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ROBERT L. COWLES
Wisconsin State Senator
2nd Senate District

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Testimony on 2021 Senate Bill 677

Senator Robert Cowles
Senate Committee on Agriculture and Tourism
November 10th, 2021

Thank you, Chairwoman Ballweg and Committee Members, for holding a hearing and allowing me to testify on 2021 Senate Bill 677. This bill creates and funds two new programs run by DATCP and provides one project position for a hydrogeologist to the UW-System to help address Wisconsin's nitrate contamination concerns.

Clean waterbodies are as much a part of the foundation of our great state as agriculture. For decades, farmers have been a substantial part of efforts to maintain and improve water quality throughout the state. Farmers and other rural residents understand the concerns that high nitrates levels can pose better than most. For humans, studies from government and academic institutions have shown that high nitrate levels can lead serious health outcomes such as blue baby syndrome for infants, birth defects for pregnant women, and in adults, studies have tied increased risks of thyroid disease, diabetes, and certain types of cancer to an overconsumption of nitrates.

For surface waterbodies, the runoff of pollutants from fields or contaminated groundwater that spring feeds a surface water can also have negative outcomes, leading to increased instances of algal blooms and more fish kills, according to many studies, therefore leading to less of an ability to enjoy recreating in that surface water. But with tight margins on many farms and constantly evolving knowledge about the best land practices to protect ground and surface water resources, Wisconsin's rural residents and agricultural producers are asking for partners to grow their ongoing efforts and begin new initiatives that promote sustainability.

Building on investments made in the bipartisan 2021-23 State Budget and borrowing elements from the 2019-20 Speaker's Task Force on Water Quality, we've introduced this bill to continue advancing beneficial land practices and cleaner ground and surface water throughout our state. Passing this bill would help farmers implement new land and water conservation strategies to store more nutrients in soil and prevent pollutant leaching and runoff, improve our knowledge about localized water quality throughout the state, and provide more opportunities for farmers to lead the solutions of tomorrow.

Specifically, Senate Bill 677 provides Nonpoint Account SEG funding and statutory language for the following items:

- *Commercial Nitrogen Optimization Pilot Program:* To explore new and innovative ways to optimize the application of commercial nitrogen like fertilizer, this legislation creates a two-year, $1 million per year pilot program to award grants of up to $50,000 to farmers who work with a UW-System institution to propose implementing creative projects on their farm fields.
- *Cover Crop Insurance Premium Rebates:* Similar to successful efforts in neighboring states, this legislation creates a crop insurance premium rebate program where farmers not receiving funding from other state or federal programs may receive $5 per acre to help offset the costs to plant cover crops. This program is funded at $400,000 per year, beginning in the next fiscal year.

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- *Hydrogeologist Position with the UW-System:* To help develop localized groundwater resource information and to work with local stakeholders on interpreting and using this information, this legislation creates a three-year project position for a full-time hydrogeologist at the Geological and Natural History Survey which is part of the Division of Extension at UW-Madison.

According to estimates from the Groundwater Coordinating Council, about 10% of private well water samples exceed the public health-based standard for nitrates, and municipal water systems have spent tens of millions of dollars improving their infrastructure to achieve the water quality standards for nitrates. Addressing nitrate contamination requires a long-term and community-based approach, which is why I believe the support we're seeing from agricultural and environmental groups behind this bill is so important.

In short, Senate Bill 677 makes targeted efforts to address nitrate leaching and runoff, ensuring that more farmers can implement new practices. No single approach can solve our water pollution problems, but concerted efforts such as these can make a noticeable impact for the state's agricultural producers, rural residents, and those who enjoy recreating on Wisconsin waters.

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November 10, 2021

TO: Senator Robert Cowles
Room 118 South, State Capitol

FROM: Bob Lang, Director

SUBJECT: 2021 Senate Bills 677 and 678: Agricultural Nutrient Management, Lake and River Management Grants, and Well Compensation Grants

On November 8, your office requested a fiscal estimate of 2021 Senate Bills 677 and 678. Our office has completed a review of the bills. The following paragraphs describe the primary provisions of each bill and the associated fiscal effect, if any.

Senate Bill 677

Senate Bill 677 would: (a) create a program in the Department of Agriculture, Trade and Consumer Protection (DATCP) for rebates of $5 per acre for agricultural producers for costs of crop insurance on cover crops that reduce soil erosion and nutrient runoff, as well as improve soil health; (b) create a pilot program for DATCP to award grants to agricultural producers and UW System institutions to monitor projects to optimize the application of commercial nitrogen fertilizers; and (c) require the UW System Board of Regents to create a three-year hydrogeologist project position in the Wisconsin Geological and Natural History Survey (WGNHS) with a primary purpose of developing information on groundwater resources.

SB 677 would appropriate a total of $2,625,000 in the 2021-23 biennium, including $1,075,000 in 2021-22 and $1,550,000 in 2022-23. Funding would be provided from the segregated (SEG) environmental fund and allocated as follows: (a) $1,000,000 each year for the commercial nitrogen pilot program; (b) $400,000 in 2022-23 for cover crop insurance rebates; and (c) $75,000 in 2021-22 and $150,000 in 2022-23 for the WGNHS hydrogeologist. Of those amounts, the bill would continue $400,000 SEG annually as base funding for cover crop insurance rebates and $150,000 SEG annually through June 30, 2025, for the WGNHS hydrogeologist position. The SEG appropriation for cover crop insurance rebates would be a continuing appropriation, meaning DATCP would carry forward any unencumbered funds in the appropriation at the close of each fiscal year.

SB 677 would provide $1,000,000 annually for commercial nitrogen pilot projects as one-time funding by requiring DATCP to submit its 2023-25 biennial budget request with no base funding for the program. However, DATCP would be authorized to expend all funding in the continuing appropriation until depleted.

It is assumed that funding for the commercial nitrogen optimization pilot program (one-time funding of $2,000,000 during the 2021-23 biennium) and the cover crop insurance rebate program ($400,000 beginning in 2022-23) would be supported by the nonpoint account of the environmental fund. The account had an available July 1, 2021, balance of $8.7 million. The account is anticipated to have sufficient funding to support the programs, and revenues are estimated to exceed budgeted expenditures during the 2021-23 biennium.

It is assumed the WGNHS hydrogeologist position would be supported by the environmental management account of the environmental fund, which had an available balance of $30.3 million on July 1, 2021. The account is anticipated to have revenues exceeding budgeted expenditures during the 2021-23 biennium.

The bill would not provide additional funding for administration of the new programs. DATCP would be required to use existing staffing and funding for program administration, including promulgation of emergency and permanent rules required under the bill.

Senate Bill 678

SB 678 would make the following changes to current eligibility and administration requirements for the Department of Natural Resources well compensation grant program:

(a) Allow wells contaminated by nitrates to be eligible for grant funding if the wells are used at least three months in each year. Current law requires that wells with nitrate contamination are used at least three months in each year, provide water to livestock, contain nitrates in excess of 40 parts per million (ppm), and provide more than 100 gallons of water per day for livestock while in use.

(b) Require DNR to allocate money for grant payments to nitrate-contaminated wells according to a specified priority ranking based on higher nitrate concentrations. Current practice allocates all funds according to the order in which the claims are received.

(c) Allow residential wells contaminated by any type of bacteria to be eligible for grant funds. Current law requires DNR to declare special areas of eligibility for residential wells contaminated by livestock fecal bacteria.

(d) Require DNR to award grants only for the remediation method that is most effective for the health and welfare of the claimant.

(e) Require DNR to report to the Joint Committee on Finance the number of applicants and amount of grants provided under the well compensation grant program at the end of each fiscal year.

The well compensation grant program is funded from the environmental management account under a continuing appropriation, which means that unexpended funds are carried forward and available for expenditure in subsequent years. Since 2015-16, the program has been funded at $200,000 SEG annually. 2021 Wisconsin Act 58, the biennial budget act, provided an additional $1,000,000 SEG per year for the program on a one-time basis in the 2021-23 biennium, thereby providing total annual funding of $1,200,000 SEG. The appropriation had an available 2021-22 carry-in balance of $875,100 from 2020-21. Therefore, the appropriation has $3,275,100 available to spend during the 2021-23 biennium. Any additional claims due to eligibility expansion of the program could not exceed this total available expenditure authority. DNR would also be required to continue administering the program with existing staffing and operations funding.

SB 678 would also make changes: (a) to DATCP grant allocation decision making in the event that adverse weather or other external events affect county implementation of land and water conservation activities; (b) extending eligibility for DNR lake and river protection grants to producer-led watershed protection groups; and (c) allowing producer-led watershed protection groups to include farmers in adjacent watersheds.

Lake protection grants are funded at $2,252,600 SEG each year of the 2021-23 biennium under a continuing appropriation from the water resources account of the conservation fund. River protection grants are funded at $289,500 each year of the 2021-23 biennium under a biennial water resources SEG appropriation. Further, DATCP may allocate up to $1,000,000 annually beginning in 2021-22 for producer-led watershed protection grants from an existing nonpoint SEG appropriation for the soil and water resources management program. SB 678 would not provide any additional funding for the grant programs or their administration, meaning any changes in participation or grant applications would be absorbed with existing funding.

I hope that this information is helpful. Please contact me if you have questions.

BL/PF/ml

JOEL KITCHENS

STATE REPRESENTATIVE • 1ST ASSEMBLY DISTRICT

Testimony for the Senate Committee on Agriculture and Tourism
Senate Bills 677 and 678
Wednesday, Nov. 10, 2021

Thank you Chairman Ballweg and committee members for holding a public hearing and giving me the opportunity to testify on Senate Bills 677 and 678. This bipartisan legislative package continues the advancement of beneficial land practices in our state and protects our ground and surface water.

Before I get into my testimony, I would like to point out that many of the provisions in these bills are based on policy recommendations made by the 2019-20 Speaker's Task Force on Water Quality. As such, many of you are likely familiar with most of the proposals.

In short, Senate Bills 677 and 688 would do the following:

- Create a Commercial Nitrogen Optimization Pilot Program where farmers can receive grants for implementing new and innovative practices that optimize the application of commercial nitrogen
- Provide cover crop insurance premium rebates to help offset the costs of planting cover crops
- Establish a three-year hydrogeologist position within the UW System to develop localized groundwater resource data and to work with local stakeholders on interpreting and using that information
- Update the existing Well Compensation Grant Program so that it can be better utilized by lower income residents
- Allow recipients of Producer-Led Watershed Protection Grants to also participate in the competitive Surface Water Grant Program
- Authorize the Department of Agriculture, Trade and Consumer Protection to take into account factors with the weather when considering the allocation of County Conservation Department Grants

Many of the programs that we are addressing in these bills have proven to be successful in helping us protect our state's invaluable water. They also give us the most bang for our buck, which is why it is so important that that we put our resources here.

We are also making calculated changes to most of the programs to ensure our taxpayer dollars are being spent wisely while also allowing us to make significant progress toward solving our water pollution problems.

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Nevertheless, what I am excited about the most with this legislation is the creation of Commercial Nitrogen Optimization Pilot Program in our state.

It is critical that we protect our water from excessive nitrates because of the impacts to human health. For almost 75 years, physician and public health professionals have known that exposure to high levels of nitrates can lead to "blue baby syndrome," a condition in which a baby's skin turns blue due to decreased hemoglobin in the their blood.

Nitrate exposure during pregnancy can also result in increased cases of intrauterine growth retardation, cardiac defects, central nervous system defects, Sudden Infant Death Syndrome (SIDS) and miscarriage.

According to the U.S. Environmental Protection Agency, exposure to higher levels of nitrates also has been associated with increased incidence of cancer in adults, and possible increased cases of brain tumors, leukemia and nose and throat tumors in children.

Because farmers are some of the most responsible stewards and conservationists of our land throughout Wisconsin, it only makes sense to take advantage of their vast knowledge and get them further involved in lessening the levels of nitrates in our water.

I would like to thank you for taking the time to listen to my testimony and I hope you consider supporting Senate Bills 677 and 678. I am now happy to answer any questions if you have them.

STATE REPRESENTATIVE
Katrina Shankland
71st ASSEMBLY DISTRICT

Testimony in Support of Senate Bills 677 and 678
Senate Committee on Agriculture and Tourism
November 10, 2021

Chair Ballweg, Vice Chair Marklein, and members of the committee, I appreciate the opportunity to testify in support of Senate Bills 677 and 678, legislation to improve our state's water quality by promoting thoughtful practices to reduce nitrate runoff and contamination.

Last session, the Speaker's Task Force on Water Quality participated in 14 public hearings across the state and heard from people across Wisconsin about the water quality challenges facing their communities. We built on the public's input by collaborating to draft and pass ten bipartisan water quality bills unanimously through the State Assembly. However, due to the Covid-19 pandemic, none of those bills became law. Since then, various bills from the task force have been introduced or passed through the budget, and the bills before you today are a continuation of our work.

First, Senate Bill 677 creates a commercial nitrogen optimization pilot program where the Department of Agriculture, Trade and Consumer Protection (DATCP) would award grants to farmers for implementing projects that reduce nitrogen loading and nitrate leaching. The bill provides $1 million in grant funding per year to provide grants of up to $50,000, and it prioritizes farmers looking to use innovative practices not currently funded by other state or federal programs. The bill requires farmers to work with a UW System institution onsite for at least two growing seasons. The idea behind this bill is to reward farmers who want to experiment with nitrogen loading, while helping them absorb any risk attached with changing their commercial nitrogen application practices.

Nutrient management plans were designed with primarily agronomic focus to promote the efficient use of nutrients and maximize yield and profitability. While reducing nutrient loss and loading is part of the process, nutrient management plans have mostly focused on phosphorus rather than nitrogen-nitrate leaching into groundwater. The commercial nitrogen optimization pilot program will give farmers and UW System researchers the opportunity to innovate in sensitive regions of the state when it comes to protecting water quality while ensuring yields that help their bottom line.

Senate Bill 677 also requires DATCP to create a new program, in cooperation with the Risk Management Agency at the U.S. Dept. of Agriculture, to provide a crop insurance premium rebate of $5 per acre to farmers who plant cover crops. This is similar to Iowa's successful program. Cover crops improve soil health, reduce soil erosion, and reduce nutrient runoff and leaching while improving water quality. This new cover crop insurance rebate will help offset the cost for farmers to plant cover crops, encourage more to do so, and increase the total cover cropped acreage in the state, strengthening the state's water quality and helping farmers' bottom-line. Finally, SB 677 also creates a three-year project position for a full-time state hydrogeologist to focus primarily on groundwater resource information at the county and local level.

Next, Senate Bill 678 broadens the eligibility for the Department of Natural Resources' well compensation grant program. This program provides grants for replacing, reconstructing, or treating contaminated wells, and grants may also be used to pay the costs of filling and sealing a well or connecting to a public water supply.

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I was pleased that this program received a significant cash infusion through the biennial state budget this year, but without also expanding its eligibility criteria, few Wisconsinites will qualify. In fact, the DNR reports that from fiscal years 2008-2021, an average of 9 people in Wisconsin per year were successful in utilizing the well compensation grant program. This bill addresses barriers to accessing the program by removing several current requirements that often stand in the way to people with contaminated private wells: the requirement that the contaminated well be used for livestock and that its nitrate levels test over 40 ppm. For context, the federal health standard for nitrate in drinking water is 10 ppm. The bill also requires the DNR to prioritize the most contaminated wells first and allows for less expensive methods of remediation like reverse osmosis for wells between 10 and 25 ppm, while ensuring that more people can access the program for bacterial contamination. These much-needed changes are similar to last session's bill that passed unanimously in the Assembly.

Senate Bill 678 also makes two changes to the Producer-led Watershed Protection Grant Program administered by DATCP: clarifying that grants may be awarded to producer-led watershed groups that span multiple adjacent watersheds and allowing these producer-led groups to qualify for Lake Protection Grants and River Protection Grants administered by DNR. Finally, SB 678 also specifies that when DATCP is determining whether a county land and water department took appropriate steps to meet their land and water resource management plan, the agency shall consider externalities such as weather that may have impacted that work. These changes will ensure more farmers will be able to work together across watersheds, lakes, and rivers to support water quality. They'll also support our boots on the ground land and water conservation departments.

We owe it to the people of Wisconsin to ensure everyone has access to clean drinking water and to do everything we can to reduce and prevent nitrate contamination. These bills will help farmers access more resources to invest in practices that support water quality. They also will ensure more people across Wisconsin can remediate their contaminated drinking water source and finally access clean drinking water. I appreciate that so many organizations have already registered in support of these bills, and thank you to everyone who has already signed on as a cosponsor. I encourage the members of this committee to support and prioritize the passage of these bills to ensure that they continue to move forward through the Legislature. Thank you for your consideration, and I welcome any questions you may have.

State of Wisconsin
Governor Tony Evers

Department of Agriculture, Trade and Consumer Protection
Secretary Randy Romanski

November 10, 2021

RE: SB 677 nitrogen optimization program, cover crop rebate program, and hydrogeologist position

Chairwoman Ballweg and members of the Senate Committee on Agriculture and Tourism. Thank you for the opportunity to provide information about SB 677 related to a pilot grant program for farmers to optimize commercial nitrogen applications and use as well as the creation of a cover crop rebate program. My name is Sara Walling, and I am the Administrator of the Division of Agricultural Resource Management at the Department of Agriculture, Trade and Consumer Protection (DATCP). I will describe the work the department does with regards to conservation practice implementation and nutrient management planning, and how SB 677 might impact those efforts.

Background:
DATCP and Department of Natural Resources (DNR) coordinate efforts to improve agricultural water quality impacts through complementary programs – DNR sets the performance standards for water quality, while DATCP sets the technical standards. Another way to describe this is that DNR sets the regulatory goals for waterbodies and regulates the dischargers that have the potential to pollute. When it comes to agriculture, DATCP is charged with translating these goals into technical standards by determining the practices that best help farmers meet the regulatory standards set by DNR. The practices that make up these technical standards must be demonstrated to meet the regulatory goals, while also being achievable by our agricultural producers. These same regulatory goals and technical standards serve as the basis for the annual joint allocation plan. This collaboration between DATCP's soil and water resource management program and the DNR provides grants to counties and farmers for projects that address or prevent nonpoint source water pollution through conservation practice implementation, county land conservation staff, rural targeted runoff management grants, notice of discharge grants, and nutrient management tool development, planning and education.

Comments on the bill:

Creating a commercial nitrogen optimization pilot program
If enacted, this bill would require DATCP to administer pilot grant program for farmers to voluntarily collaborate with a University of Wisconsin System institution to optimize the application of commercial nitrogen. For example, grants would help farmers offset costs of using nitrogen inhibitors, cover crops, and split applications of nitrogen. This bill also requires each participating farmer to work with a University of Wisconsin System institution to monitor the grant project on-site and assess the efficacy of the practices.
In administering this new grant program, DATCP would collaborate with farmers and selected University of Wisconsin System institutions to identify and award funding to projects in different parts of the state in areas that have a different soil types or geologic characteristics. Farmer participants will be awarded up to $50,000. Innovative projects and ones that are not currently funded through existing state or federal program will be prioritized. A portion of the funding, no more than 20 percent of the total amount awarded, would be given to the collaborating University of Wisconsin System institution to conduct the associated research components of this program. The bill provides $1 million in each of the two funding years for this purpose.

In addition to supporting innovative and effective nitrate loading best management practice implementation, DATCP believes the projects and practices conducted through this grant program can provide the powerful scientific information to support innovation and adoption of conservation practices statewide. This data will also help DATCP identify and justify cost-sharable practices farmers could use to reduce nitrate loading to the waters of the state. The ability for DATCP to work closely with our partners and monitor the progress and outcomes of this program will be imperative for future, successful and effective nitrogen management practices and cost-share incentives to become a reality.

Providing crop insurance rebates for cover crops

SB 677 also authorizes DATCP to create a program for Wisconsin farmers to incentivize farmers who are not currently participating in other programs to implement cover cropping practices via crop insurance rebates. The incentive would come in the form of a $5/acre reimbursement for crop insurance on those acres that were planted in cover crops. The bill includes a prohibition on acres that funding is available from specific state and federal programs, including a producer-led watershed protection grant, the soil and water resource management program, the federal Environmental Quality Incentives Program, or the federal Conservation Stewardship Program. A maximum of 80,000 acres would be eligible for this program, with no acreage cap for each application.

We agree it is appropriate to structure this program to prohibit duplicative payments for the same practice on the same acreage. However, the wording "on an acre for which funding is available from a federal or state grant or incentive program" is different and slightly more difficult to implement than the language utilized in the 2019 version of the bill which pre-empted acres "for which funding is provided from a federal or state grant or incentive program." DATCP would have to determine if acreage is eligible for another program and funding is available, or ask the farmer to self-certify that funding is not available for eligible acres. Additionally, it is likely that most, if not all, farmland acres in Wisconsin are eligible for either a state or federal cover crop payment program of some type, further challenging this eligibility criteria. Therefore, we recommend changing the word "available" back to "provided" under this bill.

We are aware of similar programs in adjacent states. In Iowa, this program augments the federal crop insurance program through a partnership with USDA, and is part of a pilot program to evaluate if cover crops reduce the risk of crop loss. In Illinois, the program is not a part of the federal crop insurance program, and is a state-only program. While DATCP has been looking at each of these program templates for consideration should this bill move forward, a great deal of work remains to establish the framework for implementing this multifaceted incentive program in Wisconsin.

Throughout the Water Quality Task Force hearings, we heard several consistent messages about the important role that agriculture plays in the future of Wisconsin's water resources, and DATCP stands ready to provide farmers with the resources they need to meet that challenge. We are evaluating our opportunities to grow our expertise in alternative farming practices, emerging technologies to promote yields from lower nutrient inputs, and innovative cropping systems. With our staff already dedicated to working on their existing programs, DATCP will be challenged to meet the requirements to launch the nitrogen optimization program and the cover crop rebate program, as well as providing the invaluable technical support and expertise to assist our farmers in implementing the practices identified by this effort. Additional staff funding to support a position would assist in meeting deadlines, delivering timely and quality service to program participants, and ensuring the best, most efficient and effective use of our state's resources. Given the connection of these programs to DATCP's goals

of serving farmers while helping to meet water quality goals, these proposed grant programs would support our goals and our state's agricultural operations in a number of ways. We look forward to opportunities to discuss with you more DATCPs vision for further developing this technical and financial assistance and expanding the technical resources we offer to our agricultural community.

Extension
UNIVERSITY OF WISCONSIN-MADISON

Senate Committee on Agriculture & Tourism

2021 Senate Bill 677

Creating a Hydrogeologist Position at WGNHS

November 10, 2021

Good morning, Chair Ballweg and members of the Senate Committee on Agriculture & Tourism.

My name is Ken Bradbury and I serve as the State Geologist and Director of the Wisconsin Geological and Natural History Survey (WGNHS) which is located within the UW-Madison Division of Extension. Thank you for the opportunity to testify in support of Senate Bill 677, which, amongst other things, creates a hydrogeologist position at WGNHS.

The Wisconsin Geological and Natural History Survey was created by the Wisconsin Legislature in 1897. It is the descendant of earlier state surveys in Wisconsin, which date back to 1854. The WGNHS is an interdisciplinary organization that conducts natural resources surveys and research to produce information used for decision making, problem solving, planning, management, development, and education. *Survey* is defined to include resource inventory and basic and applied research and analysis. Maps, data, records, and reports—including interpretations and recommendations—produced by the WGNHS provide basic data for resource, land-use, and environmental management. The WGNHS has no specific regulatory or enforcement responsibilities.

The WGNHS is a unique state organization that produces and provides maps, reports, technical studies, and technical assistance about Wisconsin's groundwater and geology. Maps and data developed at the Survey are used constantly by local, state and Federal agencies, planning departments, crop consultants, water well drillers, engineering firms and others to support decision making. Most of our groundwater investigations are targeted at County and local scale problem solving.

Due to previous cuts in the state budget, we currently only have three hydrogeologists on staff and these individuals are fully committed to ongoing projects, outreach, and service. We frequently receive new requests for studies and service for counties and local governments and we are currently unable to meet these needs. Adding an additional hydrogeologist, with

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supporting funding, to our staff will significantly add to the Survey's capacity to address groundwater questions and produce local groundwater inventories and models.

This position will focus on applied hydrogeologic studies at the county and local scale. It is important to note that providing this base capacity will allow the Survey to leverage other federal, state and local funds in developing cooperative groundwater studies.

On behalf of UW-Madison, I would like to thank the authors, Senator Cowles and Representative Kitchens, for introducing this much-needed legislation. Thank you for your time and for allowing us to detail the important work being done by WGNHS and the Division of Extension.

Ken Bradbury

Director & State Geologist

Wisconsin Geological and Natural History Survey

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Wisconsin Farm Bureau® FEDERATION

TO: Members of the Senate Agriculture and Tourism Committee

FROM: Karen Gefvert, Wisconsin Farm Bureau Federation

DATE: November 10, 2021

RE: Support for SB 677 & SB 678 – Agricultural Water Quality Legislation

On behalf of the Wisconsin Farm Bureau Federation, we would like to express our support for SB 677 and SB 678, agricultural water quality legislation. Thank you to the bill authors, Senator Cowles and Representative Kitchens as well as all the co-sponsors listed on these bills.

Wisconsin Farm Bureau Federation has long supported farmer led initiatives toward conservation and best management practices on farms. Farmers are the original and continual stewards of the land and resources. They care deeply about the state of our natural resources for their farms, families, local communities and world.

The provisions included in SB 677 and 678 are consistent with Wisconsin Farm Bureau's support of farmer-led, common sense, on-farm initiatives to find local best management practices that are good for farmers and the environment.

We support the provisions within Senate Bill 677

The commercial nitrogen optimization pilot program is exactly what will help farmers determine what on-farm practices work on their farm to establish best practices for commercial nitrogen application rates, timing, incorporation and type. Creation of this program will allow farmers to try new practices for application of commercial fertilizers on their farm in collaboration with university faculty. This program also provides civil liability for farmers who are part of a pilot research program. This is an important provision to include and support as this will encourage farmers to participate and try new things in order to learn about best practices. The civil liability provision is only limited to the acres enrolled and the practices approved in the pilot program.

Cover crop insurance premium rebates are an important provision to provide a small financial incentive for farmers to invest in a practice that has great conservation and soil health returns. Several other states have state funded premium reimbursement programs for farmers to try the practice of planting cover crops and they have been met with high levels of participation by farmers.

Water has always been an important resource for farmers. Water quality is essential to maintaining human, animal and environmental health. There are many questions related to water and nutrient movement through water in recent years. A hydrogeologist position would be a resource for compiling and distributing scientifically supported resources to stakeholders.

We support the provisions within Senate Bill 678

The well compensation grant program is a program that could be helpful to many rural residents who need financial support to reconstruct, construct a new well, treat the water or fill and seal a well. Currently the provisions to be eligible to receive funds from this program are narrow and therefore, the program has not been utilized, even though there is a need. We support the provisions to change the eligibility standards and provisions within this program so it can be utilized by those that need it.

Producer led watersheds have been a successful initiative for local farmers and stakeholders to collaborate about their local watersheds, determine local issues, come up with local solutions and take ownership of the proactive approach they take to enhancing soil health and water quality. Under the current program requirements, producer-led watershed groups are not able to enroll land that is in an adjacent watershed. Farms don't know geographic boundaries and some farms may be located within more than one watershed. We support the provision to include adjacent watersheds as part of the producer led grant program and support these watershed groups' efforts.

Producer led watershed groups are initiating practices that benefit all water quality. In order to enhance and promote the great efforts that are occurring within the producer led watershed groups, we support the provision to expand the lake and river protection grant eligible recipients to include producer led watershed groups.

In conclusion, we support the provisions included in SB 677 and SB 678 and appreciate the support these bills show for conservation efforts initiated by farmers. Wisconsin Farm Bureau asks that you **support** SB 677 and SB 678.

November 10, 2021

Good Morning,

Thanks Karen and good morning Senator Ballweg and committee members, as Karen said I am Robert Nigh, my brother and I farm in the beautiful hills and valleys of Western Vernon county and I represent the southwestern part of the state Vernon Crawford Richland Iowa Grant and Lafayette counties on the State Farm Bureau board. Our family has worked tirelessly and continuously to honor the legacy of my father when it comes to land conservation. We have numerous streambank stabilization structures along the south fork of the Bad Axe river, contour strips, grass waterways, no-till farming, cover crops along with upland grade stabilization structures are also practices we use. I am also a member of the Governor's Task force on Climate Change and one of the original members of the newly formed Bad Axe Watershed group.

Today I wish to speak in favor of SB 677 and SB 678.

First the provision for Nitrogen Optimization pilot projects is much needed research to help all of us make better use of inputs and reduce unused nitrate movement off the field.

Cover crops are a proven way to protect our ground water and surface waters. This incentive will attract more acres into the practice which is a win for all of us.

Nitrates in drinking water has long been a concern of mine. It started when a small rural school in my district had to battle this issue. The changes to the well compensation grant program are another great provision and will be extremely helpful in achieving the pledge of Clean Safe Abundant water for all. The DAWS goal.

Producer level watershed groups should not be forced into funding restriction as there are limited dollars available for these groups already. In allowing them to apply for complimentary grants, we are expanding their potential resource pool and this could provide a much needed financial infusion for these groups to do more. This will in turn expand the growth and success of our producer led groups and develop some powerful alliances with other like minded groups.

Thank you for your time today and I ask that you support SB 677 and SB 678.

Robert Nigh

Viroqua, WI

Farmer and Wisconsin Farm Bureau Federation Board Director, District 3

Wisconsin Farmers Union
UNITED TO GROW FAMILY AGRICULTURE

Policy Brief

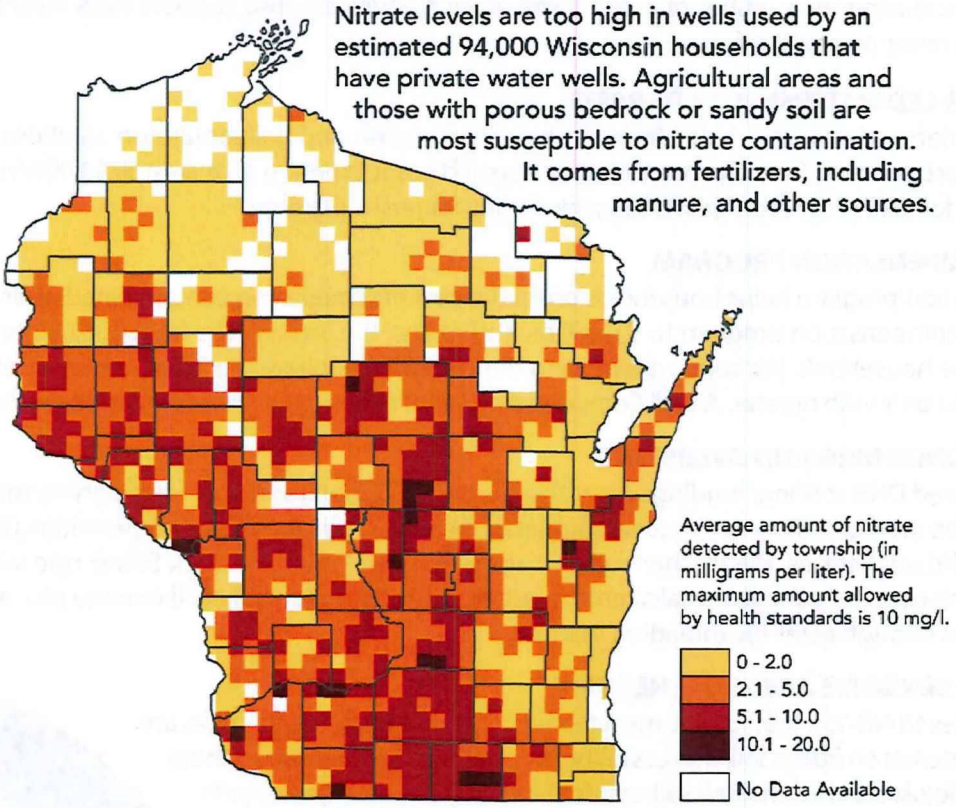
CLEAN WATER FOR ALL

ENSURING CLEAN WATER FOR ALL WISCONSINITES

The state of Wisconsin is abundant in water. It borders the Great Lakes, which contain 20% of the world's fresh surface water, and we have rich groundwater resources running below our feet. There is more than enough water available for drinking, recreation, wildlife, and business. However, growing concerns over the public health and ecological impacts of agricultural and industrial pollutants in our water mean we must reevaluate how we manage water resources in Wisconsin.

Agricultural runoff is a major cause of water pollution in this state. Wisconsin has over 1,500 impaired waterways, and between a quarter to half of private wells in Wisconsin do not meet safe drinking water standards due to excess bacteria or nitrates. Bacteria such as E. coli and Cryptosporidium can sicken humans and livestock, and nitrates are known to cause certain cancers, spontaneous abortions in cattle, and "blue baby syndrome" in infants. Excess nutrients in surface water cause toxic algae blooms which threaten humans and wildlife and destroy the tourism and recreation industries.

Nitrate in drinking water around Wisconsin



CREDIT: Katie Kowalsky/Wisconsin Center for Investigative Journalism

SOURCE: Well Water Quality Viewer, University of Wisconsin-Stevens Point's Center for Watershed Science and Education. Private Drinking Water Quality in Rural Wisconsin, Journal of Environmental Health, 2013.

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Wisconsin Farmers Union
UNITED TO GROW FAMILY AGRICULTURE

Policy Brief

CLEAN WATER FOR ALL

WHAT CAN THE STATE DO?

FULLY FUND COUNTY CONSERVATION

County conservationists work directly with farmers to improve land management practices to protect water and other natural resources. WFU supports increasing funding for county conservation from $9.4 million to $12.4 million annually. The state should provide the baseline funding of $75,000 per county and fund county conservation staffing grants at 100% of the first position, 70% of the second position, and 50% of the third position.

SUPPORT FOR GROUNDWATER RESEARCH, TESTING, MAPPING, AND EDUCATION

A coordinated system of statewide groundwater testing and mapping would give counties and residents a better understanding of the quality of their water and any future risk of contamination. WFU supports adding one position at the Wisconsin Geological and Natural History Survey to conduct groundwater mapping. We also support grants for counties to study groundwater quality in private wells, assess the extent and type of contamination, and/or notify the public of the results. The results of these studies should be shared with the UW-Stevens Point Center for Watershed Science and Education so all citizens, stakeholders, and agencies can access the same data.

INCENTIVES FOR GRAZING AND COVER CROPS

Grazing livestock on perennial pasture is highly effective at retaining water in the soil, controlling erosion, and preventing agricultural runoff. It is also an effective climate mitigation and adaptation strategy. WFU supports creating a grazing program at DATCP aimed at increasing the number of acres of managed pasture. We also support state incentives for cover crops to maintain continuous cover on cropland.

EXPAND PRODUCER-LED WATERSHED PROGRAMS

The Producer-led Watershed program helps farmers share information and collaborate on solutions to protect local water resources WFU supports funding for the producer-led watershed grant program of at least $750,000/year. We further support expanding eligibility for lake protection grants to producer-led watershed groups.

IMPROVE WELL COMPENSATION PROGRAM

DNR's well compensation program helps households offset the cost of remediating contaminated wells. We support increasing funding for the well compensation program to $1 million and raising the income cap from $65,000 to $100,000, with priority given to lower income households. We support removing the eligibility requirements that wells must be used for livestock and must be contaminated only with nitrates. A Well Compensation Grant Program Administrator position should be created at DNR.

INCREASE CAFO MONITORING AND OVERSIGHT

WFU supports increased DNR staffing, funding and authority for CAFO monitoring and oversight to make sure we are holding the farms that pose the greatest risk to our water accountable. We support increasing CAFO permitting fees to a level consistent with surrounding Midwest states. We further support updating the state Livestock Siting rule with increased setbacks to property lines, replacing the odor score calculator, requiring period inspections of all manure pits, and verifying that CAFO operators own or rent enough acres for spreading manure.

EXPAND NR-151 TO SENSITIVE AREAS OF THE STATE

WFU supports changes to NR-151 that restrict manure and other waste application rates and spreading of these materials on frozen soils in areas of the state deemed sensitive areas. These sensitive areas include places with shallow soil depth above Karst bedrock, areas with sandy soils, and areas where groundwater quality standards are not being met.

***All* Wisconsinites should be able to drink clean, safe water straight from their taps. For too long, we have been presented with a false choice between agriculture and clean water. Wisconsin Farmers Union believes that it is possible to have clean water, thriving family farms, and vibrant rural economies, and that farmers can be champions in this effort. All of us have an interest in ensuring our water is clean and safe for ourselves, our environment, and future generations.**

Updated March 2021

cleanwisconsin
your environmental voice since 1970

Testimony of Erik Kanter, Government Relations Director
SB 677 and SB 678
Senate Committee on Agriculture and Tourism
November 10, 2021

Clean Wisconsin is a non-profit environmental advocacy group focused on clean water, clean air and clean energy issues. We were founded over fifty years ago and have 20,000 members and supporters around the state.

We support SB 677 and SB 678 as small steps towards confronting our collective failure to address nitrate contamination of drinking water and meeting one of the state's most basic responsibilities to its residents; the provision of clean drinking water. We must, though, recognize the context in which these proposed policy changes exist. The scale and scope of this problem, and its persistence in our state despite our awareness of it for decades, dwarf these proposed solutions. The small but important steps these bills take towards providing relief to families with contaminated water and reducing continuing nitrate pollution of our water resources must be accompanied by bolder, sustained investments in confronting this public health and agricultural challenge.

Conservative estimates place the number of private wells in Wisconsin that exceed the nitrate health standard of 10mg/L at around 40,000. Other reputable sources place the number of contaminated wells at closer to 80,000, but because of highly inadequate resources to help homeowners test their wells, we don't know the true number. The Department of Natural Resources projects the cost of replacing the lower estimation of nitrate contaminated wells at over $400 million.

While not all nitrate contamination of drinking water is a result of agricultural practices, we know that about 90% of it is. Since 2002, Wisconsin has had minimum conservation standards for all farms. As of this year, about 40% of Wisconsin's agricultural acreage is meeting those standards, despite extensive technical assistance devoted to that effort. We know that many of the conservation practices outlined in these standards, like nutrient management plans and responsible manure spreading, reduce nitrate contamination of drinking water. Yet in some of the most vulnerable areas of our state, like the Central Sands and Southwest Wisconsin, these practices are not widely adopted, and nitrate contamination of drinking water is extensive.

In conjunction with the Dairy Business Association, The Nature Conservancy, and the Wisconsin Land and Water Conservation Association, our organization put forth a proposal to spend $50 million annually on well testing and remediation and nitrate pollution prevention efforts. That type of financial commitment is commensurate with the scale and scope of this widespread and persistent water pollution problem. We recognize that we are all in this together and that we all must work together, supporting families and the farm community, in this effort.

Without additional efforts to help families with contaminated drinking water and reduce nitrate pollution, the promises of clean drinking water for all Wisconsin families that accompanied the Speakers Task Force on Water Quality and have echoed through countless hearings ring hollow. The burden of polluted drinking water that our inadequate action places on Wisconsin families becomes only more unjust as we learn more about the health risks nitrate contamination poses to all segments of the population and our knowledge and technological capacity to reduce nitrate contamination from agricultural practices grows.

We know many innovative farmers are already taking steps to reduce nitrate pollution from their farms. We can fix this problem and we can do it in ways that strengthen our agricultural industry for the future, but it will require changes to how we farm, and what we ask of our farmers, to get there. We are ready to stand with and support the agricultural community in this transition, but the status quo, where some in the agricultural industry argue they must be allowed to pollute drinking water in order to turn a profit, is unacceptable.

We support SB 677 and SB 678 as the beginning of a bigger, bolder, and broader commitment to helping Wisconsin's families burdened with nitrate contaminated drinking water and engaging the agricultural community to reduce nitrate pollution of our water resources.

Thank You

DBA

DAIRY BUSINESS ASSOCIATION | DAIRY FORWARD

November 10, 2021

Senate Committee on Agriculture and Tourism

Testimony in favor of Senate Bill 677 and Senate Bill 678

Good morning, Madam Chair, Ranking Member Pfaff and committee members. Thank you for the opportunity to provide testimony today in support of these two bills, which will move us forward on the path to cleaner water and a more sustainable farm future.

My name is Chad Zuleger. I am the associate director of government affairs representing the Dairy Business Association. Our membership includes dairy farmers, processors and a variety of affiliated businesses that help ensure farmers are successful in our state and that the products we produce remain delicious, nutritious, desired and available around the world.

We greatly appreciate the leadership of Senators Cowles, Testin and the Chair, along with Assembly Representatives Kitchens, Novak, Tranel and Shankland in authoring this legislation. We also appreciate the support of cosponsors and the efforts of DATCP and the DNR as well as all of the stakeholders who provided valuable input and worked to get these bills here before you today.

These two bills continue the efforts begun by the bipartisan Speakers Task Force on Water Quality and furthered with bipartisan support in the 2021-23 state budget. We truly do appreciate the efforts of both political persuasions to take seriously, and with a measured approach, address concerns about water quality in our state. These bills won't solve every problem, but they do keep us on the right path with constant improvement.

Senate Bill 677 contains provisions that address nitrate runoff and groundwater infiltration. First, it establishes a nitrite optimization pilot program at the Department of Agriculture, Trade and Consumer Protection (DATCP). The program will provide $1 million each year in grant funding to farmers who engage in projects, for at least two growing seasons, that optimize the application of commercial fertilizers. Grant requirements include collaboration with the UW System, which will monitor the projects. Grants would be capped at $50,000 with 20% maximum available to a participating university.

Second, the bill creates a cover crop insurance premium rebate to encourage and incentivize the practice of planting cover crops. Similar to other rebate incentives in Illinois and Iowa, we expect this program will be popular and help promote the state's use of cover crops that, among other established benefits, keep residual fertilizer/nutrients in the field, provide reduced nutrient runoff and leaching, mitigate soil compaction, provide weed control, reduce wind and water erosion and often provide a food source for livestock. The bill provides

$400,000 each year, beginning in year two of the biennium, and is administered by DATCP with a verification process to exclude federal cover crop program recipients.

Third, SB 677 creates a three-year project position for a state hydrogeologist in the UW System. The position will focus on developing groundwater resource information and work with stakeholders, members of the public and government entities to interpret and apply the information. The position is funded at $75,000 the first budget year and $150,000 the second. Mapping land and soils will help us understand where and how to employ conservation practices. This greater understanding of our soils will guide efforts and encourage best practices regionally where it makes sense.

Senate Bill 678 makes several sensible changes to existing programs. First, the bill makes statutory changes to expand access to existing, but underutilized, funding under the Well Compensation Grant Program. Among other common-sense revisions, the bill removes the requirement that funds be provided only if a well is nitrate-contaminated and used for livestock, used at least three months in a year and provide more than 100 gallons of water per day. This simple change will allow more existing funds to be dispersed and more wells to be remediated.

Second, the bill makes a change in statute to allow DATCP, when considering a county's demonstrated commitment to land and water planning, to also consider external circumstances, potentially impacting a county's results, when allocating funds under the Soil and Water Resource Conservation Program.

Third, the bill makes a simple, but consequential, change that will allow producer-led watershed groups, comprised of farmers in adjacent watersheds, to qualify for grants. Currently, statute limits grants to producer-led groups comprised of members within one watershed. Again, this promotes collaboration between farmers who share information and best practices to improve application and mitigation efforts.

Senate Bills 677 and 678 provide real progress in our efforts to improve water quality for residents of our state while promoting conservation methods that farmers can practically employ. The bills provide measurable objectives and reporting, promote collaboration across agencies, and provide oversight to ensure compliance and improvement. DBA supports these bills and urges this committee to approve them for consideration by the Senate.

Again, thank you, Madam Chair and committee members for your time today.

November 10, 2021

Testimony to Senate Committee on Agriculture & Tourism
Supporting SB 677 & 678

Thank you Madam Chair and Members of the Committee,

My name is Nikki Wagner and I'm a CAFO Nutrient Management Specialist at Insight FS, representing GROWMARK and Cooperative Network. I'm testifying in support of Senate Bill 677 and 678 today. Insight FS is the retail division of GROWMARK, headquartered in Jefferson, Wisconsin, serving patrons in Wisconsin and Michigan's Upper Peninsula. Insight FS is an agricultural cooperative with annual sales of $270 million providing agronomy, energy, feed, turf and agri-finance products and services, as well as grain marketing. GROWMARK owns the FS trademark, which represents knowledgeable, experienced professionals acting with integrity and dedication to serve more than 250,000 patrons in more than 40 states and Ontario, Canada.

I graduated from UW Madison with a degree in Biological Systems Engineering and am a Wisconsin Certified Crop Adviser and 4R Nutrient Management Specialist. At Insight FS, I work with over 13 CAFOs as well as several medium sized CAFOs that operate over 40,000 acres across 17 counties in Wisconsin, helping them implement the 4R principles of nutrient stewardship and help them navigate the rules and regulations included in NRCS 590, NR 243 and NR 151. In the past 13 years I have worked with some of Wisconsin's most progressive farmers including those that are involved in Yahara Pride Farms, Farmer's for Sustainable Food, and Lafayette Ag Stewardship Alliance which are farmer-led groups committed to sustainable stewardship of our natural resources. Using technology, my cooperative supports farmers in applying the 4Rs of the right source at the right rate in the right place at the right time using tools such as variable rate technology, yield monitors, RTK, GPS, SnapPlus and other Geographical Information Systems.

Several of my customers opt to treat manure through digestion, aerobic treatment, polymer treatment, biological manipulation, composting, reverse osmosis, dryers, and separation for the purpose of producing energy, eliminating pathogens, stabilizing nutrient content, reducing odor, and minimizing the volume for land application. When it comes to land application, many of these producers work with custom manure haulers that use draglines with low disturbance injectors, allowing them to minimize the risk of manure runoff, nitrogen leaching, compaction, and impacts to roadways. Nearly

every CAFO I work with uses cover crops to some extent in part due to the research being provided by UW Extension and Discovery Farms and the cost-share programs available.

Given my role is state-wide, I have the privilege working with a diverse group of farmers facing various challenges due to their location and the limitations they face due to their soil features, residential proximity, slope, and conduits to surface and groundwater. I have come to realize firsthand the difficulties in writing state-wide regulation during the three years I spent on the 590 Nutrient Management Standard Team that drafted the current 590 standard. I truly believe the way forward in sustainability will be driven by on-farm research, producer-led watershed groups, and cost sharing programs such as promoted by these bills. Farmers are truly the best experts on the topic of sustainability, they are the best stewards, and the **only ones** capable of implementing the practices that affect our land and water resources.

Programs and recommendations should consider use of stabilizers as well as other products and practices aimed to limit the loss of nitrate. Applications should be based on soil testing and ensuring that the right source that matches fertilizer to crop needs, the right rate of nutrients the crop needs, applying nutrients at the right time for a crop to uptake, and the right place by keeping the nutrients where the crop needs them. We appreciate the direction these bills steer the state of Wisconsin and the tools they provide to steer water quality initiatives to a solution focused approach to assist farmers in meeting their yield goals. Nutrient stewardship assistance and incentives for cover crops are a positive step forward.

There is balance that can be struck between stewardship, science, and farmer profitability. A balance that allows farmers to make field-level decisions while meeting production, conservation, and water quality objectives. These initiatives strike that balance and ensure decisions going forward are based on sound science-based research and practices.

Thank you for your time and I'd be happy to answer any questions.

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November 9, 2021

TESTIMONY TO SENATE COMMITTEE ON AGRICULTURE AND TOURISM RE SB677 & SB678: IN FAVOR

Wisconsin Lakes is pleased to offer its support for SB677 & SB678. The provisions of these bills are an important first step towards improving water quality in the state.

Our members view improving water quality - be it surface water, groundwater, or drinking water - as one of the most important issues facing our state. We supported the efforts of the Speaker's Task Force on Water Quality, and are glad to see these provisions return for consideration after failing to be enacted in 2020 amidst the chaos brought by the early days of the pandemic.

While we support all of the provisions in both bills, we would like to highlight one in particular today. The provision that would extend eligibility for lake and river grants to producer led councils will provide needed funding for water quality projects in watersheds. Though extending eligibility to PLC's will increase the number of groups competing for the limited pot of surface water grant funding from the DNR, we believe it will also encourage collaboration between lake groups and farmers. This will lead to better projects and ultimately provide even more return on investment from the already successful surface water grant program.

While we support both bills in their entirety, we would be remiss not to mention that they are only a first step towards ensuring the highest levels of water quality in the state. Much remains to be done, as these bills only scratch the surface. That said, SB677 & SB 678 are good first steps and worthy of support and passage into law.

Wisconsin Lakes is a statewide non-profit conservation organization of waterfront property owners, lake users, lake associations, and lake districts who in turn represent over 80,000 citizens and property owners. For over 20 years, Wisconsin Lakes has been a powerful bipartisan advocate for the conservation, protection, and restoration of Wisconsin's lake resources.