

# Agenda

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- 1. Purpose and Need for the Ag Wetland Bank.**
- 2. The Essentials of Ag Wetland Banking.**
- 3. 5 min break.**
- 4. Site selection, review, eligibility and credit allocation.**
- 5. Review of Applications, banking requirements, credit use.**



# The Minnesota Wetland Bank for Agriculture

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## Background, Purpose, and Need

BWSR Academy

October 2012

# Agricultural Wetland Banking



# Protection of Wetlands on Ag Land in Minnesota

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- USDA Farm Bill wetland compliance requirements since December 1985.
- State Wetland Conservation Act (WCA) passed in 1991.
  - Applies to all wetlands in MN
  - Includes exemptions (several relevant to ag)

# History of the Wetland Bank

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- About 380 bank sites since inception.
  - $\frac{3}{4}$  private
  - $\frac{1}{4}$  BWSR Road Program
- Located in 71 of State's 87 counties.
- From 2004-2009:
  - Credit costs varied from \$735 to \$87,120.
  - \$13,785 average sale price.

# The Big Picture

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- Greater emphasis on long-term function and sustainability.
- Focus on benefits to the watershed.
- Clear preference for banking.

# Banking: Benefits to Landowners

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- Alternative to “project-specific” replacement – not every landowner has the opportunity or capability to establish a replacement wetland.
- Landowners can take advantage of regulatory flexibility allowed by law.
- Multiple landowners can purchase credits from a single bank – significantly more efficient.

# Banking: Benefits to Agencies

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- Credits can be used to satisfy multiple program requirements (e.g. WCA and Swampbuster).
- Approving agencies agree on eligibility, crediting, etc, ahead of time.
- A single mitigation plan and site approval process serves multiple landowners.
- Approving wetland mitigation through the bank is substantially simpler.

# Banking: Benefits to MN Resources

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- Higher quality wetlands than project-specific replacement.
- Impacted wetlands are replaced with pre-established mitigation wetlands.
- Better target restorations
- Larger sites with multiple benefits



# Why the Focus on Agriculture?

- Ag drainage practices have improved over time...

from the  
BUREAU FARMER Aug. 1930

## 2 ways to improve your farm with **DYNAMITE**

— the easy, quick, low-cost way to clear your farm  
of stumps and boulders...to provide better drainage



# Agricultural Drainage Tile







Photos: Matt Helmers



# Tile Drainage - Example in MN

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## 3 Qtr Sections (480 ac.)

- 360 acres directly tiled
- 80 ft. spacing =
- **37 miles of drainage tile (196,000 ft)**

## End Result?

- Changing hydrology?
- Indirect impacts?

# Increasing Demand for Ag Drainage

## Example: Hutchinson Brick & Tile Works

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- “between January 10 and February 7, over 400 loads of tiling were taken from his factory by farmers’ teams. So rapidly was his stock reduced that a number of customers hauled the tiling they required and piled it up on adjacent lots...”
- “The demand for tiling is growing so rapidly that the capacity of the factory is insufficient and will be increased as rapidly as possible.”
- “The rapid growth of the demand for drain tile in Southern Minnesota is significant, and those well informed insist that it has not yet fairly started.”

# Increasing Demand for Ag Drainage

## Example: Prinsco

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- “Prinsco Inc... is responding to this season’s overwhelming demand for agricultural drainage products with plans to open a new manufacturing plant in the upper Midwest’s Fargo/Moorhead area. [These new production lines], along with upgrades at other facilities, mean a vast increase in single-wall tile production.”
- “Prinsco has done everything possible to expand our infrastructure and make the investments needed to meet this additional demand as quickly as possible.”
- “The Fargo/Moorhead plant is Prinsco’s second new manufacturing facility in twelve months.”

# Increasing Demand for Ag Drainage

## Misc. Quotes

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- “Demand for agricultural drainage has reached historic levels.” - <http://www.timewelltile.com>
- "GPS yield maps and precision farming have created a demand for tile drainage never before seen..." - <http://farministrynews.com>
- “We've been in this business about 25 years, and this is the first time I've ever seen that we cannot get product.” - <http://www.agriculture.com>

# Current Situation

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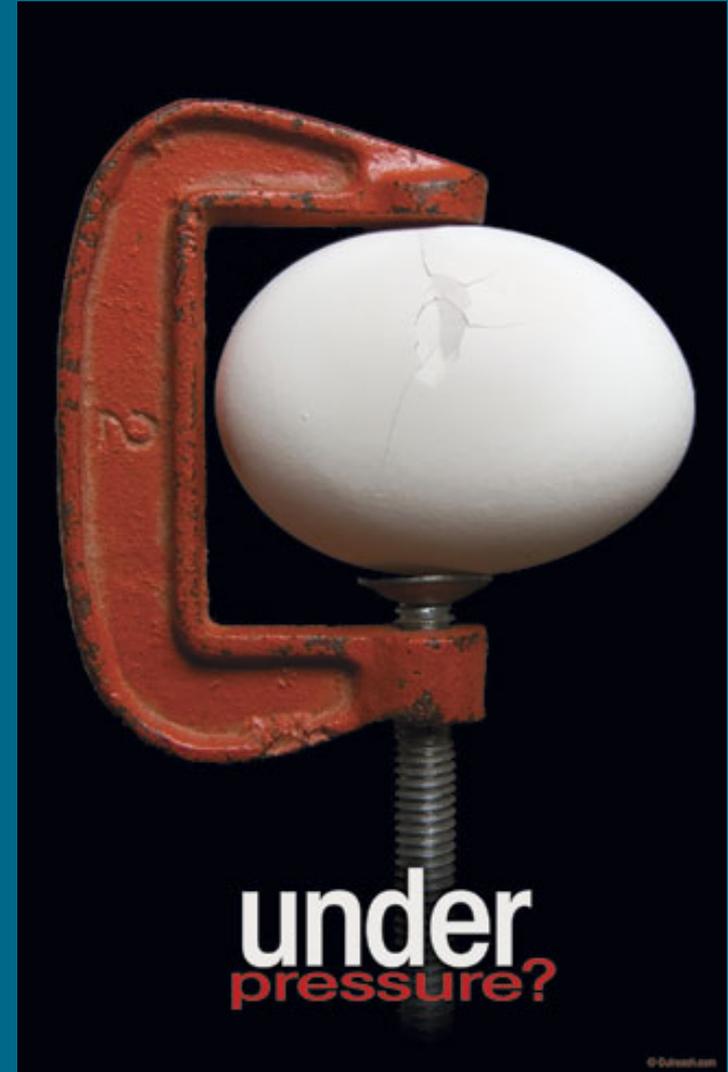
- Swampbuster national policy: certified wetland determination for new drainage projects.
- Increased interest in tiling = increased demand for wetland replacement.
- WCA funding inadequate for comprehensive review of ag projects.

# Drainage places increased pressure on wetlands

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- WCA exemptions
- Appeals, CWTE
- Indirect impacts
- Political pressure
- Regulatory changes

**We need options for landowners!**



# Banking is a Win-Win Alternative

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# BWSR and NRCS

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# BWSR-NRCS MOU - Mitigation

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- a) Banking in accordance with WCA standards generally provides acceptable mitigation for WCA and Swampbuster.
- b) Goal: BWSR conservation easement and monitoring to be sufficient for NRCS.
- c) Conduct joint review of corresponding replacement requirements to ID and agree on mutually acceptable standards.

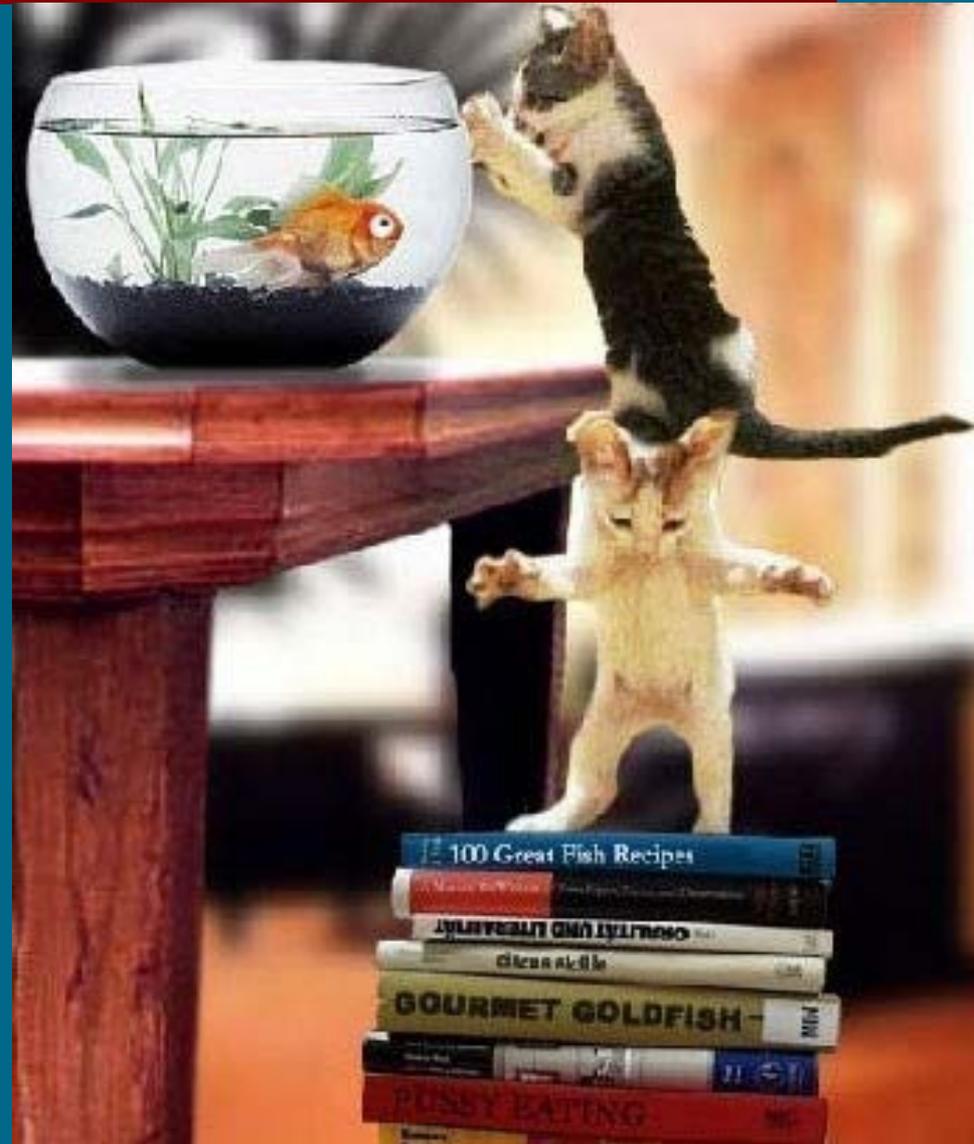
# BWSR-NRCS Contribution Agreement - Mitigation

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- Develop a detailed MOU for jointly acceptable wetland replacement standards and the operation of a single-use wetland bank for agricultural wetland mitigation for both WCA and Swampbuster.
- The MOU may also address geographic differences in bank use and other items as jointly agreed upon.

# BWSR and NRCS Working Together

- Establishing the Ag Bank is a joint agency commitment.
- Staff from both agencies have responsibilities to work together and ensure success.



# Statute Summary

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## ➤ Existing Statute provides:

- ❑ The authority for the ag bank,
- ❑ The ultimate replacement standard (public value) and evaluation process (MNRAM),
- ❑ Flexibility when replacing ag impacts with restored wetlands.

# Thus, the Ag Bank...



Questions?