Program Evaluation

Vermont Pay for Performance (VPFP) Program

OVERVIEW

Farmers play a critical role in the effort to **reduce phosphorus (P) pollution** in Vermont waterways. Effective water quality programs **incentivize conservation practices** where they have the most impact and give farmers the **autonomy and flexibility** to pick the combination of practices that work best for their operations. **The Vermont Pay-for-Performance (VPFP) program**, launched in 2022, represents a new direction in agricultural conservation programming. Traditional programs pay farmers for implementing specific practices, but VPFP pays farmers for the **environmental outcomes** of their stewardship — **reducing P losses** from their fields. VPFP operated at an impressive scope for a pilot program as illustrated by the metrics below. However, despite evidence of substantial P loss prevention by participants, it is not clear that those reductions can be clearly attributed to VPFP participation.

70 farms
Enrolled in VPFP

41,000 acres
Enrolled in VPFP

$3.4 million
Paid to farmers

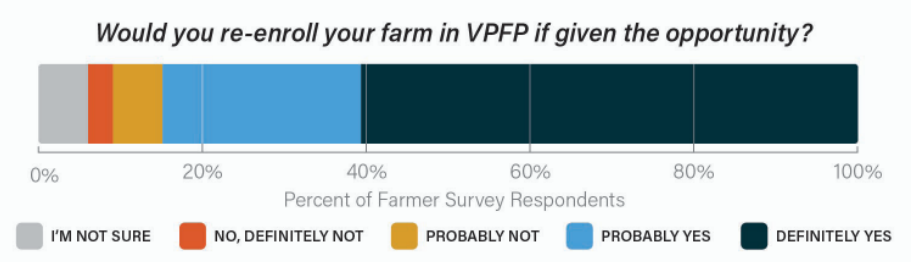
Substantial
Evidence of phosphorus (P) loss prevention by participants

Program Evaluation

Quotes and figures depicted in the sections below were derived from interviews and surveys with farmers and Technical Assistance (TA) providers that were conducted as an evaluation of the three-year VPFP pilot (2022-2024), which was led by the University of Vermont's Gund Institute for Environment.

PARTICIPANT SATISFACTION

Interviews with VPFP farmers revealed some of the key benefits that the program manifested in its pilot phase. Farmers praised the program. A majority of surveyed farmers reported they would likely re-enroll in future iterations of the program.



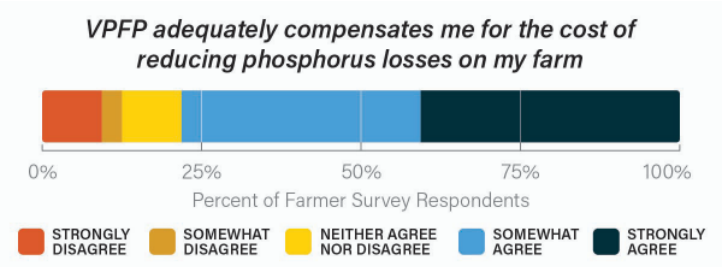
ADEQUACY OF INCENTIVES

Surveyed VPFP farmers generally reported that they were satisfied with the program's payment rates. Although some acknowledged that they were a "drop in the bucket", and expressed the sentiment that farmers should employ these best practices regardless of public incentives.

TA providers scrutinized the disparity between program payments and what they perceived as steep costs faced by farmers practicing responsible stewardship.

> "I really hope that this [program] can be a **role model for the rest of the country** because it's putting value on the land and the practices you use. **I love how it allows the land to carry some of the burden of the farm needs and expenses.**"
>
> — *VPFP Farmer*

> "I think the **best thing that came out of VPFP is actually evaluating what you were doing and whether it was working...** Prior to that, you were doing cover cropping, no till and manure injection, and the research said it was good, but there's no way they'll evaluate it on your farm."
>
> — *VPFP Farmer*



DATA BURDENS

Surveyed farmers and TA providers cited the amount of data required (on a field-by-field basis) to estimate the influence of practices and land conditions as one of the disadvantages of the program.

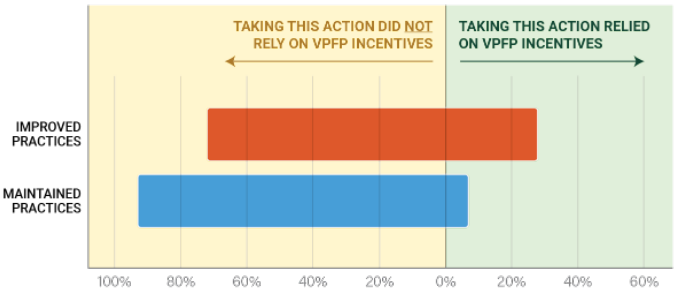
Bottlenecks that exacerbated data entry burdens include: limitations on sharing data from nutrient management planning apps like goCrop with Farm-PREP and slow load times.

> The **data entry for VPFP is very time-consuming,** and I can't help but wonder if the amount of funds going towards technical assistance and data entry could go further in a program with a different structure.
>
> *— TA provider*

BEHAVIOR CHANGE

Surveyed farmers indicated that they largely did not rely on VPFP to take action on their conservation practices, highlighting the challenge in evaluating whether participation in VPFP led to additional improvements in environmental performance that would not be achieved without VPFP incentives.

TA providers cited the confusing nature of FarmPREP and the baseline as challenges in identifying actionable ways to improve conservation practices. In addition, farmers could be already be doing everything feasible to minimize P losses from their fields.



Percent of Improved or Maintained Conservation Practices that Relied on VPFP Incentives

PERFORMANCE ≠ EFFORT

Some farms that were making substantial efforts to invest in and implement conservation practices were unable to generate a substantial payment, likely because of land conditions out of the farmers' control. This case, though an outlier, demonstrates a classic challenge for performance-based programs: they are not designed to reward effort per se but instead are responsive only to outcomes. The disparate relationship between effort and outcomes across farms can raise doubts about the model or questions regarding the programs' fairness.

> One of the farms that was doing a lot of really good work - **they were already doing cover crop, they were doing no-till, they had buffers - [but] they weren't scheduled to get any payment.** They were excited to participate in this program and then to find out that we took a bunch of their time and they weren't going to receive anything was [pretty frustrating].
>
> *— TA Provider*

LOOKING TO THE FUTURE

VPFP's pilot phase represents a step forward in demonstrating that performance-based conservation can meaningfully improve water quality in Vermont. It has engaged farmers, delivered measurable environmental benefits, and laid the groundwork for a more adaptive, data-driven approach to agricultural stewardship. Developing a clear mechanism for attributing program participation to environmental outcomes is one of the top recommendations that will help bring VPFP to full maturity. Other recommendations developed through the program evaluation include: improving model clarity, streamlining data entry, addition of progress tracking mechanisms, more intuitive baselines, expanding outreach, and streamlining program objectives. By reflecting on both its achievements and challenges, VPFP is poised to come into full maturity as a program that is intuitive, equitable, and responsive to the needs of both farmers and the state of Vermont.

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