# Nutrient Trading programs in Ohio

Joe Logan, Director of Agricultural Programs
The Ohio Environmental Council
joe@theoec.org
614 487-5830
WWW.theoec.org

## The Concept:

- Using farm conservation initiatives to offset needed pollution discharge reductions from local industries.
- Can be a Win - Win – Win situation:
- Good for business, farmers and the environment.

# The Good, the not so good, and the Unknown

- Good:
- -- Nutrient trading has the potential to provide needed funding sources for conservation projects.
  - It may offer a cost-effective alternative to cost-prohibitive investments in pollution control equipment in local industries.
  - Has the potential to cement a cooperative relationship among community stakeholders.
  - It has the potential to leverage larger environmental benefits from fewer invested dollars.
  - Market-based program, using few if any tax dollars.

# Downsides:

- Supports the narrative of "enabling industries to continue pollution"
- It may compensate farmers for installing practices with unproven environmental effects, or for conservation efforts that farmers should be taking on themselves.
- It can reinforce public concerns / skepticism about industry self-regulation programs.

## Unknowns:

- Natural systems, such as rivers and streams, are in constant flux (variable flow rates, nutrient concentrations) due to multiple factors.
- Conservation practices vary widely in their effectiveness, based on local factors, including Soil type, slope, agricultural systems management

## Variability must be managed by robust monitoring and verification program

- The accuracy of the monitoring in verifying pollution reductions will be proportional to:
  - The size of the watershed being monitored.
  - The frequency of the monitoring.
  - The number and location of monitoring sights.
    - Up stream and down stream from practice locations
    - The proximity of the monitoring locations to practice installation sights.
  - Local soil types, slope and farm management factors.

# Risks / Unknowns

- Considering the inherent variability in natural systems, robust monitoring programs will be essential.
  - Monitoring locations must be numerous and appropriately sighted. With samples frequently collected.
  - Monitoring must include a variety of factors, including nutrient concentration, stream flow

## More factors:

- The level of uncertainty / variability will in a trading system will increase with the size of the watershed, as small nutrient reductions may be indiscernible in large river systems.
- The commodification of pollution has the potential to dramatically reduce the “value” of emmissions / reductions.
- We support the factoring of reductions (2x – 3x) and do not support an open market auction system for establishing pollution credit values.

## We support the concept on Nutrient Trading, especially if we assume decreasing federal and state budgets

- Trading programs must include robust monitoring programs
- Ideally, they should be configured in upland, localized watersheds, to maximize the community solidarity effect as well as project monitoring integrity.
- If Projects focus on Small, robustly monitored watersheds, we can build confidence in the integrity of the program and eventually expand into larger systems.

## Thank You!


- Joe Logan
- The Ohio Environmental Council
- WWW.theoec.org
- 614 487 5830