



Feedlot Program

REPORT TO THE LEGISLATURE

June 2004



Minnesota Pollution Control Agency

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As required by Minnesota Statutes
section 3.197, the cost to write, print
and distribute this Legislative report is
\$3,300.

2003 FEEDLOT LEGISLATIVE REPORT

The Minnesota Pollution Control Agency (MPCA) is providing this legislative report for two reasons. First, as required in Minnesota Sessions Laws 2003 (1st Special Session, Chapter 2, Section 2), the MPCA is reporting on counties that receive state feedlot grant funds regarding “activities conducted under the grant, expenditures made, and local match contributions.”

Second, the MPCA is reporting on its activities, including the continued progress in responding to the January 1999 Legislative Auditor’s feedlot recommendations and the funding issues resulting from the unallotment process related to budget shortfalls during the 2003 legislative session.

MPCA FEEDLOT PROGRAM OVERVIEW

The MPCA is the principal agency for regulating feedlots in Minnesota. The MPCA has been regulating feedlot operations since the early 1970s. By law, the MPCA may also delegate some of its feedlot program responsibilities to counties. Delegated counties are a key component of the MPCA’s program strategy. The MPCA-County partnership provides assistance and regulation of the feedlot program near the project source. Thus, permitting, compliance inspections, and assistance are within reasonable travel times and response is timely.

In 1998, the Legislative Audit Commission directed the Office of the Legislative Auditor (Legislative Auditor) to evaluate the MPCA’s feedlot program. The Legislative Auditor issued the “Animal Feedlot Regulation: A Program Evaluation Report, prepared by the Office of the Legislative Auditor (January 1999)” (Audit Report). The Audit Report found a number of problems with the MPCA’s feedlot program and significant inconsistencies in the adequacy of delegated county programs. The MPCA and delegated counties continue to improve feedlot program through training, oversight improvements, and established protocols.

During 1999 and 2000, the MPCA focused its efforts on completion of feedlot rule revisions. The revised rules became effective in October 2000 and are found in M.R. 7020 (2000). These rules have improved consistency between county programs and the MPCA program. Additionally, producers and the general public understand what standards are required to site, design, construct and operate a feedlot in Minnesota.

Section A. MPCA – Delegated County Resources

Administration of Minnesota’s feedlot regulations is accomplished by a combination of state and local feedlot staff. Increased delegated county staff along with decentralized MPCA staff has improved service delivery. The feedlot program is implemented in seven (7) MPCA regional offices throughout Minnesota, using 33.5 MPCA FTE, and 55 delegated counties.

The MPCA feedlot budget is \$4,870,673. The MPCA reduced its feedlot staff complement in order to maintain funding for delegated counties in the FY04 - 05 biennium. Figure 1 below reflects the reduction to delegated

counties due to budget balancing measures taken by the Administration in 2003.

grants made available for delegated counties during this period.

Fifty-five Minnesota counties have delegated county feedlot programs. County programs are staffed by County Feedlot Officers and are funded by State grants based on the number of feedlots in the county. Counties must match the State grant one to one with cash or in-kind services. See Appendix 1 for detail grant allocation to delegated counties from 1995 through 2003. Figure 1 shows the trend for

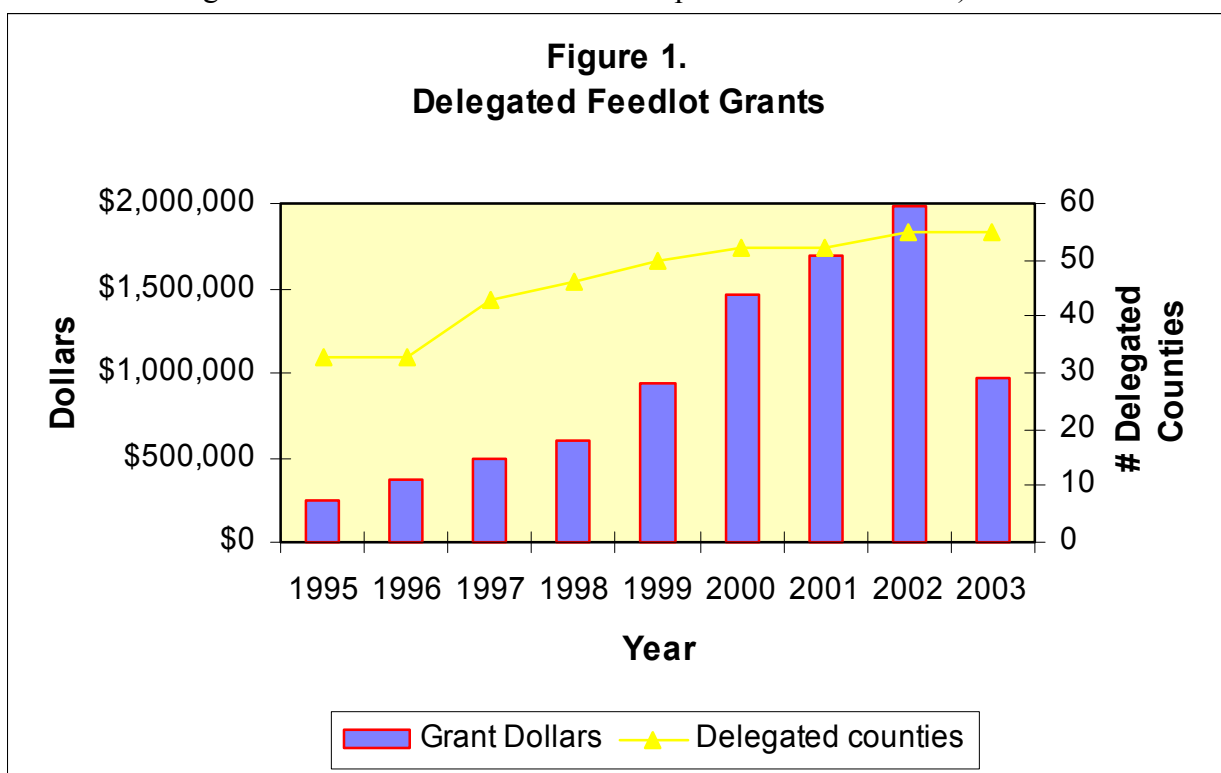
In 2003, the MPCA shifted funds (\$962,388) from other water programs to ease the local budget impacts and maintain efforts in registration and manure management plans.

FEEDLOT PROGRAM ACHIEVEMENTS

Section B. Delegated County Achievements

Delegated counties are important to the effective and efficient implementation of Minnesota's feedlot program. Delegated counties provide local understanding and commitment to the regulatory components of the feedlot program and to obtaining technical and financial assistance for livestock producers needing such aid.

1. Registration. Delegated counties were key in the completion of the initial effort to register existing feedlots by January 2002 in accordance with the feedlot rules (M.R. ch 7020 (2000)). About 29,000 feedlots were registered from October 2000 to January 2002. Delegated counties are now working with the MPCA and producers on Phase II of the registration (re-registration period – 2002 to 2006).



Appendix 3 provides a map of the number of registered feedlots by county. Delegated counties are highlighted in green on this map.

The MPCA and delegated counties are also working on data accuracy. The registration data is used for setting program strategies and environmental priorities. For example, the registration data is a valuable resource to estimate land availability to properly land apply manure from livestock facilities.

The registration data is also being used to study the potential phosphorus and nitrogen runoff into watersheds. Ultimately, corrections made by livestock producers will be tracked to show they are playing an important role in improving Minnesota's impaired waters.

The MPCA and delegated counties are working with the Board of Water and Soil Resources (BWSR) to maintain registration data electronically through BWSR's existing eLINK program, an interactive web-based database. This program is also used to gather annual reports and grant workplans.

2. Regulatory Components. Appendix 2 contains a detailed accounting of the

results achieved by delegated counties since the 2000 feedlot rule revisions. Figure 2 summarizes the key program achievements by delegated counties and uses 1997 as the pre-rule revision level of effort for comparison. It is important to note that delegated counties are focused in part on signing eligible livestock owners into the Open Lot Agreement (OLA) Program. This program resulted from the 2000 feedlot rule revision and provides small operators time to decide to close, expand or remain at current operating levels. Until the livestock owner makes these decisions, only a partial fix at the site is required.

Delegated counties are responsible for 77 percent of the open lot agreements signed thus far. In particular, Fillmore, Freeborn and Dakota counties have signed up 90 percent of their eligible livestock owners.

Much of the successful effort by delegated counties is due to additional effort made available through a federal 319 grant. Technicians were hired in eight counties in Southeastern Minnesota under this grant. Outreach to livestock owners were conducted to promote the use of the OLA. Delegated counties hosted meetings and the MPCA presented the program details. This joint effort continues to show how a local-state partnership is effective in

**Figure 2.
County Feedlot Program Statistics**

Measurement	1997	2001	2002	2003*
Number of delegated counties	43	52	55	55
Sites inspected	2,151	5,296	3,374	1,576
Permits issued	109	301	347	117
Complaints received	321	407	399	194
Open Lot Agreements signed	NA	575	1,315	1,592
Education Event Attendance	NA	4,745	2,456	1,192

***Note: Figures for 2003 are only for January through June as the program moves to Fiscal Year reporting**

managing a statewide feedlot program. From December 2002 through April 2003, information meetings were held at 25 locations with an attendance of 718 livestock owners.

Typical solutions for open lots include roofs over small lots, installation of clean water diversions, and the installation of vegetative filter and treatment strips.

3. Feedlot Owner Education. Education of feedlot owners continues to be an important component of the program. Delegated counties continue to sponsor information and training meetings. Most education and technical assistance occurs at the facility with direct efforts with the feedlot owner. See Figure 2 for efforts employed in this area.
4. Inspections. Counties conduct inspections at feedlots with less than 1,000 animal units, or sites within their boundaries do not have state and federal operating permits. In 2002, counties inspected 3,374 sites or about 15 percent of all feedlots in delegated counties.

Figure 2 on page 3 shows that 2001 was the high point for inspections and likely associated with the registration effort. In 2003, inspections are fewer, and likely the result of personnel adjustments in county offices due to funding reductions at the state level.

County inspection programs are established in their annual workplans. Counties work with the MPCA to maintain a field presence and work with feedlot owners to correct pollution hazards. Inspections are prioritized by pollution hazard and location with a random inspection effort of five percent of feedlots in their county.

Section C. MPCA Achievements

The MPCA feedlot program continues to make gains in every area. Service to feedlot owners continues to improve, new pollution protection and abatement programs were implemented, and the level of “field presence” was maintained statewide. However, the reduction in MPCA staffing impacted permit issuance times and types of inspection assistance provided. The MPCA is looking at program changes to maintain services and permit issuance times. See Section E.

Below is a summary and discussion of the more significant results generated in from the MPCA feedlot program.

1. MPCA completes permitting of nearly 90 percent of large feedlot operations (1,000 or more animal units). All feedlot owners with 1,000 or more animal units are required by federal and state regulations to have an NPDES permit. Prior to October 1, 2001, only a small number of feedlots with 1,000 or more animal units had been

**Figure 3.
NPDES Feedlot Permit Issuance**

Total estimated feedlots needing an NPDES permit.	566
Feedlots with NPDES permits on June 30, 2002.	467
NPDES permits issued from July 1, 2002 through June 30, 2003.	69
Total number of Minnesota Feedlots with NPDES permits.	536
Total number of NPDES permits remaining to be issued.	30

issued an NPDES permit. See Figure 3 on page 4. The MPCA has made the permitting of these facilities a priority. As a result, 536 NPDES permits have been issued since October 1, 2001, when all these facilities were required to apply for coverage under an NPDES permit. The remaining feedlot owners required to have NPDES permits have specific needs associated with them and are thus, taking some time to find solutions that meet the owners business plan in addition to the environmental regulations. Additionally, permittees are provided the protections guaranteed by permit coverage, such as no penalty when discharges caused by factors outside the permittee's control. See Appendix 4, which provides a map of the number of NPDES permits issued by the MPCA in each county.

In 2003, the Environmental Protection Agency finalized new regulations regarding large feedlots. These regulations established technical standards and defined the number of animals a feedlot owner may have before an operating permit is required.

Since the federal technical standards have few impacts on Minnesota's livestock owners, the MPCA has elected to meet the federal requirements through permit conditions and training. This decision was made after stakeholder meetings with counties, producers, environmentalists, and some legislators. A general consensus was

reached that Minnesota's existing feedlot rules are effective and the time is not right for another extensive rule process.

Minnesota expects that the number of NPDES permits may increase by about 150 as a result of the federal permits. As such, the newly defined facilities must receive a permit by April 2006. Thus, by 2006, Minnesota will have about 720 NPDES-permitted feedlots.

2. Timely issuance of permits to feedlot owners. The MPCA has improved markedly the amount of time required to issue a permit after receiving a complete permit application from a feedlot owner. Figure 4 shows that the MPCA met statutory permit issuance deadline requirements about 90 percent of the time since the statutory deadlines took effect. Timelines have been extended with the approval of the permittee so as to allow the permittee and the MPCA to find mutual solutions to a particular situation.

The results shown in Figure 4 are a substantial improvement from the issuance rates since the MPCA's report to the legislature in November of 2000 (Ability to Meet 60-day Issuance Deadline for Feedlot). The report indicated that permits issued in 1999 and 2000 were issued within the requirements of M.S. §15.99 only 49 percent of the time. Figure 4 reflects the issuance rates since the MPCA was required to meet M.S. §15.99. The MPCA continues to place emphasis on the

Figure 4.
MPCA Timeliness in Issuance of Feedlot Permits

Calendar Period	Percent issued in compliance with Minn. Stat. § 15.99
October – December 2001	90
January – December 2002	92
January – June 2003	93
Overall Average	92

timeliness of permit issuance, but the increase in complicated designs for new facilities and solutions for existing facilities may impact the time needed to issue permits.

3. Inspection goals met in FY03. The MPCA is responsible for conducting all feedlot inspections in non-delegated counties; inspections for all feedlots with 1,000 or more animal units throughout the state; and, providing assistance on feedlot inspections when requested in delegated counties. As Figure 5 shows, the number of inspections continues to increase. The MPCA has about 6.5 FTE focused on feedlot inspections.

The MPCA established the final inspection goals for FY03:

- Inspect all NPDES facilities by December 31, 2003;
- Average 78 inspections per month;
- Inspect construction sites prior to permit issuance;
- Inspect facilities with interim permits to document the completion of corrective actions;
- Begin to inspect feedlot owners manure management records; and
- Develop a uniform inspection form.

4. Feedlot Owner Education. The MPCA continues to coordinate with counties and the University of Minnesota Extension Service to provide regular educational opportunities for livestock owners, particularly related to manure

management. The MPCA also maintained a booth at the various producer annual meetings and other opportunities such as Farm Fest and Farm shows. The MPCA had a booth at 10 such events.

5. MPCA feedlot enforcement strategy emphasizes return-to-compliance. The MPCA and county feedlot programs work to communicate early and frequently with feedlot owners regarding matters of compliance. The MPCA uses many tools to achieve compliance including education, technical assistance, interim permits, and a range of enforcement actions. Enforcement actions with monetary penalties are typically used in cases of negligence and serious violations where environmental impacts are observed. Figure 6, on page 7, indicates the compliance and enforcement actions taken by the MPCA in recent years.

6. Land Application Program. The MPCA moved forward with several strategies to assist feedlot owners in meeting requirements for manure management. By January 1, 2005, owners of feedlots with more than 300 animal units must either have developed a manure management plan or employ a certified animal waste technician.

The MPCA believes it important to ensure feedlot owners have sufficient opportunity to become certified or gain guidance in development of their manure management plans. The following strategies were employed by the MPCA during FY03:

**Figure 5.
MPCA Feedlot Inspections**

Inspection Type	FY01	FY02	FY03
CAFO (1,000 animal units or more)	155	250	297
Construction	34	122	51
Interim Permit Corrections Complete	31	22	95
Assistance	104	268	278
Total MPCA Feedlot Inspections	225	662	721

- Host workshops to improve understanding of nitrogen and phosphorus management (25 meetings with 718 participants);
 - Track application rates and crop uptake. A report on this effort will be completed in April 2004;
 - Develop inspection forms specifically directed to assist in recordkeeping and proper application (distributed with November 2003 training sessions); and
 - Participate in research studying the economic benefit of using manure management planning to gain optimum use of the nutrients (project ongoing with completion in 2004, plan forms modified in 2003 to show economics and calculations provided in training workshops).
7. Establishment of county review program. The MPCA conducted ten county program reviews in FY03. The reviews examine the recordkeeping systems used by counties to track activities and the protocol used to conduct inspections and issue permits. Common issues found during reviews include insufficient documentation of inspections, insufficient documentation of completed corrections; receipt of incomplete permit applications, and insufficient review of manure management plans. The MPCA continues to work with
- counties to correct these deficiencies as identified in the Legislative Auditor's 1999 report.
8. Response to Legislative Audit Report. The Legislative Auditor conducted an audit of Minnesota's feedlot program and produced an Audit Report in January 1999. The Audit Report contained several recommendations for improvement. Appendix 5 provides a breakdown of the Legislative Auditor's recommendations and the MPCA's continued effort to respond to the recommendations.
9. Response to 2003 Federal Regulations. On April 14, 2003, new federal regulations for feedlots became effective. Most of the changes do not impact Minnesota feedlots. The few changes that do impact Minnesota feedlots address administrative and technical changes for large confined animal feedlot operations (CAFOs). Some changes include:
- New facilities called CAFOs and required to obtain permits;
 - Some changes in phosphorus management; and
 - Some additional recordkeeping, monitoring and reporting requirements.

Figure 6.
MPCA Feedlot Compliance/Enforcement Data

Compliance/Enforcement Response	Number of Actions FY02	Number of Actions FY03
Letters of Warning	127	25
Notice of Violations	14	8
Administrative Penalty Orders	17	1
Stipulation Agreements	1	1
Total Actions	159	35

During the summer months of 2003, the MPCA met with stakeholders on how Minnesota should address these changes. Agreement was reached that the changes should be completed through education, guidance and permit conditions rather than rule revision.

The MPCA is currently drafting a new General NPDES permit for review and comment by stakeholders and the EPA prior to placing the permit on formal public notice. The MPCA expects the new permit to be effective about October 2004.

FUTURE CHALLENGES

Section D. 2003 Legislation to meet Federal program requirements

The U.S. Environmental Protection Agency (EPA) informed the MPCA in January 2002 that cost-limitations provisions in M. S. 116.07, subd. 7(p) for feedlots determined to be CAFOs could result in an unacceptable shield to compliance with the federal NPDES requirement, and would be inconsistent with Minnesota's delegation agreement with EPA.

The MPCA worked with legislators and the EPA to draft legislative language acceptable to all parties. The language included the following phrase "or the facility is determined to be a concentrated animal feeding operation under the Code of Federal Regulations, title 40, section 123 in effect on April 15, 2003." This legislation was passed and removes the cost-limit restriction for pollution abatement for feedlots between 300 and 500 animal units that are designated as CAFOs. It is important to note that the MPCA has never designated a feedlot in this size range a CAFO. The MPCA has worked in the past with producers to eliminate the conditions that may cause a particular feedlot to be considered a CAFO. The 2003 legislative actions will not change the MPCA's approach in the future.

Section E. Future Feedlot Program Activities

The MPCA must continue to improve its program activities to ensure the feedlot program remains effective in serving the needs of both the farm economy and the environment. This section discusses some of the main areas that the MPCA must address in the next two (2) years. Appendix 6 reports the progress made on last year's future issues.

1. Open Lot Agreements. The revised feedlot rules established a program, called the Open Lot Agreement (OLA), to eliminate run-off from small Minnesota farms. The OLA allows feedlot owners to correct pollution problems over a several year period without being penalized for passive runoff from the open lots. To be eligible for this provision, a producer must sign an OLA by October 1, 2005, and eliminated 50 percent of the pollution hazard.

Currently, less than 20 percent of the estimated producers eligible to use the OLA have signed. Many reasons including time remaining are factors for the slower response to this tool than expected. In January 2003, nearly 15,000 producers received direct mailings to encourage their participation. Continued effort will be the focus of the MPCA and delegated counties. In Fiscal years 2003 and 2004, the MPCA expects to spend

nearly 3000 staff hours on assisting producers relative to open lot agreements and the repair of existing problems.

2. Maintain a strong county feedlot program.
The county feedlot program has proven effective in ensuring good service to feedlot owners and to maintain an effective regulatory field presence. However, this program continues to face challenges: (1) adequate funding, and (2) consistent implementation are two critical ones. The MPCA and counties meet regularly and facilitate joint training opportunities to ensure MPCA staff and County Feedlot Officers (CFOs) approach compliance and permitting with the same understanding.

Funding the County Feedlot Officers sufficiently remains a top priority for the MPCA. The MPCA and CFOs are evaluating alternative formulas for funding county programs and establishing program guidelines for use of the funds. The MPCA and CFOs are also developing program objectives to ensure all participants are accountable and reflect the increased role of counties in feedlot regulation and the funds they receive for administration.

3. Develop new approaches to the compliance component of program.
Current mechanisms and strategies for working with producers to achieve compliance with state and federal rules are cumbersome. An improvement just developed is an inspection checklist (found on the MPCA webpage) for use by county and MPCA staff during on-site inspections. The inspection checklist provides a thorough and consistent inspection process and by placing it on the webpage, the MPCA believes producers will begin to understand the process. When enforcement is required, the MPCA is

considering the use of generic enforcement documents for use at sites with similar violations.

While the above paragraph illustrates documents the MPCA is developing to improve its approach to compliance as related to inspections, the MPCA is looking to change its overall approach to compliance. In 2004, the MPCA will develop with stakeholders a program based on environmental results. Included in this program is the development of tools such that producers can evaluate their own facility and determine if they are in compliance. Along with these tools, the MPCA will develop a self-certification program, by which producers review their site, complete a form, and report to the MPCA/county their compliance status. If the producer is out of compliance, they have the opportunity to submit a plan indicating the fixes necessary and the timeline that will be followed.

The MPCA believes it will be able under this program to take advantage of audits already being done by producer groups. The MPCA will be working with producer groups as part of the development and implementation efforts to ensure that duplicative efforts are eliminated.

After a producer is certified, the MPCA will develop annually a list of inspections to be completed based on statistical representation of a particular sector (i.e. dairy facilities, swine operations).

The MPCA believes this approach will focus state and county staff at the more problematic situations and allow time to be spent with producers obtaining compliance while the majority of facilities will continue to manage their operations without inspection.

Data will be collected to inform legislators, general public and the federal government about the rate of compliance. The efforts made by producers should be documented to ensure sufficient cost-share funds are available and that proper technical assistance is available to correct problems.

4. Managing for Environmental Results. The MPCA and CFOs are interested in quantifying the reduction and prevention of pollution from feedlots. Currently, the best indicator of success is the number of sites receiving permits to correct pollution hazards. The MPCA and CFOs are researching methods to account for nutrient management and bacteria control to document environmental improvement. The MPCA intends that future reports indicate the environmental results achieved through this important program.
5. Process Improvement. A livestock taskforce has been established by the Governor, of which the MPCA is a member. The taskforce will evaluate the competitive status of Minnesota's livestock producers and processors with the goal of developing recommendations to support the retention and growth of the industry. The taskforce will develop recommendations intended to ensure that animal agriculture is a healthy part of Minnesota's economy. The MPCA looks forward to working with the taskforce, and ensuring positive environmental outcomes.

To that end, the MPCA looks to suggestions from the taskforce regarding process improvements that could be made in the feedlot program that ensure environmental outcomes are effectively accomplished.

APPENDICES

1. Approved Delegated County Grant Requests (1995 – 2003)
2. Delegated County Results Achieved (2001 – 2003)
3. Map showing registered feedlots by County
4. Map showing NPDES permits by MPCA
5. Response to Office of Legislative Auditor's Feedlot Program Recommendations
6. Future Issues - Progress Table

APPENDIX 1

County Feedlot Grant Program State of Minnesota

History of County Feedlot Delegation and Grant Program

Program Year		1995	1996	1997	1998	1999	2000	2001	2002	2003
Number of Counties Delegated		33	33	43	46	50	52	52	55	55
Award Amount Per Feedlot	*Base	\$5	\$15	\$15	\$30	\$40	\$50	\$50	\$50	N/A
	*Base Plus	\$15	\$25	\$25	\$35	\$50	\$80	\$80	\$80	\$N/A
Total Amount Awarded		\$239,535	\$376,270	\$494,390	\$607,665	\$932,090	\$1,463,666	\$1,696,980	\$1,980,563	962,388

*Delegated counties are awarded funding at one of two-levels (Base and Base +/-Inventoried). Counties that have conducted inventories and conducted site visits receive the higher rate (Inventoried). In 2002, counties were guaranteed a minimum of \$7500.

In 2003, budget shortfalls created a need to severely reduce grant allocations. Counties could not be funded based on complete registration numbers (Appendix 4), but rather on a more limited number based on feedlots greater than 50 animal units and outside of shoreland. The Table below shows these revised numbers.

2003 County Feedlot Grant Summary

Delegated County	Number of Feedlots	Award Amount	Delegated County	Number of Feedlots	Award Amount	Delegated County	Number of Feedlots	Award Amount
Big Stone	19	\$7,500	Lac Qui Parle	188	\$7,500	Rice	366	\$19,968
Blue Earth	356	\$18,512	Lake of the Woods	43	\$7,500	Rock	480	\$24,960
Brown	496	\$25,792	Le Sueur	195	\$10,140	Scott	138	\$7,500
Carlton	50	\$7,500	Lincoln	396	\$20,592	Sibley	334	\$18,356
Carver	289	\$15,756	Martin	181	\$9,984	Stearns	1780	\$92,560
Cass	39	\$7,500	McLeod	392	\$21,320	Steele	281	\$14,612
Cottonwood	241	\$12,532	Mille Lacs	85	\$7,500	Stevens	152	\$8,216
Crow Wing	61	\$7,500	Morrison	585	\$30,680	Swift	153	\$8,164
Dakota	259	\$13,468	Mower	452	\$23,504	Todd	673	\$35,300
Dodge	288	\$14,976	Murray	277	\$14,820	Traverse	50	\$7,500
Douglas	449	\$23,348	Nicollet	446	\$23,920	Wabasha	448	\$26,052
Faribault	367	\$19,084	Nobles	358	\$18,616	Wadena	136	\$7,500
Fillmore	804	\$41,808	Norman	40	\$7,500	Waseca	231	\$12,792
Freeborn	207	\$10,764	Pennington	58	\$7,500	Watsonwan	230	\$12,116
Goodhue	597	\$31,044	Pipestone	435	\$22,724	Winona	539	\$28,028
Houston	374	\$19,448	Polk	143	\$7,500	Wright	329	\$21,216
Jackson	411	\$21,372	Pope	267	\$15,184	Yellow Medicine	262	\$13,624
Kandiyohi	379	\$19,708	Red Lake	70	\$7,500			
Kittson	20	\$7,500	Renville	273	\$14,820			

APPENDIX 2

DELEGATED COUNTY

RESULTS ACHIEVED

Delegated County	Feedlot Totals	2001					2002				
		Sites Inspected	Permits Issued	Open Lot Agreements Signed	Complaints Received	Education Event Attendance	Sites Inspected	Permits Issued	Open Lot Agreements Signed	Complaints Received	Education Event Attendance
BIG STONE	161	8	3	0	5	N/R	5	1	0	0	4
BLUE EARTH	450	117	12	0	14	74	151	6	36	3	53
BROWN	578	68	10	0	5	400	61	5	0	4	0
CARLTON	271	23	0	0	2	332	19	1	0	1	20
CARVER	416	42	15	0	N/R	N/R	84	3	20	7	16
CASS	37	37	2	0	7	54	22	2	0	4	31
COTTONWOOD	298	51	7	0	12	45	58	6	0	2	0
CROW WING	107	0	0	0	3	26	3	1	0	3	0
DAKOTA	340	45	0	0	8	250	37	3	0	11	0
DODGE	505	35	7	0	10	922	35	6	45	6	113
DOUGLAS	566	75	0	0	2	150	35	0	15	2	15
FARIBAUT	494	157	9	0	2	0	56	5	0	2	100
FILLMORE	1567	N/R	9	0	8	30	223	26	80	7	194
FREEBORN	482	64	14	0	9	114	52	24	37	8	17
GOODHUE	1083	325	12	0	7	350	325	12	42	25	75
HOUSTON	611	N/R	6	0	1	130	160	6	46	2	60
JACKSON	601	127	14	0	7	150	188	15	0	2	0
KANDIYOHI	560	7	1	0	1	N/R	40	9	37	8	0
KITTSOON	23	N/A	0	0	0	100	3	0	0	0	0
LAC QUI PARLE	239	24	7	0	3	NA	0	1	75	1	0
LAKE OF THE WOODS	52	0	0	0	0	40	9	8	0	0	0
LESUEUR	340	N/R	8	0	14	112	32	3	35	18	153
LINCOLN	480	5	2	0	1	21	22	2	50	6	16
MCLEOD	477	31	12	0	13	32	70	6	0	21	0
MARSHALL	92	NA	NA	NA	NA	NA	NA	NA	NA	NA	NA
MARTIN	712	88	27	0	16	50	162	13	25	18	153
MILLE LACS	105	58	3	0	N/R	N/R	10	1	0	2	0
MORRISON	819	N/R	N/R	N/R	N/R	N/R	55	10	18	13	0
MOWER	857	N/R	12	0	8	163	137	19	0	1	65
MURRAY	440	26	6	0	5	0	12	0	0	7	0
NICOLLET	431	47	3	0	10	20	116	9	18	6	120
NOBLES	462	28	3	0	6	10	42	17	0	12	59
NORMAN	56	52	N/R	0	2	N/R	4	0	0	3	0
PENNINGTON	82	NOT DELEGATED					10	0	0	0	80
PIPESTONE	584	32	5	0	7	30	37	6	48	5	70

APPENDIX 2
DELEGATED COUNTY
RESULTS ACHIEVED

Delegated County	Feedlot Totals	2001					2002				
		Sites Inspected	Permits Issued	Open Lot Agreements Signed	Complaints Received	Education Event Attendance	Sites Inspected	Permits Issued	Open Lot Agreements Signed	Complaints Received	Education Event Attendance
POLK	137	N/R	0	0	4	10	17	1	0	12	8
POPE	401	388	N/R	0	9	N/R	53	3	45	7	4
RED LAKE	104	7	0	0	0	40	10	0	0	0	50
RENVILLE	414	NOT DELEGATED					27	5	29	2	29
RICE	1173	15	1	0	15	40	93	4	30	10	50
ROCK	618	115	21	0	4	300	143	17	120	2	300
SCOTT	274	NOT DELEGATED					49	0	20	4	0
SIBLEY	672	115	4	0	15	100	136	0	20	15	50
STEARNS	2613	2541	N/R	0	47	NA	224	50	100	35	100
STEELE	553	118	7	0	2	NA	20	4	50	5	86
STEVENS	185	10	2	0	2	150	11	2	40	1	30
SWIFT	207	8	4	0	1	95	11	2	16	1	19
TODD	988	120	19	0	10	NA	78	11	0	9	32
TRAVERSE	61	60	0	0	3	NA	5	0	0	3	0
WABASHA*	682	15	2	0	10	140	151	10	0	2	135
WADENA	233	N/R	1	0	1	NA	39	0	15	0	41
WASECA	348	17	7	0	56	26	42	7	10	65	30
WATONWAN	265	22	10	0	10	57	35	2	0	5	30
WINONA	936	111	7	0	15	125	129	3	55	16	110
WRIGHT	545	28	3	0	8	115	62	4	8	20	15
YELLOW MEDICINE	373	36	4	0	7	42	38	3	0	0	42
Total		5298	301	0	407	4845	3648	354	1185	424	2575

APPENDIX 2

DELEGATED COUNTY RESULTS ACHIEVED

Delegated County	2003					
	Feedlot Totals	Sites Inspected	Permits Issued	Open Lot Agreements Signed	Complaints Received	Education Event Attendance
BIG STONE	161	6	3	2	6	0
BLUE EARTH	450	67	1	2	2	36
BROWN	578	27	3	23	6	0
CARLTON	271	19	0	13	1	0
CARVER	416	43	4	12	5	20
CASS	37	3	0	0	1	0
COTTONWOOD	298	24	2	0	0	0
CROW WING	107	0	0	0	1	0
DAKOTA	340	21	0	208	5	0
DODGE	505	12	1	8	0	45
DOUGLAS	566	5	0	1	1	15
FARIBAULT	494	1	0	0	3	0
FILLMORE	1567	63	4	225	3	80
FREEBORN	482	17	0	111	13	37
GOODHUE	1083	112	3	301	4	42
HOUSTON	611	75	0	426	1	46
JACKSON	601	31	1	1	0	0
KANDIYOHI	560	35	2	0	2	37
KITTSOON	23	3	1	0	0	0
LAC QUI PARLE	239	8	4	0	1	75
LAKE OF THE WOODS	52	0	0	0	0	0
LESUEUR	340	1	3	10	8	35
LINCOLN	480	1	1	6	3	50
MCLEOD	477	142	8	0	4	25
MARSHALL	92	N/R	N/R	N/R	N/R	N/R
MARTIN	712	2	0	0	3	0
MILLE LACS	105	24	0	0	1	0
MORRISON	819	44	1	4	3	18
MOWER	857	25	2	21	1	230
MURRAY	440	54	6	0	2	0
NICOLLET	431	22	6	3	4	18
NOBLES	462	4	5	0	6	0
NORMAN	56	5	0	0	1	12
PENNINGTON	82	NOT DELEGATED				
PIPESTONE	584	0	0	36	1	48

APPENDIX 2

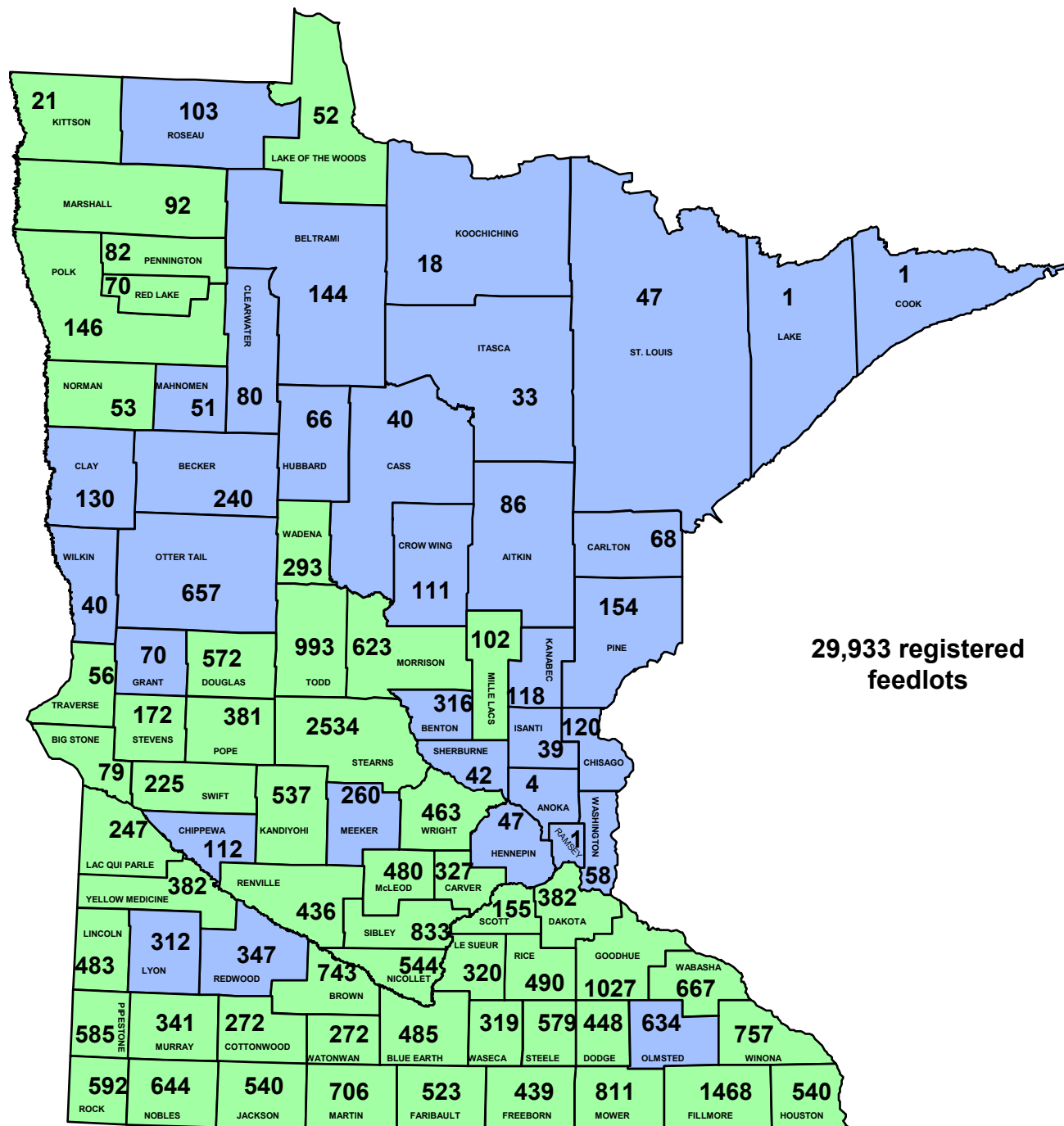
DELEGATED COUNTY

RESULTS ACHIEVED

Delegated County	2003					
	Feedlot Totals	Sites Inspected	Permits Issued	Open Lot Agreements Signed	Complaints Received	Education Event Attendance
POLK	137	7	0	4	0	0
POPE	401	0	0	7	3	45
RED LAKE	104	12	0	0	0	0
RENVILLE	414	37	4	3	5	29
RICE	1173	166	4	42	8	30
ROCK	618	21	0	1	1	120
SCOTT	274	71	0	3	3	20
SIBLEY	672	134	0	3	20	20
STEARNS	2613	41	21	6	17	100
STEELE	553	9	3	20	4	50
STEVENS	185	1	0	3	0	40
SWIFT	207	16	2	0	2	16
TODD	988	1	1	172	7	0
TRAVERSE	61	1	1	8	0	0
WABASHA*	682	Data Not Available Due to Loss of CFO				
WADENA	233	12	0	0	0	15
WASECA	348	25	3	3	14	10
WATONWAN	265	11	2	0	6	0
WINONA	936	78	4	128	5	55
WRIGHT	545	18	4	8	7	8
YELLOW MEDICINE	373	8	4	3	0	0
Total		1565	114	1827	194	1427

APPENDIX 3

Number of Registrations Received by County *

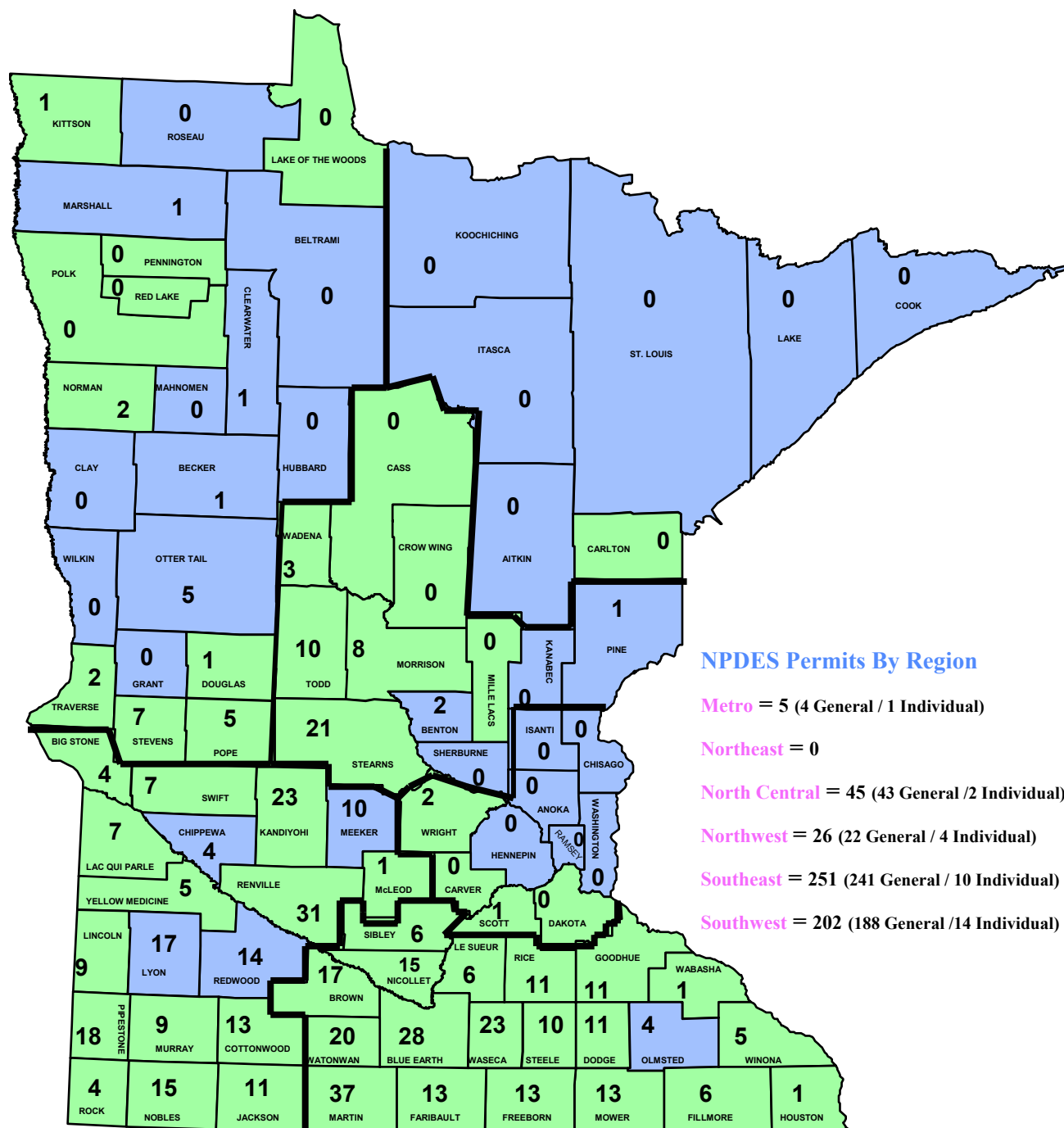


Green shaded counties are in the MPCA County Feedlot Program

***Numbers based on available information as of October 10, 2003.**

APPENDIX 4

NPDES Permits Issued by County *



NPDES Permits By Region

Metro = 5 (4 General / 1 Individual)

Northeast = 0

North Central = 45 (43 General / 2 Individual)

Northwest = 26 (22 General / 4 Individual)

Southeast = 251 (241 General / 10 Individual)

Southwest = 202 (188 General / 14 Individual)



Green shaded counties are in the MPCA County Feedlot Program

*Estimated 566 facilities need an NPDES Permit based on December 31, 2001, data.

Numbers based on available information as of October 10, 2003.

More Permits under review for issuance.

APPENDIX 5

ANIMAL FEEDLOT REGULATION: A PROGRAM REPORT PREPARED BY THE OFFICE OF LEGISLATIVE AUDITOR, JANUARY 1999

The MPCA provides the following response to recommendations contained in the Office of Legislative Auditor's report of January 1999.

PROGRAM ACTIVITY	RECOMMENDATION	MPCA RESPONSE	MPCA PROGRESS
Permitting			
	MPCA conduct more site visits during and after construction work.	MPCA and county feedlot officers are required to visit construction sites.	Required in 2001. Inspections have doubled from 225 in 2001 to 527 in the first 9 months of 2002.
	MPCA should conduct more site visits prior to issuing feedlot permits, particularly in environmentally-sensitive areas.	MPCA and county feedlot staff are required to visit all sites prior to permit issuance.	Required in 2001. - 95 percent of sites are inspected prior to permit issuance.
	MPCA should strive to provide a thorough review of permit applications and ensure that required documents are filed with the MPCA in a timely way.	MPCA developing review checklists and filing requirements.	Implemented October 2003 by MPCA and county feedlot staff.
	MPCA should notify feedlot owners with expired interim permits and take appropriate actions.	Using DELTA database, MPCA initiated tracking in 2002. Counties are using spreadsheets supplied by MPCA.	Implemented in July 2003 by MPCA and county feedlot staff.
	MPCA also needs to develop a tracking system to make sure that feedlot owners follow through on permit requirements.	MPCA using DELTA database for tracking feedlot compliance with permit requirements.	Tracking began in 2001. Evaluation of data began in August 2003 as permits have two year timeframes to complete tasks.
	MPCA should strive to reduce its permitting backlog and reduce the amount of time producers wait for their applications to be reviewed.	MPCA eliminated 95 percent of backlog in 2000/2001 and reduced permit issuance time by 50 percent in 2002.	Focused backlog reduction in 2000 and 2001. Reduced permit review time focus since October 2001.
	MPCA should track timeliness of its performance in issuing permit applications.	MPCA tracking performance.	Tracking initiated in 2001. Since initiated in October 2001, permit issuance within 120 days of receiving a complete permit application was greater than 90 percent. This timeframe reflects an improvement from 49 percent prior to October 2001.
Complaint Handling and Enforcement			
	MPCA should require regular status reports from investigators to ensure progress is being made on water quality enforcement	MPCA began status reports from compliance staff in September 2002, as part of the development of an electronic reporting.	MPCA will be using electronic reporting by March 2003.

PROGRAM ACTIVITY	RECOMMENDATION	MPCA RESPONSE	MPCA PROGRESS
	cases.		
	MPCA should have more staff resources assigned to water quality enforcement activities in order to reduce the backlog and speed up the resolution of cases.	MPCA requested reallocation of 3 FTE in 2001 Legislative session.	Increased from 3 FTE in 1998 to 6 FTE in 2002; new staff hired by February 2002. 2003 Unallotment process reduced number to 4 FTE.
	MPCA should ensure that regional offices are consistent in their willingness to investigate potential water quality violations.	MPCA assigned Feedlot compliance coordinator and Feedlot program manager with this responsibility in October 2000. Additionally, Minn. R. part 7020.1600 requires more compliance efforts from delegated counties.	Ongoing effort to ensure consistency. This effort will require additional efforts as the feedlot program at the MPCA and delegated counties is ramped up and new staff receives training.
Ongoing Oversight of Feedlots			
	Legislature weigh the need for additional county inventories for regulatory purposes along with the budget request it will receive for the Generic Environmental Impact Statement on Animal Agriculture.	The need for county inventories was replaced by a registration and inspection program in October 2001 (Minn. R. ch. 7020).	Revised feedlot rules of October 2000 establish this protocol. Over 29,000 feedlots are registered as of November 2002.
	Policymakers should consider alternative ways of reducing water pollution emanating from small feedlots, including the need for additional public funds and cost-effective ways of achieving a reduction in water pollution.	The 2001 Legislature increased funding for cost-share at feedlots. Minn. R. ch 7020 provides producers of small feedlots the option of signing an Open Lot Agreement and receives a 10-year compliance window or use an interim permit to correct situations in two years.	Required compliance standards: October 2005 – 50 percent reduction in runoff from open lots October 2010 – 100 percent compliance MPCA Goal: 7500 open lot agreements by 2005 As of January 2002, 334 open lot agreements had been signed. This represents about 4 percent of the MPCA's goal. Producers have until October 1, 2005, to sign the Open Lot Agreement. As of December 2003,
MPCA Oversight of Counties			
	MPCA should provide more effective oversight of county feedlot programs. MPCA should ensure that counties are meeting the financial requirements set forth in law	In 2000, increased funding from \$40 to \$50 per feedlot for no inventory, and from \$50 to \$80 per feedlot for Level II inventory. A Level II inventory requires a site	Legislature should continue one-time biennial appropriation to counties in 2003 session. – 2003 budget deficit necessitate MPCA modification to its staffing to ensure funding for delegated

PROGRAM ACTIVITY	RECOMMENDATION	MPCA RESPONSE	MPCA PROGRESS
	and should establish expectations and standards for county feedlot programs.	visit of any feedlot before it may be listed. In 2001, provided for minimum funding for counties of \$7500.	counties. MPCA Goal: complete 10 county program reviews per year. In 2002, the MPCA began a formal program review at the county level. Five program reviews were completed in 2002.
	MPCA should encourage, and the Legislature should support, the participation of additional counties in the feedlot program.	Stable funding needed to support additional delegated counties.	Counties and MPCA working together to evaluate funding formula for proposal in Legislative session 2005. Funding is critical to maintaining a strong county presence: 1995 - 33 delegated counties (\$239,000) 1998 – 47 delegated counties (\$607,665) 2001 – 55 delegated counties (\$1,696,980)
	MPCA should attempt to ensure that county feedlot officers receive adequate training.	Training events in 2001/2002 with formal Feedlot Academy in development.	Training events: March 2001/October 2002/May 2003. MPCA Goal: Academy begins in June 2004.
Implementation Options			
	MPCA should make every possible effort to implement the recommendations in this report using existing resources.	The MPCA provided a needs analysis for additional resources to 2001 Legislature in its November 15, 2000, "Report to Legislature on: The Minnesota Pollution Control Agency's Ability to Meet 60-day Issuance Deadline for Feedlot Permits".	2001 Legislature approved funding for 9 additional FTEs for the MPCA to improve its response to permit issuance, compliance activities, and oversight of delegated counties.
	MPCA and counties probably need additional resources to address certain problems in feedlot regulation.	MPCA requested additional resources from the 2001 Legislature in terms of increased staffing for the MPCA and funding for delegated counties.	2001 Legislature approved an additional 9 FTE for the MPCA and a one-time biennial funding for counties in the amount of \$500,000. 2003 Unallotment process resulted in the elimination of the \$500,000, but the MPCA shifted salary funds to replace this loss by eliminating 6.5 FTE.
	It is unclear how much additional resources MPCA may need to improve its	The MPCA provided a needs analysis for additional resources to 2001 Legislature	Completed December 2002

PROGRAM ACTIVITY	RECOMMENDATION	MPCA RESPONSE	MPCA PROGRESS
	feedlot program.	in its November 15, 2000, "Report to Legislature on: The Minnesota Pollution Control Agency's Ability to Meet 60-day Issuance Deadline for Feedlot Permits".	
	Prior to request for additional staff, MPCA should provide the Legislature with more information on its estimated workload and the average amount of staff time it takes to complete major tasks.	The MPCA provided a needs analysis for additional resources to 2001 Legislature in its November 15, 2000, "Report to Legislature on: The Minnesota Pollution Control Agency's Ability to Meet 60-day Issuance Deadline for Feedlot Permits".	Completed December 2002
	Before appropriating any additional funds to increase MPCA staffing, the Legislature should consider whether funds from other MPCA activities could be permanently reallocated to feedlot regulation.	The MPCA reallocated 3 FTE for activities related to the feedlot program.	The 3 FTEs were instrumental in issuing 229 NPDES permits from June 2001 through December 2001.

APPENDIX 6

Progress Report on Feedlot Program Challenges (as identified in previous Legislative Reports)

YEAR	CHALLENGE DESCRIPTION	MPCA RESPONSE	MPCA PROGRESS IN 2003
2002			
	Correct statute setting cost-limits on pollution upgrades conflicts with federal regulations.	MPCA met w/legislators representatives of producer groups, and EPA and drafts language to resolve a legal conflict without being an obstacle to MPCA approaches to working with feedlots affected by this law.	The 2003 legislature passes language “the facility is determined to be a concentrated animal feeding operation under the Code of Federal Regulations, title 40, section 123 in effect on April 15, 2003.” that effectively resolves legal conflicts and, at the same time, allows Minnesota to use cooperative approaches to eliminate conditions that might make a feedlot a CAFO.
	Open Lot Agreements		<ul style="list-style-type: none"> • 15,000 Open Lot Brochures mailed to eligible feedlot owners. • 25 OLA information meetings from December 02 – April 03.
	Creating New Approaches through Partnerships.	MPCA currently works with other public institutions and agencies (MDA, BWSR, U of M, NRCS) to develop and implement education regulatory and technical assistance for livestock producers.	<p>The MPCA feedlot program continued a cooperative effort with other state agricultural agencies to develop materials and host workshops for handling of livestock waste including:</p> <ul style="list-style-type: none"> • Manure Management Plan training for producers - 44 meetings fr. 10/1/1 - 9/30/2 • 18 Small-Group NMP workshops in March and April 03. <p>The MPCA drafted model contracts for counties to employ other local government services to implement requirements of the feedlot program.</p> <ul style="list-style-type: none"> • Delegation Agreement • SWCD Factsheet
	Develop feedlot rules consistent with social & environmental considerations.	MPCA was an active participant in the development of the Generic Environmental Impact Statement on Animal Agriculture (GEIS), a comprehensive study done to further government policies through understanding technical, social and cultural factors.	
	County Feedlot Program	MPCA is committed to implement the feedlot program through a partnership with County Programs. Thus, the MPCA emphasized County financial support, training, and consistent program administration through maintaining MPCA/County Program policy committees and oversight mechanisms.	<p>MPCA arranged for regularly Quarterly CFO meetings in most of the MPCA regions: In October 2002, a statewide two-day training event was also hosted by the MPCA. The MPCA, also, conducts training and education sessions at the MACFO annual event.</p> <p>The MPCA worked through the County Programs Team (CPT) to clarify and establish agreed upon county feedlot program priorities and performance standards.</p>

	Land Application of Manure		<ul style="list-style-type: none"> • 18 Small-Group NMP workshops in March/ April 2003. • Manure Management Plan training for producers - 44 meetings from October 2001 – September 2002
	Pasture Operations	MPCA works w/producers, legislators and other stakeholders to develop a guide defining acceptable management practices for livestock producers who employ winter-feeding as part of their livestock operation.	<ul style="list-style-type: none"> • Guideline for Winter Feeding published.
	Approaches to Compliance		<ul style="list-style-type: none"> • Design of new inspections form with distinctions included for inspection type and for land application review. • Begin work on self-certification of compliance