

Nitrogen Reduction Incentive Act

Background

LB 1368 (2024) established the Nitrogen Reduction Incentive Act (NiRIA), Neb. Rev. Stat. §§ 2-411 to 2-417, a state program to provide incentives to producers for reducing the use of commercial fertilizers. The requirements of NiRIA are that producers verify a reduction in nitrogen fertilizer application rates as the lesser of 40 pounds per acre or 15% of their baseline application rate.

The Department of Natural Resources (Department) in partnership with local Natural Resources Districts (NRDs) and input from producers and commercial entities have developed this guidance document to define target areas and criteria for this new program. This guidance document will be reviewed annually to determine if program modifications are necessary.

NiRIA will be operative beginning with the 2025 growing season and is scheduled to terminate on December 31, 2029. Total funding currently available for the program is capped at \$1 million.

Priority Areas and Incentive Payments

The Department and NRDs have determined the program will operate under three priority areas (Figure 1) and **will be offered to corn, sugar beet, and potato producers**. **Priority A Area** will be wellhead protection areas and phase II, or higher phase areas established by an NRD, for purposes of water quality management. **Priority B Area** will be areas throughout the state that have been certified to irrigate crops. **Priority C Areas** will be all other areas of the state, including dryland. **Contact your local NRD to know which Priority Area you are in.** *Figure 1 data is supplied by NeDNR permitted irrigated lands, wellhead protection areas, and NRD phase areas as of June 28, 2024.*

Priority A Areas: Priority A Areas represent areas of elevated nitrate levels with enhanced management including wellhead protection areas and irrigated lands in phase II or higher areas. Most of these areas currently require establishment of a producer's baseline information and data reporting to NRDs, including nitrogen application rates. NRD crop report data will be used to establish baseline nitrogen application rates for producers in these areas.

Incentive payments in Priority A Areas will be set at \$15 per acre for producers that can demonstrate a reduction in nitrogen fertilizer application rates of the lesser of 40 pounds per acre or 15% of their baseline application rate. **Under no circumstance can**

other nitrogen sources (manure, wastewater, etc.) replace the reduced commercial fertilizer.

Priority B Areas: Priority B Areas represent areas that are not in the Priority A Areas and have acres that are certified to irrigate. To be eligible for participation in NiRIA, producers in Priority B Areas will be required to establish a baseline level of nitrogen application, as established by the NRD, through one or both of the options outlined below.

Option One: Submit all the reporting data required on local NRD phase II or greater locations for the prior 3 growing seasons,

or

Option Two: Complete soil sampling, as established by the NRD, prior to the cropping season for which the incentive payment is requested.

Incentive payments in Priority B Areas will be set at \$12 per acre for producers that can demonstrate a reduction in nitrogen fertilizer application rates of the lesser of 40 pounds per acre or 15% of their baseline application rate. **Under no circumstance can other nitrogen sources (manure, wastewater, etc.) replace the reduced commercial fertilizer.**

Priority C Areas: Priority C Areas encompass all other areas of the state not captured in Priority A or B Area designations. To be eligible for participation in NiRIA producers in these areas will be required to establish a baseline level of nitrogen application, as established by the NRD, through one, or both, of options unlined in Priority B:

Incentive payments in Priority C Areas will be set at \$10 per acre for producers that can demonstrate a reduction in nitrogen fertilizer application rates of the lesser of 40 pounds per acre or 15% of their baseline application rate. **Under no circumstance can other nitrogen sources (manure, wastewater, etc.) replace the reduced commercial fertilizer.**

Approved Product(s) and Practice(s) for Program Enrollment

The method, product, or practice to achieve the nitrogen fertilizer application reduction is at the discretion of the producer, but incentive payments will not be distributed until proper documentation has been submitted, and approved, to the NRD demonstrating the necessary reduction in application rate before January 15 of the following program

year. **Producers must have completed the application process and have been approved for program participation by their local NRD to be eligible for reimbursement.**

Application and Payment

Producers participating in NiRIA must be in good standing with the local NRD rules and regulations. Producers participating will be required to file one application per field. Applications must be filed with the local NRD and receive notification that their application has been approved to be eligible to receive incentive payments. Applications are available at: <https://dnr.nebraska.gov/lb-1368-nitrogen-reduction-incentive-program> and must be submitted to your local NRD prior to January 15 of each year (or the next business day if January 15 falls on a weekend day). Contact your local NRD for submission details.

Each NRD will review and prioritize the applications based on available funding. Methods for application prioritization will be established by each NRD with applicants notified no later than March 15th whether their application has been approved or denied. A higher application ranking will be given to producers who incorporate the new innovative technology into their reduction practices. Those producers implementing new technologies must supply additional information to their NRD including the amount applied and the approved rate.

Documentation to establish the producer's baseline nitrogen application rate, practices that are planned to be used to achieve the application rate reduction, and the current year's nitrogen application rate are required on the application. Incentive payments will be made to participating producers after submitting the necessary documentation to support the decrease in nitrogen application that reflects the lesser of 40 pounds per acre or 15% of their baseline application rate to the NRD. If the producer does not provide documentation on reduction to the NRD by January 15th of the following program year, producer forfeits payment.

Steps to be eligible for NiRIA:

1. Submission of completed application for each field of interest to local NRD prior to January 15th of each program year including:
 - a. Necessary documentation to local NRD, as established by NRD, prior to planting establishing each field's baseline nitrogen application rate:
 - i. Priority A Areas will use previously reported NRD or crop report data.
 - ii. Priority B Areas will need data required on local NRD phase II or greater reports for the prior 3 growing seasons, or complete soil sampling, as established by the NRD, prior to the cropping season for which the incentive payment is requested.

- iii. Priority C Areas will need one, or both, of options unlined in Priority B Areas.
- b. Practices that are planned to be used to achieve the application rate reduction.
 2. NRD notification to producer that application has been approved or denied by March 15th of current program year and clarify needed field documentation.
 3. Prior to January 15th (or next business day if January 15th falls on a holiday or weekend) of next program year, producers must submit all necessary documentation showing the reduction of application on fields, or producer forfeits payments.
 4. If the nitrogen application rate reduction achieves the program goals (reduction equivalent to the lesser of 40 pounds or 15%), payment will be made to the producer by the NRD before January 15th of the following program year.

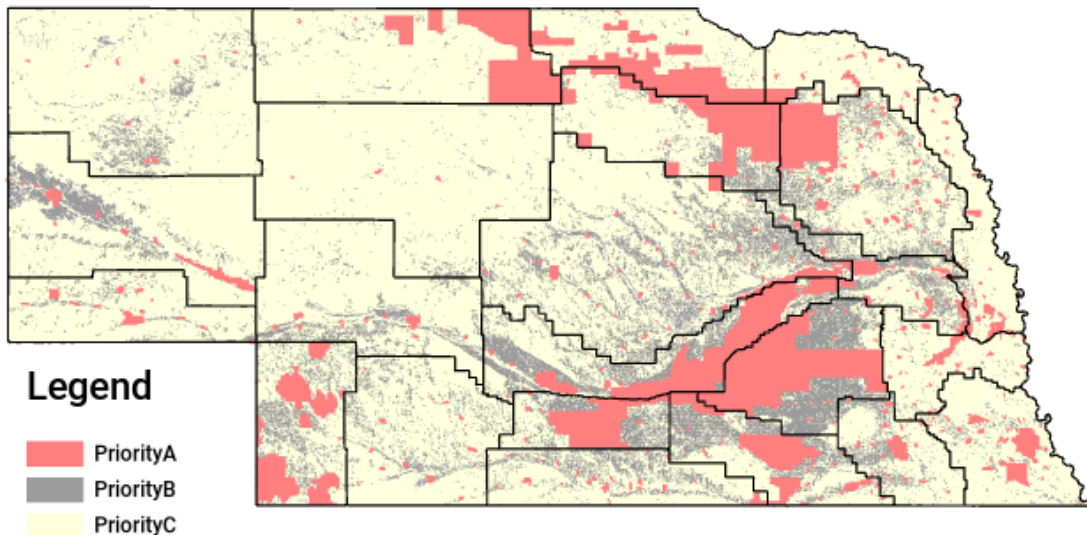


Figure 1. For general purposes only, the current distribution of Priority A, Priority B, and Priority C areas. Priority areas may be updated by each NRD through their rules and regulations. Contact your NRD for questions on which Priority Area you are in.