



Environmental Compliance Costs of Dairy Farming in Vermont

Task Force to Revitalize the Vermont Dairy Industry 10/24/22

FMMO 1

NORTHEAST MARKETING AREA



FEDERAL ORDER 1

- ▶ Federal milk market orders set certain terms, definitions, and provisions that are common to and part of each milk marketing order.
- ▶ Milk market orders are supposed to take into account cost of production or parity. But, the costs of production contemplated are costs such as feed, not environmental costs.
- ▶ There is a location adjustment in the order to distinguish between states but it is intended to account for demand and transit costs.
- ▶ FMMO 1 does not provide any differential between states based on the varying costs of environmental compliance.

Not All States are Environmentally Equal

With Proposed Date Changes
(August 2016)

VERMONT LAKE CHAMPLAIN PHOSPHORUS TMDL PHASE 1 IMPLEMENTATION PLAN

DRAFT AUGUST 2016

Phosphorus TMDLs for Vermont Segments of Lake Champlain

August 14, 2015

U.S. Environmental Protection Agency
Region 1, New England
Boston, MA

State Agricultural Water Quality Commitments



As estimated by the previously discussed modelling efforts, agricultural nonpoint sources of phosphorus account for approximately 40% of the overall phosphorus load delivered to the Lake

from Vermont. Therefore, management efforts in this sector have the potential to contribute to significant reductions.

Lake Champlain Phosphorus TMDL
Implementation Plan

Act 64 of 2015

- Agency of Agriculture, Food and Markets (AAFM) required to amend the RAPs by rule to include new water quality measures and certification of small farms.
- Act 64 required the RAPs to address nutrient stacking/storage, soil health and loss tolerance, vegetated buffer zones, livestock exclusion, nutrient management plans, and tile drainage.
- Beginning July 1, 2017, small farms shall certify compliance with the RAPs.
- Required water quality training for operators of large, medium, and small farms.
- Required custom applicators of manure or nutrients to be trained and certified by AAFM.
- Amended AAFM's water quality enforcement authority to be more consistent with ANR authority.
- Directed AAFM and ANR to develop a MOU on how to apply the anti-degradation implementation policy to new sources of agricultural non-point source pollution.

IN ADDITION TO ALREADY EXISTING WATER QUALITY REQUIREMENTS FOR FARMS UNDER
STATE STATUTE

EPA Lake Champlain TMDL Accountability Framework

By December 30, 2016

- ▶ Required Agricultural Practices (RAP) revisions adopted with expected elements from Act 64.
- ▶ Small Farm Operation certification program rule adopted (Act 64, Sec. 3).
- ▶ Livestock exclusion incentive program in place (Act 64, Sec. 4).
- ▶ Develop matrix and small farm template for nutrient management planning.
- ▶ Develop Environmental Stewardship Incentive program in priority watersheds.
- ▶ Mandate certification of custom manure applicators (Act 64, Sec. 16).
- ▶ Develop requirements for farmer training programs (Act 64, Sec. 15).
- ▶ Revise the Agency of Natural Resources/Agency of Agriculture, Food and Markets.
- ▶ Memorandum of Understanding for the agricultural nonpoint source program.

EPA Lake Champlain TMDL Accountability Framework

By December 30, 2017

- ▶ NMP milestones completed.
- ▶ Targeted funding for agricultural BMP and Nutrient Management Plan implementation provided in Missisquoi Bay, St. Albans Bay and South Lake.
- ▶ Report to legislature on recommendations for tile drains (Act 64, Sec. 5).
- ▶ Propose amendments to RAPs to include requirements for reducing nutrient contributions from subsurface tile drainage (Act 64, Sec. 4).
- ▶ Complete education, outreach and compliance activities with farms in the Missisquoi Bay watershed as detailed in Section III, 6 in the Secretary of Agriculture, Food and Markets February 3, 2016 decision.
- ▶ Commence notification of affected farms about the Assessment and Plan process as detailed in section III, 7 in the February 3, 2016 decision.

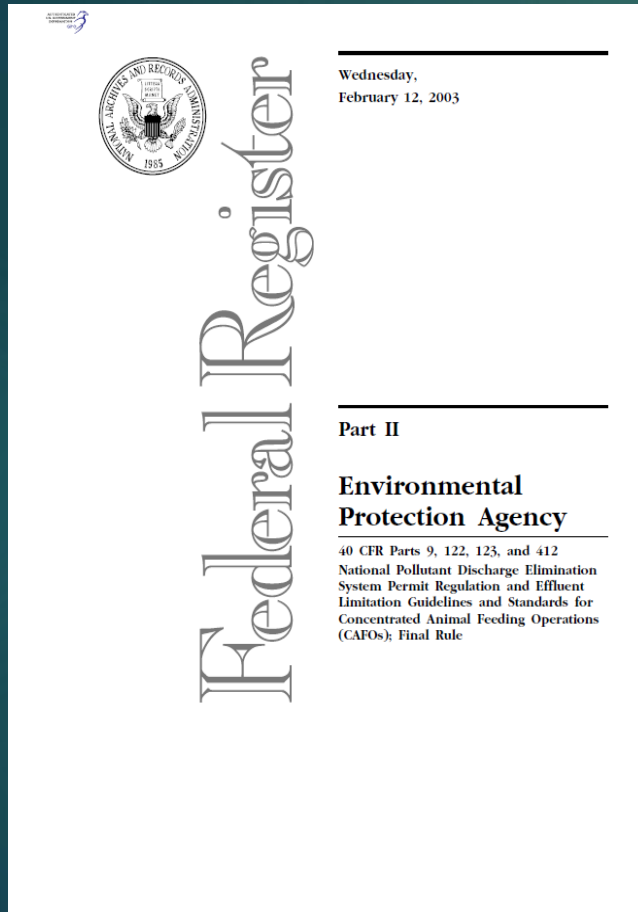
6 V.S.A. Ch. 215

Agricultural Water Quality LFO Permit MFO Permit RAPs

The purpose of 6 V.S.A. ch. 215 is to ensure that agricultural animal wastes do not enter the waters of the State. 6 V.S.A. § 4801. First, enacted in 2004, Act No. 149.

- Under the chapter, it is State policy that:
 - All farms meet certain standards in the handling and disposal of animal wastes, as provided by this chapter;
 - The cost of meeting these standards shall not be borne by farmers only, but rather by all members of society, who are in fact the beneficiaries;
 - State and federal funds shall be made available to farms, regardless of size, to defray the major cost of complying with the requirements of the chapter;
 - State and federal conservation programs to assist farmers should be directed to farms that need to improve their infrastructure to prohibit direct discharges or bring existing water pollution control structures into compliance with USDA NRCS standards; and
 - Additional resources should be directed to education and technical assistance for farmers to improve the management of agricultural wastes and protect water quality.

U.S. EPA 2003 CAFO Rule



Under the NPDES permit program, all point sources that discharge pollutants to waters of the United States must apply for an NPDES permit and may discharge pollutants only in compliance with the terms of that permit. Such permits must include any nationally established, technology-based effluent discharge limitations

The term "point source" means any discernible, confined and discrete conveyance, including but not limited to any pipe, ditch, channel, tunnel, conduit, well, discrete fissure, container, rolling stock, **concentrated animal feeding operation**, or vessel or other floating craft, from which pollutants are or may be discharged. This term **does not include agricultural stormwater discharges** and return flows from irrigated agriculture.
CWA §502(14)

F. What Flexibility Exists for States To Use Other Programs To Support the Achievement of the Goals of This Regulation?

In designing this final rule, EPA has striven to maximize the flexibility for States to implement appropriate and effective programs to protect water quality and public health by ensuring proper management of manure and related wastewater. This rule establishes binding legal requirements for Large CAFOs and maintains substantial flexibility for States to set other site-specific requirements for CAFOs as needed to achieve State program objectives. EPA encourages States to maximize use of voluntary and other non-NPDES programs to support efforts by medium and small operations to implement appropriate measures and correct problems that might otherwise cause them to be defined or designated as a CAFO. EPA encourages States to use the flexibility available under the rule so that their State non-NPDES programs complement the required regulatory program. The following examples can illustrate opportunities for this State flexibility:

- States are encouraged to work with State agriculture agencies, conservation districts, USDA and other stakeholders to create proactive programs to fix the problems of small and medium operations in advance of compelling the facilities to apply for NPDES permits.

LFO Rules

- All structures and practices shall be operated and maintained in accordance with the requirements and recommendations of Vermont NRCS Field Office Technical Guide Section IV, or an equivalent standard.
- Adequate waste management structures shall be managed to assure that there are no direct discharges of wastes from the LFO facility to waters of the state or to prevent groundwater from exceeding state standards.
- Waste storage facilities shall be maintained and operated to prevent direct discharges to waters of the State or to prevent groundwater from exceeding State standards by removal of material to avoid overtopping, and to create space for the ongoing generation of waste.
- The LFO facility, cropland, and non-cropland will be managed in compliance with all applicable RAPs and these Rules.
- All wastes that are land applied shall be applied according to a nutrient management plan that meets the requirements of the LFO Rules.
- The LFO shall implement erosion and sediment control conservation practices when land clearing, field drainage, ditching, or other field preparation or improvement activities, to prevent movement of sediment to waters of the state, groundwater, or across property boundaries.
- All storage of compost and the resulting leachate shall be managed to prevent a discharge to waters of the state and to prevent groundwater from exceeding state groundwater quality standards, and in accordance with the NMP.
- Compost and compost leachate shall be collected and spread on land in accordance with a NMP and without causing a discharge to waters of the state or to cause groundwater to exceed state groundwater quality standards, and in accordance with the NMP.

MFO Rules

- ▶ MFOs shall have a field-by-field nutrient management plan (NMP).
- ▶ Conservation practices shall be in place to assure that there are no discharges of wastes from the production area to waters of the state.
- ▶ The production area shall be managed in compliance with all applicable (RAPs).
- ▶ All land-applied wastes shall be applied at rates according to a NMP developed by a certified nutrient management planner or the permittee.
- ▶ All wastes generated shall be stored so as not to generate runoff from a 25-year, 24-hour rainfall event.
- ▶ The MFO shall be managed in accordance with the provisions of the NMP developed under the General Permit.
- ▶ The MFO shall implement erosion and sediment control practices for land clearing, field drainage, ditching, or other field maintenance activities to prevent adverse water quality impacts to surface water, groundwater, and to prevent movement of sediment across property boundaries.
- ▶ Adjoining surface waters shall be buffered from croplands by at least 25 feet of perennial vegetation measured from the top of the bank. (Under RAPs, all farms must have 25 feet of vegetated buffer adjacent to waters).

SFO Rules

- ▶ Comply with the RAPs, including the following nutrient management requirements:
 - All sources of nutrients shall be accounted for when determining nutrient application rates.
 - Recommended rates may be adjusted based on manure or waste analysis and/or nutrient testing.
 - Recommended nutrient application rates shall be consistent with current UVM Nutrient Recommendations for Field Crops in Vermont and standard agricultural practices.
 - All fields receiving mechanical application of manure, agricultural wastes, or fertilizer shall be soil sampled at least once in every 5 years.
 - Records of soil analysis, manure or other agricultural waste application, and fertilizer applications shall be maintained on the farm for a period of 5 years and provided to AAFM upon request.
 - Records of manure or other agricultural waste application shall contain: date of application; field location, application rate; nutrient source; and weather and field conditions at time of application.
 - Receive farm inspections or investigations on a complaint basis.
 - No discharges to State waters.

III. FEED AND RAW MATERIALS STORAGE *

Please check all methods present on farm

- Bunker Silo Ag Bag Upright Silo
 Bedding Storage Pile (in field) Commodity Shed
 Wrapped Round Bales Other

IV. FIELDS *

Crop	# of Acres
<input type="checkbox"/> Hay	<input type="text"/>
<input type="checkbox"/> Pasture	<input type="text"/>
<input type="checkbox"/> Corn	<input type="text"/>
<input type="checkbox"/> Vegetable	<input type="text"/>
<input type="checkbox"/> Crop 1 <input type="text"/>	<input type="text"/>
<input type="checkbox"/> Crop 2 <input type="text"/>	<input type="text"/>

V. RECORD KEEPING *

Record keeping for soil analysis, manure or agricultural waste application, and fertilizer applications is required of all Certified Small Farm Operations. Records must be maintained on the farm for 5 years, and be made available to the Secretary upon request. Records, pursuant to 6.03(f) of the RAPs, must include: date of application, field location, application rate, source of nutrient applied, and weather and field conditions at the time of application.

To request a record keeping booklet, check here: or visit: https://agriculture.vermont.gov/sites/agriculture/files/documents/Water_Quality/NMPreordbook.pdf

VI. NUTRIENT MANAGEMENT PLAN *

Vermont Agency of Agriculture, Food & Markets (VAAF) understands that few CSFOs will have a complete Nutrient Management Plan (NMP) for 2022, but that farmers should be actively working towards NMP completion by taking modern Morgan extractant soil samples and applying manure at agronomic rates.

a. Do you have a complete NMP developed, in accordance with USDA Natural Resources Conservation Service (NRCS) Nutrient Management Practice Code 590? *

Certified SFO Annual Certification

Agricultural Water Quality Costs

LFO annual operating fee
of \$2,500.00.

MFO annual operating
fee of \$1,500.00.

Annual CSFO
certification is free.

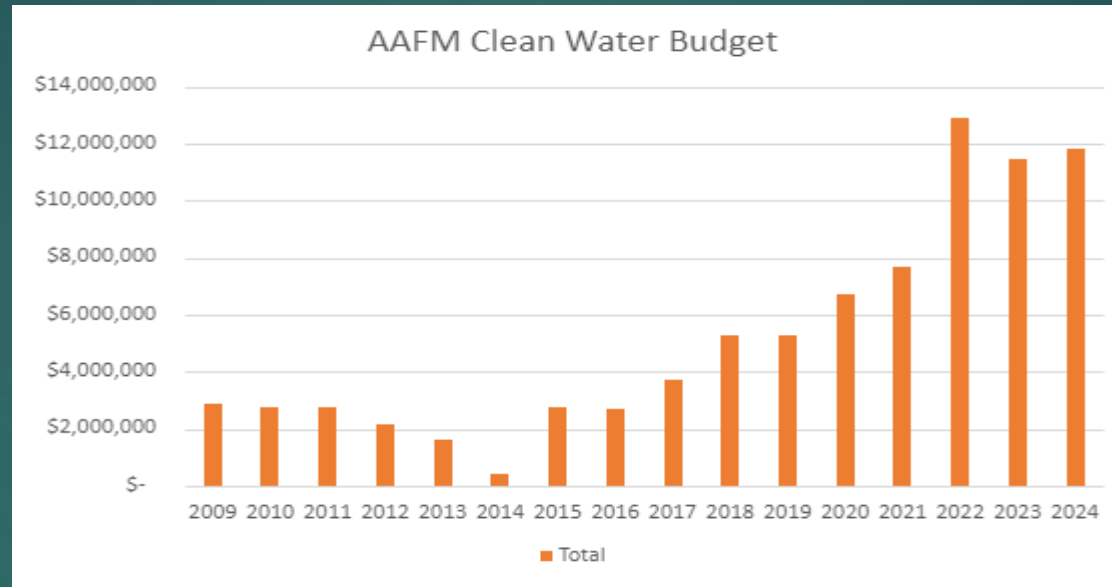
Costs of Compliance

- In 2016, when AAFM amended the RAPs in response to Act 64, the Agency estimated the cost of the changes per farm:
 - Mandated Buffers on Waters: \$4,500 - \$20,000.
 - Nutrient Management Planning (development of plan): \$3,000 - \$10,000.
 - NMP Implementation: \$3,000 - \$50,000.
- Costs depend on farm size, typically being cheaper for the smaller the farm, but it also depends on how proactive a farm may be or the site conditions of the farm.
- On average, AAFM estimated in 2016 that the cost of complying with the State water quality initiative—Act 64 plus the previously existing requirements — can cost roughly up to \$180,000 annually per farm. More likely that it costs half that for the average farm--\$90,000 annually.

Costs of Compliance—Grant Assistance

- The Clean Water Fund and the General Assembly appropriate millions to AAFM annually through the capital bill and the annual appropriations bill, but these millions must be spread across all farms in the State.
- Consequently, State aid is capped or the demand for the aid exceeds the supply:
 - Average Best Management Practice grants are maxed out at \$200,000 per farm every 3 years.
 - Average Capital Equipment Assistance Program grants are oversubscribed in application and the maximum grant award is \$50,000 per farm.
 - NRCS EQIP grants are capped at \$450,000 per farm every five years, and these grants do not allow for adjustments based on inflation or other costs.
- Almost all grants also come with a cost-share requirement for the farm—i.e. it costs the farm money or in-kind services to receive a grant.

Cost Revenue Analysis: State Revenue



	2016		2017		2018		2019			2020		2021-restated		2022			2023		
	Non-Capital	Capital	Non-Capital	Capital	Non-Capital	Capital	Non-Capital	Capital	Bond	Non-Capital	Capital	Non-Capital	Capital	Non-Capital	Capital	ARPA	Non-Capital	Capital	ARPA
On-Farm Implementation	\$ -	\$ 2,002,412	\$ 600,000	\$ 1,800,000	\$ 400,000	\$ 4,050,000	\$ 525,400	\$ 3,615,000	\$ 1,400,000	(merged partners and farmers)		(merged partners and farmers)							
ACAP							\$ 234,600			\$ 235,000		\$ 235,000		\$ 235,000					
Grants to Partners	\$ 225,000		\$ 893,000		\$ 450,000		\$ 535,000			\$ 2,470,000	\$ 3,450,000	\$ 2,450,498	\$ 4,294,503	\$ 5,006,348	\$ 3,436,109	\$ 3,500,000	\$ 4,991,111	\$ 200,000	\$ 5,451,781
Operational	\$ 450,000		\$ 450,000		\$ 375,000		\$ 375,000			\$ 550,000		\$ 722,502		\$ 722,502			\$ 825,000		
Grants Total	\$ 225,000		\$ 1,493,000		\$ 850,000		\$ 1,295,000			\$ 2,705,000		\$ 2,685,498		\$ 5,241,348			\$ 4,991,111		
Overall Total	\$ 675,000	2,002,412.00	\$ 1,943,000	1,800,000.00	\$ 1,225,000	\$ 4,050,000	\$ 1,670,000	\$ 3,615,000	\$ 1,400,000	\$ 3,255,000	\$ 3,450,000	\$ 3,408,000	\$ 4,294,503	\$ 5,963,850	\$ 3,436,109	\$ 3,500,000	\$ 5,816,111	\$ 200,000	\$ 5,451,781

Total 2016 to 2023: State \$48,202,985 + ARPA \$8,951,781= \$57,155,766

2022

**Report on Federal Funding Related
to Water Quality Improvement
Efforts in Vermont**



September 01, 2022

Prepared for the Vermont General Assembly pursuant to 10 V.S.A. § 1389a(d)(3).



Cost Revenue Analysis: Federal Revenue

Table 1: Summary of FFY21 Funding Related to Water Quality Improvements in Vermont

Sector	Federal Agency	Program	Program Description	Lead State Agency	FFY19 Budget	FFY20 Budget	FFY21 Budget	FFY22 Budget
Agriculture	USDA NRCS	USDA NRCS SWAT Program	Federal share of state FTEs to support agricultural best practice implementation at targeted watersheds	AAFM*	\$68,372 ^a	\$54,811	\$60,858 ¹	\$84,089 ¹
Agriculture	USDA NRCS	USDA VAAFM CREP Implementation	Federal share of state FTE to support services associated with the Conservation Reserve Enhancement Program (CREP) including planning and implementation	AAFM	n/a	\$33,093	\$42,581 ¹	\$41,283 ¹
Agriculture	USDA NRCS	Environmental Quality Incentives Program (EQIP)	Farm Bill program that supports conservation practices for water quality, soil health & ecosystem benefits	AAFM*	\$13,548,000 ^b	11,038,000	\$10,740,000	\$10,367,000
Agriculture	USDA NRCS	2014 RCPP EQIP	Agricultural & forestry water quality improvement practices in Champlain Basin	DEC*	\$1,265,000 ^b	\$0	\$0	\$0 ¹
Agriculture	USDA NRCS	Agricultural Land Easements (ALE)	Farm Bill program to conserve priority agricultural land	AAFM*	\$3,291,000 ^b	\$3,408,399	\$3,252,522	\$3,475,476
Agriculture	USDA NRCS	2014 RCPP ALE	Farm Bill program that focuses ALE in the Lake Champlain Basin	AAFM*	\$171,000 ^b	\$349,300	\$0	\$0

¹ Funds from the 2014 RCPP have been fully expended. Additional RCPP funds received in 2021 will be tracked as they are expended.

Cost Revenue Analysis: Federal Revenue

Cost Revenue Analysis

Revenue

Federal revenue sources for agricultural water quality since FFY2017:	\$120,417,406
Plus, State revenue for agricultural water quality since SFY 2016:	\$57,155,766
Total:	\$177,573,172

Costs

Estimated average annual per farm costs to comply with RAPs:	\$90,000
AAFM 2022 farm numbers:	558
Annual total farm costs of compliance with RAPs:	\$50,220,000
Total costs since 2016:	\$351,540,000

Cost Revenue Analysis

- At least \$173,966,828 borne by farms.
- Divided by 558, you get 311,768 per farm over 7 years.
 - \$44,538 per farm annually after federal offset.
- If producing on average 2.6 million pounds per year, \$1.71 cwt.

Additional Environmental Requirements

Stormwater Construction General Permit—10 V.S.A. § 1264; federal Clean Water Act

- Coverage required for construction activities that result in a total earth disturbance of one acre or more of land area.
- “Construction Activity” means all clearing, grading, excavation, and stockpiling activities that will result in the disturbance of one or more acres of land area or less than one acre of land area that is part of a common plan of development that will ultimately disturb equal to or greater than one acre of land area.
- Construction of new farm structures, specifically buildings and other structures that disturb one or more acres of land must obtain authorization from ANR before commencing land disturbance or construction activities. RAP § 9(d).
- Permit fee of \$100 for projects 5 acres or less with low risk to waters; \$220.00 for projects greater than 5 acres with low risk to waters; \$480 for projects 5 acres or less with moderate risk to waters; \$640 for projects greater than 5 acres with moderate risk to waters; \$1,200 for projects 10 acres or less that require an individual permit; and \$1,800 for projects greater than 10 acres that require an individual permit.
- Earth disturbance that is a normal part of the long-term use or maintenance of a property that is performed to maintain the original line and grade, hydraulic capacity, or original purpose of the facility is not covered by the construction general permit (e.g. dirt road re-grading, routine road resurfacing, utility line maintenance/repair).

Additional Environmental Requirements


Stream Alteration Permit—10 V.S.A. §§ 1021-1023

- A permit from ANR is required to change, alter, or modify the course, current, or cross section of any watercourse or of designated outstanding resource waters, either by movement, fill, or excavation of 10 cubic yards or more of instream material in any year.
- Permit fee between \$200 for general permit coverage and \$350 for individual permit.
- A riparian owner may remove up to 50 cubic yards of gravel per year from that portion of a watercourse running through or bordering on the owner's property, provided: the material shall be removed only for the owner's use on the owner's property; the material removed shall be above the waterline; and at least 72 hours prior to the removal of 10 cubic yards, or more, the landowner shall notify ANR.
- A permit is not required for a farm that is implementing an approved U.S.D.A. NRCS streambank stabilization project or a streambank stabilization project approved by AAFM that is consistent with policies adopted by ANR to reduce fluvial erosion hazards.

Additional Environmental Requirements

Flood Hazard Area Permit—10 V.S.A. chapter 32

- The Federal Emergency Management Agency (FEMA) National Flood Insurance Program requires all development within a flood hazard area to be regulated under State or municipal law in order for flood insurance to be offered in the State.
- FEMA’s definition of “development” includes activity, such as grading, that is a common part of farming.
- ANR’s Vermont Flood Hazard Area And River Corridor Rule requires activities within the flood hazard area to receive an individual permit or comply with a general permit. The General Permit authorizes farming as a non-reporting activity subject to certain conditions.
- Construction of farm structures in Flood Hazard Areas and River Corridors must obtain a Flood Hazard Area and River Corridor permit from the ANR or its designee unless otherwise exempt. RAPs § 9(c).
 - Fences through which floodwater may flow are not structures which are an encroachment in a floodway.
- Permit fee between \$200 and \$350 for individual permits.

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- ▶ State Wetlands Permit—10 V.S.A. §§ 913-915.
 - ▶ Activity or disturbance of a Class 1 or Class 2 wetland or buffer requires permit from ANR unless the land is exempt because it has been growing food or crops since 1990 or the activity is an allowed use because the growing of food or crops began after 1990 and the activity complies with RAPs and other conditions.
 - ▶ Generally, the permit fee is:
 - ▶ \$0.75 per square foot of proposed impact to Class I or II wetlands.
 - ▶ \$0.25 per square foot of proposed impact to Class I or II wetland buffers.

Additional Environmental Requirements

Additional Environmental Requirements

Right of Way Permit

State AOT Permit for work in the right of way—19 V.S.A. § 1111

- Permits must be obtained by anyone or any corporation wishing to use any part of the highway right-of-way on either the State or town system, including for driveway entrances, highway grades, or drainage.
- The permit fee for agricultural accesses is zero; the fee for drainage that connects to the State stormwater system is \$100; the fee for minor commercial development is \$250 and major commercial development is \$2,500.
 - “Major commercial development” means a commercial development for which AOT requires a traffic impact study in support of the application; a “minor commercial” development is a commercial development that does not require a traffic impact study in support of the application.

Additional Environmental Requirements

Pesticides; Applicator Certification--6 V.S.A. § 1112 and FIFRA

- Private Applicators - Farmers of all kinds: dairy, vegetables, berries, apples, grapes, nursery stock, Christmas trees, and more. To be certified to use Class A pesticides in Vermont, private applicators only need to take and pass the CORE exam. A private certificate is valid for 5 years and costs \$25.
- Commercial Applicators - Employees of companies that perform (but not limited to) the following services: pest control, mosquito control, landscape, lawn care, tree care, agricultural custom application, forest pest control including invasive plant control, vegetation control (right-of-way), aquatic weed control, wood preservation, aerial application. To use any pesticides on the property of others you must be a commercial applicator and be affiliated with a licensed pesticide applicator company.

Additional Environmental Requirements

Solid Waste Management

- ▶ Requirements for waste disposal--10 V.S.A. ch. 160.
- ▶ Requires that waste material such as concrete, asphalt, or construction debris be disposed of in properly certified facilities.
- ▶ Fee depends on the facility, the waste disposed of, and the amount of waste.

Additional Environmental Requirements

Solid Waste Management

Land Application of Biosolids—10 V.S.A.

- ANR may permit the land application of septage or non-exceptional quality biosolids to agricultural, silvicultural, or reclamation sites used for the management of non-Biosolids” means sewage sludge derived, in whole or in part, from domestic wastes which have been subjected to a treatment process for the reduction of pathogens and have been demonstrated to meet the applicable requirements of these Rules for contaminant concentrations, vector attraction reduction, and pathogen reduction, such that the material has been approved by the Secretary for application to the land under a site specific solid waste facility certification.
- Exceptional Quality (EQ) Biosolids” means products derived in whole or in part from domestic wastes that have been subjected to and meet the requirements for pathogen reduction process established in federal law.
- “Septage” means the liquid or solid materials pumped from a septic tank that receives either commercial wastewater or industrial wastewater; or a mixture of commercial and domestic wastes, portable toilet waste, holding tank waste, cesspool waste, waste from Type III marine sanitation devices, or a mixture of grease and domestic waste removed from a grease trap during cleaning.
- If a farm is used as a land application site, the permit fee is \$1,000 per application site

Additional Environmental Requirements

Air Pollution; Climate Change

- ▶ Required emission reductions from inventoried sources of greenhouse gas emissions, including agricultural sources. 10 V.S.A. §§ 578, 582.
 - ▶ Not less than 26% from 2005 GHG emissions by Jan. 1, 2025 for gross agricultural GHG emissions inventoried pursuant to 10 V.S.A. § 582; and
 - ▶ A net-zero emissions requirement by 2050 across all sectors. 10 V.S.A. § 592(b)(4).

Additional Environmental Requirements

Land Use

Notification of Local Land Use Authority; Structure Construction—RAP § 9(a)

- Prior to construction of farm structures, the farmer must notify the zoning administrator or the town clerk of the town in which the farm structure is proposed, in writing, of the proposed construction activity.
- The notification must contain a sketch of the proposed structure including the setback distances from adjoining property lines, road rights-of-way, and adjacent surface water.

Structure Variance from Municipal Setbacks; AAFM issues variance—24 V.S.A. § 4413; RAP § 9(b).

- Local setbacks and setbacks designed shall be observed unless AAFM approves a farmer's written request for other reasonable setbacks for the specific farm structure being constructed or maintained in accordance with the RAPs.

Act 250

- Activities already subject to Act 250; or activities that are not exempt as farming—10 V.S.A. ch. 151.

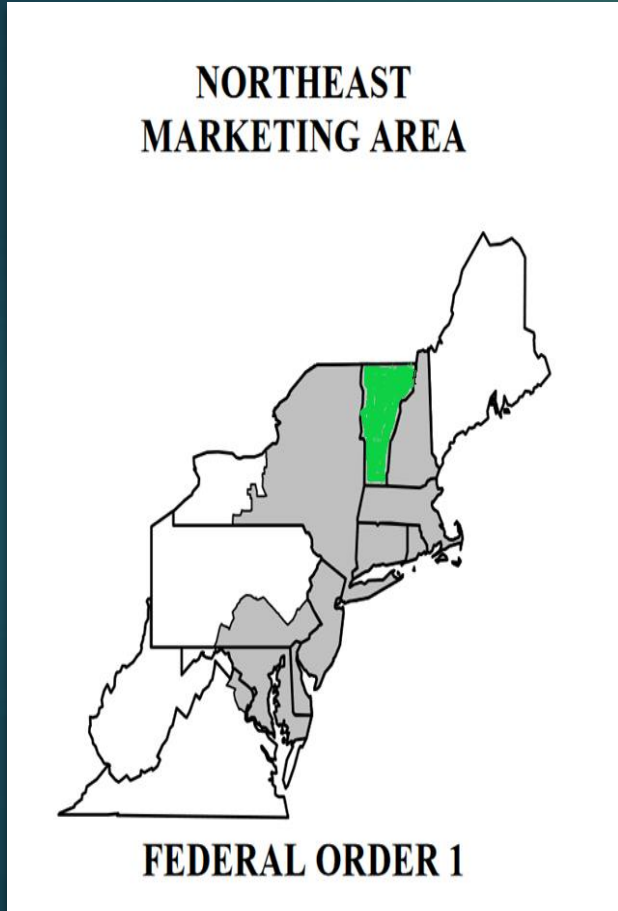
Conservation Agreements

- Vermont Land Trust approval of structures outside of the designated farmstead area—Conservation agreements.

CATEGORY	COST	TOTAL
Farm Permit	0 to \$2,500	\$1,500
Compliance with Agricultural Water Quality Requirements under the Permit	\$90,000 per farm annually (could be more or less depending on size of farm and farm initiative)	\$90,000
Stormwater Construction Permit	\$100 to \$1,800	\$500
Stream Alteration Permit	\$200 to \$350	\$200
Flood Hazard Area Permit	\$200 to \$350	\$350
State Wetlands Permit	\$0.75 per square foot of proposed impact to Class I or II wetlands.	\$16,335
		+
	\$0.25 per square foot of proposed impact to Class I or II wetland buffers	\$5,445
	(Half acre—21,780 sq. ft.)	\$21,780
Pesticide Applicator Certification	\$25	\$25
Solid Waste Disposal	Construction and demolition debris	\$447
	\$149 per ton	
AOT Right of Way Permit	\$100 to \$2,500	\$100
Total		\$114,902
Cost to Farmer Per Production		
2.6 million pounds per year per average farm		
	26,000 cwt	\$4.41 cwt
	Offset from State/Federal Funding	-\$1.75 cwt
		\$2.66 cwt

Bottom Line

Higher Costs/Lower Profits



- ▶ The Environmental Costs of Compliance are not equal across FMMO 1 states.
- ▶ Vermont's farmers are subject to environmental requirements and costs that other farmers in FMMO 1 are not subject.
- ▶ These environmental costs are not reflected in the cost of milk under FMMO 1 or under the costs of production that are supposed to be incorporated under the order.
- ▶ As a result, Vermont farmers likely have higher gross costs and lower net profits than farmers in surrounding states.