

CORRESPONDENCE MEMORANDUM

DATE: 1/23/03
TO: Senator Mary Panzer, Majority Leader
FROM: Senator Dale Schultz
SUBJECT: Possible Legislative Savings

As we have discussed, legislators must set an example for the rest of government in identifying non-essential functions and budget reductions that can help meet the state's growing deficit. With this objective in mind, I have begun a systematic review of possible budget reductions in my areas of responsibility and have already identified one possible source of savings in the budgeted funds for the Joint Survey Committee on Retirement Systems.

I believe that we can reduce the current budget for the Office of the Director of Retirement Research by \$182,600 GPR, each year of the biennium. These funds are contained in appropriation s. 20.765(2)(a), which authorizes 3.0 FTE staff for the office.

You may recall that for many years the statutes have called for both a Retirement Research Committee and the Joint Survey Committee on Retirement Systems. The Retirement Research Committee has not met for several years, however. This appears to have been a result of some discomfort with the way the most recent Director had carried out his duties along with efforts to avoid unnecessary GPR expenditures. Nevertheless, the budget has continued to provide for the Research Director and two support positions, along with related costs, and activities currently performed by the Office are insignificant, to the best of my knowledge. While a staff member continues in one support position, the other two remain vacant. It is my belief that the funding for this office, along with the associated position authority, could be eliminated with little negative effect, and the responsibilities handled as noted below.

In the interim since the Retirement Research Director was last filled, primary responsibility for conducting research functions has been managed directly by the Joint Survey Committee Co-Chairs and the project work has been transferred to the Legislative Council where it has been handled well by attorney Bill Ford. Bill has worked hard to provide effective services to the Joint Survey Committee and has extended himself to meet the information needs of employee groups interested in the Wisconsin Retirement System. Several individuals with whom I have talked tell me that Bill has developed a good rapport with those groups, lessening their initial negative reaction about the decision to not fill the position of Retirement Research Director. I believe the time is ripe to abolish the position of Retirement Research along with its staff support, and allow the Joint Survey Committee Co-Chairs to continue to direct necessary research activities.

An issue would still remain with regard to what to do with the Retirement Research Committee (RRC) itself, if such action were taken. As the new Senate Co-Chair, I would like to have the opportunity to discuss this with colleagues in the Senate and with various parties interested in the retirement system but have not yet had time to do that. One possibility is that we may want

abolish the RRC but modestly expand the composition of the Joint Survey Committee to better reflect the interests previously represented on the RRC. Another possibility would be to keep the RRC but have its research activities provided through the Legislative Council, as noted above. I am reluctant to commit to a course of action as to the future of the RRC without the opportunity to confer with my Senate colleagues and other parties, however.

I look forward to the opportunity to discuss this further with you.

Last week in
caucus we discussed

Given to
Panzer
1-27-03

JO-

So you know,
I retyped this
and it was given
to Panzer. You
might want to file
it away w/ the
Retirement Systems
stuff.

DATCP BOARD MEMBERS
CURRENT CONFIRMATION STATUS

NOTE
VACANT = ASKED TO RESIGN BY
GOVERNOR NOT PREVIOUSLY
CONFIRMED

<u>AGRICULTURE REPRESENTATIVE</u>	<u>TERM</u>	<u>COMMITTEE CONFIRMED</u>	<u>TO REPLACED</u>
Chairman Mike Dummer, Holman WI	Term May 1, 2003 – May 1, 2009	YES June 3, 2003	HIMSELF
Cynthia Brown, Menomonie	Term January 16, 2003 – May 1, 2007	YES April 22, 2003	Cynthia Jarvis (Vacant)
Richard Cates, Jr., Spring Green	Term May 1, 2003 – May 1, 2009	NO	Charles Knigge (Vacant)
Andy Diercks, Coloma	Term January 16, 2003 – May 1, 2005	YES April 22, 2003	HIMSELF
Enrique E. Figueroa, Ph.D., Milwaukee	Term January 16, 2003 – May 1, 2007	YES April 22, 2003	Jeff Pickering (Vacant)
Mike Krutza, Wausau	Term January 16, 2003 – May 1, 2005	YES June 3, 2003	James Holte, (Vacant)
Shelly Mayer, Slinger (Org. Muscoda)	Term May 1, 2003 – May 1, 2009	NO	C. William Geary (Vacant)
<u>CONSUMER REPRESENTATIVE</u>			
Bev Anderson, Darlington, <u>Still A Member</u>	Term January 1, 2000 – May 1, 2005	PREVIOUS CONFIRMATION	<i>REPLACES BRIAN RUDE</i>
Brian Rude, Coon Valley	Term January 16, 2003 – May 1, 2005	NO	TO REPLACE; Bev Anderson
Margaret Krome, Madison,	Term January 16, 2003 – May 1, 2007	NO	TO REPLACE; Richard Brock

DATCP BOARD MEMBERS
CURRENT CONFIRMATION STATUS

NOTE
VACANT = ASKED TO RESIGN BY
GOVERNOR NOT PREVIOUSLY
CONFIRMED

<u>AGRICULTURE REPRESENTATIVE</u>	<u>TERM</u>	<u>COMMITTEE CONFIRMED</u>	<u>TO REPLACED</u>
Chairman Mike Dummer, Holman WI	Term May 1, 2003 – May 1, 2009	YES June 3, 2003	HIMSELF
Cynthia Brown, Menomonie	Term January 16, 2003 – May 1, 2007	YES April 22, 2003	Cynthia Jarvis (Vacant)
Richard Cates, Jr., Spring Green	Term May 1, 2003 – May 1, 2009	NO	Charles Knigge (Vacant)
Andy Diercks, Coloma	Term January 16, 2003 – May 1, 2005	YES April 22, 2003	HIMSELF
Enrique E. Figueroa, Ph.D., Milwaukee	Term January 16, 2003 – May 1, 2007	YES April 22, 2003	Jeff Pickering (Vacant)
Mike Krutza, Wausau	Term January 16, 2003 – May 1, 2005	YES June 3, 2003	James Holte, (Vacant)
Shelly Mayer, Slinger (Org. Muscoda)	Term May 1, 2003 – May 1, 2009	NO	C. William Geary (Vacant)
<u>CONSUMER REPRESENTATIVE</u>			
Bev Anderson, Darlington, <u>Still A Member</u>	Term January 1, 2000 – May 1, 2005	PREVIOUS CONFIRMATION	<i>REPLACES BRIAN RUDE</i>
Brian Rude, Coon Valley	Term January 16, 2003 – May 1, 2005	NO	TO REPLACE: Bev Anderson
Margaret Krome, Madison,	Term January 16, 2003 – May 1, 2007	NO	TO REPLACE: Richard Brock

DATCP BOARD MEMBERS
CURRENT CONFIRMATION STATUS

NOTE
VACANT = ASKED TO RESIGN BY
GOVERNOR NOT PREVIOUSLY
CONFIRMED

<u>AGRICULTURE REPRESENTATIVE</u>	<u>TERM</u>	<u>COMMITTEE CONFIRMED</u>	<u>TO REPLACED</u>
Chairman Mike Dummer, Holman WI	Term May 1, 2003 – May 1, 2009	YES June 3, 2003	HIMSELF
Cynthia Brown, Menomonee	Term January 16, 2003 – May 1, 2007	YES April 22, 2003	Cynthia Jarvis (Vacant)
Richard Gates, Jr., Spring Green	Term May 1, 2003 – May 1, 2009	NO	Charles Knigge (Vacant)
Andy Diercks, Coloma	Term January 16, 2003 – May 1, 2005	YES April 22, 2003	HIMSELF
Enrique E. Figueroa, Ph.D., Milwaukee	Term January 16, 2003 – May 1, 2007	YES April 22, 2003	Jeff Pickering (Vacant)
Mike Krutza, Wausau	Term January 16, 2003 – May 1, 2005	YES June 3, 2003	James Holte, (Vacant)
Shelly Mayer, Slinger (Org. Muscoda)	Term May 1, 2003 – May 1, 2009	NO	C. William Geary (Vacant)
<u>CONSUMER REPRESENTATIVE</u>			
Bev Anderson, Darlington, <u>Still A Member</u>	Term January 1, 2000 – May 1, 2005	PREVIOUS CONFIRMATION	<i>REPLACES BRIAN RUDE</i>
Brian Rude, Coon Valley	Term January 16, 2003 – May 1, 2005	NO	TO REPLACE; Bev Anderson
Margaret Krome, Madison,	Term January 16, 2003 – May 1, 2007	NO	TO REPLACE; Richard Brock

**CROP Statistics
As of 3/4/2004**

Program Year	# of Loans Guaranteed	Loan Volume	Guarantee Amount	# of Defaults	Net Default		
					Rate (# of loans)	Rate (\$ of guarantees)	
1993	2,022	27,325,479	24,511,245	25	1.24%	371,611	1.52%
1994	2,044	28,413,523	25,558,970	27	1.32%	379,588	1.49%
1995	1,459	20,167,337	18,150,603	27	1.85%	422,749	2.33%
1996	1,592	23,280,457	20,952,411	36	2.26%	580,413	2.77%
1997	1,459	21,358,037	19,222,234	22	1.51%	360,662	1.88%
1998	1,215	18,163,896	16,347,506	7	0.58%	120,000	0.73%
1999	783	12,835,004	11,551,504	6	0.77%	66,150	0.57%
2000	725	13,920,623	12,528,561	15	2.07%	346,845	2.77%
2001	622	12,866,912	11,580,221	9	1.45%	209,022	1.80%
2002	470	10,297,169	9,267,452	7	1.49%	165,160	1.78%
2003	489	10,882,231	9,794,008	2	0.41%	55,000	0.56%
2004	57	1,278,911	1,151,020	0	0.00%	0	0.00%
	12,937	200,789,579	180,615,735	183	1.42%	3,077,200	1.70%

WHEBA

CROP Applications by Status (loans made since 1993)

<u>CROP Status</u>	<u>DLC Description</u>	<u># of Loans</u>	<u>Loan Amount</u>	<u>Guar. Amount</u>	<u>Guar. Balance</u>
3	Approved	527	11,747,832	10,573,049	0
5	Paid In Full	8420	121,522,919	109,275,740	19,433
7	Withdrawn	42	633,560	570,231	0
8	Application Denied	177	2,743,746	2,469,372	0
9	Forbearance Agreement	38	822,680	740,412	0
10	Pending Default	5	150,000	135,000	0
11	Default	183	3,077,200	2,769,480	1,036,775
13	Request for Guarantee Denied	3	62,201	55,981	0
15	Guarantee Expired	3499	59,335,662	53,402,096	0
17	Repayment Settlement Agreed To	5	86,700	78,030	11,327
27	Default Repaid	38	607,049	546,344	23,278

Guarantee Amount Outstanding (Status' 3, 9 and 10) as of 3/4/2004

\$11,448,461



Approved Loan Totals by Lender - Program Years - 2003

<u>Lender Name/Number</u>	<u>Total Loans</u>	<u>Total Loan Amt</u>	<u>Total Guar Amt</u>
ABBYBANK PO BOX 648 ABBOTSFORD	1686 7	\$127,870 14K	\$115,083
ACUITY BANK SSB PO BOX 880 TOMAH	39429 9	\$247,000 25K	\$222,300
ADELL COOPERATIVE UNION PO BOX 69 ADELL	41044 2	\$39,000 19K	\$35,100
AGSTAR FINANCIAL SERVICES ACA41108 PO BOX 360 BALDWIN	2	\$60,000 30K	\$54,000
AGSTAR FINANCIAL SERVICES ACA41095 398 RED CEDAR ST MENOMONIE	1	\$30,000	\$27,000
ALLIANCE BANK PO BOX 187 MONDOVI	18255 1	\$10,160	\$9,144
ASSOCIATED BANK NA PO BOX 439 REEDSBURG	38166 2	\$50,000 25K	\$45,000
ASSOCIATED BANK NA PO BOX 217 VALDERS	30356 1	\$17,000	\$15,300
BADGER STATE BANK PO BOX 26 CASSVILLE	18017 9	\$215,500 23K	\$193,950
BANCROFT STATE BANK PO BOX 168 BANCROFT	17915 1	\$30,000	\$27,000

<u>Lender Name/Number</u>		<u>Total Loans</u>	<u>Total Loan Amt</u>	<u>Total Guar Amt</u>
BANK OF GALESVILLE PO BOX 429 GALESVILLE	7027	2	\$40,000 20k	\$36,000
BANK OF LUXEMBURG PO BOX 440 LUXEMBURG	1688	4	\$95,000 43k	\$85,500
BANK OF MONTICELLO PO BOX 388 MONTICELLO	38370	7	\$141,500 20k	\$127,350
BANNER BANKS PO BOX 1 BIRNAMWOOD	39718	4	\$73,676 18k	\$66,308
BENTON STATE BANK PO BOX 27 BENTON	39269	1	\$30,000	\$27,000
BONDUEL STATE BANK PO BOX 68 BONDUEL	39719	2	\$33,400 16k	\$30,060
BREMER BANK NA PO BOX 10 MENOMONIE	39717	5	\$112,000 22k	\$100,800
BREMER BANK NA PO BOX 107 AMERY	16094	2	\$45,204 22	\$40,683
CALUMET COUNTY BANK PO BOX 39 BRILLION	11669	1	\$30,000	\$27,000
CITIZENS STATE BANK CADOTT PO BOX 66 CADOTT	38296	7	\$115,731 18	\$104,158
CITIZENS STATE BANK LOYAL PO BOX 218 LOYAL	8188	4	\$85,160 21	\$76,644

<u>Lender Name/Number</u>		<u>Total Loans</u>	<u>Total Loan Amt</u>	<u>Total Guar Amt</u>
CLARE BANK NA PO BOX 267 PLATTEVILLE	7259	5	\$115,625 23	\$104,062
CO-OP CREDIT UNION PO BOX 157 BLACK RIVER FALLS	38270	2	\$48,000 24	\$43,200
COMMUNITY BANK CENTRAL WI PO BOX 213 COLBY	11518	1	\$10,160	\$9,144
COMMUNITY BANK FINANCIAL PO BOX 170 OCONTO FALLS	30115	2	\$46,636 23	\$41,973
COMMUNITY FIRST BANK BOSCOBEL PO BOX 307 BOSCOBEL	35554	3	\$53,550 18	\$48,195
CUMBERLAND FEDERAL BANK FSB PO BOX 338 CUMBERLAND	65431	2	\$33,000 16	\$29,700
DAIRYLAND STATE BANK PO BOX 397 BRUCE	30232	3	\$42,660 17	\$38,394
F&M BANK - WISCONSIN PO BOX 920 KAUKAUNA	7089	1	\$30,000	\$27,000
F&M BANK - WISCONSIN PO BOX 159 POTOSI	16092	1	\$20,000	\$18,000
FARMERS & MERCHANTS UNION BANK PO BOX 226 COLUMBUS	40602	2	\$23,109 11	\$20,798
FARMERS STATE BANK PO BOX 6 FOX LAKE	39731	5	\$145,000 28	\$130,500

<u>Lender Name/Number</u>		<u>Total Loans</u>	<u>Total Loan Amt</u>	<u>Total Guar Amt</u>
FARMERS STATE BANK PO BOX 460 MARKESAN	41091	2	\$60,000	\$54,000
FARMERS STATE BANK BANGOR PO BOX 69 BANGOR	17159	3	\$65,000	\$58,500
FARMERS STATE BANK HILLSBORO PO BOX 405 HILLSBORO	8793	9	\$182,257 ²⁰	\$164,031
FCS OF NC WI PO BOX 1080 MARSHFIELD	41093	5	\$95,700 ¹⁸	\$86,130
FCS OF NC WI PO BOX 330 THORP	41114	3	\$61,333 ²⁰	\$55,200
FCS OF NC WI PO BOX 1089 WAUSAU	41120	1	\$20,000	\$18,000
FCS OF NE WI PO BOX 5130 DE PERE	41076	15	\$297,040 ²⁰	\$267,336
FIRST BANK OF BALDWIN PO BOX 2060 BALDWIN	5250	14	\$335,300 ²³	\$301,770
FIRST BANKING CENTER PO BOX 188T DARLINGTON	64143	12	\$253,500 ²¹	\$228,150
FIRST NATIONAL BANK PO BOX 357 FRANCIS CREEK	30328	2	\$38,505 ¹⁹	\$34,655
FIRST NATIONAL BANK PO BOX 10 MANITOWOC	11960	1	\$30,000	\$27,000

<u>Lender Name/Number</u>	<u>Total Loans</u>	<u>Total Loan Amt</u>	<u>Total Guar Amt</u>
FIRST NATIONAL BANK BARRON 39920 PO BOX 159 BARRON	3	\$80,000 18	\$72,000
FIRST NATIONAL BANK BERLIN 60034 PO BOX 170 POY SIPPI	1	\$30,000	\$27,000
FIRST NATIONAL BANK BERLIN 39817 PO BOX 310 BERLIN	1	\$12,000	\$10,800
FIRST NATIONAL BANK DARLINGTON 7114 PO BOX 50 DARLINGTON	4	\$101,100 25	\$90,990
FIRST NATIONAL BANK PLATTVILLE 60839 305 S MADISON ST LANCASTER	1	\$30,000	\$27,000
FIRST NATIONAL BANK VIROQUA 8834 PO BOX 471 VIROQUA	4	\$85,150 21	\$76,635
FORTRESS BANK OF WESTBY 41123 PO BOX 100 WESTBY	8	\$147,670 16	\$132,903
FRONTIER FS COOPERATIVE 41088 5371 FARMCO DR MADISON	36	\$848,500 26	\$763,650
GRATIOT STATE BANK 41075 PO BOX 190 GRATIOT	2	\$50,000 25	\$45,000
GREEN LAKE STATE BANK 30450 PO BOX 186 GREEN LAKE	3	\$90,000 30	\$81,000
GREENLEAF WAYSIDE BANK 1680 PO BOX 260 GREENLEAF	1	\$8,000	\$7,200

<u>Lender Name/Number</u>		<u>Total Loans</u>	<u>Total Loan Amt</u>	<u>Total Guar Amt</u>
HEARTLAND CREDIT UNION 1205 JOSEPH ST DODGEVILLE	40085	4	\$70,000 16	\$63,000
HEARTLAND CREDIT UNION PO BOX 753 PLATTEVILLE	60814	2	\$29,000 14	\$26,100
HIAWATHA NATIONAL BANK PO BOX 338 GLENWOOD CITY	12883	6	\$100,170 17	\$90,153
INVESTORS COMMUNITY BANK PO BOX 700 MANITOWOC	55609	21	\$542,600 26	\$488,340
JACKSON COUNTY BANK PO BOX 490 BLACK RIVER FALLS	8896	12	\$256,145 20	\$230,531
LANDMARK SERVICES COOPERATIVE PO BOX 277 COTTAGE GROVE	1064	11	\$229,500 20	\$206,550
M&I MARSHALL & ILSLEY BANK PO BOX 2035 MILWAUKEE	39476	50	\$1,180,215 22	\$1,062,194
M&I MARSHALL & ILSLEY BANK PO BOX 130 LOYAL	17931	1	\$20,000	\$18,000
MARKESAN STATE BANK PO BOX 355 MARKESAN	41092	9	\$250,000 28	\$225,000
MID-WISCONSIN BANK PO BOX 90 MEDFORD	58155	7	\$157,385 22	\$141,647
MID-WISCONSIN BANK PO BOX 377 COLBY	39577	2	\$20,460 10	\$18,414

<u>Lender Name/Number</u>	<u>Total Loans</u>	<u>Total Loan Amt</u>	<u>Total Guar Amt</u>
NATIONAL EXCHANGE BANK & TRUST PO BOX 0502 MT CALVARY	3	\$47,000	\$42,300
OOSTBURG STATE BANK PO BOX 700198 OOSTBURG	2	\$59,028	\$53,125
PARK BANK HOLMEN PO BOX 100 HOLMEN	2	\$50,160	\$45,144
PEOPLES STATE BANK PO BOX 8 MAZOMANIE	3	\$90,000	\$81,000
PEOPLES STATE BANK AUGUSTA PO BOX 461 AUGUSTA	4	\$80,170	\$72,153
PEOPLES STATE BANK PR DU CHIEN PO BOX 299 PRAIRIE DU CHIEN	11	\$201,700	\$181,530
PIGEON FALLS STATE BANK PO BOX 489 PIGEON FALLS	6	\$101,340	\$91,206
PIONEER BANK PO BOX 220 AUBURNDALE	4	\$69,430	\$62,487
PREMIER COMMUNITY BANK PO BOX 496 MARION	8	\$176,720	\$159,048
RED CEDAR BANK NA PO BOX 100 BOYCEVILLE	2	\$36,160	\$32,544
REEDSBURG BANK PO BOX 90 REEDSBURG	20	\$486,757	\$438,081

<u>Lender Name/Number</u>		<u>Total Loans</u>	<u>Total Loan Amt</u>	<u>Total Guar Amt</u>
RICHLAND COUNTY BANK PO BOX 677 RICHLAND CENTER	41107	1	\$10,050	\$9,045
RIVER BANK 4401 MORMON COULEE RD LA CROSSE	39862	2	\$40,160	\$36,144
ROYAL BANK ELROY PO BOX 187 COBB	30216	7	\$185,000	\$166,500
ROYAL BANK ELROY PO BOX 10 ELROY	7026	2	\$48,000	\$43,200
S&C BANK PO BOX 126 STANLEY	8791	1	\$30,000	\$27,000
S&C BANK PO BOX 475 NEW RICHMOND	7035	1	\$20,000	\$18,000
SECURITY NATIONAL BANK PO BOX 210 DURAND	7241	3	\$70,150	\$63,135
STATE BANK GRESHAM PO BOX 169 GRESHAM	39721	2	\$60,000	\$54,000
STATE BANK HOWARDS GROVE 211 N WISCONSIN DR HOWARDS GROVE	17652	2	\$30,000	\$27,000
STATE BANK LACROSSE PO BOX 248 MARSHFIELD	64315	7	\$151,000	\$135,900
STATE BANK LACROSSE PO BOX 297 SPARTA	12507	3	\$68,000	\$61,200

<u>Lender Name/Number</u>		<u>Total Loans</u>	<u>Total Loan Amt</u>	<u>Total Guar Amt</u>
STATE BANK LACROSSE PO BOX 159 LA CROSSE	7256	2	\$36,185	\$32,567
STATE BANK OF ARCADIA PO BOX 307 ARCADIA	7251	2	\$49,160	\$44,244
STERLING BANK PO BOX 108 CHETEK	30183	1	\$30,000	\$27,000
STERLING BANK 234 E LA SALLE AVE BARRON	7025	2	\$26,350	\$23,715
STRATFORD STATE BANK PO BOX 13 STRATFORD	7645	8	\$195,036	\$175,532
UNION BANK OF BLAIR PO BOX 185 BLAIR	7267	5	\$145,000	\$130,500
UNITED BANK PO BOX 10 OSSEO	7038	5	\$81,204	\$73,084
WELLS FARGO BANK WISCONSIN NA5939 PO BOX 135 EDGAR		1	\$25,000	\$22,500
WISCONSIN COMMUNITY BANK PO BOX 100 MONROE	8193	2	\$60,000	\$54,000
		<u>481</u>	<u>\$10,731,231</u>	<u>\$9,658,108</u>

Committee Meeting Attendance Sheet

Committee on Agriculture, Financial Institutions and Insurance

Date: 3-10-04

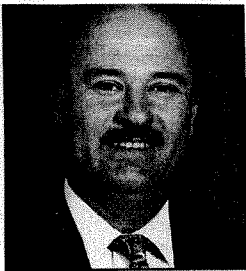
Meeting Type: Pub Exec

Location: _____

<u>Committee Member</u>	<u>Present</u>	<u>Absent</u>	<u>Excused</u>
Senator Dale Schultz, Chair	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Ronald Brown	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Neal Kedzie	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator David Hansen	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Senator Julie Lassa	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Totals: _____

John O'Brien
Committee Clerk



Editor's Note: This week's guest columnist is Ron Statz, lobbyist for the National Farmers Union.

The Wisconsin National Farmers Organization recently completed its 40th annual state convention. The goal for the upcoming year will continue to be "the preservation of the family farm and the farm families that operate them through improved marketing, management and legislation."

While marketing is the organization's primary focus, it will never forget the impact that legislation can have on the ability to maintain sustainable and profitable family farms.

At the federal level

All chartered NFO states support the same federal legislative agenda. Interests this coming year include:

- Rep. David Obey's bill - To establish a reasonable nationwide support price system that would include national pooling, minimum prices for cheese class milk as well as bottled milk and a supply management structure. NFO's goal is for farmers to price their production fairly to the consumer but when this does not happen we fully support government stabilization of pricing and emergency steps to provide security in our food production system.

- National health care - Our nation is struggling with spiraling health care costs and health insurance premiums that make coverage impossible for many to afford. Our organization has endorsed a national single-payer health coverage system.

- Trade agreements - We are fighting for tighter restrictions on imports. Loopholes in quotas must be plugged. Imports should be produced under the same food safety guidelines as our domestic production, or they should bear the cost of 100 percent inspection on entering our ports. Ag imports should pay the same raw equivalent marketing assessments that our domestic production does.

- Anti-trust protection - We will continue to push for federal enforcement of existing anti-trust laws. The foundation of our marketing plan is to unite the production of as many farms as possible into

one pricing block. This will allow us to negotiate improved prices for our members, which will in turn raise the over-all price of that commodity. The continued consolidation of the food processing industry robs all farmers of the ability to find competitive buyers for their products.

- Food security - We feel that a national food reserve is vital if we hope to protect our citizens and provide the assurance of a safe and consistent food supply. Under our current structure, even the smallest amount of yearly carry-over is considered a surplus that can significantly drive down prices. Reasonable reserves should be encouraged and structured to eliminate market impacts.

- Energy - Our dependence on foreign oil is a serious threat to the economy. We support the continued development of renewable sources of energy including ethanol, soy fuels, wind energy, biodigesters and other newly developing technologies. These new uses for farm commodities fit well with NFO's goal of finding new ways of putting additional income in our members' pockets.

NFO's will continue to be involved in the development of niche markets, such as organics in milk, meat and grain. We also are developing new ways for producers to maintain ownership of finished product and move up the marketing chain closer to the final consumer.

At the state level

Our State Board and the resolutions passed at each year's State Convention direct our state legislative agenda. The board uses the resolutions as a recipe to achieve state members' goals. The resolutions guide them when supporting or opposing specific new regulations or pieces of legislation. Between meetings our State President, Don Hamm, will also give support to issues he feels are consistent with past board positions and state resolutions.

The coming year should be very interesting. With a new party in control of the Governor's office for the first time in nearly two decades, many changes lie ahead for state government. Many people that we've worked with at DATCP and DNR will be gone. Governing boards of some agencies will see new appointments. As I write this article, we don't know who the

replacements will be. Some agencies will be restructured with their shape yet to be determined. Depending on your views, these changes may be good or bad. For myself, I know the next several months will be interesting. To add extra spice to the new recipe for state government, we now have a legislature with both houses controlled by the same party, but not the governor's. The next several months will tell us if we have statesmen and stateswomen in office or if we have politicians. The ability of the executive and legislative branch to work together will determine what happens in the next biennium.

Our goal in the up-coming session is to make sure agriculture is remembered as a key ingredient in the economic and social stew of Wisconsin. Everything that's done this session will have to pass through one main filter, the Budget. Everyone in government scrutinize existing programs, looking for small pools of unused money and looking for items to cut. New proposals will be examined to see what impact they might have on the budget. The state is going on a forced diet. With the dietary requirements of the new low calorie (dollar) budget, these are some of the ingredients in our recipe for agriculture:

Things to protect

- Oppose tax increases. Farm income levels will not permit additional tax costs.

- Maintain two-thirds school funding and continue spending caps. The state can't simply shift the tax burden to balance the budget. A reduction in state school funding would most likely be a result of a property tax increase.

- Maintain funding for the College Of Agriculture & Life Sciences (CALs) and the Wisconsin Ag Stewardship Initiative (WASI). CALs and WASI, which includes the Discovery Farm System, must have adequate funding to continue research.

- Maintain a strong Department of Agriculture, Trade & Consumer Protection. Adjustments to certain agency responsibilities will be made by the new administration; however, we must not let these changes erode the authority and ability of DATCP to serve farmers.

- Maintain current ethanol incentive funding. Ethanol plants will be built in this coun-

ry. With the incentive program, they can be built in Wisconsin, without it, they will be built in other states. The cost of the incentive program is offset by increased revenues from the \$30- to \$50-million construction cost of each plant and the worker salaries from operational plants.

- Continue animal health lab funding and certification status. Wisconsin must maintain bonding authority and operational funding for the new Wisconsin Regional Animal Health Lab. The national certification status of our facility hangs in the balance. We are operating under probationary status, based on the promise of a new facility and adequate base funding. Without the funding, certification will be lost and the lab shut down. With current and future animal health concerns in Wisconsin, we a lab is necessary if we hope to maintain animal agriculture in the state.

- The Agricultural Producer Security Program. The Producer Security Program has been difficult to implement because of unexpected events outside of Wisconsin. Legislative action is necessary to protect farmers without adding more cost burden to processors.

- Use-value assessment. The current, fully implemented law saves farmers millions of dollars in property taxes annually. The savings makes property tax levels similar to neighboring states.

New initiatives

- Reduce property taxes on non-productive lands. Many farmers currently pay about 10 times the property tax on non-productive land than if the land were pasture land. If we don't want to force farmers to sell off woodland for development, we must find a way to tax it more fairly.

- Lower health care costs and increase insurance availability. Many Wisconsin citizens, including farmers, are forced to go without health insurance because of cost and/or unavailability. Without health coverage they ignore health problems that can worsen and become more costly when finally addressed. Health care is a national crisis but possible state initiatives include:

- * Expanding Badger Care availability by deducting depreciation from household income calculations
- * Establish a private

employer health care pool to spread the risk and increase the buying power of small employers

- * Open up the state employee health insurance program to farmers

- * Establish regional group marketing alliances to contract for health care for employers

- Better manage stray voltage and related electrical flow issues. Our current electrical delivery system is outdated and overloaded. On-farm rewiring programs are helpful, but can only address part of the problem created by a delivery system that lacks adequate grounding. Individual providers do not have the ability or will to face this issue. Hopefully, the state will get serious before human health is the over-

whelming issue instead of animal health.

Many times the reality of having an issue heard and addressed is based on votes. How does an issue impact the voting constituents in the legislator's district? The farm population in Wisconsin is not the majority, and the NFO only makes up part of the overall farm population. Fortunately, farmer-based and agriculture business groups from around the state meet on a monthly basis to discuss issues. These groups don't always agree on every item but they do on most, and so on many issues farmers and industry will be speaking with a united voice. When making a cake, the sum of the ingredients is much better than one or two by itself.


W... ..

Dale

Pretty good
STARTING POINT
your thoughts


H

S...



herd, Keller Structures can design and build to fit your needs...now and in the future.

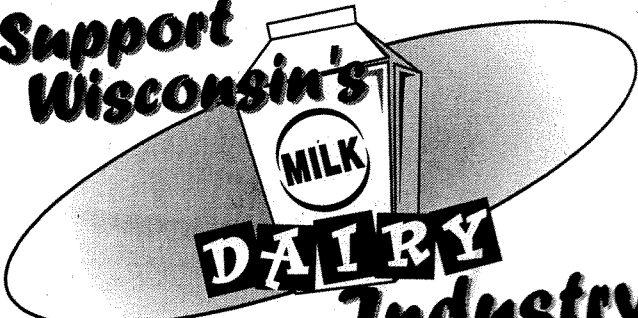
Call Keller Structures the Employee Owned
Design/Build General Contractor
Because Experience Matters



Call toll free
1-800-236-2534

DESIGN/BUILD GENERAL CONTRACTOR Hwy 55, Kaukauna, WI 920-766-5795

Support Wisconsin's



DAIRY Industry

AG NEWS

WISCONSIN FARM BUREAU FEDERATION

83rd WFBF Annual Meeting News

Wisconsin Farm Bureau Federation
PO Box 5550
Madison, WI 53705-0550

WEB SITE: wfbf.com

Contact: Tom Thieding
Executive Director, Public Relations
(608) 828-5709

Farm Bureau sets policy for 2002 with a focus on agricultural development, alternative energy production, and land use efforts

DECEMBER 10, MADISON—Farmers attending the Wisconsin Farm Bureau Federation's 83rd annual meeting today in Middleton, endorsed policy to boost agriculture as the largest component of the state's economy, expand use and production of alternative energy, and promote farmer-friendly land use policies.

Farmers adopted the organization's overall policy with resolutions submitted by farmers from 61 county Farm Bureaus addressing the environment, tax policy, federal farm policy, wildlife management, and commodity marketing and price protection.

"Even with the difficult economic times our farmers are facing, they remain positive about the future by putting forth proactive ideas that can help improve the success of agriculture in this state," said Dan Poulson, president of the Wisconsin Farm Bureau. "These resolutions show the range of issues that effect our farmers that require the attention of our state and federal lawmakers."

Farmers expressed support to have the state become more of a partner to help agriculture grow through the use of tax credits for farm buildings and equipment. This would help farmers modernize or to modify their operations to strengthen their standing in the marketplace.

Farmers voted to extend use value assessment, currently used to determine property taxes on cropland, to nonproductive ag land such as woodlots, wetlands, and wasteland. This would reduce property taxes on this land, and lessen development pressure.

Farmers went on record supporting the Department of Natural Resources efforts to control Chronic Wasting Disease, and expressed support to drastically reduce the deer population to minimize crop damage caused by deer.

Responding to the need for more environmentally-friendly, locally-produced alternative fuels, the Farm Bureau expressed its support for incentives for ethanol and biodiesel fuel production and use.

On national farm issues, farmers expressed their support for trade agreements to expand agricultural trade, as long as those agreements were properly enforced.

####

Summary of Resolutions Adopted by Farm Bureau members:

Agricultural Diversification and Development

- Support aquaculture to be classified as water dependent for the Department of Natural Resources to streamline paperwork and eligibility to expand this segment of Wisconsin agriculture.
- Support one-stop shop for farmers for all permits needed for farm modernizations, modifications or expansions.
- Support programs to educate farmers on ways to price products through the use of options, futures or other methods.

Animal Health and Food Safety

- Support adequate funding of the Wisconsin Veterinary Diagnostic Laboratory.

Chronic Wasting Disease and Wildlife Management

- Support Department of Natural Resources CWD control efforts.
- Reimburse commercial deer and elk farmers equitably for loss of herds due to CWD.
- Reduce deer population through expanded hunting opportunities and seasons.

Education

- Support the technical college system's commitment to agricultural education.

Energy

- Support programs to encourage production and consumption of alternate sources of energy.
- Encourage gas stations with multiple fuels pumps to have at least one pump with a percentage of renewal fuel such as ethanol and biodiesel.

Environment

- Support the research and education programs being done by the Discovery Farms Program and the UW-Platteville Pioneer Farm through the Wisconsin Agricultural Stewardship Initiative.
- Maintain support for the rewrite of the nonpoint pollution control program and demand for adequate cost sharing to implement management practices.

Federal Farm Policy

- Support trade agreements as long as they are properly enforced.

Land Use

- Require the use of public lands for eminent domain projects to lessen the use and loss of farmland.

Stray Voltage

- Support legislation that defines objectionable current flow on grounding rods to close a loophole that allows utilities to return electrical current through the earth.

Taxes

- Support extending use value assessment formula to nonproductive ag land.
- Support a statewide investment tax credit for agricultural facilities and equipment to help agriculture grow.

#####