



United States Department of Agriculture

USDA ANNOUNCES FUNDING FOR WATER QUALITY TRADING

On January 13, 2012, Agriculture Secretary Tom Vilsack announced a funding opportunity that will bring states, USDA and other stakeholders together to enhance the effectiveness of water quality credit trading.

USDA's Natural Resources Conservation Service (NRCS) is providing up to \$10 million in Conservation Innovation Grants (CIG) for these projects, with up to \$5 million focused on water quality credit trading in the Chesapeake Bay watershed. Proposals for projects are due March 2, 2012.

"For the first time USDA has offered funding specifically for water quality trading. We want to help states and other partners develop robust and meaningful markets," USDA Secretary Vilsack said. "Our goal is to demonstrate that markets are a cost-effective way to improve water quality in places like the Chesapeake Bay watershed, and agricultural producers are critical to the function of these markets."

Water quality credit trading is a market-based approach to lowering the costs of reducing pollution, and has the potential to engage more farmers and ranchers in water quality improvement efforts through the implementation of more conservation practices on agricultural lands. Through water quality credit trading, a producer who implements conservation practices to reduce water quality pollutants can also benefit by generating water quality market credits that could be sold in an open market, which would reduce the costs of implementing and maintaining the conservation practices.

NRCS requests CIG proposals for projects that:

- Support the completion of state water quality market rules and infrastructure needed to carry out water quality trading between point and non-point sources;
- Deploy and test tools and metrics needed for crediting and verifying the effectiveness of conservation practices on agricultural lands;
- Establish certification, registry and reporting systems; and
- Educate and reach out to agriculture and other sectors.

CIG funds will be awarded through a competitive grants process. At least 50 percent of the total cost of CIG projects must come from non-Federal matching funds, including cash and in-kind contributions provided by the grant recipient. Projects must involve producers who are eligible for the NRCS [Environmental Quality Incentives Program](#).

To apply electronically, visit Grants.gov or contact a local NRCS office. View the complete Announcement of Program Funding [here](#).

The Chesapeake Bay portion of this effort is part of NRCS' [Chesapeake Bay Watershed Initiative](#), which helps agricultural producers in Delaware, Maryland, New York, Pennsylvania, Virginia and West Virginia to improve water quality in the watershed.

NRCS hosted a webinar on January 24th for prospective applicants where USDA officials and staff discussed the goals of the program and answered questions about the request for proposals. To hear a recording of the webinar please go to the [CIG website](#).

Questions can be directed to:

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