

Chairperson Ott scheduled a series of four public hearings, or listening sessions, in late August, 2000 at locations around the state. They were structured as hearings of four separate subcommittees to accommodate the schedules of committee members ~~and to maximize attendance~~. Three of the four sessions were held in Sales Barns, where livestock is regularly bought and sold. The fourth location was a dairy farm. Each place had unique issues of concern and together they were representative of the entire state. All locations were convenient to the farming community.

The dates, locations and names of the Agriculture Committee members ~~and locations of the hearings~~ are shown in the following table Appendix ~~2~~ <sup>2</sup>

Members of the public were invited to provide testimony to the subcommittees and those who did not testify were invited to register their presence. Agency resource personnel and members of the media were invited to interact with the subcommittees and with the public. On many occasions, area legislators participated and testified as well. The numbers of individuals who participated in each hearing are shown in the following table Appendix ~~3~~ <sup>3</sup> as well as lists the individual participants ~~of those that testified~~ <sup>those that testified</sup>.

~~Participants in Subcommittee Hearings~~

Hearing Location and Date	Members of the Public	Registered as Testify	Registered as Present	Subcommittee Members and Staff	Resource Personnel and Media	Total
Equine Livestock, Michigan Center, August 24, 2000						
Spindler Dairy, Durand, August 24, 2000						
Equine Livestock, Johnson Creek, August 29, 2000						
Equine Livestock, Leedsville, August 31, 2000						

~~All of the most heavily attended hearing, it is estimated that an additional 20 to 30 members of the public were present, but did not register.~~

The subcommittees heard testimony on a wide range of topics of concern to the farming community. Many speakers described the hardships caused by the current crisis; many also made very specific statements regarding the directions that should be taken in state and federal agricultural policy; and many addressed the local and farm-based actions that should be pursued to address the agricultural crisis.

Appendix 1 presents, in outline form, each of the individual comments or recommendations made in testimony to the subcommittees.

The final result of these listening sessions, is presented in this report. Appendix 2 presents, in outline form, a summary of the statements, the ideas and suggestions that were made in oral and written testimony before the four sub-committees.

These recommendations are This summary is presented without further elaboration or refinement.

In this form, they represent The sentiments of the individuals who took the time to present testimony to the subcommittees, as stated by those individuals.

They consist of recommendations addressed to the federal government, the state government, local governments and individual farmers, and are organized according to these categories.

The ideas generated during the hearings in Wisconsin and compiled into this report, serve as a voice for Wisconsin agriculture. This report will be forwarded to the Federal Delegation, United States Secretary of Agriculture, State and Local policy makers. The crisis in agriculture is affecting our food industry and agriculture in general. <sup>Wisconsin</sup> ~~A national effort is required through the policy makers, empowered by the people, to do something about the crisis.~~ <sup>tax situation in addition to</sup>

Appendix 1 - Outline / Issues

Appendix 2 - date / location, names of ag exte. members

Appendix 3 - Number of individuals that participated

Names of Those that testified + Names

of resource people available at each hearing

WISCONSIN ASSEMBLY

COMMITTEE ON AGRICULTURE

Al Ott  
REPRESENTATIVE AL OTT, CHAIRPERSON  
State Representative • 3rd Assembly District

REPORT OF THE CRISIS IN WISCONSIN AGRICULTURE

September \_\_, 2000

The agricultural industry in Wisconsin is in a crisis. At a time when most of the nation is benefiting from a growing economy, the farming community is not sharing in this growth. While many Americans are seeing current prosperity and future security, the people who work the land and provide food to this booming economy are seeing shrinking incomes and uncertain futures.

The problems faced by the agricultural community are numerous and multifaceted. Commodity prices are depressed at the same time that production costs are increasing. Multiple agricultural sectors are being affected simultaneously, including dairy, beef and hog production. Producers are facing mounting competition, from overseas where production is subsidized by national governments and from other states that benefit from federal pricing systems that discriminate against Midwest producers. Increasing consolidation of agricultural operations and increase of bigger farms are placing greater competitive pressure on small producers, as well. Environmental regulation of farming is becoming prescriptive and more expensive, adding costs that farmers cannot afford.

The number of family farms in operation is steadily declining, continuing a decades long trend. ~~figures continue at an alarming rate.~~ Discouraged dairy farmers abandon ~~dairy~~ dairy for other farming options or leave farming altogether. As older farmers retire, farms go out of production or are bought for consolidation because ~~the death of~~ young people are not willing to take on the burdens of operating a ~~small~~ farm in the current economy. The declining number of farm operations in turn threatens the farm support economy. A weakened support economy further stresses the producers and ~~other industry participants~~, contributing to a vicious spiral of declining viability in our farming community. These trends threaten the tradition of the family farm in Wisconsin.

*different from family farms*

*Don't this the "support economy" ?*

**Review Action by Assembly Committee on Agriculture**

Wisconsin State Representative Al Ott, Chairperson of the Assembly Committee on Agriculture ~~of the Wisconsin State Assembly~~, was determined to ~~review~~ respond to the farm economy crisis. He scheduled statewide listening sessions/public ~~a series of~~ hearings *↳ a series of*

to hear the concerns of ~~from~~ the farming community, ~~regarding the problems that they are facing~~ directly from the affected individuals, in their own words, the nature and extent of the problems they are facing. He also wanted to gather suggestions ~~and~~ and ~~to~~ solicit their views on the direction in which agricultural government policy should be ~~directed to address~~ ~~these problems~~ pursued by policy makers in Madison and Washington.

*Still relevant*

His intention was to hear directly from affected individuals, in their own words, the nature and extent of ~~of~~ problems they are facing and the solutions to these problems that they would like policy maker ~~in Madison and Washington to pursue~~

In addition, he used the hearings as a forum for resource personnel of state and federal agencies to answer farmers' questions and to direct participants to sources of assistance.

The specific goals of the hearings were the following:

- Collect information and report what is happening in the state to Wisconsin's congressional delegation and to the US Secretary of Agriculture.
- Offer the opportunity for members of the agricultural community to express, in their own words, the impact of the current situation.
- Make the economic concerns of agriculture more visible to the general population.
- Provide information on the various resources available to the agricultural industry.
- Generate ideas on possible ways to alleviate the hardship faced by Wisconsin agriculture.
- Bring the media and the agricultural industry together.

*series of hearings*  
[redacted] [redacted] [redacted], Chairperson Ott acknowledged the important reality that the current agricultural crisis is larger in scope than the State Assembly Committee on Agriculture. In and of themselves, the hearings could not be expected to produce solutions, either immediately or even in the long term, to the underlying problems. Accordingly, the purpose of the report [redacted] was not to solve the problems or even to recommend specific solutions. Rather, it was intended as a forum by which to channel the views of the agricultural community to policy makers. *is*  
*Wisconsin's*

The design of the report [redacted] recognized that the various aspects of the agricultural crisis must be addressed at the appropriate level. The suggestions gathered at the hearings were separated into four category areas based on jurisdiction.

*Matters of federal jurisdiction, especially those that are addressed in federal programs,*  
The review was designed to collect information regarding these programs from the people whom the programs are intended to help and to [redacted]  
include the issues of pricing, competition, food production and distribution as well as environmental regulations. In particular the milk price problem falls under the federal category.  
This information will be forwarded to federal policy makers for use in improving the existing programs and for future proposals.

Similarly, on matters of state jurisdiction, the [redacted] report addresses financial, technical assistance programs, taxes, food quality and animal health in addition to environmental regulations. These suggestions will be provided *generated* [redacted] to state legislators [redacted] *consideration of* for improvements in programs affecting Wisconsin agriculture and potential future policy.

*Matters*, such as zoning laws, development rights and local co-ops, [redacted] would be [redacted] best addressed at the local level or even at the level of the individual farmer, thus the report lists those ideas under local action. [redacted]  
[redacted]

## Subcommittee Hearings

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Three of the four sessions were held in Sales Barns, where <sup>live stock</sup> livestock is regularly bought and sold. <sup>while</sup> The fourth location was a dairy farm. Each <sup>location</sup> place had unique issues of concern and together they were representative of the entire state. All <sup>location</sup> locations were convenient to the farming community.

*to facilitate convenience for the farming community*  
The dates, locations and names of the Agriculture Committee members ~~and locations of the hearings~~ are shown in the ~~following table~~ Appendix. # ~~600~~

Members of the public were invited to provide testimony to the subcommittees and those who did not testify were invited to register their presence. Agency resource personnel and members of the media were invited to interact with the subcommittees and with the public. On many occasions, area legislators <sup>attended</sup> participated and testified as well. The numbers of individuals who participated in each hearing are shown in the ~~following table~~ Appendix 2 as well as lists the individual participants.

*Participants in Subcommittee Hearings*

Location and Date	Members of the Public	Registered Attendees	Subcommittee Members and Staff	Resource Personnel and Media	Total
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~~At this, the most heavily attended hearing, it is estimated that an additional 20 to 30 members of the public were present but did not register.~~

The subcommittees heard testimony on a wide range of topics of concern to the farming community. Many speakers described the hardships caused by the current crisis; many also made very specific statements regarding the directions that should be taken in state and federal agricultural policy; and many addressed the local and farm-based actions that should be pursued to address the agricultural crisis.

Appendix I presents, in outline form, each of the individual comments or recommendations made in testimony to the subcommittees.

The final result of these listening sessions, is presented in this report. Appendix I presents, in outline form, a summary of the statements, the ideas and suggestions that were made in oral and written testimony before the four sub-committees.

These recommendations are This summary is presented without further elaboration or refinement.

In this form, they represent The sentiments of the individuals who took the time to present testimony to the subcommittees, as stated by those individuals.

They consist of recommendations addressed to the federal government, the state government, local governments and individual farmers, and are organized according to these categories.

The ideas generated during the hearings in Wisconsin and compiled into this report, serve as a voice for Wisconsin agriculture. This report will be forwarded to the <sup>Wisconsin's</sup> Federal Delegation, <sup>Name</sup> United States Secretary of Agriculture, <sup>as well as</sup> State and Local policy makers. The crisis in agriculture is affecting our food industry and agriculture in general. A national effort is required through the policy makers, empowered by the people, to do something about the crisis. ?

Beata's draft of the INTRODUCTION for the REPORT.

State Representative Al Ott was alarmed to learn about Wisconsin farmer's struggle with the current low milk prices.

In response to this crisis and its devastating impact on Wisconsin agricultural industry, and as the Chairman of the Assembly Agriculture Committee, he was determined to do something about it.

The first step was to hold statewide public hearings/listening sessions and explore what can be done to keep the dairy industry as strong in Wisconsin as it has been.

The members of the Assembly Agriculture Committee went out into the community to gather suggestions from people directly involved. To hear directly from the farmers, in their own words, what could help them the most.

These hearings were informational in nature. Various resources and knowledgeable people were available to address the questions the community was asking. At the same time, the economic concerns of the people affected by changes in agriculture were made visible through the media to the general public.

The state government is not in a position nor has the authority to address the price crisis. But on the Federal Level, the legislators have several agriculture-related proposals to consider as well as an appropriations bill specifically for agriculture. Since a national effort is required, the ideas generated through the Wisconsin communities will be forwarded to the Federal Delegation and Department of Agriculture.

The dates chosen for these hearings in the last weeks of August 2000, were specifically the 24<sup>th</sup>, 28<sup>th</sup>, 29<sup>th</sup>, and 31<sup>st</sup>. The timing was troublesome since the Wisconsin Legislature has adjourned its regularly scheduled session. This is also an election year, most legislators were campaigning. But the problems could not wait till it is convenient to give them consideration. Representative Ott chose the dates that were least interfering. Nothing was to overshadow this serious issue.

Through negotiation with the State Assembly Leadership, Representative Ott selected the best place to meet the people of the agricultural industry. Three out of the four were Sales Barns, where regularly livestock is bought and sold. Those were located in Richland Center, Johnson Creek and Reedsville. The fourth location was a dairy farm near Durand. Each place had unique issues and together they were representative of the entire state.

*Went where the farmers are.*

There were four sub-committees created out of the main Agriculture Committee to allow different members to participate and accommodate the members' availability. The following members took part: Ott, Ainsworth, Spillner, Steinbrink, Sykora, Plouff, Gronemus, Kestell, and Waukau.

On some occasions, area legislators attended the hearings as well.

The Final result of these listening sessions, is this report.

It is a summary of the statements, ~~the ideas and~~ suggestions that were made in oral and written testimony before the four sub-committees.

The sub-committees did not report to the Assembly Agriculture Committee as a whole. There were no positions taken and no study of the ideas to offer recommendations.

This report is meant to be a sample voice for the community to the Federal Delegation, State and Local Government as they are empowered by the people to do something about the crisis affecting us all.

+ Incorporate into  
Doves.

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*hearings, listening  
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WISCONSIN ASSEMBLY  
COMMITTEE ON AGRICULTURE



**REPRESENTATIVE AL OTT, CHAIRPERSON**  
State Representative • 3rd Assembly District

**REVIEW OF THE CRISIS IN THE AGRICULTURAL ECONOMY**

*Report*

September \_\_, 2000

*industry*

The agricultural economy in Wisconsin is in crisis. At a time when most of the nation is benefiting from a growing economy, the farming community is not sharing in this growth. While many Americans are seeing current prosperity and future security, the people who work the land and provide food to this booming economy are seeing shrinking incomes and uncertain futures.

The problems faced by the agricultural community are numerous and multifaceted. Commodity prices are depressed at the same time that production costs are increasing. Multiple agricultural sectors are being affected simultaneously, including dairy, beef and hog production. Producers are facing mounting competition, from overseas where production is subsidized by national governments and from other states that benefit from federal pricing systems that discriminate against Midwest producers. Increasing consolidation of agricultural operations is placing greater competitive pressure on small producers, as well. Environmental regulation of farming is becoming prescriptive and more expensive, adding costs that farmers cannot afford.

The number of family farms in operation is steadily declining, continuing a decades long trend. ~~Farm failures continue at an alarming rate.~~ Discouraged dairy farmers abandon dairying for other farming options or leave farming altogether. As older farmers retire, farms go out of production or are bought for consolidation because ~~of a dearth of~~ <sup>are not</sup> young people willing to take on the burdens of operating a family farm in the current economy. The declining number of farm operations in turn threatens the farm support economy. A weakened support economy further stresses the producers, contributing to a vicious spiral of declining viability in our farming community. (These trends threaten the tradition of the family farm in Wisconsin.)

**Review by Assembly Committee on Agriculture**

<sup>determined to</sup> Representative Al Ott, Chairperson of the Committee on Agriculture of the Wisconsin State Assembly, <sup>was</sup> determined to <sup>respond to</sup> review the farm economy crisis. He scheduled a series of <sup>public</sup> hearings to hear from the farming community <sup>concerning</sup> regarding the problems that they are facing and to solicit their views on the direction in which government policy should be directed to address these problems. His intention was to hear <sup>directly</sup> from affected individuals, in their own words, the nature and extent of <sup>problems</sup> they are facing and the <sup>solutions</sup> to these problems that they would like policy makers in Madison and Washington to pursue. In addition, he used the hearings as a forum for resource personnel of state and federal agencies to answer farmers' questions and to direct participants to sources of assistance. The specific <sup>on the spot</sup> goals of the hearings were the following:

- Collect information and report what is happening in the state to Wisconsin's congressional delegation and to the US Secretary of Agriculture.
- Offer the opportunity for members of the agricultural community to express, in their own words, the impact of the current situation.
- Make the economic concerns of agriculture more visible to the general population.
- Provide information on the various resources available to the agricultural industry.
- Generate ideas on possible ways to alleviate the hardship faced by Wisconsin agriculture.
- Bring the media and the agricultural industry together.

On the Federal level, the ag-related programs to be considered as an appropriate bill sp. for ag.

with Price Crisis Area

In undertaking this study, Chairperson Ott acknowledged the important reality that the current agricultural crisis is larger than the Assembly Committee on Agriculture. In and of themselves, the hearings could not be expected to produce solutions, either immediately or even in the long term, to the underlying problems. Accordingly, the purpose of the review was not to solve the problems or even to recommend specific solutions. Rather, it was intended as a forum by which to channel the views of the agricultural community to policy makers.

Some a national effort is required, the ideas generated in it will be valuable to the ag. community.

Separate suggestions per area of jurisdiction

The design of the review recognized that the various aspects of the agricultural crisis must be addressed at the appropriate level. On matters of federal jurisdiction, especially those that are addressed in federal programs, the review was designed to collect information regarding these programs from the people whom the programs are intended to help and to pass on this information to federal policy makers for use in improving the programs. Similarly, on matters of state jurisdiction, the review was designed provide input to state policy makers regarding state agricultural programs. On other matters, those that are best addressed at the local level or even at the level of the individual farmer, the hearings strove to highlight the importance of local and individual action and to help guide that action.

Location

Three out of the four were in sales barns where regularly livestock is bought + sold. One/Fourth loc. was a dairy farm. Each place had unique issues.

**Subcommittee Hearings**

Chairperson Ott scheduled a series of four public hearings, or listening sessions, in late August, 2000 at locations around the state. The dates and locations of the hearings are shown in the following table. They were structured as hearings of four separate subcommittees to accommodate the schedules of committee members and to maximize attendance. Members of the public were invited to provide testimony to the subcommittees and those who did not testify were invited to register their presence. Agency resource personnel and members of the media were invited to interact with the subcommittees and with the public. The numbers of individuals who participated in each hearing are shown in the following table; Appendix 2 lists the individual participants.

Participants in Subcommittee Hearings

Members of subcommittee names in appendix...

Hearing Location and Date	Members of the Public	Subcommittee Members and Staff	Resource Personnel and Media	Total
	Registered to Testify	Registered as Present		

No graphs

in appendix

together represent the entire State.

Area legislators attended as well.

Equity Livestock, Richland Center, August 24, 2000	13	17	7	13	50
Spindler Dairy, Durand, August 28, 2000	24	36	8	12	80
Equity Livestock, Johnson Creek, August 29, 2000	14	15	7	18	54
Equity Livestock, Reedsville, August 31, 2000	15	10	9	16	50

1. At this, the most heavily attended hearing, it is estimated that an additional 20 to 30 members of the public were present but did not register.

The subcommittees heard testimony on a wide range of topics of concern to the farming community. Many speakers described the hardships caused by the current crisis; many also made very specific statements regarding the directions that should be taken in state and federal agricultural policy; and many addressed the local and farm-based actions that should be pursued to address the agricultural crisis.

Appendix I presents, in outline form, ~~each of the individual comments or recommendations~~ made in testimony to the subcommittees. These recommendations are presented without further elaboration or refinement. In this form, they represent the sentiments of the individuals who took the time to present testimony to the subcommittees, as stated by those individuals. They consist of recommendations addressed to the federal government, the state government, local governments and individual farmers, and are organized according to these categories.

The Final Result of These listening sessions, <sup>are presented</sup> in this report.

It is a summary of the statements, suggestions <sup>the ideas and</sup> that were made in oral and written testimony before the four sub-committees.

~~There were no position taken and no studies of the ideas to offer recommendations.~~

NO evaluation

This report is meant to be a sample voice for the <sup>COB's</sup> ~~consider~~ to the Federal, State and Local <sup>policy makers</sup> as they are empowered by the people to do something about the crisis affecting our food industry.

find outline / Combined document  
from Beata's, Mark's work

to Appendix 1

Take 3

(1)

## I. Federal ~~solutions~~

### A. Prices and competition

1. General federal policies
  - a) Reconsider the current low price/high production national food policy
  - b) Declare a federal state of emergency regarding agricultural commodity prices
  - c) Set higher support prices
  - d) Redirect federal spending to support agriculture
  - e) Provide an adequate safety net for farmers
  - f) Manage the supply of agricultural products, including controls on production
  - g) Declare food to be a critical national resource
  - h) Open all foreign markets to US produce, including China and Cuba
  - i) Address the issue of subsidies for foreign competitors
2. Milk and cheese pricing
  - a) Improve the reporting of milk prices paid by processors, for example, monthly reporting
  - b) Consider a northwest dairy coalition instead of the Midwest dairy compact
  - c) Bring California into the milk pricing system
  - d) Investigate the prices charged for cheese
  - e) Improve inventory reporting for butter and cheese
  - f) Investigate inequities in volume pricing
  - g) Consider environmental compliance costs in determining prices
  - h) Ask the Attorney General to investigate agricultural commodity pricing
  - i) Use anti-trust laws to address noncompetitive practices of buyers and suppliers
3. Reporting of production
  - a) Require full reporting of all cheese produced
  - b) Require reporting of whey produced, especially in connection with nonfat dry milk
4. The farm-consumer price gap
  - a) Investigate how food prices are affected by "middlemen"
  - b) Audit factors that determine the price of cheese
  - c) Impose quotas on milk solid proteins
5. Impose quotas on agricultural commodities
  - a) Cease the importation of milk protein concentrate (MPC) until prices are higher

b) Determine when to impose quotas based on farmers receiving cost of production and cost of living

**B. Food production and distribution issues**

1. Use of MPC in cheese

- a) Investigate inappropriate use of MPC
- b) Test MPC in cheese and enforce restrictions

*explain what it is - milk protein...*

2. Labeling

- a) Require country of origin labels for agricultural products
- b) Require labeling of products to highlight differences between US and foreign products
- c) Use labels to identify practices used to produce food
- d) Establish a "family farm" label for agricultural products

*Ok. Smith Dairy w. instead of a in address to Company name*

3. Inspection of meat

- a) Allow state inspection of meat shipped in interstate commerce
- b) Prevent use of the US inspection label to imply that meat is produced in the US

4. Surplus food

- a) Use US food surpluses in overseas disaster relief and local nutrition programs
- b) Use oversupply of milk to make powdered milk and do research
- c) Place surpluses in state-controlled "welfare warehouses"

**C. Environmental regulations**

- 1. Adopt reasonable regulations in the coastal zone management and similar programs
- 2. Have the EPA develop manure storage regulations that are specific to individual states

**D. Programs to assist farmers**

- 1. Create a separate program to support dairy grazing
- 2. Allow subordinations in agricultural loan guarantees to reduce costs of refinancing
- 3. Create a program of direct payments to farmers based on a farmer's prior year gross income (i.e., farmer's "unemployment compensation")
- 4. Provide access to affordable health insurance
- 5. Increase the amount of land entered in conservation reserve

**E. Miscellaneous**

- 1. Eliminate block voting by cooperatives

- 2. Review whether the benefits to farmers under Social Security will be adequate in light of low farm income during a farmer's earning years
- 3. Keep the Mississippi River open as a transportation route

**II. State solutions**

**A. Financial programs to assist farmers**

- 1. Develop programs to assist direct marketing by small and medium sized farms; connect farmer and consumer directly
- 2. Involve the Department of Commerce in the agricultural industry
- 3. Provide loans for farmers to develop niche markets
- 4. Change the WHEDA CROP program to provide assistance for more than a one-year period
- 5. Ask the Governor to request emergency funding from the President
- 6. Create a buyout program for Johne's disease to remove cattle and reduce milk supply
- 7. Provide access to affordable health insurance
  - a) **Fund BadgerCare**
  - b) **Address preexisting medical conditions**
- 8. Marketing
  - a) **Allow the milk marketing board to set the base price for milk and to lobby congress on behalf of WI milk producers**
  - b) **Market WI cheese nationwide**

**B. Technical assistance programs to assist farmers**

- 1. Give PSC authority to order electric coops to address stray voltage

**C. Taxes**

- 1. Use value assessment
  - a) **Expand use value assessment to include forested land on a farm**
  - b) **Differentiate between agricultural and recreational woodlands in use value assessment**
  - c) **Make use value assessment available only to land that is permanently in agricultural use**
  - d) **Evaluate the program to determine benefits to farmers; report on the effects on farms**
- 2. Eliminate sales taxes paid by farmers

**D. Food quality**

- 1. Implement quality checks on imported agricultural commodities

**E. Animal health**

- 1. Address tuberculosis concerns, especially in relation to white-tailed deer
- 2. Johne's tests

a) Speed up results

b) Lower costs

- 3. Change implied warranty law to exclude Johnes and pseudorabies
- 4. Reimburse for TB testing

**F. Environmental regulations**

- 1. Ensure adequate staffing at DNR
- 2. Reduce the costs of manure storage regulations
- 3. Nonpoint source pollution
  - a) Adopt standards that recognize differences in terrain throughout the state
  - b) Provide funding to install facilities
  - c) Review navigable waters regulations as applied to farms
  - d) Provide that all farms are eligible for payments, not just ones that are expanding
- 4. Do not require improvement of drainage ditches unless farmers choose to
- 5. Speed up decisions by DNR on permits
- 6. Provide similar enforcement of discharge regulations in rural areas as in urban areas

**G. Crop and livestock damage**

- 1. Sandhill cranes and wild turkeys
  - a) Pay crop damage
- 2. Coyotes
  - a) Impose a bounty
  - b) Pay for damages to livestock
  - c) Ease hunting restrictions
- 3. Generally, reduce wildlife populations
  - a) Set up programs to match hunters and farmers who need deer herd thinned

**H. Miscellaneous**

- 1. Provide full funding for the morning milk program
- 2. Replace soda machines with milk machines in schools
- 3. Investigate progress in addressing stray voltage
- 4. Incentives for meat packers to buy from small producers

**III. Local solutions**

**A. Purchase of development rights (PDR) programs**

- 1. Ensure that PDR assists farmers rather than those who remove land from agricultural use
- 2. Administer PDR through an elected body
- 3. Review restrictions placed on farms with land affected by PDR

**B. Zoning**

- 1. Allow and facilitate the placement of large scale animal agricultural in areas zoned for exclusive agricultural use

5

#### **IV. Farmer solutions**

##### **A. Production**

1. Adopt more efficient practices
2. Use caution in adopting biotechnology, which will increase production and reduce prices

##### **B. Marketing**

1. Increase use of futures markets
2. Focus on national and international markets
3. Educate the public regarding animal rights issues

##### **C. Coops**

1. Increase the use of cooperative marketing
2. Participate directly in marketing coops
3. Limit imports to coops and limit processing only to member's products
4. Attend annual meetings and participate

##### **D. Use the state insurance pool**

##### **E. Work to attract a new generation into farming**

## Outline and summary of Agricultural Issues - 9/13/00

Beata's contribution to Mark and Dave's document

Combine the PROBLEMS and SOLUTIONS sections so that the problems we found are listed with proposed suggestions directly following.

Eliminate the Good News and Consequences sections.

These issues should still remain divided into Federal, State and Local Issues.

### Under Federal solutions/ prices and competition / general policies: add

- 17  
A.
1. a)
    - 2) Redirect spending to support agriculture.
    - 3) Provide adequate safety net for farmers.
    - 4) Manage the supply of ag products / control production.
  - Mandate food as a national resource.
  - Open all foreign markets to US produce, including China and Cuba.
  - Address the subsidy issue on foreign competition.

### b) Under Federal solutions/ prices and competition / milk and cheese pricing: add

USDA needs to enforce what goes into cheese to make sure it's labeled accordingly, especially monitor situations where "imitation" is appropriate.

- b)
  - 1) Require monthly reporting of prices.
  - 2) Consider NW Dairy Coalition instead of Midwest Dairy Compact.
- Improve inventory reporting for butter, cheese.
- Investigate inequity created by volume pricing practices.
- b) Address the concern over the quality of foreign imports, provide education and labeling on products since we have different standards.
- Investigate full reporting of Whey produced. Especially in connection with non-fat dry milk since the products are interchangeable in some products.
- e) Investigate gap in farm and retail price.
- 4) Audit what determines price of cheese.
- Cease import of MPC (milk protein concentrate) until prices are higher.
- Add environmental factor in considering price of milk production.
- Introduce quotas on Milk Solid Proteins.

↙ Add to next item

- Introduce quotas. Base price should be the cost of production including cost of living. Anything above should be considered under quota.

*study*  
- Assign terminology for products that reflect the percentage of farm products used in the production. Ex. "cream" must have 30% cream in.

## 2. Food Production and distribution: add

- a) Test use of MPC in cheese, enforce restrictions.
- b) Country of label should include practices used to produce.
- c) US inspections of meat raised elsewhere should indicate so rather than be implied as US produced.
- d) US surplus should be used on foreign and domestic disaster relief and general aid.  
Use oversupply to make powdered milk, do research and use it in food storage applications.  
Surplus could be purchased by Federal Government and placed in State Controlled Welfare Warehouses to benefit the eligible needy.  
Surplus pay should be the less than regular and based on what percentage over quota the production is.

## 3. Environmental regulations: add

EPA changes to regulations regarding manure management threshold should be worked out with each state.

## 4. Programs to assist farmers

*Change to budget requests/ financial programs*

c) Add Farmer "unemployment compensation"

*fed?* e) increase amount of land entered in conservation reserve - *add to state issues?*

### ~~Miscellaneous~~

*?* Do not fund non-profitable operations and programs.

Ask attorney general to investigate ag commodity pricing.

<sup>1.</sup>  
B. **State Solutions / Financial programs: add**

a) *add* connect consumer and producer directly.

- Market Wisconsin cheese more nationwide.
- Ask Governor to request state of emergency funding from President.
- Make sure programs receiving funding are working.
- Change WHEDA CROP program to be longer than annual.
- Add production financing to budget recommendations.

d) *add* to remove infected cattle and reduce milk supply.

e) *add* fund BadgerCare and address preexisting conditions.

f) *add* and lobby congress on behalf of Wisconsin Milk Producers

*?* - Fund barnyard projects.

B. **3. Taxes**

a) use value:

- Evaluate program to make sure it benefits farmers and report regularly to its' effects.

*Some* - Review farm improvements under the policy.

**4 Animal Health**

b) Lower cost of Johnes testing

- Reimburse for TB testing.

*educate + encourage participation to speed up results + lower costs*

<sup>6)</sup>  
**6. Environmental regulations / nonpoint**

~~Provide financial aid for implementation of manure handling systems.~~  
*Instead of provide funding to install facilities.*

d) *add* Assure adequate staffing at DNR

*7* - If Advocate increasing the acreage of land in conservation reserve program, increase wildlife.

- Offer matchmaker services linking farmers and hunters to allow usage of land to control deer populations yet letting farmer retain ownership.

8. **Misc.**

a) Increase participation in milk program in schools

- Remove pop machines from schools / add milk machines

7 - Consider Family Farm Equity Protection Act.

- Investigate REMC progress on stray voltage.

2 - Assure local supply for healthy competition.

- Provide incentives for packers to utilize smaller producers not just large ones.

C. **Local**

3 - Assure deed zoning for farmland.

Enforce municipal sewage system and runoff from urban areas the same way rural areas. Penalty for contamination.

add to +  
under state  
C. ENVIRON.  
MENTAL  
REGULATIONS  
DNR

2 a) Allow for expansion of dairy herds in exclusive ag zone areas.

D. **Farmer**

- Limit imports to co-ops and limit processing only to members products.

Farmers need to take control of co-ops.

Attend annual meetings, participate.

7 - Allow legislation to control co-ops.

3 - Work together, don't put one against another.

- Work to attract new generation of farmers/ preserve community.

1. c) Demand more Johnes testing, thus increasing effectiveness of the test, Speeding up the process and lowering cost.

- Drink milk!

1. a) Taylor production to meet supply and demand.

2. a) Get more involved in the marketing of products and collaborate with

e) others to get assistance.

- Utilize the state insurance pool since success depends on demand and it has been amended to be farmer friendly (include 2 employees on of which can be a spouse).



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**WISCONSIN LEGISLATIVE COUNCIL  
STAFF MEMORANDUM**

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TO: REPRESENTATIVE ALVIN OTT

FROM: Mark C. Patronsky, Senior Staff Attorney and David L. Lovell, Senior Analyst

RE: Summary of Assembly Agriculture Subcommittee Meetings

DATE: September 8, 2000

Attached to this memorandum, for your review, are draft summaries of the four subcommittee meetings of the Assembly Agriculture Committee that were held in the last two weeks of August 2000.

These summaries are based on our notes. The spellings of some names, the affiliations of some of the speakers and some of the individual comments will need to be modified.

Also attached is an outline that organizes all of the comments and suggestions made at the four subcommittee hearings. This document is intended to form the basis of a report of the subcommittee's activities. This document is also in draft form and needs revision before it is ready for distribution. You should note that the outline includes all comments made at the hearings, whether or not they are feasible.

We will provide whatever further assistance you need in preparing a report of the subcommittee activity.

Attachments

# DRAFT

Assembly Agriculture Committee  
Subcommittee on the State of Agriculture  
Richland Center, WI  
Thursday, August 24, 2000

Martin Tollofsen (Banker, Fennimore: on the Wisconsin Bankers Association Board)

Mr. Tollofsen said he did not have a "solution" for farmers. He said there are not many good alternatives for someone who is not doing well in dairy farming. The alternatives, such as raising heifers, are all demanding.

He noted that milk prices are the same as they were in 1977.

Mr. Tollofsen summarized what has happened to a number of dairy farms near Castle Rock. Along a 10-mile stretch of road, there were 10 dairy farms when he was a child, and now there are two.

Representative Ott asked about the effect of the loss of dairy farms. Mr. Tollofsen said that the biggest effect was on farm-related businesses, such as auctions, implement dealers, fertilizer dealers, feed dealers and hardware stores.

Representative Ainsworth asked whether the number of cows on the two remaining farms is substantial. Mr. Tollofsen said that the number of cows exceeds the total of the original 10 farms.

Representative Spillner asked about the economics of large dairy operations. Mr. Tollofsen said that cows must produce 20,000 pounds of milk per year in a large dairy in order

for the farm to be successful. He said that small dairy farmers can make money with less milk production, but they also buy used equipment and fix everything themselves.

Mr. Tollofsen described his farm. He said that it is a 450 acre farm in the driftless area, with approximately 200 tillable acres. He said that he acquired it at a low price from his parents. If he sold it intact as a farm, it would sell for \$200,000 and the buyer would have a difficult time making the payments. If he divided the farm into residential lots, he would be able to realize \$500,000 on the sale. He said that this was not necessarily a bad result, but merely stated the current situation.

Mr. Tollofsen added that the current situation is very different from the 1980s. Currently, good land prices have allowed some farmers who leave farming to sell and retain some equity. Also, a farmer can leave farming and obtain a good nonfarm job.

Chuck Stevenson (raises sheep in Richland County) OF VIOLA

Mr. Stevenson cited the major United States farm problem the concentration of agricultural suppliers and buyers. He described agriculture as becoming a "fixed price game." He said that in many agricultural transactions, only a limited number of competitors participate. He suggested that anti-trust laws should be enforced as appropriate.

He said that something the state could address is the problems he has regarding coyotes. He said that he lost 30 lambs to coyotes. Neighbors are losing calves the same way. He said that farmers should be compensated for the loss of animals to coyotes, that rules restricting his ability to eliminate them should be eased and that a bounty should be imposed on coyotes.

He expressed concern regarding manure storage regulations. He said that the cost of compliance would not be justified in his operation.

**Dan Dineen (worked as a crop consultant for 20 years, has grown organic vegetables for 10 years)**

Mr. Dineen said that the biggest problem faced by farmers is the large production/low food price policy of the federal government. He said that there are benefits for the United States but there are also adverse environmental and social consequences. He suggested that Wisconsin should concentrate on smaller- and medium-sized farms. He said that large-scale agriculture will not change and the policies related to it will not change. For example, he suggested the development of more direct marketing to consumers for small- and medium-sized farms. He admitted that this would require infrastructure development but that it would be beneficial.

Jeanne Meier, Department of Agriculture, Trade and Consumer Protection (DATCP), said that DATCP is working on this. She said that the agency has established a new bureau of value-added production.

**Randy Jasper (operates a dairy farm; has a full-time off-farm job)**

Mr. Jasper said that an effort should be made to determine where the consumer's food dollar actually goes. Last fall, milk sold for \$17 per hundred weight and it is now below \$10. The price paid by the consumers did not change in that time.

He expressed concerns about biotechnology, particularly as it may increase food production. He said there is already plenty of food being produced and asked why food safety should be compromised by adopting biotechnology to increase production.

**Jerry Lehman (member of the Richland County Board Land Conservation Committee)**

Mr. Lehman observed that concrete barnyards have been built in Richland County for 30-cow farms in the past but these farms are no longer operated for dairy production, and the barnyards are now unused. By contrast, a new 300-cow facility is not eligible for grants to build manure storage facilities.

He noted that a purchase of development rights program is being developed in the county and asked whether farmers will benefit from this program or whether nonfarming owners of rural property will benefit.

Representative Ainsworth asked if state grant programs should provide for the recapture of money spent for manure storage facilities if dairying ceases on a farm. Mr. Lehman expressed a tentative opinion that this should be done but said that he did not know how.

**Norman Fruit (owner of an 80-cow dairy)**

Mr. Fruit said that at the national level, reform of markets should be undertaken. He said that anything that enhances inefficient production is undesirable.

At the state level, he focused on new nonpoint source pollution programs. He expressed concern that the rules would be the same statewide, when in fact differing topography should call for different regulations.

**Joe Shantell (owner of a 400-acre farm; raises heifers, but is not involved in dairy production)**

Mr. Shantell noted that tobacco companies have diverse holdings, and often own food production and processing companies. He expressed concern that the payments required under the tobacco lawsuits will be subsidized by non-tobacco income in multi-brand companies.

He expressed doubts as to whether pricing based on supply and demand is the answer. He noted opportunities in agriculture to make money, but said that low milk prices mean that farmers are being manipulated for the benefit of the market. He said that farmers should organize and sell their product cooperatively.

He added that farmers cannot simply farm from month-to-month but need to plan ahead and use the commodities markets intelligently.

**Sheryl Albers (Representative, 50<sup>th</sup> Assembly District)**

Representative Albers addressed the issue of the size of livestock operations and the potential for local units of government to limit the size of those operations. She noted the recent court cases that limit the ability of local units of government to grant variances from zoning ordinances and said that this should be addressed.

She said that funding should be available for nonpoint pollution facilities. She expressed concern that enforcement orders are often issued to trigger eligibility for funding and that if the funds are all committed, that persons receiving an order must install the facilities without state financial assistance.

She noted a case in Sauk County in which grass waterways have been deemed streams and that the regulations for navigable waters have been applied to those grass waterways.

She commented on Highway 12. She said that a commission has been appointed in Sauk County to implement a purchase of development rights program using state funds. She said that the commission is not elected although the development rights are acquired in perpetuity. She

said that farmers who sell development rights will have to have a plan approved by the commission.

**Robert Frank**

Mr. Frank discussed the change in the social status of farmers, who were once respected. He said that manipulations in the market and in the prices of agricultural products hurts both consumers and farmers.

Representative Ott asked Jeanne Meier, DATCP, about programs to address the stress experienced by farmers. She responded that DATCP has a grant to help address stress, that includes getaway weekends for farm couples.

**Raymond Schmitz**

Mr. Schmitz described the effect on the local economy when farms close. He said that in hilly terrain, as in Richland County, it is often not feasible to convert a dairy farm to cash crops. He commented that as a whole, Wisconsin farmers have lagged behind other states in agricultural efficiency. He said that this is hurting agriculture in the state.

He observed that the northeast compact is working well for milk producers in that region. However, he said that it is important for Wisconsin producers to focus on the national and international markets.

He said that it is extremely difficult to understand milk marketing and pricing. He suggested that an audit should be undertaken of the prices charged for cheese.

**Ron Tauchen, Agriculture Statistics Service (DATCP)**

Mr. Tauchen said that his agency is currently collecting cheese price data. He also said that legislation in Congress has been introduced regarding cheese prices.

**John Unken**

Mr. Unken noted the existence of the Wisconsin Dairy Business Association. He said this organization is intended to counter the opposition faced by farmers who attempt to expand their dairy operations. He noted a county in California that has an environmental permit system and has essentially shut down the establishment of new dairy operations, although it is the most intense dairy production area in the country.

**Eric Trackenberger (Pork Producer Board; employee of a feed company; cash crop farmer)**

Mr. Trackenberger said that on the national level, environmental issues are critical. He noted especially the coastal zone management program, which needs to be based on realistic rules that do not hurt farmers. He also said that support is needed to facilitate the interstate shipment of meat. He said that the ability to ship meat based on state inspections would open up the Chicago and Minneapolis markets to state inspected meat processors.

At the state level, he focused on nonpoint source pollution rules.

He said that pork producers are doing more direct marketing. He said that it would be an effective expenditure of state resources to support this kind of marketing effort. He suggested more involvement from the Department of Commerce in terms of support for agriculture as a type of commercial activity.

*Dick Hauser (formerly with the Cattlemen's Association; now a farm supply representative)*

Mr. Hauser said that he has not been able to sell as much equipment recently. Farmers are not making as much income and are not buying as much equipment. He said that animal agriculture requires resources (such as land), support facilities, reasonable environmental regulations and marketing. He said that marketing is not something that the government is dealing with effectively and that agricultural marketing is substantially as it was 50 years ago. He made comparisons with coal and oil production, in which treatment of those products as a commodity resulted in elimination of the small producers.

He supported the implementation of state-approved inspections for the interstate shipment of meat.

He discussed country of origin labels. He said that country of origin labeling is required routinely for nonfood products and said that agricultural products should be treated the same.

He discussed exclusive agricultural zoning, and asked why it is difficult to expand a dairy herd in an area that is zoned for exclusive agriculture use. He said that the problem does not lie with Department of Natural Resources but rather with local zoning authorities. He said that dairy production is declining and beef production is increasing. He said that feed lots will be necessary in order to produce beef and beef cattle and it is difficult to see how the necessary approvals will be obtained.

[Comment from the audience.] The payment by farmers into the Social Security system depends on income, and farmers do not make these payments or make small payments in bad years. It is likely that many farmers will not have adequate retirement income as a result.

# DRAFT

Assembly Committee on Agriculture  
Subcommittee on Agricultural Issues

Durand, WI

Monday, August 28, 2000

Mel Pittman (Plum City dairy farmer)

Mr. Pittman said that he is director of a five-state dairy cooperative. He described declining payrolls to milk producers. He said that there has been a 35% decrease in payments to milk producers in the first half of 2000 and that he expects this decline to continue.

Mr. Pittman recommended creation of a program of direct payments to farmers to supplement income from farming. He suggested that payments be based on farmers' gross income from the previous year. He emphasized that support payments should be made to farmers in all sectors, not only dairy farmers.

In response to a question from Representative Plouff, Mr. Pittman said that the payments he is proposing could be structured similarly to Unemployment Compensation, but that that is not the model he had in mind.

Jan Morrow (dairy farmer and candidate for State Assembly)

Ms. Morrow said that she operates a farm milking 50 head of dairy cattle. She said that she met with U.S. Secretary of Agriculture Daniel Glickman last year to discuss issues of concern to Wisconsin farmers. She emphasized that she does not want subsidies for farm commodities, but rather wants better prices for those commodities.

Ms. Morrow made the following specific recommendations:

1. Ask the Governor to request that the President of the United States declare a state of emergency related to agricultural commodity prices.
2. Establish a Midwest dairy compact to address dairy pricing in the Midwest Region.
3. Pressure the Attorney General to investigate agricultural commodity pricing issues and possible cases of anti-competitive pricing activity.
4. Establish policies related to agricultural commodity imports to Wisconsin. In particular, she advocated requirement of quality checks on imported commodities to ensure that these commodities are of equal or better quality compared to commodities produced in Wisconsin.

Representative Gronemus observed that cooperatives in Wisconsin are importing dairy products.

*Arnie Weisenbeck (dairy farmer)*

Mr. Weisenbeck discussed the impact of agricultural imports on the prices of commodities produced locally and the need to address this problem. He noted that agricultural imports are currently running 72% greater than a year ago.

*Arnold Spindler (Pepin County dairy farmer)*

Mr. Spindler also addressed issues related to the import of agricultural commodities to Wisconsin. In particular, he indicated that government subsidies provided to overseas producers place American and Wisconsin producers at a competitive disadvantage.

Tom Rothering (Fountain City dairy farmer)

Mr. Rothering discussed problems related to stray voltage. In particular, he said, electric cooperatives do not respond to problems identified by farmers, even when Public Service Commission (PSC) staff have confirmed the existence of the problems. He said that the cooperatives state that they are not subject to PSC jurisdiction or to the state electric code, but that they may follow any code they choose in the design and operation of their electric transmission systems.

Representative Gronemus suggested that legislation could be developed to give the PSC the authority to order electric cooperatives to address identified stray voltage problems to the same extent that it may order public utilities to take such actions.

Mr. Rothering also discussed the pricing of whey and suggested that farmers are not receiving the full value of whey, which in many circumstances can be a valuable commodity.

Mr. Rothering also complained that the Rural Energy Management Council (REMC) is not producing any results related to solving stray voltage problems.

Steve Haines (Arcadia dairy farmer)

Mr. Haines reiterated the views of Mr. Rothering, stating in particular that the REMC is not producing helpful results. He cited a specific instance in which the REMC ignored specific requests from the farming community for research related to stray voltage.

Jeanne Meier, DATCP, explained the process by which the University of Wisconsin (UW) develops and selects proposals for research in this area. In response, Representative Gronemus asked

how the farming community can influence the UW research agenda, stating that the farm community needs input into the research agenda that affects that community.

*Nancy Iverson (dairy farmer)*

Ms. Iverson described her current difficulty of making ends meet in light of rising production costs and stagnant or falling commodity prices. She stated that she is doing the same things, in terms of farm management and production, that she was doing in earlier times, when the farm was profitable.

*Jamie Velker (Barron County dairy farmer)*

Ms. Velker discussed the Agricultural Marketing Act, ch. 96 of the Wisconsin statutes. In particular, she noted that s. 96.04, Stats., states that the cost of production shall be considered in setting prices for agricultural commodities. Joe Tregoning, DATCP, explained that state agricultural marketing orders are limited to activities related to the promotion and marketing of commodities, and do not set prices.

Ms. Velker complained that expanding farms are given various subsidies, which farms that are not expanding do not receive. She also said that expanding farms have expanding impacts on water quality. She insisted that these farms be regulated with regard to the impact of their expansion.

Ms. Velker also expressed dissatisfaction with dairy cooperatives. She stated generally that co-op members need to take control of the co-ops and specifically that the salaries of milk co-op executives and administrators should be tied to the milk prices that the members receive.

*Jay Richardson (Pierce County dairy farmer)*

Mr. Richardson discussed issues related to manure management on dairy farms, particularly relating to the cost burden of complying with government regulations in this area. He noted that the U.S. Environmental Protection Agency (EPA) is proposing to change the regulatory threshold for manure management requirements from 1,000 animal units to only 300 animal units. He noted that this would have a large impact on a great many farmers.

*Mary Anderson (Whitehall beef farmer)*

Ms. Anderson said that she converted her farm from dairy to beef production for several reasons, including that a beef operation provides a better income, has less impact on the environment and is a safer kind of farm on which to raise children.

Ms. Anderson identified several factors that are adversely affecting farm commodity prices. First, she mentioned that large agricultural corporations promote overproduction through bioengineering of crops and livestock. Second, she noted that the food industry is replacing milk with soda in children's diets. She said that this has the effect of both reducing demand for dairy products and reducing the nutritional value of children's diets. Third, she said that large milk processors finance expansions of large milk producers. She suggested that the processors can tolerate financial losses on these investments since they can write off any losses on taxes and the investments help ensure them a plentiful and inexpensive supply of milk.

*Willard Haigh (retired dairy farmer)*

Mr. Haigh discussed historic American agriculture policy, indicating that it is built largely on price supports. He also discussed the Wisconsin use value taxation policy, indicating his opinion that it has not been successful in relieving the burdens of farm taxation.

Mr. Haigh stated that farm families need help in getting access to affordable health insurance.

Mr. Haigh said that farmers need to take control of their milk marketing cooperatives. He suggested that cooperatives be limited to processing only the milk produced by their members. In addition, he said that the state should address the issue of inequities created by volume pricing practices.

*Dennis Iverson (farmer)*

Mr. Iverson discussed the effect of forest land on farmland taxes. He noted that the use value tax policy does not apply to forest lands, with a result that the forest lands on a farm are often taxed at their value for hunting or recreational uses, values which are much greater than agricultural use values. He urged the committee to look for ways to distinguish between woodlands used for recreation and those used for agricultural use, for taxation purposes. He noted that the state forest tax laws do not necessarily help farmers in this situation, especially since they require opening at least some of the land to public hunting. He also complained that government incentives available to farmers are focused on big operations.

Mr. Iverson also noted that there are conflicting requirements regarding the use or management of land under federal set-aside programs and the state forest tax laws. As a result, he said that land cannot be enrolled in both programs.

Representative Ott indicated that Representative Brandemuehl had proposed to extend use value taxation policy to woodlands. Mr. Tregoning indicated that Senator Decker had proposed legislation to distinguish between woodlands used for recreation and those used for agricultural uses.

Ron Huppert (Arkansaw dairy farmer)

Mr. Huppert described problems he has had with agricultural credit. He said that, for many years, he had had a revolving line of credit. However, he said that, without his knowledge or consent, this was changed to a promissory note. He said that the change was accomplished by modifying a document that he had signed. The modification occurred on a page that did not include his signature. What is more, he said that he was not provided with copies of all of the documents that he had signed. He said that safeguards are needed in state law to protect farmers from this kind of treatment by agricultural credit providers.

Representative Gronemus indicated that, in response to Mr. Huppert's problem, she had introduced legislation in the previous legislative session to require that a lender provide authenticated copies of all documents related to agricultural credit.

Sam Dansinger (dairy farmer)

Mr. Dansinger discussed the dilemma of how to ensure that dairy farmers get the best price for their commodities. Without making any recommendation, he acknowledged the option of establishing a quota system and also suggested that farmers pay closer attention to the activity of their dairy cooperatives.

Speaking from the audience, Ken McMahon, a member of the board of directors of the Elsworth Dairy Cooperative, urged those present to not blame their co-op boards of directors for all of their

problems. He noted that the co-ops are constrained by supply and demand and are not able to control the prices of farm commodities.

In response to questions about how co-op members can act to regain control of their co-ops, Mr. McMahon encouraged farmers to attend their co-ops' annual meetings and actively participate in the work of the co-ops. The UW-Extension Center for Cooperatives was also identified as a resource for individuals wishing to better understand their cooperatives, work with them or even to create new cooperatives.

Steven Kling

Mr. Kling said that state action is needed to keep dairy plants open. He also discussed the impact of taxes and environmental regulations on the viability of dairy farms. Mr. Kling talked about the need to keep the Mississippi River open as a transportation route. He indicated that transporting grain by barges on the river is more economical than transporting it by rail. He said that it is important to invest in dredging and other maintenance to keep the river channels open, in addition to simply operating the locks and dams.

Representative Gronemus encouraged the use of aggressive nonpoint source pollution control efforts to stop the erosion that leads to channel sedimentation in the Mississippi River. She encouraged use of the Conservation Credit Program, in Pepin County, as a model.

Jeff Jackson

Mr. Jackson discussed issues relating to the import of dairy products into Wisconsin. In particular, he expressed concern about the impact of imports on the Wisconsin Grade A Milk Program. He asked whether imported dairy commodities are of the same quality as those produced in Wisconsin.

Ms. Meier, DATCP, noted that there have been proposals to require the labeling of dairy products by the country of origin.

Mr. Jackson also said that federal law should be changed to allow state inspection of meat, to facilitate the interstate shipping of locally produced meat products. He complained that large meat packing interests are blocking such changes in federal policy to limit competition.

**Jill Lucht (dairy farmer and representative of the Wisconsin Farmers Union)**

Ms. Lucht identified several policies that should be implemented at the federal and state levels. At the federal level, she said that higher support prices should be established, imports of agricultural commodities should be limited and domestic surpluses of agricultural commodities should be used in overseas disaster assistance and in domestic nutrition programs. Also, she said country of origin labeling should be required. Speaking on her own behalf, rather than on behalf of the Wisconsin Farmers Union, she said that a family farm label should be established, as well, to identify commodities produced on family farms.

At the state level, Ms. Lucht said that more financial aid should be provided for the implementation of manure handling systems. She said that health care needs should be addressed by making farmers eligible to participate in BadgerCare. She said that the state should provide loans to small farmers to assist them in developing niche markets for their commodities. Finally, she said that the School Morning Milk Program should be fully funded.

**Corliss Henderson (dairy farmer)**

Mr. Henderson expressed concern about the fairness of the milk pricing system. In particular, he expressed concern about the use of volume premiums. He advocated requiring monthly reporting of all

milk prices paid by milk processors, including information on premiums, discounts and other pricing mechanisms used by the processors. He said that the prices reported should be actual prices paid by individual processors to individual farmers, to supplement the average prices that are reported on a monthly basis by the Agricultural Statistical Service.

Joe Bragger (dairy farmer)

Mr. Bragger urged the committee and the state to be very careful in designing nonpoint source pollution control requirements. He said that these requirements should be reviewed to ensure that they do not impose an unbearable cost burden to farmers.

Mr. Bragger recommended a buyout program as a means of addressing Johnes Disease. He said that a program to buy infected cattle from farmers would have a number of benefits. It would remove infected cattle from the state dairy herd, improving the overall health of the herd. In addition, it would reduce milk supplies, helping to boost milk prices. Finally, it would provide cash support to farmers without making them rely upon direct subsidies or welfare.

Dr. Clarence Siroky, the State Veterinarian, indicated that a buyout program would be helpful in addressing Johnes Disease. He indicated that it should be in addition to a Johnes Disease testing effort and education of dairy farmers.

Andy Huppert (farmer)

Mr. Huppert complained that the growing wild turkey population is resulting in extensive damage to corn crops; he advocated elimination of the wild turkeys.

Mr. Huppert also complained that the sales tax applies to virtually every transaction a farmer makes; he advocated eliminating the sales tax, as well.

Mr. Huppert said that the use value assessment of farmland is not working to lessen the tax burden on farmers. He said that it is being used by real estate speculators to reduce their holding costs prior to the time when they can develop land, at a very large profit. He advocated limiting the use value assessment policy to land which is locked into agricultural use forever.

Mr. Huppert also advocated efforts to increase the participation in the Morning Milk Program. He said that all children in grades kindergarten through fifth should have access to free milk at school. He also advocated removal of pop machines from public schools.

*Marty Hallock (farmer)*

Mr. Hallock said that the use value tax policy is not having the desired effects. He said that the shift in tax burdens results in farmers subsidizing Milwaukee.

Mr. Hallock advocated increasing the acreage of land in the Conservation Reserve Program. He said that this would raise grain prices which would in turn raise milk prices.

# DRAFT

Assembly Committee on Agriculture  
Subcommittee on the Agricultural Industry  
Johnson Creek, WI  
Tuesday, August 29, 2000

Mark Christensen (member of the Wisconsin Milk Marketing Board)

Mr. Christensen observed that milk prices are set by the U.S. Department of Agriculture (USDA) based on data provided by processors. He complained that there is no control on that data. He said in particular that the prices are based on the volume of cheese on the market and that some processors hold cheese in reserve and do not report it to the USDA. He said that when prices rise, these processors then release the reserves to drive the price back down. He said that there should be full reporting of all cheese produced.

Mr. Christensen said that the State of Wisconsin should expand the role of the Milk Marketing Board beyond promotional activities. He said that the board should be allowed to set a base price for milk. He said that the board should also be allowed to implement various methods for using surplus supplies of milk and milk products. He said that he has worked with U.S. Senator Russell Feingold on federal legislation relating to this.

Mr. Christensen complained about the impact of imported dairy products on domestic milk prices. He said that imports from Canada and elsewhere should be investigated.

Mike Martin (member of the Wisconsin Milk Marketing Board)

Mr. Martin said that a system of supply management is needed, but that such a system must be implemented on a nationwide basis.

Mr. Martin also said that imports must be controlled. He noted that there are quotas on cheeses, by type, but not on milk solid proteins. He said that quotas should be established for milk solid proteins.

Mr. Martin said that the use value assessment tax policy should be reevaluated, to ensure that it gives the intended benefit to farmers.

Mr. Martin stated that we must "keep the EPA at bay" to avoid the imposition of unaffordable environmental regulation on farmers. He said that regulation by the Department of Natural Resources (DNR) and Department of Agriculture, Trade and Consumer Protection (DATCP) is bad enough.

*Sue Schaefer (dairy farmer)*

Ms. Schaefer said that the current state nutrient management rules are unenforceable. She said that it is bad policy to adopt rules that are unenforceable. She also complained that farmers are treated differently than other sources of pollution. She said that farmers face strict enforcement of violations relating to farm runoff but that overflows of untreated or partially treated sewage from municipal sewerage systems and nonpoint runoff from urban sources are allowed without any penalty.

Ms. Schaefer complained that the state is requiring improvements of drainage ditches. She said that the improvements cannot be afforded by farmers and that the farmers should have the ability to choose when and how to improve drainage systems.

*Norman Bartell (retired farmer)*

Mr. Bartell discussed issues related to land use. He complained that land is not dedicated to farming. He said that developers are getting rich by developing land which has benefitted from agricultural subsidy programs prior to development, while farmers are suffering due to low commodity prices. He said that there is a need to save the land for farming.

Mr. Bartell also complained about federal agricultural commodity pricing policies. He said that the federal government should mandate food as a national resource and set prices for all commodities at

the start of the season. He also said that the federal government should buy agricultural surpluses for distribution through foreign aid and disaster relief activities.

Charles Untz (dairy farmer)

With respect to drainage districts, Mr. Untz said that the state mandate that drainage districts reestablish drainage profiles is good for the farmers, even though it is an expensive activity. He noted, however, that decisions to improve drainage systems are left to the drainage district boards, which are made up of the landowners within the district.

Mr. Untz complained that the assessments of property under the use value assessment policy are much higher than actual rents on agricultural property. In response, Bruce Jones, from the University of Wisconsin (UW)-Extension Center for Dairy Profitability, described how rents are set under the use value assessment policy. He said that the rents are based in part on a moving five-year average of corn yield and corn prices. He indicated that in Jefferson County, for example, assessments have been cut by a factor of three or more as a result of this policy, although they are still greater than the actual market rents. He noted that physical improvements are taxed at a higher rate than agricultural land.

Mr. Untz said that testing for Johnes Disease is too expensive, and should not be required. In response, Dr. Clarence Siroky, State Veterinarian, described the methods of Johnes Disease testing, the reasons for conducting the tests and how to use the information gained through testing.

Mr. Untz said that there is a need to control production of dairy products to manage dairy prices. Chairperson Ott asked for a show of hands, and a majority of the public who were present indicated a support of some form of national dairy supply control.

Mr. Untz complained that imported dairy products are suppressing local dairy prices. He said that all world markets should be open to U.S. products on the same basis.

Representative Kestell said that use value assessment policy has helped reduce the tax burden on farmers, but acknowledged that it may not have fully solved the problem. He said that more work is needed to refine the policy. In particular, he suggested reviewing the treatment of woodlands and farm improvements under the policy.

*Vern Newhouse (farmer)*

Mr. Newhouse said that on-farm finances are in big trouble. He said that the gap between farm prices and retail prices is growing. He noted that the dairy case is the highest profit center in grocery stores and said that retail prices have gone up while farm commodity prices have stagnated or fallen.

Mr. Newhouse said that there is a need for national fairness in milk pricing. He rejected the notion of regional compacts for dairy product marketing.

Mr. Newhouse described his farming operation as a neighborhood farm. He said that four family farms have banded together under a corporate structure, which gives them the efficiencies of a large farm while still retaining their small family farms.

*Dave Mathis (Wisconsin Livestock Dealers Association)*

Mr. Mathis advocated that the government purchase agricultural commodities surpluses. He said that the surpluses should be used not only for distribution in foreign disaster relief, but also to feed the poor in the United States. He suggested the creation of welfare warehouses for the distribution of surplus dairy, grains, produce and other commodities. He said that the distribution would be controlled