

# Frequently Asked Questions (FAQs)

## ***Why phosphorus?***

Several waterbodies in the state of Vermont are under Total Maximum Daily Loads for phosphorus (P), and P is a resource of high concern for water quality in Vermont. Phosphorus reductions also have a clear “value” to Vermont’s public, as demonstrated through the historic and continued rate of public investment in phosphorus reduction projects across sectors.

## ***How is a “pay for phosphorus” program different from existing programs?***

Payment per pound of phosphorus is a pay-for-performance approach that pays based on **outcomes**. Existing programs tend to follow a pay-for-practice approach and pay instead for **implementation** of conservation practices. Payment for performance, as envisioned in the VPPF Program, is intended to be a more holistic, accurate, and efficient approach to achieving conservation goals than payment for practice.

## ***How much money will be distributed directly to farmers through this program?***

This program will make \$4.9 million in payments to Vermont farmers over four years.

## ***Is this program annual?***

Yes. Farms will be eligible to enroll or re-enroll each year. There is no requirement to sign-up for more than one year.

## ***Will payments through this program cut into a farm’s NRCS payment caps under the 2018 Farm Bill?***

No, RCPP AFA payments to farmers under this VPPF grant will not count against the EQIP payment limitations.

## ***What farms will be eligible to apply?***

All farms in the state of Vermont that are regulated by and meeting the requirements under the Required Agricultural Practices (RAPs), that have an up-to-date Nutrient Management Plan and that own or manage annual cropland or hayland will be eligible to apply. Farm applicants will enter data for **ALL** annual cropland and hayland under their management.

## ***What about pasture?***

Fields in pasture are currently not eligible for VPPF, although we are working to see whether this land use can be incorporated into the program in future years. Rotationally grazing continues to be eligible for payment per acre through the VAAFM Farm Agronomic Practice (FAP) program.

## ***How will this program interact with existing programs?***

This program will supplement existing programs. For any field that is enrolled in an active state or federal contract for a specific practice (e.g. cover crop), at least one additional conservation practice (e.g. reduced tillage, nutrient management or crop rotation extension) must be planned and installed on that field to be eligible for VPPF Phosphorus payment.

Farmers who do not enroll in the VPPF Program or who do not yet meet threshold for phosphorus payment will continue to be eligible for support from programs such as the Field Agronomic Practice (FAP) program to implement conservation practices.

### ***What is the process for involvement in this program?***

**Winter:** Accepted farm applicants will be encouraged to work with their Technical Service Providers or referred to their local Conservation District to enter the whole farm's planned nutrient management for the coming year into the FarmPREP program. First time enrollees, regardless of performance, are eligible for a data entry payment of \$15 per acre they enroll in the program, up to \$4,000, to compensate them for their financial investment and/or time working with TA providers to complete this data entry. Returning applicants will be able to update the previous year's entries to reduce duplication of effort.

**Early Spring:** Farms with complete data entry in FarmPREP will have the option to enter a competitive pool for Phosphorus Payments. After ranking and review by the Agency of Agriculture, successful applicants will be notified and invited to fill out enrollment paperwork.

**Growing Season:** Enrolled farms will implement conservation practices. Farms will work with TA providers as needed to update FarmPREP and ensure that the tool accurately reflects their implemented stewardship. Qualified third parties will verify this implementation.

**Year End:** Farms will be paid \$100/lb for the phosphorus they reduce above the 40% threshold, up to a cap of \$50,000 and encouraged to re-enroll for the following year.

### ***How will farms be ranked for Phosphorus Payment?***

Funding pools will be set aside to support farms in every region, with more funds allocated to Lake Champlain and Lake Memphremagog Basins. Ranking will prioritize the involvement of participants with the highest rate and percentage of phosphorus reductions, participants from historically under-resourced groups and participants with a diversity of farm sizes and locations.

### ***Will farmers and stakeholders be able to give feedback about the program?***

Yes. This program is a working model and the Agency wants it to be guided by demonstrated farm needs and to work for farmers. All payment rates, caps, and requirements will be evaluated over the course of the program by AAFM, with input from a variety of stakeholders, to ensure that the program is meeting its goals. Feedback from farm participants is encouraged.

### ***How will this program affect the PES Working Group?***

This program will not affect the Payment for Ecosystem Services (PES) Working Group. The VFPF program focuses on the single resource concern of phosphorus runoff while the PES Working Group is developing recommendations for a more comprehensive and holistic approach to ecosystem services valuation. AAFM looks forward to continued engagement with the PES Working Group as it works toward its goal of payment for soil health and ecosystem services.

### ***How will this program affect VESP?***

This program will not affect the Vermont Environmental Stewardship Program (VESP). VESP continues to work with farms to finalize pilot results and develop the full program framework. This work is ongoing and more holistic than the Vermont Pay-for-Phosphorus Program. Farms that are involved with VESP, however, are well-prepared to additionally enroll in the VFPF.

# Program Goals

- **TMDL reductions and stewardship**
  - This program will serve Vermont's need to reduce phosphorus loading under various Phosphorus Total Maximum Daily Loads (TMDLs). Reductions compensated for through this program will be calculated directly from the Lake Champlain Basin TMDL
- **Farmer buy-in**
  - Farmers need autonomy over their land management decision-making and degrees of participation. This program will not be prescriptive but rather support farmers to take an active role in conservation planning on their farm and give them the ability to implement the practices that they know will work for their own operations.
  - Farmers desire fairness: farmers' stewardship efforts will be appropriately valued, and a variety of farm sizes and land use types will be eligible for payment.
- **Verifiable, measurable, location-specific outcomes**
  - The system will be designed with accurate, quantifiable, location-specific outcomes and payments that are directly tied to a positive value for the state.
- **Equity and Efficiency of program funding**
  - The system will be maximally equitable across geographic location, farm size, and length of time as land stewards while efficiently directing funding in a way that provides the most value to the public and to the farmer.
  - There are inherent trade-offs, but with flat baselines and equal payment rates across the state, yet ranking priority within funding pools, a compromise will be reached between these goals.
- **Additionality of stewardship**
  - Farmers will be paid for voluntary stewardship that goes above and beyond their regulatorily-required levels of stewardship (i.e. threshold for payment is tied to average TMDL P-reductions expected of farms).
- **Sufficiency of payment**
  - Payment level will be sufficient to compensate farmers both for their stewardship and for their efforts to gather data and input it into the system.
  - Payment schedule will be fair, reduce risk to both the funder and the farmer, and acknowledge the upfront effort/costs of participation and the length of outcome benefits.