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WISCONSIN STATE LEGISLATURE

P. O. Box 7882 Madison, WI 53707-7882

TO: Senate Committee on Agriculture, Small Business and Tourism

FROM: Senator Robert Cowles and Representative Lee Nerison

DATE: March 6, 2014

RE: Senate Bill 602 and AB 745

Chairman Moulton and Members of the Committee:

Thank you for having a hearing today on SB 602 and AB 745, which modernizes the statutes related to the milk procurement fee.

Currently, dairy plants are required to pay the state a monthly milk procurement fee based on the amount of milk delivered to the dairy plant. The Department of Agriculture, Trade, and Consumer Protection (DATCP) uses these funds to oversee the safety and quality of Wisconsin dairy products and to ensure compliance with the federal Pasteurized Milk Ordinance so that Wisconsin can ship Grade "A" milk and milk products to other states.

The statutes (Chapter 97) allow DATCP to set the milk procurement fee rate by rule, but the statute still lists outdated milk procurement fees which have been superseded in rule-making. This legislation states that the milk procurement fee shall be set by rule and changes the monthly milk procurement fee date from the 18th to the 25th day of each month.

We urge you to support this common-sense legislation. Making the statutes and rules consistent regarding the milk procurement fee rates and dates will reduce potential confusion for dairy plant operators who must pay the fee. Additionally, this legislation has no fiscal impact on DATCP and it does not impact actual fee amounts paid by the dairy industry.

Thank you for your consideration of these bills.