

Example 1
350 Acre Grain Farm
Tier II

200 Acres – Irrigated Cropland

150 Acres – Non-Irrigated Cropland

Stewardship Payment

- 200 Acres of Irrigated Cropland
 - \$3.80/acre x 200 acres = \$760
 - \$760.00/yr. x 10 years = \$7,600
- 150 Acres of Non-Irrigated Cropland
 - \$2.20/acre x 150 acres = \$330
 - \$330.00/ yr. x 10 years = \$3,300
- Total Stewardship Payment for a 10 Year Contract = \$10,900

Existing Practice Payment

- 200 Acres of Irrigated Cropland
 - $\$0.95/\text{acre} \times 200 \text{ acres} = \190
 - $\$190.00/\text{yr.} \times 10 \text{ years} = \$1,900$
- 150 Acres of Non-Irrigated Cropland
 - $\$0.55/\text{acre} \times 150 \text{ acres} = \83
 - $\$82.50/\text{ yr.} \times 10 \text{ years} = \830
- Total Existing Practice Payment for a 10 Year Contract = \$2,730

Existing Benchmark Enhancements

- Existing Benchmark Enhancements are paid on a declining scale as follows:
 - 1st Year = 150%
 - 2nd Year = 90%
 - 3rd Year = 70%
 - 4th Year = 50%
 - 5th Year = 30%
 - 6th Year = 10%
 - Remaining Years = 0%

Existing Benchmark Enhancements

- This declining scale is intended to provide contract capacity to add additional enhancements in the out-years and to encourage participants to make continuous improvements to their operations.

Existing Benchmark Enhancements

■ Nutrient Management Component

- Use Split applications, or use banding, side-dress or injection equipment to apply all nitrogen fertilizers
- 350 acres x \$3.00 = \$1,050/yr.
- \$1,050.00 x 150% = \$1,575 /1st year
- \$1,050.00 x 90% = \$945 /2nd year
- \$1,050.00 x 70% = \$735 /3rd year
- \$1,050.00 x 50% = \$525 /4th year
- \$1,050.00 x 30% = \$315 /5th year
- \$1,050.00 x 10% = \$105 /6th year
- Total Payment = \$4,200

Existing Benchmark Enhancements

■ Nutrient Management Component

- Manage nutrient applications according to individual field soil test results or plant tissue tests.
- \$1,000.00 per year
- $\$1,000.00 \times 150\% = 1,500$ /1st year
- $\$1,000.00 \times 90\% = \900 /2nd year
- $\$1,000.00 \times 70\% = \700 /3rd year
- $\$1,000.00 \times 50\% = \500 /4th year
- $\$1,000.00 \times 30\% = \300 /5th year
- $\$1,000.00 \times 10\% = \100 /6th/year
- Total Payment = \$4,000

Existing Benchmark Enhancements

■ Water Management Component

- Irrigation Enhancement Index- 85% or greater
- 200 acres x \$12.00/acre = \$2,400.00/year
- \$2,400.00 x 150% = \$3,600 /1st year
- \$2,400.00 x 90% = \$2,160 /2nd year
- \$2,400.00 x 70% = \$1,680 /3rd year
- \$2,400.00 x 50% = 1,200 /4th year
- \$2,400.00 x 30% = \$720 /5th year
- \$2,400.00x 10% = \$240 /6th year
- Total Payment = \$9,600

Summarize

- Total Stewardship Payment for a 10 Year Contract = \$10,900
- Total Existing Practice Payment for a 10 Year Contract = \$2,730
- Total Existing Benchmark Payment for a 10 Year Contract = \$17,800
- Total for a 10 Year Contract = \$31,430

New Enhancements

- Additional Enhancements will be paid at a flat rate of 100 percent.
- Let's Look at a Few Examples

New Enhancements

■ Energy Management Component

- Recycle all used motor oil for tractors and lubricating oil for other farm equipment (irrigation pumps, grain drying motors, etc)
- \$200 /yr. x 10 years = \$2,000

New Enhancements

- Energy Management Component

- Energy Audit = \$500 (one only)

New Enhancements

■ Energy Management Component

– Renewable energy generation (solar, wind, water, geothermal, methane)
\$2.50/100 KWH

– 50,000 KWH/year x \$2.50/100 = \$1,250

– \$1,250/yr. x 10 years = \$12,500

New Enhancements

■ Air Resources Component

- Use continuous no-till or strip till equipment to plant 100% of crop acreage
- \$5 /acre x 350 acres = \$1,750
- \$1,750 /yr. x 10 years = \$17,500

New Enhancements

- Nutrient Management Component
 - Meet the Advanced Nutrient Management Standard (NJ-590-A)
 - 350 acres x \$15 /acre = \$5,250 /year
 - \$5,250/year x 10 years = \$52,500

New Enhancements

■ Pest Management Component

- Meet the Advance Pest Management Standard (NJ-595-A) on grain crops
- 350 acres x \$14 /acre = \$4,900 /year
- \$4,900 /year x 10 years = \$49,000

Summarize

- Total Contract Payments for the 1st YEAR
- Stewardship Payment = \$1,090
- Existing Practice Payment = \$273
- Benchmark Enhancements = \$6,675
- New Enhancements = \$13,850
- Total Payment: \$21,888

Summarize

- Total Contract Payments for a 10 Year Contract
- Stewardship Payment = \$10,900
- Existing Practice Payment = \$2,730
- Benchmark Enhancement Payments = \$17,800
- Additional Enhancement Payments = \$134,000
- Total Contract Payments = \$165,430

Example 2
150 Acre Farm
Tier II

50 Acres – Irrigated Cropland

50 Acres – Non-Irrigated Cropland

50 Acres - Pastureland

Stewardship Payment

- 50 Acres of Irrigated Cropland
 - \$3.80/acre x 50 acres = \$190
 - \$190.00/yr. x 10 years = \$1,900
- 50 Acres of Non-Irrigated Cropland
 - \$2.20/acre x 50 acres = \$110
 - \$110.00/ yr. x 10 years = \$1,100
- 50 Acres of Pastureland
 - \$1.05/acre x 50 acres = \$53
 - \$52.50/yr. x 10 years = \$530
- Total Stewardship Payment for a 10 Year Contract = \$3,530

Existing Practice Payment

- 50 Acres of Irrigated Cropland
 - $\$0.95/\text{acre} \times 50 \text{ acres} = \48
 - $\$47.50/\text{yr.} \times 10 \text{ years} = \475
- 50 Acres of Non-Irrigated Cropland
 - $\$0.55/\text{acre} \times 50 \text{ acres} = \28
 - $\$27.50/\text{yr.} \times 10 \text{ years} = \275
- 50 Acres of Pastureland
 - $\$0.26/\text{acre} \times 50 \text{ acres} = \13
 - $\$13.00/\text{yr.} \times 10 \text{ years} = \130
- Total Existing Practice Payment for a 10 Year Contract = \$890

Existing Benchmark Enhancements

■ Nutrient Management Component

- Use Split applications, or use banding, side-dress or injection equipment to apply all nitrogen fertilizers
- 100 acres x \$3.00 = \$300 /yr.
- \$300.00 x 150% = \$450 /1st year
- \$300.00 x 90% = \$270 /2nd year
- \$300.00 x 70% = \$210 /3rd year
- \$300.00 x 50% = \$150 /4th year
- \$300.00 x 30% = \$90 /5th year
- \$300.00 x 10% = \$30 /6th year
- Total Payment = \$1,200

Existing Benchmark Enhancements

■ Nutrient Management Component

- Manage nutrient applications according to individual field soil test results or plant tissue tests.
- \$1,000.00 per year
- $\$1,000.00 \times 150\% = 1,500$ /1st year
- $\$1,000.00 \times 90\% = \900 /2nd year
- $\$1,000.00 \times 70\% = \700 /3rd year
- $\$1,000.00 \times 50\% = \500 /4th year
- $\$1,000.00 \times 30\% = \300 /5th year
- $\$1,000.00 \times 10\% = \100 /6th/year
- Total Payment = \$4,000

Existing Benchmark Enhancements

■ Water Management Component

- Irrigation Enhancement Index- 85% or greater
- 50 acres x \$12.00/acre = \$600.00/year
- \$600.00 x 150% = \$900 /1st year
- \$600.00 x 90% = \$540 /2nd year
- \$600.00 x 70% = \$420 /3rd year
- \$600.00 x 50% = \$300 /4th year
- \$600.00 x 30% = \$180 /5th year
- \$600.00x 10% = \$60 /6th year
- Total Payment = \$2,400

Existing Benchmark Enhancements

■ Air Resource Component

- Manage windbreaks at 60% density or greater to reduce spray drift
- 2000 ft. x \$1.00/ft. = \$2,000
- \$2,000.00 x 150% = \$3,000 /1st year
- \$2,000.00 x 90% = \$1,800 /2nd year
- \$2,000.00 x 70% = \$1,400 /3rd year
- \$2,000.00 x 50% = \$1,000 /4th year
- \$2,000.00 x 30% = \$600. /5th year
- \$2,000.00 x 10% = \$200 /6th year
- Total Payment = \$8,000

New Enhancements

■ Energy Management Component

- Use of renewable energy fuel. Payments are made in \$25 increments for each 100 gallons actual biofuel used per year
- 20 – 100 gal x \$25/per 100 = \$500
- \$500.00/year x 10 years = \$5,000

New Enhancements

■ Grazing Resources Management

- Manage pasture systems so that clover or other legumes are maintained in the pasture without tillage.
- 50 acres x \$100.00/acre = \$5,000
- \$5,000/year x 10 years = \$50,000

New Enhancements

- Grazing Resources Management
 - Manage access to riparian areas through proper fencing
 - 3,000 ft. x \$1.00/ft. = \$3,000
 - \$3,000.00/year x 10 years = \$30,000

Summarize

- Total Contract Payments for the 1st YEAR
- Stewardship Payment = \$353
- Existing Practice Payment = \$89
- Benchmark Enhancements = \$5,850
- New Enhancements = \$8,500
- Total Payment: \$14,792

Summarize

- Total Contract Payments for a 10 Year Contract
- Stewardship Payment = \$3,530
- Existing Practice Payment = \$890
- Benchmark Enhancement Payments = \$15,600
- Additional Enhancement Payments = \$85,000
- Total Contract Payments = \$105,020