

Framework for DCR's Small Herd Initiative

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.

~~In an effort to help farmers that may be potentially impacted by this legislation, On December 16, 2020, the Virginia Soil and Water Conservation Board (VSWCB Board) voted on December 16th, 2020 to direct directed _____ the Virginia Department of Conservation and Recreation (DCR) to hold in reserve a total of \$2.26 Million for a Small Herd Initiative. 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). This document outlines a Framework for DCR’s Small Herd Initiative which, upon final approval by the VSWCB, will open for sign-ups by select Districts within Virginia’s Chesapeake Bay watershed on July 1, 2021. In response to action taken by the General Assembly and the Governor during the 2022 Special Session XXXX, the Board expanded the Small Herd Initiative across the Commonwealth.~~

~~Of the \$7.0 million 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%~~

OR

~~Of the \$8.0 million provided, \$6,960,000 shall be for practice implementation funding and \$1,040,00 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 ~~20-35~~ 20-49 bovines (e.g. cows, calves, bulls, steers, heifers, etc.) ~~within Virginia’s Chesapeake Bay watershed.~~
- Producers must be eligible for funding through the VACS program i.e. three or more years of \$1000+ in verifiable agricultural income on five or more contiguous acres of land.
- ~~Due to limited funds, this Initiative will initially target producers in the following seven Soil and Water Conservation Districts, located largely within the Piedmont physiographic region of Virginia:~~
 - ~~Culpeper~~
 - ~~John Marshall~~
 - ~~Lord Fairfax~~

- Loudoun
- Peter Francisco
- Piedmont (Chesapeake Bay watershed only)
- Thomas Jefferson

- In order to be eligible, the participant must own a total of only ~~20-35~~ 20-49 bovines on the date of sign-up as documented on the Contract Part I. ~~DCR recognizes the environmental impact of a bull, cow, heifer, steer, calf, etc., can vary greatly; however, the law specifically targets bovines. As such, each~~ 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* ~~20-35~~ 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 ~~\$25,000~~ \$35,000 in cost-share.
- Participants can choose from any available ~~PY22~~ 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 ~~\$25,000~~ \$35,000 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 ~~\$25,000~~ \$35,000 in Small Herd funding and then sign up for cover crop contracts totaling \$150,000 (i.e. the participant cap in ~~PY22~~ PY23).
- Small Herd Initiative funds cannot be piggybacked 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 ~~\$25,000~~ \$15,000 in VACS dollars and ~~\$25,000~~ \$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 ~~of \$2.0 Million~~.