



# Agricultural and Resource Policy Report

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## FOOD, CONSERVATION AND ENERGY ACT OF 2008: WILDLIFE HABITAT INCENTIVES PROGRAM (WHIP)

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### *What is the Wildlife Habitat Incentives Program?*

The Wildlife Habitat Incentives Program (WHIP) encourages voluntary habitat conservation and rehabilitation on agricultural lands, especially those that are privately owned. WHIP provides up to 75 percent cost-share and technical assistance for these habitat programs through the USDA's Natural Resources Conservation Service (NRCS).

Participants create a wildlife habitat development plan, typically for five to ten years duration, that describes how they will preserve and improve habitat for target species. Based on this plan, the participant enters a cost-sharing assistance agreement with the NRCS for the duration of the project. The NRCS can use up to 15% of the funding for this program on plans 15 or more years in duration.

WHIP was established with the 1996 Farm Bill. It is administered by the NRCS, but additional funding may be provided by state wildlife agencies, nonprofit organizations, or private organizations. For the 2008 Farm Bill, Congress limited WHIP eligibility to using lands for the development of wildlife habitat on private agricultural land,

nonindustrial private forest land, and tribal lands. Priority goes to those projects that align with state, regional, and local conservation initiatives. Cost-share payments for long term projects must constitute 25% of funding, which is currently \$85 million annually through 2012. Total payments on a single project are limited to \$50,000 annually.

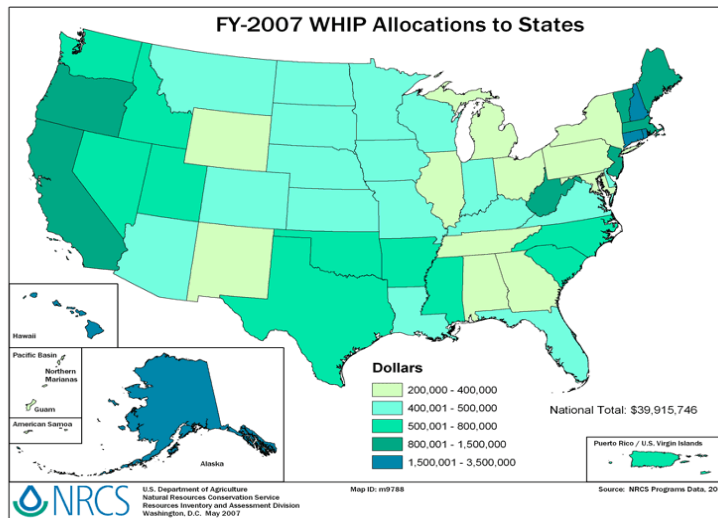
### *How does WHIP apply to Colorado?*

Over the life of the 2002 Farm Bill, the Colorado state NRCS office has funded 336 contracts for \$3.46 million on 64,530 acres. Colorado's WHIP budget is \$1 million annually. The map on page 2 shows relative national funding allocations to states for fiscal year 2007.

Colorado has two objectives for this program for 2007-2012: 1) habitat improvement for declining or at risk species and 2) habitat improvement for recovery of federal or state listed threatened and endangered species. Colorado's high-priority species for 2009 are Gunnison sage grouse, greater sage grouse, Columbian sharp-tailed grouse, plains sharp-tailed grouse, lesser prairie chicken, southwestern willow flycatcher, western yellow-billed cuckoo, imperiled bird species

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Extension programs are available to all without discrimination.



associated with short-grass prairie, and listed eastern plains native fish.

Colorado's current targeted habitats for this program are both warm and cold water riparian, wetlands, and streams; shortgrass prairie; shrublands (including sand-sage, sagebrush-steppe, and mountain shrubs); mid- and tall-grass prairie and other rangeland; and forest, including pinon juniper.

A 2006 Farm Foundation survey asked producers what kind of assistance they thought should be provided for

several environmental policy goals. For the wildlife habitat protection goal, 28.5 percent of Colorado producers favored technical assistance, 44.4 percent preferred a combination of technical and financial assistance, 17.5 percent favored no assistance, and 9.5 percent had no opinion. These were in line with opinions in the nation overall, where 28 percent of producers were in favor of technical assistance only, 44 percent in favor of a combination of technical and financial assistance, 17 percent preferred no assistance and 10 percent had no opinion.

***What has changed for the 2008 Farm Bill?***

The following table presents comparisons of previous and current provisions for WHIP:

<b>Previous Legislation</b>	<b>2008 Farm Bill</b>
WHIP expenditures for FY 2002-07 totaled \$213 million. Subject to Regional Equity provision.	Reauthorizes WHIP through FY 2012 with CCC funding of \$85 million/year. Continues to be subject to Regional Equity provision.
Contracts were generally 5-10 years in length, depending on practices installed. Shorter term agreements could be used to meet wildlife emergencies.	No change.
Up to 15% of available funding could be allocated for long-term agreements of 15 years or more that provide higher level of cost-share assistance to producer for lands with essential plant and animal habitat.	Increases funding cap on long-term agreements—providing higher levels of cost-share assistance for priority habitat land—to 25%.
No similar provision.	Priority may be given to projects that address State, regional, and national conservation initiatives
No similar provision.	Limits individual annual payments under program to \$50,000. Restricts participation to private agricultural land, nonindustrial private forest land, and tribal lands.

Source: USDA ERS (2008)

### ***What are the policy implications?***

The Farm Foundation 2006 nationwide producer survey found that working lands programs were one of the top priorities for producers for the 2007 Farm Bill, especially small producers (those with less than \$100,000 annual income from farm activities). Indeed, federal agricultural policy has been increasingly shifting towards policies such as working lands programs since the 1990s. The majority of USDA conservation payments now come from working lands or land retirement programs.

Working land programs often have greater environmental benefit per program dollar than other program types because environmental practices can be improved on lands that lack sufficient incentive to remove them from production. Because those lands remain in production, payments to producers can be less than the full agricultural value of the land. Such programs can address a broad range of environmental concerns specific to particular areas, and therefore encompass an array of practices. These programs can help producers maintain the long-term productive capacity of the land. Additionally, they may help producers mitigate other regulation costs. Retirement of specific environmentally sensitive sections of larger land parcels (such as stream buffers) is also possible under working land programs without requiring that the entire parcel be retired.

Working lands programs also face challenges. For instance, management for environmental purposes may compete with management for production purposes and the producer will have to allocate activities accordingly. Some conservation practices also require technical support, which is not always readily available, to achieve proper design and implementation. Monitoring and enforcement of recommended practices are also more difficult on working lands than on lands that are retired from production.

### ***Who is eligible?***

Persons eligible for WHIP own or lease the land or can provide proof of control of the land for the duration of the project. Eligible lands include privately owned agricultural land, nonindustrial private forest land, and Tribal lands. Land enrolled in several other conserva-

tion programs is not currently eligible for WHIP. These other programs are the Conservation Reserve Program (CRP), the Wetlands Reserve Program (WRP), the Water Bank Program, the Grassland Reserve Program (GRP), and the Emergency Watershed Protection Program floodplain easement component. The NRCS may also exclude lands where it determines that the on-site or off-site conditions may undermine wildlife habitat development benefits.

As with most Farm Bill programs, participants are subject to the Adjusted Gross Income (AGI) limitation: participating individuals or entities must not have an AGI exceeding \$1 million for the three tax years preceding the year in which the contract is approved. An exception is made when at least 2/3 of AGI comes from farming, ranching, or forestry operations.

### ***What happens to the land?***

Participants retain ownership and control of the land. However, participation in WHIP means voluntarily adjusting some agricultural practices for the duration of the program in order to provide optimal habitat development. Landowners are not required to provide access to the general public, but they must allow NRCS access to monitor the effectiveness of the program.

### ***How do I apply?***

Proposals for the 2009 fiscal year are due to the NRCS State Office by end of business on Friday, November 3, 2008. The 2009 Call for Proposals and ranking criteria are available at [http://www.co.nrcs.usda.gov/programs/whip/2009/RFP\\_WHIP\\_2009\\_Final.pdf](http://www.co.nrcs.usda.gov/programs/whip/2009/RFP_WHIP_2009_Final.pdf). Proposals are ranked according to the criteria determined by the State of Colorado. For 2009, high priority proposals will address habitat development for species with rapidly declining populations such as those listed above.

### ***Who do I contact for more information?***

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