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2016-17 Wisconsin FCS Policy Statements

As approved at February 29, 2016 WI Farm Credit Legislative Conference.

Maintain the Wisconsin Department of Agriculture, Trade & Consumer Protection (DATCP)

Whereas The Wisconsin Department of Agriculture, Trade & Consumer Protection (DATCP) has added strength gained with its mission of advocating and overseeing consumer protection, particularly as it connects the agency with urban residents of the state, and;

Whereas DATCP's Bureau of Consumer Protection is a national leader in consumer protection and returns more than \$4 to the state treasury and the states' consumers for every \$1 the state spends on the program, and;

Whereas a transfer of the Consumer Protection from DATCP would decrease its position among state agencies such as the DNR and, by doing so, reduce the influence the state's rural and agricultural communities have within state government and;

Whereas the Wisconsin Farm Credit Services Legislative Committee is concerned about the overall impact substantial and disproportionate budget cuts at DATCP that have occurred over the past are making it difficult for DATCP to meet its core mission of serving Wisconsin agriculture and consumers and;

Whereas the 2015-17 biennial budget contained a provision to convert the Board of Agriculture, Trade and Consumer Protection to an advisory council, a proposal that was uniformly opposed by agricultural stakeholders as unwise public policy;

Now therefore, the Wisconsin Farm Credit Services Legislative Committee supports maintaining the consumer protection responsibilities and citizen board at the Wisconsin Department of Agriculture, Trade and Consumer Protection.

Right to Farm Law

Whereas Wisconsin's "Right to Farm" law offers certain protections to those engaged in agricultural pursuits against nuisance lawsuits, and;

Whereas the "Right to Farm" statute (823.08) offers protection from legal remedy against those agricultural practices that do not present a substantial threat to public health or safety, and;

Whereas such protection is more important than ever as conflicts between neighbors increase in both suburban areas and in traditional agricultural settings experiencing growing residential construction, and;



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Whereas success in production agriculture today and in the future may demand a scale of operation and practices that may result in disputes;

Now therefore, the Wisconsin Farm Credit Services Legislative Committee supports the “Right to Farm” law at a time when legal challenges to farming operations could put the law to a real test.

State Standards for Agricultural Operation Siting

Whereas siting of new and expanded agricultural facilities became more difficult in recent years due to the lack of consistency among local governments, the opposition of various parties and the challenges by opponents of modern and larger agricultural production operations; and;

Whereas the Wisconsin Farm Credit Services Legislative Committee supports the right of farmers to modernize and structure their farm businesses to respond to changes in the marketplace and, consistent with sound, science-based systems, to protect the environment, and;

Whereas Wisconsin statute 93.90, the Livestock Facility Siting and Expansion Law, was enacted, aimed at consistent statewide regulation of new and expanding livestock operations and;

Whereas the law establishes predictability and streamlines the permitting process for both producers and local governments, thereby helping producers plan their expansions, and resulting in siting permits being issued within 4 months, and;

Whereas a state Livestock Facility Siting Review Board (LFSRB) was created to serve as a review panel for livestock operators or neighbors who are displeased with a local government decision, thereby avoiding further litigation in some cases, and;

Whereas the positive results of the law are being noted by the livestock industry and governments, both in Wisconsin and elsewhere;

Now therefore, the Wisconsin Farm Credit Services Legislative Committee supports this law and administrative rule, and the Livestock Facility Siting Review Board, and reminds all that the primary desired outcome of the entire process is a strengthening of the livestock industry in Wisconsin, which benefits the Wisconsin economy greatly.

Preservation of Working Lands

Whereas the preservation of Wisconsin working lands is critical to the health and success of Wisconsin by preserving our agricultural economic base; and



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Now therefore, the Wisconsin Farm Credit Legislative Committee agrees that preservation of our working lands is essential and we support the Legislature for enacting these preservation initiatives for the benefit of Wisconsin farmers and the general public and will support efforts to educate landowners and local officials about these land preservation tools.

Dairy Manufacturing Facility Modernization

Whereas Wisconsin's dairy industry contributes more than \$43.4 billion to Wisconsin's economy and it counts for nearly 40% of our agricultural jobs, employing 160,000 people, and;

Whereas modernizing our dairy processing plants is essential to keeping the dairy infrastructure strong in Wisconsin, thereby continuing to offer many potential purchasers of producers' milk, and;

Whereas dairy cooperatives struggle with the difficulty of obtaining the financing necessary to replace plants due in part to equity retirement pressure from retired and retiring members, and;

Whereas DATCP advanced into the 2013-15 biennial budget bill a provision that creates a \$200,000 annual general purpose revenue funded program to promote the growth of the dairy industry in Wisconsin by making grants to dairy processing plants, giving the agency the authority to determine terms of the grant program through administrative rule-making,

Now therefore, the Wisconsin Farm Credit Services Legislative Committee requests that the Governor and policy makers include in the 2017-19 biennial budget bill a provision of \$200,000 general purpose revenue funding each year for the Dairy Processor Grant Program.

Integrity of Segregated Funds

Whereas it has become increasingly more common for state elected officials to divert money from state segregated funds or program revenue accounts to cover expenditures previously paid for through general fund revenue, and;

Whereas this is a result of both reoccurring general fund deficits and the aversion of elected officials to balance the state budget through tax and expenditure modifications, and;

Whereas funds that have fallen victim to this practice include, but are not limited to, the transportation fund, injured patients and families compensation fund, public benefits fund, universal service fund and Agricultural Chemical Cleanup Program (ACCP) fund, and;

Whereas since 2003, over \$2 billion was used for purposes never intended when segregated funds and program revenue accounts were set up, and;



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Now therefore, the Wisconsin Farm Credit Services Legislative Committee expects and implores the governor and legislature to respect the integrity of segregated funds.

Immigration

Whereas labor availability in rural areas is a significant concern and American agriculture has a need for a stable, legal supply of workers to sustain and grow agricultural production; and;

Whereas certain sectors are heavily dependent on immigrant labor and the federal government has yet to adequately address the need for immigration reform;

Now therefore, the Wisconsin Farm Credit Services Legislative Committee supports federal reform of our nation's immigration policies that will allow immigrants to become documented legal participants in our society, provide for simple and accurate status verification and include a timely approach to the future flow of immigrants needed to support our business and economic growth.

Communication Technology Development

Whereas residents and businesses have become increasingly dependent on the rapid advances being made in technology that can create new opportunities for rural Wisconsinites to span distance and gain access to the world; and;

Whereas cost-effective access to fast Internet service is essential to staying competitive and informed in the nation and the world;

Now therefore the Wisconsin Farm Credit Legislative Committee supports efforts to accelerate increased high-speed Internet access and other technology improvements to guard against a "digital divide" in rural Wisconsin.

Animal Wellbeing

Whereas the Wisconsin Farm Credit Legislative Committee supports a vibrant and viable livestock sector and believes in maintaining consumer confidence in the food supply, and;

Whereas opponents of animal agriculture and their supporters are working on a state-by-state basis to eliminate such production, and;

Whereas opponents also resort to videotaping on farms incidents that may not be positive and are then utilized in opposition to animal agriculture, and some individuals actually obtain employment on farms under false pretenses to capture such incidents; and;



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Whereas California has approved egg production standards requiring larger cages for laying hens and requires that all eggs coming into the state meet the same cage size standards and Missouri has filed a legal challenge seeking to stop implementation of such standards, and;

Now therefore, the Wisconsin Farm Credit Legislative Committee supports livestock and poultry care that is based on sound veterinary science, sound information, economic feasibility, and sustainability, and strongly opposes laws and regulations that would undermine the livestock industry as well as to mandate practices within the livestock and poultry industries.

High Capacity Well Regulation

Whereas the Wisconsin Supreme Court on July 6, 2011 issued a decision in Lake Beulah Management District vs. DNR that the DNR has the authority under the Public Trust Doctrine and state statutes, to consider the potential impacts that proposed groundwater withdrawal may have on surface waters, and

Whereas the DNR's duty to consider such impacts is triggered by credible scientific evidence that usage of the well may adversely affect surface waters, a standard that relies on the agency's exercise of its professional expertise and judgment, and

Whereas the DNR has implemented regulatory hurdles for owners of existing and proposed new wells, without going through the normal administrative rule-writing process, resulting in confusion and frustration, and cessation of new investments to grow their business, and

Whereas lack of access to essential groundwater at a time when Wisconsin was experiencing a drought of historic impact, resulting in this being considered the "most important challenge" to production agriculture in the state, and

Whereas 2015 legislation has been introduced that would reaffirm the 2003 groundwater law and focuses the higher standard of environmental review over proposed wells that may negatively impact sensitive waters or are being used for bottling purposes, while allowing replacement or reconstructed well permits to proceed without that time-consuming review process,

Now therefore, the Wisconsin Farm Credit Legislative Committee supports legislation and other remedies to ensure that Wisconsin's production agriculture and agribusiness will have access to, and the ability to utilize the water they need to produce crops and animals for the consumer marketplace.

Implements of Husbandry

Whereas the 2013-14 legislature enacted legislation that makes many changes to the law governing implements of husbandry (IoH), responding to the fact that a lot of IoH equipment



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currently used exceeds existing weight and size limits, and overweight vehicles are having a detrimental impact on our road and bridge infrastructure and;

Whereas among the provisions is a permitting process for governments who “opt in” to regulate overweight and oversize vehicle operation, that potentially could require agribusinesses to apply for scores or hundreds of permits, and;

Whereas there was division among the agricultural stakeholders on aspects of the legislation such as the permitting process, and;

Whereas authors of the legislation acknowledged that this was only the start of the process of changing the law and “trailer legislation” would be expected even next session to make changes,

Now therefore, the Wisconsin Farm Credit Legislative Committee asks the Wisconsin Department of Transportation and legislators to carefully monitor this law as it is implemented and to be willing to support changes to modify or eliminate provisions that may be hampering the efficient conduct of agricultural operations.

Alien Land Ownership

Wisconsin has a long standing law limiting the purchase or ownership of land by foreign individuals, or businesses not created under federal or state laws. Wisconsin Statutes Section 710.02 limits ownership by such “aliens” to no more than 640 acres each and provides an exception for individuals whose rights to hold larger quantities of land are secured by treaty. Wisconsin Governor Scott Walker, through his 2013-2015 proposed budget, and Assembly GOP leaders, through a request for a legal opinion from the Wisconsin Attorney General, sought to overturn the Wisconsin law based on an argument that the state law violates the General Agreement on Trade in Services (GATS Treaty). However, Wisconsin Attorney General J.B. Van Hollen issued a late 2014 opinion finding the law’s restriction on foreign ownership of agricultural land is valid. Moreover, the nonpartisan Congressional Research Services also issued an opinion finding the Wisconsin law to be valid and enforceable. These two opinions helped ensure a repeal request was not included by Governor Walker in his proposed 2015-2017 budget.

The Wisconsin Farm Credit Legislative Committee supports the existing alien land ownership prohibition in Wisconsin law and believes that repealing the existing law would: (1) cause significant land speculation; (2) make it more difficult for state agricultural producers to purchase farm land due to substantially increased competition from foreign buyers, including sovereign foreign government funds; (3) potentially remove farm land from circulation since the evidence demonstrates foreign-owned land does not usually transfer after the initial sale; (4) decrease the market for Farm Credit agricultural loans through lower relative land sales and through foreign financing of agricultural land purchases, and (5) decrease the market for fuel, grain and farm supply cooperatives because the evidence demonstrates the foreign buyers often



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bring in their own agricultural inputs and workers and do not use local resources for the processing and export of agricultural products. For these reasons, the Wisconsin Farm Credit Legislative Committee urges legislators of both parties to maintain this important law.

Maintain University of Wisconsin Center for Cooperatives in State Budget

Governor Walker's 2015-2017 State Budget would have eliminated the statutory requirement that the University of Wisconsin Board of Regents maintain a Center for Cooperatives (Center) at the University of Wisconsin–Madison, as well as funding for one position in the Center.

The Center for Cooperatives is important to the Wisconsin and national cooperative business community, including the Farm Credit System, because it: (1) works closely with cooperative board directors and staff to help ensure proper board governance, (2) hosts the national Farmer Cooperative Conference, sponsored in part by Farm Credit, that examines issues of concern to cooperatives, (3) conducts needed economic research on the impact of cooperatives on local, state and national communities, (4) provides instruction in cooperatives at the University of Wisconsin-Madison to undergraduate and graduate students to potential future employees of the Farm Credit System, and (5) is one of the few American land grant universities to conduct informative research on governance and other practices within the cooperative business community. For these reasons, the Wisconsin Farm Credit Legislative Committee supports continued enumeration of the University of Wisconsin Center for Cooperatives in the 2017-2019 State Budget.