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(Revised)



Income Alternatives for Farmers and Ranchers

Compiled by:

Terry Gregoire

Area Extension Specialist/Crop Production



North Dakota State University, Fargo, ND 58105

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Farming and ranching in North Dakota has a long history

and is recognized as the foundation of the state's economy. Agricultural operations are not without risk, however. Producers must manage their operations to reduce risk in order to stabilize income. It is common knowledge that diversification is one way to manage risk, but it is not commonly known what programs are available to help farmers and ranchers diversify their operations.

Many North Dakota farms have land parcels that do not produce a profitable crop most years. Saline areas, steep slopes, wet or severely eroded sites, and frequently flooded areas are examples of marginal income lands. These parcels intermingle with productive land and are often farmed for operational convenience, even though they may be a drain on farm income. Converting these areas to a more profitable alternative can be costly in the short term and therefore may not be implemented.

Various programs, private and government, have been initiated over the years to help defray, or totally fund, cost of conversion of marginal lands to a profitable alternative. In addition, many programs reimburse land owners for continuing alternative use. These programs may help produce a higher net profit than when the parcel is used as cropland.

This publication summarizes programs that can help convert marginal lands to a profitable alternative. Some programs can be used in combination to address multiple off-farm organization needs and on-farm revenue potential. Landowners interested in exploring uses for marginally productive cropland should contact the various agencies or groups for specific program details. These programs may increase farm profitability, increase soil moisture, reduce erosion and increase wildlife habitat.

Off-farm organization objectives and on-farm operational situations that are addressed by the programs listed include: squaring out a wetland, flood irrigation using wetlands, wildlife food plots, filter strips, odd area management, cover for salinity management, erosion control, residue management, gated wetlands, tree planting and habitat plots.

A wide array of programs addressing land use options are available from the Natural Resources Conservation Service, the U.S. Fish and Wildlife Service, the North Dakota Game and Fish Department, Ducks Unlimited, the North Dakota Wetlands Trust, and Delta Waterfowl Foundation. Terms and agency expectations vary with each program. Ask questions that clarify terminology and expectations. Explore various management options, as many programs offer flexible terms.

Contact them for more information. Cost sharing and multi-agency participation may help address your needs and increase your profit margins.

PROGRAM SUMMARY

I. Crop and/Income Alternatives

Activity	Program	Payment and Terms	Contact
Beginning Farmer Program		Financial incentives, including down payment assistance and interest rate buy down, for real estate purchases by producers who qualify for either the North Dakota First Time Farmer Finance Program or the Beginning Farmer Real Estate Loan Program.	North Dakota Wetlands Trust
Grass Plantings	Habitat Plot Program	Varying acreage habitat plot projects are readily available. Payment is generally \$7-\$30/acre depending on and classification. Six-year agreement with renewal option.	North Dakota Game and Fish Department
	Wildlife Food Plots	Cost sharing and free seed is available to establish food plots for winter wildlife food. Money is available to lease and establish food plot acres. Preferred size is 4-10 acres.	North Dakota Game and Fish Department
	Adopt-a-Pothole	Annual payments of \$30 per acre for planted cover next to wetland complexes: 3:1 ratio planted cover to wetland ratio. Contracts currently limited to the Devils Lake Basin. Ten year agreement.	Delta Waterfowl Foundation
	North Dakota Partners for Fish and Wildlife Program	Up to 100% cost share for seed to convert cropland to grassland. Length of agreement 10 to 20 years.	U.S. Fish and Wildlife Service
	North Dakota Wildlife Extension Program	Eighty percent cost share for seed and seeding to convert cropland to grassland.	
	ND Waterbank Program	The North Dakota Waterbank Program provides a maximum of \$30/acre for cropland seeded back to grass. The site must have a maximum of 4:1 ratio of upland acres to wetland acres. Seeding costs are also covered. Five-year agreement with option to renew.	North Dakota Agriculture Department
	Wetlands Reserve Program	75% cost share for seeding cropland acres back to native grass. Program focuses on restoration of wetlands. 30-year easement required on offered acreage.	Natural Resources Conservation Service
	Environmental Quality Incentives Program	Cost share levels up to 75% are available to seed land back to grass for the purpose of hayland, pastureland or rangeland. Incentive payments for management may also be available. Five- to 10-year contracts.	Natural Resources Conservation Service
	Grasslands for Tomorrow	Cost sharing is available for seeding cropland to grass. 80 acre minimum. 10 year agreement. May be part of a grazing system. Pothole country.	Ducks Unlimited
	Conservation Reserve Program	The CRP offers producers cost share and incentive payments to retire environmentally sensitive acreage from agricultural production. Grass planting is an approved/ recommended practice for the purpose of erosion control, water quality and wildlife habitat. Cost share rates up to 50% and incentive payments up to 25% may be available on selected practices. Contracts are 10 to 15 years.	Farm Services Agency and Natural Resources Conservation Service
Whole Farm/Ranch Program	Cost-sharing is available for seeding crop land to grass. Ten- or 15-year agreements. May be part of a grazing system. Cost-share based on wetland density.	North Dakota Wetlands Trust	

Activity	Program	Payment and Terms	Contact
Residue Management	Environmental Quality Incentives Program	The EQIP offers producers incentive payments to substantially reduce erosion rates through residue management. Incentive payments of \$5 to \$12 per acre, maximum of 160 acres over a 3-year period are available.	Natural Resources Conservation Service
	No-Till Drills/Planters	Assistance is provided to SCDs to purchase no-till drills and/or no-till row crop planters in selected counties. While assistance to purchase equipment is not directly available to producers, equipment owned by SCDs is available to producers, sometimes in combination with other financial incentives, to encourage sound crop land residue management.	North Dakota Wetlands Trust

II. Wetland Income Alternatives

Activity	Program	Payment and Terms	Contact
Wetland Restoration	North Dakota Partners for Fish and Wildlife Program	Up to 100% financial assistance provided to restore drained wetlands. Length of agreement 10 to 20 years or negotiable. Additional 25% construction cost share for wetland restoration in conjunction with ASCS cost share. Length of agreement 5 to 10 years.	U.S. Fish and Wildlife Service North Dakota Game and Fish Department
	Grasslands for Tomorrow	Technical and financial assistance available to restored drained wetlands.	Ducks Unlimited
	Conservation Reserve Program (CP-23)	Cost share is available to restore drained wetlands at a rate of 50%. Incentive payments may also be available for this practice. Rental rates on land are based on soil productivity and average cash rent in each county.	Farm Services Agency Natural Resources Conservation Service
	Wetland Reserve Program	Cost share rate of 75% is available for restoration of wetlands. Land payment is based on 75% of appraised value of the land. 30-year easement on enrolled acreage.	Natural Resources Conservation Service
	CRP Wetland Restoration Incentive Payments	Depending on length of CRP contract, payments from \$20 to \$30 per restored wetland acre or \$100 to \$150 per restored basin.	North Dakota Wetlands Trust
	Whole Farm/Ranch Program	Depending on wetland density maps, payments from \$30 to \$50 per restored wetland acre or \$100 to \$150 per restored basin.	North Dakota Wetlands Trust
	Continuous CRP "Farmable Wetland Pilot"	Two-year pilot – 2001 and 2002 Farmable wetlands: cropped three out of the last 10 years; 5 acres or less in area. Adjacent buffer acreage not to exceed 3 times the area of farmable wetland. Maximum of 40 acres per tract. 50% cost share for grass establishment and wetland restoration. Rental rates are similar to other continuous CRP practices. Contract length is 10 or 15 years.	Farm Service Agency Natural Resources Conservation Services
Wetland Creation	North Dakota Wildlife Extension Program	Up to 100% financial assistance provided to create wetlands. Earth work payments also available. A negotiable 10 to 20 year agreement.	U.S. Fish and Wildlife Service
	Grasslands for Tomorrow	Technical and financial assistance available to construct impoundments. May be part of grazing systems.	Ducks Unlimited

Activity	Program	Payment and Terms	Contact
Temporary Creation	North Dakota Wildlife Extension Program	Up to 100% financial assistance provided to maintain water in spring in previously drained wetlands. A negotiable agreement of 10 years. Water control structures provided.	U.S. Fish and Wildlife Service
	North Dakota Partners for Fish and Wildlife Program	Up to 100% financial assistance provided to temporarily hold water in drained wetlands through the use of small water control structures. Agreement length of 10 years or negotiable.	
Wetland Enhancement	Wetland Renovation-Silt Removal	Silt is removed over the entire basin on wetlands one acre in size or smaller; dirt work costs can be paid.	U.S. Fish and Wildlife Service
Wetland Preservation	Wetland Easement	A perpetual easement to protect the wetland from burning, draining, or filling. Payment is based on an appraisal of the property, wetland complex and total wetland acres protected. Landowner may still graze, hay or farm these wetlands when naturally dry.	U.S. Fish and Wildlife Service
	ND Waterbank Program	Annual payments to landowners with wetlands and adjacent upland cover. Five-year agreement.	North Dakota Department of Agriculture
	Adopt-a-Pothole	Annual payments of \$30 per acre for planted cover next to wetland complexes, 3:1 ratio. Contracts currently limited to the Devils Lake basin. Ten-year agreement with option to renew.	Delta Waterfowl Foundation
Other Wetland Options	Environmental Quality Incentives Program	Up to 75% cost share is available for the restoration and creation of wetlands; 5- to 10-year contracts on enrolled acreage.	Natural Resources Conservation Service
	Nesting Structures	Waterfowl nesting structures including culverts, fiberglass baskets and wood duck boxes are available to cooperators who maintain them.	North Dakota Game and Fish Department
	Emergency Watershed Program (EWP) Flood Plain Easements	Three categories of perpetual floodplain easements for restoration purposes are available to landowners with eligible frequently flooded agricultural land in the floodplain.	Natural Resources Conservation Service
	Conservation Easements	Potential wetland and upland easements will be considered on a donation basis.	Ducks Unlimited
	Midterm Easements	Thirty- and 50-year easements with buyback provisions for protection of wetland complexes in native grassland.	ND Wetlands Trust

III. Range, Pasture and Hayland Income Alternatives

Program	Payment and Terms	Contact
Idled Hayland	Idling of hayland acres. Payment can be \$6-\$10 per acre. Acreage requirements vary. Tracts of land less than 80 acres are preferred. Length of agreement is six years with an option to renew.	North Dakota Game and Fish Department
ND Partners for Fish and Wildlife Program	Cost sharing available to purchase fencing materials for water developments. Program requires the use of a twice-over deferred rotational grazing system for a period of 10 years.	U.S. Fish and Wildlife Service

Program	Payment and Terms	Contact
Critical Area Protection	Fencing critical habitat. Materials provided. Possible rental agreements — six year lease.	North Dakota Game and Fish Department
Grazing Management	Wide range of management involvement. Flexible terms and rates.	North Dakota Game and Fish Department
Environmental Quality Incentives Program	The EQIP offers producers cost share and incentive payments for fencing, water developments, native and introduced grass seedings for pasture, hayland and rangeland uses. Contracts for 5-10 years.	Natural Resources Conservation Service
Grasslands for Tomorrow	Assistance available to reimburse purchase of fencing materials and water developments for grazing systems in pothole country; 10-year agreement. Also available on state land department land.	Ducks Unlimited
Grassland Easement	A perpetual agreement to protect native prairie grasslands from conversion to cropland. Payment is based on an appraisal of the property. Landowners may still graze or hay annually after July 15.	U.S. Fish and Wildlife Service
Whole Farm/Ranch Program	Grassland, crop land seeded to grass, or expiring CRP converted to cattle grazing systems. Assistance with boundary and cross fencing, grass seeding, and wetland restorations.	North Dakota Wetlands Trust
Midterm Easements	Thirty- and 50-year easements with buyback provisions for protection of wetland complexes in native grassland.	North Dakota Wetlands Trust

IV. Tree Planting Alternatives

Program	Payment and Terms	Contact
Wildlife Tree Planting	Ten to 25% of cost share is available, depending on the number of rows of trees wildlife tree plantings have.	North Dakota Game and Fish Department
Stewardship Incentive Program	Involves planting and renovating shelterbelts; 75% cost share. Landowners who participate must have a Forest Stewardship Plan.	North Dakota Forest Service
Conservation Reserve Program	Tree planting is cost shared for the purpose of establishing living snow fences, field windbreaks, shelterbelts and wildlife plantings. Cost share rate is 50% up to 20% incentive payments for specific practices may be available. Contracts are 10 to 15 years. Land rental rates are established in each county by soil productivity indexes and average cash rent.	Farm Services Agency Natural Resources
Environmental Quality Incentives Program	Cost share is available for field farmstead and feedlot windbreaks. Windbreak renovation is also cost shared through EQIP. Contracts are 5 to 10 years. Cost share rates up to 75% are available.	Natural Resources Conservation Service Farm Services Agency

V. Native Forest Alternatives

Program	Payment and Terms	Contact
Private Forest Conservation Program	<p>Conservation of native forest.</p> <p>Short term option: Landowner receives an annual \$10 per acre lease payment and has the option to renew annually within a six- to 10-year contract period.</p> <p>Long term option: Landowner receives variable annual payments based on forest acreage, land value, and term of conservation agreement. Agreement term ranges from 10 to possibly 30 years. Compensation starts at 35% (10-year agreement) and increases 1.5% each successive year to a maximum 65% (30-year agreement) of the land value.</p>	North Dakota Game and Fish Department

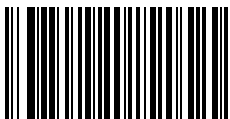
VI. Other Areas (salty sites, eroded sites, wetland edges, odd areas, drainage ways, occasionally flooded cropland)

1. Squaring out a wetland
2. Grassed Waterways
3. Flood Irrigation-wetlands
4. Wildlife food plots
5. Filter strips
6. ODD area management
7. Cover for salinity management
8. Salt tolerant cover
9. Erosion control
10. Critical area management
11. Cropland protective cover
12. Gated wetland
13. Drainage way opportunities
14. Renovation of abandoned farmsteads.

A wide array of programs addressing these operator/landowner situations are available from the Natural Resources Conservation Service, Farm Service Agency, U.S. Fish and Wildlife Service, N.D. Game and Fish Department, and private organizations. Contact them with your ideas and concerns. Cost sharing and multi-agency participation will help achieve your conservation and income goals.

Agency Offices and Phone Numbers

Farm Services Agency P.O. Box 3046 Fargo, North Dakota 58108	(701) 239-5224
Natural Resources Conservation Service P.O. Box 1458 Bismarck, North Dakota 58501	(701) 250-4088 ext#3
North Dakota Game and Fish Department 100 North Bismarck Expressway Bismarck, North Dakota 58501-5095	(701) 328-6300
North Dakota Department of Agriculture State Capitol Bismarck, North Dakota 58505	(701) 224-2231
North Dakota Wetlands Trust 1605 E. Capitol Ave, Suite 101 Bismarck, North Dakota 58501-2102	(701) 223-8501
U.S. Fish and Wildlife Service Wetland Habitat Office 3425 Miriam Avenue Bismarck, North Dakota 58501	(701) 250-4403 (701) 250-4418
North American Wildlife Foundation P.O. Box 420 Victoria, Minnesota 55386-0420	(612) 443-2062 (701) 662-8703
Ducks Unlimited, Inc. Great Plains Regional Office 2525 River Road Bismarck, North Dakota 58503	(701) 355-3500
Delta Waterfowl Foundation P.O. Box 3128 Bismarck, North Dakota 58502	(701) 222-8857



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