Quarterly Report 1
Covering the first quarter (plus April) of calendar year 2005
Supersedes update sent to Ludmilla Koralewska April 11, 2005

I. Achievement of Milestones – the following table covers milestones or major deliverables scheduled through April 30 in the original workplan.

Milestone	Progress
Finalize partner roles	Understanding has been reached – roles will really be "finalized" when project-specific personnel are trained.
Final workplan	Although the workplan had this scheduled early, it really can't happen until the volunteer pool is complete and MPCA staffing issues are resolved.
MMPA contract	A "grant" was determined to be the best vehicle. Paperwork is started. Although this milestone is behind its original schedule, given other delays it will be done in time, by July 1 – before initial assessments begin (probably in August).
EBPIs and compliance goals drafted with stakeholders	EBPIs have been drafted and will be finalized with stakeholders. Compliance goals are still being discussed. In general, though, it appears that 100% compliance will not be required by the end of the project - progress towards compliance or improvement will be sufficient.
EBPIs needed for inspector checklist, trainings, database	The EBPIs are being developed in the form of an inspector checklist, so that they are practical for use in the field. They will be finalized prior to training of the specific county, MPCA, and MMPA technicians involved.
	The database development is lagging because of MPCA data staff turnover and difficulty reconciling MPCA and county dairy databases. It's not been determined yet how to resolve this issue. For purposes of the outreach mailing, we used the list of 1,070 dairies the MN Department of Agriculture had inspected and approved for sale of milk in the two counties. Data in the MPCA and county databases was older, probably not reflecting dairies going out of business or site changes.

Milestone	Progress
EBPIs must be finalized before inspector checklists – stakeholder support before "dry run"	This should be accomplished, although we still need to figure out how and when to schedule the dry run assessments (most likely in late June after planting).
Certification and notification form content	Certification is no longer in play in the project, at least for now. Initial (baseline) "assessments" (not inspections) will be conducted by MMPA technicians and state/county regulatory staff acting in a data-gathering, non-regulatory role. Similarly with project-assessment site visits near the end of the project. Assessment reports will be generated by MMPA technicians and regulatory staff who will make a judgment as to how well the technicians did in guiding dairies towards or into compliance.
Universe data available for sample generation	No longer applicable. It is becoming apparent that we will not be in the position to pick and choose among participants. Our volunteer pool is very likely to be well short of the target of 50, which was already problematically small from a statistical design standpoint.
Incentives must be in place before program materials and marketing	Completed policy on enforcement relief during the project period. Still investigating confidentiality policy.
Policies stated in outreach	Done. "State or county enforcement against noncompliance is waived during the project's 2-year life." Exclusions for major noncompliance detailed.
Customer-tested brochure used	Done. The decision was made to use the MMPA's existing Environmental Quality Assurance Program brochure accompanied by a one-page letter from the project partners which added the project twist.
Outreach mailing complete	1,070-piece mailing sent April 26.
MPCA web site	Needs to be developed and project materials posted.
Optimize Cadmus' time with assistance by MPCA staff proficient in statistical analysis	Completed by January 1. On MPCA's request, Cadmus' report runs two scenarios with different numbers of volunteers participating, and with different numbers of non-participants inspected (or assessed).

Milestone	Progress
Be prepared for recruiting results, when known	Progress made, but as noted, several key workplan elements need attention before the time when results are known, now projected to be July.
Goal was to have volunteers by May 1	This milestone was missed, and is now being pushed back, possibly as far as July 31 for some. Some participants may be ready for their Initial Assessment before that time; it all hinges on when their planting and other major spring fieldwork is done.
Basic project awareness training for MPCA, county feedlot staff, Dept of Agriculture dairy inspectors, and MMPA technicians - complete before recruitment	Several meetings, speaking events, and one training have spread awareness of the project among MPCA and county feedlot staff and MMPA technicians. However, we have not found the time or means yet for reaching MN Department of Agriculture dairy inspectors. That effort will continue.
Workbook content – complete	The workbook is near final. The project will adopt MMPA's Environmental Quality Assurance Program workbook which has already seen received significant input from MPCA and counties over its 2-year lifespan. Only one possible change remains to be decided, involving on-site sewage treatment facilities.
QAPP progress – needs to wait for final set of volunteers	The QAPP cannot be finalized until late July, if the timeline mentioned above holds. Then the volunteer pool will be known. We will need to discuss with stakeholders and advisors whether the project will be in a position of accepting all volunteers or needing to create a sample. Our sampling technique for the control assessments will definitely be part of the final QAPP.

II. Overall Progress

Accomplishments:

- County partners - The two intended pilot counties, Stearns and Winona, have formally agreed to participate. County staff will assist with development, outreach and recruitment, and on-site farm assessments.

- Statistical design - We have completed discussions of statistical design with Cadmus Group, and received a report outlining opportunities and limitations based on two different scenarios of participation response. This will guide us in final project design and workplan, and in completing the Quality Assurance Project Plan (QAPP).

- Measures (EBPIs) - Draft environmental measures are complete. We will conduct discussions with participants and stakeholders (including EPA) as outlined in the QAPP prior to finalizing our intended measures. After that process takes place, we will finalize the QAPP and send it to EPA.

- Outreach - A mailing went out the last week of April to all Stearns and Winona County dairies which are currently licensed by the Minnesota Department of Agriculture to sell milk (about 1,070). This is a significantly smaller group than is stored in county and MPCA regulatory databases, but the MDA database is apparently more up-to-date (through 3/05) and based on actual site inspections of dairies. (We hope the project offers opportunities to improve the accuracy of the regulatory databases.) The purpose of the mailing is to allow as many dairies as possible to self-select their participation. 12 dairies have signed up since the mailing, 4 in Winona and 8 in Stearns (MMPA believes they're all under 1000 animal units).

- Direct recruitment - After the mailing, direct one-on-one recruitment will begin, conducted by the Milk Producers Association, county, and MPCA officials. This will continue until we have tapped all contacts, or until we reach 50 participants, whichever comes first.

- Training - Basic project training of Milk Producers Association technicians and their cross-training in aspects of compliance took place April 12-13.

- Milk Producers Association support - We expect to complete a grant agreement with the Milk Producers Association by July 1. This grant will allow MMPA to waive their usual $100 fee for participation in the assessment program, and will support their technicians' extra role in conducting a final assessment for purposes of the project.

Challenges:

Additional workload came on as the feedlot program moved into implementation of the federal CAFO rule with 150 new NPDES permits. Concurrently, the feedlot program has experienced a reduced staffing level statewide. The combined effect is delaying several project milestones. The program and project team are working on a solution to this, and expect to hire an unclassified staffer for up to a year and a half, paid out of the EPA cooperative agreement.

On their end, the Minnesota Milk Producers Association (MMPA) also experienced some delays in turning around project materials and getting technician training delivered. To address these issues, MMPA added one staff person in March and will hire another in June to help keep the project running smoothly.

More specifically, challenges include:

- We had hoped to have our participants signed up by planting time in May. Because of delays, we'll have to wait until after planting to complete that process, with a more realistic end date for signups of July 31. The project timelines will need adjusting.

- The full implications of this being a pilot depending on voluntary participation are beginning to unfold. We've been unable to pull together a strong package of enticements, although there are some. This will result in a very small sample size - probably even less than the modest 50 we had planned for - so that drawing sound statistical conclusions about the compliance rate of the sector statewide or in the participating counties will be difficult. It may even be a challenge to draw reliable conclusions about the value of the EQA tool, which would really threaten the project's basis.

- We've moved away from the producer's process being a true "self-certification" since MMPA was unwilling to market the existing EQA program in that way, plus it appears producers are most comfortable having third-party assistance. We've also distanced ourselves from calling it "self-certification" ("assessment" is preferred) and having county and state regulators treat it as such within the pilot project. What we learn in the pilot about the accuracy of self- or third-party assessments of performance and compliance will provide us the basis for possibly moving to full self-certifications as an accepted tool after the project.

- With the changes mentioned in bullets 2 and 3 in under this section (Challenges), we will need to have conversations with EPA to see if we're still on track with their expectations for the project.

- What size dairies? - We're still not decided on if and how to restrict participants groups to dairies of smaller size (under 700 cows). The de-emphasis of self-certification within the pilot may allow us to include large NPDES-permitted in the participant groups without becoming entangled in questions of the propriety of self-certifications for CAFOs, at least within the project. Conversely, there appear to be advantages in focusing on smaller dairies from the standpoint of the state program. To date, all dairies expressing interest in project participation are non-CAFO facilities.

III. Level of Expenditures

Since final decisions and actions on project staffing are still under way, no federal money has been allocated yet. Once staffing and funding actions are complete, a decision will made on whether to charge the Cooperative Agreement for some or all of MPCA staff time back to January 1.