

PROGRAMS TASK GROUP CONSIDERATIONS
21 June 2021

1. To what extent do we want to retain a sole focus on **outcomes** or endpoints (P reduced, carbon sequestered, or floods prevented) or consider a mix of pay for performance and promoting **key practices** we are confident result in increased ecosystem services and goods (ESG)?
 - a. We want to frame positively as outcomes (improved water quality), not merely avoiding, preventing, or mitigating adverse outcomes (avoiding water quality nutrient pollution).
 - b. We want to focus on outcomes but recognize we may need to use modeling, with Vermont-based data to the extent possible, and sometimes even practices that we know achieved ecosystem services, just because all the tools we need to measure outcomes may not yet be available.
 - c. We will need to wrestle with the uncertainty that an outcomes focus may bring with expected interannual variability and other factors that may be beyond the farmer's control. The one advantage of practices is the farmer knows they get paid if they do them – in measured outcomes, the farmer is not as certain practice X will always lead to outcome Y.
2. Do we want to advance the design and development of PES approach(es) **for more than the three ecosystem services** -- *decreasing nutrient loss, reducing flooding, and sequestering carbon* -- identified in the 2021 report?
 - a. We want to provide as many co-benefits as possible, including farm viability and food security, and offer farmers choices of where they want to focus, but recognize we need focus on priority services.
 - b. The full group needs to discuss if and how we want to focus in on biodiversity, and if above and/or below ground, recognizing that biodiversity is meaningfully tied to resilience.
 - c. If and how do we want to also address above ground, whole-farm greenhouse gas emissions and landscape-scale practices beyond soil health? And, how do we coordinate with and leverage work/recommendations from the Vermont Climate Council Ag and Ecosystems Subcommittee?
3. **What we know**
 - a. Current programs tend to be focused on mitigating negative natural resource impacts rather than on incentivizing positive ecosystem benefits.
 - b. Farmers want a clear direction, focus, and a method and means to obtain payments for ecosystem services of some kind as soon as possible. Farmers are anxious to see results on the ground.

- c. There are a lot of state and federal programs that pay for many things, some directly for ESG and some indirectly. However, they are an alphabet soup of goals, rules, cost shares, and other components, and they are not necessarily well understood, easy to enter into or accessible to Vermont farmers. This WG does not want to focus on an extensive programs review and streamlining or consolidation of them – it’s not our task nor do we have the full expertise and time to do so. That being said, we may recommend that review and streamlining take place and we do want to make sure we know enough so as not to replicate existing programs nor be redundant or inefficient.
- d. Current available monies tend to prioritize water quality, riparian protection, and land protection.
- e. Funding is emerging across the country for carbon sequestration but it’s still early. However, the Governor has set aside meaningful dollars for next year for addressing GHGs, including sequestration. The WG should take advantage of this.
- f. Funding for flood resilience tends to be coming from FEMA for post-disaster recovery -- not easy to use for pre-disaster prevention. It also comes indirectly through NRCS or state monies for riparian buffers, wetlands protection, etc., and some from DEC for river corridors and other DEC water quality projects that have flood resilience benefits.
- g. Certain practices in Vermont are not or are poorly funded such as agroforestry.
- h. Though we cannot change federal policy at our level, the WG may want to offer advice and input generally in shaping USDA and FEMA federal policy and regulation to better serve Vermont’s needs.
- i. The Vermont Ag and Food Systems Strategic Plan outlines at least 3 strategies related to this work: #26 (climate adaptation), #27 (PES), and #28 (soil health and water quality).

4. In programmatic design generally, do we want to do one or more the following.

- a. Pursue a more **umbrella approach** that provide a farmer “integrated” technical they desire, then TA assists in weaving together various programs to fund actions necessary (i.e., no new programs, but assistance to integrate funding streams for achieving ESG, similar or building off of Jon Winsten’s work)?
- b. Pursue a particular **soil health** that would pay for performance of certain soil indicators, linked to ESG, and a price being worked out by our two sister Task Groups, including soil carbon.
- c. Pursue also **non-soil health landscape GHG actions** like forested buffers, wetlands preservation, agroforestry, and other, that could provide carbon sequestration, climate resilience, and biodiversity?

- d. Pursue additional funding, inclusion, and/or additional state supplemental funding for federal programs for **various practices** (say agroforestry) that are currently not or underfunded in Vermont but we are reasonably confident will result in increased ESG. And, consider existing programs like Current Use and the Conservation Stewardship Program (CSP) and how they could be modified or improved.
 - e. Pursue building on the new AAFM **Vermont Pay for Performance Program** that is currently focused on P but could be expanded to include things like soil health, carbon sequestration, flood resilience, and biodiversity.
5. How and when and on what do we want to **engage the larger farming community** in these issues, topics, and direction.
6. Potential Over the **Summer Work** to Advance Fall WG Work
- a. Interested WG members finalize the soil health elements and ecosystem services draft document/matrix.
 - b. Retain a consultant to develop the soil unit and pricing for that soil unit with WG interested members advice from time to time and bring recommendations and options to the WG in September.
 - c. Retain a consultant to advance the elements of a soil health program as we have been considering, with WG interested members advice from time to time, with the intent of delivering a general framework with options for September.
 - d. Interested WG members develop a practical, specific approach for engaging farmers when the WG is ready with clear ideas and options to engage so that we can implement quickly and efficiently when ready, including any specific consulting help that might be needed (i.e., surveys, etc.).
 - e. Interested WG members with the agencies review the various NRCS and AAFM practices relevant to us and our work, the scoring, the practices we might want to add to the list or increase funding for, and the scale of the impact (temporal and spatial) that could result (with a focus on those that improve soil health and address GHGs, such as agroforestry practices).
 - f. Consider if and how to address above ground, whole-farm greenhouse gas emissions, landscape-scale practices (forested riparian buffers, agroforestry, wetlands preservation, etc.) and biodiversity issues in the Fall and into 2022 and any necessary legislative changes to our WG charge.

7. Fall Expectations

- a. How frequently, how, and where should we meet to get our work done come September?
- b. Do people prefer virtual, face-to-face, or some combination, within state meeting laws?

- c. Would members be open to a longer meeting in early fall to hear in detail about the related research being doing in the state on many of our issues or is it better to do this via webinars?
 - d. The goal will be to: 1) advance our work on a kind of program: on what, for whom, and how; 2) engage with farmers for feedback on these concepts; 3) connect with the Vermont Climate Council Ag and Ecosystems Subcommittee; 4) develop an interim report for the Legislature by 31 December 2021; 5) have a clear work plan for 2022 including any technical consulting help needed and how we might consider any forwarded recommendations from the Vermont Climate Council and address whole farm biodiversity and GHGs.
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Reminder of Goals/Points from 2020 Work

This paradigm comprises transforming or expanding from:

- *Farming land to stewarding it;*
- *Cultivating crops and commodities only to providing additional ecosystem services too;*
- *A focus on fields to one on landscapes;*
- *Compensation for practices (e.g., cover crops) to payment for performance (e.g., tons of soil retained)*
- *One or a few ecosystem services to many and diverse services;*
- *Modeling to monitoring; and,*
- *Assistance programs to realigned and internalized incentives, including through markets.*

Principles Identified from 2020

- *Paying farmers for producing services that go **above and beyond Required Agricultural Practices (RAPs)**. Eligible participants should meet Required Agricultural Practices (RAPs).*
- *Investing in agriculture to evolve and transform behavior is a cost-effective place for society to invest in a range of environmental benefits.*
- ***Identifying a baseline** from which to measure performance, that includes recognizing good work already done by some farmers and including those who may not have had the opportunity to join past programs to participate, is important.*
- ***Ensuring all farms**, regardless of size, geography or product have the opportunity to participate, while recognizing that small farms may not have the staff, technical resources, or financial capital to be as robust in their response.*
- *Utilizing **Vermont- and farm-specific data** to the greatest extent possible while ensuring data gathering does not overwhelm in both cost and time the payments to farmers for action.*

- *Determining if the **intent is for a series of payments** over time that diminish as performance advances, upfront capital assistance to achieve long-term sizable gains, or on-going annual payments in perpetuity to obtain the desired services, or some combination thereof.*
- *Developing the amount of funds needed to both **effect measurable and desirable change** at the watershed or state-wide scale and provide meaningful additional **income streams** to or investments in farms.*
- ***Valuing outputs** based on quantifiable data and economic analyses such as avoided cost while also ensuring those valuations provide meaningful income to farmers as well as motivate farmers for the farm management changes desired.*
- ***Seeking out new markets and additional dollars** while drawing on and utilizing as effectively as possible current state and federal agricultural conservation programs as well as other public investments.*
- *Ensuring the **administrator of the program** is highly knowledgeable, trusted, flexible, innovative, and can deliver outcomes at reasonable costs.*