

VIRGINIA'S AGRICULTURAL BMP LOAN PROGRAM GUIDELINES

STATE WATER CONTROL BOARD

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VIRGINIA'S AGRICULTURAL BMP LOAN PROGRAM AND ENABLING LEGISLATION

In order to reduce agriculture non-point source pollution of Virginia's waters, the Virginia General Assembly in its 1999 session amended Chapter 22 of the *Code of Virginia* by adding § 62.1-229.1 which expanded the activities of the Virginia Water Facilities Revolving Fund (the Fund) to the Commonwealth's agricultural producers (Producers) for implementation of specific agricultural best management practices (Ag BMPs). This Code section was amended in 2019 to add a grant funding option, to expand eligible applicants, and to expand eligible practices to include riparian buffers and renovation, improvement or equipping of facilities.

§ 62.1-229.1. Loans for agricultural best management practices

Loans and grants may be made from the Fund, in the Board's discretion, to (i) any person, for the construction, renovation, improvement or equipping of facilities or structures to implement agricultural best management practices to prevent pollution of state waters; (ii) a local government that has developed a low-interest loan program to provide loans or other incentives to facilitate the construction, renovation, improvement or equipping of such facilities or structures; or (iii) a financial institution working with a local government to establish a program pursuant to clause (ii). The Board shall develop guidelines for the administration of such loans and grants and shall determine the terms and conditions of any loan or grant from the Fund.

For purposes of this section, facilities or structures to implement agricultural best management practices may include riparian buffers planted in trees and maintained in accordance with the terms and conditions of the loan or grant.

The purpose of this Ag BMP assistance initiative is to provide a source of low cost financing to encourage the use of specific best management practices that reduce or eliminate the impact of Agricultural Non-point Source (NPS) pollution on Virginia waters. The goal of the program is to improve water quality in the Commonwealth.

FUNDING AVAILABILITY

The Virginia Clean Water Revolving Loan Fund (VCWRLF) program was established in 1988 to create a perpetual source of low and no interest financing which would be available to Virginia municipalities for improving publicly owned wastewater treatment works and collection systems. On behalf of the State Water Control Board (the Board), DEQ developed and continues to administer the VCWRLF program and manage the Fund in conjunction with the Virginia Resources Authority (VRA). Virginia's Ag BMP program is one of a number of program components eligible to utilize the Fund to provide a continuing source of low cost financing to Virginia's eligible applicants to assist in their efforts to reduce agricultural non-point source pollution.

The Ag BMP program is not dependent on legislative appropriations for its fund availability. During the

early stages of the Ag BMP loan program, the Board set aside a total of \$15 million from the Fund to capitalize the program. All repayments of principal and interest from previous Ag BMP loans are returned to the Fund and used to provide additional loans to other eligible applicants. In addition to the revenue available from repayments, DEQ can request that the Board consider making additional funding set-asides from the Fund as necessary to meet Virginia’s agricultural non-point source pollution reduction needs. In December 2019, the Board approved an additional set aside of \$10 million from the Fund.

WHO IS ELIGIBLE TO APPLY

Any Producer wishing to implement eligible best management practices to reduce the amount of polluted agricultural runoff entering Virginia waters will be considered by DEQ for Ag BMP program assistance. Soil and Water Conservation Districts are also eligible to apply. Local governments and financial institutions working with a local government that have developed a low interest loan program are eligible for funding from the program. Producers will be considered for loan assistance regardless of whether they choose to participate in any other state and/or federal agricultural assistance program.

ACRONYMS AND DEFINITIONS

Definitions of terms and acronyms used in this guidance document as they apply to the Virginia Agricultural BMP Loan Program are:

Ag BMP	Agricultural Best Management Practice
Board or SWCB	State Water Control Board
DEQ	Department of Environmental Quality
DCR	Department of Conservation and Recreation
“Fund”	Virginia Water Facilities Revolving Fund
"in-kind services"	Labor and/or materials provided by the applicant or their farm employees and/or rental fees for farm equipment owned by the applicant
Incurred cost.....	Eligible expenses for which the loan recipient has been invoiced or amounts which are due and stipulated in a contract for labor, material or professional services
NPS	Non-Point Source – Pollution from runoff of agricultural chemicals, animal waste, storm water, fertilizer and/or erosion
NRCS	United States Department of Agriculture, Natural Resources Conservation Service
Producer	Landowner, agent, or operator of record, which may be an individual, corporation, limited liability company, trust, or other legal entity, engaged in agricultural production for market and having control of the property on which the practice will be located
SWCD	Soil and Water Conservation District
VCWRLF	Virginia Clean Water Revolving Loan Fund
VRA.....	Virginia Resources Authority

LOAN AMOUNTS

Minimum Loan Amount

The minimum allowable loan amount is \$10,000. For projects that have received cost share funds prior to loan closing, loans may be less than \$10,000 provided total project cost, which includes the cost share amount, is at least \$10,000.

Maximum Loan Amount

The maximum allowable loan amount is \$600,000.

The maximum amount of active program loan utilization is \$1,000,000. Active program loan utilization

is the current loan amount outstanding in the program and the amount of any new loan application(s).

ELIGIBLE LOAN AMOUNT

Eligible applicants may request loan assistance from the Virginia Ag BMP program to finance implementation expenses under a cost-share grant agreement up to 100% of loan eligible expenses for approved Ag BMPs. In cases where cost-share funds will be provided at completion of one or more practices, these funds must immediately be applied to retirement of the loan obligation to avoid any duplication of funding. Funding is limited to the expenses relating to implementation of the eligible practice(s) and the loan amount cannot be greater than the total estimated cost of implementing the practice(s).

LOAN REPAYMENT PERIOD

The total Ag BMP loan amount, useful life of the structure or facility, and payment capacity are considered in setting the loan repayment period. Based on these factors, repayment periods may range from 1 to 10 years but will not exceed the expected useful life of the practice funded. DEQ may offer extended repayment periods in situations that result in a significant water quality benefit.

ELIGIBLE PRACTICES FOR FINANCING BY PROGRAM

Virginia's legislation specifically limits Ag BMP assistance to facilities and structures that are necessary for "any person" to implement agricultural best management practices. The list of best management practices pertains to construction, renovation, improvement, or equipping of facilities or structures as prescribed by statute and is specific to practices for water quality protection. The practices that are eligible for loan assistance through the Virginia Ag BMP program are listed in Table 1.

INTEREST RATE

Loan assistance will be made available at 0% per annum.

PRINCIPAL FORGIVENESS

DEQ may authorize up to 100% of loan assistance in the form of principal forgiveness for 1) projects providing a high water quality benefit and 2) applicants demonstrating financial need. The amount of principal forgiveness, if any, authorized for any project will be based on the availability of principal forgiveness funding in the program, the total amount of loan funds needed for the project, and the amount of grant funds made available to the project from other funding sources. Loan applicants should consult IRS Publication 225 – Farmer's Tax Guide and a tax professional about potential tax liability associated with accepting principal forgiveness.

ELIGIBLE EXPENSES

Authorized assistance amounts will be restricted to costs associated with services, labor, and materials necessary to complete or implement the approved BMP(s). Disbursement of funds will be made as the cost of implementation or construction is incurred. The following expenses may also be included when determining the allowable amount of Ag BMP assistance and can be reimbursed from loan proceeds after the cost is incurred.

- costs associated with professional services for any planning, design, or construction services needed to implement the approved BMP
- contractor(s) invoices for payments due or payments which are due to contractor(s) as specified

in a binding contract relating to the approved BMPs

- invoiced cost of materials stored on site / incorporated in the work
- invoiced cost for labor used to install the practice
- other related costs incurred as necessary and as approved by DEQ

INELIGIBLE EXPENSES

The following expenses cannot be included when determining the allowable amount of an Ag BMP loan or reimbursed from loan proceeds:

- "in-kind services"
- costs related to farm production equipment
- costs which have been paid by federal, state, local, or other grant sources cannot be included in the assistance amount or reimbursed; in the event that grant funds are received for work previously paid for with loan funds, the grant funds must be applied to reduction of the loan principal
- finance charges

AG BMP PROCESS OVERVIEW

APPLICATION – The application (Appendix A) is a short questionnaire which provides the name of the applicant, location of the farm, specific BMP(s) proposed for assistance, estimated total cost of the practice(s), and the applicant’s estimate of the amount of assistance that will be required.

Applications do not need to be submitted by any specific date and there is no scheduled solicitation of applications for Ag BMP assistance. After an application is received by DEQ, a member of the Clean Water Financing and Assistance Program (CWFAP) staff will contact the applicant and arrange a meeting at the project location. This “*Initial Meeting*” provides an opportunity for the CWFAP staff to gain a better understanding of what the project will involve, determine if any part of the proposed practice(s) is not eligible, explain what happens next in the loan review and approval process, and answer any questions the applicant may have. (*See Ranking of Applications section below.*)

At any time during the year, an applicant may take the first step in applying for Ag BMP program assistance from DEQ by completing the application, which can be found online at <https://www.deq.virginia.gov/Programs/Water/CleanWaterFinancingAssistance.aspx>, and sending it to DEQ at CWFAP@deq.virginia.gov or mailing a hard copy to the address below:

**Clean Water Financing and Assistance Program
Department of Environmental Quality
P.O. Box 1105
Richmond, Virginia 23218**

RANKING OF APPLICATIONS – DEQ staff will prioritize applications for assistance on a monthly basis. Applications for practices which are expected to provide the greatest water quality benefit will be given the highest funding priority. Applications considered to impact segments of Impaired, Nutrient Enriched, or Exceptional State waters and those within watersheds with an approved TMDL Implementation Plan will receive a HIGH funding priority. Applications affecting an area with an

impoundment, a natural trout stream, a designated scenic river, or that demonstrate another recognizable water quality benefit will be given a MEDIUM priority rating. All applications which do not meet the criteria for a HIGH or MEDIUM prioritization will receive a LOW ranking. This prioritization process is conducted once per month, generally during the last week of the month. Applications received by the 20th of each month will be considered in that month's applicant group.

Contingent on availability of funds, all projects that receive a HIGH or MEDIUM priority ranking and are ready to proceed to construction or the implementation phase within a six-month timeframe will be recommended for a conditional funding authorization. The conditions of that authorization are that DEQ receives verification that the applicant has an acceptable conservation plan / nutrient management plan and that DEQ and VRA approve the loan application after loan underwriting is complete.

HIGH and MEDIUM priority projects that cannot proceed to construction or the implementation phase within a six-month timeframe will be deferred and may be reconsidered for funding at a later date. The applicant will need to resubmit an application when the project is within six months of construction or implementation.

With no recognizable water quality benefit, all proposed projects that received a LOW priority ranking will be denied for funding.

NUTRIENT MANAGEMENT PLANS – ANIMAL WASTE PRACTICE(S)

Prior to approving loan funding for projects that include animal waste practices, the loan program requires that the applicant obtain a current Nutrient Management Plan (NMP) which has been prepared by a DCR certified planner. If the applicant chooses to have a DCR certified private planner develop the Nutrient Management Plan, the preparation fee can be included in the loan amount. An independent cost estimate for the preparation fee may be required.

CONSERVATION PLANS – ALL PRACTICE(S)

Prior to funding approval, the loan program requires that the applicant have a conservation plan that has been approved by the local Soil & Water Conservation District (SWCD) and contains the proposed practice(s) and an implementation schedule for the specific site or field. Several types of plans qualify as a conservation plan for non-animal waste practices provided the plan includes a schedule and can be used to fulfill the conservation planning requirement:

- Conservation Plan (NRCS or DCR standards)
- Nutrient Management Plan (DCR standards)
- Ag Stewardship Plan (VDACS standards)
- Chesapeake Bay Plan (CBLAD standards) – A Chesapeake Bay Plan is required for all practices located within areas included under the Chesapeake Bay Preservation Act.

If the proposed practice(s) is not included in an existing plan, appropriate government agencies such as the local SWCD, NRCS or DCR can prepare one at no charge to the applicant. If the applicant chooses to have a private planner develop the plan, the fee can be included in the loan amount. The plan must identify the practice and an installation schedule that applies only to the specific field or location of the proposed BMP. While "Whole Farm" plans are not required to fulfill conservation plan requirements, the development of plans which address additional water quality issues is encouraged.

CONDITIONAL AUTHORIZATION AND CREDIT REVIEW – Shortly after the prioritization process is

completed, each applicant who submitted a request for assistance for a practice(s) that resulted in a HIGH or MEDIUM priority and is ready to proceed will receive a Conditional Loan Authorization letter from DEQ. The letter will state the amount of funds that have been authorized, contingent on two conditions being fulfilled prior to DEQ's final approval of the loan. The first condition is that the applicant will provide DEQ with evidence that they have a conservation plan or nutrient management plan in place that meets the loan program requirement. The second condition is that the applicant is approved by DEQ and VRA following credit review and underwriting. Included with the Conditional Loan Authorization letter will be two financial forms. One is the *Virginia Agricultural BMP Loan Program Application for Loan* and the other is the *Financial Information* worksheet. It is very important that applicants who are selected for funding enter the credit review process in a timely manner. Within 30 days after receiving a Conditional Loan Authorization Letter, the applicant should complete the two financial forms and submit them to VRA. Once VRA has received the completed financial information forms and any additional financial information that was requested from the applicant, VRA or Farm Credit will conduct an underwriting analysis. Based on the result of that analysis, VRA or Farm Credit will provide DEQ with a recommendation for either approval or denial of the loan based on approved underwriting standards. Recommendations will also specify any collateral that VRA or Farm Credit has recommended as appropriate security for the loan. DEQ will then approve or deny the request.

DESIGN – Many practices that will be financed with Ag BMP program assistance will require development of design documents. This is especially the case for those projects involving construction of animal waste control facilities. The design documents usually consist of a set of specifications and construction drawings, which demonstrate that the practice or practices meet, at least, the minimum standards established by NRCS, DCR or DEQ. If the applicant elects to hire a private consultant to prepare the design documents, the fee for design of the BMP will be eligible for reimbursement from loan proceeds. Upon completion of the design, the applicant must provide DEQ with a copy of the design document(s) and the most recent estimate of the cost of implementing the practice(s).

LOAN APPROVAL – Once a loan has been approved by DEQ and VRA and the appropriate conservation plan or nutrient management plan and design document(s) have been received, DEQ will finalize the terms and conditions of the loan and provide the applicant and VRA with authorization to execute the loan agreement. The authorization will include the amount and term of the loan as well as a list of any special conditions that are applicable.

LOAN AGREEMENT – After receipt of authorization from DEQ, VRA will, on behalf of the Commonwealth, execute a loan agreement with the applicant. The loan agreement will specify the loan amount, interest rate, repayment period, loan security arrangements and any special conditions which were stipulated by DEQ. The loan agreement will also require the loan recipient to operate and maintain the practice which is constructed with the loan funds for the life of the loan and utilize the practice for its intended use as an agricultural BMP.

CONSTRUCTION AND DISBURSEMENT OF LOAN FUNDS – Loan funds are disbursed on a reimbursement basis, after costs have been incurred. VRA may disburse loan funds to the applicant only upon written authorization from DEQ. Therefore, when loan recipients have incurred expenses which are eligible for payment from loan funds, it is necessary for them to submit a *Request for Disbursement of Ag BMP Loan Funds* form to DEQ. Copies of loan eligible invoices or contracts

must accompany the disbursement request form. Upon receipt of the applicant's request for disbursement, DEQ will review the request and may contact the applicant to arrange a visit to the project site. Once DEQ has completed their review of the request and supporting documentation (including any additional information requested of the recipient) and conducted the site visit (as deemed appropriate by DEQ) DEQ will then authorize VRA to disburse the eligible amount of loan funds to the applicant. Usually the disbursement is authorized within 3 to 5 working days from the date DEQ receives a complete request for disbursement.

CONSTRUCTION COMPLETION AND FINAL DISBURSEMENT – Once construction activities are complete, the applicant will request a final inspection of the practice(s) which were financed with Ag BMP loan proceeds. After receiving the request for a final inspection, a DEQ representative will conduct an onsite review of the practice(s) to determine that the Ag BMP project is complete and meets the minimum standards set forth in the plans and specifications. DEQ will review the final disbursement request and authorize the final disbursement after a completion determination is made.

LOAN AND FUND MAINTENANCE – VRA will collect repayments on Ag BMP loans for the term specified in the financing agreement.

LOAN DEFAULT – In the event of a default, DEQ and VRA will take all appropriate measures, including legal actions, which are necessary to collect amounts due. At DEQ and VRA's sole discretion, loans in default may be referred to the Virginia Office of the Attorney General and the Borrower will be responsible for any additional fees and collection costs.

Table 1: DEQ Loan Eligible Agricultural BMPs

Practice #	Practice Name	Practice Description	Practice Purpose
EM-1AT	Small Scale Manure Composting for Equine Operations – Aerated Systems	A small-scale manure composting practice is a system designed to manage solid waste from areas where horses and other small barn-lot animals are concentrated. This practice is designed to provide for the storage and composting of livestock waste so as to control surface runoff from facilities and permit the safe recycling of animal waste onto the land.	Improve water quality through the proper storing, composting and spreading of waste on small-scale livestock operations.
EM-1T	Small Scale Manure Composting for Equine Operations – Static Systems	A small-scale manure composting practice is a system designed to manage solid waste from areas where horses and other small barn-lot animals are concentrated. This practice is designed to provide for the storage and composting of livestock waste so as to control surface runoff from facilities and permit the safe recycling of animal waste onto the land.	Improve water quality through the proper storing, composting and spreading of waste on small-scale livestock operations.
FR-3	Woodland Buffer Filter Area	Creates a woodland buffer filter area to protect waterways or water bodies by reducing erosion, sedimentation, and the pollution of water from agricultural nonpoint sources.	Change land use and establish a forest buffer to provide stream bank protection and to control soil erosion, sedimentation, and nutrient loss from surface runoff to improve water quality. This practice will also provide forest areas for the benefit of wildlife and aquatic environments.
LE-1T*	Livestock Exclusion with Riparian Buffers	A structural and/or management practice that will restrict access to surface waters to reduce sediment, nutrient, and bacteria loadings to streams and reduce NPS pollution associated with grazing livestock on pastures within identified TMDL Implementation Areas only.	Provide livestock watering systems and fencing that will improve water quality by eliminating direct access to surface waters, establishing riparian buffers, and by improving pasture management by establishing rotational grazing to control erosion. Stream exclusion fencing is a required component of this practice. When rotational grazing is established, participants must implement a rotational grazing plan.
LE-2T*	Livestock Exclusion with Reduced Setback	This practice will promote structural and/or management practice(s) that will enhance or protect vegetative cover to reduce runoff of nutrients, sediment, and bacteria from existing pastureland within TMDL implementation areas and therefore reduce NPS pollution associated with grazing livestock.	Provide alternative livestock watering systems and fencing that will improve water quality by eliminating direct access to surface waters and by improving pasture management by establishing rotational grazing to control erosion. When rotational grazing is established, participants must implement a rotational grazing plan. Stream exclusion fencing is a required component of this practice.
SE-2	Shoreline Stabilization	Structures and/or vegetative measures will be designed and implemented to stabilize shoreline areas of estuaries, bays and the ocean.	Improve water quality by stabilizing shoreline areas that are being eroded because of waves, boat wake or overland flow.
SL-1**†	Long Term Vegetative Cover On Cropland	Grass and/or legume vegetation will be established on cropland with existing cover of less than 60% converting it to pasture or hay land.	To promote conversion of cropland to fields with a healthy, well- maintained sod and to reduce soil erosion and enhance water quality.
SL-4	Terrace System	Earth embankment, channel, or a combination ridge and channel constructed across the slope.	Improve water quality by reducing slope and slope length to one that will slow the movement of sediment and nutrients from cropland.
SL-5	Diversion	Channel with a supporting ridge on the lower side constructed across the general land slope.	Improve water quality by directing nutrient and sediment laden water from large areas to sites where it can be used or disposed of safely.
SL-6A	Small Acreage Grazing System	This practice is designed to reduce soil erosion in pastures and to prevent those areas exposed to heavy alternative livestock traffic from experiencing excessive manure and soil losses due to the destruction of ground cover and eliminate direct access to or a direct runoff input to live streams where there is a defined water quality problem.	Prevent manure and sediment runoff from a heavy use area and pastures from entering watercourses and to capture a portion of the manure as a resource for other uses such as fertilizer. This is accomplished by dividing the pasture into grazing paddocks. Livestock is rotated from paddock to paddock as is necessary to maintain a permanent vegetative cover. One lot is stabilized and designated as a heavy use area for use in periods of wet weather and when the grass in the grazing paddocks needs to rest in order to re-grow to the appropriate grazing height.
SL-6AT	Small Acreage Grazing System	This practice is designed to reduce soil erosion in pastures and to prevent those areas exposed to heavy alternative livestock (non-bovine) traffic from experiencing excessive manure and soil losses due to the destruction of ground cover and eliminate direct access to or a direct runoff input to live streams. Alternative livestock are addressed as pollutant sources in TMDLs.	Prevent manure and sediment runoff from heavy use areas and pastures from entering watercourses and to capture a portion of the manure as a resource for other uses such as fertilizer. This is accomplished by dividing the pasture into grazing paddocks. Livestock is rotated from paddock to paddock as is necessary to maintain a permanent vegetative cover. One lot is stabilized and designated as a heavy-use area for use in periods of wet weather and when the grass in the grazing paddocks needs to rest and re-grow to the appropriate grazing height.
SL-6B	Alternative Water System	A structural practice that will provide an alternative water source for livestock to reduce direct deposition of animal waste to waterways. This practice may reduce stream bank erosion and livestock waste reaching the stream.	Provide watering facilities for livestock to reduce or eliminate the need for livestock to access streams, which reduces erosion and livestock waste reaching the stream.
SL-6N	Stream Exclusion with Narrow (<35 ft) Width Buffer and Grazing Land Management	A structural and/or management practice that will enhance or protect vegetative cover to reduce runoff of sediment and nutrients from grazing livestock on existing pastureland through livestock exclusion.	Provide livestock water systems, fencing and/or a hardened pad for winter-feeding that will improve water quality control erosion and eliminate direct access to or a direct runoff input to all live streams or live water. Stream exclusion fencing and an offstream watering facility are required components of this practice. Rotational grazing is an optional enhancement of this practice. The exclusion and/or rotational grazing system receiving cost share should reflect the least cost, technically feasible, environmentally effective approach to resolve the existing water quality problem.
SL-6W	Stream Exclusion with Wide (>35 ft) Width Buffer and Grazing Land Management	A structural and/or management practice that will enhance or protect vegetative cover to reduce runoff of sediment and nutrients from grazing livestock on existing pastureland through livestock exclusion.	Provide livestock water systems, fencing and/or a hardened pad for winter-feeding that will improve water quality control erosion and eliminate direct access to or a direct runoff input to all live streams or live water. Stream exclusion fencing and an offstream watering facility are required components of this practice. Rotational grazing is an optional enhancement of this practice. The exclusion and/or rotational grazing system receiving cost share should reflect the least cost, technically feasible, environmentally effective approach to resolve the existing water quality problem.
SL-7	Extension of Watering Systems	A management system that will provide and ensure adequate surface cover protection to minimize soil erosion. The system will reduce sediment, nutrients and pathogen loads in runoff.	Improve the quantity, quality and utilization of forage for livestock and will reduce the risk of surface and groundwater contamination from nonpoint source pollution from pastures by assuring that an adequate stand of forage is available to absorb runoff and reduce pollutants.
SL-11B	Farm Road, Animal Travel Lane, Heavy Use Area Stabilization	This practice will promote structural and/or management practices that will protect surface water and groundwater recharge areas from pollution from travel ways of farm equipment and livestock or from a winter feeding area.	Protect or maintain water quality by stabilizing travel ways used by farm equipment and livestock or from winter feeding area.
WP-1	Sediment Retention, Erosion or Water Control Structures	Structures that will collect and store debris or control the grade of drainageways.	Improve water quality by reducing the movement of sediment and materials from agricultural land to receiving streams.
WP-2A	Streambank Stabilization	Protection methods along streams to reduce erosion, sedimentation and the pollution of water from agricultural nonpoint sources.	Offer an incentive that will change landuse, provide vegetative stabilization or improve management techniques to more effectively control soil erosion, sedimentation and nutrient loss from surface runoff to improve water quality.
WP-2B	Stream Crossing & Hardened Access	A stabilized area to provide access to and/or across a stream for livestock and/or farm machinery.	Improve water quality by controlling bank and streambed erosion and reducing sediment by providing a controlled crossing and/or access to streams.
WP-2C	Stream Channel Stabilization	Stabilizing the stream channel with the use of non erodible material and/or structures that will prevent the stream channel from eroding.	Improve water quality by reducing erosion by stabilizing stream channels.
WP-2N	Stream Protection - Fencing with Narrow (<35 ft) Width Buffer	Protection by fencing along all live streams or live water in a field, to reduce erosion, sedimentation, and the pollution of water from agricultural nonpoint sources.	Offer an incentive that will change land use, provide vegetative stabilization, or improve management techniques to more effectively control soil erosion, sedimentation, and nutrient loss from surface runoff to improve water quality.
WP-2W	Stream Protection - Fencing with Wide (>35 ft) Width Buffer	Protection by fencing along all live streams or live water in a field, to reduce erosion, sedimentation, and the pollution of water from agricultural nonpoint sources.	Offer an incentive that will change landuse, provide vegetative stabilization, or improve management techniques to more effectively control soil erosion, sedimentation, and nutrient loss from surface runoff to improve water quality.
WP-2T*	Stream Protection (fencing)	Protection by fencing along all waterbodies and streams in a field to reduce erosion, sedimentation, and the pollution of water from agricultural nonpoint sources in TMDL implementation areas.	Change land use or improve management techniques to more effectively control soil erosion, sedimentation, and nutrient loss from surface runoff to improve water quality.
WP-4	Animal Waste Control Facility	A planned system designed to manage liquid and/or solid waste from areas where livestock and poultry are concentrated. This practice is designed to provide facilities for the storage and handling of livestock and poultry waste and the control of surface runoff to permit the recycling of animal waste onto the land in a way that will abate pollution that would otherwise result from existing livestock or poultry operations.	Improve water quality by storing and spreading waste at the proper time, rate and location, and/or to control erosion and nutrient input caused by feeding operations located adjacent to riparian areas or other environmentally sensitive features.

Table 1: DEQ Loan Eligible Agricultural BMPs

Practice #	Practice Name	Practice Description	Practice Purpose
WP-4B	Dairy Loafing Lot Management System	Prevent areas which are exposed to heavy livestock traffic from experiencing excessive manure and soil losses due to the destruction of ground cover. Unimproved loafing lots that are used for dairy herd exercise and loafing are usually denuded of vegetation and harbor undesirable plants.	Prevent manure and sediment runoff from entering water courses and sensitive karst areas and to capture a portion of the manure as a resource for other uses such as crop fertilizer. Accomplished by dividing the area into lots. The dairy cattle are rotated from lot to lot as necessary to maintain vegetative cover. One lot is designated as a sacrifice area for use in wet weather. This practice is for dairy cattle only.
WP-4C	Composter Facilities	Planned system designed to manage treatment and disposal of poultry and swine carcasses resulting from normal mortality. This practice is designed to provide facilities for composting poultry and swine carcasses from normal mortality, storage of raw materials necessary for composting, storage of the composted end product, and the recycling of composted carcasses by land applying the end product in a manner that will abate pollution that would otherwise result from existing disposal methods for normal poultry and swine mortality carcasses.	To improve water quality by properly composting normal mortality for poultry and swine and spreading the composted material at the proper time, rate, and location.
WP-4E	Animal Waste Structure Pumping Equipment	Mechanism used to agitate and/or pump liquid and/or semi-liquid animal waste for the purpose of land application.	Insure that animal wastes are land applied at the most optimum times so as not to effect water quality.
WP-4F	Animal Mortality Incinerator Facilities	A planned mortality incineration system.	Dispose of poultry and livestock carcasses resulting from normal mortality.
WP-4LC	** Animal Waste Control Facility for Confined Livestock Operations	A planned system designed to prevent those areas exposed to heavy livestock traffic from experiencing excessive manure and soil losses due to the destruction of ground cover and to manage liquid and/or solid waste from areas where livestock are concentrated. A covered facility that requires 100% confinement of livestock which includes a feeding area as well as a bedded or manure pack area with a manure storage area if needed. Permanent removal of livestock from all acres associated with the confined livestock is required. All associated acres must be re-vegetated. This practice is not intended for grazing operations.	Improve water quality by preventing manure and sediment runoff from entering watercourses and sensitive karst areas and capturing a portion of the manure as a resource for other uses by storing and spreading waste at the proper time, rate, and location.
WP-4LL	** Loafing Lot Management System with Manure Management (excluding bovine dairy)	A planned system designed to prevent those areas exposed to heavy livestock traffic from experiencing excessive manure and soil losses due to the destruction of ground cover and to manage liquid and/or solid waste from areas where livestock are concentrated. A sacrifice lot or covered facility that includes a feeding area as well as a bedded or manure pack area with a manure storage area if needed. A minimum of three associated grassed lots are required. All streams must be excluded. Streams associated with the grassed lots require a 35' minimum buffer.	Improve water quality by preventing manure and sediment runoff from entering watercourses and sensitive karst areas and capturing a portion of the manure as a resource for other uses by storing and spreading waste at the proper time, rate, and location.
WP-4SF	** Seasonal Feeding Facility with Attached Manure Storage	A planned system designed to prevent those areas exposed to heavy livestock traffic from experiencing excessive manure and soil losses due to the destruction of ground cover and to manage liquid and/or solid waste from areas where livestock are concentrated. A covered concrete facility that includes a feeding area as well as a manure storage area that allows for the capture and storage of manure during inclement weather. An approved rotational grazing plan and stream exclusion are required.	Improve water quality by preventing manure and sediment runoff from entering watercourses and sensitive karst areas and capturing a portion of the manure as a resource for other uses by storing and spreading waste at the proper time, rate, and location.
WP-5	Stormwater Retention Pond	Structure that will collect and retain stormwater in order to release the water at a rate that will reduce the amount of downstream erosion due to storm water flow.	Improve water quality by reducing the amount of channel erosion during storm events.
WP-6	Agricultural Chemical & Fertilizer Handling Facility	Facility to adequately store, mix and contain agricultural chemicals and fertilizers.	Improve water quality by properly handling chemicals and fertilizers during mixing and cleaning equipment.
WP-7	Surface Water Runoff Impoundment for Water Quality	Structure that will impound surface water runoff and allow sediment and nutrients to settle out.	Improve water quality by impounding surface water and allowing sediments and nutrients to settle out.
WP-8	Relocation of Confined Feeding Operations From Environmentally Sensitive Areas	The relocation of confined feeding operations from areas that have an increased chance of contaminated runoff entering the state's streams, rivers and estuaries.	Improve water quality by relocating confined feeding operations away from environmentally sensitive areas such as sinkholes, streams and rivers to reduce or eliminate the amount of pollution-laden runoff reaching these areas.
WQ-5	Water Table Control Structure	Water control structure for the management of drainage water.	Regulate and manage drainage water to improve water quality by trapping sediment and managing dissolved or suspended nutrients.
WQ-6	Constructed Wetlands	Construction of a wetland for the treatment of animal waste runoff or stormwater runoff.	Improve water quality by using a constructed wetlands to remove nutrients from animal waste or sediments and nutrients from stormwater runoff.
WQ-6B	Wetland Restoration	Activities which restore land to the hydraulic condition that existed prior to 1985 and the installation of drainage and conversion to cropland.	Improve water quality by returning environmentally sensitive land back to its original wetland condition before it was converted to cropland.
WQ-7	Irrigation Water Recycling System	A system of practices designed to distribute, collect and reuse irrigation water and surface runoff from agricultural fields involved in the production of vegetable and horticultural crops.	Improve water quality by collecting and reusing irrigation and surface runoff that may be high in nutrients, sediments, or pesticides from a variety of vegetable and horticultural crops grown using plastic or synthetic fiber mulches and impervious surfaces.
WQ-8	Fuel Storage Treatment	This practice will promote proper removal of farm underground fuel storage tanks and the construction of an above ground farm fuel storage facility with proper containment system.	Improve water quality by removing leaky or possibly leaking fuel storage tanks and contaminated soil and replacing the tank with an above ground storage tank with the proper spill and rupture containment facility.
WQ-11	Agricultural Sinkhole Protection	This practice will provide a protection method to improve groundwater quality from surface contamination.	Improve water quality by removing sources of pollution from sinkholes and providing an adequate buffer to trap and filter sediments and nutrients from surface flows that enter the groundwater through sinkholes.
WQ-12	Roof Runoff Management System	A planned system designed to manage roof runoff from agricultural structures in areas where concentrated runoff creates a water quality concern through contact with animal waste such as barnyards and feeding areas. This practice is designed to collect, control and convey precipitation runoff from a roof to an appropriate discharge area in a way that will protect water quality.	Protect water quality by capturing roof runoff and routing it away from contaminated and/or sensitive areas to control erosion and nutrient input.
‡ NTD	No-Till Planter/Drill	Purchase of no-till planters or no-till drills that are not replacements or upgrades of a no-till planter or drill that is currently owned by the applicant.	Improve water quality by encouraging the use of continuous no-till planting and cover crops. Reduce the acres which are under conventional tillage.

* LE-1T replaced with SL-6W for FY2021, LE-2T replaced with SL-6N for FY2021, WP-2T replaced with WP-2N and/or WP-2W for FY 2021

** Newly eligible loan practices beginning in FY 2021

‡ SL-1 has maximum loan term of 5 years, NTD has maximum loan term of 7 years

Additional details on the listed practices can be found here:

DCR's Virginia Agricultural Cost-Share (VACS) BMP Manual
<http://consapps.dcr.virginia.gov/htdocs/agbpmplan/cmanual.pdf>

DEQ's Virginia Non-Point Source Implementation BMP Guidelines
https://www.deq.virginia.gov/Portals/0/DEQ/Water/NonpointSource/ImplementationProjects/NPSBMPGuidelines/DEQ-NPSBMPGuidelines_FY2021.pdf