



## Working Lands Watershed Restoration Program

### Stakeholder Meeting Notes

Monday, February 13, 2017 – 1:00 p.m. to 3:30 p.m.

MPCA Room 6-3, St Paul, MN

**Attendees:** Amanda Bilek, Katelyn Bocklund, GPI; Adam Birr, MN Corn Growers Assn., Tanner Bruse, Peasants Forever; Whitney Clark, Friends of the Mississippi, Randy Ellingboe, MDH, Bill Fitzgerald, Ted Fuller, MPCA; Scott Hanson, MN Rural Water Association, Ashley Kohls, MN Cattlemen’s Assn.; Rod Larkins, AURI, Michelle Medina, MN Farmers Union, Steve Morse, MN Environmental Partnership; Cole Rupprecht, MN Farm Bureau, MDA, Shawn Schottler, St. Croix Research Station, Carissa Slotterback, U of MN New Bioeconomy Project; Joe Smentek, MN Soybean Growers; Dave Weirens, Suzanne Rhees and John Voz, BWSR (on phone)

**Introductions, relationships to project:** Participants summarized their organizations’ interests related to the project, including:

- FMR: Purpose of the legislation: getting more perennials on the landscape to address water quality concerns
- MDH: Source water protection through land use change
- MN Cattlemen: Promoting cattle as effective vehicle for perennial production
- AURI: research with Forever Green, Agricultural Research Service – focus on value-added solutions
- MDA: Seeking market-based solutions
- Pheasants Forever: Precision agriculture; interest in shorter-term, less restrictive contracts than typical easements. LCCMR and USDA grants are in progress, with a pilot project in the Sauk River watershed.
- St. Croix Research Station: Increasing crop diversity; research on Minnesota River
- Carissa Slotterback, Humphrey Institute: also representing Nick Jordan and Dave Mulla – New Bioeconomy Project work in Seven Mile Creek watershed, Nicollet County
- MN Farmers’ Union: working on getting crop insurance for a broader range of cover crops; support Ag Water Quality Certification
- MEP: represents cluster of water-oriented environmental groups; also pursuing new initiative on wellhead protection.
- MN Soybeans: working with Forever Green to research pennycress and camelina, soil health, reduced tillage

#### **Project Overview – questions and comments**

- Note that legislation allowing funding of start-up research (former NextGen grants) at MDA is still in place, although they haven’t solicited proposals
- How can this project succeed without focusing on the market side?
- It was suggested to produce the biomass then look for ways to use it
- Biofuels are the most expensive end-use, with built-in competition from corn stover
- Renewable Fuels Standard for cellulosic biofuels is going unmet due to limits of the technology

- At recent Water Summit, former Cargill CEO Greg Page suggested that 3 – 4% of farmed acres might better be repurposed
- Incorporate vulnerable wellhead protection areas as opportunity sites for perennials
- “Thermal energy” should be added to list of ‘end products’ for biomass processing options
- More productivity from the same amount of land
- There is a downturn in biogas produced through anaerobic digestion because of low prices of natural gas (discussion of credits, compressed natural gas, liquefied natural gas)
- Grazing of cattle on corn residue is common in SE MN
- One concept might be to deploy a grain crop, winter wheat, within a wider buffer – i.e., an outer buffer adjacent to a perennial riparian buffer. Winter wheat gives the water quality benefit of continuous cover and is also usable as livestock feed. (Note: winter wheat can be grown as either a cover crop or a grain crop).
- Camelina is a potential biofuel source (oilseed) but has no RIN (Renewable Identification Number) value, unless grown as cover crop, not as primary crop [RINs are used to identify and track batches of renewable fuels under the Renewable Fuel Standard Program; RINS can be traded.]
- Would intermediate wheatgrass (Kernza is trademarked name) be included as a potential feedstock? Yes, it’s considered a perennial.
- How study progresses was discussed – specifically, how early in the study do the pilot watersheds need to be identified?

#### **Discussion of scope of economic analysis**

- Economics are determined by how the market is created – i.e., mandates that created the market for ethanol
- Analysis should emphasize livestock feed and grazing as the short-term bridge to biofuels and other biomass end uses, including oil seed crops
- However, increasing animal units runs into problems with air quality and other feedlot permits (reference to differing interpretations by county feedlot officers, MN Supreme Court case?). Incorporate permitting costs.
- Production and payment scenarios need to include all potential end uses, including the livestock feed component
- MDA is recommended for Clean Water Fund appropriation to survey farmers on barriers and opportunities to cultivation of hay and small grains.
- It makes sense to include land currently in CRP because it could come out at any time. Build in assumptions re land remaining in/coming out of various programs

#### **Discussion of potential watersheds**

- Criteria – infrastructure for livestock and proximity to livestock should be considered
- Elm Creek – Blue Earth – pilot watershed for Ag Water Quality Certification but not very successful – might be a difficult area to engage landowners
- Buffalo-Red – is somewhat marginal for grazing, lower cropland values
  - Farmers understand CRP and CRP rates based on soils
  - Also a pilot MAWQCP watershed
  - Not much livestock in the valley itself
  - Topography presents unique challenges for water quality improvements – “scraped ditches,” etc.
  - Should be opportunities in beach ridge areas

- Middle Sauk River – also MAWQCP pilot; opportunities in Cold Spring Area, many small dairies, areas row cropped could be better used for other crops
- Seven Mile Creek – there’s growing interest in the Mankato-St. Peter area; Region 9 Development Corporation pursuing renewable energy / economic development strategy; developing a recruitment strategy for biomass processors?
  - U of M team has worked with Nicollet SWCD/Great River Greening for community engagement – not actively doing stakeholder involvement at present.
  - Farm-scale modeling is next step.
  - High land values shouldn’t be considered a barrier
- Other Watersheds
  - Look in Waseca area – canning plants and crops; cover crop support
  - Cannon or Vermillion watersheds – groundwater protection an issue; crops more diversified; interest in soil health
  - Whitewater River – BMP progress

**Other comments**

- How much will water quantity and flood protection be factored into analysis – for example, Cedar River Watershed – flooding mitigation; retention?
- Consider looking at county boundaries rather than watersheds
- Engage Cargill, other major corporations – hog feed producers
- Compare all potential feedstocks prices to corn/soybeans
- Add biodiesel plants to analysis – Isanti plant (Ever-Cat) using camelina
- Sustainable Farming Association – working on contract grazing issues

**Next steps** – general support for concept of a longer symposium/workshop to share more detailed information, research findings.