

January 21-22, 2009 OWEB Board Meeting Executive Director Update #D8: CREP Update

Background

Oregon has an agreement with the U.S. Department of Agriculture (USDA) to provide cost share for riparian forested buffers along streams in agricultural lands in Oregon. The Conservation Reserve Enhancement Program (CREP) is statewide and when initiated, it was recognized that program implementation would take greater staff commitment than similar programs in the Midwest. The primary reason for that is that the agricultural producers in the Midwest have a stronger and longer relationship with the Farm Service Agency (FSA). In addition, the Oregon CREP was developed to provide a series of creative incentives that make the program more complex than similar CREP programs in other states. As a result, OWEB has provided funding for technical assistance to support the program over the last four biennia.

During the discussions of the 2007-2009 biennium spending plan at the September of 2007 meeting in LaGrande, the Board raised a concern about the increased commitment of funds for CREP contracts. Additional concerns about funding for CREP Technical Assistance were raised by the Oregon Department of Agriculture (ODA) and Soil and Water Conservation Commission during discussions about additional funding for soil and water conservation districts.

Following these discussions, staff formed a work group to examine issues associated with CREP and develop recommendations for the Board to use when considering the allocation of funds for the coming biennium. Members of the work group are:

Gail Stinnett, FSA, Hillsboro
Kevin Macintyre, FSA, The Dalles
Lois Loop, FSA, Tualatin
Larry Ojua, ODA, Salem
Tom Straughan, ODA, Pendleton
Amie Loop-Frison, Yamhill SWCD
Ron Graves, Wasco SWCD
Meta Loftsgaarden, NRCS

OWEB staff support is provided by Ken Bierly and Melissa Leoni.

Work Group Activity

The work group has met twice and a subgroup has met once. An additional meeting is set for early in 2009. The work group has agreed on a proposed approach for funding technical assistance for the program. The topic that the work group is still discussing is budgeting and development of an accrued liability fund for contracts that go beyond 2014. This issue will be critical in the budgeting of capital funds over the next two biennia.

Originally, staff anticipated that the work group would discuss negotiation of a new Oregon CREP agreement between Oregon and the USDA under the new Farm Bill. The 2004 Oregon agreement was set to expire on December 31, 2007, but was extended when a new Farm Bill was not passed by that date. This extension amended the Oregon agreement to apply to the new Farm Bill, making it unnecessary for either party to negotiate a new agreement. Staff were concerned that opening up the Oregon agreement could jeopardize federal funding of elements of Oregon's

unique approach, including the cumulative impact bonuses given to landowners who enroll a certain number of stream miles in the program. Staff determined that the risks of negotiating a new agreement were too great. Therefore staff are working to address the Board's concerns through other means, including the development of an accrued liability fund and managing landowner contract expectations.

Staff will provide additional reports on CREP at the March and June Board meetings.

Staff Contact

If you have questions or need additional information, please contact Ken Bierly, at ken.bierly@state.or.us or 503-986-0182.