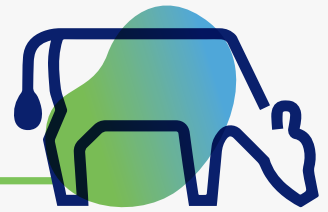



# A GUIDE TO NRCS Funding for Dairy Farms



Most federal funding for conservation practices is distributed through the USDA Natural Resources Conservation Service (NRCS). This guide will highlight differences between the two largest programs and illuminate how dairy farmers can use them to advance farm goals.

## ENVIRONMENTAL QUALITY INCENTIVES PROGRAM (EQIP)

## CONSERVATION STEWARDSHIP PROGRAM (CSP)

<b>Program Goal</b>	EQIP addresses specific problems or “resource concerns” such as erosion, nutrient run-off, etc.	CSP rewards farmers for their current level of management and provides funding to further the farm’s environmental performance.
<b>Practices Funded</b>	New plans (including engineering), infrastructure, energy upgrades, in-field practices, edge of field practices, and more.	Maintain <b>existing</b> conservation activities, and implement <b>additional</b> conservation activities.
<b>Funding Rates</b>	Payments are based on flat rate payment rates determined by NRCS based upon typical costs associated with the implementation of practices; rates differ by state.	<b>\$7.50 per acre of cropland and \$3.00 per acre of pasture</b> for existing activities plus additional payments that are related to existing management and intended improvements.
	 <p>See link for a full list of eligible practices and payment rates in each state. Find your state and click on the link for either EQIP or CSP</p>	
<b>Duration</b>	1-10 years	5 years with option to renew
<b>Funding Distribution</b>	<b>Max \$450,000/ person or entity / Farm Bill</b> EQIP distributes payments for specific conservation practice after they are complete and verified.	<b>\$200,000 / person or entity / Farm Bill</b> CSP provides annual payments for existing conservation activities and additional conservation activities completed in the previous fiscal year.
<p>EQIP and CSP contracts with joint operations (FSA business type 2 or 3) may have a contract limit of up to \$900,000 and \$400,000, respectively, over the term of the initial contract period.</p> <p>Farmers can participate in both funding programs simultaneously and get up to \$650,000!</p>		

## KEY POINTS

#1

### Don't Sweat the Details

NRCS staff will walk you through the entire process from start to finish. They will fill out the application with you (it takes less than an hour!) and work with you to select which program(s) is/are right for you and your farm.

#2

### Apply (or reapply) in 2024-2026

Congress has set aside an additional \$8.45 billion and \$3.25 billion for EQIP and CSP, respectively, which then doubles the amount of money available to farmers. If your application was unfunded, consider reapplying in the next few years.

#3

### Seek out partners to support your application

Non-profits and soil conservation districts collaborate with NRCS and potentially offer additional cost-share.

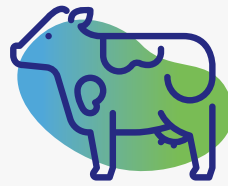


# EQIP OVERVIEW

## OPPORTUNITIES & CONSIDERATIONS

**EQIP practices and payment rates vary substantially from state to state. Farmers are eligible for up to \$450,000 per Farm Bill cycle.** EQIP funds various types of practices, including in-field and edge-of-field practices, energy upgrades, and infrastructure improvements.

The chart below provides a few examples of NRCS practices that are popular among dairy farmers. These examples showcase the wide range of practices that farmers can choose from.



### 2023 NRCS Payment Rates

**PLANS AND DESIGNS:** NRCS funds a wide range of planning documents. These documents are written by NRCS certified technical service providers (TSPs) and are a prerequisite to many EQIP practices.

Comprehensive Nutrient Management Plan (CNMP)	\$3,500 - \$11,500* per plan
Irrigation Water Management	\$3,000 - \$10,000* per plan
Agricultural Energy Management Plan (AgEMP)	\$3,000 - \$9,000* per plan

**IN-FIELD PRACTICES:** Farmers can receive annual payments for in-field and edge-of-field practices implementation.

Cover Crop (Single and Multi-Species)	\$60 - \$75* per acre
Reduced Tillage / Strip Till / No-till	\$15 - \$20* per acre
Pasture and Hay Planting	\$110 - \$290* per acre
Irrigation Water Management	\$14- \$38* per acre
Nutrient Management	\$7 - \$30* per acre
Gravel Trails and Walkways	\$26-\$31*/LnFt
Fence (i.e. Electric High Tensile)	\$1.50 - \$1.90* / LnFt

**INFRASTRUCTURE UPGRADE:** NRCS provides funding to support the construction of large infrastructure improvements. Qualifying plans are required.

Heavy Use Area Protection (HUAP)	Varies (Up to \$450,000)
Waste Storage or Composting Facility	Varies (Up to \$450,000)
Waste Separation Facility	Varies (Up to \$450,000)
Irrigation Pipeline and Pumping Plant	Varies (Up to \$450,000)

**ENERGY UPGRADES:** NRCS will fund the purchase, installation, or retrofit of certain buildings or equipment to improve energy efficiency. Qualifying AgEMP plan may be required.

Energy Efficient Agricultural Operation	Varies
Energy Efficient Lighting System	\$0.28* per sq foot
Irrigation Pumps	Varies
Ventilation and Fans	\$800 - \$2,000* per fan

[Find your Local Technical Service Providers \(TSPs\)](#)



#### Why is a CNMP important?

Farmers must have a CNMP to receive funding for animal housing and manure management facilities. These plans are authored by NRCS technical service providers (TSPs) and take between 3 to 9 months to complete.

#### Cover Crops on Dairies

Cover crops that are managed as double crops and utilized for grazing or harvested for silage remain eligible for incentive payments.

#### Considering Manure Injection?

EQIP will provide funding to offset the additional cost of a custom applicator.

#### What is a HUAP?

"HUAP" can refer to a hardened surface (usually concrete and gravel) installed where animals frequent such as around a barn or feeding area. When necessary, HUAPs may be roofed and serve as animal housing.

#### Funds

Plate coolers, grain dryers, electric motors, water heaters and more!

\*Payment rates are approximations based on 2023 NRCS rates. Actual payment rates vary significantly from state to state.

# CSP OVERVIEW

## OPPORTUNITIES & CONSIDERATIONS

**CSP rewards farmers for both their ongoing conservation efforts AND adoption of new, additional conservation enhancements and advanced conservation systems.** Over the course of a five year contract, farmers enrolled in the program can receive up to \$200,000. The program focuses on field and edge-of-field practices.

The chart below, illustrates how program payments are calculated and provides some example of enhancements that are funded through the program.



### How CSP payments are calculated

#### EXISTING ACTIVITY PAYMENTS

Per Acre Payment for every acre of land farmer operates (owned or rented)

\$900 or more for current farm stewardship

#### ENHANCEMENTS (Additional Activity Payments)

Per Acre Payment for additional enhancement (or bundle of enhancements) the farmer selects to implement

Annual Payment

#### Existing Activity Payments FAQ

**What land is eligible?** A farm enrolled in CSP is eligible to receive "existing activity payments" on all of the land they control (owned and rented), even if the land has varying levels of conservation practice implementation.

**What are the per-acre "Existing Activity" payment rates?** Farmers are eligible for annual payment, for every acre they operate, to maintain existing conservation. See rates below.

#### 2023 Existing Activity Payment (EAP) Rates

Cropland or Farmstead	\$7.50/acre/year
Pasture	\$3.00/acre/year
Forestland	\$0.50/acre/year
Associated Agricultural Land (i.e. pivot corners, field edges, etc.)	\$0.50/acre/year

#### Enhancement Payments FAQ

**Are farmers required to implement a certain number of (or number of acres of) enhancements?** There is no minimum number of acres. Farmers can select portions of their operation on which to implement enhancements for a portion of the contract. The minimal number of enhancements or acres is based on the conservation activity and how much is needed address to the resource concern(s).

**What are examples of enhancements and their associated payment rates?** As of this guide's publication, there are 156 NRCS-approved enhancements. See examples below.

#### 2023 Enhancement Payment Rates

Forage harvest to reduce water quality impacts by utilization of excess soil nutrients	\$5.20 per acre
Cover crop to minimize soil compaction	\$12.38 per acre
Use of multi-species cover crops to improve soil health and increase soil organic matter	\$13.01 per acre
Manage livestock access to waterbodies to reduce nutrients or pathogens to surface water	\$3.60/foot per acre



# ENROLLMENT & IMPLEMENTATION PROCESS



Here is a brief overview of the NRCS EQIP program enrollment and implementation process, along with helpful tips to address frequently asked questions.

## #1 Contact your local USDA Service Center.

A conservation planner will work with you to determine your eligibility and assist you in completing the paperwork.

## #2 Meet with a NRCS planner (on-farm) to identify resource concerns, objectives, and practices.

NRCS (or sometimes your local soil conservation district staff) will assist you to develop a conservation plan.

## #3 Applications are ranked.

NRCS programs are competitive. You can make the application competitive by talking to your NRCS planner about the ranking criteria and incorporating small practices that address regional priorities. If the application was approved for funding, then you will work with NRCS to finalize the conservation plan.

## #4 After the contract is obligated, you begin to implement the practice. NRCS may provide technical assistance to support you.

## #5 Practices are Verified and Certified.

NRCS staff will schedule a farm visit to verify that the practice implementation met NRCS standards. For larger projects (i.e. manure storage) NRCS will verify interim steps to facilitate interim payments.

## #6 NRCS provides payment.

Farmers will typically receive payment, via direct deposit, shortly after practice verification. Keep the following in mind:

- Producers do not need to submit receipts.
- All payments are considered taxable income.

### Application Deadlines

Applications are accepted on a rolling basis, but specific deadlines apply for each state. Applying after the cut-off date will defer your application to the next funding cycle.



### Eligibility of Rented Ground

Farms can receive payments for land they control through ownership, lease, or informal rental agreements as long as the owner agrees to sign a simple document.

### Are you "Historically Underserved" (HU)

HU farmers receive priority funding and higher payment rates. You may be a HU farmer if:

- You have not owned or operated your farm for more than 10 consecutive years.
- You are a minority.
- Your total household income is less than 50% of county median income.



### Navigating the "Upfront" funding requirement:

The NRCS reimbursement model places the responsibility on farmers to cover the initial implementation costs. To alleviate the financial burden, consider the following tips:

- HU farmers can qualify for advance payments of 50% or more of the contracted amount.
- Many contractors are familiar with the NRCS reimbursement process and are willing to adjust payment due dates.
- Certain non-profit organizations offer upfront payments for practice implementation. In such cases, farmers can agree to an "Assignment of Payment" where the non-profit covers the construction costs and waits for reimbursement from NRCS.



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For more information, visit [usdairy.com/about-us/innovation-center](https://usdairy.com/about-us/innovation-center).

**DISCLAIMER:** The information provided in this document is a non-comprehensive summary overview of relevant NRCS program opportunities. NRCS program awards are competitive and funding is not guaranteed. Funding decisions are made by NRCS under NRCS program criteria. The information provided in this document should not form the basis for decisions with financial ramifications without first obtaining appropriate professional, scientific, engineering and / or legal advice specific to your dairy farm or company. The innovation center and dairy management inc. make no representations, warranties or guarantees related to the information provided in this document.

For more detailed information, please refer to the QR codes provided or consult your local NRCS office.

