

MEETING MINUTES
AGRICULTURAL PRODUCER SECURITY COUNCIL

August 25, 2017

The Agricultural Producer Security (APS) Council held a meeting on Friday, August 25, 2017, at the headquarters of the Wisconsin Department of Agriculture, Trade and Consumer Protection, 2811 Agriculture Drive, Madison, Wisconsin.

Attendance

Five council members were present: John Manske, Doug Cropp, Nick George, Jim Zimmerman and Andy Wallendal. Council members Louise Hemstead, Dave Daniels, and Don Hamm participated by phone. Members absent were: John Umhoefer and Craig Myhre.

DATCP staff members present included Eric Hanson, Jeremy McPherson, Lori Ronnerud, David Woldseth, Frank Frassetto, Chief Legal Counsel Paul Dedinsky and attorney Paul Lazotte.

Agenda Item I Call to Order

Chair John Manske called the meeting to order at 9:35 a.m.

Agenda Item II Approve Minutes

Chairman Manske asked if there were any comments or corrections to the minutes. Seeing none, Jim Zimmerman moved to approve the minutes from the May 22, 2017, meeting. The motion was seconded by Louise Hemstead. The motion passed unanimously.

Agenda Item III Final Draft Administrative Rule: ATCP 99, 100, 101

Jeremy McPherson started the discussion by saying there were minimal changes between the hearing draft and the final rule draft. The changes were based on comments from the Rules Clearinghouse and limited to grammatical edits and clarification of certain sections.

Jeremy McPherson also summarized the testimony received at the two public hearings held for this rule. Of the six comments received, 2 were in support of the milk contractor and grain dealer changes, 1 was in support of the vegetable contractor changes, and 3 opposed to the vegetable contractor changes. Jeremy said that, while those opposed to the vegetable contractor assessment increase offered alternatives, there was nothing DATCP has authority to change by rule. Suggestions included: eliminating the vegetable portion of the program; adding a producer contribution; and eliminating the assessment for vegetable contractors that pay within 30 days. Jeremy said that most of these suggestions would require changes to the statute rather than the law. He also reminded the group of DATCP's statutory obligation to address the vegetable contractor fund balance deficit. Jeremy said that all testimony, including DATCP's response will be part of the permanent record.

Eric reviewed two sections of the final draft rule that were rewritten based on comments from the Rules Clearinghouse. The substance of these two sections was not changed, but the language was redrafted to provide clarity.

Louise Hemstead inquired about vegetable contractor payment terms and why it wasn't normal to pay growers within 30 days. Andy Wallendal stated that the vegetable processing industry is unique. They have a 12 month cycle versus 2 weeks or a month like other industries. Essentially, an entire year's worth of product is processed in a relatively short time due to the perishable nature of the commodity.

John Manske summarized the testimony that he presented at the Madison hearing.

Nick George said he was at both hearings and testified in Stevens Point. He has contacted growers and the Farm Bureau to ask how they can relieve the pain. He stated that the complexity of the industry has changed and noted the small number of vegetable contractors contributing to the fund. Nick also indicated that growers are big and sophisticated companies that can handle the risk. Nick stated that his members will continue to work to get out from under the program. Their fall back would be to seek a producer contribution into the Fund. He added that he understands that these changes would require legislation. John Manske asked Nick if his members are united, and Nick indicated they were. Jim Zimmerman commented that it was good to know where we may be heading if vegetable processors withdraw from the Program.

John Manske mentioned that the rule is scheduled to be presented to the DATCP Board at its meeting on 9/21/17. Jeremy McPherson continued that if the Board and Governor approve, it be submitted to the legislature. If approved, the rule would become effective in the spring of 2018.

Chairman Manske asked for a motion on Final Draft Rule. Jim Zimmerman moved to support advancing the final draft to the DATCP Board for approval. Doug Cropp seconded the motion. The motion passed with one no vote.

Agenda Item IV Emergency Rule Scope Statement ATCP 101

Jeremy McPherson reported that the existing emergency rule for vegetable contractors expires before the beginning of the next license year on Feb. 1, 2018. Anticipating that the permanent rule will not be effective by then, DATCP is preparing a Scope Statement to present to the Governor and the Board. The Scope Statement allows us to draft an emergency rule, which is expected it to look identical to vegetable contractor provisions in the final draft administrative rule.

Agenda Item VII Adjourn

A motion to adjourn the meeting was made by Nick George, with a second by Louise Hemstead. Motion was unanimously approved. The meeting was adjourned at approximately 10:23 a.m.