2022 ANNUAL REPORT

IOWA WATER QUALITY INITIATIVE

IOWA'S NUTRIENT REDUCTION STRATEGY IN ACTION



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UPDATE FROM SECRETARY NAIG

These past several years have provided some unique challenges. Despite supply chain disruptions, inflation and weather extremes, we continue to see record engagement in our state's conservation activity. The increased level of awareness and resources, coupled with an expanding list of partnerships, has led to the adoption of more conservation practices now than at any other time in our state's history.

And, thanks to the continued support of the Legislature and Gov. Reynolds, there have also never been more long-term dedicated financial resources available.

As we mark the 10-year anniversary of the Iowa Nutrient Reduction Strategy this year, it's important to take a moment to look at just how far we've come. We have surpassed 350 public and private partners statewide – both urban and rural. We are approaching 3 million acres of cover crops, a significant level of growth from the few thousand a decade ago. Using our streamlined "batch and build" model, more saturated buffers



and bioreactors are planned for construction in the next 3-year period than have been installed in the previous 13 years. Historically, when we only had Conservation Reserve Enhancement Program (CREP) funding for water quality wetlands, we would construct 3-5 wetlands per year. Now, with dedicated water quality funding, we are on pace to build 30 wetlands per year.

We've come a long way and we have a long way to go. We know there's more work to be done, but I'm excited and optimistic for the opportunities ahead.

To make further progress towards our ambitious Nutrient Reduction Strategy goals and to keep building momentum in priority watersheds, we must continue working together and attracting even more partners. We need more funding, technical and construction resources. We need additional municipalities, businesses, farmers and landowners to say yes to participating.

We know that changes on the land lead to positive improvements in the water. And just as all technology evolves and progresses, so must our work to protect soil and water. We're continuously innovating, learning, testing and driving new science-based practices – all of which can make an even greater impact on our shared resources.

lowa's economy depends on agriculture and agriculture depends on our rich natural resources. Thank you for your continued support as we protect our soil and improve our water together in the years ahead. I know that the work we are doing, the investments we are making, and the new partnerships that we are forming will pay big water quality dividends well into the future.

Mike Naig

Iowa Secretary of Agriculture

2022 WATER QUALITY INITIATIVE (WQI) HIGHLIGHTS

.8K FARMERS & LANDOWNERS ENROLLED IN 2022

\$22.5M

WQI FUNDS OBLIGATED IN 2022

730K COVER CROP ACRES APPROVED FOR WQI FUNDS IN 2022

23.2K APPLICATIONS IN WQI SINCE 2013

> 72 WETLANDS UNDER DEVELOPMENT

150+ SATURATED BUFFERS AND BIOREACTORS UNDER DEVELOPMENT

FUNDING SOURCES

WATER QUALITY INITIATIVE

The Water Quality Initiative (WQI) was established during the 2013 legislative session to help implement the Iowa Nutrient Reduction Strategy. The Nutrient Reduction Strategy provides a roadmap to achieve a 45 percent reduction in nitrogen and phosphorus losses to our waters through collaborative efforts between point and nonpoint sources as well as public and private partners. The WQI cost share funds help farmers and landowners install nutrient-reducing conservation practices around the state.

WATER QUALITY INFRASTRUCTURE FUND

In 2018, the Iowa Legislature, with support from Gov. Reynolds, allocated more than \$270 million to help fund the state's water quality efforts through 2029. In 2021, legislators passed a 10-year extension, making an additional \$320 million of funding available through 2039. The additional money will help implement water quality practices including wetlands, saturated buffers, bioreactors and urban conservation projects.

USDA NRCS REGIONAL CONSERVATION PARTNERSHIP PROGRAM

The Department is currently leading or participating in 16 USDA NRCS Regional Conservation Partnership Programs (RCPPs). Through this federal program, Natural Resources Conservation Service (NRCS) co-invests with state and local conservation partners to implement projects that offer solutions to on-farm, watershed or regional natural resource concerns. The Department and its conservation partners were awarded more than \$17.5 million in RCPP funding in 2022 to support new and ongoing projects, including the following:

- Iowa Working Lands Conservation Partnership
- lowa Climate Smart Switchgrass Cropping System Transition
- West Nishnabotna Water Quality and Infrastructure Partnership

FEDERAL FUNDING SUPPORTS CONSERVATION AGRONOMIST NETWORK

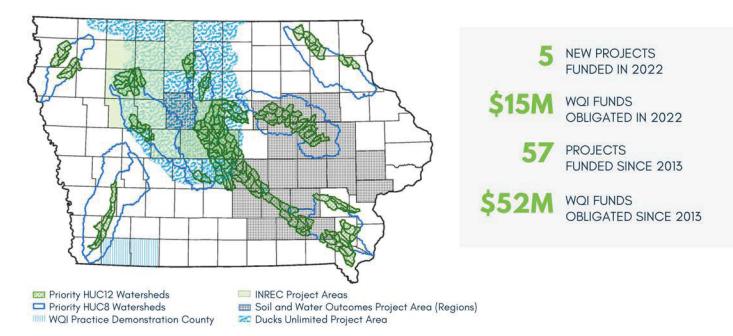
In 2022, the Gulf Hypoxia Program was created through the national Bipartisan Infrastructure Law (BIL). The BIL provides \$60 million over five years to Hypoxia Task Force states via the Environmental Protection Agency (EPA) to help advance their individual Nutrient Reduction Strategies. The State of Iowa will use this funding to help expand the network of conservation agronomists in key watersheds in the state. As trusted advisors, conservation agronomists provide much needed technical assistance to Iowa farmers and landowners to adopt and install conservation practices. This funding will help support three current conservation agronomists and add two new positions in priority locations.

LEVERAGING STATE FUNDS



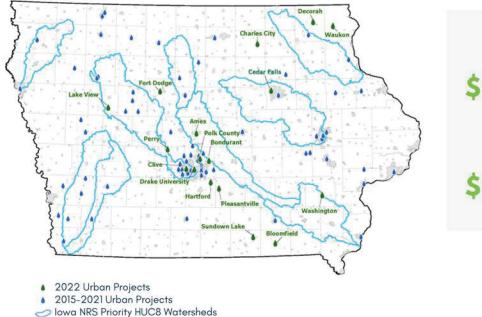
Note: Summary is the total amount received since the start of the WQI and directly tied to WQI activities. Many of these projects are multi-year and are in various stages of their project term. These totals do not include investments made by individual farmers or landowners.

2022 WQI PLANNING, DEVELOPMENT AND IMPLEMENTATION PROJECTS



2022 URBAN CONSERVATION PROJECTS

Urban conservation practices capture storm water and allow it to soak into the soil instead of running off the surface, reducing the property's contribution to water quality degradation, stream flows and flooding.





CROP INSURANCE DISCOUNT PROGRAM BECOMES MODEL FOR OTHERS

The Crop Insurance Discount Program is jointly administered by the Iowa Department of Agriculture and Land Stewardship and United States Department of Agriculture (USDA) Risk Management Agency (RMA). Eligible lowa farmers and landowners can receive a \$5 per acre discount on spring crop insurance premiums for cover crop acres located within lowa. To qualify, the cover crop acres cannot be enrolled in other state or federal cost share programs. The window to apply opens annually in early December and remains open into mid-January. Interest in the program continues to grow with new farmers and fields joining each year. To date, approximately 2,000 farmers have enrolled nearly 1 million acres of cover crops in the program. Iowa's program has also served as a model for other states, including Illinois, Wisconsin and Indiana.



COVER CROP INSURANCE DISCOUNT PROGRAM HIGHLIGHTS

910 FARMERS & 300k

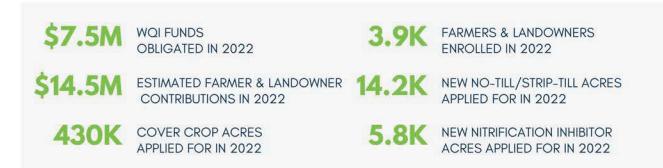
COVER CROP ACRES ENROLLED IN 2022



WQI FUNDS OBLIGATED FOR COVER CROPS IN 2022

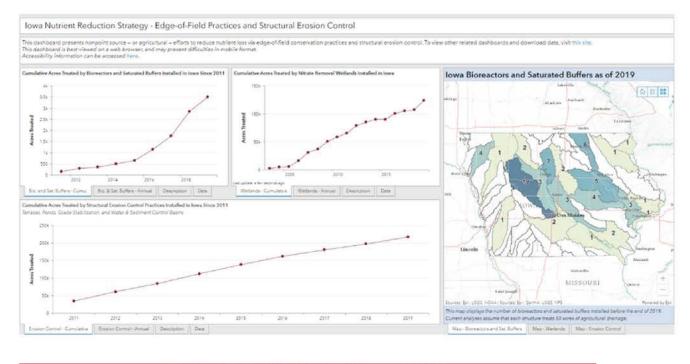
STATEWIDE COST SHARE FOR IN-FIELD CONSERVATION PRACTICES

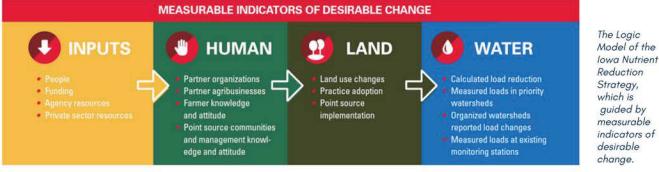
Each summer, the Department encourages farmers and landowners to enroll in the WQI cost share program and adopt in-field conservation practices that improve soil health and water quality, including cover crops, no-till/strip-till practices and nitrification inhibitors. Since this initiative began, nearly 17,000 farmers and landowners have enrolled more than 1.6 million acres of cover crops in this WQI program.



ONLINE REPORTING DASHBOARD

The Iowa Department of Agriculture and Land Stewardship, Iowa Department of Natural Resources and Iowa State University launched an online dashboard to improve the Iowa Nutrient Reduction Strategy's reporting process in 2021. The online dashboard uses visual reporting tools, including charts, graphs and maps to share the data. The online dashboard will be updated regularly as data is collected from a variety of sources and partners. Each update will focus on one of the "measurable indicators of desirable change" — inputs, human, land and water that guide the Nutrient Reduction Strategy. The online dashboard is available at <u>instracking.cals.iastate.edu</u>.





PARTNERS IN MEASURING PROGRESS

The Department is working alongside hundreds of public and private partners to execute the lowa Nutrient Reduction Strategy. This includes federal agencies, private businesses, individual landowners, farmer-led organizations, community groups and local municipalities. Private partners provide significant financial assistance to help leverage state funding and additional technical resources to support farmers and landowners at the local level. The success of these partnership projects has allowed the state to secure additional federal funding to further scale-up conservation efforts. Working together, lowans are adding more conservation practices at a significantly faster rate and much more cost-effectively today than when the WQI began in 2013.

PARTNERSHIP SUCCESS STORIES

BATCH AND BUILD MODEL HELPS ACCELERATE CONSTRUCTION

The framework to streamline and scale-up the adoption of saturated buffers and denitrifying bioreactors by simplifying the financing and construction process for landowners has been coined "batch and build." The success of the batch and build pilot in central lowa has led to interest in replicating the model in other parts of the state. There are currently more than 10 batch and build projects under construction or in development statewide with approximately 150 saturated buffers and bioreactors in development across the state.



Polk Co. Batch & Build 28E SWCD Counties Beaver Creek

Story County Batch & Build

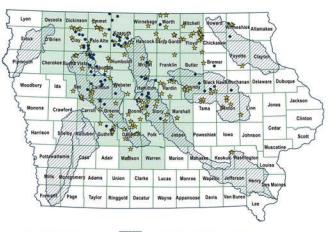


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PARTNERSHIP SUCCESS STORIES

SCALING-UP THE DEVELOPMENT OF WETLANDS

Water quality wetlands have been an important practice in the lowa Nutrient Reduction Strategy since the strategy's inception a decade ago. With dedicated funding for water quality infrastructure through 2039 and the assistance of many partners, the lowa Department of Agriculture and Land Stewardship is working to increase the number of completed wetlands on an annual basis. With a short-term goal of completing 30 wetland projects each year, 11 wetlands were constructed in 2022 and 72 more are in the development process. The Department is always looking for more sites and interested landowners and is actively recruiting additional partners.



Completed (129) In Progress (72) Priority HUC8 Watersheds CREP Eligible Counties



PUBLIC-PRIVATE PARTNERSHIP GETS MORE ACRES COVERED

The Iowa Department of Agriculture and Land Stewardship partnered with Polk County, the City of Des Moines and Des Moines Water Works to increase the adoption of cover crops in the Des Moines River and Raccoon River watersheds. As part of the project, Polk County purchased equipment used to seed cover crops into fields and Heartland Co-op operated and maintained the seeder. The Department provides financial support based on the number of acres planted. The high-clearance equipment allows cover crops to be seeded into standing crops, providing for a wider seeding window for establishment. Cover crops are a proven practice that protects soil and improves water quality.

