Resources for those that support agricultural landscapes and conservation
Establish a national dialogue on how water quality trading can best contribute to clean water goals. That includes providing options and recommendations to improve consistency, innovation, and integrity in water quality trading.
Building a Water Quality Trading Program: Options and Considerations

- Elements and decisions inherent in trading
- Point-nonpoint trading
- Detailed options
- Pros and cons for each option
- Examples with detailed references
- Consistent definitions and language
National Network Dialogues

- March 2016 (Sacramento, CA): Supporting agricultural engagement in WQT


- May 2016 (St. Louis): Program evaluation: Measuring progress in WQT
Unlocking Market Demand

What is the broader spectrum of demand for WQT?

- Municipal and industrial wastewater sources
- Corporate sustainability investments
- Drinking water utilities and beverage companies
- Agriculture cooperatives, companies, and other producers
- Philanthropy and socially responsible investment
- Public purchasers (e.g., state grant programs, soil and water conservation districts, federal cost share programs, infrastructure investment funds)
Willa mette Partnership

LAYING THE GROUNDWORK FOR MORE EFFECTIVE CONSERVATION.
The Diffusion of Innovations

Innovators: Venturesome
Early Adopters: Respectable
Early Majority: Deliberate
Late Majority: Skeptical
Laggards: Traditional

Program Conditions

• Decisions affect price and opportunities to bring in spectrum of producers

• High baselines...favor early adopters, limit participation, increase credit price, decrease market opportunities
  • WI Ag baselines...nearly unachievable even for TMDLs

• Low baselines...
  • Great Miami targeting late adopters...low prices
  • VA stormwater credits targeting marginal lands...farmer financial gain
Farmer Considerations

• Farmer economics (yield, input costs)
• Contrary operational needs (improved drainage)
• Short game vs. long game
• Proven benefits
• Access to technical information
• Quantification of things not normally quantified
• Farmer age and encumbering property for future generations
• Land leased or owned
• Risks/risk aversion (Sunday headlines; permits)
Science/Technology Considerations

• Unintended consequences...no-till in WLEB
• Ecosystem changes
  • Tiling/infiltration
  • Channelization/downcutting
• Science gaps...linkages/lags
• Production needs vs WQ needs
• Opportunistic participation (random conservation) vs strategic participation in the landscape
  • WI Adaptive Management example...WQ outcome-based vs WQT for cheapest load reductions
What have we learned?

• For Ag....conditions vary
  • Adaptability and flexibility
  • One size does not fit all
• Absent demand...Ag is subject to disappointment
• What WQT attributes translate well to other programs?
• Do we recognize what’s worked or keep trying to build a better mouse trap for Ag participation and messaging?
• Do we tailor WQT for every farmer knowing only a few will participate; or do we tailor to those likely to give most cost-effective credits?
• Bottom line...farmer has to make a decision at the end of the day whether participation is worth it...our efforts must consider this
Dialogue Objectives

• Define the potential roles of intermediaries

• Identify resource needs for program implementation

• Look for efficiencies by aligning existing programs

• Support community of practice
Why We Are Here

Local entities such as conservation districts (CDs), cooperative extension agents, crop advisors, and other third party practitioners – collectively known as trusted intermediaries – bridge the trust gap between landowners and stewardship programs, and can be a valuable asset towards the implementation of water quality trading programs.
Why We Are Here

- Program Administrator
- Project planner/site screening
- Project verifier
- Credit aggregator
- Monitoring and Reporting
- Advisor
Why We Are Here

• How can trading programs capitalize on trust and knowledge of intermediaries?

• What resources can help intermediaries in their varying roles?

• How can WQT align with existing programs?

• What opportunities are there for WQT to advance existing and emerging conservation programs?