

2003 ANNUAL REPORT

An Overview by Keith Trego

Keith Trego
Executive Director
1605 E. Capitol Avenue
Suite 101
Bismarck, ND
58501-2102

DIRECTORS

Dick Kroger
President
Wood Lake, MN

Bruce Adams
Vice-President
Minot, ND

Scott Peterson
Secretary-Treasurer
Harvey, ND

Jack Olin
Dickinson, ND

Genevieve Thompson
Fargo, ND

Duane Liffbrig
Bismarck, ND

Dean Hildebrand
Ex-Officio
Bismarck, ND

As the trite, overused lead-in line goes, I have good news and I have bad news. Which do you want to hear first? Let's start with the bad news and end on a positive note. To put my story in context however, let me restate the initial paragraph from last year's annual report overview:

"There have never been more conservation opportunities in North Dakota than those existing today. Farm bill programs begun in 1985 have become increasingly more "conservation friendly," with the 2002 farm bill containing more program options and more conservation dollars than any of its predecessors. Cost share opportunities are such that farmers and ranchers can often improve their soil and grazing lands and enhance their wildlife habitat at little or no cost to themselves. The public has clearly decided they are willing to incur these conservation costs as part of our country's agricultural policy."

In theory, and in law (the 2002 farm bill), all those optimistic things remain possible. But, as 2003 drew to a close, some mixed signals were bouncing around the countryside regarding the conservation provisions of the farm bill, a mainstay of the Trust private land work since our inception. The 2002 farm bill, which many had proclaimed the best conservation farm bill ever, seemed to have momentarily lost its way, in North Dakota at least. Here's a few of the "negatives" that 2003 brought.

► A single digit (9%) success rate for North Dakota producers offering lands in the 26th CRP sign up.

► A virtual loss of the CP-23 practice in North Dakota and throughout the northern great plains. This was our most important CRP practice for wetlands and wildlife.

► Low funding, vague rules, and unclear priorities for the new Grassland Reserve Program (GRP), a program providing long-term (including permanent) protection to grasslands.

► NO funding and NO rules for the new Conservation Security Program (CSP), universally heralded as the working lands program that would appropriately recognize and reward producers for their good, ongoing conservation practices.

Think of the conservation provisions of the 2002 farm bill as a two-sided ledger. On the one side is a group of programs like CRP, WRP, etc. These are often referred to as **set-aside programs** because, for the most part, acres enrolled are not used for traditional agricultural practices during the life of the contract. New on the scene in 2002, and with much fanfare, were programs on the other side of the ledger like GRP and CSP. These are called **working lands programs** because they provide compensation to producers for good management of agricultural lands used for production. These complimentary parts of the ledger make perfect sense, and are

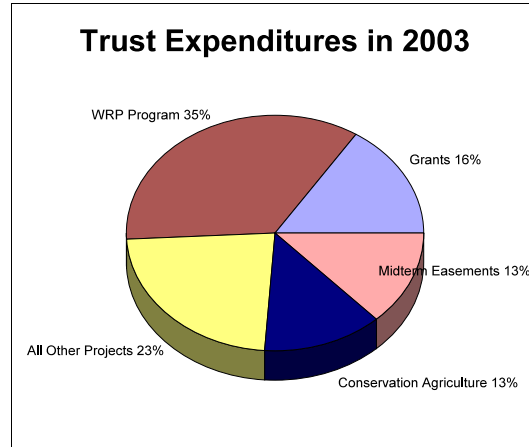
Conservation Agriculture On-farm Accomplishments by Sharon Clancy

Conservation agriculture has had a successful year. Among the activities were wetland protection, residue management, nutrient management, and evaluation of the effectiveness of the wetland filters. A major factor in erosion is to protect newly seeded fields by conserving the residue from the previous crop. An aspect of the nutrient management includes access to infrared photos that show the vegetation intensity and vigor at the peak production of the previous crop. It allows for interpretation of the field in terms of peak production regions. The field can be divided and fertilized accordingly.

The four demonstration farmers participate in the Adult Farm Management Program where the farmers keep records by enterprise and participate in the regional and state analysis. Two of the farmers attended South Dakota's annual No-till Association meeting. Another farmer attended the Opti-crop Seminar in Bismarck.

Three on-farm demonstrations were started in 2003. One was the evaluation of a potential biological control for the soybean aphid and the other an evaluation of nitrogen producing cover crops in a no-till field. One farmer attempted to rejuvenate his pasture by seeding four five-acre blocks.

Activity	Practice	Acres
Wetland	Protection	241.6
Residue	45-59% cover remaining after seeding	3260.1
	60-79% cover remaining after seeding	2994.7
	80% or greater	1230.1
Nutrient Management	Soil testing	6114.0
	Infrared satellite photos	9430.0
Wetland Filter	Soluble salt test	25.8



Maple River Drift Prairie Project by Arnold Kruse

The Maple River Drift Prairie project in Dickey County was initiated in 1992 as a demonstration project. We asked producers to partner with us to enhance production and wetland habitat on their lands. The North Dakota Game and Fish Department took over management of the 800-acre property in January 2002. The 2003 management report follows.

On the **McDonald Tract**, 33 acres in food plots were left standing as winter wildlife food. Grazing fees were reduced to offset food plot planting. They combined both quarters in this tract and rotationally grazed 200 acres, leaving one pasture rested each year. Replacement trees were planted and grass seeded between the trees. Noxious weed control was done six different times, mainly to spray thistle in CRP. The old alfalfa field was cropped and will eventually be seeded to herbaceous cover. Plans to renovate boundary and interior fences on section 12 are scheduled for 2004 and 2005.

The **Grueneich Tract** had 33 acres in food plots, with half being baled small grains distributed to other wildlife management areas without food plots. A twice-over rotational grazing system was placed on 150 acres of the north half of this tract. Haying was allowed only in the farm yard and road ditches. Plans are to seed all but 20 acres of crop land to herbaceous cover and cross-fence to allow for a rotational grazing system that will rest one pasture each year.

2003 Grant Reports by Linda Roeder

Delta Waterfowl Foundation, Adopt A Pothole, Missouri Coteau Region: Within the Missouri Coteau Region of North Dakota, 592 total acres were sustained as conservation areas during 2003. These acres included 156 wetland acres, 127 native upland acres, and 309 acres of crop land seeded to dense nesting cover (DNC). Seven of these eight contracts will expire in November 2005 and the eighth one will expire in November 2006. Each landowner in the Missouri Coteau Region was sent a letter highlighting the ND Natural Resources Trust's Midterm Conservation Easement Program as a program of possible interest.

Sheyenne James Resource Conservation and Development Council, Nonpoint Source Pollution Best Management Practice (BMP) Team: The purpose of the BMP team is to provide engineering assistance for the installation of BMPs to improve and protect surface and ground water quality and to control soil and water erosion in priority areas. The Sheyenne James RC&D provided engineering assistance to 32 water quality best management practice projects in 2003. Twelve animal waste systems and two riparian restoration projects were completed along the Sheyenne River. Thirteen (13) miles of the Sheyenne River were restored and fenced to preserve riparian habitat.

US Fish and Wildlife Service, ND Outreach Team Education Committee, ND Habitat Educator's Guide and Wildlife Trunk: The Outreach Education Team initiated a statewide project in 2001 with a goal of reaching teachers and students at the fourth grade level and providing them with a foundation on North Dakota habitat and wildlife. A curriculum supplement was developed to provide background information for teachers on habitat, in general, and focuses on wetlands, prairie, riparian areas, and woodlands of North Dakota. The wildlife trunks contain hands-on items that compliment what the teacher is teaching. The guide and trunks were distributed to 322 schools in the state and will stay in the classroom on a permanent basis. Periodic updates will be made to the trunks.

Coalition for Conservation and Environmental Education (C²E²), ND Envirothon: 2003 found the fourth annual ND Envirothon Competition at Crystal Springs Camp west of Medina, North Dakota, May 8-10. One hundred sixty-five (165) students, advisors, committee members, volunteers,

and guests attended the competition. This year, 16 teams braved the rain and colder temperatures to participate in the three testing trails and two oral presentations for a chance to represent North Dakota at the Canon National Envirothon, Mount Saint Mary's College, Emmitsburg, Maryland, July 26-31. The Sargent Central High School team took first place, Kenmare High School Team #3 came in second, and third place went to Elgin/New Leipzig Team B.

Foster County Soil Conservation District, "Trees"

Education Series: The environmental education series programs are designed to educate youth and adults in an entertaining way about environmental concerns that affect all members of society. Tom Gibson of Bottineau, North Dakota, continues the lyceum-style programs incorporating character roles, visual aids, audience participation, and additional educational materials to effectively educate participants on such issues as water quality, nonpoint source pollution, and the depletion of our natural resources. The "Traveling with Lewis and Clark" program was developed and introduced during the 2002-2003 school year. "Trees" continues to be highly respected and has significant exposure to students across the state. During the 2002-03 school year, 590 programs were presented to 41,516 students.

Ducks Unlimited, Inc. (DU), Promotion of No-till Winter

Wheat: As the winter cereals program moves into its fifth year of winter wheat harvest in 2004, it will be realizing the most productive year of the program. There have been 23 and 26 new winter cereal contracts added in each of the last two years, respectively. This brings the total number of contracts since the inception of the program to 78. The total acreage under contract for 2004 harvest is 8,361 acres. This acreage does not include excess acres seeded by contract growers that seed winter cereals without financial assistance, but take advantage of DU technical assistance.

According to the National Agricultural Statistics Service (NASS), total wheat acres, including all types of wheat, have continued to decline in North and South Dakota since the early 1990s, but the upward trend in North Dakota winter wheat acres is defying that trend. Winter wheat acreage in North Dakota has increased from 80,000 acres to

Overview *(continued from page 1)*

long overdue. They reflect a more realistic vision of how agriculture actually works, they reward producers for good land stewardship, and they provide more voluntary options for producers to consider in maximizing both the commodity values and the natural resource values emanating from their farming or ranching operations. But that's where theory ends and government agricultural and fiscal policy begins.

With regard to CRP, undoubtedly the most conservation friendly, wildlife positive agricultural program ever to grace the landscape in the northern great plains, it is clearly a new day across the countryside. Program priorities have shifted, practice guidelines have been rewritten, and the scoring system that ultimately determines acceptance of contract offers by producers (known among farm bill junkies as the EBI or Environmental Benefits Index) has been altered significantly. Each of these individual changes has been detrimental to CRP in North Dakota. Taken cumulatively, they portend a serious negative trend. CRP is moving away from North Dakota and the northern great plains to other parts of the country. GRP and CSP, the new working lands programs, have yet to be effectively implemented despite the fact we are nearly two years in the current farm bill. To be fair, it must be noted that there was a GRP bid process in 2003, and some contracts are being developed with landowners. In North Dakota though, the Natural Resources Conservation Service (NRCS) received GRP bids from 400-500 landowners, but was able to develop only two contracts with the funding they had available. So it is difficult to make the case that the program is working well. With CSP though, the record is dismal. As I write these comments, in April 2004, a final rule for CSP has yet to be published. Not a single CSP dollar has found its way to a producer anywhere in the country.

Now for the good news, and there remains a great deal of good news about conservation in North Dakota. 2003 saw continued progress in the Wetland Reserve Program (WRP) and the Farm and Ranch Land Protection Program (FRPP).

►WRP - The Trust continues to take advantage of the window of opportunity surrounding this outstanding conservation program. Another section of the newsletter provides the details of our successful work during 2003 on tracts purchased in both Pembina and McKenzie Counties, as well as the ongoing restoration work on the R.L. Morgan

tract in Wells County. Suffice it to say that the effective partnerships surrounding these acquisitions, beginning with USDA/NRCS and including a great array of conservation organizations, has made these projects both fun and rewarding. An important acquisition remains at the Missouri/Yellowstone confluence in McKenzie County, and with successful funding, we look forward to completing that transaction late this year.

►FRPP - The Trust and a coalition of partners submitted North Dakota's first FRPP application as part of our **Missouri River Riparian** project. More details will be available in an article in a future newsletter, but I'm happy to report that a successful project was developed, meeting the desires of the cooperating landowners to protect their agricultural land.

As you'll see reported elsewhere in this edition, successful work continues in a variety of the Trust's ongoing programs. The **Conservation Agriculture** project has another year to run, but is summarizing results and leveraging innovations to assist private landowners. The Trust's pilot **Midterm Easement Program** is nearing completion. It has provided needed land protection, welcome income to landowner participants, and valuable insight for the Trust in shaping future programs. Our **Beginning Farmer Program** continues to assist young North Dakotans interested in entering the ranks of agricultural producers. The Trust's program remains the only one of its kind among conservation or agricultural groups that provides direct financial assistance to young producers. We remain committed to the future of family farming and ranching in the state.

On balance, 2003 was another outstanding year of habitat creation and protection for the Trust. Our network of partners continues to grow, our relationships with the agricultural community continue to strengthen, and our list of accomplishments becomes all the more impressive. I'd like to express my thanks to the Trust's outstanding staff for their tireless efforts, to our board of directors for their vision and guidance, and to our partners for their willingness to try new approaches to old problems. Most importantly, I'd like to thank North Dakota's private landowners and agricultural producers, without whom none of this important work would be possible.

Grants *(continued from page 3)*

240,000 acres from 2002 to 2004. Winter wheat yields since 1999 have also averaged 8.8 bushels per acre greater than hard red spring wheat. Winter wheat yields in the three DU winter cereal project counties average 62.3 bushels per acre compared to 47.1 bushels per acre in three neighboring counties. Meanwhile, the spring wheat average yield was 51 bushels per acre for both sets of counties. DU agronomists believe the winter wheat management practices implemented as a result of the education, research and demonstrations, and technical assistance are the reasons for the yield difference.

Pheasants Forever, Inc., North Dakota Habitat Teams:

Pheasants Forever employs two habitat teams in North Dakota. These teams work with farmers, ranchers, and landowners, assisting them with the establishment and maintenance of wildlife habitat on their property. Last year, those habitat teams worked with over 300 landowners. The teams' assistance led to an additional 1,061 acres of nesting cover, 225 acres of additional Coverlocks maintenance, and planting of over 200 acres of food plots. One hundred sixty-eight (168) food plot projects covered 2,281 acres, 15 nesting cover projects added 408 acres, and 71 winter cover projects planted over 64,664 shrubs, bushes, and conifers.

No-Till Drills: Three soil conservation districts and two watersheds that received funds to purchase or rent no-till cereal, planter, or seed drills reported 107 participating landowners treated 23,500.3 crop land acres and enhanced over 211 wetland acres in 2003.

Summary of Wetland Conservation Grants:

- ***US Fish & Wildlife Service, Chase Lake V Prairie Wetlands*** created and restored 130.8 wetland acres with an additional 601.5 acres in upland protection.
- ***US Fish & Wildlife Service, Missouri River Wetlands*** created and restored 6.4 wetland acres.
- ***US Fish & Wildlife Service, Wetland Restoration Leases*** restored and protected 48.3 wetland acres.

Midterm Conservation Easement Program by Terry Allbee

The Trust created an easement program to compliment the other land protection options currently available. The Trust had short-term (10-15 year) contracts and long-term protection through land ownership, but no midterm programs. The midterm conservation easement offers a 30- and a 50-year contract with many other options, including a buy-back provision. The Trust coordinated with the governor, agricultural groups, and conservation groups to mold the program to be compatible with all other existing easement programs. The governor granted blanket approval for 12 easement offers. At the end of 2003, ten easement offers were completed. Four of those ten signed in 2003, leaving two offers to be completed by mid-summer 2004. This program offers protection to wetlands and uplands on 7,249 acres of existing native grass habitat.

Farm Bill Programs by Merle Bennett

Conservation Reserve Program (CRP) – The 26th CRP sign up was held in May 2003. Overall 9 percent of all offers were accepted in North Dakota, yielding very few contracts for the Trust's incentive program. Another sign up (29th) will be held in late spring 2004, but unless the Farm Service Agency (FSA) requirements/qualifications change, there probably will be few, if any, new contracts for incentive consideration.

Wetland Reserve Program (WRP) – The Trust completed a significant land acquisition this March in Pembina County. The 415-acre Walhalla property was purchased and will be enrolled into WRP. This will place a 30-year easement on the property for native grass seeding and wetland restoration. The restoration of 200 acres of wetland habitat and 214 acres of native grass will take place in 2004.

The Trust was also active in coordinating another land acquisition by the American Foundation for Wildlife (AFW) in McKenzie County. The 388+ acre Neu's Point property purchase offers both unique wildlife and historical protection for the confluence of the Yellowstone and

Farm Bill *(continued from page 5)*

Missouri Rivers. The property will be enrolled into a WRP easement and will ultimately be transferred to the ND Game and Fish Department for public ownership and enjoyment. Another property (997 acres) directly across from Neu’s Point is currently under consideration by the AFW and others for expansion and protection of the confluence area.

Considerable effort by Trust, Natural Resource Conservation Service, and ND Game and Fish Department staff was required to complete restoration activities on the R.L. Morgan WMA. The Trust coordinated the design work for the water control structure and completion of 60 small wetland restorations by both drain ditch plugging and silt removal. Removal of 26 rock piles, burying remains of an old farmstead, burning 350 acres for seeding, and chemical treatment of 1,000 acres for controlling weeds and other plant growth in preparation for spring 2004 and 2005 seedings were also completed.

2003 Habitat Conservation Totals

Wetlands Habitat

- Total Producers - 131
- Wetlands Restored/Created 474.7 acres
- Wetlands Managed/Protected 4,093.6 acres
- Total 4,568.3 acres

Associated Habitat

- Total Producers - 164
- Uplands Restored (Native/DNC) 2,718.9 acres
- Uplands Managed/Protected 14,128.5 acres
- Conservation Tillage 30,537.6 acres
- Total 47,385.0 acres

2004 Calendar

- ◆ Board of Directors Spring meeting, April 21
- ◆ Board of Directors Summer meeting, July 13-14
- ◆ Grant application deadline, October 15
- ◆ Board of Directors Winter meeting, December 15-16