

Ag Wetland Bank builds on success



Strong interest in NRCS-funded, BWSR-supported program leads to second grant, more opportunities for farmers to generate credits through wetland restorations

A successful partnership between the Minnesota Board of Water and Soil Resources (BWSR) and the USDA's Natural Resources Conservation Service (NRCS) led to a second round of federal grant funding for wetland mitigation on agricultural land, which is expected to satisfy demand for years to come.



Top: A wetland in Waseca County illustrates a high-quality wetland. Natural resources benefit when higher-quality, more sustainable wetlands replace degraded farmed wetlands.

Above: Work was underway in November at the Lac Qui Parle County site where Paul Strong was developing an Agricultural Wetland Bank.

Contributed Photos

BWSR and NRCS aim to proactively identify and pursue high-quality wetland mitigation opportunities for the Ag Bank, which is good for both agriculture and natural resources. For ag producers who might not have the time or interest to establish their own replacement wetland, Ag Bank credits provide an efficient mitigation option. Natural resources



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Work on the first grant is wrapping up. BWSR is receiving applications from landowners for the second federal grant it received.

The Agricultural Wetland Bank (Ag Bank) was established in 2012 through a BWSR-NRCS partnership. It's a subset of the Wetland Bank, which provides a market-based alternative for landowners to legally replace unavoidable wetland impacts by purchasing wetland credits previously established by other landowners. The Ag Bank was created specifically to replace wetlands drained or filled for agricultural purposes. It provides coordinated, consistent wetland mitigation under the Federal Farm Bill and the Minnesota Wetland Conservation Act (WCA).

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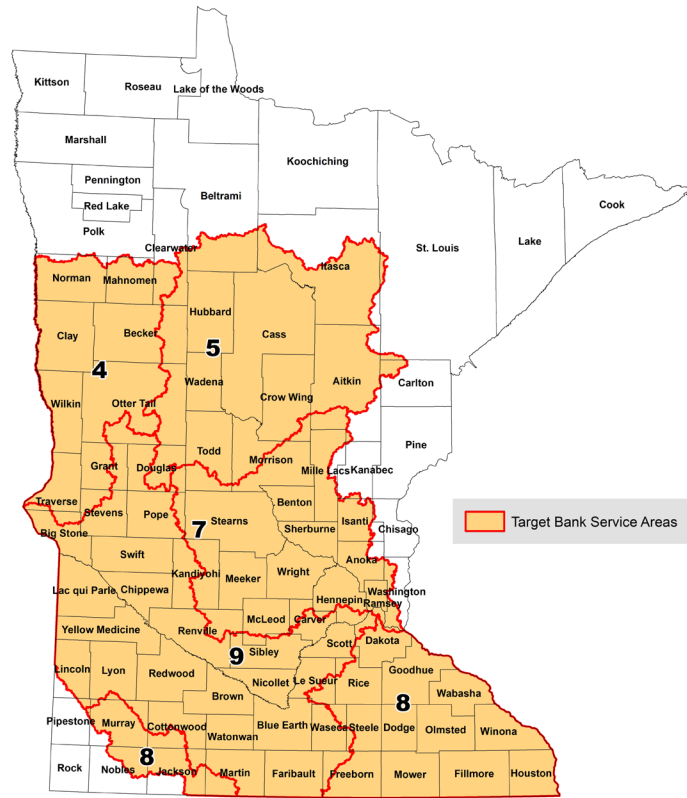
The Ag Bank has seen strong demand since its inception. More than 800 Ag Bank credits have been sold in Minnesota to date.

How many credits a restoration generates is based upon its size and scope. Projects that restore more wetland functions earn more credits. For example, restoring a drained wetland that’s farmed every year would generate more credits than a partially drained site that’s occasionally too wet to farm.

In late 2021, BWSR staff was working to complete the last couple of projects tied to the first grant. BWSR staff conducts site assessments, provides technical assistance to landowners, and develops engineering designs and mitigation plans for restoration projects.

Ten new Ag Bank projects were established with about \$500,000 from the first grant [NRCS awarded to BWSR in 2016](#). Those projects are expected to produce 242 credits (the number is finalized after projects are fully restored), giving ag producers mitigation opportunities for several years to come.

Ortonville area farmer Paul Strong is working with BWSR to develop two of the



The first NRCS grant established 10 new Ag Wetland Bank projects spanning four Bank Service Areas, which are based on the watershed boundaries depicted here. **Map Credit:** BWSR

10 Ag Bank projects.

“I had purchased wetland credits in the past and I was considering buying some more when the idea came to me that it might be better to do my own wetland restoration project to generate credits,” Strong said.

“I contacted BWSR to learn more about the process, and it sounded like a good program for me. The assistance that BWSR staff has provided me through the grant has been very helpful, and I look forward to soon being able sell credits to other farmers and to using some these credits

for my own projects,” he said.

Strong will use a few of the 28 credits expected from a Lac Qui Parle County project to offset his ag drainage projects; the rest will be available for sale, likely by this winter. The second restoration project, in the planning stages as of November, lies in Big Stone County. It’s expected to generate nearly 50 credits, available in fall 2022.

A [second, \\$400,000, three-year grant](#) NRCS awarded to BWSR in 2020 builds upon that earlier work. It will help meet the strong demand

by establishing additional wetland banks in select areas of the state (see map). The match from BWSR and landowners brings the total project funding to \$500,000.

BWSR is currently seeking landowners interested in restoring wetlands. The 2020 grant aims to establish at least six new Ag Bank projects resulting in more than 100 wetland credits available to agricultural producers.

Through a competitive evaluation process, BWSR will identify projects that will receive technical and administrative support — including engineering design, plan development, agency coordination, and post-construction technical and administrative support. Landowners will be responsible for construction (either hiring a contractor or completing the work themselves), monitoring, and post-construction site management. Landowners are required to make the credits available to USDA program participants in need of wetland mitigation credits for compliance purposes. Landowners establish the price of their credits, and receive all proceeds from the sale of those credits.

Find details and sign-up information on BWSR’s [Agricultural Wetland Bank](#) web page. Applications will be accepted until funds are exhausted or until six projects are established.



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This material is based upon work supported by the U.S. Department of Agriculture, under agreement number NR216322XXXXG002. Any opinions, findings, conclusions, or recommendations expressed in this publication are those of the author(s) and do not necessarily reflect the views of the USDA. In addition, any reference to specific brands or types of products or services does not constitute or imply an endorsement by the USDA for those products or services.