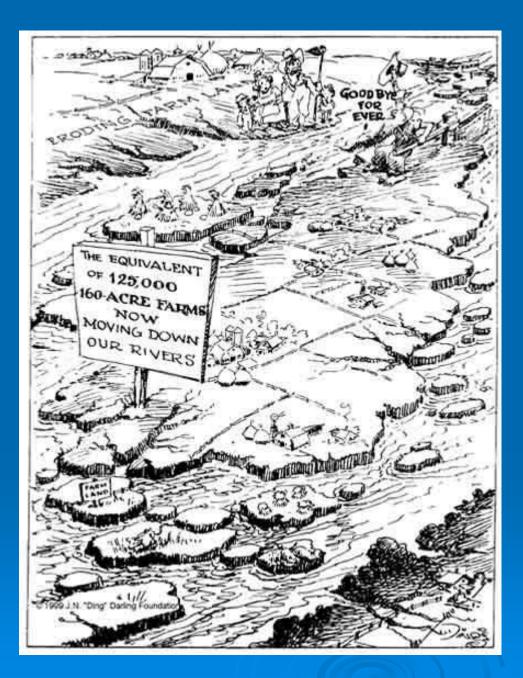
Assessing Alternative Policies for the Control of Nutrients in the Upper Mississippi River Basin

Catherine L. Kling, Silvia Secchi, Hongli Feng, Philip W. Gassman, Manoj Jha, and Lyubov Kurkalova Center for Agricultural and Rural Development, Iowa State University.

For presentation at the Mississippi River Basin Nutrients Science Workshop, October 4-6, St. Louis, Missouri.

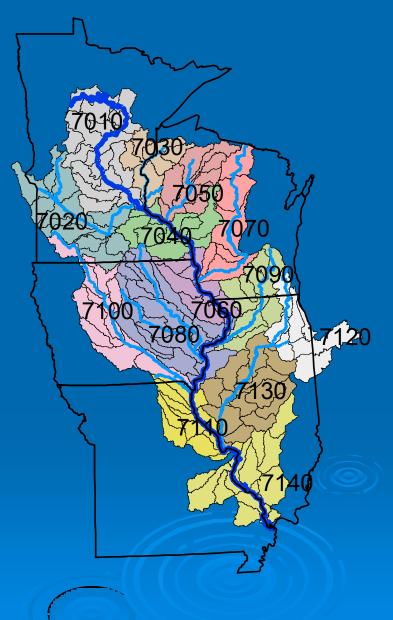
For more information on this project and related work, please see • <u>www.card.iastate.edu/environment</u>.



"What that Mud in Our Rivers Adds up to Each Year" Ding Darling, 1946

The UMRB

- > 189,000 square miles in seven states,
- dominated by agriculture: 67% of total area,
- > > 1200 stream segments and lakes on impaired list,
- Primarily nutrients (esp. phosphorous) & sediment,
- Multiple conservation practices can ameliorate (Land retirement, tillage, grassed waterways, contours, terraces, etc.)



Integrated Economic, Land use, and Water Quality Model for the UMRB

- Couple large-scale, spatially-detailed watershed model with economic model to study costs and water quality changes of conservation policy
- > Focus on agricultural land use decisions cropland
- Use NRI as basis for both economics and watershed model
- Purpose of modeling system is to provide policy level information
- Consider both upstream water quality (within the UMRB), and downstream effects (Gulf of Mexico)

Outline

- I. Intro to Watershed/water quality model
- II. Intro to Economic model
- **III.** Policy Scenario description
- IV. Results of Preliminary Analysis
- v. Direction for future

I. The Water Quality model: Soil and Water Assessment Tool (SWAT)

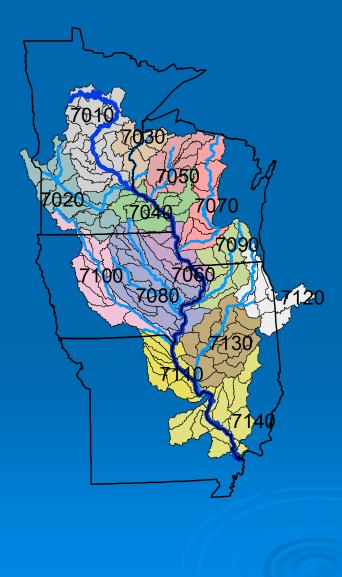
SWAT is watershed based: predicts changes in environmental quality at watershed outlets, highly nonlinear between practices, land characteristics, soil types, and water quality

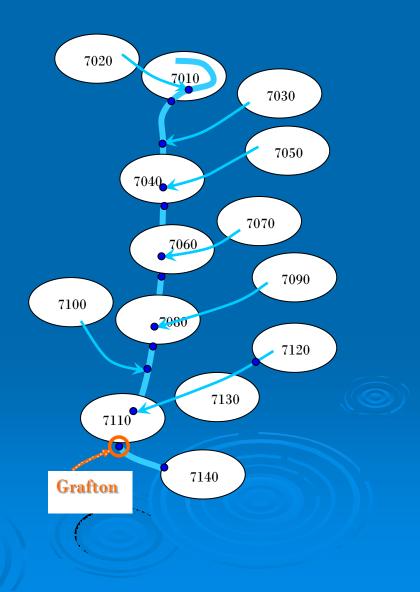
> Features

- simulates a high level of spatial detail, operates on a daily time-step
- calibrated to observed water quality and quantity data
- can/has been used in both regional analyses and smallscale studies

> Key data sources, flow calibration, see poster

Watershed Schematic





Features of the 4 Digit HUCs				
4 Digit HUC	Total NRI points	Total area millions of acres		Average CRP rental rates
7010	8954	1.2	18	52
7020	7797	0.92	69	91
7030	4113	0.46	10	35
7040	6495	0.65	33	78
7050	3847	0.55	11	40
7060	5930	0.55	42	122
7070	5141	0.66	14	73
7080	14965	1.46	67	128
7090	7167	0.66	56	121
7100	8375	0.9	64	116
7110	5883	0.59	44	69
7120	7661	0.63	55	116
7130	9745	1.13	72	129
7140	7776	0.79	44	79

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Outlet of Watershed	Sediment load	Nitrates load	Total P load
7010	3,857	20,479	9,745
7020	2,879	10,347	7,848
7030	269	3,136	512
7040	10,067	41,261	15,418
7050	790	8,312	882
7060	18,636	66,133	24,110
7070	845	10,758	3,431
7080	32,357	132,389	53,501
7090	3,158	22,800	10,261
7100	1,000	22,152	9,417
7110	50,083	249,944	92,561
7120	3,839	42,184	6,402
7130	17,226	81,556	23,318
7140	56,567	291,389	101,122

a.Loads are measured in thousand of tons, 18 year averages.

II. Economic Models and Cost Information

Adoption model to estimate returns to conservation tillage
1. Specification, Estimation, and Prediction Samples (Kurkalova)
2. Separate model for each 8-digit HUC (14 models)
110,000 total NRI "points" and expansion factors, over 37,500 cropland points

Other data sources: 1992 and 1997 NRI data (soil and tillage), Census of Agriculture (farmer characteristics), Climate data of NCDC, Conservation tillage data from CTIC, Cropping Practices Surveys (budgets), cash rental rates

Cash rental rate as a function of yields to estimate opportunity cost of land retirement, vary by county and state

 Costs of Buffers, Grassed Waterways, Terraces, Contours, and Nutrient Management from various sources and expert opinion (Iowa DNR)

III. Policy Scenarios

- 1. What are the costs of implementing a broad set of conservation practices that focus on sediments and phosphorous?
- 2. What are the local water quality gains?
- 3. What are the effects for the Gulf?
- 4. How much additional reduction in N flows occur from an across the board reduction of 10% N applications to corn production?

Implementation: Local Policy: "Sound Conservation Practices"

- Step 1. Land Retirement. Retire all cropland within (<=) 100 ft. of a waterway, retire additional land to reach 10% total based on erosion index,
- > Step 2. Terraces. Terrace all remaining land with slope above 7%,
- > Step 3. Contours. Contour all remaining cropland with slopes above 4%,
- Step 4. Grassed Waterways (GW). Place GWs on all remaining land with slopes of 2% or greater,
- Step 5. Conservation/no till. For all cropland with slopes of 2% or greater not already in conservation tillage, place 20% of each watershed in no till and 80% in conservation tillage.

IV. RESULTS Sound Conservation Practices Implementation: Acreage and Costs

Watershed	Land Retirement (1000 acres)	CT (1000 acres)	Structural Practices (1000 acres)	Total Cost (\$000)
7010	80	1820	1490	49,570
7020	380	3600	3000	110,780
7030	10	510	440	12,750
7040	30	2290	1820	49,190
7050	30	890	760	8,270
7060	10	2610	1910	51,380
7070	10	1240	1000	16,410
7080	430	3770	5310	97,810
7090	170	3120	2330	162,440
7100	230	4780	2650	52,280
7110	30	2180	1270	32,370
7120	350	2500	1070	45,250
7130	690	6110	2830	99,180
7140	160	2780	1490	25,740
Total	2610	43190	27410	813,420

Sound Conservation Practices Implementation: Percentage gains in water quality

Outlet of Watershed	Sediment	Nitrate	Phosphorous
7010	41	3	37
7020	36	3	38
7030	54	-3	40
7040	50	5	35
7050	53	0	32
7060	48	6	37
7070	40	-1	30
7080	42	6	42
7090	32	-2	46
7100	4	1	38
7110 Grafton	35	7	37
7120	27	2	17
7130	39	3	29

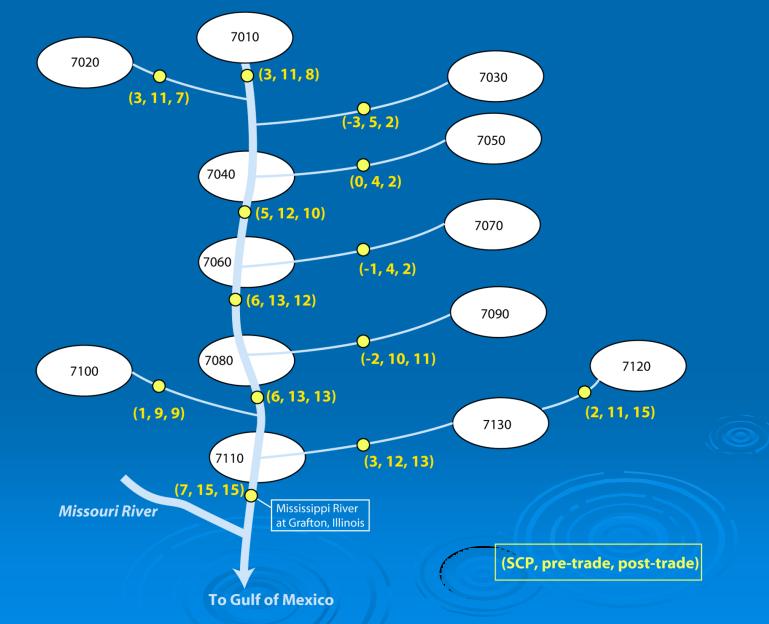
Additional N Control

- SCP yields 7% reduction at Grafton
- > Targets:
 - Gulf Hypoxia Task Force set of 30% N decrease to meet (2001)
 - Scabia, et al (2003) suggest 40% may be needed to hit goal
- Wetlands likely to be important part of solution, omitted here
- Consider 10% N application reduction

Uniform 10% N application reduction

HUC4	N application reduction (1000mt)	Cost (\$million)	
7010	10.64	13.05	
7020	20.51	19.24	
7030	2.59	3.18	
7040	8.93	8.15	
7050	3.02	2.85	
7060	11.15	12.13	
7070	4.49	4.5	
7080	35.24	36.01	
7090	16.68	16.82	
7100	19.83	21.31	
7110	12.05	17.81	
7120	15.03	16.15	
7130	30.7	35.22	
Total	190.86	206.42	

SCP + 10% N Reduction Results



Next Steps

- Calibrate SWAT to nutrients
- Most cost-effective conservation practice combinations
- Targeting of watersheds (costs and water quality)
- > Trading programs
- > Longer term: wetlands