



Capital Funding to AAFM Water Quality Grants to Farmers

Testimony to Senate Institutions April 9, 2024

Overview



- AAFM Water Quality Programs
- Best Management Practice (BMP) Program
- Project Examples
- VAAFM Capital Funding
- Incoming Federal IRA Funding



AAFM WQ Programs

PROGRAM	DESCRIPTION	
<p>Farm Agronomic Practices Program</p> <p>FAP</p>	<p>Financial assistance to Vermont farms for implementation of soil-based agronomic practices that improve soil quality and reduce runoff and erosion. Financial assistance for educational or instructional activities also available. Per/acre payment rates based on practice type.</p>	
<p>Best Management Practices Program</p> <p>BMP</p>	<p>Technical and financial assistance program focusing on engineered and structural on-farm improvements which protect or promote water quality. Up to 90% State cost share towards eligible practices & expenses.</p>	
<p>Conservation Reserve Enhancement Program</p> <p>CREP</p>	<p>Technical and financial assistance program designed to reduce sediment runoff and improve water quality by removing land from agricultural production and establishing vegetative buffers. Up to 100% cost share towards implementation costs, plus incentive, annual rental, & maintenance payments.</p>	
<p>Capital Equipment Assistance Program</p> <p>CEAP</p>	<p>Financial assistance for new or innovative equipment that will improve water quality, improve manure management, separate phosphorus (P) from manure, or decrease greenhouse gas emissions. Funding limits dependent on equipment type. Up to 90% State cost share.</p>	
<p>Grassed Waterway and Filter Strip Program</p> <p>GWFS</p>	<p>Technical and financial assistance to address erosion and surface runoff through the establishment of perennially vegetated and harvestable grassed waterways, filter strips, and critical source area seedings. Per acre incentive payments and up to 90% State cost share for implementation costs.</p>	

AAFM WQ Programs

PROGRAM	DESCRIPTION	
<p>Pasture and Surface Water Fencing Program</p> <p>PSWF</p>	<p>Pasture management technical and financial assistance to Vermont farmers to improve water quality and on-farm livestock exclusion from surface waters statewide. Up to 90% State cost share for implementation costs.</p>	
<p>Vermont Farmers Ecosystem Stewardship Program</p> <p>VFESP</p>	<p>Supplemental financial assistance to support farmers to enroll in the USDA-NRCS Conservation Stewardship program (CSP). Payment for completing CSP assessment. Additional payment for signing CSP contract.</p>	
<p>Vermont Pay for Performance Program</p> <p>VPPF</p>	<p>Innovative, performance-based program which provides financial compensation for reducing phosphorus (P) losses from farms. Payment based on modeled P reductions across farm operation.</p>	
<p>Agricultural Clean Water Initiative Program</p> <p>AGCWIP</p>	<p>Funding opportunities for local and regional partners to work with farms to support the improvement of water quality across the state of Vermont through education and outreach, technical assistance, organizational capacity development, and conservation practice surveys.</p>	

Clean Water Board Budget Process & Timeline

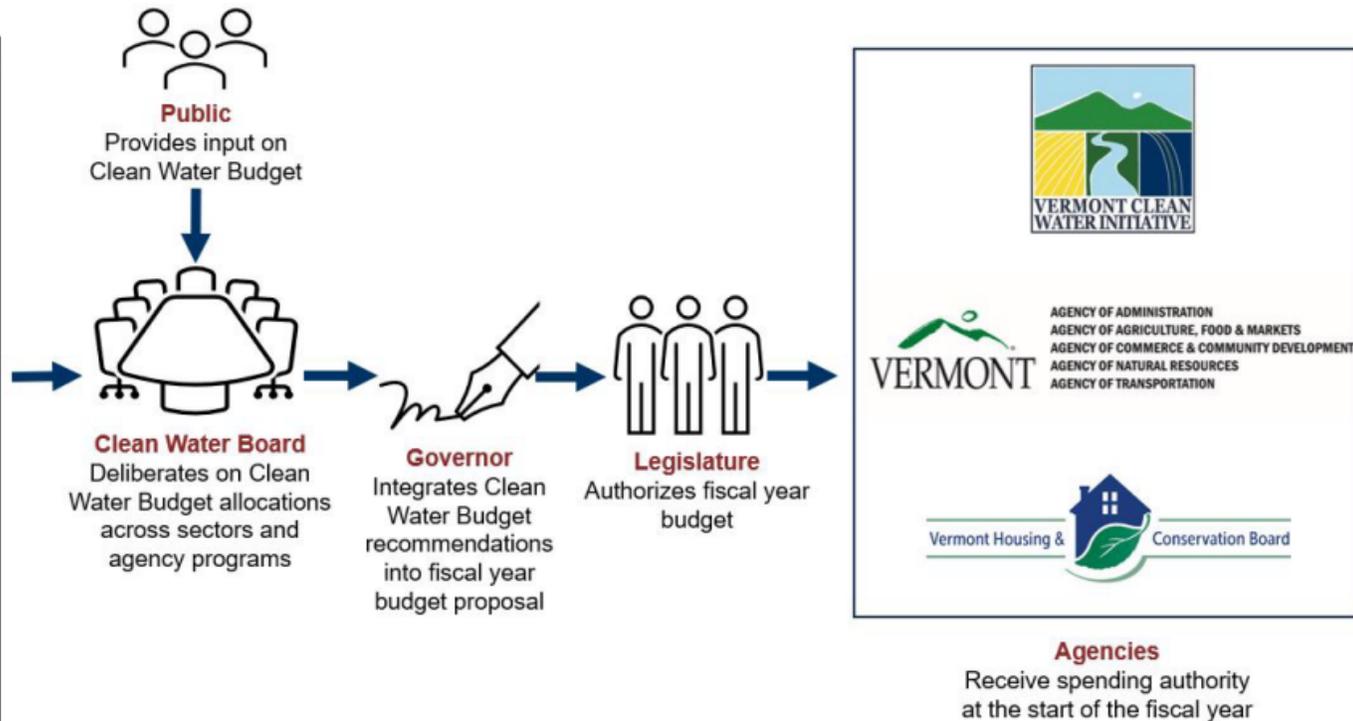
Clean Water Budget



Capital Dollars
Sourced by State bonding



Clean Water Fund
Sourced from Meals and Rooms Tax Allocation, Property Transfer Tax Clean Water Surcharge, and Unclaimed Bottle Deposits



Best Management Practice (BMP) Program

- **Technical assistance** to identify and assess farmstead water quality concerns, and to assist farmers in the implementation of structural improvements designed to abate agricultural waste discharges to Vermont waters.
- **Financial assistance** is available for farmers implementing a water quality project through the USDA NRCS Environmental Quality Incentive Program or for implementing structural practice without federal assistance to improve water quality.

Example Calculation

Project Costs	\$550,000	Percent	Cost-Share Restrictions
Federal Contribution	\$350,000	64%	75% max
State Contribution	\$100,000	18%	15%-90%
Farmer Contribution	\$100,000	18%	10% and up

Program staff aim to help Vermont farmers achieve and maintain regulatory compliance in a way that is both viable for the operation of the farm and beneficial to water quality.

BMP Project – Highgate VT

VAAFAM staff inspected Laroche Dairy & Sons in September of 2022 and observed a muddy feed bunk area where there was no collection system for the leachate runoff. The inspector identified the leachate was running off directly into a field, which would eventually lead to Lake Champlain.

A paved bunk apron was installed in August 2023, which improved this area by sending leachate directly into the manure pit and preventing run-off into nearby waterways.

State Costs - \$61,450



BMP Project – Barton, VT

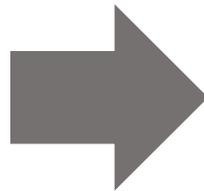
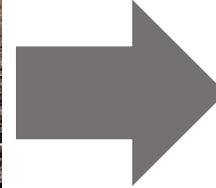
In order to satisfy the organic requirement for daily time outside, the Decker farm was allowing their milking cows access to a hillside next to the barn. With no infrastructure in place, this can cause problems like soil erosion and manure runoff into drainage ditches and streams.

The BMP Program assisted the farm to construct a new concrete barnyard in May 2023, pitched towards the existing gutter cleaner system in the barn so that cows can easily go outside in nearly any weather. The system ensures that all manure and nutrients are contained and transferred to the manure pit.

State Costs - \$86,625



Before (left) and after (right) installation of a Best Management Practice (BMP) project on a small farm in Swanton, VT.

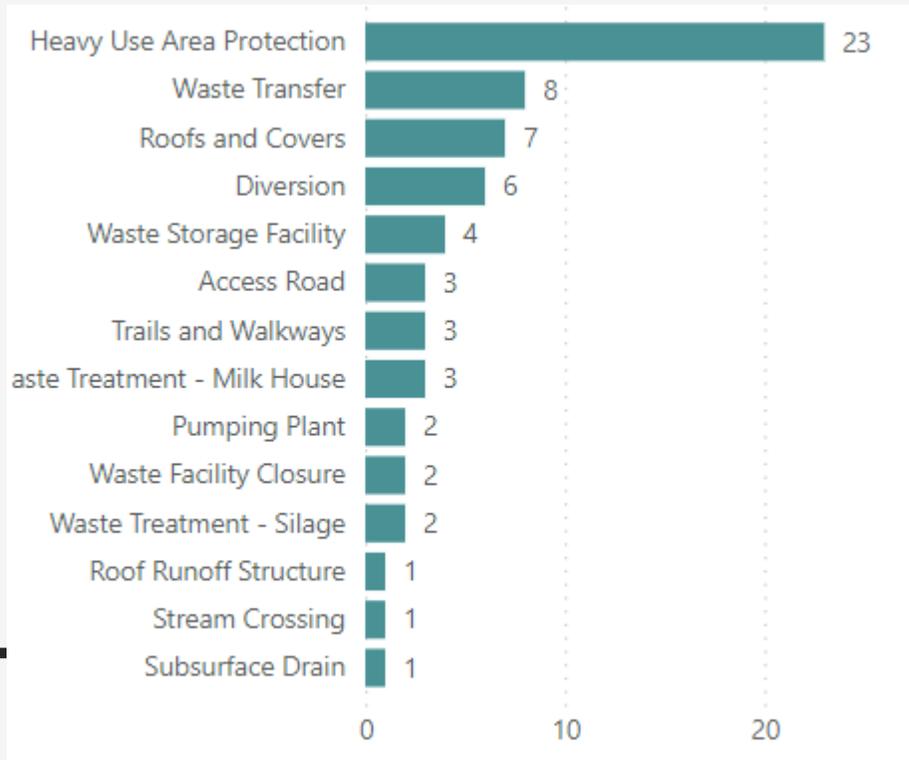


Before (left) and after (right) installation of a BMP project on a small farm in Georgia, VT.

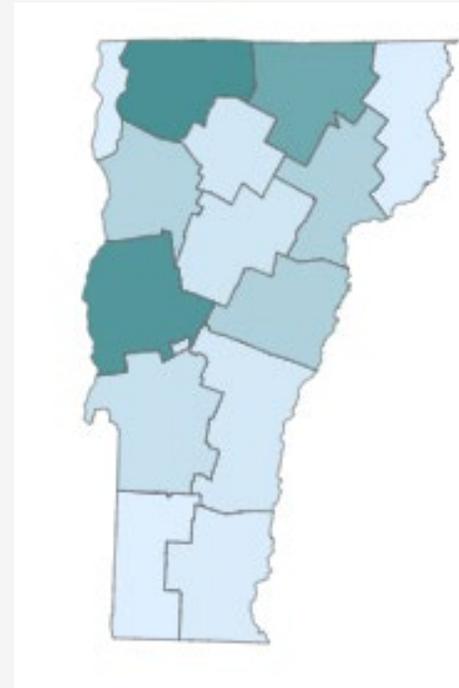
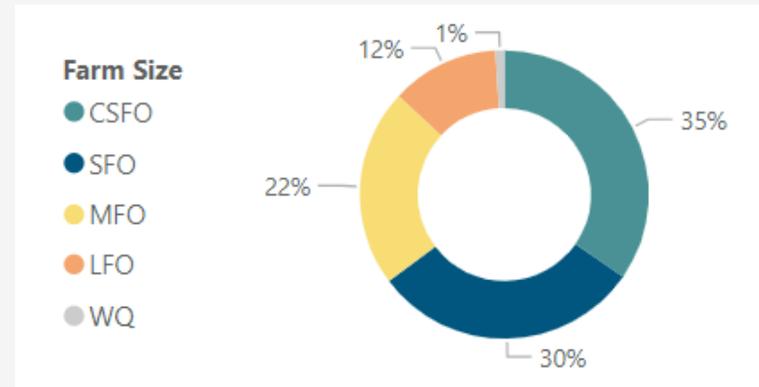
Best Management Practice (BMP) Program SFY2023

47 New On Farm Grant Projects - \$3.6 Million
53 Completed Projects - \$4.5 Million

Structural Practices 105 Practices Installed

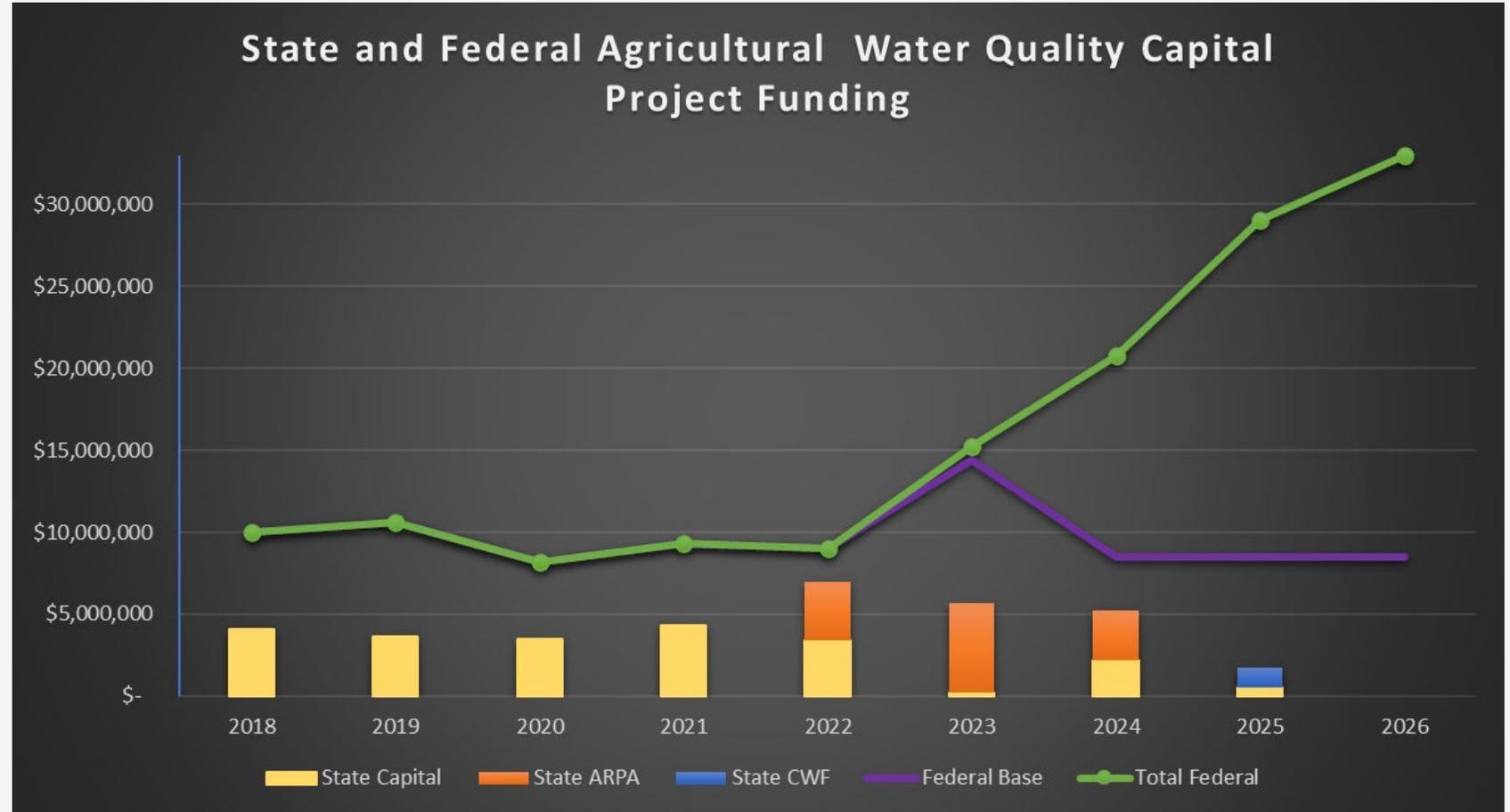


Technical Assistance 1,008 Visits to 287 Farms



Vermont Funding for Water Quality Projects

A historically significant increase in federal funding under IRA is available for projects (if match is met) in 2024-2026.

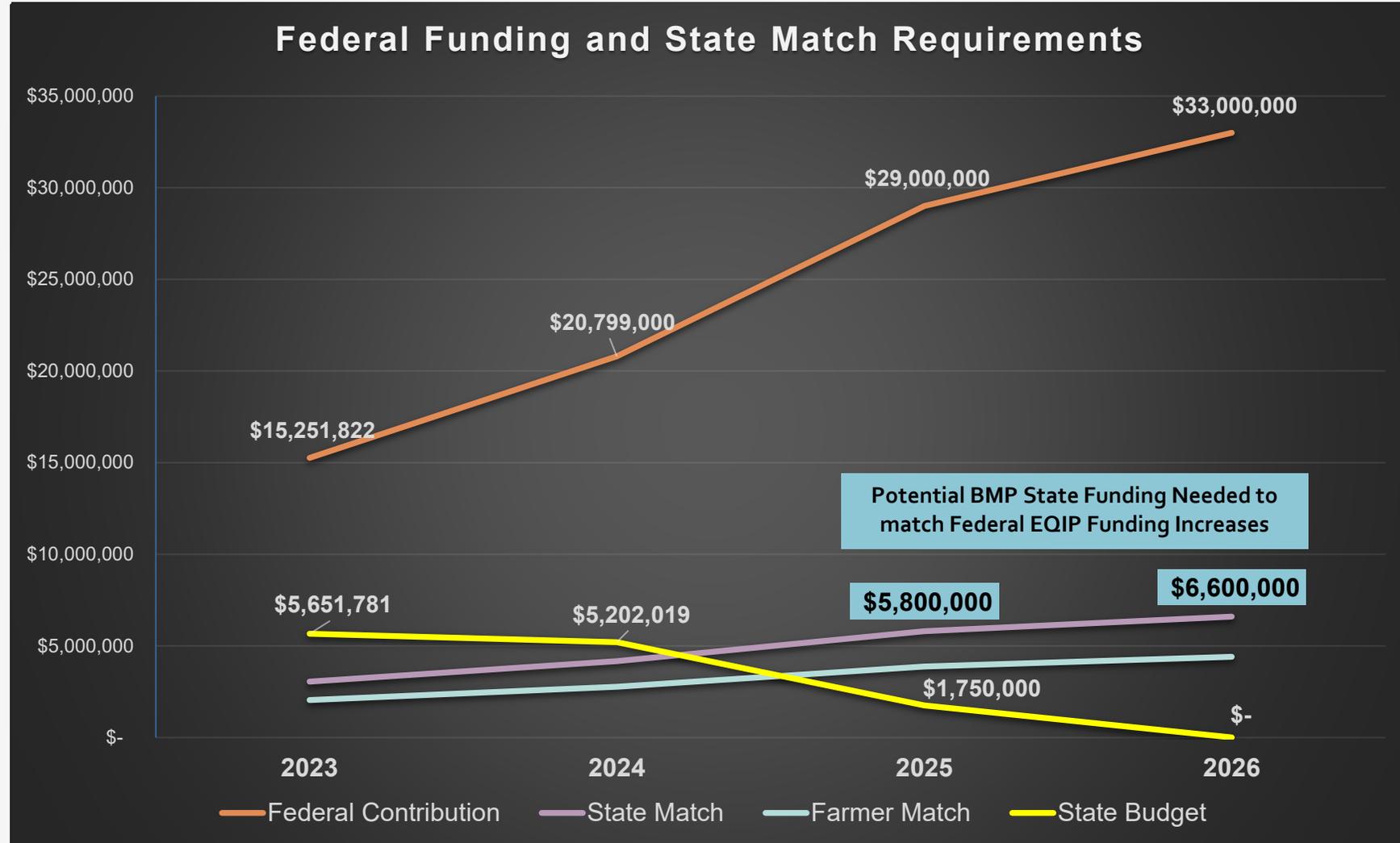


Demand v. Budget for SFY2025

Currently 266 open
enforcement actions

44 Applications received since
January 1, 2024

June 14, 2024, is the federal
deadline for projects so lots
more to come!





VERMONT

AGENCY OF AGRICULTURE, FOOD & MARKETS

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