

Trading Implications for Tributary Strategies

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Virginia Trading Law for New or Expanding Facilities

- Does not allow trading to meet PS load reductions
- Does allow offset trading to meet cap loads
- NPS BMPs for offset trading must exceed those required of funded : (1) under state and federal law, (2) or by Tributary Strategies
- 2:1 trading ratio for NPS



What's in Virginia's Tributary Strategies ?

- Almost all cropland and hay acres have NMPs
- 80% of cropland in conservation tillage
- All eligible cropland in cover crops
- All manure farms have manure storage
- Stream buffers - 40,000 miles

What are Baseline Requirements for Ag ?

- Implemented NMP with manure storage
- Cover crops (standard planting date)
- Implemented soil conservation plan
- Livestock exclusion
- Buffer (35 ')



What's Left to Trade ??

- Continuous No-till
- 15% N rate reduction in corn
- Early cover crop
- Various land use conversions
 - Cropland to forest
 - Cropland to hay
 - Cropland to mixed open
 - Hay or pasture to forest
 - Mixed open to forest
 - Previous urban to forest
 - etc

How are Reductions Quantified ?

- Chesapeake Bay Model
- Load reductions net beyond baseline set of practices
- 2:1 trading ratio for NPS

Credits for Both N & P for Same Practice ?

- Yes if effective BMP for both N & P
- Some BMPs only effective for one nutrient
- No trading on practice if N & P impacts are in opposite directions

How to Make Sure Trades are Worthwhile

- Meet baseline first and calculate reductions only to the extent they exceed baseline
- 2:1 trading ratio
- Practice verification

How Can Trading be Beneficial to NPS Efforts ?

- Encourages producers to meet baseline
- 2:1 trading ratio provides net enhancement of load reductions in most years