

**BOARD OF AGRICULTURE, TRADE AND CONSUMER PROTECTION  
MINUTES**

**May 25, 2017**

The Board of Agriculture, Trade and Consumer Protection (“Board”) met on May 25, 2017, beginning at 9:00 a.m. for a tour of UW Arlington Research Station, located at N695 Hopkins Road, Arlington, WI 53911. Following the tour, the Board held its business meeting in the Public Events Building of the UW Arlington Research Station, at the same location. The meeting was preceded by public notice as required by Wis. Stat. § 19.84.

**Call to Order**

Board Chair Miranda Leis called the meeting to order at 11:04 a.m.

**Members Present**

Dennis Badtke, Miranda Leis, Greg Zwald, Paul Palmby, Andy Diercks, Kurt Hallstrand, Nicole Hansen, Dean Strauss, and Mark Schleitwiler were present. None were absent.

**Minutes**

**Motion**

Nicole Hansen moved, and Dennis Badtke seconded, a motion to approve the March 16, 2017, Board minutes. Motion approved.

**Public Appearance**

**Paul Zimmerman**, representing the Wisconsin Farm Bureau, expressed his support for final adoption of Wis. Admin. Code Ch. ATCP 50. The Wisconsin Farm Bureau applauded Department staff member Sue Porter, Sara Walling, and other Agricultural Resource Management staff for their work on redrafting the rule. The proposed rule provides consistency with the new National Resources Conservation Services (NRCS) standards, as well as, local, state, and federal programs. Additionally, the proposed rule provides several options for farmers regarding winter manure spreading, which is key in supporting Wisconsin’s livestock industry.

### **Board Chair Comments**

**Board Chair Miranda Leis**, on behalf of the Department Board, thanked the UW Arlington Research station for the tour earlier in the day. She felt it was a very interesting and an eye-opening tour.

Additionally, Miranda commented regarding the recent Grassland Dairy crisis in April that impacted a large number of producers in the state. Ms. Leis commended the Farm Center, Secretary Brancel, and the Department of Agriculture for their support and assistance to the affected producers.

### **Alice in Dairyland Year in Review (Report)**

Ann O'Leary, the 69<sup>th</sup> Alice in Dairyland, presented her year-end summary, as well as powerpoint, of her year as Alice. The Department Board presented Ann with a plaque commending her on her service in this position.

### **ATCP 99, 100, and 101-Grain Dealer and Warehouse Keepers; Milk Contractors; Vegetable Contractors (Hearing Draft)**

Jeremy McPherson, Bureau Director of Business Trade Practices, along with Eric Hanson, Section Chief of Agricultural Producer Security, both of the Division of Trade and Consumer Protection, presented a Hearing Draft related to Wis. Admin. Code Chs. ATCP 99, 100, 101.

### **Motion**

Dennis Badtke moved, and Dean Strauss seconded, a motion to approve the Hearing Draft of Wis. Admin. Chs. ATCP 99, 100, and 101. Motion approved unanimously.

### **Wisconsin Agricultural Statistics Services (Report)**

Greg Bussler, State Statistician, updated the Board on the recent production and price reports.

### **Division Update (Report)**

Dr. Paul McGraw, Administrator for the Division of Animal Health, presented a report and powerpoint to the Board regarding recent activities within the Division.

The Division continues to focus on disease management and response, most recently for outbreaks of avian influenza, salmonella Heidelberg, Senecavirus A, and Seoul Hanta Virus, as well as continuing the movement toward electronic certificates of veterinary inspection, working

on the Wis. Admin. Code Ch. ATCP 10 proposed rulemaking, and attending the North Central United States Animal Health Association meeting held in Green Bay.

### **ATCP 77–Laboratory Certification (Scope Statement)**

Dr. Steve Ingham, Administrator for the Division of Food and Recreational Safety, along with Laura Traas, Laboratory Evaluation Officer, presented a Scope Statement related to Wis. Admin. Code Ch. ATCP 77.

#### **Motion**

Andy Diercks moved, and Paul Palmby seconded, a motion to approve the Scope Statement of Wis. Admin. Ch. ATCP 77. Motion approved unanimously.

### **Food Safety Modernization Act (Report)**

Dr. Steve Ingham, Administrator for the Division of the Food and Recreational Safety, presented a report regarding the Food Safety Modernization Act (“FSMA”) and the Pasteurized Milk Ordinance (“PMO”).

The final Preventative Controls for Human Food rule (“PC-HF”) implementing FSMA was published in late 2015 and is now in effect for much of the food industry, including Grade “A” dairy plants. However, these dairy plants are already subject to stringent state regulations that must be at least as rigorous as the PMO.

For the purpose of avoiding redundancy, the 2015 National Conference on Interstate Milk Shipments (“NCIMS”) and U.S. Food and Drug Administration (“FDA”) approved several changes to the PMO designed to make PMO-compliance functionally equivalent to PC-HF compliance.

For the 2017 NCIMS, the FDA proposed several additional PMO changes believed necessary to ensure functional equivalence with the PC-HR rule. Many industry and state regulatory officials strongly disagreed with the extensive changes proposed by FDA and submitted an alternative proposal. Implementation of the PC-HF rule in Grade “A” dairy plants had already been delayed by one year, until 2018, to allow further changes to be made in the PMO.

Dr. Ingham reported on the competing proposals related to the PC-HF rule and the decision made about the proposals at the 2017 NCIMS held May 12-17, 2017.

**ATCP 50–Soil and Water Resource Management  
(Final Draft)**

Sara Walling, Section Chief of Nutrient Management and Water Quality, along with Sue Porter, Environmental Analysis and Review Specialist, both from the Division of Agricultural Resource Management, presented a powerpoint and the Final Draft of Wis. Admin. Code Ch. ATCP 50.

**Motion**

Paul Palmby moved, and Nicole Hansen seconded, a motion to approve the Final Draft of Wis. Admin. Ch. ATCP 50. Motion approved unanimously.

**Appointment to Standing Advisory Councils**

Secretary Ben Brancel presented the pending appointments to one of the Department’s standing advisory councils to the Board.

**Motion**

Greg Zwald moved, and Andy Diercks seconded, a motion to approve the appointments to standing advisory councils. Motion approved unanimously.

**Dissolution of the Purchase of Conservation Easement (“PACE”) Council**

Secretary Ben Brancel presented a recommendation to the Board to abolish the PACE Council as a Department standing advisory council.

**Motion**

Nicole Hansen moved, and Dennis Badtke seconded, a motion to approve the dissolution of the PACE Council. Motion approved unanimously.

**Dissolution of the Johnne’s Advisory Council**

Secretary Ben Brancel, along with Dr. Paul McGraw, presented a recommendation to the Board to abolish the Johnne’s Advisory Council as a Department standing advisory council.

**Motion**

Greg Zwald moved, and Dean Strauss seconded, a motion to approve the dissolution of the Johnne’s Advisory Council. Motion approved unanimously.

### **Board Member Reports**

**Dennis Badtke**— Dennis thanked the UW Arlington Research Station for the tour earlier in the day. Effective July 1, the merger of Badgerland Financial with AgStar Financial Services of Minnesota and 1<sup>st</sup> Farm Credit Services of Northern Illinois will become final. In the lending area, Dennis is seeing some farms choosing not to proceed with their dairy expansions, resulting in a trend of credit becoming stressed. The land value market continues to remain variable but stable, despite the dairy crisis that occurred.

**Greg Zwald**— In Greg's area, the corn and beans are in, but the ground is very soggy due to the large amount of rain. Some alfalfa has been cut already but is still on the ground waiting to dry out. The Dunn County Dairy Breakfast, hosted by Marv Prestrud, had a great turn out, even on a cold, windy day. In St. Croix County, the moratorium study committee has requested more time to analyze whether a moratorium should be in place limiting Concentrated Animal Feeding Operation ("CAFO") livestock expansions within the county.

**Miranda Leis**—Planting has been halted due to the rain on Miranda's farm, with 500 acres of corn still needing to be planted. The organic industry is experiencing the pressure of dairy and egg supply issues and is trying to implement different techniques to help solve the problem. A recent Washington Post article highlighted potential fraud in the organic milk industry at a dairy in Colorado. While some level of fraud is seen in all industries, the National Organic Program and the United States Department of Agriculture ("USDA") are investigating stronger policies in order to set clear expectations and guidelines for farmers and ease questions from external consumer. At Organic Valley, their cheese cutting and ghee manufacturing facility is up and running and renovations are continuing at their Oregon facility, which focuses on powder and cheese products. Organic Valley hosted their GRASS-UP! event in Madison which highlighted the importance of pasturing and grass-based agriculture.

**Andy Diercks**—The corn, potatoes, and soybeans are planted in the Central Sands area. That area did not get as much rain as other areas of the state, which allowed some farmers to get caught up with the planting. Andy was relieved and excited to see the high-capacity well bill pass through both houses and is awaiting the Governor's signature at the Capitol. The bill protects existing wells and took several years of hard work and lobbying to pass.

**Paul Palmby**— Paul thanked the UW Arlington Research Station for the tour. He was impressed with the size of the station and variety of the crops there. He was also impressed with the knowledgeable staff. The wet weather has Paul worried about the plants that may not flourish. Paul recently met with a group of national Future Farmers of America ("FFA") Officers and was impressed by their enthusiasm for youth in agriculture.

**Dean Strauss**— Dean enjoyed the morning tour and was happy to revisit after several years. The rain has slowed planting down to 40% of ground for tillable acres. The northeast was hit hard with winter kill ranging from 20% to 80% damage. The mood is tense currently as some farmers

are unhappy with the milk price, cash flow, and having to buy more seed. Construction continues at Majestic Crossing Dairy as they move ahead with robotic milkers. Four farms in Sheboygan County were affected by the Grassland Dairy crisis, which was very stressful.

**Nicole Hansen**—The weather has been rainy by Nicole. The cranberry vines were mowed in April and have been watered so that they can eventually be planted and take root. Once the beds are ready, the vines will be planted into sand. The cranberry industry has been focusing on educating growers on new trends and patterns. Nicole was appreciative of the tour earlier in the day as the cranberry industry is interested in opening a cranberry research station in the state in the future.

**Mark Schleitwiler**—Mark is enjoying his retirement from BelGioioso Cheese. He has been doing some limited consulting for a cheese company. He also adopted a new schnauzer puppy.

**Kurt Hallstrand**—On Kurt's farm, the planting is very slow right now due to the rain, but he is preparing to start seeding. The Annual Seed Stock Production Sale occurred at the end of April and was well attended. The markets started out soft but the cattle market has been doing better since.

### **Secretary's Report**

**Secretary Ben Brancel**— On April 3, the Agency learned that dozens of Wisconsin dairy farmers received notice that they would no longer have a buyer for their milk at the end of the month. This processor suddenly lost a major buyer in Canada, due to a change in their pricing structure.

The Wisconsin Farm Center began collecting information (such as herd size and milk production) from farmers as they called in to the Department's toll-free number. The Department met with the impacted farmers at a meeting organized by the Wisconsin Farm Bureau Federation and Dairy Girl Network to answer questions and discuss available support. Additionally, the Department provided daily email updates to the farmers, sharing information regularly. Other staff contacted processors individually, again and again, to ask them to consider taking on impacted farmers. This was a challenge as there was limited capacity due to milk coming into Wisconsin from other states at a low price. The Department continued to host numerous meetings to attempt to develop solutions including such attendees as: processors, dairy organizations and agricultural lenders. The Wisconsin Housing and Economic Development Authority ("WHEDA") made amended loan guarantees available with more favorable terms. The Department of Natural Resources ("DNR") helped to draft guidelines and guidance to farmers in case they needed to dispose of their milk temporarily. The Department of Workforce Development ("DWD") provided job training and resources available for farmers and their employees. The Department joined New York Agriculture Commissioner Richard Ball in sending a letter to the USDA for assistance. USDA is authorized under Section 32 of the Agriculture Act of 1935 to support agriculture producers by purchasing surplus commodities for food banks and nutrition assistance programs, such as national school lunch. Governor Walker and the Wisconsin Congressional delegation sent a letter requesting the Trump administration's

assistance in ensuring free and fair trade for Wisconsin dairy farmers. The Department contacted Second Harvest, Feeding America, and other food pantries to see if they would consider promoting dairy donations or cash donations to use towards dairy. The Department released a statement with tips for consumers on how to help. Finally, the Department conducted numerous media interviews, providing updates, and encouraging processors and milk handlers to provide support.

At the end of the month, 99% of the milk had found a home, at least temporarily. The situation is not over. Discussions will have to continue about long-term solutions. The greatest lesson the Department learned is the need to increase communication between the farmer, processor, lender, and consumer.

In other news, the Secretary recently traveled to Aguascalientes, Mexico for a trade mission with six Wisconsin companies. In Mexico, the Secretary participated in farm tours, meetings, and the Expo Leche show. Other traveling companies included: Lallemand, Accelerated Genetics, ABS-Genus-Pic, Estrotech, ACG-Products Ltd., Evergreen View Farms, and Animart LLC.

In early April, the Secretary spoke to an Agriculture Policy class at UW-Platteville. The Secretary presented the Wisconsin State Cabbage Award to Sydney Sperl at Medford Area Elementary School. Her cabbage weighed more than 35 pounds.

May was quite a busy month for the Secretary as he participated on a panel at UW-Madison on the globalization of Wisconsin agriculture and how universities can be involved in that effort. He met with the Canadian Consul General, based in Chicago, during a visit to Madison. Additionally, he participated in a roundtable discussion with the Chippewa County Economic Development Corporation and area companies.

The 70<sup>th</sup> Alice in Dairyland, Crystal Siemers-Peterman, was announced at Lambeau Field on May 13. As Wisconsin's agriculture ambassador, her goal is to educate audiences across Wisconsin about the \$88 billion economic impact and importance of our state's diverse agriculture industry in our daily lives.

The Secretary also recently welcomed the North Central U.S. Animal Health Association's annual conference to Green Bay. The event included meetings and tours of Wisconsin farms and agribusinesses.

In an ongoing effort to increase and encourage open communication between staff and the Secretary's Office, the Secretary met with dairy sanitarians and food and recreational sanitarians at a recent training event. These listening sessions help the Secretary to gain employees' perspectives on things that are working well at the Department as well as ideas for future improvements.

**Future Schedule and Agenda Items**

The Board is scheduled to meet July 20, 2017, in the Tomahawk, WI area.

The September board meeting will be held at the new Organic Valley facility in Cashton, WI.

**Adjournment**

**Motion**

Andy Diercks moved, and Dennis Badtke seconded, a motion to adjourn. Motion approved unanimously.

The Board adjourned at approximately 3:10 p.m.

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Miranda Leis, Board Chair

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Paul Palmby, Secretary

All reports and any associated documents presented during a Board meeting can be accessed by contacting the Office the Secretary, Legal Counsel at (608) 224-5023.