

Ag Workgroup Status Report

Workgroup: Ag Workgroup

Status Report Date: September 21, 2006

Team Leader(s): Cedric Karper

Team Members in Attendance:

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|---|--------------------------------|
| Bill Angstadt, Consultant | Jana Malot, USDA, NRCS |
| Alex Chianittini, Red Barn | George Wolff, Wolff Strategies |
| Don McNutt, Lancaster CD | Brenda Shambaugh, PACD |
| Andrea Sharretts, PFB | Jenny Guiling, WRI |
| John Bell, PFB | Scott Vandemark, PEC West |
| Michael Hubler, Dauphin CD | Harry Campbell, CBF |
| Jim Shortle, PSU | Chuck Farley, LRHA |
| Mark Myers, LRHA | Keith Ashley, PBA |
| Lee Murphy, EPA | Fred Suffian, EPA |
| Karl Brown, State Conservation Commission | |

DEP:

- | | | |
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| Duke Adams | Kenn Pattison | Doug Brennan |
| Mark Dubin | Jim Spontak | |

Issue (s) Addressed:

- Retirement of Agriculture Land
- Baseline / Threshold (Minor Language Revisions)
- Trading Ratio
- Edge Of Segment Option

Status Report:

The Ag Workgroup met for their 8th meeting on September 21.

Retirement of Agriculture Land

The language presented to the group was debated, however consensus was not attained. While the group does agree that the Nutrient Trading Program should not encourage the retirement of agriculture land for the sole purpose of generating credits, consensus could not be reached on concise language that reaches that end goal. Interested parties will discuss the issue between now and the next Workgroup meeting on October 17.

Baseline and Threshold Revisions

Some changes in language were proposed to the July 18 Status Report, pertaining to Baseline and Threshold Requirements. Those changes are reflected in the Recommendations below.

EOS Option

The group discussed the Option on the table of establishing a sub-watershed EOS value based on distance from the stream. While the group concurs with this type of approach, the scientific evidence to support the ratios and distance used to establish the loads is not yet available. Additionally, the group believes that the added workload of calculating credits on specific portions of a field will not be cost-effective to the amount of credits that may be generated.

Recommendations for Initial Nutrient Trading Program:

The following are the group's recommendations for the Chesapeake Bay Tributary Strategy Steering Committee.

Baseline Requirements

- Compliance with Act 38 Nutrient Management Regulations, Chapter 102 Erosion & Sedimentation Regulations, Chapter 91.36 (Agricultural Operations), and Chapter 92 (CAFOs) as applicable.
- Compliance can be determined through a site visit OR verification of the development and implementation of a Nutrient Management Plan, E&S Plan or an acceptable Conservation Plan, as well as a Manure Management Plan, as applicable.
- Compliance must be verified by DEP, Conservation District, or other agent approved by DEP.

Threshold Requirements

- 100 Foot setback or equivalent; this is achieved when *ONE of the following* is met:
 - Manure is not mechanically applied within 100 feet of surface water¹
 - There are no surface waters on or within 100 feet of the farm.
 - Farm uses no manure application and applies commercial fertilizer at or below the Penn State recommended agronomic rates.

OR

- 35 Foot buffer or equivalent; this is achieved when all of the following are met:
 - A minimum of 35 feet of permanent vegetation is established and maintained between the field and surface water.
 - Area can be grazed or cropped under a specific management plan, and permanent vegetation must be maintained at all times. (*Permanent vegetative buffers 50' or greater in width may qualify to generate nutrient reduction credits.*)

OR

- 20 % Reduction Option
 - A reduction of 20% in the farm's overall nutrient balance beyond baseline compliance.
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¹ As applicable; for instance, setbacks for CAFOs apply to a broader range of surface waters than non-CAFO operations.

Trading Ratio

- In response to many concerns of the application of a trading ratio, DEP has floated the idea of a 1:1 trading ratio for all agricultural credits generated. The Workgroup supports DEP on this approach.

Credit Generation Methodology

- 1) Determine if farm is in Baseline Compliance and meets the Threshold for trading
- 2) Determine current rates of nutrient application
- 3) Account for any overall reductions in applications
 - Commercial Fertilizer Applications – Reduction in commercial fertilizer applications below PSU agronomic rate
 - Manure Applications – Reduction in total manure applications below current practices (and below minimal acceptable PSU agronomic rates) through better manure management practices.
 - Combination – Reduction in total nutrient applications (manure and commercial fertilizers) below current practices (and below PSU agronomic rates) through better manure management practices.
- 4) Calculate new nutrient load not going to crop production.
- 5) Apply EOS factor to load
- 6) Calculate nutrient reductions from BMP efficiencies. BMP Efficiencies can be calculated from the following methods:
 - *Table 1: Nonpoint Source Best Management Practices that have been Peer-Reviewed and CBP-Approved for Phase 5.0 of the Chesapeake Bay Program Watershed Model, Revised 1/12/06*
 - *Table 2: Nonpoint Source Best Management Practices requiring additional Peer-Review for Phase 5.0 of the Chesapeake Bay Program Watershed Model, Revised 1/12/06*
 - Additional methods or Tables that have been approved by the Department
- 7) Total all nutrient reductions in terms of Pounds
- 8) Apply Delivery Ratio
- 9) Apply Retirement Ratio
- 10) Total Credits available

The Ag Workgroup is scheduled to meet again on October 17.