

## FACT SHEET:

# GUIDE TO COVER CROP COST-SHARE IN IOWA

Cover crops are important for building soil health and protecting Iowa's watersheds. The average cost is \$37 per acre to implement cover crops.<sup>1</sup> To assist farmers and landowners interested in implementing cover crops, there are many state and federal programs available that not only provide technical assistance, they also provide financial assistance for implementation.

## Iowa Department of Agriculture and Land Stewardship

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

## Natural Resources Conservation Service

The Natural Resources Conservation Service (NRCS) has two financial assistance programs for cover crop implementation, the Environmental Quality Incentive Program and the Conservation Stewardship Program.

The Environmental Quality Incentives Program (EQIP)<sup>3</sup> offers:

- Basic payment of \$29.82 per acre,
- \$35.65 per acre for multispecies cover crop, and
- \$17.60 per acre for winter kill species, like oats.

Applications for EQIP are accepted on a continuous basis at your local NRCS office. However, each location has a cutoff date for ranking applications, the first of which is mid-March.

Under EQIP, three-year contracts are awarded for cover crops.

The Conservation Stewardship Program (CSP)<sup>4</sup> offers:

- Basic payment of \$8.45 per acre, with an enhancement payment of \$7.90 to \$14.59,
- Multispecies payment of \$9.88 per acre, with an enhancement payment of \$10.76 to \$14.59, and
- Winterkill cover crop species payment of \$4.80 per acre, with an enhancement payment of \$7.90 to \$10.76.

NRCS accepts applications for CSP on a continuous basis throughout the year. They announce signup cutoff deadlines as funds become available. For 2020, the first application cutoff date for new contracts is May 29, 2020, and March 20, 2020, for renewals.<sup>5</sup>

CSP awards five-year contracts that must be combined with other conservation practices, based on the resource concerns of your land and your goals.

Acres currently enrolled in either of the federal programs are not eligible for state-level cost-share dollars.

## Sources

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2 "Crop Insurance Discounts Available for Farmers Who Plant Cover Crops." Iowa Department of Agriculture and Land Stewardship, Sept. 30, 2019, [iowaagriculture.gov/news/crop-insurance-discounts-available-farmers-who-plant-cover-crops](http://iowaagriculture.gov/news/crop-insurance-discounts-available-farmers-who-plant-cover-crops). Accessed May 2020.

3 "Environmental Quality Incentives Program." Natural Resources Conservation Service Iowa, U.S. Department of Agriculture, [nrcs.usda.gov/wps/portal/nrcs/ia/programs/financial/eqip/](http://nrcs.usda.gov/wps/portal/nrcs/ia/programs/financial/eqip/). Accessed May 2020.

4 "Conservation Stewardship Program." Natural Resources Conservation Service Iowa, U.S. Department of Agriculture, [nrcs.usda.gov/wps/portal/nrcs/ia/programs/financial/csp/](http://nrcs.usda.gov/wps/portal/nrcs/ia/programs/financial/csp/). Accessed May 2020.

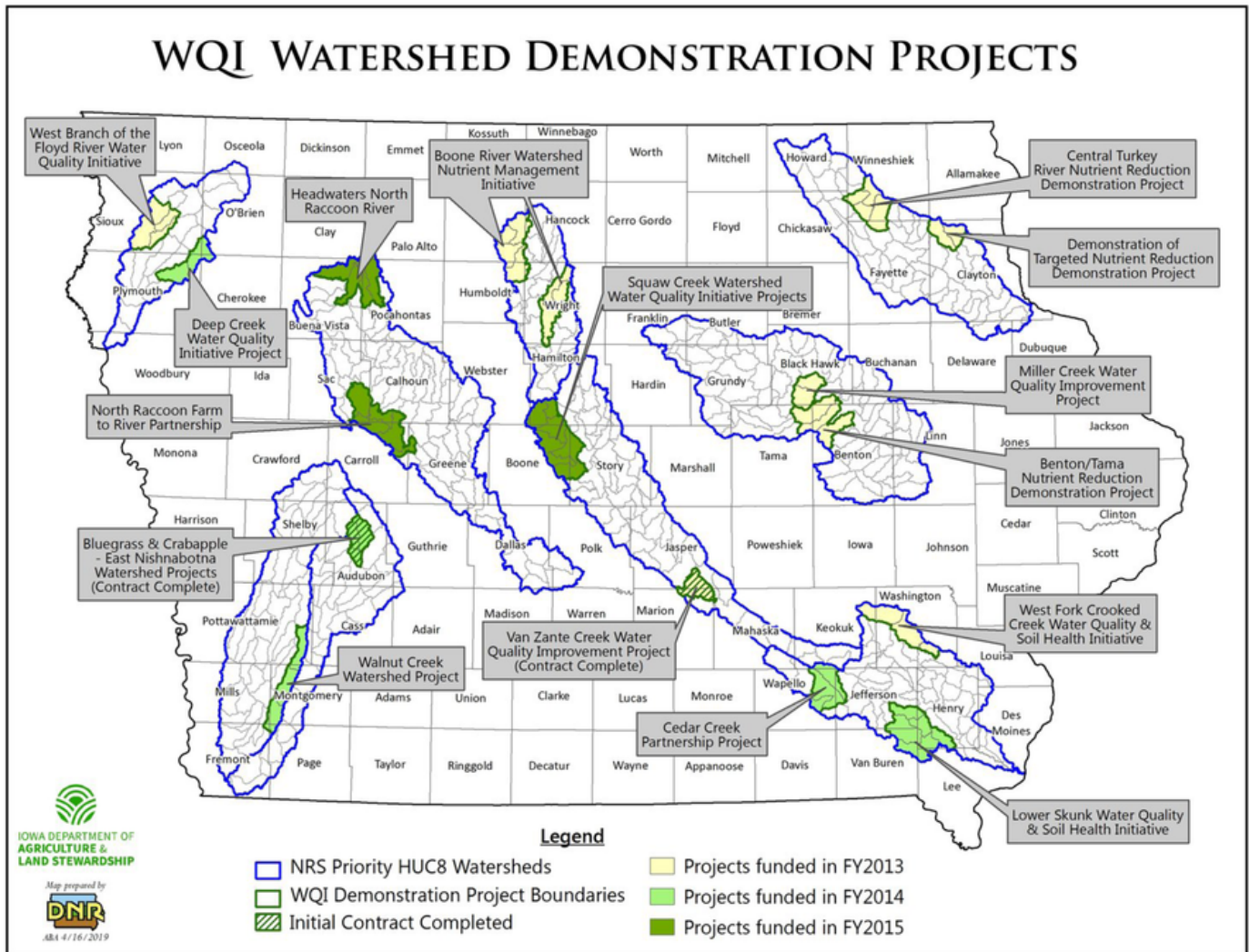
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## Water Quality Initiative Projects

The Iowa Department of Agriculture and Land Stewardship and the Department of Natural Resources have designated priority watersheds across the state. Within these priority watersheds are projects called Water Quality Initiative Projects, which are overseen by a watershed coordinator, most often located in the Soil and Water Conservation District office. These projects have designated cost-share funds for landowners and farmers in the watershed who are implementing cover crops. The cost-share for designated watersheds is \$25 per acre, with a 160-acre limit. Applications are typically available May through late July. Acres currently enrolled in this state level program are not eligible for federal-level cost-share dollars.

FIGURE 1: WATER QUALITY INITIATIVE PROJECTS IN IOWA



Map courtesy of the Iowa Department of Agriculture and Land Stewardship.



## Industry-based initiatives

Practical Farmers of Iowa is working with two industry partners to implement financial assistance programs for cover crop implementation to improve sustainability in their supply chains. Both programs are open and accepting applications on a rolling basis for cover crops planted this fall.

The first of those companies is Archer Daniels Midland (ADM)/Unilever in Des Moines. Producers who sell soybeans to the ADM Des Moines supply chain qualify for the Sustainable Soy Program. The incentive for first-time cover crop implementation is \$40 per acre, for up to 40 acres. For those who have implemented cover crops before, the payment is \$10 per acre, with an acreage cap of 160 acres or 10 percent of the total acres farmed, whichever is larger.<sup>6</sup>

The other program—the Low Carbon Corn Program—is sponsored by PepsiCo/Cargill. Producers who sell corn directly to Cargill in Eddyville are eligible for this program. The incentive for first-time cover crop implementation is \$40 per acre, for up to 40 acres. For those who have implemented cover crops before, the payment is \$10 per acre, and there is an acreage cap of 160 acres or 10 percent of the total acres farmed, whichever is larger.<sup>7</sup>

## Crop insurance discount

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 jointly by the Iowa Department of Agriculture and Land Stewardship and U.S. Department of Agriculture Risk Management Agency. The application period is typically from October through January at [apply.cleanwateriowa.org](http://apply.cleanwateriowa.org).<sup>9</sup>

Interested participants in either of these programs can apply at [practicalfarmers.org/programs/cover-crops/cover-crop-cost-share-programs/](http://practicalfarmers.org/programs/cover-crops/cover-crop-cost-share-programs/). By participating in this program, you are still eligible to receive state or federal cost-share in addition.

The Iowa Seed Corn Cover Crops Initiative is a project 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 the following companies are eligible: AgReliant Genetics, LLC; Beck's Hybrids; Cornelius Seed Corn Company; DuPont Pioneer; Gro Alliance, LLC; Monsanto; Mycogen Seeds; Remington Seeds; and Syngenta. The incentive payment rates are \$15 per acre for winter hardy cover crops, \$10 per acre for non-winter hardy cover crops, with an additional \$5 per acre for first-time cover crop users.<sup>8</sup> There is no acreage cap for this program. Acres currently enrolled in this state-level program are not eligible for federal-level cost-share dollars. Applications are accepted on a continual basis at [sustainableseedcorn.org](http://sustainableseedcorn.org).



## Sources

6 "New cover crop cost-share program." FarmProgress, March 19, 2018, [farmprogress.com/conservation/new-cover-crop-cost-share-program](http://farmprogress.com/conservation/new-cover-crop-cost-share-program). Accessed May 2020.

7 "PepsiCo/Cargill Low Carbon Corn Program." Practical Farmers of Iowa, 2018, [practicalfarmers.org/wp-content/uploads/previous/2018/04/Pepsi-Cargill-2018-V4.pdf](http://practicalfarmers.org/wp-content/uploads/previous/2018/04/Pepsi-Cargill-2018-V4.pdf). Accessed May 2020.

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9 "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](http://iowafarmbureau.com/Article/Crop-insurance-discount-available-for-planting-cover-crops-in-iowa). Accessed May 2020.

