

--DRAFT PENDING SUB-COMMITTEE APPROVAL--

**WISCONSIN DAIRY TASK FORCE 2.0
SUB-COMMITTEE ON REGULATORY CERTAINTY**

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October 31, 2018

The Sub-Committee on Regulatory Certainty of the Wisconsin Dairy Task Force 2.0 met on Wednesday, October 31, 2018 beginning at 10:00 a.m. at the University of Wisconsin-Stevens Point, Dreyfus University Center, located at 1015 Reserve Street, Stevens Point, WI 54481 in Room 378.

Call to Order

Sub-Committee Chair David Ward called the meeting to order at 10:00 a.m.

Members Present

David Ward, Amy Penterman, Bradley Guse, Ted Galloway, Jerry Schroeder, Brody Stapel, Shelly Mayer, Steve Bechel, Rob Byrne.

Not Present: Moriah Brey

Ex officio member Representative Don Vruwink was also present, as was Neil Kline, Ashley Andre, Mark Stephenson, and Dr. Peter Vadas.

Minutes

Welcome and Introductions

Members of the Sub-Committee introduced themselves.

Dr. Peter Vadas, who served as the Sub-Committee resource person, introduced himself. Dr. Vadas is a soil scientist at the USDA Dairy Forage Research Center.

Chair Ward reminded members that this is an open meeting. He asked Neil Kline, DATCP staff, to explain what that means. The meeting is open to the public, audio-recorded and will be posted on the website. Minutes will be taken and sent out for review before posting.

Review and Refine Issues

Chair Ward explained to the group that the first order of business is to review and refine the issues that were identified by the entire Dairy Task Force 2.0, and make a smaller list of workable issues and possible solutions. There were originally 20 issues identified. Chair Ward attempted to combine them into four or five different themes for the group to consider and make changes. The initial groups of refined issues were:

Manure and Environmental

Nutrient control
Wastewater and manure management
Technology--manure handling and community perception
Regulatory environment impedes farm and processor growth
Phosphorus revelation
Environmental regulations at all levels County, Town & State

Economic

Transportation Funding
Funding research soil and water

Government

Road weight limitations
Regulations--county level moratoriums other local issues
State and Federal regulations overlap

Regulatory Certainty

Regulation stops innovation
Regulatory certainty
Regulatory restrictions
Challenges regulations
Farmers and regulators working together
Does WI want dairy to grow? In many ways it seems not.

Chair Ward asked for feedback from the group. Jerry Schroeder explained that transportation issues go beyond weight limits. It also includes hours of service and a glitch in weights allowed when hauling milk to a fluid plant versus another type of dairy processing plant.

Dr. Mark Stephenson asked the processors about how municipalities handled waste water. Some municipalities rely on plants for water treatment, including ethanol, paper or cheese plants.

The group decided to rename the first redefined issues' category nutrient and environmental management to include the processor side as well.

Shelly Mayer suggested that when discussing we consider the nutrients. While farms and plants both have waste to deal with independently, both have nutrients that we need to ensure that they go where they belong. Innovations generated by plants may be useful on farms and vice versa.

Chair Ward pointed out that staff in DATCP and DNR are currently considering the details if CAFO regulation would transfer from DNR to DATCP. This is a topic that likely will start to be discussed by legislators in January.

Neil Kline made a note that the Consumer Confidence and Perception group recommended moving one of their issues, “Cows and houses don’t mix, how do we get along.” to this group to consider. The group decided it had to do with land use and zoning and could fit under ‘Regulatory Certainty.’

The group discussed how some things are certain and can be proven with science. Other things are hard to define or measure.

Amy Penterman stressed the need for there to be a level playing field and that regulators need to get input from processors and producers. Regulations need to apply to all. If the regulations don’t, how does that look to consumers?

Bradley Guse stressed that if a permit is taken away, what’s the value of a property to be a farm or processor? If someone cannot meet the regulations, what is the collateral value of that property?

Chair Ward gave background on livestock siting and that it was designed to give some certainty across the state and eliminate the patchwork.

Steve Bechel pointed out that local and county level governments are controlling what expansion is going on with moratoriums. Limits set do not allow people to expand, grow and reinvest. With farmers selling out, there could be processors looking for milk.

Chair Ward asked the group to consider the economic category. Are there regulations that cost more money to comply with than economically possible? He shared an example of funds paid into Ag Producer Security, and when some people expand, they have to consider if they can afford to pay the additional fees to the fund.

Transportation funding came into question. Chair Ward explained vetoes used by previous Governors to take from the transportation budget, including Frankenstein and Vanna White vetoes. The group discussed that there needs to be legislative or DOT oversight of these dollars and what is being done.

Bradley Guse stressed the importance about access to capital. Could state lending organizations fill a gap and void to allow nimbleness in growth and change?

Another issue discussed was the buyback rate on electricity. There are biodigesters sitting on farms not in use or burning off gas. A change could be needed to the net metering law, to allow

them to use the electricity themselves without facing issues. Biodigesters take funds to get going, but the appraised value is zero in many cases.

Shelly Mayer stressed the need for forward thinking research at our land grant universities to answer tomorrow's questions. While we have facilities, we need researchers and state specialists. Focus and discovery give us certainty. Peter Vadas agreed that we need people to go after available research funds and fund research that hasn't been done before. Shelly Mayer used the example of developing ethanol to utilize corn through research and development. Just as a private business wouldn't cut back on research and development, neither should we as a state.

In discussing transportation issues, Jerry Schroeder stressed the challenges of hauling a perishable product and how someone can be miles from a plant, but cannot finish the drive because of hours. On-board electronic logging makes things harder. Continuous downtime for drivers is also an issue. We need common sense laws. Trucking challenges have a direct impact on the farmer. 'Less than loads' are more expensive, and sometimes milk haulers stop picking up from farms if it's just not profitable.

In considering government certainty, different agencies and different levels of government need to be on the same page. Even in the same agency, people can have a different viewpoint. Uncertainty and inconsistency have a real economic impact on the farmer or processor.

Lunch

Lunch occurred at 11:53 a.m., and the Sub-Committee reconvened at 12:28 p.m.

Review and Refine Issues

During the discussion on regulatory certainty, consistency and continuity, it was noted there needs to be intelligent progression of regulation. In rule making, the industry needs to be involved. It needs to be practical and based on common sense that can be achieved.

The group stressed the importance of timeliness in government. The state has a backlog on some permits. People need to get answers back quicker when they ask questions; otherwise it stifles growth. If someone puts in a new robotic system, they need to be able to use it.

Shelly Mayer pointed out that if Wisconsin wants to stay a world leader, we need to move faster with our regulations. Places like Pennsylvania want to take our title. We need consistency in regulation to not stop innovation. The group discussed being the place the world does its dairy shopping and a global supplier. We need adequate funding to meet tomorrow's needs.

Possible Solutions

After discussion, the redefined issues and some possible solutions are:

Regulatory Certainty

Investing in Wisconsin to remain a world dairy leader

Redefined issues	Possible solutions
<p>Manure and Environmental Management Nutrient control Wastewater and manure management Technology--manure handling and community perception Regulatory environment impedes farm and processor growth Phosphorus regulation Environmental regulations at all levels (County, Town & State) Land, water, air Microbiological concerns</p>	<p>Need to have science-based nutrient and environmental regulations that serve all. They need to be led by industry, include all partners and be collaborative.</p> <p>Need for on-farm science and research, such as the producer-led watershed protection grants.</p> <p>Need to consolidate our organizations' efforts for less repetition. By working collaboratively, we know what each other are doing and can get better bang for our buck with research dollars.</p> <p>Need to avoid duplication between agencies when seeking permits and answers. Centralize enforcement.</p> <p>Need to tell our story of continuous improvement.</p> <p>Make intentional investments in research, such as through UW Discovery Farms</p>
<p>Economic Transportation funding/infrastructure Funding research for smart regulations including soil and water, food safety, animal care</p>	<p>Prioritize funding for a comprehensive transportation system.</p> <p>Ensure budget transportation dollars cannot be stolen for other uses.</p> <p>Ensure dollars are accounted for.</p> <p>Communication of research, science and knowledge that can be implemented on the landscape.</p>

	<p>Avoid duplicative research by bringing the scientists together to identify the knowledge gaps. Include people from cross-disciplines. What research is being done outside of dairy that can still be applied?</p>
<p>Transportation Issues Road weight limitations Regulations--county level moratoriums other local issues State and Federal regulations overlap</p>	<p>Extension of Wisconsin's Harvest Law to January 1 to December 31 (Currently March 15 to December 31).</p> <p>Re-write the 98,000 pound gross six-axle combo vehicle regulation from point of source to all dairy processing and not just fluid milk.</p> <p>Need exemptions for dairy similar to other trucking, such as logging, trash.</p> <p>Need to attract and train more truck drivers in Wisconsin</p>
<p>Regulatory certainty, consistency and continuity Regulation burden impedes innovation Industry and regulatory collaboration Need regulations that allow growth Zoning and land use Timeliness</p>	<p>To assure continual growth and health of the industry, we have to assure that essential state departments are able to support that growth by being fully funded and staffed.</p> <p>Reevaluate siting to be more comprehensive and get rid of the loopholes. Determine what needs to be decided at the state level and eliminate overreach and duplication.</p> <p>Need for a predictable regulatory framework that ensures safety and protection of the state's food and resources while allowing innovation.</p> <p>Need for consistent administration and enforcement.</p>

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 11, 2019.

Adjournment

The Sub-Committee adjourned at 2:14 p.m.

Minutes drafted by Ashley Andre.

DRAFT