

# Capitol LINK

CURRENT ISSUES AFFECTING WISCONSIN AGRICULTURE & AGRI-BUSINESS

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November 2007

## State Budget Is Adopted

By Jordan Lamb

On October 26<sup>th</sup>, Governor Doyle signed the state budget bill that was finally passed by the Legislature after approximately nine months of debate between the Republican-led Assembly and the Democratic-led Senate. Below is a summary of the significant agricultural-related items that were contained in the final budget package:

**Nutrient Management Funding** – DATCP was provided with an additional \$6 million in the second year of the biennium from DNR's nonpoint account to implement nutrient management plans on farms. The total cost sharing available for nutrient management planning will be \$520,000 in 2007-08 and \$6,520,000 in 2008-09. DATCP distributes this money to county land conservation departments to work with farmers to develop nutrient management plans.

**Rural Nonpoint Bonding** - DNR received \$12 million in bonding authority for cost-share grants to rural landowners to install nonpoint source pollution abatement projects. \$5 million can be used to finish grants in priority watershed projects. \$7 million is designated for the targeted runoff management program.

In addition, DATCP received \$7 million for the soil and water management program. This money will be dispersed to county land conservation departments for cost-sharing to farmers primarily for manure storage and farmyard runoff control practices.

DNR's priority watershed program is coming to a close. The \$5 million given to the program in this budget is anticipated to be the last money allocated to the program, which should be spent by the end of 2010. Once completed, the 1997 redesign of the nonpoint program will be in effect.

**Manure Management Advisory System** - \$115,000 over the biennium from the agrichemical management (ACM) fund was designated to establish and operate an online manure management and advisory system to assist farmers and manure applicators in identifying the least risky fields and times to apply manure.

**Dairy Manufacturing Investment Tax Credit** – A refundable state income tax credit equal to 10% of the amount paid for dairy processor modernization was created under this budget bill. These credits will be limited to \$600,000 for the 2007 tax year, but will increase to \$700,000 for tax years 2008 through 2014.

**Discovery Farms Funding** – Discovery Farms received \$250,000 annually (\$500,000 over the biennium) from DATCP's agricultural chemical cleanup program fund.

**Agricultural Chemical Cleanup Program** - Fees and surcharges on agricultural and non-household pesticides, herbicides and fertilizers were reduced by approximately 30%. The sum of all of the reductions will reduce total payments in to the ACCP account by \$1,810,500 over the biennium.

**International Crane Foundation Funding** - \$142,000 from the agri-chemical management fund was provided to the International Crane Foundation for costs associated with a sandhill crane crop deprecation project.

**Buy Local, Buy Wisconsin Program** - A “buy local” grant program whereby DATCP will award grants to individuals and organizations to fund projects designed to increase the local sales of agricultural products grown within the state was created. DATCP was also authorized an additional staff position and \$606,800 GPR for the program.

**Grazing Lands Initiative** - \$400,000 was provided annually from the agri-chemical management fund for a grant to the Wisconsin Grazing Lands Conservation Initiative for technical education and research.

**County Fair Aids** – County and district fairs received \$150,000 annually (for a total of \$400,000 GPR annually).

**Soybean Crushing Facility Grants** - DATCP received \$4 million from DNR’s recycling fund in 2007-08 to make grants for the construction of soybean crushing facilities that can process greater than 20 million bushels per year.

**ACCP Transfers** - \$250,000 in 2007-08 and \$100,000 in 2008-09 was transferred from the agricultural chemical cleanup program (ACCP) fund to DATCP’s food regulation program. In addition, \$125,000 in both 2007-08 and 2008-09 will be transferred from the ACCP fund to DATCP’s animal health program.

**Agricultural Chemical Pollution Prevention** – DATCP was permitted to provide financial assistance to businesses for the costs to install capital improvements designed to prevent pollution from agricultural chemicals. These grants are limited to a total of \$250,000 annually from the ACCP fund and may not exceed 50% of the project costs.

**Stewardship** - An extension of DNR’s stewardship land purchase program was authorized through 2019-20 at \$85 million annually.

**Healthcare** - The requirement to add back depreciation to calculate farm income for determining eligibility for BadgerCare was *eliminated*.

## DNR Moves Ahead With NR 151 Revisions

By Jordan Lamb

As was noted in the March issue of *Capitol Link*, the Wisconsin Department of Natural Resources (DNR) has published its intent to revise NR 151, an administrative rule related to nutrient management performance standards. This rule establishes the nutrient management performance standards adopted under Wisconsin's nonpoint source pollution statute.

Although a draft of the proposed revision is not yet available for review, according to the scope statement published in the Wisconsin Administrative Register, the Department proposes to **“develop an agricultural buffer or equivalent performance standard and a performance standard to address manure runoff from smaller, non-permitted farms...”** In addition, the Department “proposes to **create a performance standard to provide adequate control of sediment, manure and other runoff from small or medium-sized, non-permitted farms that may cause water pollution and fish kills.**”

The scope statement indicates that research conducted by the University of Wisconsin on agricultural riparian buffers will serve as an informational guide to the development of this standard and that information from the Wisconsin Buffer Initiative Report of 2005 will be utilized.

The DNR has formed a citizen advisory committee to provide an initial review of the draft revisions. It is anticipated that this citizen committee will meet in December and a draft of the revised rule will be available in January for consideration by the Natural Resources Board. (For additional background information, see DNR's NR 151 fact sheet available online at:

<http://dnr.wi.gov/org/water/wm/nps/pdf/rules/NR151SubIIAgFactSheet.pdf>.)

### *A Note About Administrative Rulemaking Procedure in Wisconsin:*

Administrative agencies, such as the DNR, are granted the authority to promulgate administrative rules by the Legislature in statutes. Agencies are required to hold public hearings on the administrative rules that they write. In addition, the Legislature may also choose to hold legislative public hearings on proposed administrative rules before the rules become final. As a result, as administrative rules are developed, there are several opportunities for the public to provide comments on the proposed rules. Look for the schedule of public hearing dates and locations on the proposed revisions to NR 151 in future issues of *Capitol Link*.

## DATCP and DNR Develop Procedures for Review and Approval of More Stringent Local Livestock Standards

By Jordan Lamb

In response to several local political subdivisions proposing more stringent livestock ordinances than those livestock facility siting standards that are contained in ATCP 51, the Department of Agriculture, Trade and Consumer Protection (DATCP) and the Department of Natural Resources (DNR) have jointly developed procedures for review of more stringent local standards.

DATCP and DNR are required by Wisconsin statute to approval local restrictions in livestock ordinance that are more stringent than the statewide standards. Local governments are responsible for initiating the agencies' review when the local government is proposing a more stringent standard. A local government may submit a request for review to either DNR or DATCP, however, the procedures ensure that *both* agencies will work together to reach a mutually acceptable response to the request.

The development of these procedures should help to ensure coordinated and consistent responses to local governments from the DNR and DATCP.

## NR Board Will Consider Adoption of Final Air Pollutant Rule Revisions at December Meeting

By Jordan Lamb

At their December meeting, the Natural Resources Board will consider whether to adopt a revision to Wis. Admin. Code s. NR 445 which extends the implementation deadline for air permit requirements and hazardous air pollutant emission requirements for sources of emissions of hazardous air contaminants associated with agricultural waste until July 31, 2011. This extension more suitably corresponds to the projected completion dates for both state and federal air emissions studies on livestock operations.

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