

Nebraska Platte-Republican Resources Area CREP

Annual Performance Report

For the period:
October 1, 2005 to September 30, 2006

This performance report is submitted to fulfill the requirements of Section VI., Parts I. and J. of the Memorandum of Agreement (MOA) between the U.S. Department of Agriculture, Commodity Credit Corporation and the State of Nebraska concerning the implementation of the Nebraska Platte-Republican Resources Area Conservation Reserve Enhancement Program (CREP) signed on March 19, 2005. This report addresses: the status of enrollments /level of program participation, the results of the annual monitoring program, non-federal CREP program expenditures, progress on fulfilling other State commitments and recommendations to improve the program.

INTRODUCTION

The agreement between the United States Department of Agriculture (USDA), Commodity Credit Corporation (CCC), and the State of Nebraska initiated the Nebraska Platte-Republican Resources Area Conservation Reserve Enhancement Program for the improvement of water quantity and quality, and the enhancement of wildlife habitat in designated areas of the Platte and Republican River Basins. The Memorandum of Agreement was signed by Floyd D. Gabler, Deputy Under Secretary for Farm and Foreign Agricultural Services for the USDA and Nebraska Governor Dave Heineman on March 19, 2005.

The Nebraska Platte-Republican Resources Area CREP is a cooperative effort between the USDA Farm Services Agency (FSA), the Natural Resources Conservation Service (NRCS), and the State of Nebraska. The CREP is part of the Conservation Reserve Program (CRP), operated by the Farm Service Agency (FSA) for the CCC.

The overall goals of the Nebraska Platte-Republican Resources Area CREP are to significantly reduce the amount of irrigation water consumptive use, and agricultural chemicals and sediment entering waters of the State from agricultural lands and transportation corridors. The reduction of ground and surface water use and of non-point source contaminants, through establishment of permanent vegetative cover, will also enhance associated wildlife habitat, both terrestrial and aquatic. These goals are to be accomplished by terminating all irrigation practices on 100,000

acres of land located in the State Conservation Priority Area for Water Quality (the “Priority Area”). The Priority Area includes land adjacent to the Republican River and the Platte River and their tributaries. Appendix A identifies these specific geographic areas.

In addition to not irrigating the land enrolled in CREP, the following conservation practices will be implemented on the land. (Figure 1)

- Up to 85,000 acres of CP2, CP4D, and CP25 (Establishment of Permanent Native Grasses, Permanent Wildlife Habitat, and rare and declining habitat)
- Up to 10,000 acres of CP21 and CP22 (Filter Strips and Riparian Buffers)
- Up to 5,000 acres of CP23 and CP23A (Wetland Restoration, and Wetland Restoration, Non-Floodplain)

On February 17th, 2006 the first amendment to the Platte-Republican CREP MOA was signed into effect. This amendment opens up enrollment between the two basins. Previously, there was a 50,000 acre limit of each the Platte and Republican River Basins respectively. Now acres can be offered anywhere in the resource area, with one restriction. Above Lake McConaughy there is a 5,000 acre cap on lands served by surface water or a combination of surface water and groundwater. The 5,000 acre cap on lands served by surface water or a combination of surface water and groundwater above Lake McConaughy has already been reached. Enrollment practice goals remain the same.

LEVEL OF PROGRAM PARTICIPATION

Sign-up for the Nebraska Platte-Republican Resources Area CREP began on April 4, 2005 and had initially exceeded expectations. Despite the facts that, by that time of the year, most producers had purchased seed and made other preparations and commitments for the coming production season and that less than six months remained in the contract year, there was a tremendous amount of interest. Over 53,000 acres were offered for enrollment by September 30, 2006, filling more than one half of the allotted 100,000 acres. Sign-up was particularly strong in the Republican Resources Area with nearly 40,000 acres already offered for enrollment. Interest in the program in the Upper Platte Resources Area was also strong with the entire limit of 5,000 acres of surface water or a combination of surface water and groundwater already being spoken for. Sign-up in the Lower Platte Resources Area was the poorest. Since the beginning of FY 2006 the Nebraska Platte-Republican CREP has seen a drop in acres being offered, with only approximately 2,000 additional acres offered since January 1, 2006. The breakdown for acres offered for the Nebraska Platte-Republican Resources Area CREP is indicated in the table below.

Acres Offered by Resources Area through September 30th, 2006

Resources Area	Acres Offered
Republican Resources Area	39,220.69
Platte Resources Area	14,123.70
Below Lake McConaughy	3,820.90
Above Lake McConaughy	10,302.8
-Groundwater Only	2,437.00
-Groundwater and/or Surface Water	7,865.8
TOTAL	53,344.39

Acres Offered by Practice through September 30th, 2006

Practice	Acres Offered
CP2, CP4D, & CP25	53,344.39
CP21 & CP22	0.00
CP23 & CP23A	0.00
Total	53,344.39

As of September 30, 2006, 434 contracts were fully approved for the Nebraska Platte-Republican Resources Area CREP. At the time last year's report was written there were only 12 fully enrolled contracts. This was partly due to the fact that many producers elected to defer the beginning of their contracts until this current fiscal year.

Approved Contracts (CRP-1) by County through September 30th, 2006

County	Contracts	Irrigated Acres	Non-Irrigated Acres	Total Acres
Chase	41	5,638.8	315.1	5,953.8
Dawson	16	914.3	9.7	924
Dundy	29	4,772.2	157.9	4,930.1
Franklin	28	2312.2	46	2358.2
Frontier	26	2,892.65	156.3	3,048.95
Furnas	28	2,055.9	140.2	2,196.1
Garden	18	858.5	0	858.5
Gosper	8	951.11	19.2	970.31
Harlan	21	1,805	47.5	1,852.5
Hayes	10	1,616.7	47.4	1,664.1
Hitchcock	49	4,943.6	115.4	5059
Keith	6	920.3	0	920.3
Lincoln	15	1,772.3	39.9	1,812.2
Morrill	29	2,307.7	17.9	2,325.6
Phelps	1	30	0	30
Red Willow	49	4,190.2	137.1	4,327.3
Scotts Bluff	41	2,978.4	0	2,978.4
Sioux	6	254.2	0	254.2
Webster	13	800.4	2.2	802.6
Totals	434	42,014.46	1,251.8	43,266.26

ANNUAL MONITORING PROGRAM

The Nebraska Department of Natural Resources analyzed the 434 contracts and the 42,014.46 irrigated acres that were fully enrolled into the program this year to determine the total savings in water based on consumptive use. Of the 434 contracts, 238 were served by groundwater only. Consumptive use per acre for these groundwater only acres was derived from calculations provided by Derrel Martin, Professor of Biological Systems Engineering at the University of Nebraska. Appendix C identifies the range of the average consumptive irrigation requirement (CIR) to irrigate a full yield corn crop across the state of Nebraska and appendix D identifies the average CIR by county. The CIR is the amount of irrigation water consumed when water is applied at a rate that meets the full crop demand.

The location of each of the contracts was analyzed against the CIR map to determine an average CIR. The average CIR was then multiplied by the acres under each individual contract to determine the total savings in consumptive use that resulted from not applying irrigation water. The total acres and consumptive use savings in each of the resources areas can be seen in the table below.

Groundwater Only Consumptive Use Savings by Resources Area

	Republican Resources Area	Upper Platte Resources Area	Lower Platte Resources Area	Totals
# of Contracts Groundwater Only	207	13	18	238
# of Acres Groundwater Only	24265.89	1382.00	1409.67	27,057.56
Consumptive Use Savings in acre feet	25,093.68	1,607.69	1,461.26	28,162.63

The remaining 196 contracts were served by surface water only, or a combination of surface water and groundwater. To accurately analyze the water savings for these contracts the complete administration history and delivery records for the irrigation season need to be considered. These records are not typically completed until after the end of the calendar year. Until these records are finalized it is not possible to calculate the water savings on these lands. Thus, the FY 2005-2006 water savings for these contracts will be included in the FY 2006-2007 report. The FY 2006-2007 report will also include completed calculations for water saved in FY 2005-2006 in storage and through instream flow transfers and consumptive use savings.

Monitoring efforts from the Nebraska Game and Parks Commission for the Platte-Republican CREP continued in 2006. Because most of the CREP acres were planted in late fall of 2005 or spring of 2006, we did not expect significant population increases from nesting on CREP acres

for upland game birds. Indices in the Republican Basin and Platte Basins indicated similar numbers of pheasants as compared to 2005, with a small decrease in the number of young pheasants in late summer surveys. Spring whistle counts indicated more bobwhite quail in the Platte Basin than in 2005, but fewer in the Republican Basin than last year. However, quail production in both basins was good, with higher numbers reported on Rural Mail Carrier Surveys in 2006 than in 2005. Some quail reproduction might have occurred on CREP acres planted in fall of 2005, because quail will utilize recently planted covers more quickly than pheasants. For the most part, both 2005 and 2006 surveys will serve as baseline information for evaluating regional population benefits from CREP.

On Harlan County Reservoir, more intensive surveys were completed for ring-necked pheasants to identify baseline information and benefits from on-going habitat restoration and management work on lands owned by the U.S. Army Corps of Engineers. 2006 spring pheasant surveys indicated that over two times the number of cock pheasants were present on Harlan Reservoir (5.33 per stop) than had been recorded in 2005 (2.3 per stop). Furthermore, the number of crowing cock pheasants on Harlan Reservoir was substantially higher in 2006 (5.33/stop) than the number counted on nearby private lands (4.1/stop); this is the first time since 2003 (when intensive management efforts for pheasants were begun on the reservoir) that the number of pheasants on the reservoir in spring was substantially higher than the number on nearby private lands. However, pheasant brood counts in August were extremely low, with only one brood surveyed on public or private survey routes. In part, this was likely due to low humidity and a lack of dew (which results in adult birds and broods moving to roads to dry off) during the survey period. The 2006 data indicates that pheasants continue to increase with the intensive work on Harlan reservoir, but we were unable to identify any impact on population recruitment this year.

Incidental reports from landowners and hunters on newly seeded CREP acres indicate that pheasants and quail have readily moved into these areas, especially this fall as crops have been harvested. Hunters have indicated that fields are difficult to hunt, due to the thick and tall cover provided by the first year's growth, primarily from annual weeds. However, with dense cover (which makes hunting difficult for hunters and natural predators) and plenty of winter food sources from seeds, we expect good over winter survival of pheasants and quail on these CREP acres. Between residual cover and the growth of planted grass, legumes, and forbs this spring, we also expect that both pheasants and quail should find adequate nesting cover on CREP acres seeded in fall of 2005 and spring 2006.

SUMMARY OF NON-FEDERAL PROGRAM EXPENDITURES

The State of Nebraska agreed to contribute not less than 20 percent nor more than 50 percent of the overall annual program costs, through cash contributions or in-kind services. The in-kind services include current water conservation activities, water quality activities, and wildlife enhancement activities, proportioned out to reflect the amount of CREP area within each organization's individual jurisdiction. The table below indicates the level of support that various

local and state agencies have pledged to the project and the in-kind services they provided this fiscal year. Since most of the organizations contributing to the CREP program do not use the same fiscal year as the federal government and have a wide variety of fiscal years, it was necessary to estimate the amount of in-kind services provided by some organizations.

In-kind Services by Organization for Federal FY 2004-2005

Organization	Projected	Actual
Bostwick Irrigation District	\$494,473	\$478,069.00*
Pathfinder Irrigation District	\$190,500	\$208,292.00*
Central Nebraska Public Power and Irrigation District		\$4,206.27
Nebraska Public Power District	\$143,120	\$180,971.00
Nebraska Department of Agriculture	\$13,500	\$26,695.00
Nebraska Department of Natural Resources	\$887,000	\$4,257,985.60
Nebraska Game and Parks	\$130,000	\$471,293.50
Central Platte Natural Resources District	\$345,460	\$989,800.16*
North Platte Natural Resources District	\$100,000	\$251,035.63*
Twin Platte Natural Resources District	\$32,000	\$32,000.00*
Tri-Basin Natural Resources District	\$217,250	\$150,903.03*
Lower Republican Natural Resources District	\$366,000	\$332,356.00*
Middle Republican Natural Resources District	\$151,116	\$143,235.00*
Upper Republican Natural Resources District	\$100,000	\$180,000.00*
TOTAL:	\$3,170,419	\$7,115,896.19

* The in-kind services provided by these organizations did not facilitate accounting in the federal fiscal year and were estimated.

PROGRESS ON FULFILLING OTHER PROGRAM COMMITMENTS

1. Provide cost share payments.

As of September 30th, 2006, \$883,777.40 had been expended by the State of Nebraska to meet its portion of the 50% cost-share of practice establishment.

2. Pay all cost associated with annual monitoring programs.

Development of the annual monitoring program continues and should be done this year.

3. Provide wildlife conservation planning for producers on an as requested basis.

To date the State has not received any requests from producers for wildlife conservation planning.

4. Establish an Enhancement Program Steering Committee.

The Department of Natural Resources has established a CREP Steering Committee. The list of members can be found in Appendix E. The Committee met and formed subcommittees to work on a variety of projects.

5. Provide staffing support for a full-time CREP administrative coordinator.

The Department of Natural Resources has appointed a CREP coordinator to facilitate and oversee program implementation, coordination, promotional activities, technical assistance, and monitoring and evaluation. The CREP Coordinator has other responsibilities in addition to CREP but the Department Director, Deputy Director, and Agency Legal Counsel also devote considerable amounts of their time in facilitating CREP and overseeing its implementation.

6. Seek applicants willing to participate in CREP.

Applicants were sought through the publication of various newsletters from area natural resources districts (NRDs), the Nebraska Department of Natural Resources, the FSA, and through a number of press releases. Radio advertising for the program ran five times a day for thirty days between October 24th 2006 and November 23rd on KRVN and KNEB.

7. Facilitate provision of technical assistance from local conservation districts.

Funding through the Nebraska Soil and Water Conservation Fund and the Nebraska Natural Resources Water Quality Fund was provided to the local conservation districts to aid in delivering technical assistance.

8. Implement a broad campaign for continuous public information and education regarding the CREP.

The public was continuously informed and educated through the publication of various newsletters from area NRDs, the Nebraska Department of Natural Resources, the FSA, and through a number of press releases. Radio advertising for the program ran five times a day for thirty days between October 24th 2006 and November 23rd on KRVN and KNEB.

9. Work to ensure coordination with other agricultural conservation programs of State and federal agencies.

Agencies governing other agricultural conservation programs are included on the CREP Steering Committee. Dialog between these agencies continues through the Platte-Republican Resources Area CREP sign-up process.

10. Enter into a Water Use Contract with every CREP participant.

To date the Department of Natural Resources has entered into 434 Water Use Contracts through Federal FY 2005-2006.

11. Take all reasonable steps to ensure water savings achieved by Water Use Contracts shall be used for environmental and public recreational purposes in a stream, river, aquifer, or reservoir.

The Department of Natural Resources required all applicants whose irrigation water could not be saved in a storage reservoir or underground aquifer to seek a transfer to instream flow to meet the objectives of CREP. Agreements between the United States Bureau of Reclamation and the Central Nebraska Public Power and Irrigation District allow for the storage of water saved by forgoing irrigation on acres that have been enrolled in CREP.

12. Take all reasonable steps to enforce the requirements of the Water Use Contracts.

There were no reports of noncompliance and no enforcement action was required.

13. Seek the approval of this agreement with such independent boards or bodies within the State as may be necessary or appropriate to maximize objectives of CREP.

The Department of Natural Resources worked with all affected irrigation districts, natural resources districts and water storage reservoir owners to ensure that water savings achieved by CREP would be stored or transferred to maximize the objectives of CREP.

RECCOMENDATIONS FOR PROGRAM IMPROVEMENT

Following the initial phenomenal rate of sign up to participation in the Nebraska Platte-Republican Resources Area CREP, there has been a long period of very little activity. Some of the inactivity is due to the uncertainty producers feel because of the many changes in farm programs. However, some of the inactivity is due to restrictions and limits in the program. The following recommendations are aimed at these restrictions and limits.

Direct Marketing for Conservation Practices CP21, CP22, CP23 and CP23A

There are no acres offered for the conservation practices CP21, and CP22 (Filter Strips and Riparian Buffers), and CP23 and CP23A (Wetland Restoration, and Wetland Restoration, Non-Floodplain). No new acres were signed up in the last year even though radio and print advertisements targeting these specific practices were conducted last year. During the next fiscal year, more effort will be put into soliciting the owners of these types of land. The natural resources districts and other agencies which work with producers will encourage participation by producers whose land has been identified as suitable for these practices.

Seek Changes to the Federal Laws and Regulations Regarding CREP

There are two specific rules that have been promulgated by the U.S. Department of Agriculture, Farm Services Agency related to CRP and CREP that are currently limiting the flexibility of the Platte-Republican CREP and therefore limiting the ability of willing landowners to participate in the program. The USDA limitations on eligibility of acres that were planted to alfalfa have resulted in many landowners with all, or portions, of offered acres being determined ineligible. Only alfalfa that was planted during the years 1996-2001 is counted as part of an eligible crop rotation. Since alfalfa stands can be productive for up to 10 years, many landowners using alfalfa in a rotation on Nebraska croplands are ineligible for CRP and CREP. This limitation is particularly bothersome because alfalfa is a very high water-use crop.

Also, USDA rules that require State Conservation Priority Areas (CPA's) to include any acres eligible for CREP limit flexibility in adjusting or expanding CREP boundaries in order to address natural resource concerns. State CPA's were developed to help focus federal expenditures on General sign-up CRP into areas with significant natural resource concerns that CRP can help address (e.g. Water Quality and Wildlife Habitat in Nebraska). State CPA's are limited to 25% of the cropland acres, and allow producers to gain priority points in General CRP sign-ups. CREP's are negotiated agreements between the State's and USDA to address important resource concerns; in that negotiation, states are required to provide at least 20% of the total cost of the CREP. By requiring states to make CPA's cover CREP areas, USDA is forcing states to not only provide additional resources for CREP, but also to reduce the potential of federal resources, during General CRP enrollments, from other areas of the state. In Nebraska, increasing the size

of the Platte-Republican CREP will require that we reduce the ability of other parts of the state with significant Water Quality and Wildlife Habitat concerns to address those concerns during General CRP enrollments.

Investigate adding additional state-funded monetary incentives

Due to the increased drought conditions in the Republican River Basin there is a need to reduce water use to meet interstate compact requirements. Water use reductions in certain portions of the Basin result in faster increased stream flow and improved water quality. The CREP partners will investigate the potential for increasing CREP participation in these portions of the Basin by creating additional monetary incentives.

Submitted by:
Jeremy F. Gehle, DNR CREP Coordinator
Nebraska Department of Natural Resources

APPENDICES

APPENDIX A: CREP Resources Area Maps

- Figure 1: Nebraska Platte-Republican Resources Area
- Figure 2: Republican Resources Area
- Figure 3: Lower Platte Resources Area
- Figure 4: Upper Platte Resources Area

APPENDIX B: CREP Application Acres FY 2005-2006

APPENDIX C: Consumptive Irrigation Requirement Map

APPENDIX D: Net Corn Crop Irrigation Requirement: Inches/Acre Averaged by County

APPENDIX E: CREP Steering Committee Members

APPENDIX A

Figure 1

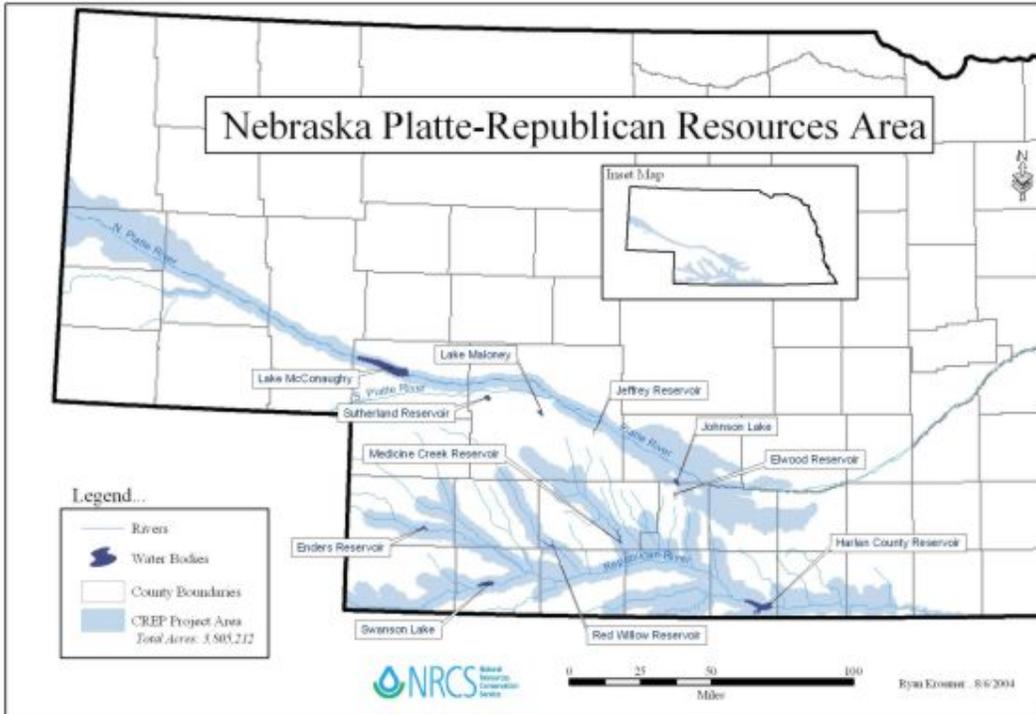


Figure 2

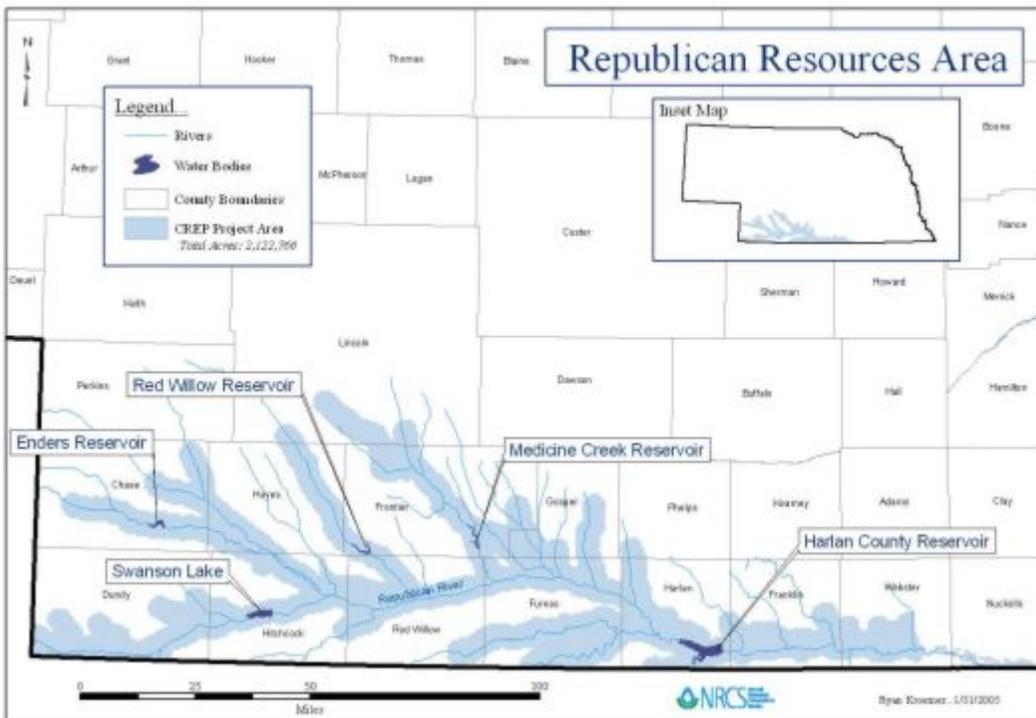


Figure 3

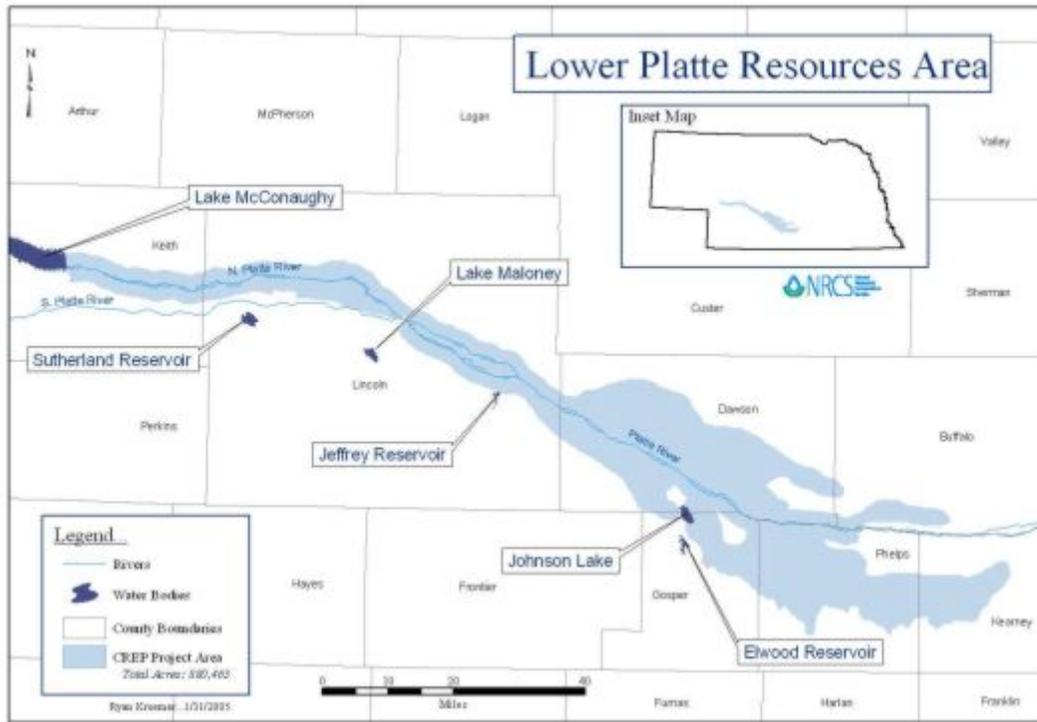
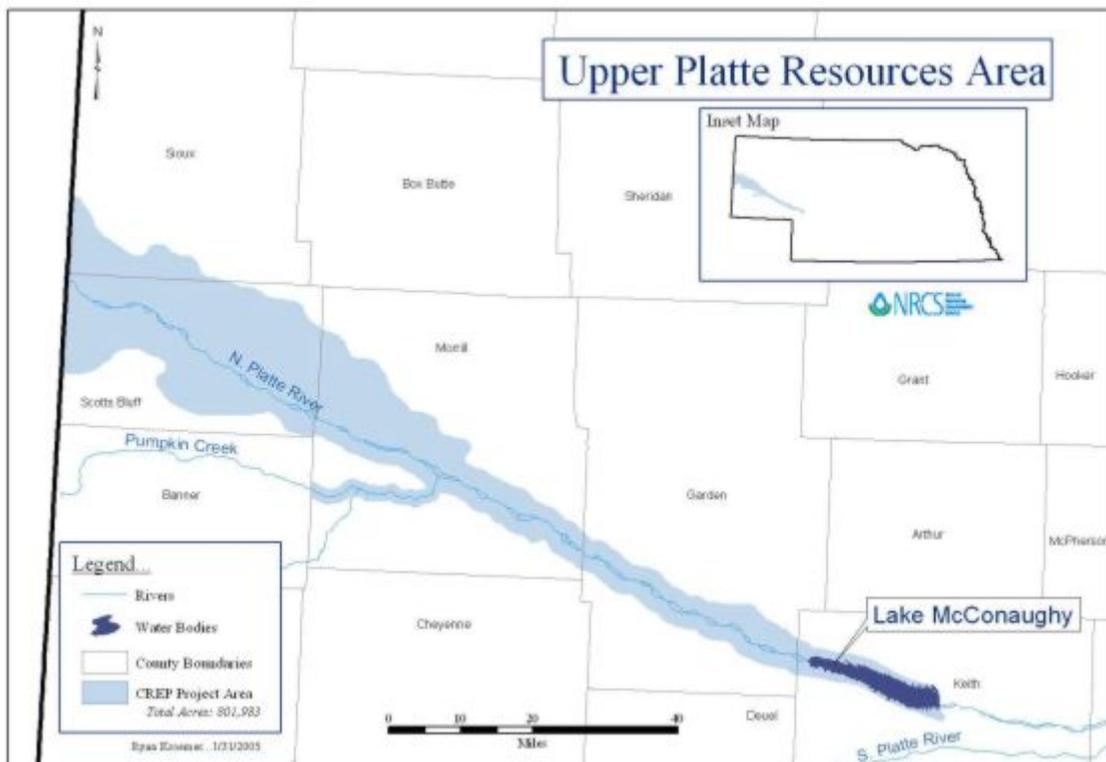


Figure 4



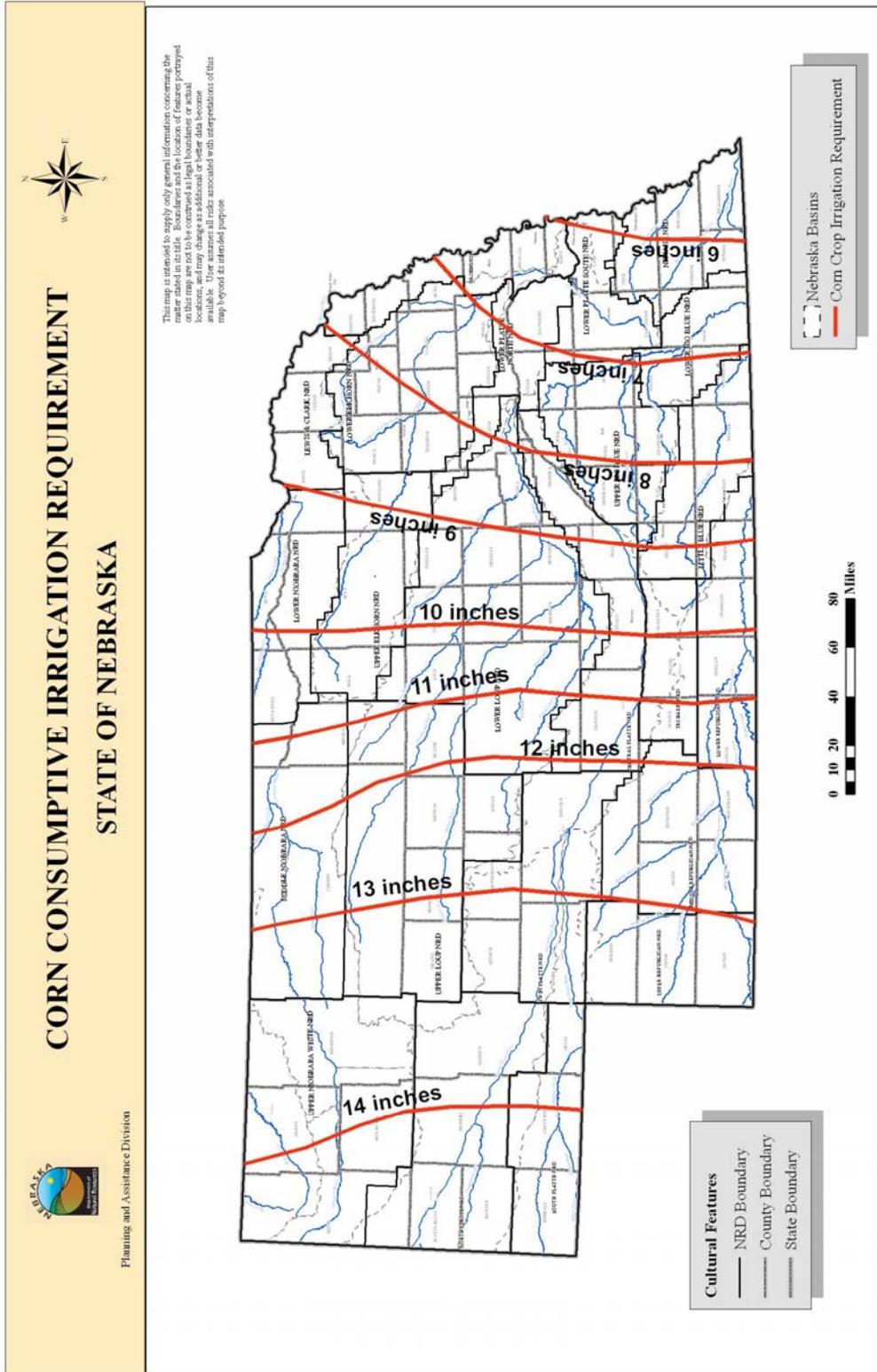
APPENDIX B

Nebraska Platte-Republican Resources Area CREP Application Acres through FY 2005-2006

Total CREP Acres:
53344.39
Total Immediate Acres:
17061.05
Total CP2 & CP4D & CP25 Acres:
53344.39
Total CP21 & CP22 Acreage:
0
Total CP23 & CP23A Acreage:
0
Total Republican Acres:
39220.69
Total Platte Acres:
14123.70
Total Acres Below Lake McConaughy:
3820.9
Total Acres Above Lake McConaughy:
10302.80
Total Acres Groundwater Well Only:
2437.00
Total Acres Groundwater and/or Surface Water:
7865.80

APPENDIX C

Consumptive Irrigation Requirement (CIR)



CORN CONSUMPTIVE IRRIGATION REQUIREMENT STATE OF NEBRASKA



Planning and Assistance Division

APPENDIX E

CREP Steering Committee

FSA State Committee:

-Milt Rogers

Farm Service Agency (FSA):

-Brian Wolford -Lavaine Moore
-Greg Reisdorff -Molly Tebo

Natural Resources Conservation Service (NRCS):

-Steve Chick -Rafael Ricuarte -Dave Griffith

Nebraska Department of Natural Resources (NDNR):

-Ann Bleed -Gayle Starr -Pam Andersen
-Brian Dunnigan -Ann Diers -Susan France
-Jeremy Gehle

Nebraska Department of Environmental Quality (NDEQ):

-Elbert Traylor

Nebraska Game and Parks Commission (NGPC):

-Tim McCoy -Don Gablehouse
-Keith Koupal -Bill Baxter

Nebraska Department of Agriculture (NDA):

-Craig Romary - Bobbie Kriz-Wickham

Agriculture Groups:

-Jay Rempe (Farm Bureau)

Rural Development Commission:

-John Erikson

Local Governments:

-Dan Smith (MRNRD) -Greg Plester (URNRD) -Ron Cacek (NPNRD)
-Milt Moravec (CPNRD) -John Thornburn (TBNRD) -Kent Miller (TPNRD)
-Mike Clements (LRNRD) -Rod Horn (SPNRD) -Jasper Fanning (URNRD)
-Dick Ehhman (NRD/DEQ Liaison)

Irrigation and Power:

-Marsha Trompke (CNPPID) -Jeremie Kerkman (CNPPID) -Frank Kwapnioski (NPPD)
-Randy Zach (NPPD) -Dennis Strauch (Pathfinder)

Congress / Senate:

-Bob Bettger (Osborne) -Christina Muedking (Osborne)
-John Berge (Nelson) -Lyndsy Mlady (Hagel) -Mary Crawford (Hagel)