

**Environmental Assessment**  
**DATCP's Portion of the 2016 Joint Final Allocation Plan**  
**September 2015**

**I. The Nature and Purpose of the Proposed Action**

Each year, the Department of Agriculture, Trade and Consumer Protection (DATCP), together with the Department of Natural Resources (DNR), allocates grant funds to counties and others for the purpose of supporting county conservation staff, landowner cost-sharing and other soil and water resource management (SWRM) activities. DATCP funds are allocated in accordance with ch. 92, Stats., and ch. ATCP 50, Wis. Adm. Code. Counties are required to have DATCP-approved land and water resource management (LWRM) plans as an eligibility condition for grants. The details of DATCP's proposed action are set forth in Charts and Tables in the 2016 Joint Final Allocation Plan that accompanies this Environmental Assessment.

**II. The Environment Affected by the Proposed Action**

As further explained in Section III.A., the DATCP grant program operates in every county, potentially covering all of Wisconsin's 34.8 million acres. While the program can fund activities that protect surface and ground waters throughout the state, grant funds are primarily used to protect rural areas and install conservation practices on farms, which now account for less than 50% of Wisconsin's land base (14.5 million acres). Ultimately each county's LWRM plan determines the nature and scope of conservation activities in the area and the natural resources affected by DATCP funds.

**III. Foreseeable Environmental Effects of the Proposed Action**

**A. Immediate Effects**

The environmental effects of the proposed allocation plan are positive. Through support for conservation staff and landowner cost-sharing, the proposed allocation plan will result in actions on farms and other areas that reduce soil erosion, prevent farm runoff, improve management of manure and other nutrients, and minimize pollution of surface and ground water.

By providing annual funding for conservation staff and others, DATCP secures statewide capacity to deliver a wide range of water quality programs. DATCP staffing grants enable counties to hire and retain conservation staff who have the experience and technical skills required to implement county resource management plans (including the state agricultural performance standards), facilitate landowner participation in state and federal cost-share programs, and ensure cross-compliance of farmers in the revamped farmland preservation program (FPP). By funding special projects that support conservation implementation, DATCP is filling critical needs in areas such as nutrient management support, training, and coordination between the public and private sector. As discussed later, funding for county conservation staff has not kept up with the demand which is fueled by new programs such as producer-led watershed councils and phosphorus management, and the persistence of intractable ground and surface water issues throughout the state.

Each year, counties use cost-share funds to address state and local priorities identified in their local plans. Cost-share funds result in the installation of practices that control runoff pollution

and improve water quality. In 2014, counties and landowners spent about \$4.8 million in DATCP funds to install cost-shared practices with the highest spending on these practices: \$1.46 million for nutrient management plans covering 60,038 acres, \$0.48 million for 149 acres of waterway systems, \$0.47 million for 24,143 feet of streambank and shoreline protection, \$0.42 million for 30 barnyard runoff control systems, \$0.38 million for 15 manure storage systems, and \$0.21 for closure of 37 manure storage facilities. The 2014 cost-sharing represents a \$0.3 million increase in DATCP cost-share expenditures from 2013. In 2013, counties and landowners spent about \$4.5 million in DATCP funds to install cost-shared practices with the highest spending on these practices: \$1.2 million for nutrient management plans covering 55,304 acres, \$0.56 million for 32,009 feet of streambank and shoreline protection, \$0.51 million for 19 manure storage systems, \$0.33 million for 56 grade stabilization structures, \$0.29 million for 17 barnyard runoff control systems, \$0.26 million for 72 acres of waterway systems. The following developments are worth mentioning with respect to expenditures of cost-share funds: sustained increase in annual expenditures for nutrient management plans in part driven by the FPP conservation compliance requirements, the re-establishment of farm practices, particularly grassed waterways, in the list of top cost-shared practices.

## B. Long-Term Effects

Over time, DATCP's annual financial support of county staff and other project cooperators has built and sustained a statewide conservation infrastructure that delivers the following reinforcing benefits:

- Outreach and education that results in positive behavioral changes.
- Development of conservation technologies such as SNAP Plus (a software program designed for nutrient management planning in Wisconsin), and the Manure Advisory System, and the training systems to effectively use these technologies.
- Technical assistance that ensures proper design and installation of conservation practices.
- Resource management planning that addresses local and state priorities.
- Permitting and other regulation of livestock farms that requires properly designed manure storage and nutrient management plans.
- FPP administration that protects valuable resources and promotes conservation compliance.

DATCP cost-share grants are critical in making reasonable progress in achieving water quality goals. Most farmers are not required to meet state runoff control standards without cost-sharing. Long-term state commitment to farmer cost-sharing determines the extent to which conservation practices are installed, and in the end the degree to which water quality is improved. When conservation practices are installed in a watershed or other area over time, the combined effect of these practices can result in marked water quality improvements.

Fully assessing the long-term benefits, however, is complicated for a number of reasons including the fact that DATCP's grant program operates within a collection of conservation and natural resource programs. See Section III.E. for more a detailed discussion.

## C. Direct Effects

DATCP funding results in the installation of conservation practices and capital improvements that directly reduce water quality pollution and reduce soil erosion. It also secures access to

technical or other assistance that supports conservation efforts, including conservation and nutrient management planning.

#### D. Indirect Effects

Installed conservation practices not only improve resources in the immediate area, but benefit surrounding areas including resources located "downstream" from the installed practice. Implemented on fields upstream from a lake, for example, nutrient management practices reduce sediment and nutrients that would otherwise collect in surface waters, and can provide additional protection for groundwater. Installed practices may have secondary benefits at a site, such as shoreline buffers, which not only serve to control runoff, but may increase wildlife habitat.

DATCP policies and rules mitigate secondary impacts from the installation and maintenance of conservation practices. DATCP policies ensure that counties evaluate cultural resource impacts of a project before any land-disturbing activities are initiated. To minimize erosion from excavation and construction projects such as a manure storage facility or barnyard runoff control system, DATCP rules require landowners to implement measures to manage sediment runoff from construction sites involving DATCP cost-shared practices. Adverse environmental impacts may result from improper design and installation of practices. DATCP cost-share rules avoid this outcome by requiring design and construction according to established technical standards. Improper maintenance can undermine the benefits of a long-term conservation practice. By requiring a maintenance period for conservation projects installed with DATCP cost-share dollars, DATCP ensures that practices perform in the long-term as intended.

In rare cases, certain negative impacts are unavoidable. Unusual storm events can cause manure runoff from the best-designed barnyard. Unavoidable impacts may also arise if a cost-shared practice is not maintained or is improperly abandoned. Manure storage facilities that are not properly abandoned or emptied may present a water quality threat, unless they are closed in accordance with technical standards.

Overall, the positive benefits of reducing nonpoint runoff significantly outweigh the slight risks associated with the installation and maintenance of conservation practices.

#### E. Cumulative Effects

While it is difficult to accurately gauge the cumulative effects of this action, it is clear that SWRM grant funds play an integral part in supporting a comprehensive framework of federal, state, and local resource management programs. By supporting 112 of the 336 conservation employees in the state's 72 counties, DATCP grant funds secure the foundation necessary to deliver a myriad of programs including participation in the following:

- In 2014, federal programs from Natural Resources Conservation Service (NRCS) provided \$24.9 million for Environmental Quality Incentives (EQIP) payments to install conservation practices on 132,262 acres of working lands, and nearly \$3.3 million for conservation stewardship payments for 162,029 acres owned by farmers and forestland owners. As part of its Landscape Initiatives program, NRCS provided \$0.93 million for 20 EQIP contracts for Great Lakes projects, and \$6.16 million for 65 EQIP contracts to farmers to reduce phosphorus in the Lower Fox in the Green Bay area. The Driftless Area Landscape Conservation Initiative (DALCI) provided \$1.7 million to fund 150 applications to support erosion control and fish and wildlife habitat projects in Wisconsin.

- The conservation reserve enhancement program (CREP) and similar federal programs protect important natural resources while allowing landowners to make use of valuable working lands. As of the beginning of 2015, about 44,100 acres were enrolled under CREP easements and agreements: with approximately 6,500 acres under CREP easements and the remainder under CREP 15-year agreements. The conservation benefits of the practices installed (e.g. riparian buffers and filter strips) are as follows: 1,519 miles of streams buffered with an estimated phosphorus annual removal of 142,649 pounds, nitrogen annual removal of 75,701 pounds and sediment removal of 70,237 tons.
- The DNR continued annual funding in 2015 for Targeted Runoff Management Projects, providing about \$2.74 million to counties for cost-sharing about 11 county projects.

Assessing the full extent of the effects of grant funding is complicated by a number of factors including complex interactions and far-reaching impacts of grant funding. For example, conservation activities funded by DATCP can dampen the potential negative environmental impacts of actions driven by farm policies and economics. In particular, the risks of cropland soil erosion have increased as a result of conditions that favor increased cash grain/row cropping, and the increased market incentives to grow these crops.

#### **IV. Persons, Groups, and Agencies Affected by the Activity**

##### **A. Those Directly Affected**

County Conservation Programs and Cooperators: The proposed 2016 allocation plan provides funding to support 72 county conservation programs. The annual staffing grant allocation of \$8.7 million covers one third of the costs for county conservation staff, who number 340 according to 2014 data. DATCP grants are one of several sources for cost-share funds that include county levies, DNR grants and NRCS funding. In 2014, counties spent about \$4.8 million in DATCP cost-share funds on projects to implement LWRM plans. DATCP grants also fund private and public entities to provide statewide support for implementing conservation programs or provide special services to promote conservation statewide. DATCP funding for training and professional development is critical to maintaining county capacity to deliver high quality technical services, and reflects a state commitment to build the capacity of conservation staff statewide.

Landowners who are direct beneficiaries: Farmers and other landowners rely on many services, such as technical assistance, provided by conservation staff funded with DATCP grants. They also benefit from cost-share dollars to install conservation practices.

Other county residents: County residents benefit from resource management planning, permitting and other services provided by county conservation staff funded through DATCP grants. Through information and education efforts, for example, a county can help non-farm residents better manage lawn fertilizers, improve backyard wildlife habitat, control invasive species and minimize construction site erosion.

Farm-related businesses: Farm supply organizations, nutrient management planners and soil testing laboratories, agricultural engineers, and construction contractors provide goods and services purchased by landowners who receive cost-sharing.

##### **B. Those Significantly Affected**

Those landowners whose soil and water resources are improved or protected, as a consequence of the proposed allocations, receive significant benefits. Those neighboring landowners with properties located "downstream" of lands with nutrient and sediment delivery runoff problems also stand to benefit. Certain measures, such as nutrient management plans, can help protect drinking water wells that serve neighboring landowners and communities. The general public benefits from conservation practices that protect water resources, and promote natural resources.

## **V. Significant Economic and Social Effects of the Proposed Action**

On balance, DATCP's proposed action will have positive economic and social effects.

DATCP grants support cost-sharing and technical assistance that are critical to maintaining farmer eligibility for state and federal program benefits. By enabling farmers to meet farm runoff standards, grant-funded activities help farmers avoid the costs related to government enforcement actions and other liability risks. For example, farmers who follow a nutrient management plan gain liability protection in the case of a manure spill or groundwater contamination. With changes to ATCP 50 effective in May 2014, farmers face increasing responsibilities to comply with conservation requirements, including new requirements related to feed storage runoff control, pasture management, phosphorus runoff from fields, and cropland setbacks from streams and lakes. DATCP grant funds enable farmers to meet these responsibilities and, in the case of FPP, keep up with expanding conservation compliance responsibilities that will come into play in 2016.

The economic impacts of conservation vary with each individual farmer and the type of practices involved. To receive cost-sharing, landowners often pay 30% of the costs (10% in the case of economic hardship) to install a practice. Landowners also must adjust their management routines to accommodate new conservation practices and meet government cost-share requirements. With these changes, farmers face new risks including potential for reduced productivity and reduced profits. Farmers implementing these practices, however, may also see long-term benefits including savings on cost of fertilizer, sustaining soil at productive levels, and reduced liability for environmental problems.

From the standpoint of local economies, grant funds will generate demand for the purchase of goods and services to design, install and maintain conservation practices. The farm-related businesses listed in IV.A. will directly profit from this increased demand. However, as discussed in VI below, the failure to maintain adequate funding for county staff will undermine the capacity to spend state cost-share dollars on projects that benefit local businesses.

Socially, DATCP allocations provide needed support for the farming community and others to take a more active role in the protection and preservation of natural and agricultural resources. Through the increased adoption of conservation measures, farmers can ensure continued acceptance by rural communities as responsible and conscientious neighbors. Improved water quality both enhances recreational opportunities and protects the scenic rural landscape, both of which are features essential to tourism.

## **VI. Controversial Issues Associated with the Proposed Action**

For the 2016 grant cycle, DATCP and DNR followed the expected timetable for completing the allocation process, and were not delayed by the July passage of the 2015-2017 biennial budget.

In terms of the allocation methodology, the 2016 allocation plan adheres to the well-established approach for making grant awards used in recent allocation plans, and does not propose changes that directly affect any grant formula. However, DATCP is proposing a new accountability measure that may have an impact on future grant awards. In the last two allocation plans, DATCP focused on changes to the staffing funding formula designed to strengthen the conservation focus of county programs. Specifically, DATCP limited 100 percent funding for a county's first position to department heads or technicians who perform conservation work as their full-time responsibilities, and revised the definition of conservation activities that qualify a county staff person for funding as a first position. As more fully explained in the allocation plan, DATCP plans to focus on strengthening county conservation programs by increasing accountability. Beginning with the 2017 application, DATCP will require that each county document its top five priority activities for each grant year, including performance targets and benchmarks for each activity. Counties will be expected to report on their progress in meeting benchmarked activities when they submit their annual report the following April.

## **VII. Future Directions**

In view of the limited dollars available for cost-sharing and the state priority to fund agricultural conservation practices, DATCP may, at some point in the future, further refocus its funding priorities to better address land in agriculture. These efforts might build on the cost-sharing limits for non-farm practices established in the 2014 revision of ATCP 50. DATCP may also consider limiting use of its cost-sharing in phosphorus management project areas where funds from point sources should be utilized.

There continues to be a need to further implement the goal of statewide implementation of nutrient management plans. The current level of nutrient management planning to protect water quality, with 28% of Wisconsin's nine million cropland acres being covered by nutrient management plans, must continue to increase. There will be a continued need to have county staff who can engage farmers and steer them toward opportunities to develop and implement nutrient management plans. Also, county staff must be available to monitor and certify conservation compliance of farmers who received tax credits under the FPP program. We may need to allow the use of SEG funds for related soil erosion control practices such as waterways and cover crops. DATCP will need to focus on the most efficient approach to spending state dollars to develop nutrient management plans, combining cost-sharing with farmer training and engaging producer-led watershed councils, and encouraging adequate state support for these soil and water conservation priorities.

## **VIII. Possible Alternatives to the Proposed Action**

### **A. Take No Action**

Taking no action on the proposed allocations is inconsistent with legal requirements. DATCP and DNR are statutorily mandated to provide grant assistance for their respective programs as long as the state provides appropriations.

### **B. Delay Action**

There is no need to delay action. Furthermore, delaying the grant allocation runs the risk of hampering counties in meeting their legal responsibilities, including their contractual responsibilities to landowners, and undermines the significant environmental, economic, and social benefits of the program.

**C. Decrease the Level of Activity**

Further decreasing the allocations would provide fewer environmental benefits and would be inconsistent with legislative intent to implement the nonpoint program. Therefore, this is an undesirable choice.

**D. Increase the Level of Activity**

Available appropriations and authorizations determine the overall level of activity. However, subject to the factors discussed in E. below, DATCP may increase the allocation in a given project category to better target spending to achieve desired conservation benefits and further legislative objectives.

**E. Change the Amounts Allocated to Some or All Recipients**

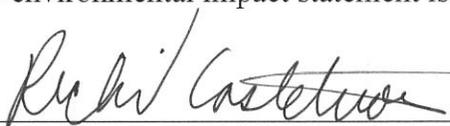
The allocation plan reflects a weighing and balancing of competing priorities and demands. It implements ATCP 50 and legislative directives regarding allocation of grant funds. It also reflects the input and consensus of the counties on funding issues. Changes in individual awards cannot be made without upsetting the weighing and balancing used to develop the overall allocation plan, and would unfairly deviate from grant criteria announced as part of the grant application.

**IX. Mitigation of Adverse Environmental Effects**

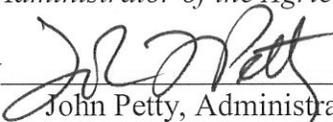
Overall, the allocations are anticipated to have positive environmental effects. Any adverse environmental effects will be of a secondary and minor nature, and can be mitigated. DATCP minimizes adverse impacts through outreach and training, and improvements in the technical standards.

**X. Final Determination**

This assessment finds that the *2016 Final Allocation Plan* will have no significant environmental impact and is not a major state action significantly affecting the quality of the human environment. No environmental impact statement is necessary under s. 1.11(2), Stats.

Date 9/23/15 By   
Richard Castelnovo, Section Chief  
Land and Water Resources Bureau  
Agricultural Resource Management Division

*The decision indicating that this document is in compliance with s. 1.11, Stats., is not final until certified by the Administrator of the Agricultural Resource Management Division.*

Date 9/23/15 By   
John Petty, Administrator  
Agricultural Resource Management Division