

# Minnesota Agricultural Water Quality Certification Program

A Report to the Minnesota Legislature

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#### **Executive Summary**

The Minnesota Agricultural Water Quality Certification Program (MAWQCP) is a voluntary opportunity for farmers and agricultural landowners to take the lead in implementing best management practices that are protective of water quality. The program was signed into statute in 2013, piloted in 2014, and began statewide operations in July 2015.

The program has:

- Developed an innovative and comprehensive process for identifying and mitigating agricultural risks to water quality on a field-by-field, crop-by-crop basis;
- Partnered with Minnesota's soil and water conservation districts to create a statewide system, ensuring the program is delivered by local conservation professionals;
- Pursued partnerships with industry leaders, such as Land O' Lakes Inc., to jointly promote the MAWQCP, leveraging the program's budget and allowing it to certify more farmers than it otherwise could; and,
- Established endorsements in five areas of conservation that recognize certified producers' commitment to resource preservation and establish their eligibility for additional program benefits, such as Climate Smart payments.

As of December 2024, the program had certified 1,566 producers and 1,140,281 acres. These producers have implemented 2,968 new conservation practices that are reducing 54,816 CO2-equivalent tons of greenhouse gas emissions per year, keeping 149,811 tons of soil on Minnesota fields annually, and preventing 49,477 tons of sediment and 62,236 pounds of phosphorous from entering our lakes, rivers, and streams annually.

The MAWQCP has also recorded significantly better economic outcomes for certified farms. Starting in 2019, researchers at Minnesota State Agricultural Centers of Excellence and AgCentric have conducted annual <u>financial analyses</u> of Farm Business Management Program participating farms. Every year for the past five years MAWQCP-certified farms outperformed their peers financially, including higher average net farm income. The five years of data serve as an indicator of a positive return on investment for whole-farm conservation management that farmers implement to become certified.

In 2025, the MAWQCP looks to continue building on its legacy of robust growth with the deployment of a modernized and streamlined assessment tool. New federal funding through Minnesota's Climate Pollution Reduction Grant (CPRG) is expected to increase enrollment and enable the program to continue its work of protecting and improving Minnesota's most iconic natural resource.



## Introduction

The Minnesota Agricultural Water Quality Certification Program (MAWQCP) is a first of its kind, voluntary program that supports the implementation of conservation practices on a field-by-field, whole farm basis. Through its innovative and nationally recognized process of identifying and mitigating agricultural risks to water quality, the MAWQCP delivers on-farm conservation that helps protect and restore Minnesota's lakes, rivers, streams, and groundwater. The MAWQCP is a national demonstration project that is operated as a federal-state partnership between the State of Minnesota, the U.S. Department of Agriculture, and Minnesota's 88 soil and water conservation districts (SWCDs). The certification program has also partnered with industry leaders, including Land O' Lakes Inc. and Centra Sota Cooperative, to promote the program and enroll additional acreage. Farmers and landowners who treat all risks to water quality on their operation are certified and are deemed to be in compliance with any new water quality laws or rules for 10 years. Certification gives farmers and the public greater certainty about regulatory standards and assures the public that Minnesota's farmers are doing their part to protect water quality.

This report is submitted pursuant to Minnesota Statute §17.992:

The commissioner, in consultation with the Minnesota Agricultural Water Quality Certification Program Advisory Committee, commissioner of natural resources, commissioner of the Pollution Control Agency, and Board of Water and Soil Resources, shall issue a biennial report to the chairs and ranking minority members of the legislative committees with jurisdiction over agricultural policy on the status of the program.

## **Program Background**

The MAWQCP was initially formed through a 2012 memorandum of understanding (MOU). The MOU was the culmination of talks led by Governor Mark Dayton, U.S. Department of Agriculture (USDA) Secretary Tom Vilsack, and U.S. Environmental Protection Agency (EPA) Administrator Lisa Jackson. The MOU stated that Minnesota's state agencies responsible for overseeing issues at the nexus of agriculture and water quality, including the Minnesota Department of Agriculture (MDA), Pollution Control Agency (PCA), Department of Natural Resources (DNR), and Board of Water and Soil Resources (BWSR), would jointly deliver the program with the MDA acting as the lead agency.

Under the MOU, the MDA was tasked with convening an advisory committee of diverse agricultural stakeholders to design an agricultural water quality certification program. The advisory committee was comprised of 15 members who represented a wide variety of interests. Chief among the advisory committee's recommendations was piloting the program prior to statewide implementation and the creation of a new, innovative assessment process that would help field staff identify risks to water quality for each crop being grown. These insights informed the MAWQCP's originating statute (Minn. Stat. § 17.9891-17.993), which was signed into law in the spring of 2013. Under the statute, once producers and landowners have mitigated all risks to water quality present on their operation, they are

eligible to become certified and sign a contract with the State of Minnesota. The certification contract states certified producers and landowners will be deemed in compliance with any new state agricultural water quality laws or rules for 10 years.

In June 2013, the MAWQCP began designing its pilot phase and sought applicants to select four subwatersheds, representing the state's distinct agricultural and geographic regions. The pilot areas were successful where they were coordinated through local SWCDs; however, other pilot areas failed to gain robust participation in the regions where the pilot was led by a nonprofit. Minnesota's SWCDs are historic providers of conservation services and are seen by Minnesota's farmers and landowners as trusted partners. So, when the program began implementing statewide operations in July 2015, it partnered with the SWCDs to deliver certification services.

In addition to the advisory committee, the MDA created an interagency team to guide the program's development and implementation. This team was comprised of individuals from the PCA, BWSR, and DNR. Each of these agencies brought their unique expertise to the table, ensuring the MAWQCP was designed and implemented in a manner that respects each agency's unique role in the state's agricultural arena. The Minnesota interagency team and advisory committee are still active and continue to provide the MDA with key insights on the operation and direction of the certification program.

The USDA Natural Resources Conservation Service (NRCS) has also been instrumental in developing the certification program. From the outset, the MAWQCP has partnered with NRCS to fund the installation of on-farm conservation practices, and in 2015, the MAWQCP received a competitive five-year Regional Conservation Partnership Program (RCPP) award of \$9 million. Through this award, the NRCS has worked seamlessly with MAWQCP staff to create processes and protocols to distribute financial assistance to farmers seeking certification and to jointly promote the program. In November 2019, the MAWQCP received a second five-year RCPP renewal of \$9 million to continue providing technical and financial assistance to farmers seeking certification. It was a competitive award process and the MAWQCP was one of just 18 renewals nationwide and the only project in Minnesota to receive an RCPP award in 2019.

In 2023, the MAWQCP reached the milestone of enrolling one million acres in the program, achieving a goal Governor Tim Walz set in December 2020.

## **Assessment Process**

The MAWQCP's nationally recognized method for identifying and mitigating agricultural risks to water quality has created a commonsense blueprint to recognize, reward, and incentivize farmers in their efforts to protect and improve Minnesota's waters. The MAWQCP's assessment process utilizes comprehensive tools and traditional conservation delivery methods to deliver certification services; however, the program's core service is putting landowners and producers in touch with conservation professionals to create individualized water-focused conservation plans that protect the environment.

The program's assessment process includes utilizing an online risk assessment tool. The tool was developed by MAWQCP staff as a first-of-its-kind method for identifying risks to water quality in every field and on any cropping system. Specifically, the tool analyzes nutrient management, tillage management, pest management, irrigation and water drainage management, and conservation practices. Data collected by the tool informs subsequent on-site inspections, ensuring no risks are missed and all are properly mitigated. All farm-level data collected during the assessment process is private and, per the MAWQCP's originating statute, subject to the highest level of data privacy afforded by the State of Minnesota.

The certification process is straightforward and easy for interested producers to navigate.

- **Contact** A producer seeking certification contacts their local SWCD or participating private retailer and sets up an initial meeting.
- Assess Local certification specialists meet with the producer to learn more about their operation and then begin identifying risks to water quality using the MAWQCP's risk assessment process.
- Meet A certification specialist meets with the producer to go over the results of the initial baseline risk assessment. Together the certification specialist and producer create a plan, which often includes financial and technical assistance components, to mitigate any risks to water quality identified in a manner that works for the producer and the environment.
- **Verify** The certification specialist conducts a field assessment to verify the results of the risk assessment and ensure that the plan the producer and certification specialist have created mitigates the risks to water quality.
- **Support** The producer and the certification specialist stay in touch to ensure the producer can maintain their certification as they make changes to their operation.

The certification process is producer driven, occurring when a producer has time, and takes less than 10 hours on average for the producer. Importantly, there is no timeline for completing the process. Production agriculture is a complex and costly endeavor, and the MAWQCP allows producers to mitigate risks to water quality at a pace, and in a manner that makes sense for their operation. Most producers sign their certification contract within a few months, but some have taken more than a year to complete the process.

In 2022, the MAWQCP initiated the process to update the assessment tool to modernize the application and upgrade its project records, grants management system, and procedures. The new tool will increase efficiency and data tracking implementing a user-friendly, web-based, dedicated platform that centralizes, facilitates, and manages all components of the certification and associated processes. Staff and partner training on the new assessment tool began in 2024 with the final deployment anticipated in early 2025. In addition to streamlining the certification process, the modernized assessment tool ensures that the MAWQCP continues to be a national leader in water quality assessment and certification.

## **Program Operations**

When the MAWQCP began statewide operations in July 2015, its first order of business was creating a regional structure that allowed local SWCDs to take the lead in delivering certification services (Figure 1). Working in collaboration with BWSR and the Minnesota Association of Soil and Water Conservation Districts (MASWCD), the MAWQCP created eight service regions. Each region consists of 9-12 counties. Each region has a fiscal agent (either an SWCD manager or joint powers board manager) responsible for disbursing funds to local SWCDs and staffing an Area Certification Specialist (ACS). The ACS is responsible for working with interested landowners and producers and serving as the regional organizer for the MAWQCP. Each ACS is employed by an SWCD with pass-through funds from the MAWQCP's annual budget (54% of the MAWQCP's overall budget is pass-through to support local partners and growers). In addition to employing an ACS for each region, the MAWQCP is committed to working with every one of Minnesota's 88 SWCDs, and every SWCD that participates in promoting or delivering the program may submit invoices for staff time and materials related to program delivery.



Figure 1. MAWQCP regions. See Table 3 in the Appendix for a list of the counties in each region.

The MAWQCP's ACSs are the backbone of the program. The ACSs are directly responsible for conducting the MAWQCP's risk assessment and then working with each producer to find a pathway to certification that treats every risk to water quality identified in the baseline assessment and makes economic and agronomic sense for the producer. ACSs also help producers seeking certification navigate all possible options for financial assistance, including the MAWQCP's dedicated funding from the USDA NRCS and the MDA's financial assistance grant. In recognition of the need for a level of qualification below that of full licensure the MAWQCP launched a deputy certifier license in 2023. The deputy certifier level is primarily designed for SWCD employees that are working under a licensed individual (typically an Area Certification Specialist). These individuals can work one-on-one with producers to identify potential water quality resource concerns and complete the assessments and all related documentation. The deputy certifier level is designed to provide a ladder to full licensure and is in-line with the process of becoming Conservation Planning Certified through NRCS and BWSR.

In 2016, the MDA began offering financial assistance grants of up to \$5,000 at 75% cost-share to producers seeking certification. These grants are designed to work in concert with and supplement financial assistance available from NRCS and SWCDs/BWSR to provide producers with the resources necessary to adopt best management practices that protect and improve water quality. In FY2024, the MAWQCP Financial Assistance Grant program awarded 128 grants to Minnesota farms for a total of \$496,268. The most common new practices implemented with the grant include cover crops, water and sediment control basins, prescribed grazing, fencing, and grassed waterways. To date, the

MAWQCP Financial Assistance Grant program has awarded \$2,728,362 directly to Minnesota producers.

Aside from their work with interested producers and landowners, the ACSs also coordinate program implementation for the SWCDs in their region. To provide further assistance to the ACSs and the SWCDs in delivering certification, as well as to take advantage of the experience of some seasoned conservation and agronomy professionals, the MDA has employed up to six certifying agents as intermittent employees. The MDA has also joined our partnering SWCDs to sponsor Conservation Corps of Minnesota and Iowa individual placement apprentices to help launch careers in conservation.

Protecting credibility is an important piece of the certification program. To do this, certified farms participate in at least one individualized certification review/audit during the 10-year certification period. This process gives the program the opportunity to provide further support and assistance, to review and gain insight on improving the certification process, and to discuss any changes to the operation since time of certification. It also verifies all terms and conditions of the certification agreement are met. These reviews involve phone calls with the producer and may also include site visits, depending on the contingencies identified at the time of certification. Over 800 program reviews have been completed. As of December 2024, 95% of producers remain in active certification, with that number climbing to 98% once land sales and deaths are removed. Review data through 2022 indicates that almost half of certified producers use cover crops on one or more parcels.

In 2024, staff began the process of recertifying producers who have reached the term of their 10-year contract. Twenty-three producers were up for recertification in 2024, and there is an anticipated 43 recertifications in 2025, with the number growing significantly in subsequent years.

In late 2019, the MAWQCP launched three new program endorsements for soil health, integrated pest management, and wildlife. Climate smart endorsements were added in 2021, and irrigation water management endorsements were added in 2022. Many conservation practices targeting water quality have benefits for other conservation goals, and the endorsements provide additional recognition to water quality certified producers who are going above and beyond to implement conservation on their farms. The MAWQCP partnered with various non-profit organizations, the University of Minnesota, soil and water conservation districts, and federal and state agencies to develop the criteria for the endorsements. Producers who achieve an endorsement receive an additional sign for their farm and recognition for their conservation excellence. The MAWQCP has awarded 523 endorsements, including 142 for soil health, 107 for integrated pest management, 87 for wildlife habitat, 174 for climate smart practices, and 13 for irrigation water management.

Starting in mid-2022, a \$100,000 McKnight Foundation Grant to the MAWQCP allowed a unique expansion of the climate smart endorsement. Producers whose operations are climate smart-endorsed are eligible for \$1,000 annual payments. These payments are intended to support producers in their exploration of additional climate smart benefits that could be added to their operations, as well as their time evaluating participation options in carbon markets or new public programs. Once a producer enrolls in a carbon market, they are no longer eligible to receive the annual payments. The goal of

these payments is to encourage and assist producers to both add climate benefits to their operations and to participate in the expanding array of agricultural carbon markets or new public programs.

In 2024, Minnesota was awarded a Climate Pollution Reduction Grant from the Environmental Protection Agency and administered by the PCA. Included in the award was \$9.8 million for new practice incentive payments to be delivered by the MAWQCP to reduces greenhouse gas emissions. The incentive payments will be available to water quality certified producers, or those seeking certification, through mid-2029.

As of the end of 2024, the MAWQCP had certified 1,566 farms (Figure 2), representing 1,140,288 acres (Figure 3). In addition to tracking enrollment statistics, the MAWQCP also measures the environmental benefits generated by certified farms.

The environmental benefits of the new practices implemented to earn MAWQCP-certification are calculated via BWSR's pollution reduction estimator, PTMApp, and the Natural Resource Conservation Service's COMET Planner. BWSR's estimator is currently unable to calculate the water quality benefit of every best management and conservation practice utilized by the MAWQCP to mitigate agricultural risks to water quality; thus, the environmental benefits reported in this section are likely underreported.

The MAWQCP has directly generated 2,968 new conservation practices (Figure 4). A new conservation practice is counted if it fully mitigates a particular risk to water quality. For example, if a series of three water and sediment control basins are required to mitigate a water quality risk, then the installation of the three basins would be counted as one practice.

To date, these practices are reducing 54,816 CO2-equivalent tons per year as calculated using the NRCS's COMET Planner – keeping 149,811 tons of soil on Minnesota fields annually, and preventing 49,477 tons of sediment and 62,236 pounds of phosphorous from entering Minnesota's waters every year. Further, analysis documented by the PCA estimates as much as a 45% reduction in nitrogen loss on MAWQCP-certified farms.



Figure 2. MAWQCP certified producers from 2014 to 2024. See Table 4 in the Appendix for the data table.



Figure 3. MAWQCP certified acres from 2014 to 2024. See Table 5 in the Appendix for the data table.



Figure 4. New conservation practices generated by the MAWQCP. See Table 6 in the Appendix for the data table.

## **Partnerships**

Delivering the MAWQCP through Minnesota's SWCDs has been the single most important act in setting up a robust, viable, and trusted program. However, a program delivered through SWCDs alone does not have the capacity to help Minnesota meet the statewide water quality goals outlined in *The Minnesota Nutrient Reduction Strategy*. Not every farmer in the state utilizes their local SWCD, and SWCD staff time and funding is limited. To have the ability to certify every interested producer and landowner in Minnesota, the program needs to be delivered through multiple channels including partnerships with agribusinesses.

In May 2016, the State of Minnesota and Land O' Lakes Inc. signed an MOU establishing a formal partnership between the state and Land O'Lakes to jointly promote the MAWQCP and work together to certify additional producers among the 25,000 Minnesota farms served by Land O' Lakes. Since 2016, Land O'Lakes has assisted farmers with certification in the Minnesota Agricultural Water Quality Certification Program by engaging and educating farmers on benefits, acting as advisors in grant processes, and harnessing existing data collection capabilities. In 2018, the partnership between MAWQCP and Land O'Lakes received nationwide recognition with the first-ever public-private partnership award from the National Association of State Departments of Agriculture (NASDA).

The MAWQCP has been a member of Field to Market: The Alliance for Sustainable Agriculture since 2018. As a member, the MAWQCP collaborates with a diverse nationwide group of grower organizations; agribusinesses; food, beverage, restaurant, and retail companies; conservation groups; and universities and public sector partners to focus on defining, measuring, and advancing the sustainability of food, fiber, and fuel production. In 2020, the MAWQCP launched two projects in Field

to Market's Continuous Improvement Accelerator program. In partnership with the Nature Conservancy and Stearns County SWCD, the projects implemented and measured the environmental impact of innovative outreach and engagement programs that encourage whole farm planning for water quality in the Sauk River Watershed.

At a regional level, the MAWQCP has been an active member of two multi-sector initiatives working to improve agricultural water quality. In 2019, the Cannon River Agricultural Collaborative was launched by numerous partners including Truterra, CFS, Compeer Financial, the Clean River Partnership, Rice and Steele SWCDs, University of Minnesota (U of M) Extension, Great River Greening, and the MAWQCP. The goal of the Cannon River Agricultural Collaborative is to support farmers implementing practices that improve farm profitability, regenerate the soil, and improve water quality. Recent projects include a self-guided soil health farm tour established in the Cannon River Watershed, and an organized bus tour of the sites in the summer of 2024.

Another unique partnership engaging the MAWQCP features the Minnesota Supercomputing Institute (MSI) and the U of M's College of Food, Agriculture, and Natural Resource Sciences (CFANS) GEMS platform, which facilitates the integration of genetics, environment, management, and socioeconomic data. Starting in late 2021, conservation practice data and maps from the MAWQCP are being input to the GEMS platform to develop artificial intelligence that can identify conservation practices from aerial imagery, and possibly compare the imagery data with water quality measurements to measure the impact these practices have on water quality throughout a watershed. GEMS representatives are training their artificial intelligence and will continue to improve their technology with support and cooperation from the MAWQCP.

In addition to CFANS, the MAWQCP's engagement with the U of M includes supporting a capstone group through the Humphrey School of Public Affairs. In the 2022-23 academic year a capstone group conducted research and produced a report for the MAWQCP about strategies to extend the reach of the program and get more farms certified in Minnesota.

The MAWQCP participated with the Minnesota Farmers Union (MFU) and Farmers Legal Action Group (FLAG) in the creation of a new publication: *Farmers' Guide to Carbon Market Contracts*. This guide is a resource for producers who are looking to join a carbon market but want a better understanding of the specifications of their participation. The guide distills the complex legal language of the terms and conditions of agricultural carbon market contracts to help producers understand the requirements, benefits, and/or risks of signing up for a market program. The guide was published in early 2023.

In 2023, the MAWQCP was invited to join the Headwaters Agriculture Sustainability Partnership (HASP). Partnership members include Compeer Financial, AgCentric, Houston Engineering Inc., Integrated Crop Management Services LLC, Syngenta, U of M Extension, The Nature Conservancy, Stearns County SWCD, Minnesota Rural Water Association, Minnesota Milk Producers Association, Edge Dairy Farmer Cooperative, and MAWQCP. This partnership is a forum where innovative ideas can be considered, supported, accelerated, and implemented with the partnership's diverse experience, skills, and networks. Recent projects include a Partnership for Climate Smart Commodities Award to support farmer-led conservation groups.

Support among the MDA's MAWQCP-partner agencies also remains strong. In 2018, the DNR made a commitment to certify all their owned and managed cropland, which totals approximately 15,000 acres. In addition, the PCA offers certified livestock producers the ability to jump to the head of the permitting line when applying for new feedlot permits, and BWSR approved the program as an alternative practice for complying with Minnesota's Buffer Law. The MAWQCP is also a partner with PCA's Ag/Urban Partnership initiative focused on bringing a diverse group of stakeholders to explore alternative paths to improve water quality. There have been three forums since 2019, and a fifth is planned for 2025. Lastly, the MAWQCP continues to partner with the USDA's Natural Resources Conservation Service, having received two consecutive Regional Conservation Partnership awards totaling \$18 million through 2025.

## **Promotion and Producer Engagement**

As a voluntary program, a robust outreach and engagement strategy has been essential to the MAWQCP's success. The MAWQCP has two target audiences: The primary audience is Minnesota's producers and landowners, and the secondary audience is the program's partners, including its partner state agencies and local SWCDs. The program has dedicated significant time and resources in building an outreach and engagement operation that reaches both audiences. The MAWQCP works closely with the MDA's communications staff to generate press coverage for the certification program.

In January 2021, the MAWQCP launched a scholarship program for certified producers enrolling in the Farm Business Management Program. The MAWQCP Farm Business Management Scholarship Program provides scholarships to water quality certified producers to learn business management strategies that will lead to profitable and competitive farming operations. Students who receive the scholarship also contribute their financial data to the FINBIN Farm Financial Management Database.

In 2024, researchers at Minnesota State Agricultural Centers of Excellence and AgCentric conducted their fifth <u>financial analysis</u> of Farm Business Management (FBM) Program participating farms and found that the 126 MAWQCP farms in the study saw more gross cash farm income and net farm income in 2023 than non-certified farms. Looking at five-year average data, the average net cash income for MAWQCP farms was over \$213,600 compared to nearly \$163,000 for non-MAWQCP farms. Other key financial metrics are also better for those enrolled in the MAWQCP, such as debt-to-asset ratios and operating expense ratios. The five years of data serve as an indicator of a positive return on investment for whole-farm conservation management that farmers implement to become certified.





In 2017, the MAWQCP joined several other state agencies and non-profits as a partner for the We Are Water MN traveling exhibit. The goal of the exhibit is to explore connections between the humanities and water through an exhibit, public events, and educator resources. The exhibit includes profiles of MAWQCP certified producers which tell the story of their farm, conservation practices, and highlight the producer's water quality certification. The stories of MAWQCP certified producers have been included in five statewide exhibit tours, with a sixth coming up in 2025.

In 2023 and 2024, the MAWQCP partnered with MDA colleagues and BWSR to develop and host a soil health exhibit at the Minnesota State Fair called "Dig it!" The exhibit included stories of MAWQCP-certified producers and was a great way to promote conservation in agriculture.

In 2023, the MAWQCP launched a radio campaign with Linder Farm Network and Red River Farm Network that features weekly, 1-minute interviews with producers and professionals in the agriculture industry. Topics include water quality certification, current events/news in conservation, and climate-smart agriculture. The broadcast reaches a majority of agricultural counties in the state, and the shows will continue to air through 2025.

## **Looking Forward**

The MAWQCP is poised for another year of growth in 2025. The Climate Pollution Reduction Grant funding for new practice incentive payments is an exciting addition to the benefits of certification and is expected to draw new producers to the program. The FBM scholarship program and Soil Health Financial Assistance Program prioritization are two other spaces where new producers are learning about certification and becoming engaged. The deployment of the program's modernized assessment tool will improve efficiency while keeping pace with technological update and expanding opportunities

for utilizing program data. Not only will this new tool help to streamline the certification process, but it will also ensure that the MAWQCP continues to be a national leader in water quality assessment and certification.

The MAWQCP will also use 2025 to further its commitment to maintain and maximize the per acre average cost efficiency of certification. Agricultural conservation, like agricultural production, is expensive. Over the past 10 years, the MAWQCP has decreased the average per acre cost of certifying a farm, presently maintaining a cost of about \$26 (Table 1). Using a comparison of all funds appropriated through the life of the program to the acres certified, the initial \$1.5 million received in Fiscal Year (FY) 2014 equaled \$541.52 for the 2,770 acres certified in the program's inaugural year. But by FY24, with totals of \$28.5 million across 1,085,561 acres, the per acre cost was reduced to a \$26.25 one-time total cost for 10 years of certification (or, just \$2.63/year). These costs are well below the average costs for prominent USDA programs operating in Minnesota. For example, the USDA typically spends about \$200 million annually in Minnesota on conservation. In 2023, the Conservation Reserve Program averaged \$154.41/acre annually over a typical 10-year contract. The Environmental Quality Incentives Program cost more than \$205 per acre in FY22 in Minnesota. Further reflecting the reality of agricultural conservation costs, in FY22 the Conservation Stewardship Program averaged \$121 per acre. In addition to providing conservation services at a lower cost, the program has leveraged more than \$54.8 million dollars in private and federal funds (Table 2).

Fiscal Year	Total Appropriations	Total Acres Certified	Cost Per Acre
2014	\$1,500,000	2,770	\$541.52
2015	\$3,000,000	26,400	\$113.63
2016	\$5,500,000	109,667	\$50.15
2017	\$8,000,000	250,400	\$31.95
2018	\$10,500,000	374,488	\$28.04
2019	\$13,000,000	512,416	\$25.37
2020	\$16,000,000	631,662	\$25.33
2021	\$19,000,000	783,505	\$24.25
2022	\$22,000,000	892,578	\$24.65
2023	\$25,000,000	985,336	\$25.37
2024	\$28,500,000	1,085,561	\$26.25

Fiscal Year	Appropriations	Leveraged Funds	Total
2012	\$173,380.00	\$0.00	\$173,380.00
2013	\$132,830.00	\$50,000.00	\$182,830.00
2014	\$1,500,000.00	\$1,501,256.00	\$3,001,256.00
2015	\$1,500,000.00	\$1,501,256.00	\$3,001,256.00
2016	\$2,500,000.00	\$1,800,000.00	\$4,300,000.00
2017	\$2,500,000.00	\$1,982,129.53	\$4,482,129.53
2018	\$2,000,000.00	\$2,075,639.78	\$4,075,639.78
2019	\$3,000,000.00	\$2,235,825.88	\$5,235,825.88
2020	\$3,000,000.00	\$2,173,216.92	\$5,173,216.92
2021	\$3,000,000.00	\$2,322,916.51	\$5,322,916.51
2022	\$3,000,000.00	\$2,804,342.18	\$5,804,342.18
2023	\$3,000,000.00	\$3,652,457.72	\$6,652,457.72
2024	\$3,500,000.00	\$3,985,088.93	\$7,485,088.93
Total	\$28,806,210.00	\$26,084,129.45	\$54,890,339.45

**Table 2. Leveraged Dollars** 

The numerous measures of success of the program can further be traced to the fact that MAWQCP also overcomes two systemic shortcomings of traditional conservation programs. Most agricultural conservation programs in the U.S. provide farmers limited-duration payments to employ a particular practice which may or may not be maintained when the short-term payments conclude. These programs also typically address conservation at a single location within a farm or production system rather than assessing and assisting treatment efforts for whole-farm conservation. The MAWQCP instead maintains mitigation practices across the entire farm for a minimum of the 10-year term of a farm certification and does so in a system where additional acres enrolled cost less rather than increasing costs as with other conservation programs.

As a program that provides certified farms with 10 years of regulatory certainty, the MAWQCP was compelled to create a program that systematically identifies and then mitigates risks to water quality on a field-by-field basis. As a result, each field in a farm, and each crop grown on each field, must meet the MAWQCP's criteria to become certified. The certification program's regulatory certainty provision has also created the opportunity to provide conservation in a more efficient manner. Certified producers are provided with the necessary financial and technical assistance needed to mitigate risks to water quality and incorporate those actions in their comprehensive farm management system that isn't dependent upon short-term payments for conservation actions.

## Appendix

Region	Counties
Metro	Anoka, Carver, Dakota, Hennepin, Ramsey, Scott, Sherburne, Washington, Wright
North Central (NC)	Becker, Cass, Clay, Crow Wing, Grant, Hubbard, Mahnomen, Otter Tail, Traverse, Wadena, Wilkin
Northeast (NE)	Aitkin, Carlton, Chisago, Cook, Isanti, Itasca, Kanabec, Lake, Mille Lacs, Pine, Saint Louis
Northwest (NW)	Beltrami, Clearwater, Kittson, Koochiching, Lake of the Woods, Marshall, Norman, Pennington, Polk, Red Lake, Roseau
South Central (SC)	Blue Earth, Brown, Faribault, Le Sueur, Martin, McLeod, Nicollet, Renville, Sibley, Waseca, Watonwan
Southeast (SE)	Dodge, Fillmore, Freeborn, Goodhue, Houston, Mower, Olmsted, Rice, Steele, Wabasha, Winona
Southwest (SW)	Cottonwood, Jackson, Lac qui Parle, Lincoln, Lyon, Murray, Nobles, Pipestone, Redwood, Rock, Yellow Medicine
West Central (WC)	Benton, Big Stone, Chippewa, Douglas, Kandiyohi, Meeker, Morrison, Pope, Stearns, Stevens, Swift, Todd

#### Table 3. MAWQCP Regions, including Counties

#### Table 4. MAWQCP Certified Producers by Year

Year	Certified Producers
2014	29
2015	77
2016	306
2017	506
2018	692
2019	819
2020	984
2021	1,155
2022	1,284
2023	1,428
2024	1,566

Year	Certified acres
2014	12,136
2015	49,337
2016	188,249
2017	324,493
2018	488,283
2019	607,605
2020	736,577
2021	859,056
2022	949,814
2023	1,023,699.5
2024	1,140,287.5

#### Table 5. MAWQCP Certified Acres by Year

Table 6. New Conservation Practices Generated by the MAWQCP by Year

Year	New conservation practices
2014	59
2015	105
2016	538
2017	962
2018	1,197
2019	1,333
2020	1,903
2021	2,148
2022	2,568
2023	2,789
2024	2,968

Table 7. Environmental Cohort Data (from the "Influence of Intensified Environmental Practices on Farm Profitability" report published by AgCentric and the Minnesota State Agriculture Centers of Excellence)

	5-year average	2021	2022	2023
Average Net Farm Income	\$ 209,231.00	\$ 284,176.00	\$ 334,792.00	\$ 99,778.00
Median Net Farm Income	\$ 116,205.00	\$ 190,142.00	\$ 183,787.00	\$ 41,360.00

Table 8. Database Average Data (from the "Influence of Intensified Environmental Practices on Farm Profitability" report published by AgCentric and the Minnesota State Agriculture Centers of Excellence)

	5-year average	2021	2022	2023
Average Net Farm Income	\$ 183,289.00	\$ 267,379.00	\$ 311,252.00	\$ 93 <i>,</i> 936.00
Median Net Farm Income	\$ 102,460.00	\$ 158,294.00	\$ 176,616.00	\$ 44,596.00