



109 SW 9th Street, 2A
Topeka, Kansas 66612-1283

Phone: (785) 296-3600
Fax: (785) 296-6172
Email: doc@kda.ks.gov
www.ksda.gov/doc

Dale A. Rodman, Secretary
Greg A. Foley, Executive Director

Sam Brownback, Governor

**Testimony on the 2012 Annual Report of the
Upper Arkansas River Conservation Reserve Enhancement Program
to
The Senate Natural Resources Committee**

**By Steve Frost
Water Conservation Programs Manager
Kansas Department of Agriculture
Division of Conservation**

January 26, 2012

Chairman Ostmeyer and members of the committee, I am Steve Frost, Water Conservation Programs Manager of the Kansas Department of Agriculture's Division of Conservation. Thank you for allowing us an opportunity to provide testimony on the 2012 Annual Report of the Upper Arkansas River Conservation Reserve Enhancement Program (CREP). You have previously been provided with a copy of the complete report as it has been provided to the USDA's Farm Services Agency (FSA). Today, I would like to briefly review the Executive Summary version of this report, which highlights the implementation results and performance progress of the program to date. This program has been officially operational for four years.

CREP is a federal-state partnership created to enhance water conservation efforts along the Upper Arkansas River corridor from Hamilton County to Rice County. It is a specialized, or "enhanced", version of the Conservation Reserve Program (CRP) in which the FSA and the State of Kansas have mutually agreed to address specialized natural resource concerns. The Natural Resource Conservation Service is USDA's provider of technical services to producers who implement FSA's CREP contracts in the field. The Kansas Department of Agriculture's Division of Conservation (DOC) is the primary coordinator that administers the program in concert with other state, local, and private partners. These partners include the Kansas Water Office, Kansas Department of Agriculture Division of Water Resources, Kansas Department of Wildlife, Parks and Tourism, Kansas Department of Health and Environment, Kansas Geological Survey, Kansas State University, Groundwater Management Districts #3 and #5, and Pheasants Forever.

The Upper Arkansas River CREP is a voluntary, incentive-based program allowing producers to enroll irrigated acres in targeted, eligible areas for 14-15 year contracts with FSA, permanently retire the associated state water rights on the enrolled acres, and establish an approved land cover (typically a native grass) on the same acreage. The producer receives an up-front incentive payment from the DOC and an annual rental payment, plus additional cost share opportunities for specific conservation practices from FSA.

Groundwater is the dominant source of water for all uses in the basin, and aquifer declines are a serious concern. Therefore, water conservation is the main management objective in the Upper Arkansas CREP, but the program also provides other resource benefits including soil conservation, water quality protection, wildlife habitat enhancement, and energy savings. The majority of the irrigated acres being enrolled have been on highly erodible sand hills soils that are unsuitable for dryland farming.

One of the most significant merits of the program to date has been establishing cover on these highly erodible lands. The extremely sandy and fragile, windblown soils of the sand hills will be very difficult to re-vegetate when irrigation is no longer possible after crop production runs out due to groundwater declines. The CREP program has given these area producers a viable option for starting native grass stands and other conservation covers while limited irrigation water is still available - and with the incentive and financial opportunity to do it.

As of Sept. 30, 2011, a total of 67 CREP contracts on 11,013 acres have been approved by the State of Kansas. These contracts have resulted in the permanent retirement of 22,245 acre-feet of annual water appropriation from 95 wells. The contracts represent a total of \$665,260 in state sign-up payments to producers over the past four years. These payments are matched by total annual producer payments from FSA totaling about \$1,300,000 per year over the 14–15 year life of the CREP contracts. The State of Kansas has again met its financial commitment to provide at least 20% of the total project costs of the program through a combination of direct payments, technical assistance and in-kind contributions.

During FY2010, FSA approved expansion of the enrollment limit to 28,950 acres, which increased the individual county cap limits for interested producers. As a result of recent increases in the FSA irrigated rental rates, and notification efforts by DOC which took place during the last fiscal year, an additional 27 offers have been submitted since Sept. 30, 2011. If processed to complete enrollment, these offers will result in an additional 4,370 acres and an additional 9,352 acre-feet of annual water use appropriation which can be permanently retired. **As of Dec. 15, 2011, the total of approved and offered land now stands at 15,353 acres.**

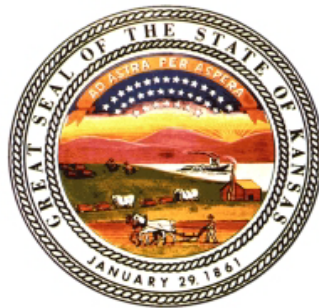
You may review more information about the CREP program on the DOC's website at <http://www.ksda.gov/doc/?cid=1940>.

Mr. Chairman, I would again like to thank you for the opportunity to provide testimony on the Upper Arkansas River Conservation Reserve Enhancement Program, and I will gladly stand for any questions at the pleasure of the committee.

**UPPER ARKANSAS RIVER
CONSERVATION RESERVE ENHANCEMENT PROGRAM
PERFORMANCE REPORT
BY THE
STATE OF KANSAS**



Photo by Kansas Department of Wildlife & Parks



EXECUTIVE SUMMARY

October 1, 2010 – September 30, 2011

Executive Summary

The Conservation Reserve Enhancement Program (CREP) is a federal – state partnership created for enhancing water conservation efforts along the Upper Arkansas River corridor from Hamilton County to Rice County. The Upper Arkansas River CREP has been officially approved and operating for four years; this annual report provides a synopsis of the implementation activities and progress to date.

CREP is a specialized version of the Conservation Reserve Program (CRP) in which the USDA Farm Service Agency (FSA) and the State of Kansas have mutually agreed to address specialized natural resource concerns. The Natural Resource Conservation Service is USDA's provider of technical services to producers who are implementing FSA's CREP contracts in the field. The Kansas Department of Agriculture - Division of Conservation (DOC) is the primary coordinator acting to administer the program in concert with numerous other state, local, and private partners including the Kansas Water Office, Kansas Department of Agriculture - Division of Water Resources, Kansas Department of Wildlife, Parks and Tourism, Kansas Department of Health and Environment, Kansas Geological Survey, Kansas State University, Groundwater Management Districts #3 and #5, and Pheasants Forever.

The Upper Arkansas River CREP is a voluntary, incentive based program allowing producers to enroll irrigated acres in targeted, eligible areas for 14-15 year contracts with FSA, permanently retire the associated state water rights on the enrolled acres, and establish an approved land cover (typically a native grass) on the same acreage. The producer receives an upfront, incentive payment from the DOC and an annual rental payment, plus additional cost share opportunities for specific conservation practices from FSA.

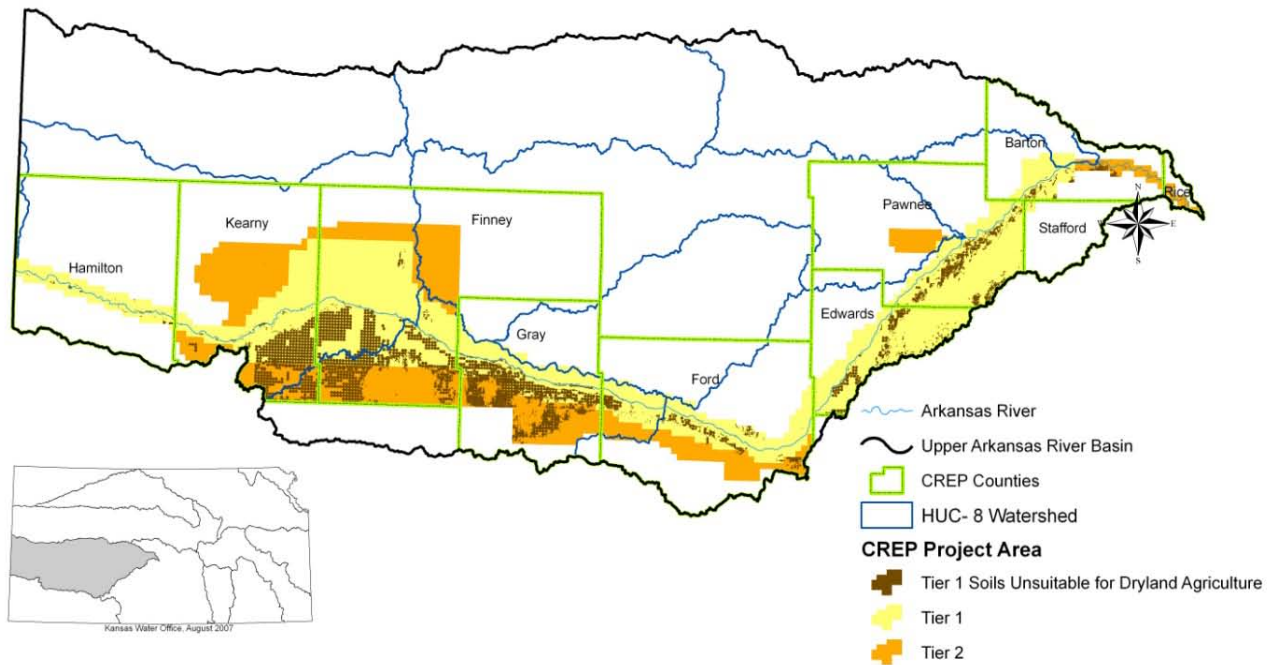
Groundwater is the dominant source of water for all uses in the basin, and aquifer declines are a serious concern. Therefore, water conservation is the main management objective in the Upper Arkansas CREP, but the program also provides other resource benefits including soil conservation, water quality protection, wildlife habitat enhancement, and energy savings. The majority of the irrigated acres being enrolled have been on highly erodible, sandhills soils that are unsuitable for dryland farming.

One of the most significant merits of the program to date has been establishing cover on these highly erodible lands. The extremely sandy and fragile, windblown soils of the sandhills will be very difficult to re-vegetate when irrigation is no longer possible after crop production runs out due to groundwater declines. The CREP program has given these area producers a viable option for starting native grass stands and other conservation covers while limited irrigation water is still available - and with the incentive and financial opportunity to do it.

As of September 30, 2011, a total of 67 CREP contracts on 11,013 acres have been approved by the State of Kansas. These contracts have resulted in the permanent retirement of 22,245 ac-ft of annual water appropriation from 95 wells. The contracts represent a total of \$665,260 in state sign-up payments to producers over the past four years. These payments are matched by total annual producer payments from FSA totaling about \$1,300,000 per year over the 14 – 15 year life of the CREP contracts. The State of Kansas has again met its financial commitment to provide at least 20% of the total project costs of the program through a combination of direct payments, technical assistance and in-kind contributions.

During FY2010, FSA approved expansion of the enrollment limit to 28,950 acres which increased the individual county cap limits for interested producers. As a result of recent increases in the FSA irrigated rental rates and notification efforts by DOC which took place during the last fiscal year, an additional 27 offers have been submitted after September 30, 2011. If processed to complete enrollment, these offers will result in an additional 4,370 acres and an additional 9,352 acre-feet of annual water use appropriation which can be permanently retired. **As of December 15, 2011, the total of approved and offered land now stands at 15,353 acres.**

Figure 1: Map of Upper Arkansas River CREP Eligible Project Area



Land Conserved

As of September 30, 2011, the total amount of land which has been offered and approved for enrollment into the CREP program is 11,013 acres, as detailed in the table below (see maps of CREP counties showing location of acres enrolled in Figure 2).

Acres Approved for Enrollment: December 20, 2007 to September 30, 2011					
CREP County	Acres Approved December 20, 2007 – September 30, 2008	Acres Approved October 1, 2008 – September 30, 2009	Acres Approved October 1, 2009 – September 30, 2010	Acres Approved October 1, 2010 – September 30, 2011	Total Acres Approved since Program Initiation
Barton					
Edwards					
Finney	129	1,137	(- 494)*		772
Ford					
Gray	1,802	2,018	872	247	4,939
Hamilton					
Kearny	4,205	856			5,061
Pawnee	241				241
Rice					
Stafford					
Total	6,377	4,011	378	247	11,013

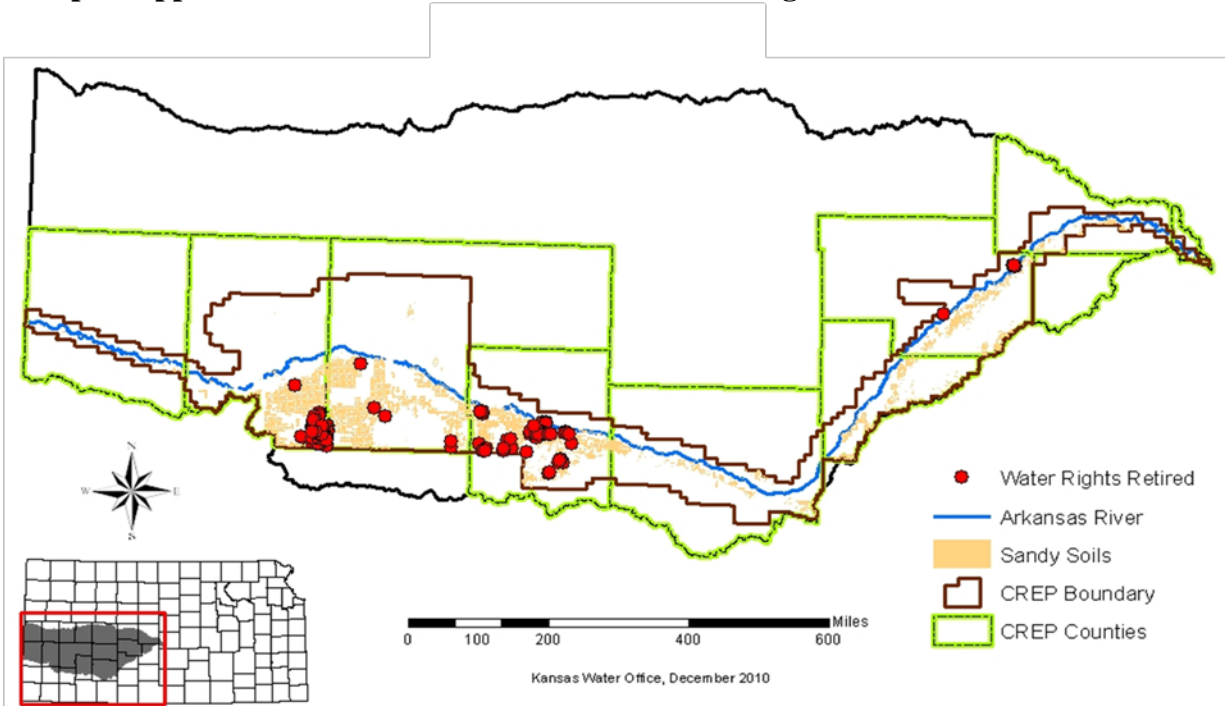
*494 acres were withdrawn from state contracts prior to final CRP-1 approval by FSA

Water Conserved

The total amount of water rights which have been offered and accepted for permanent retirement under state approved contracts from the beginning of enrollment on December 20, 2007 through September 30, 2011 are shown in the table below. In total, 22,245 acre-feet of authorized water right allocation has been permanently retired from irrigation through enrollment into the Upper Arkansas River CREP.

CREP Authorized Water Right Allocation Permanently Retired		
CREP County	Authorized Quantity (Acre-Feet) of Water Right Allocation Permanently Retired on State Contract Approved Acres	Number of Irrigation Wells Being Permanently Retired on State Contract Approved Acres
Barton		
Edwards		
Finney	926 AF	5
Ford		
Gray	10,429 AF	43
Hamilton		
Kearny	10,483 AF	39
Pawnee	407 AF	8
Rice		
Stafford		
Total	22,245 AF	95

Figure 2: Map of Upper Arkansas River CREP Retired Water Rights



Soil Types and Erosion Reduction as of September 30, 2011	
Tier 1 Unsuitable Soils	8,986
Tier 1	348
Tier 2	1,679
Total Acres Enrolled	11,013
Total soil erosion reduction @ 4 tons / acre / year	44,052 tons

Energy Savings as of September 30, 2011	
Approximate Number of Center Pivots Retired	86 pivots
Annual Energy Savings @ 59,850 kW per Pivot	5,147,100 kW

Soil Erosion Effects in Southwest Kansas



“Tier 1 Unsuitable for Dryland Farming”

The USDA's Natural Resources Conservation Service classifies “Tier 1 Unsuitable” soils as being highly erodible and essentially non-farmable without supplemental irrigation. When the Ogallala Aquifer depletes to the level of no longer being able to sustain high volume irrigation, these sandhills and similar areas along the Arkansas River corridor will no longer be farmable, and ranching is one of the few primary agricultural activities which will be suited to this region.

One outstanding merit of the CREP program to date has been establishing cover on highly erodible lands in the project area. The extremely sandy and fragile, windblown soils of the sandhills will be very difficult to re-vegetate when irrigation is no longer possible due to groundwater declines and crop production runs out. The CREP program has given producers a viable option for starting grass stands while limited irrigation water is still available and provided a financial opportunity and incentive to do so. CREP also provides a 15 year economic cushion to the neighboring retailers and communities. There have been some real success stories on providing CRP covers.

Established CREP Conservation Covers in Southwest Kansas

