

**Ag BMP TAC Cover Crop Sub-Committee Meeting**

**January 3, 2019**

**VA Farm Bureau**

**12580 West Creek Parkway, Richmond, VA 23238**

**Opening:** The meeting was called to order at 9:31 by Sub-Committee Chair Robert Waring.

**Members in Attendance:**

Robert Waring, Chair, DCR

Kristal McKelvey, Tidewater SWCD

Ben Rowe, Vice Chair, VA Farm Bureau

Claire Hilsen, John Marshall SWCD

Alston Horn, Chesapeake Bay Foundation

Keith Burgess, Monacan SWCD

Spencer Yager, VA SWCD Employees Association

Nick Moody, DCR

Jim Tate, Hanover-Caroline SWCD

Carl Thiel-Goin, DCR

Allyson Ponn, Lord Fairfax SWCD

**Members not in Attendance:**

Chris Atkins, VA Grain Producers Association

E. Wayne Davis, DCR

Amy Walker, DCR

Glenn Dye, Producer

**Introductions and Housekeeping**

Robert Waring opened the meeting and began introductions. The Sub-Committee meeting agenda was provided.

**Approval of the Minutes**

Minutes from the December 6th meeting were reviewed. Minutes were approved 8:0:0.

**Cover Crop Matrix recommendations**

Chair, Robert Waring, noted that previous recommendations from the December Sub-Committee meeting would be presented at the January TAC meeting. The matrix was recommended to be forwarded 8:0:0.

### **Cover Crop Payment Rates Discussion**

Kristal McKelvey, Tidewater SWCD, began the discussion regarding adjusting the payment rates for cover crop. An example of potential rates was provided:

**SL-8B new payment rate proposal:**

**Base Rate = \$20/acre** (instead of \$15)

**Early Planting Bonus = \$30/acre** (instead of \$25)

**Rye Bonus = \$10/acre** (instead of \$8)

This could result in the following payments:

**Early rye = \$60/acre** (was \$48)

**Early non-rye = \$50/acre** (was \$40)

**Standard rye = \$30/acre** (was \$23)

**Standard non-rye = \$20/acre** (was \$15)

There was general discussion regarding the current price of rye, and needing to ensure incentives are high enough to encourage producers to continue to sign up for cover crop. Currently \$8.00 for rye is low based on this year's prices for seed; the committee also discussed the overall cost to plant cover crop and discussed that it does not cost \$70/acre for most producers. The committee noted that complicated cover crop matrices for rates may not be a good idea administratively but that paying on performance would be discussed, as well as the application of Nitrogen on cover crop.

The sub-committee noted there are a lot of variables associated with cover crop performance. There was general discussion regarding the Bay Model credits. The Commonwealth cannot afford to turn people away from planting cover crop due to planting late or needing to kill early; noting that credit is often not captured for cover crop planted after soybeans. With the goal to incentivize more acres, would increasing the rates (with current funding levels) result in funding fewer acres? Would want to incentivize more acres, spreading funds out to more producers, versus a few producers receiving a majority of the funding in each District.

There was general discussion about the overall signup repercussions if rates were increased. This could result in less acres reported if overall program funding remains the same. However, if funding increases

AND rates increase there would potentially be more interest from producers resulting in more acres reported. A higher signup or request would also assist in demonstrating the need for additional program funding to the General Assembly. In some instances, producers implement cover crop practices as a part of their general operation but many producers will not implement the practice unless incentives are provided. Additionally there was group discussion of different rate options such as lowering the base payment per acre and increasing the rye coverage more than the proposed rates.

The question was raised regarding increasing the tax credit rate from 25% to 50%. Increasing tax credits takes an action by the General Assembly. DCR staff are hopeful about the upcoming pilot project, however, the true need is for MORE money for cover crop in District allocations. Districts are competing against NRCS. The sub-committee discussed encouraging early planting by providing higher incentives for better performance, perhaps reducing the base, or providing higher bumps for rye and early planting. Discussion of the members returned to current funding rates and questioning if increasing the rates will mean less acreage captured. Is better performance for more money worthwhile, was also considered.

The sub-Committee discussed the need to address several issues during the March meeting and in the coming year. The members would like to see data for acreage that's actually being planting and the dates (early, standard); perhaps some practices need to be changed geographically across the state. There was discussion regarding moving forward with a concept for the coming TAC session (PY2021)

**The Cover Crop Sub-Committee voted regarding increasing the payment rates for cover crop, 3 for: 5 against: 0 abstentions. The motion did not pass and will not move forward at this time.** The Cover Crop Sub-Committee will review payment rates during the next TAC Cycle.

#### **Public Comment**

The Public Comment period was opened, there being no public comment, the public comment period was closed.

**Meeting Adjourned 11:03 am**