

Testimony before the Senate Finance Committee on April 21, 2015

Subject: S 49 and H 35

While I support and applaud effort to reduce phosphorus loading in our water ways, I do have a problem with one of the funding provisions that passed the House and are included slightly differently in H 49. The funding mechanism of \$15 per ton in H 35 and \$30 (maybe \$15 now) per ton in S 49 fee on non-agricultural bagged fertilizers has real unintended consequences directly counter to the efforts to reduce phosphorus getting into our waterways.

As many of you know, composted products bind phosphorus, increase water infiltration in to soil thus reducing runoff, and enhancing soil micro flora. We, as a State, are encouraging the elimination of organics in landfills as a result of Act 148. Compost products that contain a nutrient analysis label, such as MOO DOO, are required to make a nutrient claim and therefore must register tonnage and pay a current fee of \$0.25 a ton. An increase in the fee to \$15 or \$30 a ton would increase the wholesale price, currently slightly under \$3 per bag, of our bagged product by 26 or 52 cents per bag in a market that revolves around pennies. In our case, we are actually exporting phosphorus out of agriculture. Yet under the proposed fee structure, we will be paying the highest price per unit of phosphorus than commercial fertilizer suppliers. Our analysis of 1-1-1 pays the same amount as 0-46-0 which has 46 times more available phosphorus and does not have the other attributes of compost. This is totally counterproductive to the intent of the legislation!

I would like to suggest several possible alternatives:

- a. exempt non-agricultural bagged fertilizer with an analysis of under say 2-4-2 or similar amount or
- b. just say something like under *-5-* or
- c. product that contains x% compost (whatever the amount used to label as compost) i.e. 50%

While the proposed additional fee would raise the price that we wholesale our product for by 17% at \$15/ ton, the greater impact is that it is counter to the intent of the legislation. It would reward those who sell concentrated fertilizers because it is by the ton not by the nutrient content. It would have the most impact on those who are working towards the objectives of the legislation. Additionally, it would be working against the efforts directed by Act 148. There must be a better way to fund the effort than penalizing those that are in the forefront of the changes necessary.

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