



STATE OF MINNESOTA

Office of Governor Mark Dayton

116 Veterans Service Building ♦ 20 West 12th Street ♦ Saint Paul, MN 55155

December 2, 2015

The Honorable Secretary Tom Vilsack
U.S. Department of Agriculture
1400 Independence Ave., S.W.
Washington, D.C. 20250-0506

Dear Secretary Vilsack:

This letter and the attached Conservation Reserve Enhancement Program (CREP) proposal from Minnesota represents my formal submittal to USDA for funding consideration. I am writing to request your support for USDA approval of a Minnesota CREP.

This CREP will directly address natural resource problems with strategic, long-term solutions. It will yield progress toward state and national water quality goals by targeting critical riparian areas and providing key habitat connections. Minnesota, being at the headwaters of the Mississippi River and the Red River of the North, is at the critical "top of the watershed" location that must contribute to national water quality improvements tied to the Hypoxia Zones in the Gulf of Mexico and Lake Winnipeg. This work will support national, state and local goals. The scope of this CREP proposal includes:

- A five year timeframe
- 100,000 acres
- \$795 million; estimated total cost to maximize the federal funding component
- Prioritizing sites for water quality and habitat
- Practices include – buffer filter strips, wetland restorations and wellhead protection

Several key factors have influenced the State's interest in developing a CREP proposal:

- **Science-based targeting:** Minnesota has completed systematic assessments and plans to address nutrient and sediment issues, grasslands, wetlands, and drinking water to focus prioritization of restoration and

protection practices to where they are most needed and most cost effective.

- **Critical review of expiring CRP:** Minnesota is experiencing a significant loss of grasslands – including the expiration of over 500,000 acres of Minnesota CRP contracts over the next five years.
- **Funding for multi-benefit conservation and clean water projects:** Interest in the state's Reinvest in Minnesota (RIM) program, which has a 28 year record of achieving multi-benefit conservation easements, greatly exceeds available funding. Minnesota is well positioned to supplement USDA FSA federal funding with significant state investments.
- **Local program delivery readiness:** USDA, local Soil and Water Conservation Districts, state agencies, and non-governmental organizations have a strong field-based presence in Minnesota via coordinated efforts such as the Farm Bill Assistance Partnership, Prairie Plan Implementation Teams, and many watershed-based planning projects. The technical and financial assistance services necessary for landowners and producers to participate are prepared and ready to implement the CREP immediately.

Our CREP goals include permanently protecting and restoring acres that:

1. Target water quality concerns tied to riparian areas with 50,000 acres of filter strips and 15,000 acres of floodplain wetlands and associated uplands.
2. Restore hydrology, increase infiltration, provide wildlife habitat, and provide flood mitigation on 30,000 acres of drained wetlands and associated uplands.
3. Reduce nitrate loading in drinking supplies focused on 5,000 acres in priority Drinking Water Supply Management Areas.

Minnesota has made a proactive financial commitment to ensure the CREP will succeed. I have signed into law appropriations in excess of \$35 million from the Clean Water Fund and the Outdoor Heritage Fund to be used for the State's portion of the CREP. In addition, recommendations have been made to include an additional \$20 million of Outdoor Heritage Fund allocations in 2016. I will also prioritize CREP in the 2016 Capital Investment (Bonding) bill.

Over the past year, Minnesota state agency leaders have developed a refined CREP proposal with input from numerous agencies and organizations. This final proposal incorporates feedback and answers to questions from FSA National Headquarters.

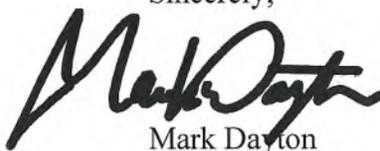
We have also been conducting extensive outreach efforts tied to CREP's role with water quality and habitat concerns. Landowners remain very positive with the

CREP concept and recognize it as an important option. Interest in CRP and RIM far exceeds available funding and resources.

I strongly support Minnesota's partnership with USDA FSA in this water quality and habitat focused CREP. We look forward to signing a CREP agreement in the coming weeks, so that we can begin work this spring.

Thank you for your efforts to help in this approval process. I look forward to your reply.

Sincerely,

A handwritten signature in black ink that reads "Mark Dayton". The signature is fluid and cursive, with the first name "Mark" being larger and more prominent than the last name "Dayton".

Mark Dayton
Governor

cc: Senator Amy Klobuchar
Senator Al Franken
Representative Collin Peterson
Representative Tim Walz
John Jaschke, Executive Director, MN Board of Water and Soil Resources
Dave Fredrickson, Commissioner, MN Dept. of Agriculture
Tom Landwehr, Commissioner, MN Dept. of Natural Resources
Dr. Ed Ehlinger, Commissioner, MN Dept. of Health
John Linc Stine, Commissioner, MN Pollution Control Agency
Val Dolcini, Administrator, USDA Farm Service Agency
Mike Schmidt, Deputy Administrator for Farm Programs, USDA FSA
Matt Ponish, Director, Conservation Environmental Programs Division,
USDA FSA
Virgil Ireland, National CREP Manager, USDA FSA
Jane Ray, Acting State Director, USDA FSA
Cathee Pullman, State Conservationist, USDA Natural Resources
Conservation Service