

Aug. 31th Thursday.

REEDSVILLE

Departure

Time: 6:30am

Place: E. Washington Ave. Steps

Boarding: Beata
Mark (Leg.C.)
Sherab (Sgt.Staff)

Be sure to bring:
(page) Hearing slips, Paper and pencils, nameplates,
(clerk) Hearing notices/tape, Tape recorder, Info Materials

Travel time @ 2 1/2 hours.

Directions: US-151 to WI-26N / US-41N, exit on WI-114 , to US-10, left on 6th St.
Equity sign visible from highway.

Parking: regular lot in front

Destination:

Assembly Sub-Committee on Agricultural Economy
Equity Livestock Sales Barn
513 N 6th Street
REEDSVILLE, WI

Contact: Mike 608/356-0168x124 or manager Greg 920/ 754-4361

Start time: 9:00am

Members expected:

- R Ott, Spillner, Kestell
- D ~~Gronemus~~, Steinbrink, Waukau
- ?

Accommodations:

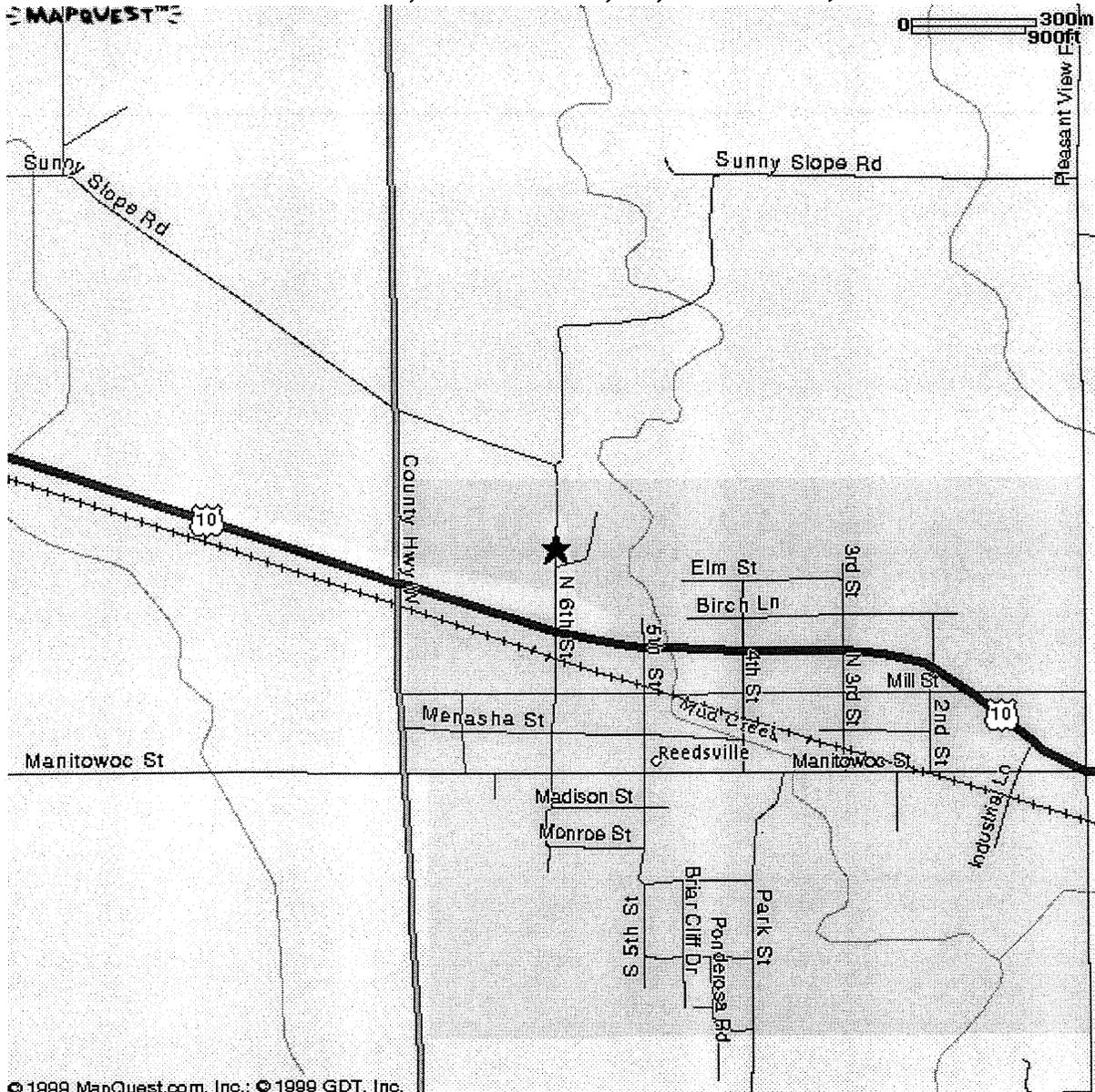
Tables and chairs available in arena. Microphones and outlets as well.
Food Concessions and restrooms available and open at this location.



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1: Start out going Northeast on US-151.	57.1 miles (91.9 km)
2: Turn SLIGHT LEFT onto WI-26 N.	22.0 miles (35.4 km)
3: Take the US-41 NORTH ramp towards OSHKOSH/APPLETON/GREEN BAY.	0.3 miles (0.4 km)
4: Merge onto WI-26 N.	2.7 miles (4.4 km)
5: WI-26 N becomes US-41 N.	14.3 miles (23.1 km)
6: Take the WI-114/CR-JJ/WINNECONNE AVE exit, exit number 131.	0.2 miles (0.3 km)
7: Turn RIGHT onto WI-114.	8.9 miles (14.4 km)
8: Stay straight to go onto US-10.	19.9 miles (32.0 km)
There are 0.12 miles (0.20 km) between the end of the directions and . Use local roads to get to .	
TOTAL DISTANCE:	125.4 miles (201.8 km)
TOTAL ESTIMATED TIME:	3 hours, 16 minutes

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REPRESENTATIVE AL OTT

State Representative
3rd Assembly District

PRESS RELEASE

FOR IMMEDIATE RELEASE
Contact: Representative Al Ott

August 16, 2000
(608) 266-5831

Assembly Agriculture Subcommittee Announces Statewide Listening Sessions

Madison... State Representative Al Ott (R- Forest Junction), Assembly Agriculture Committee Chair, announced today that an Agriculture Subcommittee will hold four listening sessions throughout the state during the end of August. These sessions will search out the crisis that is occurring within the agricultural community.

The goal of the listening sessions is to bring attention to the current agricultural price crisis and to allow the agriculture industry the opportunity to express their concerns. Additionally, the Subcommittee hopes that this effort will generate ideas and suggestions on how to deal with the mounting problems that the industry is facing.

“We understand that at the state level our hands are tied as to what we can officially do to alleviate the situation. However, as a committee we feel that it is important to go on the road to see for ourselves what is happening within Wisconsin’s agricultural community. To get a complete picture of what is going on, we hope to draw individuals from all spectrums of the industry including farmers, processors, suppliers, cooperatives, implement dealers, feed mills, bankers, etc. We want to listen to whoever is being affected,” said Ott.

The Subcommittee listening sessions will be held in the following locations:

- August 24th at 9:00 a.m. – Richland Center
Equity Cooperative Livestock Sales Auction Market Barn - 26702 County Road O
- August 28th at 10:30 a.m. – Durand
Spindler Dairy, Inc. – W5127 US Highway 10
- August 29th at 9:00 a.m. – Johnson Creek
Equity Cooperative Livestock Sales Auction Market Barn - N6225 County Road Y
- August 31st at 9:00 a.m. – Reedsville
Equity Cooperative Livestock Sales Auction Market Barn - 513 North 6th Street

For more information or directions to any of the locations, please contact the office of State Representative Al Ott. Madison office phone number: (608) 266-5831 or (888) 534-0003 toll free. E-mail address: Rep.Ott@legis.state.wi.us.

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Agriculture Subcommittee Hearings Agenda

These listening sessions are being held in response to the silent economic crisis that is taking place throughout Wisconsin's agriculture industry.

Ultimately, the Purpose of the Four Subcommittee Hearings is to...

- ✓ **Collect information in order to compile a report to be sent to Wisconsin's Federal Delegation and to US Secretary of Agriculture Dan Glickman.**
 - What is happening in Wisconsin agriculture.
 - Have this information as they return to Washington to vote on appropriation bills that deal with agriculture.
 - Wisconsin Legislature's hands are tied when it comes to something like agriculture pricing. However, we want to offer Wisconsin agriculture a voice.
 - Easier for the Federal Delegation to respond to the problem if they are well informed as to what it is.

- ✓ **Generate "Ideas for Action."**
 - Generate ideas for action that **can** be taken at the local, state and federal level to alleviate the hardships throughout the industry.
 - May discover some action we can take to help Wisconsin agriculture.

- ✓ **Provide the opportunity to members of the agriculture community to express, in their own words, the impact of the current situation.**
 - Stress that these sessions are open to **EVERYONE** feeling the impact of the current crisis. *"From the Farmers to the Bankers."*

- ✓ **"Press Conference for Agriculture."**
 - We hope that the media present will take the opportunity to talk to farmers and members of the agriculture industry and vice versa.

- ✓ **Raise awareness on all fronts.**
 - Inform people that may not necessarily be aware of what is happening in agriculture.
 - Make the economic concerns of agriculture more visible to the general population.

- ✓ **Provide information and resources.**
 - Hope to have information and various resource people available to field questions and to comment.
 - Let members of the agricultural community know that there are resources available and make the link between providers and those in need.

REPRESENTATIVE AL OTT

State Representative
3rd Assembly District

FOR IMMEDIATE RELEASE
Contact: Representative Al Ott

August 21, 2000
(608) 266-5831

Agenda for Statewide Agriculture Hearings

Madison... State Representative Al Ott (R- Forest Junction), Assembly Agriculture Committee Chair, released an agenda for the statewide Agriculture Subcommittee hearings that will be held throughout the next two weeks.

“ We are going out to the farming community with a specific set of goals. I am confident that we can make these sessions successful if we stick to this agenda. The hearings are not a forum for political candidates. We do not want to overshadow this serious issue. This is however, a forum for people in agriculture as well as a chance to explore what can be done to keep the industry strong in Wisconsin,” Ott said.

The Subcommittee agenda is as follows:

- **Collect information and report what is happening in the state to Wisconsin’s Federal Delegation and US Secretary of Agriculture Dan Glickman.**
- **Offer the opportunity for members of the agriculture 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 agriculture industry.**
- **Generate ideas on possible ways to alleviate the hardships faced by Wisconsin agriculture.**
- **Bring the media and the agriculture industry together.**

The Subcommittee listening sessions will be held in the following locations:

- August 24th at 9:00 a.m. – Richland Center
Equity Cooperative Livestock Sales Auction Market Barn - 26702 County Road O
- August 28th at 10:30 a.m. – Durand
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- August 29th at 9:00 a.m. – Johnson Creek
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Herald Times Reporter

LOCAL NEWS

Fri 1-Sep-2000

Ag community voice concerns

By PAT PANKRATZ
Herald Times Reporter

REEDSVILLE - More than 50 members of the agriculture community Thursday gathered at the Equity Barn in Reedsville to express their concerns to members of the Assembly's Agriculture Committee.

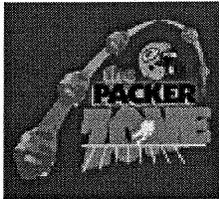
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It was the final of four hearings the committee held around the state to hear from farmers, cooperatives, feed mill operators and others affected by the farm crisis.

Committee Chairman and State Rep. Al Ott, R-Forest Junction, said the major concern expressed has been the impact of low milk and commodity prices being paid to farmers.

Herald Times Reporter's Annual Prep Football Preview

Thursday was no exception.



"I don't know how much longer we can survive on operations this way," Brown County dairy farmer Norb VandeHey told the committee. He and his family milk 225 cows on 900 acres.

Many in the crowd spoke about the need to preserve the family farm.



Among them was Don Cooper, owner of Cooper Haven Farms, who said agriculture is a once-proud industry hurt by a "trend to bigness."

Excess technology and corporate farming have hurt the industry, said Cooper, who sang a self-composed song he calls "The Farmer's Lament."

"Just how big is big enough?" he asked.

Several farmers expressed concern about the impact of foreign competition on farming.

Among them was Gerald Jaeger of Campbellsport, a director in the Wisconsin Farmers Union. He and others urged a halt to purchase of imported non-fat dry milk and milk protein concentrate.

"This (importing) is replacing our milk," he said. "This results in a \$3 to \$4 per hundredweight reduction off a farmer's milk check."

Farmer Allen Kracht of Newton urged that state and federal inspectors check cheese plants to determine if imported product is being used in them.

"They're buying cheap imported ingredients to get more cheese when they should be paying the American dairyman for this protein," Kracht said.

"Why is this we are being dumped on so greatly in this country?" wondered Walter Krueger of Brillion.

Randy Geiger and his wife Rosie are dairy farmers in the Reedsville area. As chairman of the Manitowoc County Milk Cooperative, Randy said he hears from many farmers, many of whom are concerned they will be out of business by Christmas if milk prices continue to decline.

"They say this is the first time in their lifetimes, and many are in this up to 50 years, that they are in this situation financially," Geiger said.

He pointed out that there is a "big, big discrepancy" in the amount charged for dairy products in stores and the amount paid to farmers for producing them.

The latter has gone up just 8 percent since 1982, he said, while the retail price has gone up about 60 percent over the same period.

"Somebody, somewhere is filling their coffers," Geiger said.

Rosie Geiger said financial strain is forcing many farmers she knows to sell their herds.

"And these are not old people, but they've just had it," she said. "Everybody says they can't do anything about price. Well, the federal government had better start doing something about it because if everybody here who's a dairy farmer had a decent price, a lot of their other problems would be history."

Also on the list of concerns expressed Thursday was competition and interference from Canada in the veal industry, which is represented by several farms in this area, according to spokesman Dale Behnke.

Ott said the input from all four meetings in the state will be compiled into a report, to be sent to federal officials.

"As a state our hands are tied, but we can be a facilitator to help," Ott said.

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Dairy farmers cry out for answers at Agriculture Committee hearing

by
RAY MUELLER
Farm Correspondent

REEDSVILLE—"I hope you people are listening. The point is not getting across. We need to have a fair price like everybody else. I hope you're listening or hearing - at least one of the two," dairy farmer Gerry Vander Heiden of Seymour told members of the Wisconsin assembly agriculture committee. They were attending the last of four hearings held to document the state of agriculture economy in Wisconsin, and to pass the information on to the federal government as a plea for action to alleviate the problems.

Vander Heiden said he'd like to be able to milk 70 cows rather than the 100 he now has to in order to meet expenses and perhaps make a profit. Referring to his most recent pay price of \$10.52 per hundred for milk, and a published report about the highest ever spread between on-farm and retail prices for milk and other dairy products, Vander Heiden declared "We've lost control of our product. With the make allowance for cheese, the manufacturers are guaranteed to make a profit, but the farmer is not."

"We need to do things differently," Vander Heiden suggested. He criticized the milk check deduction of 15 cents per hundred as not being effective because "the farmer is not getting a return on the 15 cents, although the dairy product consumption is up. All of the others who advertise get a return on their money."

Spend the checkoff money to lobby Congress, or to buy products and give them to the poor countries, Vander Heiden advised. "Get off your high horse on advertising. We're not loony for saying this."

Vander Heiden ques-

tioned the wisdom of having state agencies support the building of the new dairies or expanding existing ones when "many others are going broke."

"There are many who want to farm but there is no money in it," he said. Saying it does no good other than "making a bunch of consultants rich," Vander Heiden called on the state to "junk Dairy 2020" (a Department of Commerce program which provides grants to farmers wanting to review the future of their dairy business).

Dairy farmers need a milk price that covers their cost of production, along with a supply management system. California must become part of the federal milk marketing order system and state officials should insist on being assured that milk prices will improve if public money is used to build new dairy farms or new cheese manufacturing plants, Vander Heiden said.

Noting he ships his milk to Alto Dairy Co-op, which is studying the possibility of building of what would be Wisconsin's largest cheese plant in a joint venture with Land O'Lakes Co-op, Vander Heiden was "looking for an answer from them on the price effect" but has not been able to get one.

"It's the same with the Wisconsin Milk Marketing Board," he said. "No answers."

If there's a new plant and the state invests in it, "the state should get an answer," Vander Heiden stressed. He also questioned the appropriateness of a reported state loan of \$780,000 for building a large new dairy farm in Polk County.

"Farmers, you need to be in touch with consumer groups," Vander Heiden told a couple of dozen fellow farmers in a crowd of about 50 persons at the Equity Livestock auction

barn in Reedsville.

On a recent trip to Washington D.C., Vander Heiden said he learned consumers do not want bovine somatotrophin (a milk production enhancer) or other technology that increases production.

"Use technology only if we need it to have enough production," he recommended. "We also have to develop new markets."

After being part of a group that hit many roadblocks in trying to form a new cooperative, Vander Heiden said he believes the co-ops are not working for the farmers.

"They're working for the co-op," he said.

He also cited the support of only 25 United States senators for a bill to control mega-mergers in the agriculture sectors as another indication of why the ag economy is ailing.

After hearing Vander Heiden's comments during the final 30 minutes of a three-hour session in which farmers and others laid out their observations and ideas about what's wrong with the agricultural economy today, committee chairman Al Ott (R-Forest Junction) said he hoped someone would tell a joke or funny story to break the somber mood. He said it is "real easy to get a negative, pessimistic attitude," agreed there is "lots of depression," and suggested the Farm Medicine Center (of Marshfield) might not be giving enough attention to this.

Ott credited Vander Heiden for raising some "good questions" but he also described them as "impossible questions" which make up "the economic reality which is decided by the marketplace." He tried to assure the farmers, however, that those in the other segments of the marketplace "want producers to survive, although we will have some losers."

Both early and late in the session, Ott referred to the 1999 milk production numbers by state which showed Idaho up by 15 percent, Indiana up 14 percent, and New Mexico up 11.5 percent, while Wisconsin fell by 1.5 percent.



Rep. Al Ott

(Ray Mueller photo)

Citing how Wisconsin lost its last two hog packers (Hillshire Farms and Patrick Cudahy) because "we failed to fight to keep kill floors in Wisconsin," Ott said the state can't afford to merely stand by when a new cheese plant worth \$200 million or more is at stake.

"I'm all for the plant," Vander Heiden said, "but the plant has to make money for me too."

"Nobody has recognized what farmers need but we also must know what the market needs," Don Cooper of Greenbush in Sheboygan County said. "We've produced ourselves to death. We will not have good prices if we're free to do what we want."

"We've become too wrapped up in technology," Cooper said. "We've let it overwhelm us. We've replaced God and put ourselves in charge."

"I don't know how long we can survive with these prices," Norbert Vande Hei of southern Brown County said. "It's sad. We're not the only ones," he said of the situation which he confronts with his sons as they milk their 225 cows.

Randy Geiger, a rural

"Just imagine if an \$1 billion business wanted to come into Wisconsin," he said. "What would the governor do? He'd welcome them and probably even give them a jet."

"We're getting paid 197 prices for milk and paying 2000 prices," Geiger's wife Rosalie, a WMMB director said. "How long will that last? Young people are selling. They've had it. Everybody says we can't do anything about price. What will? The Dairy Herd Improvement Association, the artificial inseminators they're all scrambling because nobody's buying."

"Producers cannot afford to buy land while non-farmers are paying \$7,000 more per acre for recreation and development," Randy Geiger pointed out. "Land is not worth anything for agriculture. In 5 to 10 years, most of the land will be owned by other interests not by agriculture."

"Keep screaming at saying things. We still have a voice," Rosalie Geiger said.

La-Tec earn 5-star rating

NEW HOLSTEIN—La-Tec Credit Union has been awarded Bauer Financial's 5-star superior rating for 7th consecutive time.

Bauer Financial Report Inc., the nation's leading primary financial institution research firm, recognized La-Tec Credit Union's present and potential strength and performance through this prestigious award.

"La-Tec Credit Union is not simply one of the strongest credit unions in the nation, it represents the best in credit unions," said Bauer.



(Keevanke)

8-21-2000

From the desk of...
DAVE WEILAND
Adult Ag Instructor

Hello Al;

Office:
Fox Valley Technical College
1825 North Blumound Drive
Appleton, WI 54913-2277
Phone (414) 735-5672 or
Phone (414) 735-4866

I Believe you are on the right track. My hope is that the agri-businesses fully explain how theses low milk prices are hurting their respective business, and also their related suppliers.

Home:
W-5506 Schmidt Road
Appleton, WI 54915
Phone (414) 739-0720

Sorry, Aug 31st FVTC has a Forage Day at Jack Bankers. Good luck on having a productive session.

If I (FVTC) can be of any further help, please let us know.

"A friend of Al Ott"
Agriculturally yours;

Dave

Adult Agriculture Program
"Better Agriculture Through Education"

Trade practices, lack of government enforcement blamed for ag economic crisis

RAY MUELLER

REEDSVILLE
International trading practices, lack of rule enforcement by agencies in this country and agricultural activities in other countries were blamed for today's agricultural economic woes by area farmers and other speakers at a hearing conducted by the Wisconsin state Assembly Agriculture Committee on Aug. 31. Committee members attending were chairman Al Ott of Forest Junction, John Stelbrink of Pleasant Prairie, Sara Waukau of Antigo, Steve Kestell of Howards Grove and Joan Spilner of Monello.

The importing of milk protein concentrates from several countries — a practice which allows cheese manufacturers to increase the cheese yields per hundred pounds of milk — displaced 8 billion pounds of domestic milk from January through May of 2000 and is responsible for lowering the price of milk paid to dairy farmers in this country by \$3 to \$4 per hundred, Gerald Jaeger of Campbellsport told the committee.

Jaeger is a director of the National Farmers Union, which has called on dairy cooperatives and manufacturing plants to stop the importing of any nonfat dry milk (MFC) until the Class IV price (the value of milk used to make butter and powder) reaches \$14.50 per hundred (it has averaged less than \$12 since November of 1999).

Jaeger noted that milk protein concentrate imports have increased by 600 percent since 1995 and that the increase for

January through May of this year was 82 percent compared to those months in 1999. Official documents compiled by the National Agricultural Statistics Service showed an import of 8,000 tons of MPC in May of 2000 and a total of 96,000 tons from October 1999 through May of 2000 compared to 69,000 tons for those months a year earlier.

The NFU is calling for a federal investigation of whether imported MPC is used to make any natural cheeses and for an accounting of the end use of the imported MPC. Stronger enforcement of existing rules by both state and federal agencies is needed, Jaeger pointed out. "We need solutions."

Allen Krachi, whose family operates a Jersey dairy farm near Newton in Manitowish County, said it is legal to use four-fifths of an ounce of MPC per 100 pounds of milk to make cheese, but admitted, "It seems some manufacturers are using more illegally to get more cheese per hundred of milk." The amount of MPC can be identified in the final product, inspectors can do it. He asked that "buying cheap import inputs."

"We don't want any illegal imported MPC," Wisconsin Cheese Makers Association executive director John Umhoefer told the concerned farmers. "I think you'll find most of this is being done outside of Wisconsin." Wayne Craig, a dairy grazer from New Holstein in Calumet County, suggested that the U.S. Depart-

ment of Agriculture "is not enforcing the rules on MPC because it can be identified in manufactured cheese."

Willard Krueger of Brillton, Rosalie Geiger of Reedsville, and Jaeger all called for country-of-origin labeling on cheese packages. They disagreed with Ott, who commented that "this may be difficult because we have so many cheese blends — we may need the whole atlas." Krueger replied that car makers are able to label vehicle parts for the country of manufacture.

"Labels of origin should be enforced on meat and vegetables, too," Geiger stated. "When there are outbreaks of illness from imported foods, the farmers here get blamed. This is a federal issue but Wisconsin is part of this country. We're still in the United States. Enforce the rules on imports."

The U.S. is spending a lot of its national treasure pursuing a practice not followed elsewhere — having a free trade and open market policy and being the only one to practice it," Bill Shogren of Seymour said. In teaching a class about marketing in Eastern Europe, Shogren said he learned "the European Union is very protectionist. We're dealing with a multithroated dragon." He also pointed

out that the Eurodollar started with a U.S. value of \$1.18, but it has now fallen to 89 cents, making "European products very cheap in the American market."

Wayne Craig suggested that one example of how dairy farmers are "getting screwed" by "free trade" is by having 14 percent of the milk supply that would otherwise go into making cheese being replaced by the imported MPC. The cheese made with the MPC "should be called 'imitation cheese,'" he emphasized. "The MPC is not going into making candy."

Dale Behnke, a special-fed veal calf grower from north of Reedsville, described another example of how export/import practices work to the detriment of agriculture in the United States. He reported that many dairy bull calves in Wisconsin, Ohio, Pennsylvania and New York are being purchased for export to barns and feedlots in Canada.

Although that market demand improves the price for the dairy farmers selling calves here, Behnke said the overall effect of the practice hurts U.S. interests.

The calves, whether as special-fed vealers or steers, consume the cheap excess milk that exceeds Canada's quota for the top pricing rate, cheap proteins

and other feed that originates in Canada, and other feed that originates in Canada, are shipped back to the United States for slaughter and yield veal or meat which is labeled as coming from the U.S., Behnke explained. He said this is true even though three livestock drugs which are banned in the United States are legal in Canada. The meat should have a country of origin label, he suggested.

In addition, the Canadian government operates an "insurance pool" from which the farmers can draw \$100 per head of livestock to offset the production costs, Behnke stated. This allows the Canadian growers to produce for less while putting the livestock into the same market which Behnke has for his animals that are raised at a higher cost, Behnke pointed out. He reported that members of the Wisconsin Veal Growers Association, which has 340 members, have met with Wisconsin Secretary of Agriculture, Trade, and Consumer Protection Ben Brancel about the situation.

Randy Geiger of Reedsville said the European Union subsidizes cheese at about 20 cents per pound (nearly \$2 per hundred pounds of milk), U.S. dairy product imports in 1999 were the equivalent of the milk production in New Mexico (10th in volume among the states) and

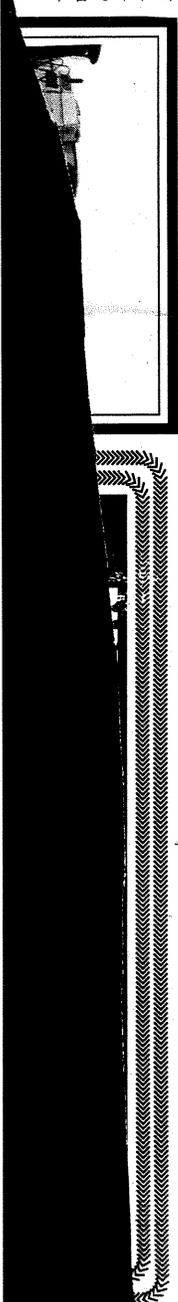
that having New Mexico's milk production removed from the U.S. supply would increase milk prices by about 40 percent.

In the domestic market, he wished something could be done about the increasing spread in raw milk and finished product prices and about the example from Madison which had the same variety of cheese from a particular manufacturer selling for \$4.48 per pound at a chain supermarket store and \$2.18 at an independent small grocery.

Committee chairman Ott agreed, "people don't understand what's happening in agriculture," but he also criticized agricultural interests for "fighting among themselves" over issues such as "big vs. small. We keep getting folks to pit the industry against itself."

"We have to set aside the foolish pride and gullibility that got us to where we are," Don Cooper of Greenbush in Sheboygan County pleaded to fellow farmers. "We used to be important to our nation. We have to convince it that we still are." He acknowledged "being frustrated in taking this message to other farmers, agriculture educators and the media" but he is convinced farmers deserve "a decent, dignified living and not being ashamed of the way of life."

Government etrivalae to



Producers validate price crisis in agriculture

By Judy Brown

Regional Editor

REEDSVILLE—Several dozen producers among a crowd of about 65 defined the current farm crisis in elegant comments Aug. 31 at a listening session hosted by Rep. Al Ot, R-Forest Junction, chair of the Assembly Agriculture Committee.

"We need some method to

not produce everything you can," said Don Cooper of Glenbeulah, a former Shelbygan County dairy farmer. "Everybody wants the best of both worlds... free to produce and the best price."

To that comment another in the audience added: "We are also free to fail!"

However, very few hands went up when Rep. Ott asked the audience if now was the time for the state to promote supply management efforts at the federal level.

"Should we send a message that it's time to look more seriously at a more aggressive supply management system?" Rep. Ott asked. "How do we deal with extremes and not tear people's lives apart?"

North Van de Hei, a Brown County dairy producer who farms near Denmark, also succinctly summarized the plight of the dairy producer.

"I don't know how much longer we can survive with the prices we have today," said Mr. Van de Hei, who has 225 cows and 900 acres. "It's sad out there and I'm sure we are not the only ones."

With milk at \$10.52 per hundred, it's not easy being a dairy producer, said Jerry Vander Heiden of Seymour, who milks 100 cows in Outagamie County.

"I just want to farm, too. I want to farm until I retire but with the prices we are getting it's not going to happen," Mr. Vander Heiden said.

He raised questions about a proposed milk plant to be sited in northeastern Wisconsin in a joint venture with Land O'Lakes Inc. and his milk buyer, Alto Dairy Cooperative.

"The plant has to make me money, too," Mr. Vander Heiden said. "If I'm going to get paid the same price or less with a new plant in the state, what is that plant doing for me? Absolutely nothing."

In response, Rep. Ott said that while Wisconsin has an outstanding dairy infrastructure, new milk processing plants, such as the \$200 million facility being proposed, have not been built in the state. However, new plants are going up in other sections of the country.

"If we don't let our folks, if we don't turn an uplifted head to what this opportunity provides for us, that's a mistake in my opinion," Rep. Ott said.

Although the dismal dairy scene dominated discussion for about three hours in the barn of Equity Livestock Cooperative, other commodities are also affected.

"No matter how you look at farming, it's not a rosy picture," said Mike Salter of Black Creek, who is a hog producer and a board member of the Wisconsin Pork Producers Association.

Having survived the pork crisis of two years ago, Mr. Salter said projections are that rapidly increasing hog numbers could bring a repeat of that scenario, in which prices collapsed because of a lack of kill floor space.

"The numbers are pointing to another crisis," Mr. Salter said. He admonished dairy producers that if they get back into profits not to expand or they'll find themselves in the same predicament as pork producers.

Veal producer Dale Behnke, Britton, told the panel how the U.S. veal industry is being impacted by calves fed out in Canada under a government subsidy and processed in the United States.

"It costs them the cost of the feed to feed a calf and it costs me \$250," Mr. Behnke said. The Canada veal calf undercuts his market price.

"So the veal grower gets a double whammy," Mr. Behnke

said. "Our veal market is being depressed because Canada is expanding."

He said the Wisconsin Veal Growers Association has 340 members who are also affected by the unfair practices, which they've bought to the attention of state officials.

"We affect a lot of business down the road also," Mr. Behnke said.

Several producers criticized a lack of U.S. Department of Agriculture oversight since high levels of milk protein concentrate are being imported and replacing domestic nonfat dry milk in cheese.

"The critical problem is imports that are up 60 percent since 1995," said Jerry Jaeger, a Campbellspoint producer who represents the Wisconsin Farmers Union. For the first five months of this year, imports of MPC are up 82 percent, he added.

Imports of the product are equivalent to 8 billion pounds of milk, Mr. Jaeger said.

"This results in a \$3 to \$4 per hundred deduction off of farmer milk checks," he said. Bringing in MPC is a way cheese manufacturers can add cheaper inputs to cheese production, said Alan Kracht, Newton, who has a registered Jersey herd in Manitowoc County.

Under federal rules, just four-fifths of an ounce of MPC can be added to cheese starter in the vat, he said. Anything more is illegal, he noted.

"It's real easy to test for," Mr. Kracht said. "Let's have our federal and state inspectors check plants."

Speaking for the Wisconsin Cheese Makers Association, executive director John Umhoefer of Madison said his association would support USDA inspection efforts.

Comments go to Congress

The Reedsville listening session was the final session conducted by the Assembly Agriculture Committee. Other sessions were Aug. 24 in Richland Center, Aug. 28 in Durand and Aug. 29 in Johnson Creek.

Comments generated by the sessions will be turned over to Wisconsin legislators. U.S. Department of Agriculture Secretary Dan Glickman and congressional representatives, said Rep. Al Ot, committee chairman.

"We're here to listen to what's happening in a price crisis," he said. Dairy product prices are low, he added.

"We don't want illegal cheese any more than you do," Mr. Umhoefer said. He felt the use of MPC was more likely in other states than in Wisconsin.

Dairy producer Randy Geiger and his wife, Rosalee, who farm near Reedsville, summarized how the dairy economy is impacting farming and rural communities.

Mr. Geiger, who is president of Manitowoc Milk Producers Cooperative, said that in the past couple months, dozens of agricultural representatives have asked him when the milk price was going to turn around, saying that if it doesn't, they will be out of business.

"They say it's the first time in their lifetimes," Mr. Geiger said. "The business they do they don't get paid for."

Wisconsin's dairy economy is valued at \$18 billion, he said. If an \$18 billion business wanted to set up shop in Wisconsin, he said elected officials "would do everything possible including the jet" to attract that business.

He suggested one area

"and commodity prices are not much better."

He hopes the report will buttress arguments when Congress votes on appropriation packages in September.

He said the listening sessions would provide no "magic answers" but perhaps could be facilitators for a voice for Wisconsin agriculture.

Panel members were Rep. John Steinbrink, D-Pleasant Prairie; Rep. Sarah Wankau, D-Antigo; Rep. Steve Kestell, R-Elkhart Lake; and Rep. Jean Waidle Spillner, R-Montello.

where state and federal legislators could be more vigilant is investigating the ever-widening gap between farm milk prices and retail dairy product prices.

Prices in the store are the same or higher, he said, "while our price is 30 percent lower."

Another concern he voiced is that the farm economy means fewer land sales to producers.

"My major concern is if it's not watched carefully in the next five to eight years we will have very little land for agricultural purposes," he said.

Mrs. Geiger, who is a director of the Wisconsin Milk Marketing Board, also addressed low producer prices.

"We are getting paid 1978 prices for our milk and pay year 2000 expenses," she said. She said producers are wondering how long the price will stay down.

"The federal government had better start doing something about prices," Mrs. Geiger said.

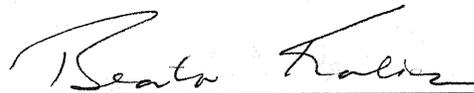
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Committee Meeting Attendance Sheet

Assembly Committee on Agriculture

Date: AUG. 31, 2000 Meeting Type: SUB-COMMITTEE ON AGRICULTURAL ECONOMY - LISTENING SESSION
Location: EQUUM LIVESTOCK SALES BARN, REEDSVILLE

<u>Committee Member</u>	<u>Present</u>	<u>Absent</u>	<u>Excused</u>
Rep. Alvin Ott, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Jerry Petrowski	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Eugene Hahn	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Steve Kestell	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Joan Spillner	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Scott Suder	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. John Ainsworth	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Tom Sykora	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Barbara Gronemus	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Julie Lassa	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Joe Plouff	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. Marty Reynolds	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
Rep. John Steinbrink	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Rep. Sarah Waukau	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Totals:	<u>5</u>	<u>0</u>	<u>9</u>



Beata Kalies, Committee Clerk

8/3/00
Reedville

GERALD JAEGER TESTIMONY

Low Milk Prices to Farmers
Critical problem of imports.

A 600% increase in Milk, Protein,
Concentrate.

Imports Since 1995.

This January-May Imports increased 82%
over last year.

Imports equal 8 billion lbs. of domestic
milk ~~equivalent~~ equivalent.

Results in \$34 per hundred off farmers checks.

CCC is purchasing Surplus Powdered
Milk - Class IV.

Its time to stop the use of MPC and
~~its in some instances~~ is illegal use in natural
cheese.

To solve this problem:

Farmers Union is calling on dairy cooperatives
and plants to take following steps:

1. Stop the purchase of any imported non-fat dry milk
or MPC until the Class IV price has reached
a level of \$14.50 per cwt. which would take
less than 3 months.
2. Support the call for a federal investigation
to see if any plants use imported MPC in the
production of natural cheese.
3. Support implementation of greater accountability
of imported MPC through end use certification by
all processing plants and increased surveillance and

enforcement by state and federal agencies.

Wisconsin needs to take the lead on this issue and the state legislature must support accomplishing these points.

On more permanent solutions to problems including livestock and grain. A Group called Wis. Citizen Action the largest citizens group in Wis. A Coalition of family farm, environmental, church, and citizens groups, are completing a legislative proposal called "The Family Farm Protection Act."

It Addresses:

1. Collusive and anti-competitive practices.
2. Price and Market Reform.
3. Development of Producer-owned Processing.
4. Credit and Ag Finance Reform
5. Family Farm Environmental Issues.
6. Family Farm Education Program.
7. Environmental Standards for large scale operations.

Its Designed to level the playing field between large and small farms.

I have handouts on this proposal!! We don't have time to reinvent the wheel, take a look at this act and support and pass something that already has public support!!



Family Farm Protection Act Summary June 2000

Executive Summary

The proposed *Family Farm Protection Act* is designed to:

- Make small farms more economically viable and promote healthy local rural economies
- Level the playing field and eliminate special treatment of large-scale livestock operations
- Ensure adequate environmental protection

The Act would substantially reform the current agricultural production system to eliminate market practices which unfairly benefit large-scale operations over small farms. The Act builds upon the existing environmental permitting system and uses the federal Clean Water Act threshold of 1,000 animal units to define a point source of pollution. It provides cost-sharing dollars to help small farms come into compliance with environmental standards. The Act specifically directs subsidies and other government assistance to small farms and away from large-scale operations.

The following outline is the product of ten months of consensus based deliberations among leaders from the following organizations: WI Farmers Union, *Family Farm Defense Fund*, WI Rural Development Center, *Sierra Club*, WI Environmental Decade, *Alliance for Sustainable Agriculture Production*, American Raw Milk Producers Pricing Association, *Churches Center for Land and Peoples*, Lutheran Office on Public Policy in WI, *WISPIRG*, and Wisconsin Citizen Action.

Family Farm Protection Act - Major Policy Components

I. Collusive and Anti-Competitive Practices

- a) Develop, finance and maintain an agricultural anti-trust division within the state Attorney General office to litigate and prosecute anti-competitive practices within the livestock and grain processing industry.
- b) Provide sufficient resources and personnel to the state Attorney General office to work with the U.S. Dept. of Justice to address possible violations/abuses of the Capper/Volstad and Packers and Stockyards Acts.

II. Price and Market Reform

Require mandatory price reporting for all sales of livestock, livestock products and grain whether sold by auction, contract or other means.

III. Development of Produced-Owned Processing

- a) Provide assistance in the development of farmer-owned livestock products, grain processing and storage facilities.
- b) Provide a system of financial assistance for marketing of products for farmer-owned processing facilities.
- c) Assist in the development of marketing strategies for independent family farmers.

IV. Credit and Agricultural Financing Reform

- a) Require WHEDA lenders to use loan servicing and forbearance policies to the fullest extent possible.
- b) Restore operating loan interest assistance subsidies to the WHEDA CROP program and expand current WHEDA Beginning Farmer program.

V. Family Farm Environmental Issues

- a) Provide cost share funding for any state or federally required nutrient management plans on small farms.
- b) Give priority to small farms when disbursing any state or federal cost-sharing money for any state or federally required implementation of nutrient management practices.
- c) Provide/shift funding for a local "first response" program to County Conservation Departments.
- d) Preserve "Right to Farm" legislation for small farms only.
- e) Provide funds for on-farm research and lower cost alternatives for small farms.

VI. Family Farm Education Programs

- a) Devote half of all UW Extension funding resources to study and promote practices that encourage minimal environmental impact and low-cost farm management practices such as grazing.
- b) Fund site-specific/on-farm technical education programs conducted by UW Extension
- c) Establish an independent board to provide oversight to and monitor DATCP and UW research programs.
- d) Fund, expand & promote educational programs that encourage beginning farmers with special focus on minorities and low-income individuals.

VII. Environmental Standards for Large-scale Operations

- a) Define livestock operations over 1,000 animal units as industrial facilities.
- b) Require Performance Bonding.
- c) Integrator Liability.
- d) Eliminate preemption on local governments enacting stricter siting/environmental laws than state.
- e) Mandatory nutrient management plan
- f) Mandatory nutrient management certification.
- g) Cost sharing dollars are to be directed to small farms and will not be made available to industrial operations.
- h) Environmental Impact Statement is required for proposed livestock factories located in watersheds impaired by agricultural runoff and in sensitive environmental areas such as groundwater susceptible areas and near trout streams
- i) Apply Air Standards to industrial livestock facilities.
- j) Open Records: All documents related to permit and discharge monitoring should be open to public .
- k) Enforcement: Adequate enforcement must be established.
- l) Ban industrial livestock facilities within the subwatershed of Trout Streams classified as I, II or III quality.
- m) Require wastewater treatment facilities for industrial livestock facilities, i.e. WPDES.
- n) Phase out existing lagoons that do not comply with standards
- o) Implement "Purchase of Development Rights" legislation. This would allow any farmer to sell the development rights to their property to a land trust.
- p) Ban liquid animal waste spraying through aerial irrigation systems

For More Information, please contact:

Sam Gieryn, WI Citizen Action, 122 State St. #308, Madison, WI 53703
Phone: (608)256-1250 e-Mail: sgieryn@wi-citizenaction.org

Aug 30 2000 15:04:26 Via Fax

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Bob Denman

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**NATIONAL
FARMERS
UNION**

**NEWS
RELEASE**

400 North Capitol Street, NW • Suite 790 • Washington, DC 20001 • Phone (202) 554-1600

For Immediate Release
August 30, 2000

Contact: Washington NFU Office
Clarence White, 202-314-3191
nfudccw@ssu.org

Farmers Union Calls on Dairy Cooperatives to Cease Purchase of Powdered Imports
--Urges Allies to Help Restore Profitability to One of America's Vital Industries--

MEADVILLE, Pa. (August 30, 2000)—National Farmers Union (NFU) today urged major dairy cooperatives and plants around the country to halt their purchase of imported non-fat-dry milk until the Class IV price has reached a level of \$14.50 per cwt. This call comes in the light of low dairy prices, increased purchases of surplus non-fat-dry milk produced in the U.S. by the Commodity Credit Corporation (CCC), and a 600 percent increase in imports of milk protein concentrate (MPC) since 1995.

"The farmers I have spoken with while traveling around the country have all urged action to provide price relief," said NFU Leland Swenson. "In this low-price climate, it is alarming that the CCC has to purchase surplus powdered milk product in the U.S. at a time when we are seeing an increase in their imports."

Farmers Union is calling on dairy cooperatives and plants to take the following steps:

1. Stop the purchase of any imported non-fat dry milk or MPC until the Class IV price has reached a level of \$14.50 per cwt. *would take less than 3 months*
2. Support the call for a federal investigation to see if any plants use imported MPC in the production of natural cheese.
3. Support implementation of greater accountability of imported MPC through end use certification by all processing plants and increased surveillance and enforcement by state and federal agencies.

Due to low prices, the CCC has been making purchases of dairy products, the majority of which is non-fat-dry milk. The excess supply, and the resulting low prices, can only be aggravated by bringing in more imports.

"While Congress is considering whether to provide a limited amount of relief to dairy farmers, possibly \$443 million, this will make up only a fraction of the amount producers have lost as a result of the unusually low market prices," said Swenson. "Dairy farmers need allies in restoring profitability to the industry and stemming the loss of dairy farmers."

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

1) GERALD JAEGER of Campbellsport, Wisconsin Farmers Union

Imports present the most critical problem to low milk prices.

There has been a 600% increase in milk protein concentrate imports since 1995.

Results in \$3-4 per hundred off farmers checks.

Should be illegal to use MPC in natural cheese.

(Beata added info about cheese act that addresses that issue.)

Farmers Union in calling n Dairy Co-ops and plants to :

Stop purchase of imported non-fat dry milk unless class IV is 14.50

Support federal investigation to see which places import and use

Support implementation of greater accountability of imported MPC

Wisconsin needs to take the lead.

Legislative Proposal- The family farm protection act - is in the works, and should be supported.

Reform, address issues, level playing field between small and large farms.
Want this to be fair.

Not all for just small farms, that's not what is meant by "family".

Feel attitude is important to saving farms.

Family farm protects the environment.

Cost sharing has to be there - that's the only mandatory items in the act.

2) ALLEN KRACHT of Newton, dairy farmer *Spoke From audience*

He is a dairy producer from Manitowoc County.

MPS milk protein imports are 80% more this year so far than a year ago.

USDA should be checking it.

Supports the ideas of earlier speaker, Gerald.

3) WILLARD KRUEGER, of Brillion

Spoke From audience

supports Gerald's ideas

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

**4a) RANDY GEIGER of Reedsville, represents self and
Manitowoc Milk Producers Co-op.**

Ag industry is big, dairy alone is 18 billion of WI economy.

Somewhere somebody is filling their coffers.

Price difference exists in what the farmers get and what the consumers
pay at the store.

Quotes article about the price of cheese. Main chain had it for \$4, while
ma & pa store for \$2 – so who's getting the money?

Cheese and dairy imports:

If New Mexico did away with production, 40% increase in our milk price.

Many exports are subsidized.

Largest imports from New Zealand. Specialty cheese that is not made
here. UW recently has brought in experts to make such products here.

Retail gap in price- Basic price/ production costs and retail price has
great gap of 52%. What a difference.

Producers can't afford to buy land. If have a little wood, property taxes a
littler higher and it's worth more.

(Mark, Leg.C. adds about transfer of development rights)

Randy's concern is that if not watched in a few years, little agriculture
land will be left.

CROP PROTECTION-

when there is an ecoli or listeria = means notification

when there are residential grass treatments running over the limit in
chemicals, no one hears about it.

Supports previous speaker Mr. Jaeger about the milk support system.
Otherwise it makes it cheaper to produce.

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

(Public: why not include manufacture of origin on cheese?
Don't want illegal products in our cheese. Must be done on Fed. Level.)

(Willard Krueger added that when you buy a car, each one of the components has a label of origin on it.)

(Gerald Jaeger adds that Japan does labeling, not that hard to do.)

Stronger enforcement of stronger laws is needed.

4b) ROSALI E GEIGER of Reedsville, Ran-Rose Farms *spoke from audience*

Wants labeling on meat and vegetables as well.

Big farms are getting bigger.
But we still have a voice and urges farmers to not be quiet about this.

She is on the Wisconsin Milk Marketing Board.

(Randy Geiger - Elk herd transferring diseases to deer . If couple can afford to put up fence to keep elk out then they should be able to afford a buffer area to keep domesticated animals out of the reach of wild animals. This would keep TB out.)

(Sandhill cranes are a problem - do something.)

(Dr. S - what is described is not a state program regarding the fencing.
Farm deer and elk are ok in our state.
White tail deer will be talked about next session with regard to possible testing???)

(Concern with Michigan TB, active feeding and bating of deer.)

(Dr. S. is against such practices.)

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

discussion on TB testing and such...

(Allen Kracht - asked question about reimbursement for payment of TB. Current payment is 2/3 of appraised value and 1,500 limit. Worried about disease getting spread here.)

(Randy Geiger asked if the deer are moving or is it just in certain areas?)

(Dr. S - not sure, no one can tell. Just have previous case to work with and it's MI TB here so they did move to here.)

(Q. from public: have there been outbreaks in Michigan's UP?)

(Dr. S. - MI UP has no positive tests. Not all cattle are tested. If more testing was done, it would be better.)

Johne's testing discussion...

(Dr. S - Wisconsin does have a handle on Johne's and is well ahead of the game.)

(Randy Geiger - why does it take so long for fecal samples? They have been waiting 4 months now while blood is about a week wait.)

(Dr. S - virtue of demand. If want more, create more demand.)

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

5) DON COOPER of Glenbeulah, Cooper Haven Farm

He's nostalgic about where we have been.

Thinks we are too wrapped up in technology – it overwhelms us.

Turn back to God, for wisdom to face the problems.
Quoted from the bible.

Farmers do not get enough pay to sustain family and replace equipment as well as pay off the mortgage.

Due to pride and gullibility, machinery made labor easier and even crops could be harvested this way. The chemicals helped with cultivation. All had to be paid for however. Produce on demand.

US agriculture involved pride in those days. Servicemen were offered training and even bankers "courted" farmers.

Get bigger or get out attitude.
But is it better? Need emergency help because it's a disaster.

Farmers can't agree on solutions but need to get involved and put aside their pride.

Nation is wealthy and should help farmers not to fall into the cracks.

Help deal with unfair foreign competition.

Help what production is needed, tailor it to supply and demand.

Farmers need to get involved.
Sang psalm he wrote about being a farmer. Asking God for courage.
When there is suffering, there is also hope.

6) NORBERT VAN DE HEI of De Pere, Van De Hei Dairy Farm, LLC.

Milks 225 cows and has a debt problem.

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

7a) DALE BEHNKE of Reedsville, Wisconsin Veal Growers Assn.

Veal calf farmer, bull calves bought from area farmers.

Imports and exports are of concern.

Met with Ben a couple of weeks ago to talk this over:

When calf leaves WI, and goes to Canada, their government is said not to be subsidizing. They pay 200 here and also need another 100 from their government. It's called an insurance pool and they bill the government for that 100.

Canadians have quotas on milk products. When there is excess production, the price of milk is cut in half. Farmers get \$23.

The excess is used to make veal meal feed. Then sell it back to WI for bull calf.

Members of organization the WI Veal Growers is 300 members.
Have 300-400 head and some 2000 calves.
Affect vets, feed supply and such.

(Q from Rep. Steinbrink - Is it an animal rights issue?)
They deal with them on a daily basis. Try to educate people.

The problem is also the fact that 3 animal health products are banned here but used there.

Label of origin a good idea.

Consumers should make decisions based on this information.

(from audience: regarding the labeling, it would be helpful because if the animals are raised in Canada and inspected here, the label would give more info about what's in them.)

(4-5 of the veal growers responded that sometimes products imported are not even repackaged!)

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

(Public comment that if animals are specialty fed here but not there, we are not doing us a favor and surplus is not used here.)

(Q- Why such demand for calves? Why are we buying them?)

Dale Behnke responds that :

calves dropped because of a problem in Arizona.
Also a number of cows is less, the cows produce
more and thus there are smaller numbers of calves.
Also they have excellent marketing.

(Q. from audience to look into subsidy programs since Canadian veal market is expending because they get help.)

Veal is concentrated here in Manitowoc County. Other areas more dairy and cheese.

7b) NORM ALSUM of Brandon, Alsum Veal Farm *spoke from audience*

7c) PAUL HUIZENGA of Brandon *spoke form audience*

Both addressed the issue of veal production here and the problems encountered.

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

8) WAYNE CRAIG of New Holstein, grazing farmer

Milk concentrate is going into cheese production.

USDA not enforcing current laws.

With what's going into cheese, it should be called imitation cheese.

Supply problem would be solved if MPC added cheese had different mark-up. USDA can test it.

He grazes about 200 acres.

Worked with intense grazing initiative.

State conservation \$ needed to meet the federal money they have.
Ben is to meet with them and introduce legislation.

Grazing lets him at least pay the bills.

National level money earmarked and needs to be line marked to get it.

This is a huge industry and it impacts all aspects.

9) WAYNE D. MUELLER of St. Cloud, WI. Representing Investors Community Bank and Wisconsin Agriculture Bankers

He is chair of Wisconsin Bankers Association.

Hearings on non-point -

From lending perspective may put WI customers at a disadvantage.

Will be harder to compete.

Many farmers are struggling and cash flow is nonexistent.

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI
Cont. Wayne Mueller

Many use WHEDA crop loans. Annual payment program which will have to be paid back. Will have difficulty to pay it.
Can it be longer term?

FSA programs will need to be restructured to meet 2001 needs.
SBA has done such roll over programs, maybe can do something here to help?
Government FSA money has not run out yet. But if rolled into new, the money may not be there.

Bank serves about 60% farmers and 80% of all business is agriculture related.

(Randy Geiger from audience asks: if price of milk stays low for another 6 months then what?)
Wayne responds that most customers have been proactive. Talking about difficulties and addressing issues already.

Restructuring means working with the bank but it also affects the bankers' business.

(Q. from audience: Collateral release, would that work with FSA?)

If FSA property is well secured, will release collateral. Cooperate.
But there is 23 days turn around.

(FSA - Max payment limitation used to be 150,000 in '95 and it's only 75,000 this year. Larger producers may max out soon.)

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

discussion on health insurance...

(Rep. Kestell talked about health insurance.

Small business purchase pool and success depends on participation. If only have high risk people then not cheaper. Large pool will drive the risk and the price down.

Program was amended to be farmer friendly and lets 2 employees in - one of which can be the spouse.)

(Wayne Craig -Can use a medical savings account MSC with a high deductible. Commissions low because premiums low, only 2-3 carriers have it.)

(Randy Geiger Q. - BadgerCare?)

(BadgerCare was originally just for children then added parents. Need was there and the promotion may have been too aggressive and now anticipate to be 12 million short.)

financing discussion...

(Jim WHEDA -

Crop program has 13,000-20,000 loans. Demand for ag production financing is wanted.

It is only for one year and need legislation to change that aspect.

The beginning farmer program means kids can use it to purchase farm and in the past this was not permitted.

Farm loan can be rolled over but can't change the terms too much.

To help assets, help transition to modern upgrades.

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

10) GERALD VANDE- HEIDEN of Seymour

Point is not getting across that cost of production is not being met.

Federal:

Block voting has disallowed farmer to vote on their own.

Do not have Co-ops vote for farmers.

Q. on advertising money and WMMB?

What are we getting for our .15 cents? Consumption is going up but there is no return for our money.

What is it spent on? Asked for feasibility study and no answer.

State invests money into Alto and LOL but what is the farmer going to get?

Don't mind cheese plant but where does it leave the farmers?
Big dairy puts small farmers out of business and gets state loans?

Need: floor price and
Supply/demand

Regarding Dairy 2020, don't see what it's doing other than making the consultants rich.

We are losing the farmer generation because there is no money for farms.

Processor make allowance = guarantee profit, where farmer is not.

Technology, why do we need it?

New market development has been tried, no progress.

Co-ops are not working for the farmer, but for Co-ops.

Q. Why is the price gap bigger? Why lose control of product?

(AL- bigger impact on loss because had more to lose. More products sent out. Need to stay and fight. It's a challenge since other state growing in production.)

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

(Comment from audience, a hog producer – attended AI's hearings a year ago and now we can expect another hog crisis. Got into profit and then low kill floor. Nowhere to go with the hogs.

Other states expended and are going to kill us.

Hogs go out of state and market does not look at all aspects.)

(Small cheese maker story- pays 4 cents for transportation between here and California on one pound of cheese.)

(Need more aggressive supply system and quotas.)

(Don Cooper – no recognition of what is needed.

No study of what it costs to produce.

Don't produce all you can but produce what the market needs.

NAFTA should be reworded so it's fair.

(Randy Geiger – need 2 tier pricing product? Control our own production.)

(Country is mobile – trucks go back and forth.)

(Nothing said about farming at convention).

(Dr.S. – spoke about life in Montana.)

(AL said legislation just nit picks at the edges, no bills introduced to deal with the situation.)

8/31/00 Assembly Agriculture Sub-Committee Hearing at Reedsville, WI

11) BILL SHOGREN of Seymour, Seymour Times-Press

Talked about the European Union - designed to protect the interests of Europe.

Our system is free trade and open market, but we are the only one.

Example given of shoes produced in Estonia and sold through a company in Finland with Made in Finland label.

Standards are different.

(Jerry - French are tight on labeling and nothing gets the label unless genuine and made there.)

(This was tried in the US, with Vidalia Onions and it has worked but we have so many products...)

12) RAY MUELLER of Chilton, Wisconsin State Farmer

What are we doing for ourselves? Take a look at what the committee is drinking?

Madison schools turned down a contract with Coke.

Farm Progress Days sold water for a \$1.00 and milk for mere .75 cents.

Discussion on making milk more available...

At the state fair there were buckets of flavored milk.

Soda and beer have to be kept cold too. No reason why milk can't be included...

End of testimony for Reedsville.

Aug. 29th Tuesday.

JOHNSON CREEK

Pat McKee Page

Departure

Time: 7:45am

Place: E. Washington Ave. Steps

Boarding: Rep. Ott
Beata
Dave (Leg.C.)
Pat (Sgt.Staff)

Rep. Ainsworth

Be sure to bring:

(page) Hearing slips, Paper and pencils, nameplates,
(clerk) Hearing notices/tape, Tape recorder, Info Materials

Travel time @ 45 minutes

Directions: I-94 E toward Milwaukee, 1 mile south of I-94 on Hwy 26. Exit
267 JohnsonC/Watertown. Equity sign on building.

Parking: regular lot in front

Destination:

Assembly Sub-Committee on the Agricultural Industry
Equity Livestock Sales Barn
N6225 County Y
JOHNSON CREEK, WI

Contact: Mike 608/ 356-0168x124 or 920/699-3588 manager Neale

Start time: 9:00am

Members expected:

R Ott, Ainsworth, Kestell
D Gronemus, Steinbrink

Special: Rep. Ward

Accommodations:

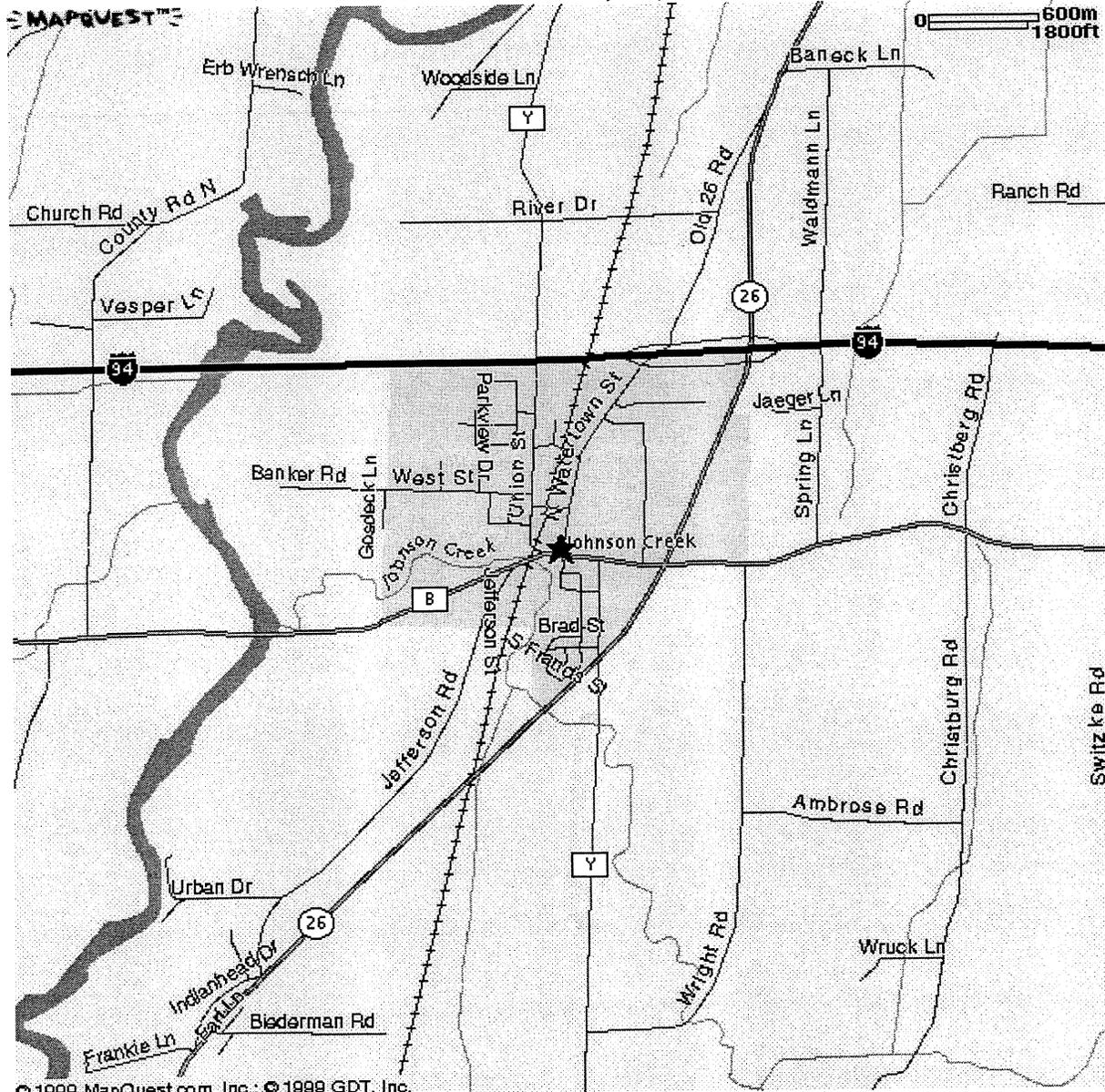
Tables and chairs set up in arena. Microphones and outlets available.
Concessions and restrooms available on location.



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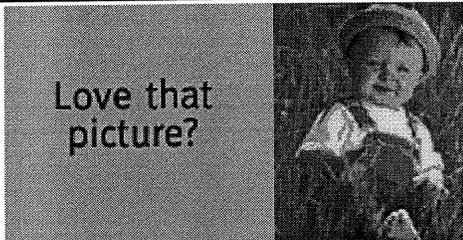
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DIRECTIONS	DISTANCE
There are 0.20 miles (0.21 km) between the start of the directions and 1 EAST MAIN 53702. Use local roads to get to US-151 53702.	53702. Use
1: Start out going Northeast on US-151.	3.3 miles (5.3 km)
2: Take the WI-30 EAST/COMMERCIAL AV ramp towards MILWAUKEE(I-90 E)/(I-94 EAST).	0.2 miles (0.3 km)
3: Merge onto WI-30 E.	2.9 miles (4.7 km)
4: WI-30 E becomes I-94 E.	26.1 miles (42.1 km)
5: Take the exit, exit number 267, towards WATERTOWN(WI-26)/JOHNSON CREEK.	0.1 miles (0.1 km)
6: Merge onto WATERTOWN ST.	0.7 miles (1.2 km)
TOTAL DISTANCE:	33.4 miles (53.7 km)
TOTAL ESTIMATED TIME:	40 minutes

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Leave 7:45 am

REPRESENTATIVE AL OTT

State Representative
3rd Assembly District

PRESS RELEASE

FOR IMMEDIATE RELEASE
Contact: Representative Al Ott

August 16, 2000
(608) 266-5831

Assembly Agriculture Subcommittee Announces Statewide Listening Sessions

Madison... State Representative Al Ott (R- Forest Junction), Assembly Agriculture Committee Chair, announced today that an Agriculture Subcommittee will hold four listening sessions throughout the state during the end of August. These sessions will search out the crisis that is occurring within the agricultural community.

The goal of the listening sessions is to bring attention to the current agricultural price crisis and to allow the agriculture industry the opportunity to express their concerns. Additionally, the Subcommittee hopes that this effort will generate ideas and suggestions on how to deal with the mounting problems that the industry is facing.

"We understand that at the state level our hands are tied as to what we can officially do to alleviate the situation. However, as a committee we feel that it is important to go on the road to see for ourselves what is happening within Wisconsin's agricultural community. To get a complete picture of what is going on, we hope to draw individuals from all spectrums of the industry including farmers, processors, suppliers, cooperatives, implement dealers, feed mills, bankers, etc. We want to listen to whoever is being affected," said Ott.

The Subcommittee listening sessions will be held in the following locations:

- August 24th at 9:00 a.m. – Richland Center
Equity Cooperative Livestock Sales Auction Market Barn - 26702 County Road O
- August 28th at 10:30 a.m. – Durand
Spindler Dairy, Inc. – W5127 US Highway 10
- August 29th at 9:00 a.m. – Johnson Creek
Equity Cooperative Livestock Sales Auction Market Barn - N6225 County Road Y
- August 31st at 9:00 a.m. – Reedsville
Equity Cooperative Livestock Sales Auction Market Barn - 513 North 6th Street

For more information or directions to any of the locations, please contact the office of State Representative Al Ott. Madison office phone number: (608) 266-5831 or (888) 534-0003 toll free. E-mail address: Rep.Ott@legis.state.wi.us.

###

Agriculture Subcommittee Hearings Agenda

These listening sessions are being held in response to the silent economic crisis that is taking place throughout Wisconsin's agriculture industry.

Ultimately, the Purpose of the Four Subcommittee Hearings is to...

- ✓ **Collect information in order to compile a report to be sent to Wisconsin's Federal Delegation and to US Secretary of Agriculture Dan Glickman.**
 - What is happening in Wisconsin agriculture.
 - Have this information as they return to Washington to vote on appropriation bills that deal with agriculture.
 - Wisconsin Legislature's hands are tied when it comes to something like agriculture pricing. However, we want to offer Wisconsin agriculture a voice.
 - Easier for the Federal Delegation to respond to the problem if they are well informed as to what it is.

- ✓ **Generate "Ideas for Action."**
 - Generate ideas for action that **can** be taken at the local, state and federal level to alleviate the hardships throughout the industry.
 - May discover some action we can take to help Wisconsin agriculture.

- ✓ **Provide the opportunity to members of the agriculture community to express, in their own words, the impact of the current situation.**
 - Stress that these sessions are open to **EVERYONE** feeling the impact of the current crisis. *"From the Farmers to the Bankers."*

- ✓ **"Press Conference for Agriculture."**
 - We hope that the media present will take the opportunity to talk to farmers and members of the agriculture industry and vice versa.

- ✓ **Raise awareness on all fronts.**
 - Inform people that may not necessarily be aware of what is happening in agriculture.
 - Make the economic concerns of agriculture more visible to the general population.

- ✓ **Provide information and resources.**
 - Hope to have information and various resource people available to field questions and to comment.
 - Let members of the agricultural community know that there are resources available and make the link between providers and those in need.

REPRESENTATIVE AL OTT

State Representative
3rd Assembly District

FOR IMMEDIATE RELEASE
Contact: Representative Al Ott

August 21, 2000
(608) 266-5831

Agenda for Statewide Agriculture Hearings

Madison... State Representative Al Ott (R- Forest Junction), Assembly Agriculture Committee Chair, released an agenda for the statewide Agriculture Subcommittee hearings that will be held throughout the next two weeks.

“ We are going out to the farming community with a specific set of goals. I am confident that we can make these sessions successful if we stick to this agenda. The hearings are not a forum for political candidates. We do not want to overshadow this serious issue. This is however, a forum for people in agriculture as well as a chance to explore what can be done to keep the industry strong in Wisconsin,” Ott said.

The Subcommittee agenda is as follows:

- **Collect information and report what is happening in the state to Wisconsin’s Federal Delegation and US Secretary of Agriculture Dan Glickman.**
- **Offer the opportunity for members of the agriculture 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 agriculture industry.**
- **Generate ideas on possible ways to alleviate the hardships faced by Wisconsin agriculture.**
- **Bring the media and the agriculture industry together.**

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Farmers offer opinions, look for answers at 'listening sessions'

There is a heap of frustration in the Wisconsin farming community! Perhaps that is the only major point of agreement coming out of a series of four

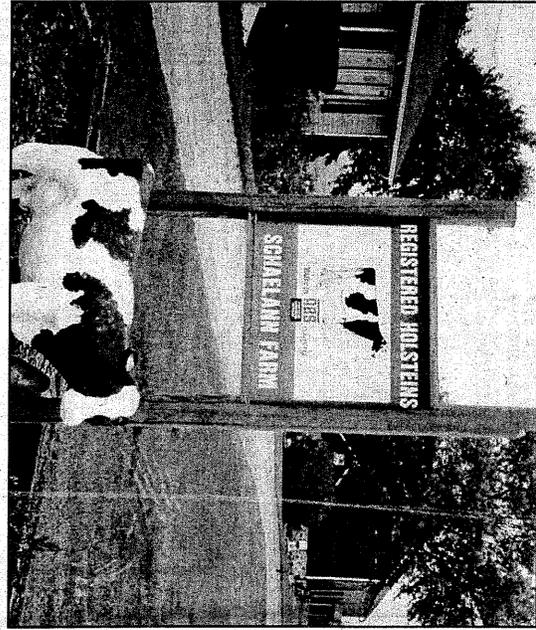


JOHN ONCKEN
Assembly agricultural committee chair Al Ott, Forest Junction, explained the meeting as "not a forum for political candidates," but rather, "a forum for people in agriculture as well as a chance to explore what can be done to keep the industry strong in Wisconsin."

My reaction after attending two of the sessions was that the part about being a forum was a booming success. Lots of folks did indeed give opinions on the state of Wisconsin agriculture. And, as usual in these kinds of "discussin' and cussin'" sessions, the opinions were seldom in agreement. In fact, folks (like me) who have been attending such things for many years had heard them all before.

There was one point, maybe the most important of all, on which everyone agreed - that Wisconsin agriculture, farmers and farming are in deep trouble. You name it, whatever the crop or the type of livestock discussed, the selling price is too low, the inputs to raise that crop or animal are too high. The result? Tough times on the farms of "America's Dairyland."

One retired farmer at the Johnson Creek session spoke fondly of the days of long ago when he sold milk for three dollars a hundred and could buy a Farnall H tractor cheap. A young farmer at that same meeting asked, "What are we doing to encourage out-of-state dairies to relocate in Wisconsin to keep the dairy industry viable?" Others nixed the idea of doing any such thing and suggested, rather, "Helping those who are already farming here." A young woman predicted, "One of



SURROUNDED - The Jefferson County farm of Sue and Jeff Schaefer lies directly in the path of the growing development area between Madison and Milwaukee.

these days, we'll be importing all our food when our farmers are gone (because of the low prices)." Many others condemned the overproduction of milk, pork, cranberries (and every other ag product) that has driven producer prices below the break-even point. As to a potential supply management program for dairying, the audience split about 50-50.

Of course, the often-asked question "Why doesn't the state help the small farmers, why always the big farmers?" came up. Again, the answer was given that that isn't happening and that the Dairy 20/20 planning grant program is readily available to all farmers, and hundreds of small farmers have and are using it extensively. A Richland county farmer wondered why the hilly, not-so-fertile soils of his county were being farmed and eroding into a river while the deep, black soils of Rock County are being paved over for urban development.

Sue Schaefer, who with her husband, Jeff, milks 50 cows in Jefferson County, suggested that DNR rules and regulations that are difficult to understand and financially burdensome to farmers are often "made for realtors, developers and non-farmer public." The Schaefers love their farm, aren't looking to expand and don't want to hire outside labor. They also have taken advantage of contracting their milk with Alto Dairy and are being paid nearly \$13 per hundred, considerably higher than many producers. "Our farm is in a fragile area, an area that is going to be urbanized in years to come," Sue Schaefer believes. "We are between Lake Mills and Waterton, directly within the fast-growing development area between Milwaukee and Madison. "That's not good, not bad," she explains. "It is just the way the cities grow and expand." Also mentioned was that fact that farmers face challenges such as coyotes



NO EXPANSION PLANS - Sue and Jeff Schaefer are content milking their 50 cows. They aren't looking to expand and don't want to hire extra help. But they feel many DNR rules are difficult to understand and financially burdensome to farmers. (Photos by John Oncken)

Killing sheep, turkeys and cranes eating grain, while city folks love to watch the wild animals and birds - and protect them. Most of the speakers and debate centered on the dairy industry, with milk price at the center of discussion. But no answers or inspiration came forth. It was pointed out that Wisconsin is losing dairy farms and dairy cows to other areas that are expanding. And it's true.

Milk production in the traditional dairy areas of the Midwest and Northeast have been nearly stable in recent years while cow numbers and volume have boomed in the West and Southwest. Wisconsin's best knew Arizona as the place where mom and dad went for the winter and the younger generation look turns visiting. Idaho was someplace out West where they raised potatoes. And -California was the home of everything strange. Today those states are annually producing ever-bigger volumes of milk, selling it at a cheaper price than Wisconsin farmers and expanding outward, even to Wisconsin. The biggest of the booming dairy states in terms of percent milk production increase is - would you believe - Indiana! Of course there is dairy expansion in Wisconsin, especially in that fertile strip of land from Sheboygan County to north of Green Bay. In fact, that much-discussed New Mexico family that sought to build a dairy in Rock County (and was rejected) has apparently found a home for 3,000 cows in Calumet County. As an aside, a dairy family that is leaving southern California is reportedly relocating to central Illinois and will build for 3,000 cows.

The agriculture subcommittee members listened intently, asked pointed questions, gave a bit of advice and admittedly have no solutions. As state Rep. John Steinbrink, D-Kenosha, summarized, "I've been a farmer for over 30 years. I've heard it all before."

I don't guess anyone will disagree. I also guess we'll keep hoping and looking for answers.

John Oncken is owner of Oncken Communications, his Madison-based agricultural information and consulting company. He can be reached at (608) 222-0624, fax (608) 222-7774, e-mail joddy@chonus.net or write to P.O. Box 8872, Madison, WI 53708.

Low producer prices seen as major problem for state farmers

SEPTEMBER 8, 2000

WISCONSIN STATE FARMER

PAGE 7C

GLORIA HAFEMEISTER
JOHNSON CREEK

A positive attitude goes a long way in building success, but when milk and grain prices remain low and costs continue to accelerate, it is often difficult for farm families to maintain a positive attitude.

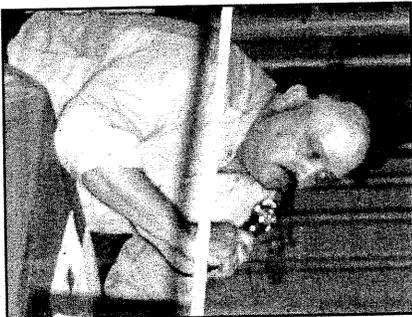
According to those who testified during recent informational hearings on the condition of Wisconsin's agriculture, loss of farmland, environmental rules and regulations, animal rights activists, imports of agricultural products, mergers and consolidations of processing companies and distributors have all made it difficult for farmers to remain positive. On top of that, producers face problems with affordable health insurance and escalating operating costs.

Sue Marx, a Helenville farmer, says when farmers are hurting so are the agribusinesses in the community. After describing how her own family farm is struggling to survive with low milk prices, she said, "When we don't receive a price that includes a profit, we cannot calculate those dollars back in the economy. We cannot buy equipment or afford many needed repairs. The equipment dealers and manufacturers are forced to lay off employees and the cycle just begins. Other agribusinesses also suffer from the lack of the profits from the farm."

Marx blames mergers and consolidations for many of the farmers' woes. "Manufacturers are getting away with not having to pay enough for the raw product even when the processors show record profits," she charges. "Our livelihoods are suffering because of this."

She continues to point out, "Under the new federal order rules, make-allowance is unfair. The make-allowance unfairly favors dairy processors at the expense of the dairy producers."

She would like to see California included in the federal orders and she also notes, "In these tough times it is unfair to provide dairy processors with a guaranteed cost of production when dairy producers receive no guaranteed cost of production. The 'freedom to farm' or the freedom to fail bill is not working and we



MARK CHRISTENSEN, a Lake Mills dairy producer who is on the Wisconsin Milk Marketing Board, offered some ideas for helping farmers get a better price for their products.

have to do something different."

She admits there are investigations of mergers and the increasing disparity between the prices farmers receive and the price retailers charge for food, but nothing has changed.

"The pace at which agribusinesses are consolidating is intensifying. Buyouts, joint ventures or complete acquisitions have only enhanced the reality that prices are on the decrease and in all probability will not rebound. With the elimination of competition in the market place it is certain that we will not receive a sufficient price for the products we sell," she states.

Noting the trickle-down effect, she asked the legislature's agricultural committee that hosted the listening sessions to help protect farm families that support the agribusinesses in the community.

She also points out that the federal government has forced producers into a world market with no protection from competition and subsidized production from other countries. She believes there is a need for an accurate inventory management system.

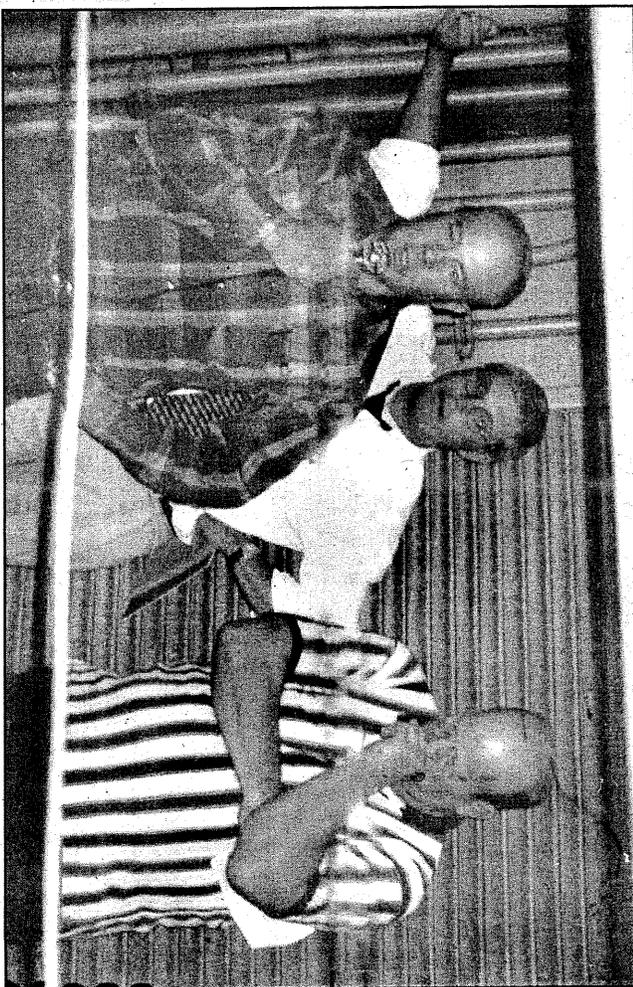


MIKE MARTIN, Heyward, a member of the WMMB, expresses some of his frustrations about the costs of operating dairy farms while producers are limited in their ability to set the price for their product.

Charles Unz of Lake Mills believes there is a need for the federal government to provide food for the hungry people. He advised those at the listening session to consider feeding people of other countries rather than controlling the politics of other nations and says he believes this is a better way to make friends around the world.

He also points to the need to feed hungry people in this country. Dave Mathes of the Wisconsin Livestock Dealers Association, agrees, but says, "We need to establish a welfare warehouse. Don't give our families in need money but give them food."

Vern Neuhouse, a Freedom dairy farmer, is trying to be optimistic about the future of agriculture. He and his family have taken steps to deal with the situation by making some changes in the way their farm is operated. In order to deal with the changes, he and several other families have combined their assets to construct



DR. CLARENCE SIROKY, state veterinarian, Bruce Jones, UW-Madison economist, and Charles Unz, Lake Mills, discuss issues of animal-health concerns and use-value assessment, both important factors contributing to the costs of operating farms in Wisconsin.

modern facilities. Together, four families milk 480 cows and have made use of custom operators because of the need to spread out the investment costs and better utilize facilities and equipment.

He said he believes partnering with other producers is a solution for those who want to get involved in agriculture or those who want to stay in it, but he advised producers to make sure they have things set up right. He suggests that those who set up partnerships go in with equal investments, however, in order to avoid jealousy or misunderstandings. He says he feels this provides more incentive for all the partners to contribute to the success of the business.

He told the legislators, however, "I have been a farmer for 40 years and I

have never seen agriculture in as bad a condition as it is today. The equity of farmers is slowly slipping away. Farmers who farmed all their lives are slowly losing everything they worked for."

He, too, says prices are the issue. "The gap is widening between the consumer price and the farmer's pay."

George Roemer, Hartford, and his wife Sue are encouraged enough about the future of agriculture that they made a decision to stay in dairying, even after losing their barn and two heifer buildings to a fire last year. They had been milking 50 cows in a stall barn and now opted to replace it with a freestall barn and a milking parlor. At age 51, that was a major decision, especially since their oldest son is in the University of Wisconsin-Madi-

son, majoring in dairy science but has not yet indicated whether he plans to return to the family farm.

While the Roemer family could have been discouraged and quitting would have been easy, they decided to weigh their options, look at their family goals and take a positive approach to dealing with the situation.

He told the legislators he understands the need to protect the environment but he points out that regulations add considerably to the cost of building and operating a farm. He said meeting the regulations, particularly in regard to manure management, not only adds to the cost of operating but it also requires a lot of time, something that is already limited on most family farms.

Assisting struggling farmers the topic of Johnson Creek listening session

9/11/00

GLORIA HAFEMEISTER
JOHNSON CREEK

One of four statewide agriculture hearings was held at Equity Livestock arena in Johnson Creek on Tuesday morning (Aug. 29), drawing about 60 producers and agri-business personnel to offer comments on what the state can do to assist struggling farmers.

"These listening sessions are in response to the silent economic crisis that is taking place throughout Wisconsin agriculture," says Rep. Al Ott (R-Forest Junction), who chaired the informal listening sessions.

"This problem is not only in dairying, although dairy is our star. There is not much the state can do to fix the price problems but we'd like to figure out if there are some things we can do to help," he adds. "This economic crisis is hitting both dairy and commodities, including cranberries. It's really an economic recession and it brings serious concerns that need to be addressed."

The purpose of the hearings, according to Ott, is to collect information to send in report to Wisconsin's Congressional

delegation and the U.S. Secretary of Agriculture Dan Glickman. Ott said it is important that they be armed with information about the real-life situation here in Wisconsin when they return to Washington after Labor Day to vote on appropriations.

Most of those speaking at Tuesday's session were farmers, although Ott had also hoped to hear from other businesses as well. He said the committee realizes implement dealers, feed and fertilizer dealers and a wide array of agribusinesses depend on the success of agricultural commodity producers and their businesses depend on the success of the producer. "We want to know if related businesses are suffering lower sales and if they are having to lay off workers," he said. "This information is important for us to know."

"We were hoping farmers would come to these hearings to talk to us in their own words and tell us what is happening to them during these tough times," he said.

One of the farmers speaking was Mark Christensen, a Lake Mills dairyman who is in his first term on the Wisconsin Milk

Marketing Board. He asked the committee to look at reviewing the 140 Policy that governs what the WMMB can and cannot do as a marketing, research and promotion board using producer check-off funds. He'd like to see the policy changed to allow the WMMB to do more to get a return on the farmer's investment. "We need a coalition where we get involved in the price setting and actual selling and marketing of the products," he said.

He told the panel there is a need to utilize the resources available, to look at imports coming in from other countries and to put together a pricing system that will allow producers to realize a profit just as every other segment of the economy is able to do.

"The prices of milk are established by prices sent in by cheese processors but there is no credibility," he said. "They report what they have in storage but they are not questioned. The fact that the milk price is based on what they report means it needs to be monitored more closely. There are cheese processors keeping cheese in storage and when they bring it

out of storage, that influences the price," he said.

Christensen said he believes it isn't fair to farmers that the USDA says they can't set their price yet they are the ones who paid for the promotional efforts that have increased the demand for cheese. He points out that there are things that can be done if processors, consumers, producers and others would work together. While milk and cheese are perishable products, he says, "There are things we can do to create types of food that can be stored and will help farmers with the price and help feed people in need."

Christensen admitted he was speaking as an individual and that his ideas have not been discussed by the WMMB because of restrictions that prohibit lobbying. Ott reminded him, however, that the law does not prevent the board from communicating with the legislature and he said that communication is important. Ott said the legislature needs to keep informed on what is happening in dairying

WSTF
9/11/00

See FARMERS, page 11

Listening sessions focus on assisting struggling farmers

FARMERS, cont. from page 1

and it can be done without getting into lobbying.

Mike Martin, Hayward, another WMMB director, also spoke at the hearing. He said, "We need to legislate supply management controls and also need to establish a quota on cheese and milk solids protein. The USDA needs to address that."

He commended the legislature for enacting the use-value assessment tax, which he says helps, but is not enough to make up for the fact that corn prices are lower than they were in the 1940s and 1950s, when other costs such as fuel were much lower.

"We also need to keep the EPA (Environmental Protection Agency) at bay in Wisconsin. We already have two agencies not working together (Department of Natural Resources and Department of Agriculture, Trade and Consumer Protection) and with the EPA involved, we're now a triple-duty police state. Farmers cannot survive under those conditions."

Sue Schaefer, a Jefferson County dairy producer, criticized the mandated nutrient management rules, indicating that farmers are penalized severely if they contaminate any water supply, even during some sort of a natural disaster, but municipalities can get by with dumping raw sewage into water supplies during times of emergency without penalty.

She also questioned other regulations regarding drainage ditches and said any cost sharing available is used for engineering and then producers are mandated to pay for the work to complete the projects. "We can't afford to keep doing these mandatory programs and feed people at a loss," she said.

George Roemer, a Hartford farmer who lost his farm buildings and some livestock to a fire last year, said the major hurdle of rebuilding and recovering from the devastating loss was jumping through all the regulatory hoops that added a great deal more cost to his rebuilding project.

Norman Bartelt, a retired farmer from Watertown, said both pricing and land-use issues continue to threaten the future of agriculture in the state. "The federal

government ought to treat food like a natural resource and set a price so farmers can make a profit. A producer should know at the beginning of the year what he will make and how much to produce. Any over production should be at a much lower price," he suggested.

He and several other speakers suggested using food, not dollars, to feed the hungry people, both in this country and in foreign countries.

Harold Schoessow, Mequon, talked about the need to preserve land for farming and said between what the DNR purchases for wildlife and what is lost to development, very little land will be left for farming in the future. Schoessow, who has traveled extensively, says Brazilian farmers are just waiting for the United States to idle more acres because they have hundreds of thousands of undeveloped acres that they will put into production as soon as they know they have a world market for their production.

Gail Goehring, a hog producer who also works for Equity Livestock in Johnson Creek, warned, "One of these days we're going to be importing all our food in this country. Is that what we want?"

She charged that any funds given to farmers as disaster payments or aid are "tokens" and that the funding is not enough to help. "We need equal opportunity."

Echoing her concerns about farm payments, Sue Marx, a Helenville dairy farmer, said, "Supplemental income as assistance payments should not be a way of life. We ask for a cost of production. We ask you to support the recommendation from the major farm organizations and farm groups. We ask that you protect the farm families that support the many agri businesses in our community."

Ott and others on the panel promise to carry the farmers' concerns to those in a position to help but in the mean time Ott urged the producers and others involved in agriculture to stick together and not get into finger-pointing and pitting large farmers against small farmer. He maintains there is still room in Wisconsin for both and said the competition is not among farmers in the state but the competition is from other states and countries. Those involved in farming in Wisconsin need to stick together and work on things that will benefit everyone in the state.

Watertown Daily Times - Story - 8/30/00

Farmers voice concerns at meeting

**By Gloria Hafemeister
for the Daily Times staff**

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"The prices of milk is established by prices sent in by cheese processors but there is no credibility," he said. "They report what they have in storage but they are not questioned. The fact that the milk price is based on what they report means it needs to be monitored more closely. There are cheese processors keeping cheese in storage and when they bring it out of storage, that influences the price," he said.

Christensen said he believes it isn't fair to farmers that the USDA says they can't set their price yet they are the ones who paid for the promotional efforts that have increased the demand for cheese.

He pointed out that there are things that can be done if processors, consumers, producers and others would work together. While milk and cheese are perishable products, he said "There are things we can do to create types of food that can be stored and will help farmers with the price and help feed people in need."

Christensen said he is speaking as an individual and that his ideas have not been discussed by the WMMB because of restrictions that prohibit lobbying. Ott reminded him, however, that the law does not prevent the board from communicating with the legislature and he said that communication is important. Ott said the legislature needs to keep informed on what is happening in dairying and it can be done without getting into lobbying.

Mike Martin, Hayward, another WMMB director, also spoke at the hearing. He said, "We need to legislate supply management controls and also need to establish a quota on cheese and milk solids protein. The USDA needs to address that."

He commended the legislature for enacting the use value assessment tax which he says helps but is not enough to make up for the fact that corn prices are lower than they were in the 1940s and 1950s when other costs such as fuel were much lower.

"We also need to keep the EPA (Environmental Protection Agency) at bay in Wisconsin. We already have two agencies not working together (Department of Natural Resources and Department of Agriculture, Trade and Consumer Protection) and with the EPA involved, we're now a triple duty police state. Farmers cannot survive under those conditions."

Sue Schaefer, a Jefferson County dairy producer, criticized the mandated nutrient management rules, indicating that farmers are penalized severely if they contaminate any water supply, even during some sort of a natural disaster, but municipalities can get by with dumping raw sewage into water supplies during times of emergency without penalty.

She also questioned other regulations regarding drainage ditches and said any cost sharing available is used for engineering and then producers are mandated to pay for the work to complete the projects. "We can't afford to keep doing these mandatory programs and feed people at a loss," she said.

George Roemer, a Hartford farmer who lost his farm buildings and some livestock to a fire last year, said the major hurdle of rebuilding and recovering from the devastating loss was jumping through all the regulatory hoops that added a great deal more cost to his rebuilding project. He said the manure system alone ended up costing about \$25,000 more than anticipated because of regulations. When the building plans were made and a workable manure system was designed, state agencies became

involved and did a nutrient management plan and told him additional storage was needed. This changed the original cost estimates and put his farm into a real financial strain as a result.

He also pointed out that, like so many farmers, health insurance availability and affordability is a major concern.

Norman Bartel, a retired farmer from Watertown, said both pricing and land use issues continue to threaten the future of agriculture in the state. "The federal government ought to grade food like a natural resource and set a price so farmers can make a profit. A producer should know at the beginning of the year what he will make and how much to produce. Any over production should be at a much lower price," he suggested.

He and several other speakers suggested using food, not dollars, to feed the hungry people, both in this country and in foreign countries.

Harold Schoessow, Mequon, talked about the need to preserve land for farming and said between what the DNR purchases for wildlife and what is lost to development, very little land will be left for farming in the future. Schoessow, who has traveled extensively, said Brazilian farmers are just waiting for the U.S. to idle more acres because they have hundreds of thousands of undeveloped acres that they will put into production as soon as they know they have a world market for their production.

Gail Goehring, a hog producer who also works for Equity Livestock in Johnson Creek, warned, "One of these days we're going to be importing all our food in this country. Is that what we want?"

She charged that any funds given to farmers as disaster payments or aid are "tokens" and that the funding is not enough to help. "We need equal opportunity."

Echoing her concerns about farm payments, Sue Marx, a Helenville dairy farmer, said, "Supplemental income assistance payments should not be a way of life. We ask for a cost of production. We ask you to support the recommendations from the major farm organizations and farm groups. We ask that you protect the farm families that support the many agribusinesses in our community."

Ott and others on the panel promised to carry the farmers concerns to those in a position to help but in the meantime Ott urged the producers and others involved in agriculture to stick together and not get into finger-pointing and pitting large farmers against small farmers. He maintained there is still room in Wisconsin for both and said the competition is not among farmers in the state but the competition is from other states and countries and those involved in farming in Wisconsin need to stick together and work on things that will benefit everyone in the state.

(END)

Committee Meeting Attendance Sheet

Assembly Committee on Agriculture

SUB-COMMITTEE ON THE

Date: AUG. 29, 2000 Meeting Type: AGRICULTURAL INDUSTRY

Location: EQUINE LIVESTOCK SALES BARN, JOHNSON CREEK

Committee Member

Present

Absent

Excused

Rep. Alvin Ott, Chair

Rep. Jerry Petrowski

Rep. Eugene Hahn

Rep. Steve Kestell

Rep. Joan Spillner

Rep. Scott Suder

Rep. John Ainsworth

Rep. Tom Sykora

Rep. Barbara Gronemus

Rep. Julie Lassa

Rep. Joe Plouff

Rep. Marty Reynolds

Rep. John Steinbrink

Rep. Sarah Waukau

Totals:

4

0

10

Beata Kalies

Beata Kalies, Committee Clerk

Dairy Producers' National Milk Marketing Policy

I Establish One National Base Price

A. No milk classes

B. Establish 17.00/cwt for start price

1. CWT Price based on 3.5BFT 400 SSC

2. Quarterly review of price (input from all regions)

II Establish a National Pool

A. Provide national production balance

B. Provide incentives by milk marketing orders

1. To balance supply/demand

2. Improve milk quality

III Establish a Dairy Pricing Board in each order area

A. Provide over-order price (\$17.00/cwt)

B. Provide over-order obligation of processor/handlers per cwt ie: Over-order-price - Fed Milk Market Order price.

C. Provide Dairy Pricing Board over-order obligation value ie: Pounds of milk reported by processor/handlers times over-order obligation \$/cwt

D. Manage and disperse over-order obligation money

1. Subtract market order obligations

a. WIC Program

b. School Milk

c. Reserve for National Pool

2. Establish/adjust over-order producer price

IV Establish Market Balance (National Pool Money)

A. Each Dairy Pricing Board

1. Determine Supply/Demand status for Federal Milk Marketing order.
2. Monitor spread between producer over-order price (17.00/cwt) & Federal Market Order price
 - a. For spread over \$4.00
 1. Part of the over-order obligation over \$4.00 will come from Over-order-obligation value
 2. Institute Surplus reduction programs

B. If A Federal Marketing order region is over producing

1. Must provide over-order money to regions whose price is affected
2. Must pursue uses of over production
 - a. Export markets
 - b. Government programs
 - c. Humanitarian needs

V Establish Cooperation between Dairy Pricing Boards

A. Each Dairy Pricing Board

1. Have a member on national board
2. Have one vote to establish national policy
 - a. National Base Price
 - b. Import/Export quotas

B. Work with U.S.D.A.

1. Improve price
2. Improve milk quality
3. Reduce or eliminate imported milk products in a surplus situation

Aug. 29, 2000

I have farmed full time since I graduated from Freedom High School in 1960 which now is a little over 40 years. During my 40 years of farming I have never seen agriculture in such bad condition as it is in today. At times I have seen dairy, beef, pork, poultry, and cash crops bad, but I have NEVER seen all of them bad at the same time. If this continues very long, we will have a major disaster in agriculture.

Last week we met with our loan officer for the farm and he was telling us how bad some smaller farmers have it now. He said "They have their farms a long way to being paid off but can't cash flow today at the prices they are receiving". They are borrowing money to them on their land equity even though they will not be able to pay it back at prices received. The farmer enjoyed his occupation and knows it is hard to find a job at 50 to 55 years of age. Their intent is to pay back the loan, after they retire, with the money they receive for their land after they sell. This is very SAD to see farmers feed the world and not be able to make a living themselves.

One area that also bothers me is the retail end of agriculture. The spread between what the farmer receives and what the retailers sell it for is widening at a fast rate. Example: Whole milk at this time is 10 cents a gallon higher than it was last year and 2% milk is 17 cents a gallon higher than last year while our prices have fallen to the lowest they have been in the last 20 years, a drop of approximately \$4.00 per hundred. Tell me how this can be! We have a minimum mark up on retail which must be followed. WHY do we not have a maximum mark up on agricultural products. Dairy has never been like it is today. We are all divided amongst ourselves today. We have dairy compacts going which should NEVER have been allowed and now I don't think they will ever stop. We have the Federal Milk Marketing order which is so outdated for the Midwest but politics will keep it from ever getting changed. How SAD!!!!

I believe the time will come when this country will go hungry and it won't have to if they would remember that we in agriculture have to survive and live today if we are going to provide the food for tomorrow.

Enclosed I have a copy of the percentage of the retail dollar received by farmers from the years 1970 thru 2000. In 1970 the retail price received was 48% of each dollar and it rose to a high of 52% in 1980 before the start of decline. Each year since 1980 it has declined to a low of 28% for the year of 2000. With an increase price of all our purchases, HOW can agriculture survive at this rate. WE NEED HELP NOW!!!!!!

Yours truly,

Vernon Newhouse

Vernon Newhouse, Dairyman
W1560 Van Asten Rd.
Kaukauna, WI 54130

Representatives, media and fellow farmers, the purpose of this meeting is to tell our story of how the over-all low agricultural economic is effecting our lives. It is transparent that the low farm value of our commodities is on the decrease each and every year. For the past two decades milk prices have remained at their lowest levels. In the year 2000, the farm-retail spread and the retail cost for dairy products have increased over the 1999 average, while the farm value has been lower. What it adds up to is that the farm value continues to represent a lower percentage of the retail cost of dairy products. Manufacturer's are getting away with not having to pay enough for the raw product even when the processors show record profits. Our livelihoods are suffering because of this. Under the new federal order rules, make-allowance is unfair. The make-allowance unfairly favors dairy processors at the expense of dairy producers. Changes should be implemented so that the dairy processors provide more money to the dairy farmers. Many farm groups and organizations have asked you to include California within the federal orders. In these tough times it is unfair to provide dairy processors with a guaranteed cost of production when dairy producers receive no guaranteed cost of production. The "freedom to farm" or the freedom to fail bill is not working and we have to do something different. We hear about several investigations of agricultural mergers, and the increasing disparity between the prices farmers receive and the price retail charge, but, what is being done to prevent the decline of farm values? How can we continue farming with the lowest commodities prices in decades with our operating costs increasing? The pace at which agribusiness are consolidating is intensifying. Buyouts, joint ventures or complete acquisitions has only enhanced the reality that prices are on the decrease and in all probability will not rebound. With the elimination of competition in the market place it is certain that the we will not receive a sufficient price for the products we sell. Then it starts to trickle down. When we don't receive a price that includes a profit, we can not circulate those dollars back in the economic. We can not buy equipment or afford many needed repairs. The equipment dealers and manufacturers are forced to lay-off employees and the cycle just begins. Other agribusiness's also suffer from the lack of the profits from the farm. The government has the capability to thoroughly investigate these mergers and determine if they have a valid reason for the consolidation and if healthy competition will be left in the marketplace. Competition is intended to improve the agricultural economic. The focus should be on the consolidation or monopoly of the agribusiness's. Issues that have been discussed by the major farm organizations and farm groups have been a accurate inventory management system, price support programs among others. It should be evident that the farm bill offers an inadequate safety net for farmers. You should take notice that the can not make expensive changes in our operations to satisfy pressure from animal right groups or WI- DNR. Hear we repeat the statement that agriculture is the largest industry in the nation and the State of Wisconsin. The national government has forced producers into a world market with no protection from competition and subsidized production from other countries. We should be entitled to the right to operate profitably and to extract the dollar needed to do so from the marketplace. Federal legislation should have the potential to improve and enhance the market. Supplemental income assistance payments should not be away of life. We ask for a cost of production . We ask you to support the recommendations from the major farm organizations and farm groups. We ask that you protect the farm families that support the many agribusiness's in our community.

Aue Marx

8/29/00 Assembly Agriculture Sub-Committee Hearing at Johnson Creek

1) MARK CHRISTENSON of Lake Mills, member of WMMB

Data sent to USDA is not backed up and has no credibility.

Cheese in the system determines price of milk.
Storage facilities have cheese on hand, not reported.

Allow farmers to get involved.

He's on the WMMB and they have helped to promote milk.
Consumption increased in dairy and need to do more in pricing median.

Allow WMMB to do what its' name suggests. Involve consumers.

Store price is reflective of what farmers get.

Jewel store under indictment cause price of their milk is low. "Price Fixing"

His proposal is to create a coalition to allow set price structures.

Include WMMB, handlers, consumers.

Establish base price and address supply and demand.

If there is over supply create = powder

= research

=utilize whey differently

=food storage

Create national pool to include all farmers. Sent outline to US Sen.
Feingold. Need more latitude in state.

Look at imports.

If more milk on the market - get it off the market.

He can't get more involved cause he's on the board and has not
communicated with the board.

See enclosed copy of his ideas.