

Meeting #3
Governor's Large Conference Room - May 5, 2014

Work Group Members

Pam Roberts (Chair)
Barry Dunn
Tim Kessler
Representative Mary Duvall
Senator Jason Frerichs (via phone)
John Cooper
Steve Halverson
Jan Nicolay
Jeff Zimprich
Doug Deiter
Secretary Jeff Vonk
Secretary Lucas Lentsch
Nathan Sanderson

guests

David Nomsen
Tom Kirschenmann
Trudy Wastweet
Bill Smith
Travis Runia

Welcome & Introductions

Chair Roberts opened the meeting with a welcome to members and guests and noted that Sen. Frerichs was joining via phone. Chair Roberts also informed the group that one additional item added to the agenda would be a pheasant harvest and population report from GFP.

Ag Land Taxation in SD

Michael Houdyshell from the Department of Revenue outlined the current system of taxing agricultural land. He also discussed the concept of a tax system based on actual land use. An actual use system has some associated issues, and one example is conservation easements. Counties with a higher level of conservation easement acres would reduce the tax revenue and would need to be made up somewhere else. Under existing law, land value cannot be taxed differently because of use. For such a change to occur, the SD legislature would need to change current law.

John Cooper noted that one approach to create and retain more habitat would be to incentivize landowners for conservation work and asked whether the approach of "land-use" taxing was going to reduce tax revenue too far that it would be difficult to find other ways to make up that potential loss. Houdyshell responded by noting an important component of this approach is the consideration of the state education formula and the need for the state to distribute funds for education.

Jeff Vonk asked whether anyone on an annual basis monitors how many of the non-cropland acres are now being cropped during a time of high commodity prices. Houdyshell responded that every year there are non-cropped soils being cropped but did not have the number of actual acres.

Steve Halverson provided an example of two parcels on his property and how they differ from taxes and rental rates.

Sen. Frerichs noted that the taxation task force has challenged agricultural groups to come up with suggestions prior their upcoming meeting.

View the slide show: [Ag Land Assessment Under Productivity System](#)

Conservation Certification Proposal

Discussions have begun between Lucas Lentsch, Barry Dunn, and Jeff Zimprich on a Conservation Certification proposal that would recognize landowners/producers for taking conservation to a higher level. The concept would not be a simple acknowledgement, but rather something more meaningful and would include re-certification every 3-5 years. The description noted that SDSU and NRCS could help set up certification criteria, but also described they do not have the ability to review and handle re-certification assurances.

Bill Smith from the Department of Agriculture provided additional background on this program which is used in other states. The intent is to incentivize further voluntary certification in an effort to avoid further regulations.

Lentsch noted a key component of such an effort is the collaboration from the various stakeholders involved with conservation.

Zimprich expressed NRCS's involvement in the interest of having landowners voluntarily elevating stewardship and conservation efforts. He provided some details from other states (Louisiana, Michigan, Texas) utilizing similar programs and the approach taken. It was described that one way certification could be used is by automatically receiving higher points during application process of such programs such as EQIP. Another advantage of certification is a marketing tool. Zimprich also noted there is a tie to wildlife habitat to such a certification process.

Dunn described how other Quality Assurance Programs exist within the state and are similar to this concept (beef and pork industries, for examples). Current programs are a partnership

between DOA and operators/industry. Such programs have had a profound impact on the industry and now have much higher standards. Success stories from these programs exist and can show how it works (changed behavior) and could be used as an approach to address habitat concerns.

Lentsch asked the group if this is something the Work Group is interested in. Cooper suggested this type of program could tie into some of the items on the short list such as recognizing producers for conservation efforts.

Nathan Sanderson suggested that the options for the PHWG could be to:

1. offer a complete "certification" program recommendation to the governor,
2. offer a partial concept that needs further work, or
3. float the idea to private groups, which could run the concept on their own.

Lentsch is working on a draft plan of certification/verification process. Doug Dieter stated that it is important that FSA and NRCS be involved as those are the offices where people go looking for assistance. Halverson expressed his support for the idea and noted how it ties CSP more to conservation efforts. For example, if a certain percentage of a farm is in conservation acres then the landowner would acquire more points and have a better opportunity to enroll in desired programs.

PHWG Certification Program options

1. Part of group's recommendation to the Governor
2. Conduct further work, but express support for the concept
3. Not part of group's recommendation to the Governor

The PHWG discussed the merit of including this concept of certification within the final report. Zimprich suggested it be #2 as it needs to be done right and will take additional work. It was agreed that it could be a great opportunity for the PHWG to be a sounding board. Vonk expressed the importance of the connection to habitat. Sanderson also suggested that clear and concise opportunities/advantages of being certified need to be outlined and clearly explained.

Pheasant Harvest & Population Summary

Travis Runia, Senior Upland Game Biologist for Game, Fish and Parks, provided an update to the PHWG on the number of birds harvested and the pre-season population estimate for 2013.

View the slide show: [2013 Pheasant Harvest and Population Estimate](#)

GFP Habitat Programs

Tom Kirschenmann of Game, Fish and Parks, provided a summary of the department's private and public lands habitat management efforts. Private lands habitat work includes cost-share

assistance for woody cover, food plots, nesting cover, fencing out habitat, wetlands, grazing lands management, and partnership positions like the Pheasant Forever Farm Bill biologists.

View the slide show: [GFP Habitat Programs and Management](#)

Doug Dieter - Example of farming low areas

Doug Dieter provided the members example maps from his farm depicting areas that are not profitable to farm and would better serve to be in habitat. Accompanying the maps included expenditures/profits figures to illustrate that in some instances it can be more profitable to farm fewer acres. This information was discussed as part of the Conservation Education top idea and the need for available staff in local NRCS/FSA offices to explain and provide insight to landowners/producers on farming the best land and using non-profitable land for wildlife habitat.

Discussion of "Top Ideas"

The PHWG generated and began discussing a list of "top ideas" to formulate approaches and recommendations to address or implement habitat solutions. Additional discussion is scheduled for the June PHWG meeting.

Idea #1 - Conservation Certification Proposal

Small Work Group: Lentsch, Dunn, Zimprich, Duvall

Conservation Celebration to recognize/celebrate accomplishments

- **Action Item: Work group will provide a paper on certification proposal at the June meeting.**

Idea #2 - Leverage/Maximize Farm Bill Opportunities

Small Work Group: Cooper, Zimprich

This Small Work Group will work on two areas to deliver habitat:

1. Discuss the RCPP opportunity and draft a grant concept to focus on habitat, and
2. establish a new integrated state initiative to better utilize currently available management programs and funding. This integrated initiative includes NRCS, PF, GFP, Governor's office and other interested parties. The integrated initiative would target precision habitat opportunities using focused partnerships to "farm the best and conserve the rest."

- **Action Item: provide a concept or example project of how a RCPP project would work in South Dakota at the June meeting.**

Idea #3 - Wildlife habitat development related to Game Production Areas (GPAs)

Look at ways to expand, enhance, and improve habitat on GPAs, including the determination of resources needed to accomplish the work.

- **Action Item: GFP will conduct an internal needs assessment and will share with the PHWG at the June meeting.**

Identify opportunities and mechanisms to target private lands adjacent to or in near proximity to GPAs or other large tracts of land with habitat.

Idea #4 - Conservation Education

The PHWG identified Conservation Education as a priority and the importance of creating mechanisms to better inform or assist landowners with conservation decisions.

Areas identified were:

- Engaging communities to advocate habitat development - important to inform communities the benefits of habitat and conservation efforts and how that relates to businesses within communities.
- Producer education on cover crops
- Public advocacy
- Landowners who are not necessarily producers
- Educate chambers, retailers, small business association, etc.
- Additional investments in education
- Educational tool on land-use and conversion: this discussion occurred after Doug Dieter provided examples on his farm of less productive land that would be better suited for wildlife habitat. The concept is to develop a tool which would demonstrate and show landowners/producers which acres on their farm would be best suited for ag production and those for habitat. The tool would depict actual acres and what the net financial benefits would be for each acre.

Idea #5 - Need for permanent grassland cover and increasing winter wheat acres

Explore opportunities for increasing the "scorability" of winter wheat acres in federal programs.

- **Action Item: NRCS to present on federal programs where this concept could be applied.**

Idea #6 - Finding a home for marginal acres

Make allowances for farmers to enroll a portion of the farm into available farm bill programs.

Idea #7 - On-going funding source for habitat and conservation

Several concepts/ideas were generated by the PHWG to address habitat funding:

- Agricultural Companies (examples: Seed/Chemical Companies)
- Long-term item (coordinate with education/teachers)
- PHWG to build a strategy to generate long-term funding source
- Private Sector Fundraising
- Extend tourism tax through pheasant season
- Legislative Appropriation
- Fund-raising entity? (example: GFP Parks and Wildlife Foundation)

- Conservation Endowment (one-time legislative funds to be matched)
- Voluntary specialty license plate
- Sales Tax (WY model for consideration to use in SD)

Agricultural Land Taxation Topic - include within the final report that the issue was discussed and acknowledge it is an issue.

Idea #8 - Public Road Rights of Way

Various suggestions offered from the public, including mowing schedules and other options.

Idea #9 - Conservation Reserve Enhancement Program (CREP)

Two items suggested as related to the CREP program:

1. continuation of the James River CREP, and
2. look at additional watersheds to implement new CREP programs.

Idea #10 – State Lands Management Plans

Establish a conservation plan for each parcel of state owned land through a mechanism such as a Governor Proclamation. It was suggested that such an effort would include road rights-of-way.

To facilitate thoughts and recommendations to address "Top Ideas" at the next PHWG meeting, Tim Kessler asked the group for time to discuss a draft plan on how Pheasants Forever plans to focus resources in SD to build habitat and enhance the pheasant population.

next meeting

- Monday, June 9 at 10 a.m. CT
- Agenda Items for June Meeting
 - Pheasants Forever - South Dakota Efforts and Initiative
 - Work Group Reports
 - Conservation Certification
 - RCPP
 - GFP - List of GPA Management Opportunities
 - Top Ideas Facilitated Discussion, continued