

**--DRAFT PENDING SUB-COMMITTEE APPROVAL--**

**WISCONSIN DAIRY TASK FORCE 2.0  
SUB-COMMITTEE ON DAIRY AND RURAL COMMUNITY VITALITY  
MINUTES**

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**October 8, 2018**

The Sub-Committee on Dairy and Rural Community Vitality of the Wisconsin Dairy Task Force 2.0 met on Monday, October 8th, 2018 beginning at 10:00 a.m. at the MacKenzie Center, located at W7303 County Highway CS, Poynette, WI 53955 in the Badger Den.

**Call to Order**

Sub-Committee Chair Elizabeth Wells called the meeting to order at approximately 10:01 a.m.

**Members Present**

Elizabeth Wells, John Schmidt, Dennis Bangart, Melissa Haag, Darin Von Ruden, Don Hamm, Jerry Schroeder, Mike DeLong, and Dave Buholzer.

Not Present: Janet Clark

Ex officio member Representative Don Vruwink was also present.

**Minutes**

**Welcome and Introductions**

Members of the Sub-Committee introduced themselves to the Sub-Committee.

Steve Deller, who served as the Sub-Committee's resource person, introduced himself. Mr. Deller is a Professor in the Department of Agricultural and Applied Economics in the College of Agricultural and Life Sciences at the University of Wisconsin-Madison and he also serves as the Director for the Center for Community and Economic Development with the University of Wisconsin-Extension.

Chair Wells reviewed the tasks assigned to the Sub-Committee. They are:

1. Review issues identified by the full Task Force and refine those issues into as many carefully worded, separate issues as necessary (a sentence or paragraph for each issue, not just a bullet point).
2. Consider the working name of the committee.
3. Consider possible solutions to each of the issues identified by working with your resource person.
4. Classify each proposed solution into one of the following spheres:
  - a. Individual business
  - b. State or regional organization

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- c. State policy or dollars
- d. Federal policy or dollars

Mr. Deller noted three themes he saw in the issues identified from the August meeting: Industry Capital, Social Capital, and Community Capital.

Over the course of a roughly 50 minute discussion, the Sub-Committee organized issues from the original list from the August meeting into the three types of Capital noted by Mr. Deller. The full list is below:

- Social Capital
  - Independence to a fault
  - Statement to include
    - Build on the positive
    - Collaboration between farmer, community, etc.
- Rural Infrastructure (Industry Capital)
  - Roads, bridges, and culverts
  - Broadband
- Community Capital
  - Schools (Give communities identity)
  - Churches
  - Local business

The Sub-Committee then split into groups to discuss the three types of capital and to create problem statements for each type. The small groups were also tasked with pulling additional issues from the full list as they felt appropriate.

At 11:00 a.m. a 15 minute break was called. Small groups started their work at 11:15 a.m.

Members were put into small groups via a combination of self-selection and group needs. The final membership for each group is below:

- Social Capital: Dennis Bangart, Micheal DeLong, and Beth Wells
- Industrial Capital: Don Hamm, Dave Buholzer, and Jerry Schroeder
- Community Capital: Darin Von Ruden, Mellissa Haag, and John Schmidt

The small groups worked to lunch time.

**Lunch**

Lunch occurred at Noon, and the Sub-Committee reconvened at approximately 12:40 p.m.

**Small-Group Reports**

Each group reported back to the full Sub-Committee on their discussions.

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The Community Capital group reported back first. The statement they focused on was “What can we do to maintain and grow community diversity which will help with increasing options and growth in rural communities.”

With a focus on the limiting effect of fewer options in rural communities, the group identified the following points:

- Business Consolidation reducing options in rural communities.
- Schools and Education consolidation as small schools continue to consolidate which takes away from community identity and it is limiting options in education. It also results in increased transportation costs.
- Churches and changes in community events and structures.
- Dual-income families, where fewer parents stay home while another goes to work and there is less volunteering or involvement in the community as a result. Childcare is also a challenging issue.

The group also talked about ways to attract new people to live in rural communities, but there was concern about unintended consequences.

The Industry Capital group reported next.

The group touched on the issues listed below:

- General lack of funding in rural areas to pay for needed infrastructure improvements.
  - The group submitted that there is not the tax base from agricultural land that other lands provide and that fuel taxes are avoided by farmers, both of which create the need to fill the gap with state funding for things like broadband and roads and bridges.
- Townships and counties could be given more control over zoning in the agricultural realm.
- Creating agricultural TIF districts to demarcate specific agricultural areas of the state and target funding to those areas.
- Basing state funding on an area’s population to balance out spending state-wide.
  - More needs to be done on the state’s part to step in and fill the gaps created when tax breaks are provided.
- Working to develop trucking routes with municipalities that help manage traffic in a responsible way.
- Working to find ways that municipalities can partner with the state on infrastructure funding.
- Working to find ways to more effectively plan agricultural building and development to limit the impact on town roads from heavy trucking.
- Mandating that a percentage of infrastructure funding goes to rural roads.
- General levy flexibility for local governments to have flexibility for road funding.

The Social Capital group issued the final small-group report.

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The group developed the following statement: “The dairy community needs to revitalize organizations and structures that promote working together. This would include conversations between farmers, lenders, processors, educators, marketers, and consumers.” The Social Capital group felt that these groups need to come together more frequently.

Potential strategies included:

- Having the state better facilitate farm organizations for the development and benefit of conversations and programs and collaborations between these groups.
- Developing and exploring leadership programs.
  - Agricultural committees on Chambers of Commerce.

Following these small-group reports, the following issues remained unsorted:

- Fewer Farms-fewer customers to support community businesses.
- Vertical Integration
- Farm Size
- Diversity in farms
- Do you, or do you not, control industry growth
- Many to Many relationships versus few to few
- Efficiency vs. farm size
- Managerial efficiency vs. scale efficiency
- Marketing structures
- Family farms vs. corporate farms

The outstanding issue of Business Management was cut from the issue list because it is an issue dealt with in other Sub-Committees. The issue of Financial Literacy was referred to the Access to Capital Sub-Committee and the Education and Workforce Sub-Committee.

The “Diversity in farms” issue kicked off a wide-ranging conversation on farm size and farm diversity, which culminated in a suggestion from Chair Well’s that the outstanding issues, particularly those related to farm diversity and size, relate to an overarching issue of a reduction in the “many to many” relationships that once characterized rural communities as these communities move to more “few to few” relationships.

There was a long discussion following this suggestion focused on the efficiency of farm size. Melissa Haag noted that there is not a correlation between farm size and efficiency, citing examples from her experience as a veterinarian working with different size operations where size has not brought efficiency. She concluded that management is the chief driver of efficiency. Mr. Deller noted managerial efficiency as distinct from scale efficiency.

Darin Von Ruden pushed the group to consider the question of controlling industry growth, which slowly transitioned into a discussion on dairy consumption trends.

Chair Wells suggested that stating the importance of producers figuring out their cost of production and working to help them find resources and assistance as they work to calculate such

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information and to understand their costs of production would be something to consider including in a list of solutions.

The consensus was that the Sub-Committee would like to keep these larger issues with the Sub-Committee, under the belief that these issues span multiple Sub-Committees, and having multiple Sub-Committees work on these issues simultaneously will best ensure that through discussions related to these issue take place.

It was decided that the discussion of these unresolved issues in this Sub-Committee would take place within the categories of Social, Community, and Industry Capital.

The Sub-Committee took a short break at 2:05 p.m. and reconvened at 2:10 p.m.

The Sub-Committee chose to rename their group to the Sub-Committee on Dairy and Rural Community Vitality.

The Sub-Committee then brainstormed a list of solutions for the three forms of capital. The list is below:

**Social Capital**

- Opportunity awareness for involvement
- Organizations working together more
- Partnerships
- Leadership development
- Dealing with conflict
- Opportunities to network
- Stronger sense of in it together
- Learning together
- State and regional planning-transportation where farms are
- Equivalency in state spending
- Changes in state statutes
- More direct funding control to local government
- Overlapping school and dairy transportation initiatives
- Development of broadband from all

**Industry Capital**

- More local board control over infrastructure and taxation (i.e. roads, schools, broadband)
- State funding based on population and area
  - Fair funding
- Towns and counties working with transportation routes
- More collaboration between towns and counties

**Community Capital**

- Options
- Choices
  - More services
  - More choices of inputs
- Different farming styles, practices, and models
- Geographical diversity
- Market options
  - Distance from markets
  - Trucking efficiencies
- Schools
- Churches
- Child Care
- Time for volunteering

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These solutions will be further developed at the next Sub-Committee meeting. The Sub-Committee agreed to tentatively schedule the next Sub-Committee meeting for January 7<sup>th</sup>, 2019.

**Adjournment**

The Sub-Committee adjourned at approximately 3:00 p.m.

Minutes drafted by Neil Kline.

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