Food · Land · & Water
Toward a Sustainable Wisconsin

DATE: February 2, 2017

TO: FLW Workgroup Co-Chairs

FROM: Jim VandenBrook, WI Land+Water

SUBJECT: ***Steering Committee Feedback***

On January 26, 2017, the "Food, Land and Water" Project Steering Committee met to review and discuss your reports on Workgroup progress to date. It was an excellent discussion. Some of you were at the meeting, but others were not. The Steering Committee appreciated your good work, and seemed satisfied with the overall progress and direction of the project to date.

The Steering Committee understands that each Workgroup is somewhat different, and has its own unique challenges. The Steering Committee also understands that you have a limited amount of time, in the next 2 meetings, to arrive at Workgroup findings and recommendations.

Individual members of the Steering Committee offered a number of comments and suggestions, and raised a number of questions, which we have summarized below. These do not necessarily represent the views of the full Steering Committee, but we hope that you will consider them as you move forward. Some of the comments, while raised in the context of an individual Workgroup report, are applicable to other Workgroups as well. We are also attaching a summary of current state funding for farm conservation programs, which was shared with the Steering Committee.

Steering Committee Questions and Comments

Groundwater Quality Workgroup

- Is there a map showing key groundwater contamination areas, or areas of concern?
- Should we encourage more well testing, particularly in areas of concern? What information is provided to well owners?
- Are there well inspection requirements or recommendations, particularly in areas of concern? Do poorly constructed, poorly maintained, or outdated wells contribute to drinking water contamination? What information is provided to well owners?
- How does NM compliance vary between crop and livestock operations? Are there different compliance incentives, or different barriers to compliance?
- Will compliance with NM standards and UW agronomic recommendations prevent nitrate contamination of groundwater? How do crop and fertilizer prices affect nitrogen application rates and nitrate leaching risks? How do soil and geology affect nitrate contamination risks?

- Are some farmers complying with NM standards, but not getting credit for compliance because they have not applied for livestock facility permits, cost-share grants or farmland preservation (FP) tax credits? Many farmers may actually be doing "better" than the minimum, but not getting counted as being in compliance.
- Do we have a reliable system for determining the level of NM compliance? Is there a more systematic, and nuanced, way to survey NM compliance?
- Are NM standards and SnapPlus software keeping pace with new farming methods? For example, precision farming technology now allows for variable, precisely-targeted nutrient applications within a field, while NM standards work on cruder "average" nutrient application rates. It is hard for farmers to use SnapPlus when their own systems are more nuanced.
- When livestock operators apply manure to rented cropland, do they pay less attention to NM compliance than they would on their own land? Is there adequate communication between landowners, renters and manure applicators related to nutrient applications that are being made to the same cropland at different times, or in different years, by different people?
- How do we increase NM compliance by farmers? What are the key barriers to participation, and how should they be addressed? Should we increase training and information, provide better compliance tools, offer higher cost-share payments, create alternative financial incentives, tie compliance requirements to existing farm tax benefits, encourage more "farmer-led" initiatives, or take more enforcement actions (when farmers refuse targeted cost-share offers)? What are the advantages and disadvantages of these various approaches?
- Many farmers now rely on crop consultants, manure haulers and farm supply outlets to develop and comply with NM plans. Could we make more progress by focusing training and compliance efforts on these key agents? How do we monitor their work, increase coordination, and address potential "conflicts of interest?"
- Does manure treatment, including manure digesters, offer new manure management options? Can it improve NM compliance by reducing manure hauling costs, allowing for more precise nutrient applications, and reducing pollution risks? Is manure treatment technologically and economically viable? Is there a viable business plan? Is there a viable market for manure treatment services and by-products? What is the role of public financing of treatment systems from simple manure storage on individual farms to community based systems that might include digesters, ultra-filtration, and other capital intensive practices, and what level of accountability should be provided to the public?
- Are there areas that are not suitable for certain kinds of farming operations? Do farmers and processors consider environmental factors when making strategic siting decisions? Is it possible to make more strategic siting decisions, given the difficulty of moving existing operations? How are encroaching development, and the continuing loss of farmland, affecting siting and expansion options?
- What process will the Workgroup use to identify and agree upon recommendations? Hopefully, the Workgroup will consider a broad range of recommendations from Workgroup members, and work toward consensus where possible.

Surface Water Quality Workgroup

- Are we considering urban storm water issues? How does urban storm water runoff compare to farm runoff? Are urban storm water experts represented on the Workgroup?
- Are we putting adequate emphasis on "producer led" conservation initiatives? "Producer-led" projects can help to increase farmer involvement, knowledge, information sharing and support.

- Are we looking at the relative contribution of "point source" vs. "nonpoint source" pollution, and the relative costs of addressing each? Are there ways in which "point source" dischargers, such as metropolitan sewerage districts, can work with counties and farmers to reduce overall watershed phosphorus levels in the most strategic and cost-effective way?
- Do large farms necessarily present more pollution risks? For example, large livestock operations (CAFOs and facilities holding local siting permits) are far more highly regulated than smaller farms. Unlike other farmers, they are required to comply with manure storage, manure management, NM, and other farm conservation standards *regardless* of cost-sharing.
- Are we giving adequate attention to crop consultants, manure haulers, nutrient applicators and input suppliers? Many key farming operations are now delegated to these paid agents. They can "make or break" farm conservation compliance, but may lack adequate training and information. They may also have conflicting incentives to maximize yields, minimize costs, or maximize input sales, and may be uncomfortable with pointing out NM and runoff problems on their clients' farms.
- Should we provide more support to "producer led" conservation initiatives? Can we find ways to involve producers in conservation planning, priority-setting and implementation efforts? Can we use producer networks to improve communications and trust, and spread good conservation ideas and innovations? Can we give reasonable latitude and autonomy to producers, while ensuring accountable, transparent and cost-effective use of public funds?
- Are we considering measures to control soil erosion, as well as soil nutrient loading? Where soil nutrient levels are high, can we still meet NM standards by preventing runoff and "keeping the soil in place?" *(Note: Producers can comply with the NM "phosphorus index" in a variety of ways, including erosion and runoff control as well as restrained phosphorus loading.)* What are current soil erosion trends?
- If we increase cost-share funding for conservation practices, is there any assurance that farmer participation will increase accordingly? If not, will the funds go unspent? If we increase cost-share rates, will we reduce the total acres that can be covered with available funds? If we wait for "volunteers," how can we focus funding and compliance efforts on the worst problems and offenders? Are cost-share grants the best, or the only, vehicle for delivering cost-share incentives (as compared, for example, to making conservation compliance a condition for tax credit eligibility)?

Working Lands Workgroup

- Do we have adequate representation from agriculture, real estate and development interests? The Steering Committee agreed that more representation would be beneficial.
- How are land ownership trends affecting farmland preservation? For example, how are absentee ownership, out-of-state ownership, and speculative investment ownership (e.g., by private equity firms) affecting the use and conversion of farmland?
- What drives county and local land use planning and zoning decisions? Why are county and local governments reducing the amount of land planned and zoned for agricultural and related use? Are Wisconsin's agricultural and food industries "being heard" in the process?
- Why are we seeing a continued steady conversion, rezoning and division of agricultural lands, despite recent changes in Wisconsin's FP program? What is the impact of urban annexation? What is the impact of rural residential development on farming operations?

- Why is there a relatively low rate of farmer participation within "agricultural enterprise areas?" Why is there limited, or mixed, agricultural and food industry support for farmland preservation planning and zoning? What will be the long-term impact of farmland loss?
- Should we restore funding for the PACE (agricultural conservation easement) program? How much farmland could we reasonably protect under conservation easements, as compared to FP zoning or FP agreements, and at what cost?
- Should we increase FP tax credits, to encourage greater participation by farmers? Should we attach FP or "conservation compliance" requirements to other, more lucrative tax credits?

Groundwater Quantity Workgroup

- Can we come to a better agreement on the facts related to Central Sands groundwater pumping impacts on surface waters? Which facts are indisputable, and which are open to reasonable doubt? Can we disentangle pumping impacts from other impacts caused by factors such as drought, rainfall events, land use changes, and normal seasonal variability?
- Are model predictions reliably confirmed by monitoring data? To what extent can model predictions for one watershed be generalized to other watersheds?
- What are the relative impacts of agricultural vs. non-agricultural pumping?
- Are bankers and food processors encouraging farmers to increase irrigation, as a means to increase crop yields, crop quality and farm revenues? Is there a long-term trend toward more irrigation, both in the Central Sands and statewide?
- If pumping demand continues to grow, and if there is some pumping "sustainability" limit, how will we allocate pumping rights between thousands of groundwater users? Between constantly changing use demands? Between existing users and new users? Between agricultural and non-agricultural users?
- Are the Central Sands unique? Although we are focusing mainly on the Central Sands, we should remember that groundwater quantity is also an issue in other places (such as Waukesha), and that problems are often driven by non-agricultural use.

Cc: Steering Committee Members
Workgroup Facilitators

State Funding for Farm Conservation Programs

County Conservation Staff

The State of Wisconsin funds about *one-third* of all county conservation staff. In 2013, Wisconsin counties had a total of about 336 full-time equivalent (FTE) land and water conservation staff, or an average of 4.7 FTE staff per county (staffing varies between counties). These county staff worked mainly, but not exclusively, on farm conservation programs. In 2013, the State of Wisconsin (DATCP) funded 112 of the 336 FTE county staff, including the highest paid staff members in each county.

For 2017, the State of Wisconsin has allocated over $8.7 million for county staff support. Funding allocations vary between counties, but the state provides a basic level of support for all counties. Additional funding comes from the counties themselves, or from other grant sources. To qualify for state support, counties must provide matching support.

County Conservation Cost-Share Funding

Capital Projects

For 2017, the State of Wisconsin has allocated nearly $7.2 million in bond revenue funding to counties. That is an average of $100,000 per county (funding varies between counties). Bond revenue funding is used to cost-share long-term "capital" projects such as manure storage facilities and riparian buffer strips. It cannot be used for NM, conservation tillage or other "soft" conservation practices (the Wisconsin Constitution allows bonding only for long-term "capital" projects that have a public purpose, such as water quality improvement).

The $7.2 million total includes over $3.3 million in DATCP funding for farm conservation projects, and over $3.8 million in DNR funding for water quality projects (mainly on farms). The state holds an additional $2.9 million in bond revenue funds "in reserve" to address pollution control problems that may be identified during the year.

Nutrient Management and Cropping Practices

For 2017, the State of Wisconsin (DATCP) has allocated about $2.5 million to promote nutrient management, conservation tillage and other "soft" practices on farms. This includes about $1.7 million in cost-share funding to counties – an average of $24,000 per county (funding varies between counties). Another $800,000 is earmarked for state-contracted training and field projects, including $250,000 for "producer led" projects.

Farmland Preservation Tax Credits; Conservation Compliance

Under Wisconsin's farmland preservation (FP) program, farmers may claim income tax credits ($5-$10 per acre) if their land is restricted to agricultural use *and* they comply with state farm conservation standards (including NM). Counties must certify farmer compliance. The FP tax credit is not available everywhere. It is now available only in certified FP zoning districts (county or local ordinance) or state-designated "agricultural enterprise areas." Farmers in these areas claimed about $20 million in FP tax credits for 2015.

Total State Funding for Farm Conservation (2017)

County Staff	$ 8.7 million	(Ave. $122,000 per county)
Cost-Share Capital Projects	$ 7.2 million	(Ave. $100,000 per county)
Cost-Share NM & Cropping Practices	$ 1.7 million	(Ave. $24,000 per county)
Other NM Support	$ 0.8 million	(State contracts and "producer-led" projects)
Capital Contingency "Reserves"	$ 2.9 million	
Subtotal	$21.3 million	(rounded up)
FP Tax Credits (projected)	$20.0 million	
TOTAL	$41.3 million	