Setting Baselines & Who Can Trade

Agricultural Perspective

Larry M. Antosch, Ph.D.
Senior Director, Policy Development and Environmental Policy
Eligibility

• To participate need to achieve some baseline level of water quality improvement
• Baseline levels need to be reasonable
• Baseline must link to a water quality benefit
Baseline

Minimum pollutant control requirement that a credit seller must meet before they can enter the trading market.

CTIC, July 2006
Agricultural Baseline

Establishment
• Require multiple conservation practices

Who can participate?
• Farmers who have already voluntarily implemented BMPs (Early Adopters)
Agricultural Baseline

Established practices

- Require multiple conservation practices

Who can participate?

- Farmers who have already voluntarily implemented BMPs (Early Adopters)
Agricultural Baseline

Establishment
• Require fewer practices

Who can participate?
• Farmers who need to implement BMPs (Late Adopters)
Agricultural Baseline

Established
• Require

Who can participate?
• Farmers who need to implement BMPs (Late Adopters)
Agricultural Baseline

An equity issue
Fairness & Equity

• Do NOT want to reward those who should be doing more
• Incentive for early and late adopters
• “Extra” credit for early adopters
• Price early adopters out of program
# Agricultural Baseline

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<th>Current Practice</th>
<th>Comply with Existing Laws</th>
<th>Set Level of BMP’s</th>
<th>Comply with Laws &amp; Additional BMP’s</th>
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AFT, August 2013
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Many # of Farmers Eligible Few

Frequent

Many # of Credits Available Few

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Many # of Farmers Eligible

Many # of Credits Available

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Lessons

- Baseline
- Verification
- Seamless Sign-up
- Trusted Partner
- Good vs. Bad Actors (Fairness)
- Liability – Permit Compliance
- Farmers Become the “Good Guys”
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