

DATCP's Environmental Assessment

for the 2024 Joint Allocation Plan

Final

OCTOBER 2023

Soil and Water Resource Management Grant
Program and Nonpoint Source Program



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Signature Page and Final Determination

This assessment finds that the *2024 Final Allocation Plan* will have no significant negative 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 09/11/2023

By *Susan Mockert*

Susan Mockert
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 09-12-2023

By 

Robby Personette, Administrator
Agricultural Resource Management Division

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 2024 Joint 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 a range of 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 42% of Wisconsin's land base (14.3 million acres). Ultimately, each county's LWRM plan determines the nature and scope of conservation activities in the area and the natural resources impacted 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 soil health, increase nutrient management planning, and minimize pollution of surface and ground water.

County Staffing: For the 2023-2025 biennium, the annual funding for conservation staff decreases from the past two years, from a total of \$11.03 million for 2022 and \$11.28 for 2023 to \$10.9 million in 2024. 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

- Compliance with the state agricultural performance standards
- Facilitate landowner participation in state and federal cost-share programs
- Ensure cross-compliance of farmers in the farmland preservation program (FPP)
- Support for the development of technical standards development, nutrient management training, and coordination between the public and private sector.

As discussed later, funding for county conservation staff has not kept up with a demand fueled by expanding programs such as producer-led watershed councils and phosphorus and nitrate management, and the persistence of intractable ground and surface water issues throughout the state.

Cost-sharing for conservation practices: Each year, counties use cost-share funds to address state and local priorities identified in their local plans. Cumulatively in 2021 and 2022, counties spent about \$6.5 million in DATCP funds to install cost-shared practices. Table A highlights the top conservation practices funded by DATCP cost-share and spent by counties in 2021 and 2022.

Table A: Cost-Share Expenditure Comparison				
Conservation Practice	2021 Cost-Share Dollars Spent (in millions)	2021 Units of Practice Installed	2022 Cost-Share Dollars Spent (in millions)	2022 Units of Practice Installed
Barnyard Runoff Control	0.03	3 systems	0.42	12 systems
Manure Storage System	0.12	4 systems	0.32	3 systems
Manure storage Closure	0.39	49 systems	0.30	38 systems
Cover and Green Manure	0.26	7,343 acres	0.34	13,267 acres
Grade Stabilization	0.27	43 structures	0.31	36 structures
Livestock Fencing	0.12	74,062 feet	0.12	101,125 feet
Livestock Watering Facilities	0.09	23 systems	0.13	31 systems
Nutrient Management Planning	1.5	40,120 acres	1.2	33,559 acres
Prescribed Grazing /Permanent Fencing	0.13	101,394 feet	0.14	105,105 feet
Streambank Crossing	0.15	2,708 feet	0.10	1,844 feet
Streambank and Shoreline Protection	0.63	19,175 feet	0.41	10,482 feet
Waterway Systems	0.55	106 acres	0.36	455 acres

The following developments are worth mentioning with respect to expenditures of cost-share funds in 2022 compared to 2021 expenditures:

- A significant increase in acres of cover and green manure crops
- An increase in livestock fencing and livestock watering facilities as regenerative grazing becomes more of a conservation focus.
- Continued significant grant funds to support nutrient management planning

B. Long-Term Effects

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

- Conservation outreach and education
- Development of conservation technologies such as SNAP Plus and the Manure Advisory System, and the training systems to effectively use these technologies;
- Technical and engineering assistance that ensures proper design and installation of conservation practices;
- Resource management planning that addresses local and state priorities, with an emphasis on annual work planning and reporting;
- Permitting and other regulation of livestock farms that requires properly designed manure storage and nutrient management plans;
- Farmland Preservation Program (FPP) administration that protects valuable resources and promotes conservation compliance;
- Producer-Led watershed administration and technical assistance.

With the decrease to the staffing allocation for fiscal biennium 2023-2025, the amount of funding DATCP is able to give to support county conservation decreased by \$317,700 from the 2023 allocation. This level of funding disallows the program to meet statutory goals under s. 92.14(6)(b), Stats for funding conservation staff.

DATCP cost-share grants are critical in helping landowners meet their individual needs and essential to overall efforts to make progress in achieving broader water quality goals. Most farmers are not required to meet state runoff standards without cost-sharing. Long-term state commitment to farmer cost-sharing determines the extent to which conservation practices are installed and ultimately the degree to which water quality is improved. Installing conservation practices in a watershed or other area over time results in water quality improvement.

Fully assessing the long-term benefits, however, is complicated. The DATCP grant program operates within a collection of conservation and natural resource programs, and as such, other program priorities will impact DATCP funds. See Section III.E. for a more detailed discussion.

C. Direct Effects

DATCP cost-share grants result in the installation of conservation practices and capital improvements on rural and agricultural lands for the purpose of protecting water quality and improving soil health. Grants to counties and others also secure access to technical or other assistance that supports conservation efforts, including conservation education and nutrient management planning.

D. Indirect Effects

Installed conservation practices not only improve resources in the immediate area, but also benefit surrounding areas, including resources located downstream from the installed practice. For example, nutrient management and cropping practices implemented on fields upstream from a lake reduce sediment and nutrients that would otherwise be deposited 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 and impede erosion, but also may increase wildlife habitat.

DATCP policies and rules mitigate secondary impacts from the installation and maintenance of conservation practices. DATCP policies require counties evaluate impacts to cultural resources prior to any land-disturbing activity. 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 rules help prevent this outcome by requiring the design and construction of cost-shared projects according to established technical standards. Improper maintenance can undermine the benefits of a long-term conservation practice. Requiring landowners to maintain conservation projects installed with DATCP cost-share dollars ensures DATCP that practices perform in the long-term as intended.

In rare cases, certain negative impacts are unavoidable. For example, 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 through conservation measures 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 delivery of this allocation plan, it is clear that SWRM grant funds play an integral part in supporting a comprehensive framework of federal, state, and local resource management programs. With the decrease to the staffing allocation for the 2023-2025 biennium, DATCP is able to support for 124 of the 394 conservation employees in the state's 72 counties, enabling DATCP grant funds to secure the foundation necessary to deliver a myriad of conservation programs, which among other accomplishments, achieved the following:

- In 2022, the Natural Resources Conservation Service (NRCS) provided \$56.2 million for conservation programs including \$33.3 million in Environmental Quality Incentives (EQIP) payments to install conservation practices with the top five expenditures related

- to cover crops (\$5.7 million), waste storage facility (\$5.3 million), pond sealing or lining (\$3.2 million), heavy use area protection (\$1.7 million) and water transfers (\$1.3 million).
- The conservation reserve enhancement program (CREP) protects important soil and water resources while allowing landowners to make use of valuable adjacent agricultural lands. As of the beginning of 2023, about 74,000 acres were enrolled under CREP agreements and easements: with 6,884 acres under CREP easements and the remainder under CREP 15-year agreements. Of those enrollments, 41,224 acres are currently under active agreements. The conservation benefits of the practices installed on the active agreements (e.g. riparian buffers and filter strips) are as follows: 678 miles of streams buffered with an estimated phosphorus annual removal of 77,887 pounds, nitrogen annual removal of 41,921 pounds and sediment removal of 38,521 tons.
- DNR continued annual funding in 2022 for Targeted Runoff Management Projects (TRM), providing over \$4.9 million to counties for cost-sharing ten small-scale and four large-scale projects. DNR set aside \$1.295 million for farms issued a notice of discharge. DNR continued annual funding in 2022 for Urban Nonpoint Source and Storm Water Planning Projects, providing over \$150,402 to counties for cost sharing two projects.

Program	Number of Projects	Sum of Total Amount Awarded
Large-scale TRM	4	\$439,628
Small-scale TRM	10	\$3,040,403
Urban NPS & Storm Water Mgmt. Planning	2	\$150,402

- In 2022, through the Producer-Led Watershed Protection grant program, DATCP offered support to thirty-six producer-led groups around the State, encompassing 1,893 farmers managing 643,829 farmland acres. DATCP has awarded over \$4.2 million since the program’s inception in 2016.

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

A. Those Directly Affected

County Conservation Programs and Cooperators: The proposed allocation plan provides funding to support 72 county conservation programs. The decrease to the staffing grant allocation for the 2023-2025 biennium will enable DATCP to only completely support one employee per program, as well as 85% of the requests for the second position (funded at 70%). The DATCP awards fall short of funding three staff per county at the prescribed rates in s. 92.14(6)(b), Stats, providing 31% of county conservation staff.

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. Long-term use of some conservation practices, such as nutrient management planning and cover crops, may have a

positive impact on the finances of a landowner by helping plan needed purchases to maximize the yield of a field while minimizing additional fertilizers and pesticides required.

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, encourage diversity in lawns, improve backyard wildlife habitat, control invasive species and minimize construction site erosion.

Farm-related businesses: Farm supply organizations, nutrient management planners, soil testing laboratories, agricultural engineers, and construction contractors benefit from state grants to counties. Landowners who receive cost-sharing purchase goods and services from these entities.

B. Those Significantly Affected

The allocation benefits those landowners whose soil and water resources are improved or protected because of the activities funded by DATCP. The benefits may include protection of drinking water and improved soil health and stability. Landowners with properties located "downstream" of lands with nutrient and sediment delivery runoff problems benefit from conservation practices that reduce these problems. Certain measures, such as nutrient management plans and protective cropping practices, can help protect drinking water wells that serve neighboring landowners and communities. The 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 economic and social benefits. DATCP grants support cost-sharing and technical assistance that enable farmers and other landowners to meet their conservation goals and maintain eligibility for state program benefits. By providing financial support to meet state runoff standards for farms, DATCP cost-sharing helps farmers with the cost of compliance.

The economic impacts of installing conservation practices vary with each farmer and the type of practices involved. To receive cost-sharing, farmers usually pay 30% of the costs (10% in the case of economic hardship) to install a practice. Non-agricultural practices are capped at 50% cost-share.

Producers often must adjust their management routines associated with the adoption of conservation practices. With these changes, farmers face new risks including potential for reduced productivity. However, farmers implementing these practices may also see long-term benefits including savings on labor and fertilizer and improved soil health that may lead to yield gains, 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.

Socially, DATCP allocations provide needed support for the farming community and others as they take an active role in the protection and preservation of natural and agricultural resources. Through the increased adoption of conservation measures, farmers and other landowners 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

Decrease in staffing

Switch from bond to GPR

Length of grant cycle

For the 2023-2025 biennium, the SWRM grant program will monitor impacts of the decrease in staffing funds. Additionally, a switch from bond funding to general purpose revenue funding to support the structural practice cost-share leaves that program with heavy administrative load as well as a more susceptible fund source if the state were to require funding returned.

The level of funding for the structural practices (formerly bond) cost-sharing fails to meet current program needs. While the \$7.0 million authorization for structural cost-sharing has not increased since 2002, landowner costs for practices have increased for a number of reasons:

- A significant jump in costs of material for construction of engineered practices in the last 5-10 years. For example, the cost of cement increased at an annualized rate of 2.0% over last five years. (IBIS World. Price of Cement. 09 February 2022. <https://www.ibisworld.com/us/bed/price-of-cement/190/>)
- Greater conservation responsibilities requiring farmers to install more conservation practices. For example, DNR adopted new performance standards in 2011 and 2018 and DATCP tightened manure spreading restrictions. The Silurian bedrock standard could also impact the need for conservation practices in specific areas of the state.

The unmet needs for cost-sharing structural practices may call for creative solutions including the expanded use of SEG funds to pay for these practices. Increases in conservation spending are much needed and long overdue; however, the main source of funding for these conservation activities is inadequate to support more spending. A better supported and more sustainable source of funding is necessary to tackle our conservation challenges.

VII. Possible Alternatives to the Proposed Action

A. 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 through an annual allocation as long as the state appropriates the necessary funds.

B. Delay Action

DATCP is under legal obligation to make an annual allocation within a specific timetable. Furthermore, there is no financial justification for a delay since the funding is available. 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

Decreasing the allocations would reduce environmental benefits, impede local program delivery, is not warranted based on the available funding for DATCP programs and would be inconsistent with legislative intent to implement the nonpoint pollution control program.

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 awards made in the allocation plan are based on specific grant criteria and reflect the input and consensus of the counties on funding issues. The allocation plan implements ch. ATCP 50, Wis. Adm. Code and legislative directives regarding allocation of grant funds. It also reflects the input and consensus of the counties on funding issues.

VIII. Mitigation of Adverse Environmental Effects

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