

WISCONSIN STATE SENATE
DAVE HANSEN
SENATOR – 30TH DISTRICT

State Capitol P.O. Box 7882 Madison, Wisconsin 53707-7882 Phone: (608) 266-5670

February 17, 2003

Senator Dale Schultz
Room 18 South
State Capitol

Dear Senator Schultz,

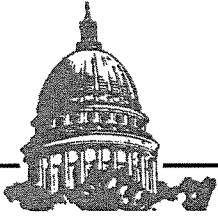
In response to a request from your office, I am writing to inform you that I do not object to taking up Secretary Nilsestuen's appointment in his absence. I met with him on an individual basis and was able to discuss a variety of issues with him in some detail.

Sincerely,

Dave Hansen
State Senator

Dh: ecg

S: committees/Ag.



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State Senator

Dh: ecg

S: committees/Ag.

Badgerland Farm Credit Services
315 Broadway, P.O. Box 69
Baraboo, WI 53913-0069
608-356-4903



DATE: 1/23/03

TO: **Members, Senate Committee on Agriculture,
Financial Institutions and Insurance**

FROM: **Gordon Foss, CEO
Frank Friar, Sr. Vice President**

RE: **Support for Confirmation of Rod Nilsestuen as DATCP Secretary**

Thank you Chairman Schultz for the opportunity to provide support for the confirmation of Rod Nilsestuen as Secretary of the Department of Agriculture, Trade and Consumer Protection. My name is Frank Friar. My remarks not only reflect my thoughts, but also those of Gordon Foss, CEO of Badgerland Farm Credit Services. Gordon is in a board of directors meeting today and therefore unable to attend this meeting.

We have both known and worked with Rod over the past twenty years through his position as CEO of the Wisconsin Federation of Cooperatives. This Federation developed into one of the premier cooperatives trade associations in the country. It has often served as a model for other states to follow. The premier status is given in recognition of the extensive number of participating organizations and their successes in contributing to a strong and viable Wisconsin agriculture and cooperative community.

Rod's leadership and influence not only supported a strong agriculture at the farmer level, but equally important at the agribusiness and community level. Combined, this has resulted in a strong infrastructure for agriculture in our state.

We believe Rod is extremely qualified for this position for several key reasons:

- He passionately believes in Wisconsin agriculture and the families it represents.
- He grew up on a farm and has a distinguished career dedicated to Wisconsin agriculture, cooperatives and the farm and rural members they serve.
- He is a visionary leader and an effective change agent guiding others to keep organizations and their purpose modern and relevant.
- He has extensive and positive professional relationships with state, regional and national leaders in agriculture both in the private and public sectors.

Thank you for the opportunity to appear and present our support for Rod Nilsestuen's confirmation as DATCP secretary.



Wisconsin Federation of Cooperatives

131 West Wilson Street, Suite 400, Madison, WI 53703
Phone: 608.258.4400 Fax 608.258.4407 www.wfcmac.org wfcmac@wfcmac.org

Date: 01/23/2003

To: Members, Senate Committee on Agriculture, Financial Institutions and Insurance

From: William L Oemichen, President & CEO *Bill Oemichen*
John T. Manske, Director of Government Relations

RE: Support for the Confirmation of Rod Nilsestuen as DATCP Secretary *John Manske*

Thank you to Chairman Schultz for scheduling this prompt hearing on the nomination of Rod Nilsestuen to serve as the Secretary of the Department of Agriculture, Trade and Consumer Protection. Both of us are sorry that prior commitments prevent us from appearing in person at UW-Baraboo to support the nomination. We have deep pride and enthusiasm for Rod in the new and challenging role he has just undertaken for the people of Wisconsin, and we ask for your positive vote to confirm this nomination.

As you know, Rod Nilsestuen served as President and CEO of the Wisconsin Federation of Cooperatives (WFC) for 24 years. During that time he built it into one of the most respected cooperative trade associations in the country. During the last four years of his leadership of WFC, he also headed the Minnesota Association of Cooperatives (MAC), through an alliance with WFC. His commitment to rural Wisconsin, farmers and cooperatives has resulted in countless roles, initiatives and successes over the years. Others who witnessed Rod's work for cooperatives and their member-owners here in Wisconsin have sought Rod's counsel and then pursued similar efforts elsewhere.

We believe that Rod is ideally suited to be DATCP Secretary for numerous reasons. Among these are the following:

- Like previous Secretaries of DATCP, Rod comes from a farming background and understands the challenges and stress faced in the current depressed agricultural economy.
- He believes there must be a future for all sizes and types of farming operations in Wisconsin if our rural communities are to be strengthened. He understands survival in today's national and international marketplaces depends on our modernizing our aging farm facilities and he is prepared to make legislative recommendations, and take administrative action, to ensure this happens.
- Rod has worked across political lines and in alliances to generate positive outcomes for Wisconsin's producers and others in Wisconsin's countryside. The hard fought battles on federal dairy policy and for rural development funding are examples of where Rod cemented important linkages with federal elected and other officials to help our state.

- Leading DATCP at a time of severe state budget challenges is not for the faint of heart. Rod has been at the heart of countless financial and policy battles over his long tenure at WFC as he engaged with federal and state policymakers on key rural issues. We trust that he will seek the most reliable information and make sound recommendations and decisions as he serves Governor Doyle and the people of the state during this difficult fiscal time.
- While we respectfully, but strongly, disagree with Governor Doyle on his intention to transfer the very effective Bureau of Consumer Protection to the Department of Justice, we know that Rod is a strong advocate for consumers and know that Rod Nilsestuen will handle this issue in a positive and sensitive manner, whatever the legislative outcome is on this very important issue to the state's consumers and agriculture.

Thank you for considering our request for a positive confirmation vote on Rod Nilsestuen for DATCP secretary.



January 23, 2003

To: Senator Dale Schultz, Chairperson
Senate Committee on Agriculture, Financial Institutions and Insurance

From: John T. Umhoefer, Executive Director
Wisconsin Cheese Makers Association

Re: Confirmation Hearing for Rod Nilsestuen, Wisconsin Secretary of
Agriculture, Trade and Consumer Protection

8030 Excelsior Drive
Suite 305
Madison, WI 53717-1950

Phone
(608) 828-4550

Fax
(608) 828-4551

E-mail
office@wischeesemakersasn.org

Website
www.wischeesemakersasn.org

Dear Senator Schultz and Committee Members,

Please accept this note from our trade association as a registration in FAVOR of your committee's confirmation of Mr. Rod Nilsestuen as Secretary, Wisconsin Department of Agriculture, Trade and Consumer Protection.

Wisconsin Cheese Makers Association represents a majority of cheese and butter manufacturers in the state of Wisconsin, as well as hundreds of companies that further process dairy products and provide goods and services to the dairy industry. Our members favor the selection and confirmation of Mr. Nilsestuen to lead the Department of Agriculture, Trade and Consumer Protection.

The department faces a number of challenges at this time. State government and the dairy industry will benefit from the knowledge and leadership Mr. Nilsestuen will bring to this position. Mr. Nilsestuen is the right man for the job and we ask for his swift confirmation.

Wisconsin Cheese Makers Association is concerned that impending state budget shortages may result in discussion of new or higher fees assessed on industry, or the possibility that fees collected to date may be "lapsed" to cover general budget shortfalls. WCMA is also concerned that back-up security plans for the new Agricultural Producer Security Program have faltered, forcing dairy manufacturers to pay assessments to the new program, and maintain the private bonds expected under the previous program.

WCMA believes that Mr. Nilsestuen has the background and knowledge to address these issues quickly and effectively. We look forward to joining with our partners in the dairy industry to look for solutions to these issues and plan for the long-term growth of Wisconsin agriculture.

Thank you for accepting this memorandum into the record.

Vote Record

Committee on Agriculture, Financial Institutions and Insurance

Date: _____

Bill Number: _____

Moved by: _____ Seconded by: _____

Motion: _____

<u>Committee Member</u>	<u>Aye</u>	<u>No</u>	<u>Absent</u>	<u>Not Voting</u>
Senator Dale Schultz	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ronald Brown	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Neal Kedzie	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Judith Robson <i>opposed</i>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator David Hansen <i>absent</i>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: _____

Rep OTI

Highlights

2

New staff join WFC communications and administrative teams

3

Employee Assistance Program available to WFC members

COOPERATIVES EXPANDING PEOPLES' HORIZONS

October Co-op Month Kick-Off Celebration set for October 10 at Oakdale Electric Cooperative

Today's sleek wind power co-

WFC Challenge Challenge

Wisconsin Federation of Cooperatives

1996 Number Three

Wisconsin Federation of Cooperatives

1996 Number Four

Generating wind power the co-op way could prove beneficial for landowners

Farmers living in the right environment could harness the wind to generate additional income and help conserve the environment if a study proves that cooperatively owned wind farms are feasible.

E.G. Nadeau of the Madison-based Cooperative Development Services (CDS) is working on a project that will examine cooperative approaches to ownership of wind energy generation facilities. CDS is conducting the study, funded by a grant of \$19,000 from the McKnight Foundation, in collaboration with the Minnesota Project.

"Their (The Minnesota Project) goal is to try harness the wind in such a way that is beneficial to Minnesota residents," Nadeau said, "and we're trying to see if we can do it as a co-op."

Although the study is taking place in Minnesota where the southwest portion of the state has particularly strong wind sources, several areas of Wisconsin show some promise for wind energy development including the bluffs along the southwestern border and the coastal region of Lake Superior. Economic benefits to the state, according to a study by the Department of Administration Division of Energy and Intergovernmental Relations and Wisconsin Energy Bureau, could be derived from lack of fuel expenditure as well as manufacture of equipment and key components of wind machines. In addition, if the co-op approach is feasible, landowners could negotiate a price with a large utility and sell their wind power.

The project's roots go back three years, Nadeau said, when Northern States Power (NSP) was battling the Minnesota Legislature over storage of the utility's nuclear waste. The compromise that resulted was twofold: NSP could continue storing its nuclear waste in exchange for agreeing to purchase 125 megawatts of biomass energy and 450 megawatts

of wind energy.

To satisfy the mandate for purchasing wind-generated energy, NSP contracted with a couple of large companies to build wind turbines in the southwestern portion of Minnesota, one of which is producing 59 megawatts, and the other of which is expected to

Highlights

2

Co-op Commentary Same song, same dance

2

Young leader programs demonstrate WFC's commitment to youth

3

Arts named WFC vice president

Wisconsin's first senior housing co-op will help keep rural community thriving

Last month's groundbreaking for Wisconsin's first senior cooperative housing development capped successful efforts by all facets of the Mt. Horeb community in working together to meet a common need.

Nearly three years in the planning, the proposed \$2-million structure is scheduled to be completed by next fall. It will consist of 24 units that will house

ing in housing units that are subsidized by government grants and aid.

"This is more than just a housing co-op," said Terry McKinley, president of Homestead Housing Center. The non-profit organization serves as a catalyst for senior cooperative housing, including the Mt. Horeb development, by providing technical and

"This was developed as a way of keeping seniors in a viable housing fo

omeside housing co-op of ways, each in the local community is assembled to raise the co-op, and "Sometimes we in ad sometimes and the location," McKinley

Horeb was brought by the Coonors, Fertitta, James's Cooperative (page 2)

WFC Challenge

Wisconsin Federation of Cooperatives

1997 Number Two

Co-ops an alternative to child-care needs

Pending changes in Wisconsin's welfare system will send more parents of young children into the workforce, resulting in a greater need for quality child

board meeting and work it out. It's worked marvelously," Madson said.

For example, because Kids in the Country is lo-

Spring 1989

WFC Challenge

Wisconsin Federation of Cooperatives

Co-ops Become Active in Rural Development Efforts

The headlines alone tell the story: "Poverty rate high in rural areas of nation." "Rural areas to jobs, income." "Creation of jobs top rural priority." While much of the nation has benefited from an economic recovery during the past five years, a number of structural and economic changes have contributed to a steady decline in the rural economy.

In Wisconsin, there were 10,450 lever arm operators in 1967 but there were only 980, according to a report released in December by the Governor's Rural Development Coordinating Council. The report also showed that the per capita income was 24% lower in the state's 53 rural counties in 1966 than in urban counties, and that employment fell in the rural counties by 2% from 1979 to 1986, while rising 1.3% in urban counties.

Similar trends are being seen throughout the country. Fewer family farms mean less agricultural income is filtering through the rural economy. As a result, many rural communities have lost businesses, jobs and residents. As tax bases erode, these communities are faced with a host of new problems because fewer resources are available to provide essential services like education, clean water, health care and adequate housing.

The crisis in rural America has captured the attention of lawmakers. Today, there are dozens of bills in Congress aimed at revitalizing the rural economy.

Cooperatives are positioning themselves to play a major role in rural revitalization efforts. Earlier this year, co-op leaders formed the National Rural Cooperative Development Task Force to mobilize public support for taking cooperative development as a significant part of rural development legislation now moving through both houses of Congress.

"Everyone seems to agree that reviving the rural economy is a priority issue, but no one has defined how it's going to be accomplished," said Rod Nilsen, chairman of the task force and WFC executive secretary.



In April, co-op leaders from throughout the country gathered in Washington, D.C. for the first meeting of the National Rural Cooperative Development Task Force. WFC Executive Secretary Rod Nilsen (left) is chairing the task force, and Steve Krikorian (right), manager of public affairs for Land O'Lakes, is serving as Legislative Committee chair.

public-private partnership would give today's rural development efforts some direction, and would also be the most effective way to launch a permanent rural development program," Nilsen said.

The concept is an ideal mechanism for providing services to the smaller markets that exist in rural areas, Nilsen said. "Co-ops aggregate capital, people, business and services into large enough units to be competitive. Yet unlike chains or franchise systems, they retain ownership and control at the local level."

While many people associate co-ops with agricultural products and services, co-ops also have a successful track record in areas like child care, health care, educational services and housing.

Rural areas are not strictly agrarian, Nilsen said. "A firm belief that solutions to all the problems rural areas are facing exist

ished rural cooperatives are a valuable resource that can be tapped to provide business growth and employment in both ag and non-agricultural sectors."

Existing cooperatives also have an economic stake in the economic health of rural America. "Without something to preserve the rural economy, cooperatives that are there now are going to find their business base drying up and going away," said Steve Krikorian, manager of public affairs for Land O'Lakes and chairman of the task force's legislative committee.

Deane Johnson, president and CEO of the St. Paul Bank for Cooperatives, agrees. Many existing co-ops are very dependent on the rural economy and have a real self-interest in rural development issues, he said. But co-op should also view rural development "as a vehicle for promoting, soliciting and encouraging further cooperative development and strengthening our whole cooperative movement," said Johnson, who is finance committee chairman for the task force. Financing projects that enhance and support rural cooperative development efforts has been identified as one of the Bank's key marketing objectives, Johnson said.

The role of cooperative lenders has become increasingly important in rural areas during the last decade, because a number of commercial banks have failed or merged. Bill Steiner, a task force member and senior vice president of the Communications Division of Credit Union National Association and Affiliates (CUNA), said in many rural communities credit unions are the only remaining source of reliable and affordable credit.

The nature of cooperatives has helped them survive tough times, Nilsen said. "Cooperatives thrive in rural areas because they are sensitive to local business conditions as well as responsive to the needs of local people," he said. "As self-help, locally-based, private care for rural enterprises, cooperatives are ideally positioned to meet today's rural development challenges."

A glance at headlines from past issues of WFC Challenge, the Federation's member newsletter, provides a representative view of the communications leadership which has brought focus to diverse issues affecting cooperatives.



Above, with U.S. Secretary of Agriculture Dan Glickman, prior to a discussion on federal dairy policy reform.



Above, with former Wisconsin Governor Tony Earl.



Best Wishes
to Rod Nilsen

Jimmy Carter



Above, May 1996 Wisconsin R.E.C. News, with Glenn English, general manager, National Rural Electric Cooperative Association, and Bob Kretzschmar, president, Wisconsin Electric Cooperative Association.

Left, with former president Jimmy Carter.



markings...

by Rod Nilsesfuen
Executive Secretary

(Edgar's Note: Rod's column is excerpted from his annual meeting address.)

What can be done about the kind of concentration of economic power being lined up against the family farm as noted in our cover story? While mergers and consolidations will help to strengthen cooperatives so they can compete more effectively in today's economy, those measures represent only part of the equation.

In order to secure a place for co-ops in the marketplace for years to come, cooperative leaders must develop comprehensive strategies for survival. More importantly, the components of such a strategy must be spelled out so that every cooperative member, every co-op employee and everyone involved or interested in the future of rural America clearly understands what the choices are, and how those choices will impact the future of the family farm and our rural communities.

First, the value of the co-op system must be clearly demonstrated. Until the co-op system is made to function more effectively as a system, cooperatives will never be able to compete with the Cargills and ConAgras. Members must be involved and committed in order for their cooperatives to function properly. Local, regional and inter-regional co-ops must truly work together as a strong, federated system.

Cooperatives will not work if they are used only when it's convenient or the price is right. Agricultural Cooperative Service Administrator, Randy Torgerson, has said it well, "Cooperatives exist to penetrate markets and maximize returns to members. They cannot perform successfully if members 'use' cooperatives to play them against other businesses."

There must be volume and sales commitments made, and there must be long-term coordination of planning if the system is to function properly. Cooperatives can no longer afford to build two fertilizer plants or mills next to one another, because both co-ops were reading the same market study but weren't communicating their plans and coordinating their efforts. *That's a non-system, not a system.*

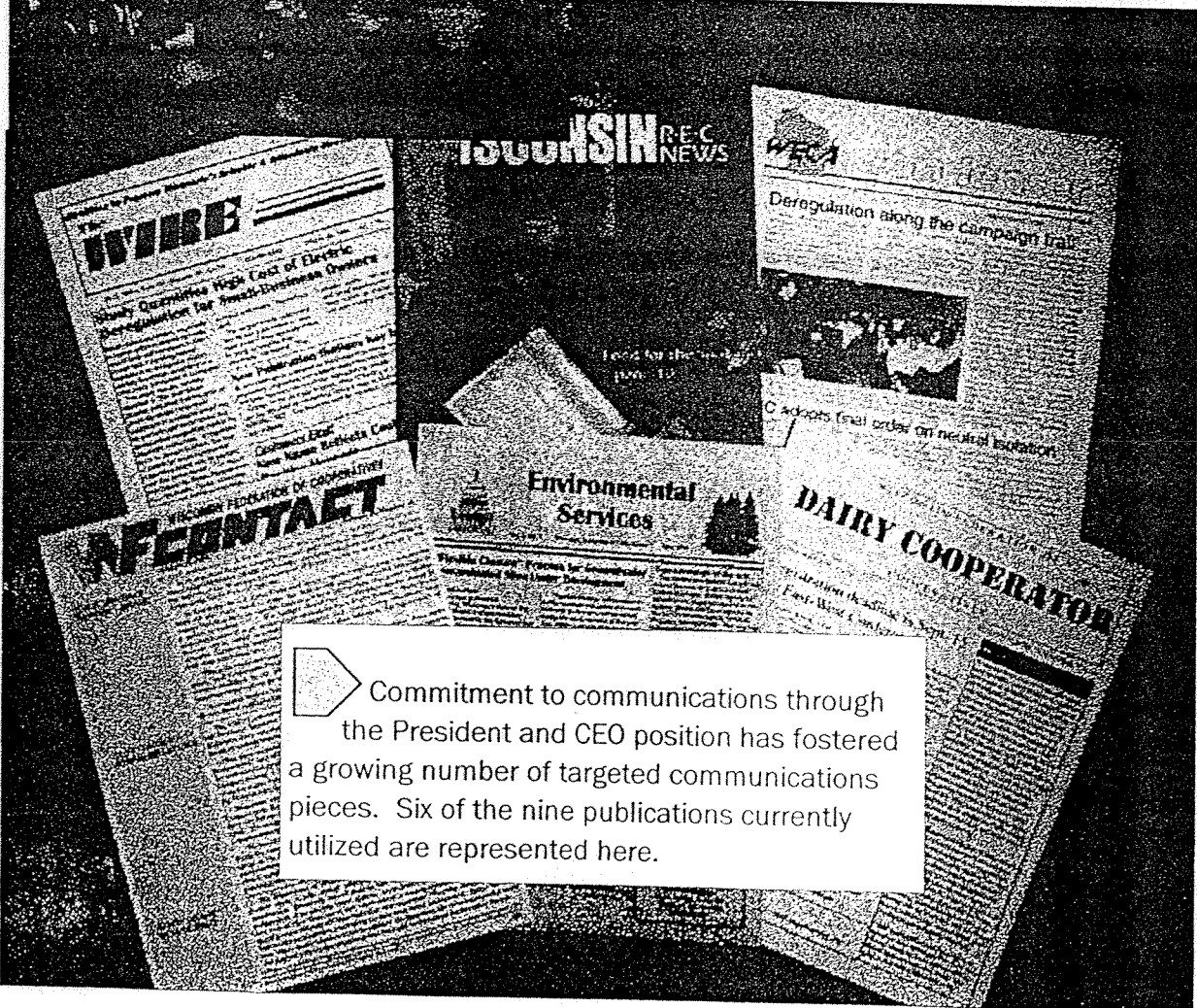
Second, it must be recognized that the U.S. food and fiber system is changing, and will continue to change. Barry Flinchbaugh, an economist at Kansas State University, said, "The American people have the wherewithal to purchase a high quality food supply with or without a family-based structure, with or without farmer-owned and controlled cooperatives."

The growing trend toward preparing and consuming food outside the home demands orderly marketing, a system in which a predetermined quantity of uniform quality food is purchased at a contract price. It is predicted that contract agriculture will come of age by the end of this century. Flinchbaugh said, "The question is, will the contracts be between farmers and corporate conglomerates, or will the contracts be with farmer-owned and -controlled cooperatives?" The answer to the question hinges on the cooperative's ability to change.

Many co-ops are working to make these changes now. Cooperative leaders will play a major role in shaping these changes which will have profound, long-term effects. If we truly value the future of family farming and our co-ops, it is a responsibility we must take very seriously. □



Hundreds of cooperators filling the capitol rotunda for WFC's Capitol Lobby Day are evidence of the impact of the commitment to grassroots involvement. The event also provides a means for bringing the media spotlight on cooperatives.



Commitment to communications through the President and CEO position has fostered a growing number of targeted communications pieces. Six of the nine publications currently utilized are represented here.

Vote Record

Committee on Agriculture, Financial Institutions and Insurance

Date: 2/19/03

Moved by: Hansen

Seconded by: Rudy

AB _____

SB _____

Clearinghouse Rule _____

AJR _____

SJR _____

Appointment Nilsetuen, Rod

AR _____

SR _____

Other _____

A/S Amdt _____

A/S Amdt _____ to A/S Amdt _____

A/S Sub Amdt _____

A/S Amdt _____ to A/S Sub Amdt _____

A/S Amdt _____ to A/S Amdt _____ to A/S Sub Amdt _____

Be recommended for:

- Passage Adoption Confirmation Concurrence Indefinite Postponement
Introduction Rejection Tabling Nonconcurrency

Committee Member

Senator Dale Schultz

Senator Ronald Brown

Senator Neal Kedzie

Senator Judith Robson

Senator David Hansen

Aye No Absent Not Voting

Table with 4 columns: Aye, No, Absent, Not Voting. Rows for each senator with checkboxes.

Totals: 5 0

MR. CHAIRMAN & MEMBERS OF SENATE Ag COMMITTEE

My NAME is Bill GEARY - I appear before you today wearing two hats. First, AS A CURRENT Board member of the Dept of Ag, Trade & Consumer Protection and its Chairman, Mr. Mike Dummer, who was unable to be here today. Secondly, I speak as a member of Wisconsin's Agribusiness Community.

FOR 28 years, I was involved in the Management of Equity Cooperative Livestock Sales Assn (Following Retirement) served as President/CEO of the Wisconsin Agribusiness Council.

BOTH of these hats and those they represent whole-heartily support the appointment of Mr. Rod Nielsestuen as Secretary of Agriculture, Trade and Consumer Protection

(2)

Rod's past experiences with Agricultural Organizations allows him to bring a great amount of knowledge and a great depth of understanding in dealing with those issues that face Wisconsin's Agriculture Industry.

I have had the privilege of working with "Rod" on Agricultural issues both here, in our state and in Washington D.C.

I have always found "Rod" to be open-minded, to be an outstanding good-listener, and have always known him to head with an open-door policy. He is an exceptional team leader and player.

"Rod" is also an individual who seems to thrive on challenges.

Needless to say, there is an endless list of challenges currently facing Wisconsin Agriculture.

Most of them are immediate challenges, others will develop as this \$40 Billion industry reshapes and redesigns itself (if necessary) to meet its futuristic goals.

I can think of no one better or more qualified to head the Department of Agriculture, Trade and Consumer Protection today and into the future than Mr. Rod Nielsen.

Thank you.