

3.1.04

NUTRIENT MANAGEMENT CREDIT PROGRAM

The NMC provides a financial incentive to offset some of the added costs associated with properly implementing a farm's NMP.

- 1) Eligibility: To be eligible to participate in the Nutrient Management Credit Program a farm must:
 - a) Be an active WAP Participating Farm with an approved WFP.
 - b) Have more than 25 animal units, as per the SOP.
 - c) Collect at least 50 tons of manure annually and manage it accordance with a WAP nutrient management plan. The amount of manure collected is to be assessed annually and is based on the most recent nutrient management plan or manure spreading records. Refer to the NMC SOP.
 - d) Have a current signed agreement form.
- 2) The number of farms eligible for NMC is determined by the current WAC/DEP contract.
- 3) Nutrient Management Credit Rates: \$10.00 per acre plus an animal unit rate that is calculated annually.
- 4) Acres are based on the most recent Nutrient Management Plan WFP-3.
 - a) NM Planner may exercise professional judgment in assessing acreage eligibility for inclusion in NMP.
 - b) Multiple participants will not receive credit for the same acreage.
- 5) Animal units are based on the most recent Annual Status Review.
- 6) Nutrient Management Credit rates and the list of eligible expenses will be reviewed annually by the Nutrient Management subcommittee. See attachment A.
- 7) Participants that withdraw from the WAP or are terminated are no longer able to earn NMC for any portion of the year for which they were WAP participants. Any credit previously awarded can be claimed as long as it's for an eligible expense that occurred while the farm was a participant. Suspended WFPs will be discussed on a case by case base as determined by the Ag. Committee.
- 8) In the case of extenuating circumstances, the Executive Committee will determine the eligibility for funding of credits.

Staff Guidelines

- 1) Participants agree to:
 - a) Implement their NMP. They should not exceed recommended manure application rates, and will follow the application timing guidelines contained in it.
 - b) Submit records of all manure applications when requested.
 - c) Continue to follow the O&M agreement for all BMPs contained in their Whole Farm Plan.

- d) Completion of the WAP Nutrient Management Training course by someone involved in the management of the farm.
- 2) Certification of Compliance:
- a) Participants will annually submit nutrient management records for certification of compliance.
 - b) A Peer Review committee comprised of three WAC council members and at least two watershed farmers will be appointed annually by the NM subcommittee. This committee will conduct a final review of records submitted and is responsible for final certification of compliance. The Peer Review committee may approve a partial award of credits, one time per farm, when it deems it as the most effective way to gain improvement in farm compliance in the future.
 - c) The Peer Review committee meeting is confidential and will include the five committee members appointed by the NM subcommittee, the WAP Program Manager, the nutrient management team reviewers and a WAP staff member to take minutes.
 - d) The WAC finance office will post credits for each farm after certification by the Peer Review committee. *Certification is signified by the signatures of the Peer Review committee and the whole farm planner (for O&M compliance) on the NMC Agreement form, and is binding at the time of the Peer Review committee meeting.* Each participant will be notified by letter of the Peer Review committee decision. This letter will confirm the amount of credit available, including any credit carried over from previous years and when those credits expire.
 - e) Carryover of Credits: Credits will be carried over for 5 years providing the opportunity to accumulate credits to cover larger expenses. Unclaimed credits will expire December 31, five years after they are posted, unless a Nutrient Management Credit Extension (Guideline 3.1.05) is enacted, in which case the following applies:
 - (1) Producers will be allowed to accumulate credits for up to an additional 3 years (totaling a maximum of 8 years) using the NM Credit Extension request procedure.
 - (2) The extended credit is intended to be used for a large purchase or repair.

In the event that the Watershed Agricultural Council dissolves, unclaimed credits will be paid directly to producers.

Credits earned by a farm while they participated in the NMC program may be carried over subject to the above guidelines and available for use by the farm, even if the farm is no longer in the NMC program.

- 3) Payments can be made only to the maximum certified credits earned. Payment methods are listed below. Payment process will be implemented according to the Standard Operating Procedure for the Nutrient Management Credit Program, which will be reviewed annually by the WAP Program Manager.

- a. Payment method 1: Participant reimbursement
 - 1) Participant pays for eligible expenses
 - 2) Participant submits copy of invoice and valid proof of payment to Nutrient Management Team.
 - 3) WAC reimburses within 30 days.
 - b. Payment method 2: Payment to Vendor
 - 1) Farmer submits an official price quote from the vendor with description of equipment or service and agrees to payment to vendor.
 - 2) WAC issues payment within 30 days.
2. NM Credit Reimbursement Check Minimums
- a. Aside from exceptions noted in 2b, participants must request expense reimbursement in such a manner that any NMC check, whether general NMC reimbursement or 2 party check, is a minimum of \$300.00. Producers may submit multiple expenses of less than \$300.00 each to make up the \$300.00 minimum check.
 - b. The only exceptions to this \$300.00 check minimum are:
 - 1) If a NMC participant has less than \$300.00 of NM Credit.
 - 2) If a NMC participant is in jeopardy of having NM Credit expire (lose the credit) that is less than \$300.00.
3. Carry forward of excess expenses: Expenses for eligible equipment that exceed the amount of available credit may be carried over for up to three years and reimbursed with credits earned in those years.

Related NMTeam SOPs

1. Nutrient Management Credit record submission and review
2. Nutrient Management Credit Peer Review
3. Nutrient Management Credit Reimbursement
4. Nutrient Management Credit Extension

Attachment A: Nutrient Management Eligible Expenses

Expenses eligible for Nutrient Management Credit reimbursement

1. Purchase, lease, rent, or repair* of the following equipment
 - a. Manure spreaders, or Manure dump wagons
 - b. Manure Pumps
 - c. Barn cleaner equipment e.g. chains, chutes
 - d. Bucket loaders
 - e. Skid steer loaders
 - f. Milk house waste/barnyard runoff transfer pump
 - g. Composting equipment e.g. turners
 - h. No-till planting equipment
2. Custom handling or spreading of manure or compost
3. Expenses related to seed bed preparation and seeding with fall cover crops, including custom services.
4. Milkhouse waste and barnyard runoff settling tank pump out.
5. Purchase and spreading of Lime. Purchase, lease, rent, or repair* of lime spreaders.

*On-farm labor used for eligible repairs can be billed up to and including \$25 per hour.