EXECUTIVE SUMMARY

Agriculture is Virginia’s largest industry by many metrics. It also represents the largest source of nutrient and sediment pollution reaching Virginia’s local streams, rivers, and the Chesapeake Bay. Fortunately, addressing these pollution loads offers an opportunity to improve the Commonwealth’s natural resources while also enhancing working farms and forests. The Virginia Agricultural Cost Share Program (VACS) funds the implementation of a wide suite of agricultural best management practices that reduce pollution while enhancing farm productivity. Virginia should follow through on its commitment to fully fund this impactful program. Additionally, Virginia should develop new pay-for-outcome programs that promote innovation and assurance.

CHALLENGE

Virginia has made substantial progress in developing and implementing VACS and has accelerated investment in agricultural pollution reduction efforts in recent years. Still, we are not on track to achieve nutrient and sediment reduction goals. Achieving our goals will require sufficient, sustained financial and technical support through a fully-funded VACS program. Further, it will also require new innovative and creative approaches.

The Virginia Department of Conservation and Recreation (DCR) administers VACS through the Soil and Water Conservation Board and Virginia’s 47 Soil and Water Conservation Districts. The Districts’ experienced staff assists farmers and landowners in identifying opportunities to improve water quality and prevent pollution, provides technical assistance in implementing best management practices (BMPs), and helps to offset the cost of installing the practices. These BMPs include stream fencing and alternative water sources to keep livestock out of streams; nutrient management plans that promote efficient fertilizer application; riparian buffers to filter pollutants from runoff; and many other practices essential to protecting Virginia’s waterways.

In an evaluation of Chesapeake Bay efforts, a report from the Chesapeake Bay Program’s Scientific and Technical Advisory Committee (STAC) concludes that the adoption of new policies, procedures, and expanded capacities are needed to improve responses. Specifically, the report recommends increased incentives for innovation that offer opportunities to reward the treatment of high-loss areas and to encourage the adoption of highly effective practices that land managers may not consider under standard cost-share programs.

SOLUTION

Every other year, DCR—working with farmers, the Soil and Water Conservation Districts, and other stakeholders—compiles an Agricultural Needs Assessment detailing how much investment is needed for agricultural BMPs. The most recent assessment shows that, in order to maximize benefits to local and downstream waterways and Virginia communities, VACS should be funded at no less than $250 million over the biennium. For the first time, the General Assembly has fully-funded the VACS program in the state budget, a major achievement for Virginia. Strong, sustained funding at the level identified in the Agricultural Needs Assessment will facilitate a faster pace of progress, improve water quality, and invest in Virginia farm futures both in and beyond the Chesapeake Bay Watershed. Investments in agricultural BMPs improve water quality, create local jobs, and deliver economic benefits for rural communities.

Additionally, a recent evaluation of Chesapeake Bay clean-up efforts suggests that new programs are needed to promote innovation and connect investments to outcomes. Virginia should seek new opportunities to both support our cost-share programs and promote innovation. Further, within the VACS program, DCR should seek innovative ways to increase enrollment of known high-return on investment practices like streamside cattle fencing and nutrient management plan writing for crop fields.

It is important that these investments in agricultural BMPs are equitably reaching historically underserved communities like farmers of color. As noted by the Virginia Soil and Water Conservation Board, the allocation of funding for the VACS program should address Diversity, Equity, Inclusion, and Justice concerns, and the state should follow through with this directive.

POLICY RECOMMENDATIONS

- Full funding (at least $250 million) over the biennium for the Virginia Agricultural Cost-Share Program (VACS), as estimated by the Agricultural Needs Assessment and accounting for impacts related to inflation.
- Sufficient and stable funding for technical assistance by Soil and Water Conservation Districts to ensure adequate staff capacity and training.
- Additional financial incentives for long-term conservation practices like stream exclusion fencing and riparian buffers that are critical to meeting the requirements of the Watershed Implementation Plan and excluding livestock from all of the Commonwealth’s perennial streams.
- Promote strategies and policy initiatives to connect cost-share investments with outcomes.