

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

March 28, 2019

The Board of Agriculture, Trade and Consumer Protection (“Board”) met on **March 28, 2019**, at the Department of Agriculture, Trade and Consumer Protection (“Department”), 2811 Agriculture Drive, Board Room, Madison, WI. 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 9:11 a.m.

Members Present

Miranda Leis, Andy Diercks, Dennis Badtke, Paul Palmby, Greg Zwald, Nicole Hansen, Kurt Hallstrand Paul Bauer,

2019 Election of Board Officers

Election of Board Officers

Nicole Hansen nominated Miranda Leis - Chair, Andy Diercks -Vice Chair and Paul Palmby-Secretary. Miranda Leis seconded the nomination. The Board Officers were elected by unanimous selection.

Introductions

Secretary Designee Brad Pfaff shared his background in agriculture and that his family’s farming background shaped his outlook on life. He wants to work with the Board to connect the dots between the demands that exists and the farmers to provide them. Pfaff would also like to learn from the farmers and tell their story.

Pfaff introduced his leadership team: Randy Romanski - Deputy Secretary; Angela James – Assistant Deputy Secretary; Grace Colas – Communications Director; Bradford Steine – Legislative Liaison; Steve Ingham – Administrator of the Division of Food and Recreational Safety; Krista Knigge – Administrator of the Division of Agricultural Development; Kelly Smithback - Administrator of the Division of Management Services; Lara Sutherlin – Administrator of Trade and Consumer Protection; Sara Walling – Administrator of Agricultural Resource Management; Darlene Konkle, D.V.M.- Interim State Veterinarian; and Jane Landretti – Chief Legal Counsel (who will begin on April 1, 2019).

Pfaff proceeded to stress the importance of teamwork and highlighted the importance of the work the Department does for the State of Wisconsin. He also made note of his ‘Let’s get ‘er done’ attitude and promises that the chores will get done.

Leis thanked Pfaff for his work, and mentioned she was excited to have everyone both new and old in the office. Miranda made note of the fact that she loves seeing the talent everyone has in their own areas, that the depth that DATCP covers is extensive, and wanted to express her thanks to all.

Minutes

Motion

Paul Bauer moved, and Nicole Hansen seconded, a motion to approve the December 20, 2018, Board minutes. Motion approved.

Public Appearances

No Public Appearances were at this meeting.

Department of Transportation Secretary (Report)

Craig Thompson, Secretary Designee of the Department of Transportation (DOT) presented on his Department's portion within the Governor's Budget. He discussed the revenue mismatch that exists between what the department has available and what needs to be done. He highlighted the dependence that agriculture and manufacturing have on good road conditions. The budget proposal includes increasing certain fees for titles, trucks, and on indexing gas taxes. Thompson also spoke on eliminating the minimum markup law and how it would offset a gas tax increase.

Thompson emphasized that these increases are very reasonable and that they would be used to fix pre-existing roads, highways and interstates – not to create new ones. It will take time to see improvement, but these increases will at least stop the decline currently being seen. He thanked Pfaff for being an advocate for the DOT in the budget process. Thompson then responded to a few questions and comments on transportation issues. These included discussion on other states' roadways, rail systems in the state and whether an increase in their use will assist in roadway conditions, and on toll roads.

Dairy Task Force 2.0 Update (Report)

Dr. Mark Stephenson, Director of the Dairy Policy Analysis at the University of Wisconsin – Madison, provided the Board with an update on the Dairy Task Force 2. He thanked the Task Force for their work and discussed their recent activities. The Task Force is almost finished and is moving forward with 51 recommendations (49 passed at the last meeting, joining the other 2 passed two weeks prior).

Stephenson highlighted some of the recommendations including: branding, requesting FDA change certain requirements, engaging youth, and creating new apprenticeship opportunities. At this point, the recommendations will need to be reviewed, prioritized and studied to determine which are already being done. After this, the task force will then need to determine the best

organization to implement them (i.e. federal government, state government or private entities, etc.). The final task for the Dairy Task Force will be to complete a full report for the Governor.

Lean Continuous Improvement (Report)

Ashley Andre, Policy Initiatives Advisor, in the Office of the Secretary, provided an update to the Board on the Lean Continuous Improvement (Report) and the 2018 results. The lean program should be viewed as solving problems. There are four main goals in the Lean program and they include customer service, employee satisfaction, agency culture, and lean culture. To accomplish these goals, DATCP has identified a Lean DATCP committee, which includes representatives from each division. The program emphasizes communication and celebrates successes by tracking completed projects and holding showcases. Andre then walked the board through several examples of how the Lean Improvement has helped reduce time and energy with annual hours repurposed, both annual and one-time cost saved, and process steps eliminated.

Employee Survey Results (Report)

Ashley Andre, also provided an update to the Board on DATCP's annual employee survey. One of the Governor Evers' first executive orders was in recognition of state employees. This survey helps to ensure that DATCP continues to meet this goal. It is sent out via email and takes several weeks to complete. All submissions are anonymous to encourage honesty. The 2018 response rate was the highest for the last 3 years. Andre discussed some of the questions and their results. It is important for employees to know that these results are important and that they are reviewed. Managers will use these results to alter their methods of managing.

ATCP 77 – Laboratory Certification (Hearing Draft)

Steve Ingham, Administrator of the Division of Food and Recreational Safety, presented the Hearing Draft of Wis. Admin. Code ch. ATCP 77 – Laboratory Certification to the Board. He gave background information on microlab biologists and the work they do. ATCP 77 describes how they carry out that process. Ingham proceeded to give the history of the actual rule, pointing out that the last time the rule was revised was 1998. Since that time, many changes have taken place and this draft incorporates them. Ingham gave examples of different scenarios that this rule encompasses that needs to be revised. A question was raised on milk price and the difference that it will make on the paycheck of the farmers where every penny and dime counts. Ingham agreed and noted this as well.

Motion

Andy Diercks, moved, and Paul Palmby seconded, a motion to approve the Hearing Draft of Wis. Admin. Code ch. ATCP 77 – Laboratory Certification. Motion approved 7-1, Paul Bauer voted no.

Wisconsin Agricultural Statistics Services (Report)

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

Farm to School (Report)

Charlotte Litjens, Farm to School & Institution Program Manager, in the Division of Agricultural Development, provided an update to the Board on the Farm to School program.

Litjens gave information about her background in marketing of Wisconsin food products. She defined what the program encompasses, and that they have around 500 Farm to School participants within the state. The program also estimates that 50 to 100 farms participate directly with the schools, with many more farms participating indirectly. Litjens primarily assists farmers with getting their products into schools, hospitals, and eldercare systems. She listens to the requests and helps identify where the needs are and how they can be met. Litjens also helps coordinate supply changes. Looking toward the future, she is looking to see what is in store for state branding, product labs, supply chains, looking for more efficient ways of transportation, and marketing presence.

International Trade Team (Report)

Mark Rhoda-Reis, Director of the International Trade Team, along with Lisa Stout, member of the International Trade team, reported on the bureau's activities throughout the past year. Rhoda-Reis began with an introduction of himself and of the international team. Rhoda-Reis discuss how the bureau partners with farmers, state, and federal businesses and helps with international trade, funding and resources. He presented the Board the 2018 Wisconsin export statistics from WISERtrade. He highlighted the disagreements over tariffs and that their impact will be shown more with a full year of detailed numbers. Cheese, whey, mink, cranberries, milk goats, corn for silage, snap beans are the highest ranked WI agricultural exports. By country, Canada, China, Mexico, Korea, and Japan are WI highest export countries. He discussed the diversity in products that are exported out of WI and the changes from 2017, including: prepared vegetables, dairy, eggs, honey, cheese, milk, whey, wood, wood particles, and edible preparations of meat and fish. He advised that some have increased value, others have decreased.

Lisa Stout, explained 2018's major projects, including: the WI Dairy Export Initiative, Ginseng Promotion, Value-added Feed Buyers mission at World Dairy Expo, the China Import Fair, and Export Education and Seminars. In-state activities included hosting more than 16 delegations from different countries, presentations to various organizations, and company consultations. The international team gave examples of different programs they participate in, such as CIGAL, WI

Forestry Trade Mission to China, GULFOOD, and the Dairy Export Initiative. Looking forward in 2019, Rhoda-Reis highlighted the Cheese Buyers Mission in June, an E-commerce project in China, New Markets Promotions, USDA Agricultural Trade Promotion on Ginseng, the USDA Emerging Markets Program Grants, USDA Federal State Marketing Improvement Program on Mink, and research on alternate funding opportunities. Rhoda-Reis stressed the importance on keeping relationships and on making new ones.

Adjourned for lunch at 12:04pm
Re-adjourned at 12:49

Open Records (Report)

This report was tabled until the next Board meeting.

Board Member Reports

Paul Bauer - Snow storms impacted milk production, cheese orders are down but at this time are looking good for the next couple months.

Greg Zwald – He traveled recently, which was why missed the last board meeting. He is presently not working full time in the farming sector, but taken a position as a farm director in the UW System.

Dennis Badtke – He updated the board on loans. He has also been tracking land sales. He is going to see more auctions, cattle prices are down as well as land. There will be some sad news out there. There are very few operations that are willing to pick up farmers.

Kurt Hallstrand- The cattle industry is looking pretty good, and the people who are switching over will not be going back to dairy. Calving season is an exciting time of the year. The logging industry was healthy this year.

Paul Palmby – Contracts have been completed for the year, and now focused mostly on commodity prices. The vegetable industry is not too bad given the low years. There is a lot of work with tariffs, mainly on the steal side, but also with regulatory tariffs. Trade mitigation purposes efforts have been excellent for the industry. The first potatoes have been planted, and it's going to be a good year despite last year.

Andy Diercks – The potato industry is suffering due to storage issues but it overall remains to be seen how it will go. Everyone is looking forward to the upcoming crop. They had some pretty severe water movement recently but it is getting better.

Miranda Leis – It is a struggle to come up with something that is very positive, but looking at Nebraska and Iowa, we have much to be grateful for. However, these times are tough and we don't know what it will look like on the other side. There is not much we can do to fix it from these chairs but we need to be brave – now is the time for bravery. When you evaluate history and understand why things came together the way it has, it is because of the brave people who try to keep their farms together and find new and innovative ways to do it. We are back at a time that we have to be brave and fight.

Nicole Hansen – Had to leave before board member reports were given.

Secretary's Report

Secretary Pfaff commented on how this is a very difficult time for agriculture, without a doubt, but he is optimistic. Pfaff stressed that Wisconsin has the work ethic, the genetics, the processing, and the people. There is pride and dedication and those things cannot be duplicated, but those can't pay the bills. What can we do to help the situation we have now? One out of every nine people in the state is related in some way to agriculture. Pfaff pledges to tell the story of agriculture, and to tell the story of the state. Agriculture is a part of Wisconsin's DNA, it's our identity. The Secretary stressed the importance of knowing each of the board members personally, to listen, to tell the story. It isn't just about bushels and weight, but it is about the people too.

The Secretary then proceeded to give an update on where the six divisions within the agency are at, where he has traveled, and how he has been able to share the story with people. Pfaff highlighted that in order to tell these stories he needs to be out with the people.

Future Schedule and Agenda Items

The Board is scheduled to meet May 16, 2019, in Madison.

Adjournment

Motion

Miranda Leis moved, and Paul Palmby seconded, a motion to adjourn. Motion approved unanimously.

The Board adjourned at approximately 1:34 AM

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Miranda Leis, Board Chair

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) 224-5033.

