

# FACT SHEET: GUIDE TO COVER CROP INITIATIVES IN IOWA



Cover crops are an important tool for building soil health and protecting Iowa's watersheds. In 2019, the average cost to implement cover crops was \$37 per acre.<sup>1</sup> State, federal, and private programs offer technical and financial assistance to assist farmers and landowners interested in cover crops.

## COST-SHARE OPPORTUNITIES: STATE INITIATIVES

### Iowa Department of Agriculture and Land Stewardship

The Iowa Department of Agriculture and Land Stewardship (IDALS) provides a statewide cover crop cost-share program. The rate is \$25 per acre for first-time users and \$15 per acre for repeat users.<sup>2</sup> The program is capped at 160 acres per producer. Registration for this program can be completed at a local Soil and Water Conservation District office, which is located in a U.S. Department of Agriculture (USDA) Service Center. Applications are typically accepted late May through July. Acres currently enrolled in the program are not eligible for federal cost-share dollars.

### Water quality initiative projects

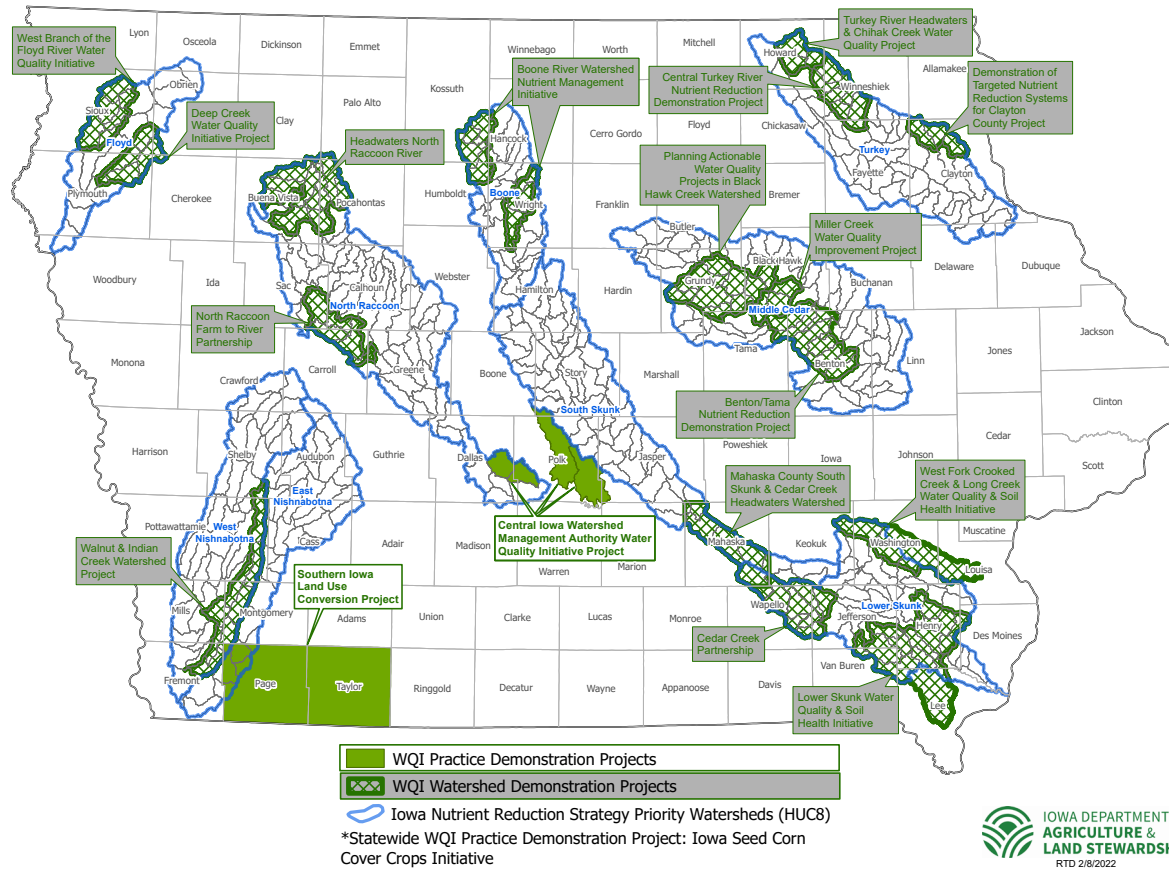
IDALS and the Iowa Department of Natural Resources have designated priority watersheds across the state. See Figure 1 on page 2. Within those watersheds are water quality initiative projects overseen by a watershed coordinator and most often located in the Soil and Water Conservation District office. These projects have designated cost-share funds for landowners and farmers implementing cover crops. The cost-share amount varies from \$10 to \$30 per acre, with most at \$25 per acre. Acres currently enrolled in the program are not eligible for federal cost-share dollars.

## Sources

- 1 Myers, Rob, et al. "Creating a Baseline for Cover Crop Costs and Returns." Sustainable Agriculture Research and Education, 2019, [sare.org/Learning-Center/Bulletins/Cover-Crop-Economics/Text-Version-of-Cover-Crop-Economics/How-to-Get-a-Faster-Return-from-Cover-Crops/Creating-a-Baseline-for-Cover-Crop-Costs-and>Returns](https://sare.org/Learning-Center/Bulletins/Cover-Crop-Economics/Text-Version-of-Cover-Crop-Economics/How-to-Get-a-Faster-Return-from-Cover-Crops/Creating-a-Baseline-for-Cover-Crop-Costs-and>Returns). Accessed August 2022.
- 2 "Cost Share Programs Available to Help Farmers and Landowners Adopt Cover Crops." Iowa Department of Agriculture and Land Stewardship, May 19, 2021, [iowaagriculture.gov/news/clean-water-starts-here-pfi-cover-crop-cost-share-programs](https://iowaagriculture.gov/news/clean-water-starts-here-pfi-cover-crop-cost-share-programs). Accessed August 2022.



FIGURE 1. IOWA WATERSHED AND PRACTICE DEMONSTRATION PROJECTS



Courtesy of Matt McDonald, Iowa Department of Agriculture and Land Stewardship

## COST-SHARE OPPORTUNITIES: FEDERAL INITIATIVES

### Natural Resources Conservation Service

The USDA Natural Resources Conservation Service (NRCS) has two financial assistance programs for cover crop implementation: the Environmental Quality Incentives Program (EQIP) and the Conservation Stewardship Program (CSP).

EQIP offers:

- \$34.68 per acre for basic cover crop
- \$42.45 per acre for multispecies cover crop
- \$23.02 per acre for winter kill species, such as oats

CSP offers:

- \$6.94 per acre for basic cover crop
- \$8.49 per acre for multispecies cover crop
- \$4.60 per acre for winter kill species<sup>3</sup>

Applications for EQIP and CSP are accepted on a continuous basis at local NRCS offices. The cutoff date for ranking applications occurs each spring and fall. EQIP provides three-year contracts for planting cover crops, while CSP contracts last five years and must include additional conservation practices as part of a whole-farm plan.

Cover crop acres enrolled in EQIP or CSP are not eligible for state cost-share dollars.

Sources, continued

3 "Iowa Payment Schedules." U.S. Department of Agriculture, Natural Resources Conservation Service, [nrcs.usda.gov/conservation-basics/conservation-by-state/iowa/iowa-payment-schedule](https://nrcs.usda.gov/conservation-basics/conservation-by-state/iowa/iowa-payment-schedule). Accessed August 2022.



## COST-SHARE OPPORTUNITIES: INDUSTRY INITIATIVES

### Practical Farmers of Iowa

Practical Farmers of Iowa offers financial and technical assistance for Iowa producers seeding fall cover crops. The program offers \$10 per acre on an unlimited number of acres. These funds can be used in addition to any publicly funded government cost-share program.<sup>4</sup>

To learn more and determine your eligibility, visit [practicalfarmers.org/cover-crop-cost-share](https://practicalfarmers.org/cover-crop-cost-share).

### Iowa Seed Association

The Iowa Seed Corn Cover Crops Initiative was developed by the Iowa Seed Association in conjunction with the Agribusiness Association of Iowa, Iowa Farm Bureau Federation, and Iowa Corn.

Producers growing seed corn for eligible companies can receive a payment of \$15 per acre for winter-hardy cover crops and \$10 per acre for non-winter-hardy cover crops, with an additional \$5 per acre for first-time cover crop users. There is no acreage cap for this program. Acres currently enrolled in this program are not eligible for federal cost-share. Applications are accepted on a continual basis at [sustainableseedcorn.org](https://sustainableseedcorn.org).<sup>5</sup>

## COVER CROPS AND CROP INSURANCE

### Crop Insurance Premium Discounts

Citing the benefits of cover crops, some insurance providers are offering a crop insurance premium discount as an additional incentive for producers planting cover crops. The USDA Risk Management Agency (RMA) defines a cover crop as a grass, legume, or forb generally recognized by agricultural experts as agronomically sound for erosion control or other purposes related to conservation and soil health.<sup>6</sup>

### Iowa Department of Agriculture

Producers and landowners who plant cover crops and are not enrolled in a state or federal cost-share program are eligible for a \$5 discount on their crop insurance premiums for the following spring. This program is administered by IDALS and RMA. The application period is typically from October through January at [apply.cleanwateriowa.org](https://apply.cleanwateriowa.org).<sup>7</sup>

### Pandemic Cover Crop Program

In 2021 and 2022, the RMA offered farmers an additional \$5-per-acre discount on crop insurance via the Pandemic Cover Crop Program. After reporting their cover crop acres to the Farm Service Agency (FSA) by a set acreage reporting date, producers automatically saw the discount reflected on their crop insurance premiums. The program, which can be used in combination with state-offered crop insurance discounts, has not yet been announced for 2023.<sup>8</sup>

Sources, continued

4 "Cover Crop Cost-Share." Practical Farmers of Iowa, [practicalfarmers.org/cover-crop-cost-share](https://practicalfarmers.org/cover-crop-cost-share). Accessed August 2022.

5 "Iowa Seed Corn Cover Crop Initiative, Grower Resources." Iowa Seed Association, [sustainableseedcorn.org/grower-resources](https://sustainableseedcorn.org/grower-resources). Accessed May 2022.

6 "Plant Cover Crops and Insure Your Cash Crops." U.S. Department of Agriculture, Risk Management Agency, February 2020, [rma.usda.gov/-/media/RMA/Cover-Crops/202002-NRCSRMA-CoverCrop-Brochure-Letter.ashx?la=en](https://rma.usda.gov/-/media/RMA/Cover-Crops/202002-NRCSRMA-CoverCrop-Brochure-Letter.ashx?la=en). Accessed August 2022.

7 "Crop insurance discount available for planting cover crops in Iowa." Iowa Farm Bureau, Oct. 7, 2019, [iowafarmbureau.com/Article/Crop-insurance-discount-available-for-planting-cover-crops-in-iowa](https://iowafarmbureau.com/Article/Crop-insurance-discount-available-for-planting-cover-crops-in-iowa). Accessed August 2022.

8 "Pandemic Cover Crop Program." U.S. Department of Agriculture, [farmers.gov/coronavirus/pandemic-assistance/pccp](https://farmers.gov/coronavirus/pandemic-assistance/pccp). Accessed August 2022.



# COVER CROPS AND CROP INSURANCE: WHAT YOU NEED TO KNOW

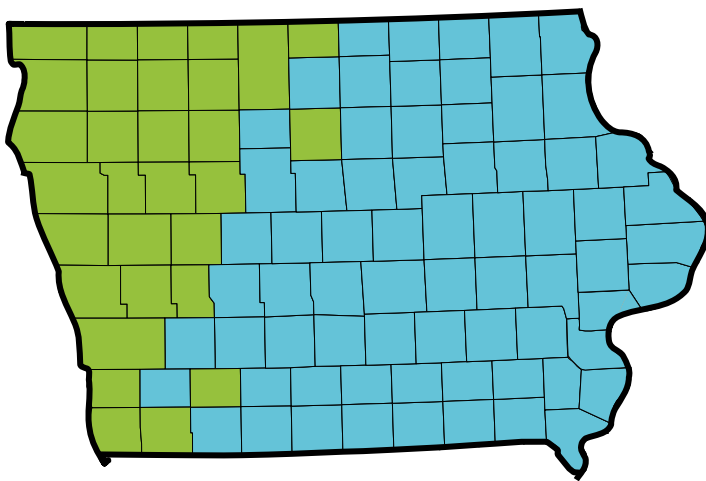
## Termination

To maintain coverage, producers are required to follow Good Farming Practice determinations as set by RMA, specifically terminating cover crops in accordance with NRCS Cover Crop Guidelines.<sup>9</sup>

Together with RMA and FSA, NRCS developed the termination guidelines to provide simple and consistent requirements for producers planting cover crops. By following these guidelines, producers can be confident their cover crop will be considered a Good Farming Practice and the subsequent cash crop will be insured.

Producers looking to terminate cover crops outside of these guidelines must consult an agricultural expert as defined in the Good Farming Practice Determination Standards Handbook. A cover crop can be terminated by any means.

FIGURE 2. IOWA COVER CROP TERMINATION ZONES (NON-IRRIGATED)<sup>10</sup>



- Zone 3: Terminated cover crop at or before planting, except for RMA Summerfallow Practice
- Zone 4: Terminated cover crop before crop emergence

NRCS Cover Crop Termination Guidelines, Version 4, June 2019



## Reporting

Similar to cash crops, cover crop acres must be reported on form FSA-578, which documents all of a producer's crops and their intended uses. For fall-planted cover crops, the reporting deadline is March 15 of the following spring.

Cover crops planted after the March 15 deadline need to be reported by May 31. All cover crops reported to FSA must match those reported for crop insurance policies.



Sources, continued

<sup>9</sup> "Good Farming Practice Determination Standards Handbook." U.S. Department of Agriculture, Federal Crop Insurance Corporation, and Risk Management Agency, July 2020, [rma.usda.gov/-/media/RMA/Handbooks/Program-Administration--14000/Good-Farming-Practice/2021-14060-Good-Farming-Practice-Determination-Standards](https://rma.usda.gov/-/media/RMA/Handbooks/Program-Administration--14000/Good-Farming-Practice/2021-14060-Good-Farming-Practice-Determination-Standards). Accessed August 2022.

<sup>10</sup> Iowa cover crops on irrigated land should be terminated before the planted crop emerges.

