

--DRAFT PENDING SUB-COMMITTEE APPROVAL--

**WISCONSIN DAIRY TASK FORCE 2.0  
SUB-COMMITTEE ON ACCESS TO CAPITAL  
MINUTES**

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**February 18, 2019**

The Access to Capital sub-committee of the Wisconsin Dairy Task Force 2.0 met on Monday, February 18, 2019 beginning at 9:00 a.m. via teleconference, based at DATCP, 2811 Agriculture Drive, Madison, WI 53708 in Room 456.

**Call to Order**

Chair Bradley Guse called the meeting to order at 9:04 a.m.

**Members Present**

Members present included: Paul Scharfman, Bradley Guse, Darin Von Ruden, Don Hamm, and John Accola. Dairy Task Force 2.0 Chair Mark Stephenson and DATCP staff Ashley Andre also attended. Kevin Bernhardt of UW-Platteville, the sub-committee's resource person, also participated.

**Minutes**

*Approve minutes of last meeting*

Chair Guse asked for a motion to approve the minutes. Darin Von Ruden made a motion. Don Hamm seconded. The minutes were approved unanimously.

*Public comment*

Ashley Andre shared that a public comment had been received this morning from the Wisconsin Bankers Association. Chair Guse shared that the proposal from the Association addressed profitability of agricultural banks that was discussed at our last meeting. When the ag economy is tight as it is now, the cost of doing business rises for ag banks and creates stress. The thought of this proposal is that it gives an incentive to keep banks in the ag lending business, increasing access to capital for farmer.

Jon Accola mentioned that it looks like this proposal is far along in the process already. Is there a possibility to get pros and cons of doing this?

Chair Guse added that this is something the Association is working on with legislators. He will try to work to put together pros and cons. Chair Guse will consider the Wisconsin Bankers Association public comment and consider if a recommendation should be put forward to the group.

Paul Scharfman shared his own experience talking to legislators about access to capital, and he feels that there are members on both sides of the aisle that are receptive to this.

*Consider draft recommendations*

Chair Guse summarized recommendation #18, the beginning farmer modernization proposal. It works to gain more flexibility and leeway on how young farmers can get access to capital. It does not include specific rules, rather more of a general statement that this needs to be addressed.

Mr. Scharfman shared his support for the recommendation.

Chair Guse mentioned that addressing the issues in the Wisconsin Housing and Economic Development Authority would likely be easier than the USDA Farm Service Agency. He also shared that there are limits on the amounts of borrowing so it is not intended, for example, to start a large dairy, but it could help you buy into a farm.

Mr. Scharfman moved to advance this recommendation to the next teleconference. Mr. Accola seconded. The group unanimously approved.

Chair Mark Stephenson made a note that if Chair Guse and any sub-committee members who are writing recommendations could include a brief statement of the problem prior to the recommendation that would be helpful. Chair Guse will make edits to the beginning farmer modernization proposal.

Chair Guse shared information for recommendation #19, emerging technologies. He shared an executive summary of Nutrient Environmental Technology Programs that was put together by Mark Binversie, Sam Miller, and Greg Steele in the past. He thought it provided good background information for the group.

Chair Guse shared an example from his own lending experience about when he financed his first digester, the value was zero. Collateral is very challenging. It is a struggle to finance these sorts of projects when very few generate profit. He asked the group if this recommendation should include producers and processors.

Mr. Scharfman shared he supports this recommendation and notes that there are many similarities between processors and producers. We all make stuff that we don't want and getting rid of it can be costly.

Mr. Accola added he liked the proposal, but how can it be limited to agriculture. Other industries may want to be part of it.

Mr. Scharfman noted that the Governor has made this the year of clean drinking water.

Mr. Von Ruden noted that we are the Dairy Task Force 2.0, and we should be sure that the dairy industry benefits from the recommendation. Other industries may try to use it for their benefit.

Mr. Accola added that we can start with a small scope. If it gets all kinds of support, then it can grow larger to include more.

Chair Stephenson agreed that as the Dairy Task Force 2.0, we should speak with our voice. Someone else can choose to broaden it someday.

Mr. Scharfman made a motion to move the recommendation forward, tying it to the dairy industry. Mr. Von Ruden seconded. The group unanimously approved. Chair Guse will draft a recommendation on emerging technology using this executive summary as a guide.

Mr. Accola introduced recommendation #20, farm savings account. Chair Stephenson shared that he has additional information on this topic that he will share.

Mr. Scharfman noted his support for the concept. Chair Guse added that this is a worthwhile conversation and would be most effective on the federal level. Mr. Accola and Chair Stephenson will work to make edits to the farm savings account recommendation before the teleconference.

Mr. Von Ruden made a motion to move the recommendation forward. Mr. Hamm seconded. The group approved.

#### *Identify next steps*

The sub-committee set the next teleconference for Friday, March 8 at 10:00 a.m.

Ms. Andre reviewed the follow-up items before the upcoming teleconference:

- Chair Guse will consider the Wisconsin Bankers Association public comment and consider if a recommendation should be put forward to the group.
- Chair Guse will make edits to the beginning farmer modernization proposal.
- Chair Guse will draft a recommendation on emerging technology using the executive summary as a guide.
- Mr. Accola and Chair Stephenson will work to make edits to the farm savings account recommendation before the teleconference.

Chair Guse thanked the members for the time and efforts.

#### **Adjournment**

Mr. Hamm made a motion to adjourn. Mr. Von Ruden seconded. The sub-committee adjourned at 9:35 a.m.

Minutes drafted by Ashley Andre.