

# Maryland's Verification Protocols



# Legislative Authority

## Article – Agriculture

### Subtitle 9. Voluntary Agricultural Nutrient AND SEDIMENT Credit Certification Program.

8–901.

The General Assembly finds and declares that: it is the intent of the General Assembly that the authority of the State Department of Agriculture to establish requirements for the voluntary certification and registration of nutrient OR SEDIMENT credits on agricultural land, as provided by this Act, be retained by the State Department of Agriculture.

(2) The Agricultural Nutrient AND SEDIMENT Credit Certification Program established under this subtitle authorizes the Department to verify, certify, and register agricultural nutrient OR SEDIMENT credits in support of private and public nutrient OR SEDIMENT trading activities between the buyer of nutrient OR SEDIMENT credits and the farm owner or operator that agrees to be paid and implement best management practices to reduce agricultural nutrient AND SEDIMENT runoff and NUTRIENT emissions.



8-902.

(a) The Department may establish requirements for the voluntary certification and registration of nutrient **OR SEDIMENT** credits on agricultural land, as defined by the Department of Assessments and Taxation.

(b) Certification and registration requirements established under subsection (a) of this section shall include:

(1) Application and eligibility requirements for certification;

(2) Standards for quantifying nutrient **OR SEDIMENT** credits resulting from any existing or proposed agronomic, land use, and structural practice;

(3) Requirements governing the duration and maintenance of credits;  
and

(4) Establishment of a credit registry accessible to the public.

8-903.

On notice and opportunity to be heard, the Secretary may suspend or revoke the approval or certification of credits applicable for the Program for a violation of this subtitle or for a violation of any regulation adopted by the Secretary under this subtitle.



## Maryland Agricultural Nonpoint Trading Advisory Committee

*Mr. Bill Angstadt, Delaware-Maryland Agribusiness Association*

*Mr. Dan Baldwin, Maryland Department of Planning*

*Dr. Kevin DeBell, EPA Chesapeake Bay Program*

*Mr. Jason Dubow, Maryland Department of Planning*

*Ms. Patty Engler, USDA-Natural Resources Conservation Service*

*Mr. James George, Maryland Department of the Environment*

*Ms. Patricia Gleason, US Environmental Protection Agency*

*Ms. Lynne Hoot, Maryland Association of Soil Conservation Districts*

*Mr. Cy Jones, World Resources Institute*

*Mr. George Kelly, Environmental Banc & Exchange*

*The Honorable Stephen Lafferty, Maryland House of Delegates*

*Ms. Marya Levelev, Maryland Department of the Environment*

*Dr. Loretta Lynch, University of Maryland*

*Mr. Lee McDaniel, Maryland Association of Soil Conservation Districts*

*Ms. Beth McGee, Chesapeake Bay Foundation*

*The Honorable Thomas Middleton, Maryland State Senate*

*Mr. Daniel Nees, University of Maryland*

*Ms. Susan Payne, Maryland Department of Agriculture*

*Mr. Jerry Raynor, USDA-Natural Resources Conservation Service*

*Mr. John Rhoderick, Maryland Department of Agriculture*

*Ms. Mindy Selman, World Resources Institute*

*Ms. Catherine Shanks, Maryland Department of Natural Resources*

*Ms. Kelly Shenk, EPA Chesapeake Bay Program*

*Mr. Ed Stone, Maryland Department of the Environment*

*Mr. Bruce Yerkes, State Soil Conservation Committee*

*Dr. Mark M. Bundy, Facilitator*



# Maryland's Fundamental Trading Principles

## A. Key Program Principles

## B. How to Generate Agricultural Credits

- Eligibility to participate
- Baseline requirements
- What is tradeable
- Verification and certification requirements

## C. How to Exchange Agricultural Credits

- Finding trading partners
- How to sell credits
- Developing Trade Agreements
- Accountability/Administration



# Generation of Agricultural Credits

- Eligibility to participate
- Baseline requirements
  - What is tradeable
- Verification and Certification requirements





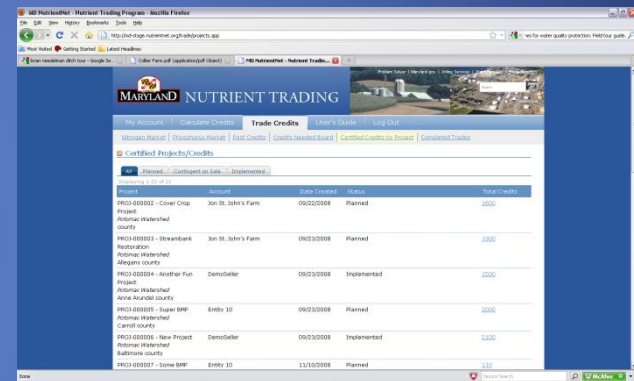
# Agricultural Non-Point Source Verification, Certification, and Approval

- Submit credit registration and certification form to MDA
- The program or representative will conduct field visit to verify that baseline condition and credit generation proposal is appropriate
- Approved credits are given a unique registration number and entered in the online Trading Registry
- When credits are posted to registry, all supporting documents and worksheets become subject to public inspection



# Agricultural Non Point Source Verification, Certification, and Approval (cont.)

- Application review:
  - Baseline requirement
  - Compliance met
  - Credit generation proposal is reasonable
  - Landowner/operator consent
  - Tract information correct



The screenshot shows the Maryland Nutrient Trading Program website. The page has a blue header with the Maryland state logo and the text "MARYLAND NUTRIENT TRADING". Below the header, there are navigation links: "Home", "About", "Program Overview", "Trade Credits", "Buy Credits", and "Log Out". A sub-header reads "Certified Projects/Credits". Below this, there is a table with columns: "Project", "Location", "Date", "Status", and "Total Credits". The table lists several projects, including "Cover Crop", "Streambank Restoration", "Aerialer Fun Project", "Super BMP", and "New Project".

Project	Location	Date	Status	Total Credits
PRC2-000002 - Cover Crop	Jon St. John's Farm	06/22/2008	Planned	2000
PRC2-000003 - Streambank Restoration	Jon St. John's Farm	06/22/2008	Planned	2000
PRC2-000004 - Aerialer Fun Project	DemoSite	06/22/2008	Implemented	2000
PRC2-000005 - Super BMP	Entity ID	06/22/2008	Planned	2000
PRC2-000006 - New Project	DemoSite	06/22/2008	Implemented	2000
PRC2-000007 - Super BMP	Entity ID	12/01/2008	Planned	2000



# Exchange of Agricultural Credits

- Finding a trading partner
  - How to sell credits
- Developing trade agreements
- Accountability/Verification/Administration
  - Decertification of credits





# Trade Agreements

- Required Elements of a Nutrient Trading Contract
  - Identification and contact information of parties including signature
  - Location of credits
  - Duration of contract in years
  - Quantity of credits to be exchanged each year of the contract
  - Method of credit generation, certification and registry number



# Trade Agreements (cont.)

- Required Elements of a Nutrient Trading Contract
  - Obligation of the seller, including agreement to:
    - Property maintain BMP or other specified facilities
    - Allow regular inspections by independent third party and MDA
    - Maintain compliance with all applicable federal, state, and local requirements
  - Obligation of the buyer:
    - Provide independent third party inspection, minimal once yearly
    - Prompt payment for all services and specified yearly dates
    - Regulated buyer to provide provision for violation of contract terms



# Accountability/Verification/Administration

- A practice can only generate credits once it is installed and functioning
- Inspection to certify standards and specs were met and the BMP is functional are required
- The full annual credit produced by the practice will not be certified until the year following the year of installation
- Credits are used in the year they are generated
- Credits can not be banked for sale and used in future years
- The Maryland Department of Agriculture (or its designee) will perform annual spot checks on a minimum of 10% of all traded agricultural credits



# Current Guidelines

- Practices verified at three different levels once they are part of a trade contract
  - A. Installation, meets standards and specs
  - B. Requirements for annual inspection and verification by buyer's representative and/or MDE
  - C. Random spot checks by MDA representative
- Report is issued and provided to all parties - farmer/landowner, MDA, MDE, buyer, aggregator
- Requires certification and verification by technically proficient, third party personnel with annual review of baseline practices and credit generating practices
- “Technical proficient” – Requires Nutrient Management Planner certification, and demonstrated knowledge and practical application of the NRCS Technical Guide/Practice Standards



# Maintenance Actions

- Corrective action order issued by MDA
- Allow 30-day repair, back to specs
- Requires reinspection and signoff



# Possible Reasons for Decertification

- Credits not sold over lifetime of certification
- Practice installed is substantially different
- Practice does not meet standards and specs
- Practice is not maintained
- Farm does not meet baseline



# Decertification of Credits

- Notice issued by MDA to registered credit owner with effective date, and copies to all affected parties
- Allows for appeal to Secretary of Agriculture
- Notice of decertification published on program website and emailed to all parties
- Does not preclude any punitive action as covered in buyer's contract or as part of an NPDES permit