

Lake Champlain Phosphorus Initiative

Meeting with Many Members of the Agricultural Innovations Group

Plus Other Environmental and Public Interest Groups 9/6/13

This summary reflects a range of views expressed during a meeting to discuss a preliminary draft of the Vermont Agricultural Water Quality Excellence Program (VAWQEP) to which members of the AgInG were invited along with other environmental and public interests groups. They do not reflect the formal or public position of any one group of people, organization or coalition. All errors and omissions are the sole responsibility of EMC/CBI.

Attendees: 16

These notes and the presentations that were given will be posted on the Environmental Mediation Center's website: <http://www.emcenter.org/lake-champlain-phosphorous-pollution-initiative/>

The purpose of this meeting was to exchange information on the draft framework of a water quality incentives program. The current name of the program is the Vermont Agricultural Water Quality Excellence Program (VAWQEP). This program is designed to incentivize members of the agricultural community to implement water quality practices above and beyond baseline regulatory requirements, acknowledge and credit those best practices producers, spur innovation and attention to the important of water quality practices in the agricultural community. In addition, participants could be accorded regulatory certainty so long as their participation continues to demonstrate "above and beyond" compliance with water quality regulations.

Background of the Discussion of a Certainty Program

One year ago, the Lake Champlain Phosphorus Initiative Project began cross-sector discussions within the agricultural and the environmental communities on the concept of a Certainty Program. Such programs have been used in other states to spur improvement of water quality initiatives. The facilitators asked participants several questions about what this kind of program would look like, the value they placed in a concept such as "regulatory certainty", how would the program impact water quality projects, how it could be implemented and funded and what incentives would it need in order to appeal to participants. The responses to these questions were varied. It is also fair to say that there was skepticism expressed by both the environmental community and the agricultural community regarding such a program, and part of the difficulty in holding the discussion was the lack of a framework to show participants so they could envision the program more clearly. However, enough information was gathered to provide VAAFMM with information to use in building a preliminary framework for the VAWQEP program and the VAAFMM shared this draft version of the program with the group.

VAAFAM: Emphasized the framework was only a draft and their goal was to get feedback from participants on how to make the program successful, if enough people believed the program had enough positives in it to continue development of the framework. The specific parameters of the plan will need to be properly vetted and approved and thus the draft framework is not available for dissemination at this time. Not only will the final draft version of VAWQEP need to be approved at state and federal agency levels, but all of the third party organizations called upon to provide assistance (e.g. technical and educational) to implement the program must also have the opportunity to vet and approve the program as well. Therefore, these minutes will outline general aspects of the program without details.

The framework is seen by VAAFAM as a tool that won't compete with other mechanisms to improve water quality (e.g. enforcement actions, inspections) but would provide an incentive for excellence on farms and whole farm planning to address water quality issues throughout the farm. The most unique aspect of the program is that it looks to have nutrient balancing on farm. In addition to implementing BMPs to address specific issues, whole farm planning seeks to solve water quality issues by bringing nutrient balancing to the farm.

The program seeks to ensure an agricultural concern has addressed water quality issues in three main areas: Land use, production areas and nutrient balancing. The goal is for the farm to demonstrate that it has met and exceeded regulations for water quality improvements in each of the three main areas. As a farm demonstrates their excellence in each area, the farmer unlocks incentives and moves to the next main area for certification.

Step 1: The process starts with an application and an on-farm assessment in the three areas. The assessment looks to the whole farm and develops a plan and time line for implementation of all improvements needed in each of the three main areas.

Step 2: The farm will be provided with options for technical assistance for the improvements and will be able to determine whether funding is available from state and/or federal sources for example in grants or cost shares for a specific practice. Technical assistance can then be provided for the implementation of BMPs identified in the plan. Where a farmer has already implemented significant water quality improvements, less will be required to achieve certification in any one main area. For example, production areas are, in general, the most heavily regulated areas on farms. It is possible that fewer improvements will be needed in this main area. The farmers have noted that flexibility is important to the program as is recognition for practices already implemented. These two issues were cited often by the agriculture community in Certainty Program discussions held in the fall of 2012.

Step 3: Once improvements have been implemented in each main area, a farmer will be granted certification of compliance and unlock a series of incentives that include public recognition as well as increased opportunities for funding and technical assistance.

Step 4: Third party verification of whole farm certification. This step is seen as important for independent confirmation that the farm has achieved water quality improvement goals. Once the whole farm has been certified and verified as compliant with the program, some regulatory certainty can be achieved.

Step 5: Updates and recertification. Upon conclusion of the term for which certification has been awarded, the operator may recertify their plan. This recertification process will need to meet any new assessment elements that may have been added since the prior certification. Additionally, updates may be made to the plan due to farm operation changes or other extenuating circumstances.

Independent Review from Don Meals

Don Meals provided feedback on the draft framework and stated that this kind of program has the potential to effectively reduce nutrient runoff from participating farms. He emphasized that concentrating on watershed/basin areas would be important. The program will need lots of fine tuning. Starting in an impaired watershed first would be helpful. Timing would be important. In an impaired watershed, the faster water quality issues are addressed, the better. Could prioritize participation to the impaired or critical source areas. The verification process will be important because the producer is expected to maintain very high standards.

Feedback and Discussion from the Group

VAAF: emphasized that the program would not displace technical and financial assistance for farms that need to improve water quality practices in order to meet baseline requirements.

The AWG felt strongly that the program should not be implemented if doing so would take resources from farms who are not in compliance. This concern was echoed by the environmental/public interest community as well. Ensuring funding availability for assistance, inspections and enforcement has been a primary point made throughout these discussions.

Points of Clarification

- What happens if a producer begins the program, achieves one or more of the certifications but then decides not to complete the program. Will it work like other terminated contracts where the incentives and cost shares have to be paid back or will the producer retain the benefits achieved with the completed certifications but then not be eligible to continue on?
- What would the time frame be for achieving each step? What happens if it takes too long?
- Does a producer have to achieve certifications in any particular order?

- Could the whole farm assessment process rank the improvements needed in order of what improvements would create the best water quality improvements and could the producer have the flexibility to do those projects first?
- Could a farmer trade incentives with another farmer (development of a nutrient trading program is being explored under a separate grant).
- Where does this program fit in the overall scheme of regulatory changes? Is this a solution or a tool for another purpose?
- Discussion of the AWG recommendations to change existing water quality regulations and create baseline expectations to address water quality issues on more farms in the state. These recommendations are posted at the website.
- How will the regulations address climate change?
- How many farms would apply to this program?
- How many would be able to achieve whole farm certification? What is the cost of doing so? What is the result if they do so? What are the gains overall for the goal of improving water quality in the Lake?
- Could you incentivize more drastic changes with higher payouts? If the certification process netted a large cash payout, would you have a better end result? If you set a high bar and high standards, shouldn't you reward it with high incentives as well? Would this not create bigger incentives for farms to volunteer for the program?
- Need to see the whole package to better evaluate and determine the worth of this program.
- Experience of non-profits that work directly with farmers is that you need "boots on the ground" and technical and educational assistance in order to understand the situation on each farm, its time consuming and labor intensive. The qualified planner really has to take a lead role for the program to work and needs to be able to build trust with the producer. Farmers will welcome technical assistance and education but will turn away a state employee who might have to report issues for purposes of enforcement. How will the program balance the need to work closely with the farm and the need to ensure compliance with the plan?

- *Part of the answer is that the program requires that the farmer already be in compliance with the regulations before even getting to participate so it's a question of implementing improvements "over and above" existing compliance measures.*
- Who will conduct the third party whole farm certification verification? If they are paid by the state will it influence their work? How can the public be assured that the third party verification is independent and correct?
- Do either the baseline regs or the above and beyond regs address catastrophic storm events (e.g. 100 year flood lines)?
- How will the funding work? What are the sources of funding for the program?
- Without adequate funding the program won't get off the ground and need funding over time to achieve results.
- Would make sense if there was a multi-year plan and this was part of the plan to bring up the baseline and increase water quality improvement projects.
- Group stated they were –in general-- less opposed to a program that incorporated regulatory certainty if based on the draft framework shown but would really need to see everything all together to evaluate where it fit in and how it would help drive better water quality outcomes.