

# State Innovation Grant Program: Wisconsin The Use of Whole-Farm Environmental Management Systems (EMS) as a Supplement to CAFO Permits for the Dairy Sector (2007 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/performancetrack/)

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 <u>http://www.epa.gov/innovation/stategrants</u>

## Project Background:

Urban and rural nonpoint source (NPS) pollution has become a significant problem for Wisconsin in recent years and is the leading cause of water quality problems in the state, degrading or threatening an estimated 40 percent of streams and 90 percent of inland lakes. Agricultural runoff has been a main factor in surface and groundwater NPS pollution, due in part to the high number of dairy farms in the state. Wisconsin has nearly 15,000 dairy farms, of which approximately only 1 percent are required to have water permits and comply with existing confined animal feeding operation (CAFO) regulations. Nearly 70 percent of the land within Wisconsin's Lakeshore Basin is farmed and over 90 percent of farms are not regulated. In this tri-county area (Door, Kewanee and Manitowok Counties, between the Lake Michigan shoreline and Green Bay), where the project will focus, dairy farming is the dominant industry sector and problems with agricultural runoff are especially acute. Wisconsin was faced with a choice between expanding the CAFO permit program to address the serious environmental problems, and supplementing the permit program with other programs that can deliver environmental improvement.

The Wisconsin Department of Natural Resources (WDNR) received an EPA State Innovation Grant in the 2007 competition to explore the potential and expand the capacity for Wisconsin's dairy sector to use whole-farm Environmental Management Systems (EMS) as a tool for multi-media environmental improvement on small and mid-size farms.

### **Project Description**

WDNR is providing outreach, training, and detailed technical assistance to help dairy farmers in Wisconsin's Lakeshore Basin develop and implement whole-farm EMS. The EMS process



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encourages farmers to move beyond a "permit compliance" or "best practices" mindset to a "continual improvement" mindset that acknowledges how best practices evolve over time. This effort will build upon an ongoing collaborative partnership called the Agricultural Watershed Improvement Network (AWIN), and make use of Wisconsin's Green Tier Program, WDNR's voluntary environmental leadership program to promote and recognize Environmental Excellence.

Wisconsin's goal of building upon EMS knowledge and capacity to test the full potential of EMS as a tool for environmental improvement in the dairy sector will be captured in two objectives. The first objective is to target and train the dairy producers, dairy processors, and related sector personnel to raise awareness and understanding of EMS and Wisconsin's Green Tier program. The second objective will build upon their training to assist these same parties with implementing a whole-farm EMS, auditing their EMS, and applying for and participating in Green Tier.

The project began with the award of the grant on October 1, 2007 and will take three years to complete.

### **Connection to EPA's Goals:**

This project has a direct link to EPA's Strategic Goal 5, Compliance and Environmental Stewardship. Specifically this project addresses goal 5.2 by seeking to improve environmental performance through pollution prevention and innovation. The project promotes stewardship behavior, and advances sustainable outcomes by testing, evaluating, and applying alternative approaches to environmental protection aimed at achieving measurably improved environmental outcomes.

## **Project Contacts:**

For more specific information on the Wisconsin State Innovation Grant, please contact one of the individuals below:

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