

## Workgroup Status

**Workgroup:** Ag Workgroup

**Status Report Date:** May 19, 2006

**Team Leader(s):** Cedric Karper

### Team Members in Attendance:

Bill Angstadt, Consultant	Peter Hughes, Red Barn
Scott Vandemark, PEC West	Kelly Ireland, USDA – NRCS
Emily Wade, Wenger Feeds	Don McNutt, Lancaster CD
Walt Peechatka, Penn Ag Industries	Karl Brown, State Conservation Commission
Andrea Sharretts, PFB	Jenny Guiling, WRI
John Bell, PFB	Matt Ehrhart, Chesapeake Bay Foundation
Mindy Selman, World Resources Institute	George Wolff, Wolff Strategies
Michael Hubler, Dauphin CD	Don McNutt, Lancaster CD
Andrew Seligman, EPA	

### DEP:

Cedric Karper	Duke Adams	Doug Brennan
Mark Dubin	Kenn Pattison	

### Issue (s) Addressed:

- Application of various ratios (Delivery, Edge-of-Segment, Discount, Retirement) to the bottom line of turning pounds into credits.
- Advise the districts participating in the “Strawman Proposal”

### Status Report and Recommendations:

- The Work Group met for the fifth time on May 19, 2006.
- A technical committee of the Ag Workgroup met on May 11, 2006 for a discussion to analyze the plausibility of the examples that were presented to the group at the May 1, 2006 meeting. The technical committee determined that there were some incorrect assumptions made in reference to crop application and expected yields. The examples that gave farmers a reduction for applying fewer nutrients only lowered the expected yield of the crop and would therefore not qualify as true reductions. The group also worked on how to calculate an Edge-of-Segment factor from model and real-world information.

- The example presented to the full Ag Workgroup on May 19 was adjusted to reflect the Edge-of-Segment Nitrogen Load Reduction Factor (EOS). The average EOS factor for the Pennsylvania portion of the Bay Watershed is 0.25, meaning that after accounting for crop uptake, for every 4 pounds of N not utilized by the growing plant, only one pound of N has the potential to be delivered to the Bay. With the EOS factor and the other ratios are taken into account, the estimated agricultural load is less than previously understood and thus reduces the opportunity of credits for nutrient reductions. Previous calculations and examples using only the Nutrient balance sheet did not include this factor.
- Although these calculations lower estimated Nitrogen Loads for agricultural sources are in line with the Chesapeake Bay Model, all expressed concern for the diminished economic opportunity for farmers to trade credits. Alternatives for improving the economic opportunity for the farmer were identified. There will be another meeting of the technical committee to test the alternatives for accuracy and application to example projects.
- The districts participating in the “Strawman Proposal” were in attendance and the Workgroup offered the following as direction:
  - Work with individual farmers to assist them in determining the baseline compliance of their operation and what BMPs would best benefit water quality from their farm.
  - Continue installation of BMPs. No matter how the ratios are applied to earn credits, the BMPs will be improving water quality and reductions will be generated.
  - The Workgroup is excited about the participation of these districts implementing this proposal. The group is confident that going through this process will move all of our efforts forward.
- The group will meet again on June 13.