

Capital Bill – Section 11 “Clean Water – AAFM Phosphorus Extraction Equipment at dairy farms”

The Agency of Administration asks the Senate Institutions Committee to reinstate the Governor’s request for \$1,600,000 to fund a grant program for phosphorus extraction equipment. (See [JFO spreadsheet](#), line 99).

The Legislature authorized grants for phosphorus extraction equipment in 2017 ([Act 77](#)). In Act 77, the Legislature amended the Agency of Agriculture’s capital equipment assistance program, 6 VSA§ 4828, to authorize grants up to \$300,000 for anaerobic digesters. The grants for phosphorus extraction equipment require a 10% match and sunset on July 1, 2023. The Agency of Agriculture’s capital equipment assistance program is an existing grant program. Application materials are available on the agency’s website: <http://agriculture.vermont.gov/ceap>.

While the Legislature authorized this project type in 2017, it did not provide funding. The administration now asks for funding.

Approximately twenty-five farms would be eligible to apply for these grants. Vermont currently has 15 farms with manure-to-methane digesters and 10 additional farms with separators that would be eligible for phosphorus extraction equipment. Since Act 77 passed last year, several of these farms have indicated interest in obtaining grants for phosphorus extraction equipment. The cost of phosphorus extraction equipment is between \$300,000 to \$400,000 per farm.

The goal of phosphorus extraction is to reduce the amount of phosphorus in the liquid by-product of anaerobic digesters and separators, so that the liquid applied back to the land is low-phosphorus. This reduces the total amount of phosphorus in the watershed, and promotes the state’s clean water goals.