

MEETING MINUTES

AGRICULTURAL PRODUCER SECURITY COUNCIL

November 29, 2018

The Agricultural Producer Security Council held a meeting on Thursday, November 29, 2018, at the headquarters of the Wisconsin Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Madison, Wisconsin.

Attendance

Seven council members were present: Doug Cropp, Dave Daniels, John Manske, Don Hamm, Jim Zimmerman, Andy Wallendal and John Umhoefer.

DATCP staff members present included Eric Hanson, Jeremy McPherson, Lori Ronnerud, David Woldseth and DATCP attorney Paul Lazotte. Tom Bressner from the Wisconsin Agri-Business Association was also in attendance.

Agenda Item I Call to Order

Chair Daniels called the meeting to order at 1:33 p.m.

Agenda Item II Approve Minutes

Chair Daniels asked if there were any comments or corrections to the minutes. Hearing none, John Manske moved to approve the minutes from the June 25, 2018 meeting as presented. Andy Wallendal seconded the motion, and the motion passed unanimously.

Agenda Item III Permanent Rule Final Draft – ATCP 99 & 100

Jeremy McPherson thanked the Council for their years of hard work helping to craft significant policy changes to the Ag. Producer Security Program. The changes that are in process, or have already been implemented, not only are responsive to industry desires, but also help to ensure Fund stability and equity between industry segments. Jeremy reviewed that, over the last three years, the Council met twelve times to develop a legislative package, two permanent rule making packages, and six emergency rules.

With regard to this final draft of permanent rule changes to ATCP 99 and 100, Jeremy indicated that there are no major changes from the hearing draft the Council approved in June. The Division is scheduled to present this final draft for DATCP Board approval on December 20, 2018. John Manske asked for confirmation that the Board meeting was going to be held in Madison. John Manske also asked how many hearing comments were received regarding this rule. David Woldseth said that Cooperative Network and the Wisconsin Agribusiness Association both provided comment and indicated support for the final draft. Chair Daniels asked if there was a motion. Jim Zimmerman made, and Doug Cropp seconded, a motion to support the ATCP 99 and 100 Final Draft Rule. The motion passed unanimously.

Agenda Item IV Agriculture Producer Security Fund – Annual Report

John Manske observed that the Annual Report seemed much shorter than previous years. Eric and Jeremy said that the report had been streamlined when the state accounting system was replaced.

Eric reviewed the Statement of Revenues, Expenses, and Cash Balances, specifically noting both the increase in interest revenue and the overall growth of the Fund for Fiscal Year 2018. Eric then discussed individual license program balances, noting and explaining year to year variances in program revenues and expenses. Eric also reviewed the notes to the annual report highlighting changes that resulted from recent legislation and emergency/permanent rulemaking.

Jim Zimmerman commented that this was the largest positive amount of net increase in the Fund balance for quite some time. Eric replied that the emergency rules that extended assessment holidays for Milk Contractors and Grain Dealers were allowed to expire. Therefore, assessment revenue in those program areas increased accordingly. Jeremy pointed to the increase in milk contractor assessment revenue on page 6 of the report to highlight the point. Andy Wallendal asked how the interest revenue was calculated. Jeremy said that the State of Wisconsin Investment Board invests the money in cash securities, the interest from which is distributed to the Fund. There was additional discussion about the overall growth of the Fund, and when we might once again reach the \$11 million threshold for Holidays. Eric indicated that the current emergency rules, and related proposed permanent rules that have not yet been adopted, will have an impact on the future growth of the Fund. Under the emergency rule, the Vegetable Contractor portion of the Fund will continue to regain ground; however, the 20% across the board reduction to Milk Contractor assessment rates and the assessment reduction for Grain Dealers due to exceeding Fund balance maximums will slow the growth of the overall Fund.

John Umhoefer asked about the status of making the emergency rule permanent. Jeremy said the rule is with the Governor, who had not approved the package prior to the end of the last Legislative session. Once the session ends, rules won't be taken up until the start of the next session, which will not be before January 7, 2019. John asked if there was a chance the emergency rules would expire before the permanent rule was enacted. David Woldseth said the emergency rule is in effect until 2020 so there is still time. There was discussion about ways to help move the rule packets along. John Umhoefer made a motion to request the Secretary ask the current Governor to expedite the signing of the two rules for submission to the legislature. John Manske seconded the motion and asked staff to summarize the contents of each rule proposal for the Council. The motion passed unanimously.

Chair Daniels asked if the grain dealer and grain warehouse keeper portion of the annual report will be combined now that the Fund balance limits are combined. Jeremy responded that the law still requires each program be reported on individually.

Chair Daniels asked if there was any chance of further recovery of funds from the defaults shown in the table on page 15. Eric Hanson said the two asterisks in the table

denote pending legal action. John Umhoefer asked if a column could be added to the table regarding monies recovered for the Fund. Staff indicated that future reports will include that information.

Agenda Item V Adjourn

A motion to adjourn was made by Jim Zimmerman, with a second by John Umhoefer. Motion passed unanimously. The meeting adjourned at approximately 2:25 p.m.