### **VPFP** Vermont Pay-For-Phosphorus Program



#### agriculture.vermont.gov/VPFP







## Goal of today's webinar:

Help participants understand the VPFP program and support eligible farms to apply.

# Agenda:

- > Introduce the VPFP program
- > Share eligibility requirements & program details
- Walk through how to apply
- > Answer your questions



# Vermont Pay-for-Phosphorus (VPFP) Program

**Lead Partner:** Vermont Agency of Agriculture, Food and Markets (AAFM)

**Project: 5** years (mid 2021 – mid 2026)

Award: \$7 million with \$4.9 million directly to producers



**Pay-For-Phosphorus** is an innovative pay-for-performance approach that pays farmers for the pounds of phosphorus reduced by implementing conservation practices, as opposed to paying farmers a portion of the cost to install a practice.

- Pays on results improving cost-effectiveness and accelerating implementation
- Flexibility for farms to manage fields how they choose



# AAFM Conservation Innovation Grant (CIG) Research Initiative

**12** farms worked with AAFM staff to enter their data in FarmPREP.

Initial results informed the development of VPFP. Continued analysis will inform additional changes.

CIG Grant Linking Farm Phosphorus Reduction Planner (FarmPREP) to Total Maximum Daily Load (TMDL) Modeling and Phosphorus Reduction Valuation Analysis funded by USDA NRCS Vermont for 2021-2022



#### **Timeline:**

- ➤ 2021-2022: Conservation Innovation Grant (CIG) Research Initiative
- > VPFP Application open <u>due January 31</u>
- ➤ End of 2022: First VPFP payments for 2022 crop season P reductions
- > 2023-2025: Annual VPFP application/re-enrollment



#### **Eligibility of Producers:**

- Actively farming in Vermont (statewide program)
- Managing annual crop and/or hay fields
- Up-to-date NMP that meets RAPs for Farm Size
  - Including recent soil and manure tests
- Good Standing with AAFM
- Make sure farm and maps are registered with FSA
- HEL and Wetlands compliant (NRCS check)



#### **Important Program Details:**

- Reductions are based on VT-calibrated model (FarmPREP)
- Looks at holistic management:
  - All fields managed (owned or leased) by the farm must be entered
- Farmers are supported to engage with planning in FarmPREP
- Contracted assistance from VACD & the NRCDs will be available to assist with FarmPREP use and management planning.



#### **Two Types of Grant/Payment:**

#### (1) Data Entry Payment (one-time)

For data entry into FarmPREP. Planned rate: \$15/acre, max \$4000

- Requirement for Agreement: Eligible producer, first time data entry
- Requirement for Payment: Completion of entire farm management data entry in FarmPREP
- \* TA Assistance available from VACD/NRCDs
- \* Excel & Shapefile imports possible



#### **FARMPREP**

A FARM P-REDUCTION PLANNER

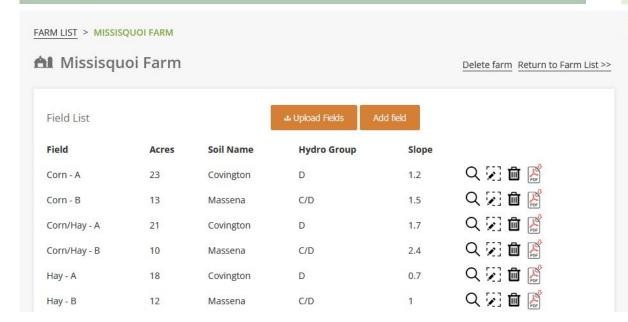
Easily evaluate the impacts of field-level best management practices on farm scale phosphorus (P) loss reductions and identify modifications to achieve water quality improvement targets on the watershed-scale.



Sign Up for a Free Demo

Learn more

- Calculates P loss on a field-by-field basis
- Incorporates location-specific data such as soil type and slope.
- Calibrated in VT and being refined
- Available at no cost to farmer or TA provider
- Provides planning functionality/comparison of alternative management scenarios







- Field shapes
- Manure Test Results
- Soil Test Results (P, pH, Al, OM)
- Tile Drainage (Spacing/Depth)
- Crop Rotation
- Spring and Fall Tillage

- Manure Application Method/Rate
- Fertilizer
- Cover Crops Variety and Planting Date
- Buffer Length/Width
- Grassed Waterways



#### **Two Types of Grant/Payment:**

#### (2) Payment for Phosphorus (annual)

Farms will be entered into a competitive pool for annual P reduction payment contracts

- \$100/pound of phosphorus reduced beyond a 40% reduction threshold
- Up to an annual cap of \$50,000 per farm
  - Requirement for Payment: Verification that field implementation matches FarmPREP records, and installation meets standards

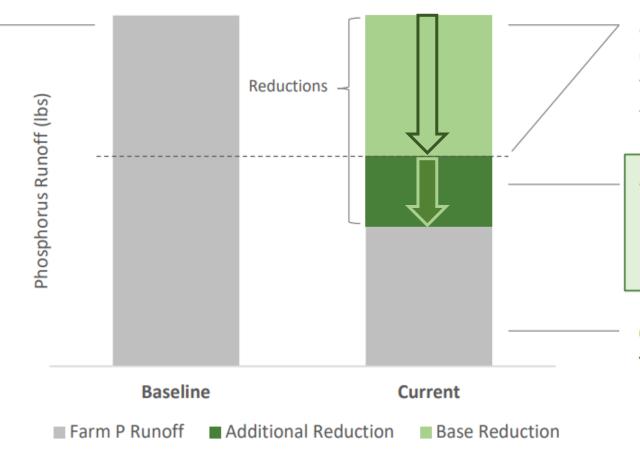
\*Participants will have to keep good records!



Base Farm P Runoff

will be modeled based on historic TMDL management scenarios and will act as the baseline from which P runoff reductions are calculated.

Reductions can be achieved via improved nutrient management or conservation practices.



Base Reductions/Threshold corresponds to the P reductions that are estimated to be met through existing programs.

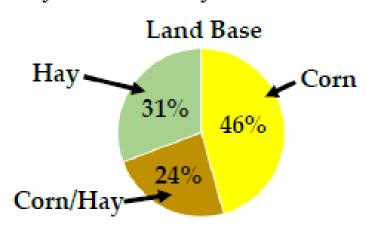
Additional Reductions beyond the threshold will be paid through the VPFP program based on a set price per pound of P.

**Current Farm P Runoff** based on a farm's current management.



#### Farm #1

This dairy farm manages 430 acres with fields primarily located on poorly drained silt loams in corn, hay, and corn/hay rotations.



#### Field Management

- Nutrient Management Planning
- Extended crop rotations
- No-till on annual crops
- Cover crops
- Surface applied manure

Meets
40%
Threshold
+20%
Reduction

Current
Farm
P Loss

60% P Reduction

172 lbs. P above threshold = \$17,200 P Payment

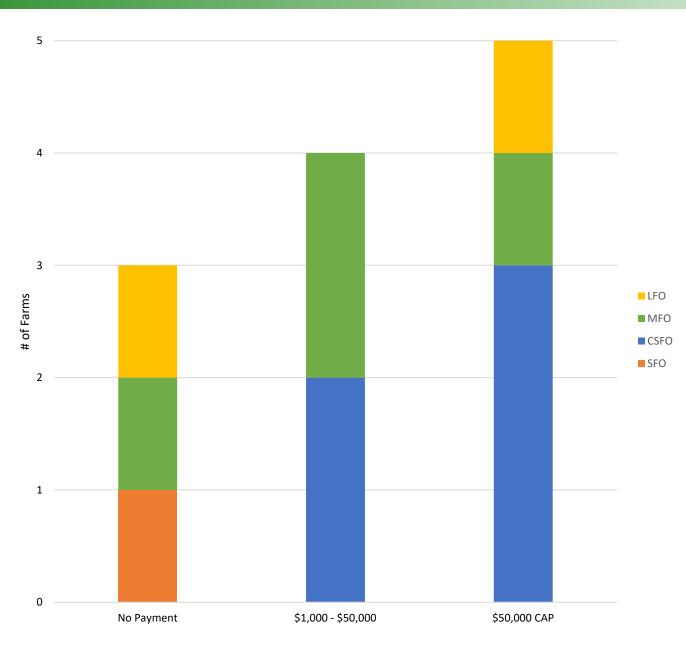
#### **Payments**

Data Entry \$4,000

P Reduction \$17,200

Total (Year 1) \$21,200







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#### Visit the webpage:

https://agriculture.vermont.gov/vpfp

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