

BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION MINUTES

June 14, 2012

The Board of Agriculture, Trade and Consumer Protection met on June 14, 2012 at the BelGioioso Corporate Office, 4200 Main Street, Green Bay, WI. The meeting was preceded by public notice as required by s. 19.84, Stats.

Call to Order

Board Chair Andy Diercks called the meeting to order at approximately 10:30 a.m.

Members Present

Miranda Leis, Mark Schleitwiler, Andy Diercks, Pam Garvey, Margaret Krome, Enrique Figueroa John Koepke and Richard Cates attended. Michael Dummer was absent.

Minutes

Motion

Enrique Figueroa made a motion to approve the May 16, 2012 minutes. Second by Richard Cates. Motion approved unanimously.

Public Appearances

Kara Slaughter, Wisconsin Farmers Union (WFU), Madison, spoke to the Board on the Purchase of Agricultural Conservation Easements (PACE) Program and PACE Report recently released by the Department. WFU commended department staff for the work on the PACE report, specifically for the recommendations and observations for the application and approval process and the future funding potential for the PACE Program. WFU supports the PACE program as one of several tools for farmland preservation that Wisconsin has available.

Tom Sweeney, Rock County Land Conservation Department, Janesville, spoke to the Board in support of the state's efforts to continue the Purchase of Agricultural Conservation Easement (PACE) program. Rock County has participated in the PACE program and committed \$125,000 for three approved applications that were forwarded on the NRCS for federal funding, which will protect 390 acres of farmland. Rock County is losing large areas of prairie and farmland due to expanding roadways and expanding suburbs. Mr. Sweeney stated that Al Sweeney, a member of the committee to develop the PACE report was unavailable to attend the meeting, but wished to express his support for the continuation of the PACE program and recommended Board approval of the report.

Kyle Zweig and Susan Buchanan, Zweig Maple Acres and Tall Pines Conservancy, Ashippin, described their experience with and opinion of the Purchase of Agricultural Conservation Easement (PACE) program to the Board. Two years ago, his business applied to the PACE program in order to permanently preserve their property for farming and to provide funds for

reinvestment in the property. The funds received from the program allowed Zweig and his brother to enter dairy farming with permanent employment, eliminate debt, update machinery, construct a grain handling system and purchase an additional 40 acres of farmland. That created a path for the 6th generation of farmers in the family. Zweig said private individuals are eager to support agribusiness and preserving and strengthening agriculture will benefit the state in the long-run. Buchanan supports the comments made by Zweig and discussed efforts of raising private funding for Tall Pines Conservancy, which were leveraged by state and federal programs. Buchanan urged the department to explore a way to continue to fund the PACE program.

John Manske, Cooperative Network, Sun Prairie, spoke to the Board and expressed his appreciation to Secretary Brancel for the collaborative process utilized to bring all stakeholders together on the subjects of identifying ways to improve the viability of Wisconsin dairy industry over the long term and to insure that Agricultural Chemical Cleanup Program and Agrichemical Management fund moneys are used as intended. Manske thanks the Secretary and agency staff who have maximized the involvement of interested parties as important programs and funds are developed, reviewed and revised.

Weenonah Brattset, Jefferson, spoke to the Board in support of the Purchase of Agricultural Conservation Easement (PACE) program. Her 250 acre Jefferson County farm is one of 15 that has been preserved by a PACE funded easement. The creation of the PACE program preserved the farm and made the farm sustainable. Brattset believes that converting the PACE program to a matching grants program would be a much more efficient use of funds.

Christa Behnke, Marion, spoke to the Board in support of the Purchase of Agricultural Conversation Easement (PACE) program. Behnke stated that PACE is an important economic development tool for investment in rural communities and for support of the strong agricultural tradition in Wisconsin. Behnke asked the Board to support PACE through new funding strategies and increased efficiency in the application process and to explore options for new funding recommended in the PACE 2012 report.

Douglas Behnke, Clintonville, spoke to the Board in support of the Purchase of Agricultural Conversation Easement (PACE) program. Behnke is a first round PACE program participant with 550 acres in the program and donated over 50% of the value of the development rights to Waupaca County. Behnke asked the Board to support PACE as a comprehensive tool for land use planning and economic development strategy for rural communities by finding alternative sources of funding.

Penny Leder, Bear Creek, spoke to the Board in support of the Purchase of Agricultural Conservation Easement (PACE) program. Leder and her husband rotationally grazes 300 sheep on 80 acres. In 2009, Leder donated the development rights under the federal tax code and received a tax benefit for 50% of the value of the easement which helped pay down debt on additional farmland and allowed them to install photo-voltaic panels. Municipalities rely on the PACE program to help those who are not able to participate in the federal program. The price of agriculture land has doubled in the past few years. Permanent easements are very important for farmland protection.

Ron Brooks and Zoey Brooks, Brooks Farms, Waupaca, spoke to the Board in support of the Agricultural Conservation Easement (PACE) program. Brooks Farms was one of the first 15 farms accepted into the PACE program. Ms. Brooks is a current student at the University of Wisconsin, and PACE has provided a guarantee and security that the farm will be there for her after graduation and for future generations. Ms. Brooks invited the Board to attend the Farmland Forward event which will be held at Brooks Farms on July 11. Mr. Brooks stated his farm has 1200 of 1500 acres in PACE. Mr. Brooks stated he reviewed the cost associated with the PACE application, however, the preservation of farmland is well beyond those costs. PACE did not inflate the market price, but paid what the farm was worth. Mr. Brooks agrees with many of the recommendations for the 2012 evaluation, but, is strongly against temporary easements.

**Chemical Container and Household Hazardous Waste Collection
(Scope Statement)
Ch. ATCP 34**

Lori Bowman, Agricultural Resource Management Division, asked the Board to approve a scope statement for proposed updates to the current “clean sweep” rule. The updates will amend current Clean Sweep rules, as necessary, to incorporate a prescription drug clean sweep program and to improve operational and administrative efficiency for the department and local governments.

DATCP distributes grants to county and local governments for hazardous waste collection events and some permanent waste collection sites. Since this program began, “clean sweep” grants have helped county and local governments to collect and dispose of more than three million pounds of farm chemical wastes and five million pounds of household hazardous wastes.

Motion

Margaret Krome made a motion to approve the scope statement. Second by Pam Garvey. Motion approved unanimously.

Wisconsin Agricultural Statistics Services (Report)

Bob Battaglia, State Statistician, updated the Board on the following:

- The farm labor survey conducted in Wisconsin, Minnesota and Michigan show that the wage for an agricultural worker (office assistant or management position) averages \$12.55 per hour. An employee who primarily tends to livestock averages \$11.59 per hour and field workers average \$11.71 per hour. The regional survey conducted during the week of April 8 showed approximately 57,000 employed agricultural workers.
- May milk prices averaged \$17.30 per hundredweight, 30 cents lower than April’s price and \$1.60 lower than last year. California is facing the lowest prices at \$14.20 per hundredweight.
- Prices for corn, oats and milk are expected to decrease, but prices for soybeans, alfalfa hay and other hay are expected to remain at the same level as April.
- The Farm Service Agency is meeting today to discuss the damage to apple, maple syrup and cherry crops.

- Today is the last day enumerators will be out for the June Survey that will provide acreage of certain crops. The survey will be released June 29.
- The Whey Survey is gathering information on how plants are using their whey. Information from individual plants is not subject to Wisconsin open records request.
- The Winery and Vineyard Survey was mailed yesterday. Results of individual information will be kept confidential.
- Export Assistance Survey was mailed to producers who export products from Wisconsin. This information will provide the department insight on how to improve the program to export more agricultural products from the state.

Division of Food Safety (Report)

Steve Ingham, Food Safety Division Administrator, spoke to the Board on the Division of Food Safety activities and major changes the division has undergone. Since January, 2011, two Bureau directors have been hired, and approximately half of the Section Chief positions have been filled. Despite management challenges, the division is making good progress in meeting the strategic plan goals to provide accessible and easily understood information for prospective and existing food business operators; meeting federal standards needed for full integration of the Division in a national food safety regulatory system; and improving the efficiency and effectiveness of regulatory activities.

Ingham provided additional information on the following:

- Developing decision-making aids to make the licensing process easier for customers and staff.
- Maintaining “at least equal to” status of the meat and poultry inspection program.
- Attaining meat and poultry program “same as” status needed to start the Cooperative Interstate Shipment program.
- Meeting the FDA Manufactured Food Regulatory Program Standards.

2012 Agricultural Enterprise Area Petition Evaluation and Designation Process (Report)

John Petty and Keith Foye, Agricultural Resource Management, updated the Board on the 2012 agricultural enterprise area (AEA) petitions and designation process. The request for submissions ended on March 30, 2012 and was the department’s third call for petitions.

The department received seven petitions requesting designation of just over 170,000 acres. Nearly 330 landowners signed the petitions and 28 towns and 7 counties passed resolutions in support of the petitions submitted for consideration. There are 17 designated AEA’s to date, totaling approximately 340,000 acres. An evaluation team comprised of internal and external members reviewed the submitted petitions and provided designation recommendations to the agency. Prior to this third submission, selected applications were officially designated through a modified emergency administrative rule process. With the signing on Wisconsin Act 253, designated, modified or terminated AEAs are issued under an order by the department. This statutory change simplifies the AEA program and increases program efficiency that is more consistent with the voluntary nature of the program.

Purchase of Agricultural Conservation Easement (PACE) Evaluation Report

John Petty and Keith Foye, also updated the Board on the Purchase of Agricultural Conservation Easement (PACE) Evaluation Report. The draft report is a requirement of 2011 Wisconsin Act 32, the biennial budget, to evaluate the PACE program.

The PACE program was first authorized in the 2009-2011 biennial budget bill as part of revisions to the State's farmland preservation program. Under the program, the department may pay up to 50% of the fair market value to purchase an agricultural conservation easement on eligible farmland. These easements remove the non-agricultural development rights on the property and allow the land to remain available for agricultural use in perpetuity. The initial budget authorized \$12 million in unused bond revenue funds from the Conservation Reserve Enhancement Program for PACE.

The 2011-2013 biennial budget authorized \$5.2 million in bond revenue funds. These funds were shifted from the DNR Stewardship Program as a one-time transfer. As a result of the budget bill, the department did not take any action on PACE applications received in 2011. The bill also required the department to prepare the evaluation report.

The report presented is an evaluation of the current program. The report covers the application, evaluation and preliminary review process. It also covers sources of funding, including available local matching funds and the state's financial participation in the program. The report concludes with alternatives for making changes to the current program. The report is due to the Joint Committee on Finance and the senate and Assembly agriculture committees by June 30, 2012.

Motion for Resolution

Richard Cates made a motion to have the department staff prepare a resolution in support of the PACE report and in support of the Working Lands Initiative with PACE being a significant portion of that effort. Second by John Koepke. Motion approved unanimously.

Agrichemical Management (ACM) and Agrichemical Cleanup Program (ACCP) Fund (Report)

Lori Bowman, Agricultural Resource Management Division, updated the Board on the Agrichemical Management (ACM) and Agrichemical Cleanup Program (ACCP) funds. The report provided information to the Board prior to the submittal of a fund condition report to the Joint Finance Committee. The report outlined a proposal for ensuring that the funds are stable moving forward and refocused to uses for which the funds were originally intended.

ACCP has historically held a highly variable revenue stream. The recent reimbursement range is between \$1.0 to \$2.4 million, and the expected future range is projected at \$1.3 to \$1.5 million. The report states fixed or permanent expenditures outside of reimbursements are not recommended and maintaining a balance of \$250,000 in the fund is preferred.

ACM revenue to expenditure balance is appropriate and a higher overall balance than the industry wants. The ACM proposal includes:

- Eliminating grazing grants funding.
- Maintaining agriculture in the classroom funding.
- Discovery Farms funding transferred from ACCP program.
- Agrichemical related research from ACCP transfer.
- Utilizing existing cash balance to upgrade bureau IT system to better support industry and programs.

Trade and Consumer Protection (Report)

Sandy Chalmers and Michelle Reinen, Trade and Consumer Protection Division, provided an update to the Board on the following:

- Trade and Consumer Protection staff attended the Federal Trade Association conference in Chicago. The conference provided information on scams, the players behind the scams and where money is being filtered in the following areas:
 - Fraudulent tax returns
 - Robo-calls
 - Wire fraud
 - Fraudulent text messaging
 - Third-party billing
 - Debt settlement fraud
- Consumer and business education efforts within the department and through media.
- Latino outreach program, focusing heavily on Madison and Milwaukee.
- Facebook page was created for consumer protection, which will allow quick and easy access to consumers on the most trending scams.
- Past and pending investigation cases.
- There has been a 105% turnover rate in the investigation unit since 2010; issues including salary rates is a major reason for that.

Resolution in Support of Wisconsin Agricultural Statistics Services

Motion

John Koepke made a motion to approve the attached resolution in support of the Wisconsin Agricultural Statistics Services. Second by Enrique Figueroa. Motion approved unanimously.

2012 Appointments to Standing Advisory Councils Created by DATCP

Jeff Lyon, Deputy Secretary, asked the Board to confirm appointments for vacancies on the Department's standing advisory councils. There are six standing advisory councils created by DATCP to advise the department (The Consumer Protection Advisory Council is currently inactive). Members on the standing advisory councils are appointment by the Secretary with the approval of the DATCP Board.

Motion

Pam Garvey made a motion to confirm the appointments for vacancies on the Department's Standing Advisory Councils. Second by Mark Schleitwiler. Motion approved unanimously.

Grow Wisconsin Dairy 30x20 Initiative (Report)

Nicole Breunig, Agricultural Development Division, spoke to the Board on the Grow Wisconsin Dairy 30x20 Initiative. 2011 Wisconsin Act 32 provided an annual appropriation of \$200,000 to DATCP from the former Dairy 2020 program that was part of the former Department of Commerce. Secretary Brancel convened discussions with industry leaders from across the state to better understand the needs and demands of farmers and processors. Suggestions from those discussions formed the priorities and services model of the Dairy 30x20 Initiative.

Goals of the initiative include:

- Improve the long-term viability of Wisconsin's dairy industry to achieve an annual milk production of 30 billion pounds by 2020 to meet the growing demand of the marketplace.
- Provide assistance to dairy farmers, without regard to size or type, focusing on long-term sustained operation through a client-based service delivery system that utilizes a multi-agency, private-public network for services and referrals.
- Improve profitability through management and operational system changes, business and legal structure, and herd health and milk production.
- Beginning farmer assistance.

Board Member Matters

Miranda Leis: Weather has been dry. Projects at Organic Valley are progressing well.

Mark Schleitwiler: The building of a new plant for BelGiosio is progressing well. With 54 days into the project, and plenty of good help, the project is already 3-4 weeks ahead of schedule.

John Koepke: Koepke expressed appreciation for the morning tour. Koepke apologized for missing last month's meeting due to the constraints of simultaneously planting corn and finishing the first crop of hay. Weather conditions are dry. Second crop hay yields seem to be decent as of now, however, future crops are uncertain without rain.

Pam Garvey: There has been adequate rain in the area and crops are looking great. Work within crop insurance is busy and there will be different types of projects forthcoming.

Enrique Figueroa: Figueroa thanked board member Mark Schleitwiler for hosting the Board at BelGiosio. Figueroa commented on a news report this morning on the finding of the Emerald Ash Borer in Walworth County and requested a prognosis of the findings.

Andy Diercks: Due to potato crops harvesting occurring one to two weeks ahead of schedule, the building project on his farm is progressing slowly. Diercks attended a meeting in

Minneapolis on projected potato prices. Weather is dry and crops are looking good only because of irrigation.

Secretary's Report

Secretary Brancel updated the Board on the following:

Emerald Ash Borer Federal Quarantines

The Animal Plant Health Inspection Services (APHIS) has evaluated and recreated the process for quarantines. Quarantines issued by APHIS will allow any area, which is contiguous to another infested with Emerald Ash Borer (EAB), to move commodity products within those areas, even if those areas are within another state. The Department has notified APHIS that Wisconsin will recognize quarantine zones and not allow the movement of commodity products from other states to come into Wisconsin. The finding in Walworth County was fairly significant and infestation is believed to have come from an area south of Wisconsin in Illinois, where there has been a finding of EAB in the past.

PACE Program and Department of Transportation

Even with a PACE contract in place, the Department of Transportation has the right to construct a road through the land regardless of any contract in place. A proposed interstate redesign project in Rock County would have had a direct impact on a farm within the PACE program, but, the design was recently discarded and the farmland will no longer be torn up for an interstate. The Secretary has had multiple conversations with the Department of Transportation Secretary on his frustration with Transportation being able to build through agricultural lands. Secretary Brancel requested that the Transportation Secretary use the most current data available and numbers available to justify a project.

Dog Sellers Rule

At the August meeting, the department will provide an update on the Dog Sellers Administrative Rule Scope Statement. Although very good dialogue was had with multiple individuals on what needs to change within the rule, the department feels concluded that no changes are necessary at this time. The department will ask the Board to recognize the work that took place, the public input collected and the lack of a need for a rule revision at this time.

Mission to China

Secretary Brancel was in China and met with many business entities as well as the ministry of agriculture and participated in many tours and meetings. In the Province of Hunan, there are 53 million swine, 20 million goats and sheep, 5.4 million beef cows, and currently 730,000 dairy cows, with goals of obtaining 2.4 million dairy cows within the next four years. The Ministry of Agriculture asked the Secretary that Wisconsin invest in a training center in the province to train people how to handle large size dairy herds. Wisconsin is willing to participate in a partnership, but building a training center is not likely. Approximately 100 million people live in this province.

A letter of intent was signed between Shanghai Dairy Group (which consists of hundreds of companies) and the Wisconsin Department of Agriculture, Trade and Consumer Protection. It will be sent to the Governor. The agreement will build strong connections and business relationship between Shanghai Dairy Group and Wisconsin agricultural businesses.

Schedule and Future Agenda Items

The Board of Agriculture, Trade and Consumer Protection will meet on August 14 in Madison.

Adjournment

By unanimous consent, the Board adjourned at 4:00 p.m.

Andy Diercks, Board Chair

John Koepke, Secretary