

Agricultural wetland banking aids landowners

What is agricultural wetland banking?

The majority of wetlands in the United States are protected by federal or state programs. In Minnesota, the three primary wetland protection programs that affect agricultural lands are the Minnesota Wetland Conservation Act (WCA), the Federal Farm Program, and the Federal Clean Water Act (CWA). All three programs allow wetlands to be impacted (drained or filled) under certain circumstances when other wetlands are established to replace those that were affected. Landowners who gain approval to impact a wetland can establish a replacement wetland themselves, or purchase credits from the wetland bank.

While there are many conservation programs available in Minnesota to restore wetlands, the Ag Bank is one that is truly unique. The Ag Bank was established in 2012 through a partnership between the Board of Water and Soil Resources (BWSR) and the USDA's Natural Resources Conservation Service (NRCS) as a subset of the standard wetland banking program, and was created specifically to replace wetlands drained or filled for agricultural purposes. It provides coordinated, consistent wetland mitigation under the Federal Farm Program and the WCA. It also creates an efficient mitigation option for landowners while ensuring the wetlands being affected by agricultural activities are replaced with wetlands that are more valuable and sustainable.



Agricultural wetland banking would allow a farmed wetland like this one (top) to be drained or filled by a landowner who purchased Ag Bank credits to a higher quality, restored wetland (bottom) from another landowner. Photo Credits: BWSR



The Ag Bank allows owners of agricultural land to drain certain wetlands in exchange for purchasing wetland “credits” from other landowners. The credits represent acres of wetlands that have been previously approved for wetland

replacement, subsequently restored, and deposited in the bank. A bank owner’s “credits” can be sold to other landowners at a price determined based on owner needs and the market. Allowing landowners to purchase credits from one another saves time for people who may not have the opportunity to establish replacement wetlands.

BWSR and NRCS believe that proactively identifying and pursuing high-quality wetland mitigation opportunities for the Ag Bank is good for both agriculture and our natural resources. Thanks to a grant from NRCS for this purpose, BWSR is able to work with landowners to target the most sustainable wetlands for restoration.

The Ag Bank has seen strong demand since its inception. BWSR is seeking potential wetland restoration projects because the demand for credits has outpaced supply: more than 600 Ag Bank credits have been sold in Minnesota since the bank was created in 2012.

Opportunities for landowners

Purchasing Ag Bank credits is an opportunity for a farmer to drain degraded wetlands in a way that is legal and environmentally sustainable.

The Ag Bank can also create a great opportunity for a landowner who is interested in restoring a wetland. It allows the landowner to determine the price they wish to sell their wetland credits for, which could result in a higher return on investment when



In this wetland on agricultural land, half of the basin is undisturbed; half is being unsuccessfully farmed. Agricultural wetland banking helps target the most high-quality and sustainable wetlands for restoration while allowing landowners to mitigate wetlands that have less conservation potential. Photo Credit: BWSR

compared to other conservation programs.

Assistance Available

BWSR is currently offering technical assistance to landowners interested in ag banking, thanks to funding from the NRCS.

This funding allows BWSR staff to provide technical assistance to landowners interested in ag banking. Staff can assess property for eligibility and explain the program. In certain situations, more extensive support may also be provided to assist with site development and enrollment.

For additional information, please contact Kane Radel at 507-537-7096.

