
DEKALB
KANE
DUPAGE
COOK
LEE
KENDALL
WILL
BUREAU
HENRY
LASALLE
GRUNDY
KANKAKEE
PUTNAM
STARK
MARSHALL
KNOX
WARREN
HENDERSON
WOODFORD
LIVINGSTON
IROQUOIS
PEORIA
MCDONOUGH
FULTON
TAZEWELL
MCLEAN
FORD
HANCOCK
MASON
VERMILION
ADAMS
SCHUYLER
DEWITT
LOGAN
MENARD
CHAMPAIGN
BROWN
CASS
MACON
PIATT
SANGAMON
MORGAN
PIKE
SCOTT
CHRISTIAN
SHELBY
GREENE
CALHOUN
MACOUPIN
MONTGOMERY
JERSEY
Court Creek Pilot Watershed
Jim Edgar Panther Creek SFWA (Site M)
Federal CREP contract
Federal and State CREP contracts
CREP eligibility boundary
Illinois River
Illinois River tributary
S. Sobaski
IDNR-Technical Support Section
12/10/2002
Note: Federal Contract locations are based on FSA county office reports through 11/1/2002. State CREP contract locations include approved contracts through 10/11/2002 [#20031044].

**Program Activities and Accomplishments:**

Since the beginning of the CREP program on May 1, 1998 through the end of the current reporting period (September 30, 2002), CREP has restored and/or protected 118,001.7 acres of land either in existing native vegetation or in a previous CRP sign-up (See Map 1).

During that same time period, 67,110.41 acres were enrolled in the CREP State Options. Of these acres, 91.8% or 61,633.7 acres were enrolled in permanent easements; 4.9% or 3,286.51 acres were enrolled in 15-year contract extensions; and 3.3% or 2190.2 acres were enrolled in 35-year contract extensions.

The CREP program is restoring and protecting large stretches of floodplain corridors both on the main stem of the Illinois River and along the major tributaries. It is helping landowners, who have only been able to produce crops in the area once or twice in the last decade, to retire these lands from agricultural production.

**Special Accomplishments:**

(Excerpt From the National CREP Forum 2002 Final Report)

The 3rd Annual Conservation Reserve Enhancement Program (CREP) Forum was held June 9th – 12th, 2002 in Peoria, IL. The event brought together state, federal and non-governmental representatives from across the U.S. to share best practices for one of the nation's largest conservation programs. The Forum is billed as the one time each year when the hundreds of people who make CREP a success come together to share and build upon their experience. And this year's CREP Forum attracted more than 200 attendees, representing more than 33 states and a variety of organizations. Meetings and meals were held in the Pere Marquette hotel in downtown Peoria.

The conference started Sunday with a welcome reception and poster session. Various CREP states, agencies and private sector partners displayed exhibits.

Conference attendees were formally welcomed to Peoria on Monday morning by Kirby Cottrell, office director of resource conservation for Illinois Department of Natural Resources (IDNR); Andrea Moore, assistant director for IL Department of Natural Resources; William Graff, state executive director for IL Farm Service Agency; and James R. Little, administrator for the Farm Service Agency. Rather than featuring individual reports from each CREP state, this year's "State of CREP" report was summed up by Dann Stuart, public affairs chief for the Farm Service Agency. His presentation reported the program's growth and highlighted unique features within each state CREP. Monday lunch featured remarks from Joan Messina, deputy director for IL Department of Agriculture (IDA), and the afternoon sessions began with an "Ask DC" session.

Malcolm Henning, NRCS, Mike Linsenbigler, FSA, and Chad Chadwell, FSA, took questions from attendees and discussed technical issues. Most discussion involved the new Farm Bill, its impact and implementation. Another new feature in the CREP Forum program were concurrent breakout sessions in the afternoon, allowing for smaller sessions and more variety. Monday afternoon sessions included "Financial/Business Side of CREP," "Macro-Marketing," and "Presentation for New States."

Tuesday at the Forum started with a Farm Bill discussion. Brad McMillian, representative for Congressman Ray LaHood, and Rianne Hawkins, representative for Senator Richard Durbin, gave opening remarks and took questions from the audience. Tuesday was primarily a day about monitoring, academic, government and private group representatives who have worked together establishing and implementing monitoring procedures gave presentations about their different work. Lunch featured, by public address system, Governor George Ryan. He wasn't able to attend in-person because of weather related travel delays. Tuesday's breakout sessions included "Legal Considerations", "Producer Panel", and "Micro-marketing".

On the last day of the conference, attendees were treated to a first-hand look at Illinois conservation and restoration programs aboard the Spirit of Peoria riverboat tour. Non-governmental partner organizations gave remarks along the tour and described restoration efforts along the Illinois River.

**Other Programs and Partnerships:**

There are other state, federal and organizational programs that are contributing to the accomplishment of the goals of the Illinois CREP. The following highlights some of the programs that contributed to achieving the goals the State has set for the Illinois River Basin. Any state or non-federal dollars that have been expended in these programs have not been included in the previous section that describe and list the direct state expenditures for CREP match.

## ILLINOIS DEPARTMENT OF NATURAL RESOURCES
## THE CONSERVATION 2000 ECOSYSTEMS PROGRAM

Nineteen (19) Ecosystem Partnerships in the CREP area have been awarded $3.1Million in state C2000 dollars for 208 projects that are directly related to CREP's goals for water quality, habitat, and wildlife population increases. These projects provide for streambank stabilization, wetland restorations, prairie restorations, riparian buffers, vegetative covers on construction sites, And restoration of oxbows in the Kankakee River Basin, the Fox River basin, the Mackinaw River Basin, the Sangamon River Basin and other direct tributaries into the Peoria Pool of the mainstem of the Illinois river. Most of these projects are occurring on lands that would not meet the agricultural cropping history for CREP, so are a necessary compliment to CREP in the Basin. To date, 85 of the 208 projects awarded have been habitat projects.

The IDNR's C2000 Program is also involved in the CREP area with Ecosystem Partnerships in a number of other important areas. These 19 partnerships have all received computer systems and software that enables them to have an electronic connection to the IDNR and other partnerships, GIS software for the data collection, planning and administrative decision-making along with routine word processing. The IDNR has promoted the use of GIS by not only providing the Partnerships with the software, but by also providing the two-tiered training session. This has increased the Partnership's knowledge of possible uses of GIS and how it can be a tool in achieving their Partnership's goals and objectives.

Towards that end of achieving goals and objectives, C2000 of the IDNR has made available to each Partnership a $10,000 Planning Grant to help the Partnerships organize and set down a "road map" for achieving the goals they have identified as key to their partnership. This type of grassroots organizing of partnership participants is a key element in the IDNR's C2000 Program. For these 19 Partnerships, the CREP Program has been an important component of their goals and objectives.

## ILLINOIS DEPARTMENT OF AGRICULTURE
## ACCOMPLISHMENTS IN THE ILLINOIS RIVER WATERSHED

Through September 30, 2002, with state funds appropriated in FY 02, $1,878,886 has been spent on upland soil and water conservation practices in the 53 counties that comprise the Illinois River watershed, through the Conservation 2000 – Conservation Practices Program. An additional $816,931 is earmarked for conservation practices now under construction. The program, administered by the Department and county soil and water conservation districts (SWCD), provides 60% of the cost of constructing eligible conservation practices that reduce soil erosion and protect water quality. Eligible conservation practices include such practices as terraces, grassed waterways, water and sediment control basins and grade stabilization structures. From July 2001 through September 2002 approximately 967 individual conservation projects were completed in the Illinois River watershed. This resulted in 49,186 acres being benefitted by the program. Soil loss was reduced to T or tolerable levels, as well as control of gully erosion, on this land. In addition, over 195,133 tons of soil has been saved and will continue to be saved each year.

In FY 2002, the State of Illinois, through the Department of Agriculture, provided nearly $3.8 million to the 51 county SWCDs in the Illinois River watershed. Funds are used to provide financial support for SWCD offices, programs and employees salaries. Employees in turn, provide technical and educational assistance to both urban and rural residents of the Illinois River watershed. Their efforts are instrumental in delivering programs that reduce soil erosion and sedimentation, and protect water quality.

In an effort to stabilize and restore severely eroding streambanks that would otherwise contribute sediment to the Illinois River and its tributaries, the Department is administering the Streambank Stabilization and Restoration Program (SSRP). The SSRP, funded under Conservation 2000, provides monies to construct low cost, vegetative or bio-engineered techniques to stabilize eroding streambanks. In FY 2002, 81 individual streambank stabilization projects, totaling $505,916, were constructed in 23 counties within the Illinois River watershed. In all, 52,162 linear feet of streambank, or nearly 10 miles, have been stabilized thereby protecting adjacent water bodies.

Another Conservation 2000 program administered by the Department of Agriculture that is helping to protect the environment, especially water quality, is the Sustainable Agriculture Grant Program. Grants are made available to agencies, institutions and individuals for conducting research, demonstration or education programs or projects related to profitable and environmentally safe agriculture. In FY 2002, $483,566 was awarded to 21 grant recipients with programs or projects in the Illinois River watershed. Their work in such areas as cover crops, nitrogen rate studies, livestock waste management, soil structure and other important research is helping to protect the Illinois River watershed.

## ILLINOIS ENVIRONMENTAL PROTECTION AGENCY ACCOMPLISHMENTS IN THE ILLINOIS RIVER BASIN

The Illinois EPA has been an active member of the State's CREP Advisory Committee since its inception in 1998. Through programs such as Section 319 of the Clean Water Act, the Illinois EPA has been able to provide financial support for staff to assist 24 counties in their enrollment efforts. As of November 1, 2002, those 24 counties constitute approximately 80,143 acres of the 106,867 enrolled acres (75%) and approximately 11,248 of the 12,718 pending acres (88%) yet to be enrolled in the federal side of CREP.

This type of success demonstrates the need to provide assistance not only in counties with high landowner interest, but also in other counties needing enhanced marketing of the program to improve sign-up.

## FEDERAL PROGRAMS CONTRIBUTING TO THE GOALS FOR THE ILLINOIS RIVER BASIN

The EQIP program works to provide technical, financial, and educational assistance to farmers and private landowners who are faced with serious threats to soil, water and related natural Resources. Currently, the EQIP program has spent approximately $5.8 million for financial and educational assistance in the Illinois River Basin to treat Natural Resource concerns on approximately 291,000 acres working with approximately 2,725 landowners.

The Wildlife Habitat Incentive Program (WHIP) provides assistance to people who want to develop and improve wildlife habitat primarily on private lands. Statewide the program has worked with approximately 462 producers to improve wildlife habitat on approximately 10,747 acres. Approximately, $562,000 was spent to enhance or create wildlife habitat through this program. Approximately 25% of the WHIP financial assistance has been put in place in the Illinois River Basin.

The Wetland Reserve Program (WRP) increases wildlife habitat and improves water quality by providing increased wetland habitat, slowing overland flow and providing a natural pollution control. To date, approximately $3.9 million have been spent in the Illinois River Basin on Wetland Restoration, covering 2700 acres and working with 17 producers.

The Forestry Incentives Program (FIP) provides an avenue of assistance to private landowners for planting trees, improving timber stands, as well as other non-industrial private forest land practices. In the Illinois River Basin, approximately $21,000 have been spent to treat approximately 520 acres and working with 21 producers. Approximately $15,800 will be spent on timber practices in the Illinois River Basin.

CRP enrollments beyond the CREP Program enrollments provide additional in-place conservation practices facilitating resource management in the Illinois River Basin.

## ILLINOIS FARM BUREAU

Illinois Farm Bureau (IFB) continues to publicize and promote the Conservation Reserve Enhancement Program (CREP). In 2002, many articles in FarmWeek provided information about aspects of the program and contained details about the number of contracts and the total acres involved in the program. Information was also distributed regarding changes in eligibility and expanded areas of CREP. Interviews with participating farmers were done to help publicize the program. IFB also used our statewide radio network to highlight aspects of the program.

Information on CREP was sent directly to county Farm Bureaus® (CFB) via e-mail and through our CFB mail system. An Illinois Farm Bureau statewide workshop on voluntary programs for farmers included information about CREP. Illinois Farm Bureau was also a sponsor of the national CREP meeting and spoke at the conference on the many positive aspects of the program.

Illinois Farm Bureau also continues to serve on the CREP Advisory Committee and provide input into the program.

## THE NATURE CONSERVANCY

The Nature Conservancy supports the Illinois Conservation Reserve Enhancement Program and sees it as an important tool in implementing restoration work in the Illinois River watershed. The Conservancy promotes the program in the areas where it works. The Nature Conservancy has established a watershed program that is looking at agriculture issues and promoting conservation practices on agricultural lands around the state. CREP is critical to meeting the goals of the Conservancy in the Illinois River watershed.

Other accomplishments: The Illinois River and its watershed is a high priority for The Nature Conservancy. In 1997, the Conservancy worked with scientists, biologists and other experts to write a101010 conservation plan for the Illinois River watershed, which helps guide the work of the Conservancy. Some of the strategies identified in the plan include restoration of large floodplain habitat, reduce Illinois River bluffs erosion, and work in agricultural and urban areas to reduce run off. In the capital campaign just completed for the Illinois chapter, The Nature Conservancy has raised $13 million for work in the Illinois River watershed.

## UNIVERSITY OF ILLINOIS-EXTENSION

In 2001, Extension, IDNR and the Illinois Environmental Protection Agency forged a new relationship. With 3 years of funding provided by the three parties and support from members of the CREP Advisory Committee, two new Extension Educators are now in the field and developing a comprehensive information program for landowners and a consistent set of training materials for staff from all the agencies and organizations responsible for implementing CREP. During the second half of the 3-year agreement, the two Educators will focus their efforts on watershed problems and the development of an education program for identifying and implementing economically sound, resource-enhancing solutions. Three years of progress will hopefully set the stage for an even stronger partnership and commitment to continue the work.

## RECOMMENDATIONS AND FUTURE PLANS

The onslaught of enrollments at the end of last year allowed Illinois to achieve its enrollment goal of 132,000 in just a few months. The enthusiasm for the program continues as we now begin enrolling landowners from the State's waiting list. With the renewal of the program in Illinois, and an additional 100,000 acres available for enrollment, we anticipate a new surge of enrollments next fall when we open the program. Many counties that were added to the eligible area in the last amendment did not have much time to enroll landowners before the federal and state freezes went into effect. With this future scenario anticipated, we look towards the following:

**Future Plans**

1. Continue to pursue long-term additional staff to assist all SWCDs in the administration of the CREP Program at the County level. Efforts to work with IEPA and other supporters need to continue and expand.

2. Through contractual assistance with the University of Illinois Extension, maintain the web site for the Illinois CREP Program that will assist SWCDs and landowners with information on the program.

3. Continue to hold training and workshops, as needed, for all field staff as a means of updating staff on issues, and refinement of the enrollment process.

4. Refinement and implementation of the State's CREP site monitoring procedures is completed and in place for use by SWCDs. Continued refinement of monitoring forms and procedures will occur.

**Other Recommendations**

- Additional funding should continue to be sought for dedicated full-time staff to provide technical assistance to landowners in the following Agencies: NRCS, DNR, and SWCDs.

- Once the CREP Program is re-opened in Illinois, the marketing tool for absentee landowners should be developed.