

US EPA ARCHIVE DOCUMENT



State Innovation Grant Program: Minnesota

Environmental Results Program Applied to Feedlots (2005 Competition)

The State Innovation Grant Program

In 2002 EPA introduced the State Innovation Grant Program to support efforts led by state environmental agencies to test innovative approaches for achieving better environmental results and improved efficiency in permitting programs. Between 2002 and 2007, the State Innovation Grant program competition awarded over six million dollars to support 35 state projects that test permitting innovation for a variety of regulated entities including several small business sectors. A summary of the awards by year appears in the table below.

State Innovation Grant Program Statistics, 2002-2007			
Competition Year	Proposals Submitted	Proposals Selected	Total Program Funding (\$)
2002/2003	29	6	\$618,000
2004	33	9	\$1.425 Million
2005	26	7	\$1.479 Million
2006	25	6	\$1.243 Million
2007	17	7	\$1.611 Million
Cumulative Total	130	35	\$6.376 Million

"Innovation in Permitting" has been the theme of the State Innovation Grant competition since its inception. In the last three competition cycles states received awards for projects in the following three categories:

- **The Environmental Results Program (ERP)** is an innovative approach to improving environmental performance based on a system of the interlocking tools of compliance assistance, self-certification (sometimes, where permissible, in lieu of permitting), and statistically-based measurement to gauge the performance of an entire business sector. The program utilizes a multimedia approach to encourage small sources to achieve environmental compliance and pollution prevention. (See: <http://www.epa.gov/permits/erp/>)
- **Environmental Management System (EMS)** is a system involving a continual cycle of planning, implementing, reviewing and improving the processes and actions that an organization undertakes to meet its business and environmental goals. EMSs provide organizations of all types with a structured system and approach for managing environmental and regulatory responsibilities to improve overall environmental performance and stewardship. (See: www.epa.gov/ems/info/index.htm)
- **Performance Track** is a partnership that recognizes top environmental performance among participating US facilities of all types, sizes, and complexity, both public and private. (See: <http://www.epa.gov/performance-track/>)

NCEI has provided awards also for projects testing watershed-based permitting, and for permit process streamlining in past competitions. For more information on the history of the programs, including information on solicitations, state proposals, and project awards, please see the EPA State Innovation Grants website at <http://www.epa.gov/innovation/stategrants>

Project Background:

In Minnesota, the state dairy association offers third-party environmental compliance assessments and assistance supplied by their technicians through an Environmental Quality Assurance (EQA) program. The EQA program is built on the experience of swine, poultry, and egg producer associations in several states that have achieved environmental benefits through innovative quality or management system driven initiatives. The Minnesota Pollution Control Agency (MPCA) seeks to foster additional improvements in environmental performance at these small facilities by implementing an Environmental Results Program (ERP) self-assessment model with dairies, and eventually other animal feedlot operations, around the state. With EPA State Innovation Grant funding, MPCA is adapting other states' ERP experiences, plus lessons learned from the EQA program, creating a pilot program for feedlots.

Project Description

Minnesota's State Innovation Grant pilot program will test and implement a voluntary ERP approach for smaller dairies that operate below the concentrated animal feeding operation (CAFO) regulatory threshold of 700 cows. Through this program, MPCA aims to achieve more rapid improvements in environmental performance and compliance than might be possible through conventional inspections.

To help address pollution from agricultural runoff (phosphorus, nitrogen, biological oxygen demand, and disease-causing pathogens), MPCA implemented updated feedlot rules in the year 2000. These rules included a requirement that owners register their feedlots and manure storage areas. Since then, the MPCA has focused its staff on permitting and inspecting the approximately 1,000



larger sites (CAFOs) while county staff have focused on inspecting the approximately 20,000 smaller operations that are required to register under the updated rules. MPCA's ERP pilot project is designed to address not only the basic water quality protection and manure application management aspects of Minnesota's updated feedlot rule, but also septic systems, wells, pesticides, solid waste, cropping and other environmental aspects of typical dairy farms, thus moving toward a multi-media, "whole-farm" management system.

The self-assessment, self-certification, education, assistance, and other tools of MPCA's ERP pilot are designed to help dairies improve environmental performance and compliance in a more timely way, and without the typical level of MPCA and county effort. Collaboration with the dairy producer association, counties, the Board of Water and Soil Resources, Soil and Water Conservation Districts and Clean Water Partnerships have been essential in the development and implementation of the program. The project's results will also inform MPCA's decision whether to extend the pilot to other feedlot sectors and whether to consider making ERP mandatory for the dairy feedlot sector.

If Minnesota is successful in applying the ERP approach to feedlots, this project could serve as a model to other states also working to improve the compliance and performance status of smaller feedlots that operate below the thresholds of federal regulations.

Likely outcomes from project implementation include:

- **Faster, broader adoption of best practices** – MPCA expects that participating feedlots will self-assess environmental performance and adopt improvement techniques for more areas of the farmstead and sooner than under a conventional inspection program.
- **Wider application of ERP tools in feedlots and perhaps other sectors** – MPCA is testing the

ERP process in a new sector – dairy feedlot operations. Although currently limited to a few counties, if the pilot is successful, MPCA will likely broaden the use of ERP tools to a larger number of dairies and other animal feedlot sectors throughout more counties, and eventually to sectors outside agriculture.

Quantifiable environmental improvements include:

- Self-corrections to ensure compliance
- Best Management Practices (BMPs)
- Tested soil nutrient levels
- Nutrient management plans (both on-farm and at application sites)
- Water conservation
- Buffer strips along rivers and streams to keep pollutants out of the water
- Reductions in runoff (particularly runoff reaching surface water) from lots, manure stockpiles and manure application sites

The pilot project will span four years. The State Innovation Grant project period is 1/1/05-9/30/08.

Connection to EPA Goals

This program directly supports EPA's Strategic Goal #2 by promoting water quality protection. It also supports strategic Goal #5, focused on compliance and environmental stewardship, as well as EPA's Cross-Goal Strategy of promoting innovation and collaboration with states.

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