

Agricultural Chemical Cleanup Council
Meeting Minutes
Thursday December 12, 2024

The ACCC meeting convened at 9:08 a.m. in Conference Room 212 at the Prairie Oak State Office Building on Thursday December 12, 2024 and on Microsoft Teams video conference. Prior to the start of the meeting, Bill Whitworth was introduced as the newest council member. He is replacing Frank Masters as a representative of Agricultural Chemical Manufacturers and Wholesalers. Bill works at Rosen's Inc. as an Account Manager for the last 12 years. Prior to this he worked for CNH Global for about 13 years. Everyone welcomed Bill and provided introductions of themselves.

Council members present on Teams: Arch Morton Jr., Joe Sikora, Jennifer Wickman, Kevin Solum, Tom Culp and Bill Whitworth.

Department of Agriculture, Trade and Consumer Protection employees attending in person: Mark McColloch, Sally Ballweg, Alan Hopfensperger, Otto Oemig and Mike Murray; attending on Microsoft Teams: Ryan Berzinski and Waylon Hurlburt.

Mark: The Agenda is included in the Agenda book as well as shared on screen. Are there any Agenda repair items? There were none.

ACM / ACCP Update and Discussion:

Ryan Berzinski:

Personnel changes: Kevin Brey has retired after working here as our Environmental Specialist and Inspection Program Manager since 1989.

Our Section Manager, Gary Ang, in our Compliance section departed from DATCP on November 7th. We will begin recruitment to fill this position after first of the year.

Tim Anderson was our Land and Water Bureau Director, however he was just appointed to be our Agricultural Resource Management Administrator

Beyond personnel, a lot of effort has gone into technologies updates converting from our Case Tracking System (CTS) to our Customer Relationship Management (CRM). We anticipate the next Feed renewals for January will be able to be processed online and be the first step toward moving all of our remaining licensing online. We will be providing outreach and instruction to keep everyone informed.

We have also spent a lot of time on Endangered Species with the EPA and their approach to pesticide management and how that will impact growers. Still working on it, but it is a significant effort and will continue to be, However, with the current sufficient information, I don't anticipate this to largely impact Wisconsin growers, but will become part of the planning process. Will be much to do about and not a lot for the majority of growers, hopefully. The background being, EPA has lost a lot of court cases and they have entered a stipulated settlement with litigants and are therefore enacting various herbicide and insecticide strategies that other parts of the country will feel the impact from more so than Wisconsin. Still in the adjustment phase and will be more to follow.

Lastly, the ACCP fee is back being collected at the half-rate and we anticipate being back to full rate by approximately May 2025.

That is all I have, are there any questions or concerns? There were none.

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Mark McColloch:

Next we would like to provide an update regarding ACCP fee collection to let the Council know how the fees are collected. We have invited unit supervisors to explain how programs that collect fees from our Fertilizer, Feed, Containment Unit and our Pesticide Unit operate. The Fee Holiday ended on May 1, 2024. The balance will be evaluated every May 1st. If below \$1.5 million, fee will be collected at half-rate, and if the funds goes below \$750,000, fees will be collected at full rate.

Waylon, can you confirm is our fund balance currently around \$1 million? The balance changes from month to month because fees are coming in, funds for reimbursement are going out, and interest added.

Waylon: Yes that is correct Mark.

Thank you Waylon. Otto and Mike will now explain how fees are being collected. Please see Mike's insert in our Agenda Book. Sally will share Otto's presentation after the meeting.

Mike Murray:

Hi, I am Mike Murray and I supervise our Fertilizer, Feed and Containment Unit here in the Bureau of Agricultural Chemical Management. Within my Unit we license business's that distribute feed products, fertilizer products, soil or plant additive products and lime distributors. Each of these not only has a license, but also report tonnage on the products distributed in Wisconsin. Only the Fertilizer program is related to the ACCP fund and the document in your agenda books is a copy that we sent to all of our Fertilizer licensee's with their renewal application mailing in October of this year (see copy shown below). The reason we included this document was because we have not collected this fee since 2018, so we wanted to remind people what the fee is for and what they needed to pay. This is the first time we have collected the half-rate, in the past we have always collected the full rate. So as shown below, we were collecting \$10 per license location in Wisconsin and outside of Wisconsin as well as a \$12.50 bulk fertilizer fee for those that apply.

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Agrichemical Cleanup Program (ACCP) Surcharge – Fertilizer

Since 2018, the ACCP fees have been in holiday in accordance with Wisconsin Statute § 94.73(15). In May of 2024, the ACCP fund dropped below the balance identified in Wis. Stat. § 94.73(15)(c), returning ACCP fees at half the maximum rate to several agrichemical program licenses and fees.

ACCP surcharges begin with the fertilizer license term October 1, 2024 – September 30, 2025

ACCP surcharge on each fertilizer license	Wisconsin location or mobile unit manufacturing fertilizer	\$10
	Wisconsin location or mobile unit distributing bulk fertilizer	\$12.50
	Location outside Wisconsin	\$10

The Fertilizer Tonnage Report due on September 30, 2024 is for distributions that occurred prior to the ACCP surcharge.

The ACCP fertilizer tonnage surcharge for fertilizers distributed between July 1, 2024 – June 30, 2025 will be paid with the Fertilizer Tonnage Report due September 30, 2025.

The ACCP surcharge amount is determined on May 1 each year. For more information about the ACCP fund and surcharges visit: https://datcp.wi.gov/Pages/Programs_Services/ACCPFundSurcharges.aspx

To learn how ACCP funds are used visit: https://datcp.wi.gov/Pages/Programs_Services/ACCP.aspx

Mike also provided some background information on fertilizer licenses.

Mike Murray:

Our license year is from October 1st through September 30th, so September 30th is when businesses pay the ACCP surcharge. However, the tonnage fees have a different cycle. Tonnage fees are based on tonnage distributed the previous year (between July 1st and June 30th). As businesses are renewing their licenses this year, they pay the ACCP fee for the license, but the tonnage fee will not be paid until the following October (by September 30th, 2026). The rate is \$0.05 per ton at the half-rate and \$0.10 per ton at the full rate depending on the fund balance. Industry is notified of the required tonnage rate well before the September 30th due date. There are approximately 860 licensed fertilizer businesses paying into the account and approximately 2 million tons of fertilizer are distributed annually for the tonnage surcharge.

I also wanted to mention that the bulk fertilizer, we define bulk as over 100 pounds or over 55 gallons. That is my summary on the fertilizer component. Any questions?

Bill: Is the \$10 fee for liquid? Or does anyone manufacture dry fertilizer? As opposed to buying it?

Mike: The way our fertilizer licensing works is if a business is manufacturing or distributing a fertilizer product, then our licensing will apply and our regulation does not cover the use of

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the fertilizer, it's just manufacturing and labeling. We do have a number of business's that manufacture dry fertilizer and ship it into Wisconsin, Our rule covers all the coop's and ag fertilizers, but also lawn care products or golf course products purchased from a large store. We collect fees on those lawn care and golf course products as well as lawn care businesses. (Like Anderson's or Scott's).

Bill: So is the traditional Cooperative paying manufacturing fertilizer fee and the distribution fee? Like United Coop for example, do they pay both? Or just the \$12.50?

Mike: The fee is set up so that they would pay the \$10 because they have the license and then if you have bulk fertilizer, you would pay the \$12.50 as well, so right now at the half-rate they would pay \$22.50. So yes, Coops that have that liquid fertilizer on site, they will be paying the \$12.50.

Bill: Ok. Thank you.

Kevin: Are the fees charged per site for the United Coop's?

Mike: Yes, for each licensed location. Which United has about 12 or so, they pay the fee for each location. However, for out of state businesses, it is only one license to cover distribution from anywhere outside of Wisconsin.

Mike: Any other questions? There were none.

Otto Oemig, Pesticide Unit Supervisor;

Otto shared and discussed the below screens. Noting that he choose to start with the background information of the fund for the benefit of our newer members.

BACKGROUND

- **In the 2017-19 budget, the Agriculture Chemical Cleanup Program (ACCP) underwent several changes.**
- **These changes were in part, the culmination of DATCP's RevEx Project.**
- **The department surveyed licensees and used responses to propose changes to the operation of the fund.**
- **The changes were intended to provide a holiday on surcharges for regulated entities due to the ACCP Fund having a significant cash balance.**

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BACKGROUND

- **Surcharges were also reduced and triggers in statutes were created that would provide either a holiday from surcharges, half surcharges, or full surcharges depending on the balance of the fund.**
- **There were several other changes such as increasing the maximum reimbursement per spill site from \$400,000 to \$650,000.**
- **The ACCP fund balance was \$5,567,400 at the close of fiscal year 2015-16.**

[Wisconsin Legislature: 94.73](#)

Otto mentioned a Thank you to Waylon Hurlburt (on the call today) for his help with the facts and figures.

PRE 2017 CHANGE REVENUE

25700	Agricultural Chemical Cleanup	700SE	SEG Earned			
		5800000	Earnings on Investment Pool Sh	USD	0	35,211.48
70000	Fertilizer	4885000	Surcharges	USD	0	6,096.27
70200	Fertilizer Tonnage	4885000	Surcharges	USD	0	655,242.39
74110	Pest Manufacturers_Labelers	4885000	Surcharges	USD	0	1,431,701.53
74210	Pesticide App_Business	4885000	Surcharges	USD	0	73,757.21
74220	Restricted Use Pesticide	4885000	Surcharges	USD	0	9,425.70
74230	Pesticide App_Individual	4885000	Surcharges	USD	0	98,510.54

**Total Annual Revenue of \$2,309,945.12
62% of which came from pesticide registration fees
Total of all other fees was \$878,243.59**

NEW SYSTEM-FEE HOLIDAY

The new System implemented a “Fee Holiday” until the ACCP fund balance fell below \$1,500,000. We have been under this Fee Holiday since 2017 until 2024.

Half fees initiated when the fund balance is \$1,500,000 or less, but more than \$750,000

Full fees if the fund balance is below \$750,000.

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NEW SYSTEM-FEES

Rebalancing and changes to the fees.

One of the most dramatic changes was changing the non-household (ag) pesticide registration fee from a 0.6% of gross sales fee to a flat fee of \$30/product.

This was paid directly by farmers under a 0.6% ACCP surcharge on all pesticide sales.

PESTICIDE REGISTRATION FEES

2016-Non-household pesticide; If the applicant sells at least \$75,000 of that product during the payment period for use in this state, an amount equal to .60% of gross revenues from sales of the product during the payment period for use in this state.

Current-Non-household pesticides; cleanup surcharge. An applicant for a license under s.ATCP29.10 shall pay an agricultural chemical cleanup surcharge for each non-household pesticide product that the applicant sells or distributes. Except as provided in sub. (6) or (7), in the amount of the surcharge is \$30.

CHIPPING AWAY AT THE FUND BALANCE

It took 2017 until 2024 to get the \$5,567,400 ACCP fund balance to fall below the \$1,500,000 threshold.

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Otto: This table above is from our website.

<u>2025 PESICIDE LICENSES FEES</u>				
Pesticides				
License/Permit	Fee (2018-June 2024)	Post-ACCP Fee holiday cost	Increase	First Effective Date
Non-household Pesticide Registration	\$500	\$515	\$15	January 1, 2025
Pesticide Business Location (no bulk)	\$70	\$80	\$10	January 1, 2025
Pesticide Business Location (w/ bulk)	\$70	\$92.50	\$22.50	January 1, 2025
Individual Commercial Applicator	\$40	\$45	\$5	January 1, 2025
Reciprocal (out-of-state) applicator	\$75	\$80	\$5	January 1, 2025
Restricted Use Pesticide Dealer	\$60	\$70	\$10	January 1, 2025

Otto: I will pause for any questions on the Fees?

Kevin: It took 7 years to bring the balance down below 1.5 million, still seems adequately funded, so why the increase?

Mark: There was no mechanism to stop the collection of the funds and because this is a mature program, the number of sites using the program began to decline. However, funds continued to be collected at a rate exceeding reimbursement amounts until the ACCP fund reached a balance over 5.5 million. In 2017 the Revenue and Expenditure Project (RevEx) program was implemented to rebalance the ACCP fund and collect between \$250,000 and \$500,000 per year. Although the fee amount that could be collected each year was lowered, the intent was to also deplete the fund balance before collection more fees.

Kevin: Ok gotcha.

Otto: One of the primary reasons for RevEx was to rebalance the ACCP fund because 'this was a bucket that kept overflowing'. Changes were implemented to reduce the excess funds that were being collected and we have been 'living off the excess funds' for the past 7 years'.

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Mark: You also have to give industry a lot of credit. There are better management practices and better containment rules, which results in less contamination so there is less to clean up.

Otto: Before I move on I would like to clarify that the 2025 fees shown above are at the half-rate, so if the fund balance dips below \$750,000, those fees will double to the full rate the following year.

Mark: Because there is a lag time between fee collection and distributing the money, we are encouraging consultants to get their applications in before March, so the fund will fall below the \$750,000 threshold. That way fees can be collected at the full rate, and increase the fund balance to keep up with estimated reimbursements.

PESTICIDE LICENSE FEE BREAKDOWN

Fees and Surcharges for Pesticide Products 2025					
	Portion of Fee That Goes to DATCP	2025 Licensing Year ACCP Surcharge	Portion of Fee That Goes to Other Organizations	TOTAL Fees and Surcharges for 2025 Licensing Year	Time Period Covered
	Base fee				
Pesticide products	\$392	\$15 per nonhousehold pesticide product. No percentage of sales fee.	\$108: DNR	\$515	January 1-December 31
25(b) pesticide products, if registered with DATCP	None	None	None	None	Varies

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EXPENDITURES

	<u>Reimbursements</u>				
	September	December	March	June	Grand Total
FY2016	\$259,355.82	\$74,892.54	\$209,611.59	\$284,460.56	\$828,320.51
FY2017	\$352,153.36	\$71,110.95	\$74,835.55	\$74,070.89	\$572,170.75
FY2018	\$165,494.71	\$64,088.45	\$234,073.71	\$49,967.94	\$513,624.81
FY2019	\$290,626.72	\$88,251.67	\$53,778.46	\$540,692.76	\$973,349.61
FY2020	\$68,548.23	\$335,553.34	\$424,296.03	\$255,924.50	\$1,084,322.10
FY2021	\$381,190.23	\$169,412.13	\$143,827.51	\$264,087.20	\$958,517.07
FY2022	\$538,199.82	\$176,448.90	\$129,891.42	\$342,454.93	\$1,186,995.07
FY2023	\$17,866.34	\$584,282.34	\$206,261.07	\$97,433.60	\$905,843.35
FY2024	\$298,684.31	\$152,995.61	\$863,816.41	\$350,000.00	\$1,665,496.33

*Estimated.

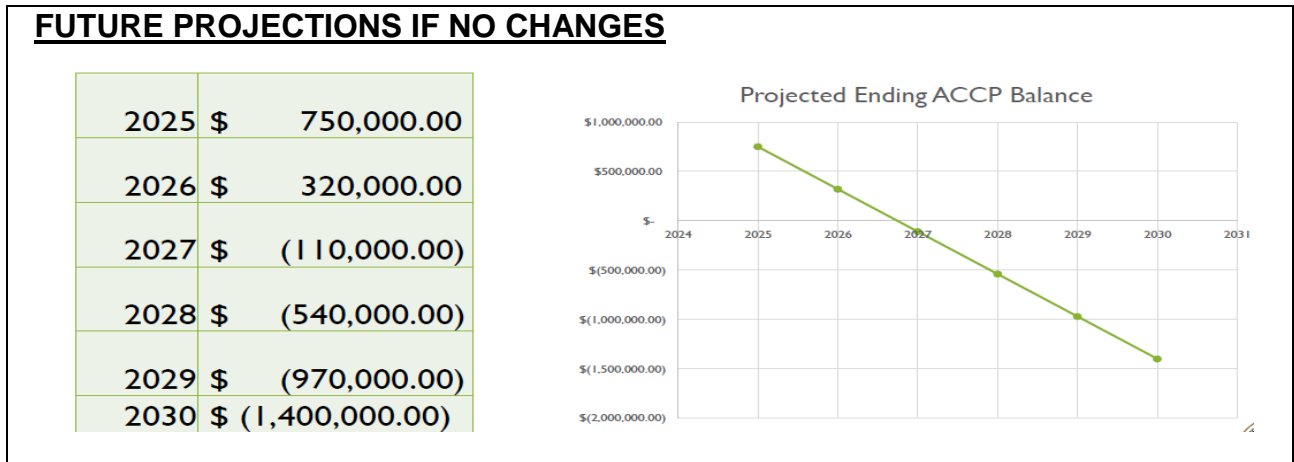
PROJECTED REVENUE FOR 2025-HALF FEES

<u>Revenues Collected</u>	<u>Licenses*</u>	<u>ACCP Annual Revenue</u>
Fertilizer License (\$10)	720	\$7,200
Bulk Tank (\$12.5)	755	\$9,438
\$.5 per Ton Fertilizer	2,318,906	\$115,946 \$83,490
Nonhousehold Pesticide Cleanup Surcharge (\$15)	5,566	
ACCP Surcharge Pesticide Dealers License and Distributors (\$10)	381	\$3,810
ACCP Surcharge Commercial Application Businesses (\$10)	2,368	\$23,680
ACCP Surcharge Individual Commercial Applicators (\$5)	7,828	\$39,140
Reciprocal Applicator License (\$5)	419	\$2,095
Total Annual ACCP Revenue @ full fee:		\$284,798

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<u>PROJECTED REVENUE FOR 2026 FULL FEE</u>		
Revenues Collected	Licenses*	ACCP Annual Revenue
Fertilizer License (\$20)	720	\$14,400
Bulk Tank (\$25)	755	\$18,875
\$.10 per Ton Fertilizer	2,318,906	\$231,891
<u>Nonhousehold</u> Pesticide Cleanup Surcharge (\$30)	5,566	\$166,980
Ag. Chem. Surcharge <u>Nonhouse</u> Pesticide (\$30)	381	\$7,620
ACCP Surcharge Pesticide Dealers License and Distributors (\$20)	2,368	\$47,360
ACCP Surcharge Commercial Application Businesses (\$20)	7,828	\$78,280
Reciprocal Applicator License (\$10)	419	\$4,190
Total Annual ACCP Revenue @ full fee:		\$569,595.60

- FUTURE PROJECTIONS IF NO CHANGES**
- If ACCP revenue at full fee remains steady at ~\$570,000 per year
 - And if ACCP expenditure averages ~\$1,000,000 per year
 - Annual funding deficit of \$430,000 annually
 - If the funding balance on May 1st, 2025 is \$749,999.99 then the following: (see next slide)



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Jennifer: I wasn't around in 2017 when you changed the fees and I am wondering how that happened? Was the Council the mover behind the changes? Or did the change come from outside from a specific group and through Legislation?

Otto: ACM staff held stakeholder meetings, and split up into different work groups. One of the groups was dedicated to the ACCP Fund. Frank Masters (a former Council member) was on that group as well as license holders representing the community that pays those fees. Pesticide registrants and farmers subsequently made recommendations to the Legislature, and made changes to the Statute for these license fees and collections.

Jennifer: Thank you, that was very helpful. Do you anticipate doing something like that again if it looks like we are not raising enough money?

Mark: Right now there is a mechanism that turns the funding on and off when the balance reaches certain levels. This mechanism was not there prior to 2017.

Ryan; Tom Bressler was around during RevEx and he is part of WABA if anyone wants to get ahold of him to learn any more historical information. As far as the future, we will have to wait and see how the expenditures compare to the income and if need be we reach out to stakeholders and see where we want to go.

Jennifer: Thanks Ryan

Mark: Asked if any further questions. There were none.

Meeting Minutes Approval from September 17, 2024

Meeting Minutes from September 17, 2024 are included as Insert 02 in our Agenda Book. Mark asked if there were any comments or questions on the minutes from the previous Council meeting. Any items to discuss or any items to repair? There were none.

MOTION: Kevin Solum moved, seconded by Arch Morton Jr. to accept the minutes of the September 17, 2024 Council meeting. (Motion carried 6-0)

Post Meeting Memo and Post Meeting Table from September 17, 2024

The post meeting memo and post meeting table are included as Insert 03 in our Agenda Books. Mark noted the Department and Council were in agreement on all decisions made regarding reimbursement amounts from the September 17, 2024 meeting. Mark asked if any questions or comments. There were none.

Next Council Meeting

The next ACCC meeting was scheduled for Tuesday, March 11, 2025, starting at 9:00 a.m. Sally will send out the meeting invite.

Summary of ACCP Program Progress

- For the ACCP program, 31 reimbursement applications have been processed for CY 2024 compared to 21 applications for CY 2023.

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- The total amount of eligible costs submitted for all applications for CY 2024 (through December) is \$1,681,932.99, and the total amount reimbursed for the year is \$1,254,988.84 (after this meeting).
- For this Second meeting of FY 2025, 2 applications were processed. The total amount of costs submitted for all applications for this meeting is \$20,998.64.
- Total eligible costs for this meeting are \$20,998.64. No costs were identified as ineligible for this meeting.
- The amount proposed for reimbursement for this meeting is \$16,102.65
- No discharge sites reviewed for today's meeting exceeded the \$400,000 cap or will exceed the \$650,000 cap upon reimbursement. (Note: Of the 38 site that exceeded the \$400,000 cap, 26 have been closed. So far, three sites have exceeded the \$650,000 cap, and we expect 3 to 5 move sites to hit the cap within the next year).
- Both sites, the Paul Miller Farms site at Hancock and the former Bleifuss Feed & Supply site at Horicon, presented at today's meeting have been closed. Both cases had prior reimbursements.
- DATCP has responded to 15 spills so far in 2024, compared to 34 spills in 2023. A reimbursement application for one or more spill cases can be are expected for upcoming meetings.
- Overall, the number of active ACCP cases has declined (around 102). Since the last meeting, one case was re-opened.

Mark asked if any questions or comments. There were none.

Review of Applications

In your agenda books you'll find our proposed reimbursement summary sheets for 2 applications included as Inserts 5 and 6.

Costs for both applications were found to be all eligible.

Review of Applications with ALL ELIGIBLE costs

All eligible applications for the both applications reviewed for today's meeting include the following:

- Insert 5 - \$18,551.14 in eligible costs for the Paul Miller Farms site at Hancock with a proposed reimbursement amount of \$14,252.64, and
- Insert 6 - \$2,447.50 in eligible costs for the Mark Franz, Jr. - former Bleifuss Feed & Supply site at Horicon with a proposed reimbursement amount of \$1,850.01. (Tom Culp should abstain)

Mark asked if there was any discussion. There were none.

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In the past, we've taken a motion to approve as a group, all applications where the Department's decision is to reimburse all costs. Is there a motion to accept the Department's decision to reimburse all both of these applications as proposed by the department?

MOTION: Bill Whitworth moved, seconded by Jennifer Wickman to accept the Department's recommendation for reimbursement. (Motion carried 5-0-Tom Culp mentioned that he did abstain from the Bleifuss Feed & Supply site in Horicon)

That concludes our review of applications for this quarterly Council meeting. Are there any comments, questions, or other business that needs attention?

Hearing none, is there a motion to adjourn?

MOTION to adjourn: Tom Culp moved, seconded by Jennifer Wickman (Motion carried 6-0.)

Meeting adjourned at 9:46 a.m.