

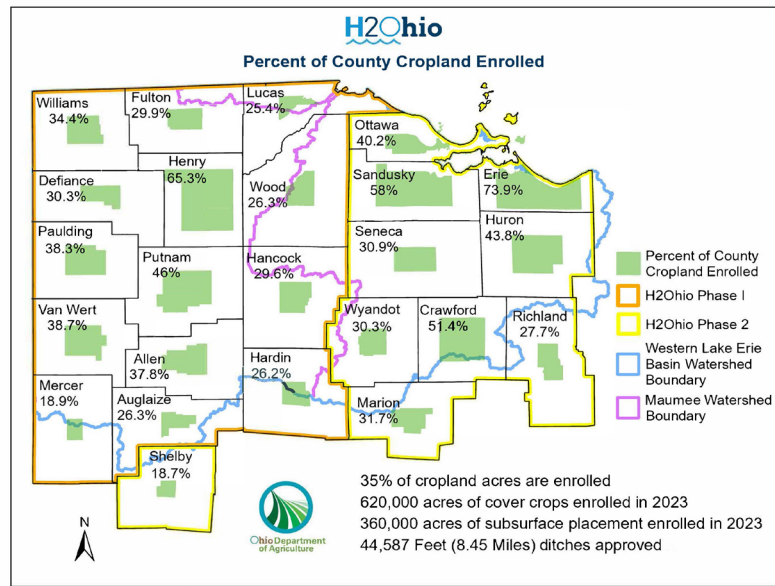


Ohio Department of Agriculture

Ohio Department of Agriculture Testimony Director Brian Baldrige Senate Finance Committee April 18, 2023

Chairman Dolan, Vice-Chair Cirino, Ranking Member Sykes, and Members of the Senate Finance Committee, thank for you for the opportunity to discuss the Ohio Department of Agriculture’s role in the implementation of H2Ohio.

Governor DeWine’s H2Ohio Initiative continues to see tremendous participation from agricultural producers. The program incentivizes producers to implement proven, science-based Best Management Practices (BMPs) on their cropland to help reduce nutrient runoff into Ohio’s waterways.



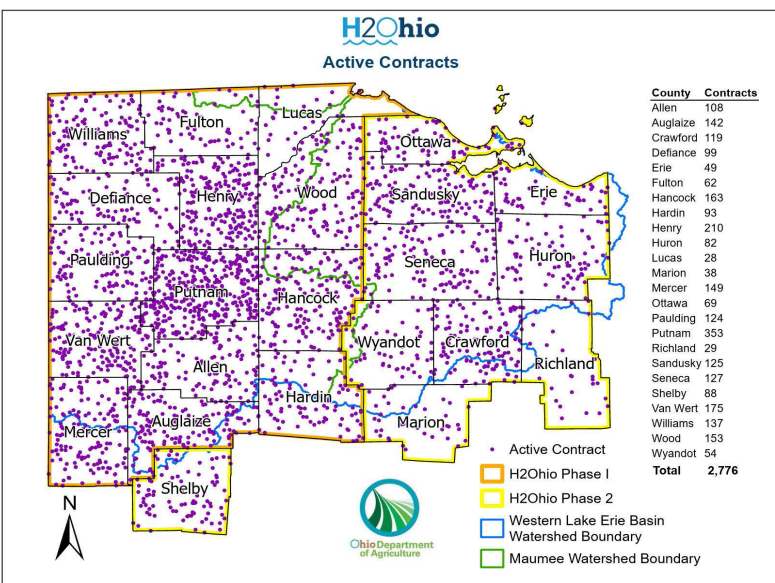
Producers in the original 14-county project area in the Maumee River Watershed have taken part in two growing seasons. To date, 86% of producers who signed up initially are currently enrolled in the program. These producers have signed contracts to continue through the 2023 growing season.

In 2022, ODA’s H2Ohio producer incentive program expanded to 10 additional counties to encompass all of the Western Lake Erie Basin (WLEB). Producer participation remained strong. In the 24 counties combined, there are approximately 2,400 contracts with 1.5 million acres enrolled, nearly 35% of the total cropland in those 24 counties. Each of those enrolled acres now has a nutrient management plan with current soil tests and fertilizer recommendations.

PROGRAM SUCCESSES

H2Ohio’s success is evident by the strong commitment from producers. From its inception, H2Ohio has garnered high interest from the agricultural community. Producers have shown they are committed to improving water quality through voluntarily implementing BMPs.

As H2Ohio expanded to an additional 10 counties in 2022, another 620,000 acres were enrolled through 809 contracts. Contracts in the WLEB Expansion include practices for the 2023, 2024, and 2025 crop years. The expansion allowed ODA to refine its process and further develop H2Ohio into a truly lasting effort. Each growing season is an opportunity to employ conservation practices,



with benefits recognized long after the year-long venture. Practices can then be built upon in the next growing season, working toward long-term positive effects on Ohio's water quality.

At the start of H2Ohio, producers could choose from all seven BMPs offered to implement on their land. Through experience in the first year of H2Ohio practice implementation, ODA has adapted and amended its process for enrollment for the expansion area and moving forward. Producers must now start with the Voluntary Nutrient Management practice, initially. The VNMP is an assessment of the soil, determining the amount of nutrients in the land and where and how much fertilizer should be added. Completing the VNMP first, allows a producer to more accurately determine which BMPs will work best on their land.

Much has been learned through implementing H2Ohio over the past three years, allowing for refinement in several areas. Working with the Soil and Water Conservation Districts (SWCD), enrolled producers in the original 14 county project area have determined the appropriate BMPs for their cropland and have successfully implemented the practices for two growing seasons. In the expansion area, the sign up opened for all seven BMPs after the completion of the VNMPs. Producers are implementing those BMPs this growing season.

As new methods evolve in the agriculture industry, the H2Ohio team strives to be a leader in conservation efforts. An exciting advancement in 2022 was the announcement of funding for the construction of two-stage ditches across 24 counties in the H2Ohio project area.



Edge-of-field monitoring and drainage.



Two-stage ditch.

TWO-STAGE DITCH PROGRAM

A two-stage ditch is a conservation practice providing benefits such as slowing water flow, reducing maintenance costs, and improving water quality. In March 2023, ODA awarded \$4.2 million in grants for 12 two-stage ditch projects. Six county engineers and six SWCDs will receive funds to construct or improve two-stage ditches. Recipients will receive up to 100 percent of requested funding for these projects. More than 18,000 acres of watershed will benefit from the 8.4 miles of two-stage ditch projects. Construction of these projects will begin this summer, and all projects must be completed by fall 2024.

RESEARCH AND PARTNERSHIPS

ODA is working with the Ohio Farm Bureau (OFBF) and Blanchard River Demonstration Farms to assess the economic and agronomic impacts of H2Ohio BMPs. The goal of this work is to evaluate conservation practices that are being implemented across the WLEB and across Ohio to continually improve the data that informs decision-making. Practices being evaluated are Manure Incorporation and Timing, Subsurface Placement and Rate, Nutrient Management Planning, Cover Crops, and Variable Rate Technology.

As part of this evaluation, important agronomic information will be collected and analyzed including crop yield, crop health, soil health, soil test trends, practice profitability, and nutrient budgeting. Through this data collection, annual fact sheets will be developed to better inform producers' decision making to incorporate BMPs on the field long term. Additionally, economic evaluation tools will be developed to assist policymakers, conservation planners, and producers to determine the profitability of each BMP.

This collaboration will also provide support for ODA's education and outreach efforts to promote conservation practices across the WLEB.

ODA is also collaborating with partners to better understand the environmental impacts of H2Ohio practices, as well as economic and agronomic impacts on producers. ODA, along with Dr. Kevin King of USDA Agricultural Research Service, will evaluate the impact of several H2Ohio BMPs through side-by-side comparisons and edge-of-field water quality monitoring stations that are already in place. The goal of this research is to improve and expand data on nutrient load reductions due to adoption of conservation practices in Ohio. ODA used an extensive process to evaluate BMPs in developing the H2Ohio program, drawing from research across the Midwest region. This partnership will supplement research data used to select the H2Ohio BMPs with research conducted in Ohio soils and under Ohio's climate.

The work will also include the development of a model to better estimate the impact of H2Ohio practices across a regional area. Once developed, this model will provide valuable information to guide ODA's decisions for future H2Ohio programming.



OHIO AGRICULTURAL CONSERVATION INITIATIVE (OACI)

In Fiscal Year 2022 and in this current Fiscal Year, ODA continues its strong relationship with the Ohio Agriculture Conservation Initiative (OACI) – made up of agricultural, research, and environmental entities. In February 2022, OACI released an Assessment Survey Report on practices being used by farmers in the Lower Maumee River Watershed to manage water and nutrients. This survey looked at conservation practices being used prior to implementing H2Ohio practices and will serve as a benchmark for assessing the success of the H2Ohio BMPs. Additionally, all producers enrolled in H2Ohio will be required to be certified through OACI's Farmer Certification Program. The OACI Certification Program will help increase the adoption of BMPs and recognize farmers who demonstrate a commitment to continuous improvement.

VISION FOR THE FUTURE

ODA has a sharp vision for the future of the H2Ohio water quality incentive. ODA's H2Ohio program will continue to focus on water quality in Ohio's lakes, rivers, and streams. As the program grows and continues its expansion, the foundation will continue to be the development and implementation of a VNMP, or similar assessment suited to grazing land when appropriate. The exact practices employed by ODA will depend on the specific water quality concerns, land uses, and region of the state.

The future of H2Ohio will also focus on education and outreach to grow interest and enrollment and continued support of the program. ODA is increasing education and outreach efforts to offer on-farm field days and demo plots. These educational opportunities will offer producers a chance to see and experience BMPs on the field level from an agronomic and economic standpoint. With focused efforts on education and outreach, ODA's goal is to increase program participation and retention.

Efforts to reduce workload for program delivery will also continue. The program has been refined year after year since its inception and has developed into a streamlined process to be implemented across the state. ODA is currently studying other regions as potential expansion areas.

EXPANSION THROUGHOUT OHIO

Producers in the 14 county Maumee River Watershed area have been implementing BMPs for two growing seasons. Based on this experience, ODA has adapted its process to help producers more accurately identify the practices that will work best on their land. Current enrollment has exceeded ODA's expectations and shows farmer interest in addressing Lake Erie's water quality concerns. As part of Governor DeWine's Executive Budget, ODA's goal is to increase enrollment within the WLEB and expand H2Ohio farmer incentives to the remainder of the state.

To expand across the state and further grow the program, more funding will need to be secured. ODA has increased its efforts toward improving the state's water quality and reducing phosphorus contributing to harmful algal blooms in Lake Erie. Between the Ohio Department of Natural Resources, the Ohio Environmental Protection Agency, and ODA, the 2022 phosphorus reduction is estimated to be nearly 290,000 pounds. This represents nearly 30% of Ohio's goal to reduce the phosphorus load by 1 million pounds.

Agriculture's H2Ohio practices alone were estimated to reduce the amount of phosphorus going into the Western Lake Erie Basin (WLEB) by approximately 222,000 pounds in 2022. ODA has provided incentives to implement best management practices to more than 2,400 producers in the WLEB for Voluntary Nutrient Management Plans (VNMP), Phosphorus Placement, Manure Utilization, and Overwintering Cover.

The FY24-25 budget request will expand the investment in H2Ohio by streamlining practices and continuing incentives for best management practices specifically for the WLEB. ODA's goal is to increase program enrollment in the current H2Ohio project area to 2 million acres of cropland by the close of FY 2025. With higher adoption rates and increased program enrollment, ODA projects continued progress toward the phosphorus load reduction goal for the WLEB.

ODA's FY24-25 budget request includes \$69 million per year in H2Ohio funding to continue supporting and refining these practices in the WLEB and expand H2Ohio's footprint across the remainder of the state, targeting an additional 500,000 acres of farmland. GRF funding is also requested to increase financial assistance to Soil and Water Conservation Districts that provide the boots on the ground in implementing conservation programming. As the program continues its growth, dedicated H2Ohio staffing is needed to implement the expansion and ensure accountability as we track and monitor progress. Nine new ODA staff will help administer the program, and assist SWCDs in the development VNMPs, program enrollment, and the launch of H2Ohio in new regions.

Additionally, in cooperation with the Ohio Department of Natural Resources and the Big Rivers Initiative, ODA intends to use resources from this budget to expand the footprint of the Ohio's Conservation Reserve Enhancement Program. This program protects environmentally sensitive lands that are critical for protecting our waterways.

ODA's H2Ohio program has received widespread support from both the agricultural community and environmental interests. This funding level will allow us to continue programming in our existing footprint and expand into the rest of the state.

CONCLUSION

In every season of its existence, H2Ohio has grown due to your support. In addition to your steadfast commitment, it is our farmers who have helped make this program flourish. Your efforts and their efforts are undeniably making a difference for water quality in Ohio. This vital, continued partnership will help pave the way for many seasons of growth in the generations to come. We sincerely appreciate the opportunity to share our vision of Ohio's agricultural future.

Mr. Chairman and committee members, the continued success of H2Ohio is made possible through the support of the General Assembly and we are tremendously grateful for it. I would be happy to answer any questions at this time.