

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

**February 16, 2017**

The Board of Agriculture, Trade and Consumer Protection (“Board”) met on February 16, 2017, 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 9:05 a.m.

**Members Present**

Dennis Badtke, Miranda Leis, Greg Zwald, Paul Palmby, Andy Diercks, Kurt Hallstrand, and Nicole Hansen were present. Dean Strauss and Mark Schleitwiler were absent.

**Minutes**

**Motion**

Nicole Hansen moved, and Paul Palmby seconded, a motion to approve the December 21, 2016, Board minutes. Kurt Hallstrand abstained. Motion approved.

**Election of Officers**

The Board conducted its annual election of officers.

**Board Chair**

Andy Diercks moved, and Nicole Hansen seconded, a motion to open the floor for nominations of the Board Chair. Motion approved unanimously.

Nicole Hansen nominated Miranda Leis for Board Chair. The nomination was seconded by Dennis Badtke. There were no additional nominations. Motion approved unanimously.

**Board Vice-Chair**

Dennis Badtke moved, and Greg Zwald seconded, a motion to open the floor for nominations of the Board Vice-Chair. Motion approved unanimously.

Dennis Badtke nominated Andy Diercks for Board Vice-Chair. The nomination was seconded by Greg Zwald. There were no additional nominations. Motion approved unanimously.

### **Board Secretary**

Miranda Leis moved, and Andy Diercks seconded, a motion to open the floor for nominations of the Board Secretary. Motion approved unanimously.

Nicole Hanson nominated Paul Palmby for Board Secretary. The nomination was seconded by Dennis Badtke. There were no additional nominations. Motion approved unanimously.

### **Public Appearances**

**John Mansky**, Senior Government Affairs Director, on behalf of the Cooperative Network, appeared before the Board to share the Cooperative Network's support of the Wis. Admin. Code chs. ATCP 99, 100, and 101 Scope Statement. At its most recent meeting, the Agricultural Producer Security Council unanimously voted to move forward with submitting the Scope Statement and drafting new administrative rule language, based on the findings of the actuarial study completed in 2016.. The Cooperative Network was also pleased to see that Agricultural Producer Security draft legislation had been submitted to the Legislative Reference Bureau, which included deferred payment language for milk contractors and the combining of grain dealer and grain warehouse keeper's subaccounts. Lastly, the Cooperative Network supported the intact inclusion of the RevEx recommendations in the Governor's Budget, which was the result of an exhaustive review of the fee and surcharge revenue and expenditures in the Agrichemical Management and Agrichemical Clean-Up funds.

**Tammy Vaassen**, Executive Vice President of the Wisconsin Pork Association, appeared in support of the Wis. Admin. Code ch. ATCP 10 Hearing Draft regarding animal disease and movement. The Wisconsin Pork Association began efforts in 2011 to educate farmers on the Porcine Reproductive and Respiratory Syndrome Virus ("PRRS"), which costs pork producers \$600 million in damages annually. Another virus that is deadly to pigs is the Porcine Epidemic Diarrhea virus ("PED"). PED became prevalent in 2013 and killed 5 million pigs in a one-year span. The proposed rule requires testing of pigs for the viruses mentioned, and development of herd plans if a positive result is indicated. This testing will help control the spread of the viruses and reduce the overall damage costs to the pork industry.

### **ATCP 10—Swine Animal Disease Control (Hearing Draft)**

Dr. McGraw, Administrator of the Division of Animal Health, presented the Hearing Draft of Wis. Admin. Code ch. ATCP 10 to the Board.

**Motion**

Andy Diercks moved, and Dennis Badtke seconded, a motion to approve the Hearing Draft of Wis. Admin. Code ch. ATCP 10. Motion approved unanimously.

**ATCP 70/87–Maple Syrup Grading Standards and Processing–Germane Modification  
(Final Draft)**

Dr. Steve Ingham, Administrator for the Division of Food and Recreational Safety, along with Peter Haase, Director of the Food and Recreational Business Bureau, presented a Germane Modification to Wis. Admin. Code chs. ATCP 70 and 87 relating to Maple Syrup Grading and Processing.

**Motion**

Dennis Badtke moved, and Paul Palmby seconded, a motion to approve the Germane Modification to the Final Draft of Wis. Admin. Code chs. ATCP 70 and 87. Motion approved unanimously.

**ATCP 70/87–Maple Syrup Grading Standards and Processing–Emergency Rule  
(Scope Statement)**

Dr. Steve Ingham, Administrator for the Division of Food and Recreational Safety, along with Peter Haase, Director of the Food and Recreational Business Bureau, presented an Emergency Rule Scope Statement related to Wis. Admin. Code chs. ATCP 70 and 87.

**Motion**

Greg Zwald moved, and Andy Diercks seconded, a motion to approve the Emergency Rule Scope Statement for Wis. Admin. Code chs. ATCP 70 and 87. Motion approved unanimously.

**ATCP 99, 100, and 101–Grain Dealers and Grain Warehouse Keepers, Milk Contractors,  
and Vegetable Contractors–(Scope Statement)**

Jeremy McPherson, Director of the Business Trade Practices Bureau, from the Division of Trade and Consumer Protection presented the Scope Statement relating to Wis. Admin. Code chs. ATCP 99, 100, and 101.

**Motion**

Nicole Hansen moved, and Paul Palmby seconded, a motion to approve the Scope Statement of Wis. Admin. Code chs. ATCP 99, 100, and 101. Motion approved unanimously.

### **Bureau of Weights and Measures (Report)**

Judy Cardin, Director of the Weights and Measures Bureau, in the Division of Trade & Consumer Protection, provided an update to the Board on the recent storage tank database conversion, several continuous improvement initiatives completed within the Bureau, and credit card skimmer fraud detection and prevention information.

### **Bureau of Consumer Protection (Report)**

Michelle Reinen, Director of the Consumer Protection Bureau, in the Division of Trade & Consumer Protection, provided an update on the Consumer Protection Bureau.

Ms. Reinen reviewed several of the previous year's Top Ten Consumer Complaints. The top five complaints were telemarketing, landlord-tenant issues, telecommunications, identity theft, and home improvement.

### **Organic Advisory Council (Report)**

Angie Sullivan, Agricultural Program Specialist Senior, within the Division of Agricultural Development, presented a PowerPoint report to the Board summarizing the yearly actions of the Wisconsin Organic Advisory Council ("Council").

The Council consists of 12 private sector members from the organic business sector who counsel the Secretary, Governor, Legislature, and other state agencies, on actions that will further the organic industry in the state. The Council meets quarterly with the summer meeting including a tour of a farm, business, or processing facility in Wisconsin.

### **Wisconsin Agricultural Statistics Services (Report)**

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

### **Board Member Reports**

**Dennis Badtke**—Dennis Badtke welcomed Kurt Hallstrand to the Board. The merger of Badgerland Financial with AgStar Financial Services of Minnesota and 1<sup>st</sup> Farm Credit Services of Northern Illinois, a 20 billion dollar deal, is being reviewed and is anticipated to move forward in summer if approved. At this time of year, Badgerland Financial is seeing more customers coming in with struggling cash flows and needs for capital with the upcoming planting season. Foreclosure sales are becoming more numerous as well. Land prices continue to remain variable while the market is stable.

**Greg Zwald**—Greg has been attending several meetings recently; a commodity broker presentation and an extraterritorial planning commission meeting with the Town of River Falls. Political tensions continue to run high locally and nationally. Greg recently returned from a mission's trip to Haiti. The area where he worked was the epicenter of an earthquake that struck several years ago but also the center for the voodoo religion.

**Miranda Leis**—Miranda welcomed Kurt Hallstrand to the Board and Rebecca Roeker as the Department's new Chief Legal Counsel. Within the organic industry, supply is starting to meet demand needs and the impacts are showing on the sales and marketing side, for bulk milk in particular. Organic Valley has been having discussion about what this means with their members and future production. The joint venture with Dean Foods Co. to bring organic milk to retailers through Dean Foods' processing plants and refrigerated direct-store delivery distribution system is moving forward quickly and demanding a lot of resources, which has been over extending some of the Organic Valley staff.

**Andy Diercks**—Andy has been busy attending many meetings this time of year. He recently attended a three day grower's education meeting hosted by UW Extension and the Wisconsin Potato and Vegetable Growers Association. The meeting was well attended and allows growers the opportunity to interact with researchers across the state. Andy continues to work on high capacity well issues.

**Paul Palmby**—Seneca Foods is busy meeting with producers and signing contracts for the upcoming planting season. State acreage will stay the same but with a modest increase in soybeans pricing. The large organic crop last year has reduced the number of organic acres needed this year. The new plant in Janesville continues to do well and will produce a ready-to-eat pasta in the near future. Paul enjoyed his time in Hawaii over January and has booked a return trip next year.

**Nicole Hansen**—Nicole welcomed Kurt Hallstrand to the Board and congratulated the newly elected officers. Nicole participated in a Wisconsin Business School Program in which she sat on a panel about business leaders and spoke to over 100 high school students about the importance of the agriculture industry and possible career paths. At Cranberry Creek Cranberries, they have 14 inches of ice and ½ inch dusting of sand over their cranberry crop to protect them. The cranberry crop in Wisconsin produced a record 6 million barrels last year. The U.S., Canada, and Chili have produced 13 million total. Quebec has doubled their cranberry acreage in less than a year and is now the second highest production leader behind Wisconsin.

**Kurt Hallstrand**—Kurt thanked the Board and the Department for the warm welcome. Kurt enjoyed his orientation and tour of the Department and appreciated seeing the friendly staff and visitors creating a comfortable environment. Kurt introduced himself stating that he is from Prentice, WI, raises Angus cattle, and also has a timber logging business. The cattle industry struggled within the last year and a half but is starting to return. The timid winter has been good on the cattle.

## Secretary's Report

**Secretary Ben Brancel**—In November, Governor Scott Walker announced he had requested the Public Service Commission (“PSC”), the Department, and the Department of Natural Resources (“DNR”) to coordinate resources and draft a Request for Proposal that aligns digester technology to all sizes of dairy farms in environmentally sensitive areas of Wisconsin. The goal of this effort is address nutrient management and water quality challenges in Kewaunee County. The PSC released a Request for Proposals in January. On February 1, a pre-proposal seminar was held to provide applicants with more information about this document and the project process, as well as provide an opportunity to meet with others who may be interested in forming a consortium to submit a proposal. More than 140 people attended. Proposals are due May 1, 2017, by 5:00 pm CST.

The Governor gave his Budget Address on February 8, 2017. Department highlights are summarized below:

- RevEx project was included to ensure agrichemical fees are assessed equitably, collected efficiently, and used effectively.
  - Budget proposal resulted from a yearlong collaborative effort between the Department and industry that included 10 stakeholder meetings, 3 industry-wide surveys and over 60 unique stakeholders.
- Provides \$825,000 SEG in fiscal year 2017-18 and \$825,000 SEG in fiscal year 2018-19 for additional support in order to fully fund demand for cost-sharing nonpoint source abatement projects. Total funding for the program will be set at \$3,325,000 SEG, an increase of 24 percent over base level funding.
  - Requires the Department to provide a high priority on the presence of impaired water and agricultural enterprise areas when evaluating nutrient management grant applications, to ensure those proposals have the greatest consideration.
  - Continues funding of \$250,000 GPR in fiscal year 2017-18 and \$250,000 GPR in fiscal year 2018-19 for producer-led watershed grants.
- Provides an additional \$7,000,000 in SEG-supported general obligation bonds for grants to counties for land and water resource management projects.
- Transfer the Wisconsin Agricultural Education and Workforce Development Council from the Department to the Department of Workforce Development to better align workforce activities.
- Directs the Department and DNR to conduct a study on the feasibility of transferring the permitting process for concentrated animal feeding operations from DNR to the Department. It is to be completed by December 31, 2018.
- Authorize the Veterinary Examining Board to establish a procedure, by rule, which would permit the Department to identify assistance program with which the Department

may contract to provide chemical dependence treatment services to individuals licensed by the board. Existing veterinary licensure fees would be used to pay for the services

- Eliminate the Farm to School program, including the position, to meet budget needs.
  - Department staff are still a resource to help farmers connect with institutional buyers such as schools. Alice in Dairyland continues to travel to schools across the state to provide education about Wisconsin agriculture.
- Eliminate the stray voltage program due to improved practices in electrical installation and grounding leading to fewer cases of stray voltage. Wisconsin Farm Center services are available for all farmers, including technical assistance, transition planning and financial analysis.

The Secretary attended the National Association of State Departments of Agriculture (“NASDA”) Winter Policy Conference in Washington D.C in early January. Topics included: the Food Safety Modernization Act, the Worker Protection Standard, Waters of the U.S., the organic program, trade, and the 2018 Farm Bill.

The Secretary submitted a policy amendment that passed on labeling and marketing claims. Food labeling required by federal law for the purpose of disclosing ingredients, allergens, and nutritional value of food products should provide accurate, science-based information to consumers. Such requirements should not prejudice particular agricultural commodities or practices. Additionally, terms or claims used (print, electronic, or otherwise) to market food products should be accurate, and should not mislead or misdirect consumers, or prejudice particular agricultural commodities or practices. The Secretary successfully worked to steer NASDA away from getting involved in dairy policy, and other commodities, in establishing its Farm Bill priorities. Those issues can be very divisive, and NASDA’s influence is greatest when it’s united. Finally, the Secretary also met with the U.S. Department of Agriculture Animal and Plant Health Inspection Service about the need to establish realistic expectations for foreign animal disease response due to the continuing cases of Seneca virus A. The Department has conducted more than 175 investigations since October.

### **Future Schedule and Agenda Items**

The Board is scheduled to meet March 16, 2017, in Madison. The Board requested a future Board report on local agriculture labor and support efforts, as well as farm land transition numbers and trends. A tour of the timber logging industry was requested. Organic Valley also volunteered to host a tour in the upcoming months.

**Adjournment**

**Motion**

Andy Diercks moved, and Dennis Badtke seconded, a motion to adjourn. Motion approved unanimously.

The Board adjourned at approximately 1:42p.m.

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Miranda Leis, Board Chair

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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) 224-5023.