Report on Wisconsin Counties Association 2019 Conference on Land and Water Issues By Lisa L. Derr

Wisconsin's Agricultural Economy & Water Quality

isconsin farmers for decades have had flat revenues while expenses continued to increase year after year. According to a Milwaukee Journal Sentinel article from Sep. 25, 2019, a worldwide surplus of milk has driven down the price farmers receive to the point where many have lost money for months, or even several years, at a time.



Nearly 3,000 U.S. dairy farms folded in 2018, about a 6.5% decline, according to U.S. Department of Agriculture figures.

Wisconsin lost nearly 700 last year — almost two a day — as even dairy farmers are used to enduring hard times called it quits in a downturn now headed into its fifth year.

The fallout continues as farmers, on the cusp of spring planting, decide whether to invest in seed, chemicals, fertilizer and other supplies needed to raise the crops they feed to their

cattle. More than 300 Wisconsin dairy farms shut down between January and May, including

Emily Harris takes a final look at most of her herd as the truck leaves to carry the herd to new farms. Picture by Mark Hoffman Milwaukee Journal Sentinel

90 — three a day — in April alone. Some will find the decision is out of their hands as banks refuse to extend them credit.

In 2018, for the third straight year, Wisconsin led the nation in farm bankruptcies. The state's smaller average farm size, particularly in dairy, is at least partly the reason, Wirtz said. The farm economy in the Upper Midwest "might generously be described as struggling to tread water," he added.

Some dairy farmers say they've been getting around \$15 for every hundred pounds of milk they produce — roughly 12 gallons — but their costs are between \$17 and \$22. Many families have exhausted their savings and credit to remain in business; a large number have at least one non-farm income to help meet the needs of their families.

Today, family dairy farms are at the mercy of trade wars, economies of scale and a complex, often opaque pricing system. Farmers don't know what they'll be paid until weeks after their milk leaves the farm. Sometimes the only way to stay in business is to put off much-needed farm improvements and produce ever-higher amounts of milk — which adds to the surplus. The economic forces are more powerful and unforgiving than ever.

To read more from this serious of Wisconsin Journal Sentinel articles called "Dairyland in Distress" go to: https://projects.jsonline.com/topics/dairy-crisis/dairyland-in-distress.html

For those of you who know local farmers in need of help, the Wisconsin Farm Center provides assistance to farm families at no charge. This includes:

- Advice about farm finances, farm succession planning, farm business entry or exit strategies, or other issues.
- Confidential assistance with critical economic and business management issues.
- Works one-on-one on issues
 - o financial consulting and succession planning
 - o assisting farmers with herd health or specialty crop questions.
- There is *no charge* to use any of the Farm Center's services.

Farmers interested in learning more can call the Farm Center Helpline: 1-80 942-2474. For more information, visit: http://farmcenter.wi.gov

obin Voss (R), the speaker of the Assembly since 2013, created a Water Quality Task Force to deal with issues of groundwater and surface contamination. The chair is Rep. Todd Novak (R) from Dodgeville.





Representative Todd Novak The bipartisan task force did their homework holding 14 public hearings with 70 invited speakers DNR, DATCP, and DHS, county staff, Farmers Bureau, Farmers Union, Producer-led groups, academics, UW Platteville, 200 citizens. They traveled 2,353 miles throughout Wisconsin.

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In those hearings, they heard a lot of concerns of nonpoint source pollution. Here's a link to the <u>Water Quality Task Force site</u> for more info.

"Nonpoint" vs. "Point" Pollution. What's the difference?



point Source
Pollution (PS) - is
from a specific
point of entry into
water or air. Examples of
discharge outlets include a
sewage pipe or a smokestack.



the

onpoint Source Pollution (NPS) originates over a broad area. It is difficult to trace the point of entry. A parking lot or farm field surface runoff are examples of nonpoint source pollution.

Want the detail? -Typical point source discharges include discharges from publicly owned treatment works (POTWs), discharges from industrial facilities, and discharges associated with urban runoff. While provisions of the NPDES Program do address certain specific types of agricultural activities (i.e., CAFOs or concentrated animal feeding operations), most agricultural facilities are defined as non-point sources and are exempt from NPDES regulation.



Picture from (link) NRCS (Natural Resources Conservation Services)

Point Source (PS) and Nonpoint Source (NPS) Regulation

The Water Quality Act passed in 1948 did not regulate runoff (NPS pollution) it recommended that states adopt state water quality standards. The Water Quality Act of 1965 required states to develop standards by 1967

1967? Are these the same standards used today?





Yes! Every 2 years, Wisconsin sends a Water Quality Report to Congress listing lakes & rivers on the "Impaired Waters List" as well as the programs used to protect and maintain them. Click <u>HERE</u> to see what percentage of Wisconsin waters are impaired.

Mini-History... The 1972 Clean Water Act required design standards for point sources of pollution. The law granted the EPA, and the state's enforcement powers over all point sources. It did not provide enforcement authority for Nonpoint Source pollution. This required states to submit NPS pollution program plans to the EPA for approval and grants. These programs are then implemented by the state, usually working closely with local government and nonprofits.

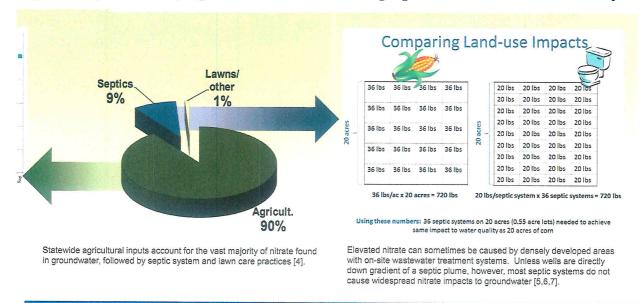
We keep hearing about the "PERMIT" that municipalities, CAFO's and industrial facilities are required to obtain. Where is that from?

Federal Water Pollution Control Act Amendments of 1972 created the National Pollutant Discharge Elimination System (NPDES). Under NPDES, all facilities which discharged pollutants from any point source into US waters must obtain a permit. Ag owners with less than 1000 animal units are not required to obtain a permit. (NOTE: Everyone agrees that requiring permits for nonpoint source pollution will *not* work in Wisconsin.)

WHO NEEDS AN NDES PERMIT?

Municipalities	Yes
CAFO (a concentrated animal feeding operation (CAFO), as defined by the US Dept of Agriculture (USDA), is an animal feeding operation with 1000 animal units	Yes
Publicly owned treatment works (Beaver Dam Municipal Water Utility, etc.) for drinking water standards	Yes
Private Residential Well Owners	No
Really?	Yes
How do they know if their well is contaminated?	Only by testing. Note: Clear looking water isn't the test.
More Info?	Click <u>HERE</u> for UW Stevens Point Center for Watershed Science and Education Well Water Viewer
Who pays for a new well?	Generally the owner.
	But an exception! Click Well Grant Program for eligibility requirements to get compensated for repair or new well.
	The Water Quality Task force <i>might</i> recommend to legislature increasing eligibility to get compensated which is now somewhat limited.

Nitrates is a topic that could take up an entire course. Nitrate contamination of ground water is primarily caused by agricultural runoff. This graph demonstrates a nitrate cycle.



Want to learn more? Look at the University of Wisconsin Steven's Point <u>Center</u> for Watershed Science and Education

Note: While agriculture may produce majority of nitrates, the agricultural community cannot and should not absorb 100% of the cost because clean water is *everyone's* responsibility.

he Dodge County Land & Water Conservation Dept. administers funds that provide assistance or cost sharing to agricultural owners who use agricultural methods that are likely to reduce runoff (such as using cover crops) planting in between main crops keeping the soil intact and less likely to erode with huge rain events.

There are many, many cost sharing programs where agricultural owners receive cost share (e.g. like an annual rental rate per acre) to promote best practices (see top next page) for reducing run off, maintaining high quality soil and/or taking environmentally sensitive lands out of production. Dodge County administers the CREP program which allows landowners to enroll cropland/pastures directly adjacent to rivers and streams with 15 year set-aside contracts, etc.

*Best Practices include:

- Installing grass filter strips filter slow down water before soil enters waterway
- Wetland restorations for cropland that was poor (e.g. it was "always underwater")
- Grass waterways slow down water which allows soil and phosphorous to be absorbed before entering streams and waterways

odge County has one full-time experienced conservationist, John Bohonek. A significant part of his job is to work with agricultural community to help explain complying with the Dodge County Manure Storage Ordinance. John's office also administers the Farmland Preservation Program.

Note: If a town doesn't participate in farmland preservation *zoning* or does not obtain an AEA (for farmland preservation agreements), the Town's landowners are not eligible for the Farmland Preservation tax credits: Landowners in Beaver Dam, Clyman, Hubbard, Lowell, Rubicon, and Westford are not eligible for the program.

In addition to well-testing, tree sales program, wildlife crop damage program, applying for grants to create a <u>Wildcat Creek Nonpoint Source Watershed</u>

<u>Implementation Plan</u>, our Dodge County Conservation Department administers the <u>Nutrient Management Program</u>. (Phosphorous is a primary fertilizer but apply too much to a field wastes fertilizer and additionally runs off with heavy rain events.)

This Nutrient Management Program is good for agricultural owners as it is used:

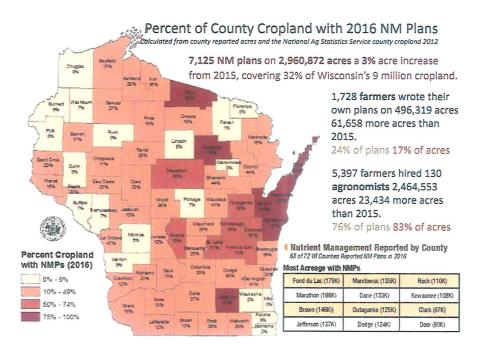
- To know what nutrients crops actually need, avoiding nutrient over-application
- To use on-farm nutrients first, such as legume nitrogen and manure, before purchasing commercial fertilizers
- To save money and increase farm profitability by not over-purchasing commercial fertilizer (if soil has it already, no need to apply more).
- To enable participation in the Farmland Preservation Program to receive annual income tax credit
- To meet regulations under a county ordinance for manure storage or livestock siting or if under a DNR WPDES permit

A Nutrient Management Program is good for the environment because it is used to:

- To improve soil stability, structure, and water holding capacity
- To improve surface and groundwater water quality

Unfortunately, some producers are leaving farmland preservation or similar programs because the requirement of a nutrient management plan is time-consuming and costs money to obtain an expert to create as well as requiring soil testing.

What percent of Wisconsin County Croplands had Nutrient Management Plans in 2016?





Another possible suggestion for legislation would be to not use Nutrient Management Plans as a *requirement* but more as a *service* to the farmer. Allow conservationists to work with farmers on a NMP. (Now they often have to hire someone to do it although some do it themselves.) Farmer could choose the specialist of a county conservationist or an Ag agent. In addition to the 12.4 million (to fund all counties in Wisconsin with 3 full-time positions per county), the county Conservation Dept. would be reimbursed at a flat rate or on a per plan basis to provide this service.



An idea from the Water Quality Task Force that has bipartisan support is to increase the funding for counties to hire the number of county conservationists already required by law but not fully funded. The Water Quality Task Force *might* recommend increased state funding to allow for 3 County Conservationists per county in Wisconsin as currently provided for by statute.

odge County Farmers Healthy Soil & Water Producer-Led group has been a Wisconsin leader. It has proven that good stewardship is not just good for lakes but also maintains excellent soil systems for higher quality and yield. They provide education and resources for other producers including Cover Crop Incentives Program and other resources.

The Dodge County Healthy Soil Healthy Water Alliance Group mission is "to build a community dedicated to soil and water health." Co-chairs are Andrew Congdon, Farmer from Horicon and Watertown and Bill Boettge, Beaver Dam Lake Improvement Association.



The Water Quality Task Force *might* also recommend supporting state grants to support the efforts of local Producer-led watershed groups made up of at least 5 agricultural producers for education of best practices (cover crops, etc.)



Another *possible* recommendation: The UW Center for Watershed Science and Education Water and Environmental analysis in Stevens Point needs more money for updating well test data. The well-water view hasn't been updated since 2016. It is critical to get more samples into their database.

State could create a grant program for well testing for up to \$10,000 per county for a well study. The county must match the funds contributed by the state, and data must be shared with the UW Steven Point Laboratory.

Thank Youuuuu.



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