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(FORM UPDATED: 08/11/2010)

## WISCONSIN STATE LEGISLATURE ... PUBLIC HEARING - COMMITTEE RECORDS

### 2003-04

(session year)

### Assembly

(Assembly, Senate or Joint)

### Committee on Agriculture...

#### COMMITTEE NOTICES ...

- Committee Reports ... **CR**
- Executive Sessions ... **ES**
- Public Hearings ... **PH**

#### INFORMATION COLLECTED BY COMMITTEE FOR AND AGAINST PROPOSAL

- Appointments ... **Appt** (w/Record of Comm. Proceedings)
- Clearinghouse Rules ... **CRule** (w/Record of Comm. Proceedings)
- Hearing Records ... bills and resolutions (w/Record of Comm. Proceedings)
  - (**ab** = Assembly Bill)                      (**ar** = Assembly Resolution)                      (**ajr** = Assembly Joint Resolution)
  - (**sb** = Senate Bill)                              (**sr** = Senate Resolution)                              (**sjr** = Senate Joint Resolution)
- Miscellaneous ... **Misc**

\* Contents organized for archiving by: Stefanie Rose (LRB) (August 2012)

## Assembly

### Record of Committee Proceedings

#### Committee on Agriculture

##### Assembly Bill 699

Relating to: payments to ethanol producers and making an appropriation.

By Representatives Freese, J. Wood, Gronemus, Ward, Ott, Ainsworth, Petrowski, Suder, Hines, Loeffelholz, Towns, Balow, Vruwink, Gunderson, Hahn, Pettis, Albers, Owens, McCormick, Musser and Bies; cosponsored by Senators Harsdorf, Welch, Roessler, A. Lasee, Schultz, Zien and Hansen.

December 05, 2003 Referred to Committee on Agriculture.

December 11, 2003 **PUBLIC HEARING HELD**

Present: (12) Representatives Ott, M. Williams, Ainsworth, Petrowski, Kestell, Hines, Loeffelholz, Towns, Plouff, Balow, Hebl and Molepske.  
Absent: (3) Representatives Suder, Gronemus and Vruwink.

##### Appearances For

- State Representative Steve Freese, 51st Assembly District
- Bob Sather, WI Ethanol Producers Association, Chippewa Falls
- Alexander Samardzich, Ace Ethanol, Bruce
- Jerry Franz, United Wisconsin Grain Producers, Poynette
- Chet Gerlach, WI Ethanol Producers Association, Madison
- Bob Oleson, WI Corn Growers Association, Palmyra

##### Appearances Against

- Christa Westerberg, Garvey & Stoddard, Attorneys at Law, Madison

##### Appearances for Information Only

- Ralph Groschen, Minnesota Department of Agriculture, St. Paul, MN

##### Registrations For

- State Senator Sheila Harsdorf, 10th Senate District
- State Representative Gene Hahn, 47th Assembly District, Madison
- State Senator Bob Welch, 14th Senate District
- John Malchine, Badger State Ethanol, Wind Lake

- Paul Zimmerman, WI Farm Bureau Federation, Madison
- John Manske, WI Federation of Cooperatives, Madison

Registrations Against

- Ed Garvey, Madison

January 8, 2004

**EXECUTIVE SESSION HELD**

Present: (15) Representatives Ott, M. Williams, Ainsworth, Petrowski, Kestell, Suder, Hines, Loeffelholz, Towns, Gronemus, Plouff, Balow, Vruwink, Hebl and Molepske.

Absent: (0) None.

Moved by Representative Ott, seconded by Representative M. Williams that **Assembly Amendment LRB 1901** be recommended for introduction.

Ayes: (15) Representatives Ott, M. Williams, Ainsworth, Petrowski, Kestell, Suder, Hines, Loeffelholz, Towns, Gronemus, Plouff, Balow, Vruwink, Hebl and Molepske.

Noes: (0) None.

INTRODUCTION OF ASSEMBLY AMENDMENT LRB 1901  
RECOMMENDED, Ayes 15, Noes 0

Moved by Representative Gronemus, seconded by Representative Petrowski that **Assembly Amendment LRB 1901** be recommended for adoption.

Ayes: (15) Representatives Ott, M. Williams, Ainsworth, Petrowski, Kestell, Suder, Hines, Loeffelholz, Towns, Gronemus, Plouff, Balow, Vruwink, Hebl and Molepske.

Noes: (0) None.

ASSEMBLY AMENDMENT LRB 1901 ADOPTION  
RECOMMENDED, Ayes 15, Noes 0

Moved by Representative Plouff, seconded by Representative Balow that **Assembly Amendment LRB 1902** be recommended for introduction.

Ayes: (1) Representative Plouff.

Noes: (14) Representatives Ott, M. Williams,  
Ainsworth, Petrowski, Kestell, Suder, Hines,  
Loeffelholz, Towns, Gronemus, Balow,  
Vruwink, Hebl and Molepske.

INTRODUCTION OF ASSEMBLY AMENDMENT LRB 1902  
NOT RECOMMENDED, Ayes 1, Noes 14

Moved by Representative Plouff, seconded by Representative  
Balow that **Assembly Amendment LRB 1903** be recommended  
for introduction.

Ayes: (1) Representative Plouff.  
Noes: (14) Representatives Ott, M. Williams,  
Ainsworth, Petrowski, Kestell, Suder, Hines,  
Loeffelholz, Towns, Gronemus, Balow,  
Vruwink, Hebl and Molepske.

INTRODUCTION OF ASSEMBLY AMENDMENT LRB 1903  
NOT RECOMMENDED, Ayes 1, Noes 14

Moved by Representative Ainsworth, seconded by Representative  
Balow that **Assembly Bill 699** be recommended for passage.

Ayes: (14) Representatives Ott, M. Williams,  
Ainsworth, Petrowski, Kestell, Suder, Hines,  
Loeffelholz, Towns, Gronemus, Balow,  
Vruwink, Hebl and Molepske.  
Noes: (1) Representative Plouff.

PASSAGE RECOMMENDED, Ayes 14, Noes 1

  
Erin Napralla  
Committee Clerk

## Vote Record Committee on Agriculture

Date: 1/8/04

Moved by: Ott

Seconded by: Williams

AB 699 SB \_\_\_\_\_ Clearinghouse Rule \_\_\_\_\_  
 AJR \_\_\_\_\_ SJR \_\_\_\_\_ Appointment \_\_\_\_\_  
 AR \_\_\_\_\_ SR \_\_\_\_\_ Other \_\_\_\_\_

A/S Amdt 1901  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_  
 A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_  
 A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:  
 Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrence

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Alvin Ott, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jerry Petrowski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Steve Kestell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Scott Suder	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative J.A. Hines	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Gabe Loeffelholz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Debra Towns	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Barbara Gronemus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Joe Plouff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Larry Balow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Amy Sue Vruwink	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Tom Hebl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Louis Molepske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>15</u>	<u>-</u>	<u>-</u>	<u>    </u>

Motion Carried

Motion Failed

## Vote Record Committee on Agriculture

Date: 1/8/04

Moved by: Gronemus

Seconded by: Petrowski

AB 699

SB \_\_\_\_\_

Clearinghouse Rule \_\_\_\_\_

AJR \_\_\_\_\_

SJR \_\_\_\_\_

Appointment \_\_\_\_\_

AR \_\_\_\_\_

SR \_\_\_\_\_

Other \_\_\_\_\_

A/S Amdt 1901

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- Passage     Adoption     Confirmation     Concurrence     Indefinite Postponement  
 Introduction     Rejection     Tabling     Nonconcurrence

Committee Member	Aye	No	Absent	Not Voting
Representative Alvin Ott, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jerry Petrowski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Steve Kestell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Scott Suder	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative J.A. Hines	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Gabe Loeffelholz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Debra Towns	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Barbara Gronemus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Joe Plouff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Larry Balow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Amy Sue Vruwink	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Tom Hebl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Louis Molepske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: 15 - - -

Motion Carried

Motion Failed

## Vote Record Committee on Agriculture

Date: 118104

Moved by: Plouff

Seconded by: Balow

AB 699

SB \_\_\_\_\_

Clearinghouse Rule \_\_\_\_\_

AJR \_\_\_\_\_

SJR \_\_\_\_\_

Appointment \_\_\_\_\_

AR \_\_\_\_\_

SR \_\_\_\_\_

Other \_\_\_\_\_

A/S Amdt 1902

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- |  |                                    |                                       |   |  |
|--|------------------------------------|---------------------------------------|---|--|
| <input type="checkbox"/> Passage                 | <input type="checkbox"/> Adoption  | <input type="checkbox"/> Confirmation | <input type="checkbox"/> Concurrence    | <input type="checkbox"/> Indefinite Postponement |
| <input checked="" type="checkbox"/> Introduction | <input type="checkbox"/> Rejection | <input type="checkbox"/> Tabling      | <input type="checkbox"/> Nonconcurrence |  |

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Alvin Ott, Chair	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Williams	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative John Ainsworth	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jerry Petrowski	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Steve Kestell	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Scott Suder	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative J.A. Hines	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Gabe Loeffelholz	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Debra Towns	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Barbara Gronemus	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Joe Plouff	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Larry Balow	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Amy Sue Vruwink	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Tom Hebl	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Louis Molepske	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>1</u>	<u>14</u>	_____	_____

Motion Carried

Motion Failed

## Vote Record Committee on Agriculture

Date: 11/8/04

Moved by: Plouff

Seconded by: Balow

AB 1699

SB \_\_\_\_\_

Clearinghouse Rule \_\_\_\_\_

AJR \_\_\_\_\_

SJR \_\_\_\_\_

Appointment \_\_\_\_\_

AR \_\_\_\_\_

SR \_\_\_\_\_

Other \_\_\_\_\_

A/S Amdt 1903

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- |  |                                    |                                       |   |  |
|--|------------------------------------|---------------------------------------|---|--|
| <input type="checkbox"/> Passage                 | <input type="checkbox"/> Adoption  | <input type="checkbox"/> Confirmation | <input type="checkbox"/> Concurrence    | <input type="checkbox"/> Indefinite Postponement |
| <input checked="" type="checkbox"/> Introduction | <input type="checkbox"/> Rejection | <input type="checkbox"/> Tabling      | <input type="checkbox"/> Nonconcurrence |  |

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
<b>Representative Alvin Ott, Chair</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Mary Williams</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative John Ainsworth</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Jerry Petrowski</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Steve Kestell</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Scott Suder</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative J.A. Hines</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Gabe Loeffelholz</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Debra Towns</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Barbara Gronemus</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Joe Plouff</b>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Larry Balow</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Amy Sue Vruwink</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Tom Hebl</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Representative Louis Molepske</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>1</u>	<u>14</u>	_____	_____

Motion Carried       Motion Failed

## Vote Record Committee on Agriculture

Date: 1/8/04

Moved by: Ainsworth

Seconded by: Balow

AB 699

SB \_\_\_\_\_

Clearinghouse Rule \_\_\_\_\_

AJR \_\_\_\_\_

SJR \_\_\_\_\_

Appointment \_\_\_\_\_

AR \_\_\_\_\_

SR \_\_\_\_\_

Other \_\_\_\_\_

A/S Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_

A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

A/S Amdt \_\_\_\_\_ to A/S Amdt \_\_\_\_\_ to A/S Sub Amdt \_\_\_\_\_

Be recommended for:

- Passage    
  Adoption    
  Confirmation    
  Concurrence    
  Indefinite Postponement  
 Introduction    
  Rejection    
  Tabling    
  Nonconcurrence

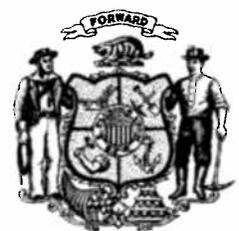
<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Representative Alvin Ott, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Mary Williams	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative John Ainsworth	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Jerry Petrowski	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Steve Kestell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Scott Suder	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative J.A. Hines	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Gabe Loeffelholz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Debra Towns	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Barbara Gronemus	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Joe Plouff	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Larry Balow	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Amy Sue Vruwink	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Tom Hebl	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Representative Louis Molepske	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Totals:</b>	<u>14</u>	<u>1</u>	_____	_____

Motion Carried

Motion Failed



# WISCONSIN STATE LEGISLATURE



**TESTIMONY OF REP. STEPHEN FREESE ON ASSEMBLY  
BILL 699 TO THE ASSEMBLY AGRICULTURE  
COMMITTEE, DECEMBER 11, 2003**

**Thank you Chairman Ott and members of the Committee for the opportunity to testify before you today on an issue that I feel very passionately about: ways to strengthen and expand Wisconsin's ethanol industry and our rural economy.**

**I believe that Assembly Bill 699, modifying the ethanol producer grant program, is such an opportunity. In my testimony today, I would like to briefly layout current law for the grant program, highlight the changes that we are proposing, and tell you about the success that other states have had with their incentive programs that we can duplicate here in Wisconsin.**

**Under current law, DATCP makes payments to ethanol producers for the first 5 years of production. The maximum amount allowed per producer is \$3 million annually. However, if funding is insufficient, the payments must be prorated.**

**There are several drawbacks to current law. First, the appropriations for the grant program are shrinking. Only \$2.9 million was allocated in the 01-03 state budget and then was reduced further in the 03-05 budget to \$1.9 million. In addition, instead of 2 producers splitting the grant money, 3 producers must now share decreased funding, and as I shall illustrate shortly in relation to other states, the current level of funding for these grants is clearly inadequate.**

**Assembly Bill 699 corrects these flaws. DATCP would be required to enter into contracts with an ethanol producer under which DATCP would make the payments. Prorating of the payments would be eliminated and the period of eligibility for the grants would be extended to the first 8 years of production. Furthermore, a real strength of this bill is in the sliding scale of payments over the 8 years of eligibility. A producer would receive:**

**\$1.25 million in years 1 and 2**  
**\$1 million in years 3 and 4**  
**\$750,000 in years 5 and 6**  
**\$500,000 in years 7 and 8**

**The balance of payments up front reflects the need for funding in the first few critical years of operation when startup costs are the greatest and producers need revenue to leverage loans and other debt.**

**AB 699 would put Wisconsin's ethanol producer grant program on a more competitive footing with other ethanol producing states. For instance, in Kansas producers are eligible for approximately \$1.1 million in incentives annually for 7 years. In neighboring Minnesota, even under enormous budget constraints, producers can still qualify for almost \$2 million annually. Finally, Nebraska offers ethanol production tax credits worth \$2.8 million per year per producer over an 8-year period. Of course, AB 699 does not contain incentives that can match these other states dollar-for-dollar. However, if Wisconsin is going to retain its current ethanol producers and attract new ones, we must at least begin offer competitive incentives or risk falling even further behind. Ensuring a stable payment schedule and sizable grants relative to neighboring states, like in AB 699, is a good start.**

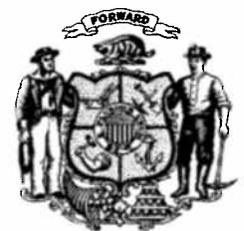
**Naturally, we should demand a return on the investment we make in ethanol and the results so far are encouraging. In Minnesota, according to their Department of Agriculture, the economic impact of the ethanol industry has resulted in over 2,500 direct and indirect jobs and contributed hundreds of millions of dollars to their states economy. In a study done in Nebraska by the state's Department of Economic Development, one ethanol plant alone has created over 100 jobs and over half a million dollars in property and sales taxes. Furthermore, given the estimated increase in personal income from the plant in the study, the increase in area retail sales is estimated to be at approximately \$1.1 million annually.**

**With the increasing number of prohibitions against MTBE, a fuel additive that is harmful to groundwater supplies, ethanol is now the oxygenate of choice. It helps create a better corn market for farmers, it reduces our reliance on foreign oil and the billions it costs to defend it, and the ethanol industry contributes millions in tax revenue every year. Wisconsin cannot afford to fall further behind its neighbors on this value-added agricultural commodity. AB 699 is an opportunity to give another shot in the arm to our rural economy and make sure that ethanol is part of it for a long time to come.**

**Thank you.**



# WISCONSIN STATE LEGISLATURE





## State Senator Sheila Harsdorf

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Date: December 11, 2003

To: Assembly Committee on Agriculture

From: Senator Sheila Harsdorf

Re: Support for Assembly Bill 699, relating to payments to ethanol producers and making an appropriation

Dear Chairman Ott and Committee Members:

I would like to thank you for the opportunity to submit testimony in support of Assembly Bill 699. As you know, AB 699 would provide financial incentives to ethanol producers in Wisconsin, with payments declining over an eight-year schedule.

While indicators point to an economic recovery, it is crucial that as lawmakers, we promote and encourage opportunities to kick start economic development. This bill provides a stimulus to Wisconsin's economy that will be felt for years to come. Now is the time for government and business to develop partnerships that are beneficial for the economy, environment and the livelihoods of Wisconsin citizens. In regards to ethanol production, I believe Wisconsin's window of opportunity will be gone once enough plants are built in the United States.

Fostering Ethanol production in Wisconsin benefits:

**Farmers:** Ethanol plants within Wisconsin would expand market opportunities for our corn growers. It is estimated that ethanol production could add up to 30 cents to the value of each bushel of corn. Not only will increased demand help prices; it will also add financial stability to an often-volatile market.

**Environment:** Ethanol, an alternative fuel, has been attributed to producing cleaner gas emissions, thereby reducing smog and improving the quality of our air. In fact, the Environmental Protection Agency essentially requires six counties in Wisconsin to blend gasoline with ethanol, in accordance with fuel requirements under the federal Clean Air Act.

**Consumers:** Alternative fuels will reduce our dependence on foreign oil. Just as importantly, Wisconsin will be able to reduce its 67 million gallons of imported ethanol, reducing its imbalance of trade.

In Wisconsin, there are currently three ethanol production plants in operation, with a number of plants either in the planning stage or being considered. Our state must be willing to provide the financial incentives to investors if we hope to have ethanol production here in Wisconsin.

By comparison, Minnesota has 14 ethanol plants currently in production mode. Ethanol blended gasoline accounts for 98% of all gasoline sold in the State of Minnesota, and in a

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recent report issued by the Minnesota Department of Agriculture, it is estimated that Minnesota, when self sufficient, would realize a total positive economic impact of between \$403-437 million dollars. Minnesota has an extensive subsidy program that allows for up to a 20 cent per gallon subsidy for a period of ten years with an annual appropriation of \$34 million dollars and up to \$3 million per year to each plant.

The success of Minnesota and other Midwestern states with ethanol production is clear. It is time for Wisconsin to act. Encouraging ethanol production here is a win for farmers, it is a win for consumers and it is a win for our environment.

Thank you again for the opportunity to submit testimony in support of Assembly Bill 699. I appreciate your scheduling a hearing on this legislation and it is my hope that AB 699 can receive quick action by this committee and be brought before both houses of the Legislature.



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# JEFF WOOD

State Representative • 67th Assembly District

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Date: December 11, 2003

To: Committee on Agriculture

From: Representative Jeff Wood

Re: Testimony on AB 699, relating to payments to ethanol producers and making an appropriation.

Dear committee members:

I wanted to take this opportunity to support this legislation and our rural communities. Rural areas in Wisconsin are undergoing a severe economic crisis. Farmers are suffering from the lowest milk prices in 20 years and a severe drought this last summer. Declining enrollment in schools along with reductions in state aid has put even more pressure on many of their communities. They are being forced to choose between maintaining quality schools and services, or raising property taxes. Either choice will have a detrimental impact on their communities. While many young people would like to stay in the areas they are from, there are fewer choices and opportunities for them to do so. Many drive greater and greater distances to find work, and many rural businesses are struggling. Opportunities for working families and quality schools are essential to the future of our rural communities.

Due to changes in Federal energy policy, the demand for ethanol will double over the next few years as America strives to become less dependent on foreign oil and pursues a more environmentally friendly source of fuel. There is a window of opportunity to become an exporter rather than an importer of ethanol as states like California, Minnesota, Iowa, and Illinois rush to beat Wisconsin to fill that demand. That is why I support this legislation. It is absolutely essential that we aggressively pursue these opportunities to lift up our rural areas. Let's face it: there are very few industries whether it's manufacturing, professional and financial services, or healthcare that will choose to locate in rural areas. Urban areas can offer better infrastructure as well as a larger labor pool. Ethanol is one of the few exceptions to that rule.

The benefits of an ethanol plant not only give farmers a better price for their corn and reduce transportation costs; it will also reduce the price of distillers grain, a high protein

animal feed that is a byproduct of ethanol. This lower-cost feed will give our beef and poultry industry a competitive advantage over our competitors.

Ethanol plants will also contribute to the local economies, which will benefit many local businesses struggling to stay afloat. Approval for this incentive program will also set the stage for future growth in the area. Take Stanley, for example. The ethanol plant will be employing over 35 people by the end of the year, but it has also contributed well over 100 jobs in other areas. A new company will be producing pharmaceutical and nutraceutical products derived from byproducts of the ethanol plant. They will be using a new environmentally friendly process that relies on steam instead of chemicals. This new facility will offer another 35 good paying jobs to the area. Still another company with yet another 32 employees will use the byproducts to enhance cattle and poultry feed, displacing much of the need for antibiotics. Just last week a local businessperson announced the opening of a small business that would dry corn for farmers before it is brought into the plant.

The growth around Stanley's ethanol plant has put Stanley in a stronger position to attract even more investments not related to the plant. Stanley was chosen as a site for a new hospital over two other towns in the area, which will give even more opportunities to young working people and a better quality of life for its senior citizens. They have also recently opened two new restaurants and a new convenience store. With all of the growth in Stanley, people are moving in and not out, increasing local property values and student enrollment. For those who want to stay in the small town they grew up in to raise their families, there are more opportunities than ever before.

As part of the Governor's Grow Wisconsin Plan, \$300 million over the next ten years will be set aside as seed money to help attract more venture capital into Wisconsin. The Governor and legislature have made it clear that if we want to grow our economy, we have to be willing to invest in our future. Supporting rural industry is necessary to embrace the future, grow jobs, improve our schools, and become a real alternative for those of us who value what a rural community has to offer: a community that offers hope, opportunity, and a future. Please do not turn your backs on our farmers, young people, and businesses.

As we invest in Wisconsin let's not forget about our rural areas. Do not allow these areas to continue to decline until there are no opportunities for the next generation to enjoy the best of what Rural Wisconsin has to offer. Thank you.

Sincerely,

A handwritten signature in black ink that reads "Jeff Wood". The signature is written in a cursive, flowing style.

State Representative Jeff Wood