

Recommended revisions to the VACS BMP Manual for FY2024 – Small Herd Initiative

1. The Department is recommending a \$15,000 increase in the *Initiative* cap. This will increase the possible funding amount available to a producer to \$50,000.
2. Language has been removed that is no longer necessary, as the Initiative is available statewide.
3. Dates have been changed to reference FY2024 rather than FY2023.
4. Other minor formatting edits have been made.

SMALL HERD INITIATIVE

Chapter 2 of the 2022 Special Session 1 Acts of Assembly, Item 374

B.1. Notwithstanding § 10.1-2129A., Code of Virginia, \$313,013,000 the first year from the general fund shall be deposited to the Virginia Water Quality Improvement Fund established under the Water Quality Improvement Act of 1997. Of this amount in the first year, \$40,610,000 shall be appropriated to the Department for the following specified statewide uses: \$7,000,000 to the Department to support the Small Herd Initiative as approved by the Virginia Soil and Water Conservation Board, \$6,000,000 shall be used for the Commonwealth's match for participation in the Federal Conservation Reserve Enhancement Program (CREP); \$5,000,000 to the Department of Environmental Quality to support newly regulated municipal separate storm sewer system (MS4) localities; \$3,500,000 shall be provided the Department of Environmental Quality, collaborating with the Department of Health, to conduct studies of Harmful Algal Blooms occurring in the Shenandoah River and Lake Anna; \$4,560,000 shall be allocated for special nonpoint source reduction projects to include, but not be limited to, poultry litter transport, grants related to the development and certification of Resource Management Plans developed pursuant to §10.1-104.7, and, in the Chesapeake Bay watershed, grants related to the development and implementation of nutrient management plans developed in accordance with the regulations adopted pursuant to §10.1-104.2; \$4,000,000 shall be transferred to the Virginia Association of Soil and Water Conservation Districts to be used for the Virginia Conservation Assistance Program (VCAP); \$4,000,000 shall be transferred to the Department of Forestry for the Virginia Trees for Clean Water program; \$2,000,000 shall be provided to the Department to provide additional incentives for the maintenance of riparian buffers by agricultural producers; \$1,000,000 shall be provided to the Department of Environmental Quality to assist with the implementation of best management practices in accordance with the State Lands Watershed Implementation Plan; \$1,500,000 shall be provided to the Department for the development and continued maintenance of the Conservation Application Suite including costs related to servers and necessary software licenses; \$700,000 shall be provided to the Virginia Cooperative Extension, collaborating with the Department, to provide enhanced and targeted outreach, education, and technical assistance for agricultural and residential landowners in the Chesapeake Bay watershed; \$1,000,000 shall be transferred to the Department of Forestry for water quality grants; \$250,000 to the Department for the Small Farm Outreach Program; and \$100,000 shall be transferred to the Department of Health, collaborating with the Virginia Institute of Marine Sciences, to conduct analysis on statewide septic hot spots and map communities with failing or failed onsite wastewater treatment. \$15,895,679 is designated for deposit to the reserve within the Virginia Water Quality Improvement Fund.

Background:

~~The 2020 Virginia General Assembly passed House Bill 1422 and the identical Senate Bill 704, commonly referred to as the “Bay Bill”, which was subsequently signed into law by the Governor. Amongst other mandates, this new law (§61.2-44.123) requires that “[any] person who owns property in the Chesapeake Bay watershed on which 20 or more bovines are pastured~~

~~shall install and maintain stream exclusion practices sufficient to exclude all such bovines from any perennial stream in the watershed.” This provision, however, shall not go into effect until July 1, 2026 at the earliest and only if the Secretary of Agriculture and Forestry and the Secretary of Natural Resources jointly determine that the Commonwealth’s commitments in the Chesapeake Bay Total Maximum Daily Load Phase III Watershed Implementation Plan (WIP III) have not been satisfied.~~

On December 16, 2020, the Virginia Soil and Water Conservation Board (Board) directed the Department of Conservation and Recreation (DCR) to hold in reserve a total of \$2.26 million for a Small Herd Initiative for areas within the Chesapeake Bay watershed. Of the \$2.26 million, \$2.0 million shall be for practice implementation funding and \$260,000 shall be held for associated 13% technical assistance for Soil and Water Conservation Districts (Districts). In response to action taken by the General Assembly and the Governor during the 2022 Special Session, and recognizing the importance of excluding livestock from waters throughout the state, the Board expanded the Small Herd Initiative across the Commonwealth.

During the 2022 Special Session 1, an additional \$7.0 million was provided; \$6,090,000 shall be for practice implementation funding and \$910,000 will be held for the associated technical assistance funding at a rate of 13%.

Eligibility:

- The Small Herd Initiative is available to producers statewide.
- The Small Herd Initiative is targeted towards producers with herds of 20-49 bovines (e.g. cows, calves, bulls, steers, heifers, etc.).
- Producers must be eligible for funding through the VACS program ~~(i.e. three or more years of at least \$1,000+~~ in verifiable agricultural income on five or more contiguous acres of land.
- In order to be eligible, the participant must own a total of only 20-49 bovines on the date of sign-up as documented on the Contract Part I. Each individual bovine (i.e. regardless of age or sex) counts towards the herd total.
- Participants are not allowed to split herds on different pieces of land, or under different business entities in order to qualify.
- Participants are not allowed to sign up separately managed “small herds”; this Initiative is only for participants who own *only a total of* 20-49 bovines at time of sign-up.

Funding Details:

- Funding will be available from DCR on a first-come, first-served, non-competitive basis.
- Each participant is eligible only once, for a maximum of ~~\$35,000~~ \$50,000 in cost-share.
- Participants can choose from any available VACS livestock exclusion practices: SL-6N, SL-6W, WP-2N, WP-2W and WP-2P.
- The Small Herd Initiative can fund up to 100% of the cost of the practice depending on the practice chosen, as well as buffer width and lifespan options chosen by the participant, up to the ~~\$35,000~~ \$50,000 maximum.

- Funds provided through the Small Herd Initiative will not impact VACS participant caps for other practices. For example, a participant could receive up to ~~\$35,000~~ \$50,000 in Small Herd funding and then sign up for cover crop contracts totaling \$300,000 (i.e. the participant cap in PY23PY24).
- Small Herd Initiative funds cannot be ~~piggybacked~~ piggyback funded with VACS, 319 TMDL, EQIP or any other funding sources for a stream exclusion practice. If the cost estimate for a stream exclusion project is \$50,000, the participant cannot sign up for \$15,000 in VACS dollars and \$35,000 in Small Herd Initiative dollars. The participant must choose which funds they would like to apply for.
- Unless otherwise noted within this framework document, all normal VACS Program Guidelines apply to the Small Herds Initiatives (e.g. Carryovers, Hardship, Practice Failures, Verifications).

Logistics:

- Each District is responsible for determining the participant's eligibility for funding, including VACS eligibility requirements and herd size at the time the Contract Part I is signed.
- The District will obtain the signed Contract Part I and W-9 tax forms from the participant.
- The District will develop a Conservation Plan (or use a NRCS Plan), map it in the Conservation Application Suite (CAS), and formally approve the plan at a local District Board meeting.
- The District will create a contract in the CAS system as well as a cost-estimate.
- The District will conduct Resource Reviews, including the resolution of any required consultation with state resource partners such as the Department of Historic Resources, Department of Wildlife Resources or DCR's Division of Natural Heritage.
- Once the requirements above are fulfilled, the District will switch the status of the BMP, located on the Programs Tab of the CAS system, to "*Funds Pending Approval*". The CAS system will run a query each evening for all contracts with this status and will send an overnight notification email to the DCR Agricultural Incentives Program Manager (AIPM) of the need to review projects.
- The AIPM will review the projects and, if warranted, switch the status to "*Funding Availability Confirmed*". Subsequently, the AIPM will notify the District by email of the change and instruct the District to have the contract formally approved at its next monthly meeting by the local Board.
- Small Herd Initiative funds and associated 13% Technical Assistance dollars will be disbursed to the Districts quarterly per standard operating procedures working with the local DCR Conservation District Coordinator and SWCD Liaison.
- The AIPM will regularly update the Districts on the status of funding, especially as contractual commitments approach the overall funding cap.