



NITROGEN INCENTIVE PAYMENT

CREP Pilot Program

OVERVIEW

* Project outcomes will provide information for an evaluation of whether “pay for performance” improves CREP outcomes:

- New interest in program
- Enhanced enrollment
- Enrollment of the most sensitive land
- Cost effectiveness of NIP

* One time payment tied to the level of nitrogen reduction estimated per acre of installed practice



NITROGEN INCENTIVE PAYMENT: CREP

**NANTICOKE WATERSHED:
DORCHESTER & WICOMICO COUNTIES**



FREDERICK COUNTY



PILOT TARGETED AREAS

ELIGIBILITY REQUIREMENTS

- ✘ Producer must be CREP Eligible for **riparian forest buffer or wetland**
- ✘ New or re-enrolled acres
- ✘ 10-15 year CREP contract or CREP easement
- ✘ One time incentive payment
- ✘ NIP capped at 20 acres per contract
- ✘ Meets program nitrogen reduction thresholds

WETLANDS



RIPARIAN FOREST BUFFERS



ELIGIBLE PRACTICES

NUTRIENT TRACKING TOOL (NTT): DETERMINES NIP ELIGIBILITY & PAYMENT THRESHOLD

- ✘ Designed for MD Nutrient Trading Program (World Resources Institute)
- ✘ Estimates nutrient “baseline” conditions on the farm field considering
 - + site conditions (soils, topography, weather records)
 - + farm management (cropping system, nutrient mgt plan)
 - + existing BMPs.
- ✘ Proposed riparian forest buffer (specific location, size etc) is added to field evaluation and the nitrogen reduction estimated by NTT

INCENTIVE PAYMENTS: CREP ENROLLED RFB



- ✖ \$150 NIP for 5-10 lbs N reduction per acre
- ✖ \$300 NIP for 10.1-20 lbs N reduction per acre
- ✖ \$500 NIP for more than 20 lbs N reduction per acre

CREP EASEMENT ENROLLMENT

- ✖ Piggyback on DNR Easement program to protect CREP acres
- ✖ NIP calculated based on acres of actual CREP practice only (not the total easement acreage)
- ✖ Restricted to riparian forest buffers and wetlands
- ✖ NIP rates set by estimated nutrient reduction per acre (using site specific conditions and running NTT)
- ✖ 20 acre enrollment cap

Riparian Forest Buffers

\$500 NIP: 5-15 lbs nitrogen
reduction per acre

\$1000 NIP: more than 15 lbs
nitrogen reduction per acre



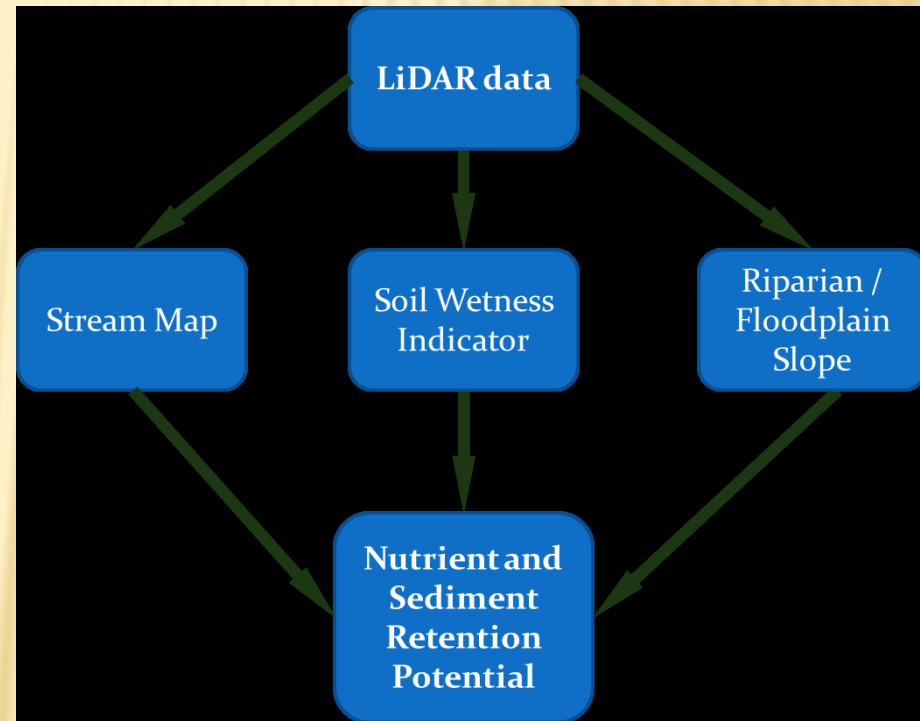
EASEMENTS

NIP PILOT IMPLEMENTATION



OUTREACH

- ✗ Target restoration opportunities using The Nature Conservancy geographic targeting tool
- ✗ Predicted Eco-hydrologic Active Area (EHA) & Function
 - + Provides information at a meaningful spatial scale
 - + Compliments or links to regulatory watershed model



PAYMENTS

- ✘ Landowner receives NIP (**ONE TIME PAYMENT**)
- ✘ Administrative agency (SCD) receives \$25 per acre eligible practice
- ✘ Land Trust receives \$45 per acre eligible practice for completed CREP easement contracts

EVALUATION

- ✖ Planned analysis to determine if NIP impacted CREP outcomes
 - + Enrollment in pilot areas compared to similar non-pilot areas
 - + Enrollment in pilot areas during grant period compared to enrollment activity two years prior to NIP incentive

Conservation Has Its Rewards...

CREP

MARYLAND'S CONSERVATION RESERVE ENHANCEMENT PROGRAM



The Best Environmental Incentive Program Just Got Better