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September 10, 2018

To: DATCP
From: John Manske & David Ward, Cooperative Network
RE: Support for EMR1816 and CR 18-061

Thank you to DATCP for holding the hearing today on the emergency rule relating to milk contractors and the Agricultural Producer Security (APS) program and the proposed permanent rule relating to grain contractors and milk contractors. Cooperative Network is one of the ten organizations that are represented on the Agricultural Producer Security Council. Cooperative Network's dairy members and farm supply members have a particular interest in the APS program and in the rules before you today. At meetings in April and June of this year the council acted affirmatively to support the emergency and permanent rules.

Several years ago when DATCP's audit discovered that there was some deferral of milk check payments that did not have a statutory basis, the agency communicated with the dairy industry to ensure compliance with the law that required twice monthly milk check payments. We communicated with our members and other dairy industry organizations to formulate a strategy of response that would provide some type of deferral allowance, which can be an important cash management tool. With the support of our members and other organizations we worked with DATCP to design an allowance for milk check deferral contracts between milk producer and purchaser. We successfully advocated to the legislature for statutory change. The resulting emergency rule and proposed permanent rule providing the details for deferred payment contracts in the dairy industry are the subject of this timely hearing. Cooperative Network supports both rules that make changes to ATCP 100.

Cooperative Network also supports the proposed permanent rule changes to ATCP 99 that will align grain warehouse keeper assessment reductions and exemption thresholds with the statutory changes that were enacted by the legislature under 2017 Wisconsin Act 155. The rule also addresses a prior drafting effort relating to the assessment exemption for grain warehouse keepers. Cooperative Network was an active advocate for the legislation that was signed into law as Act 155.

Again, thank you to DATCP for holding this hearing on the emergency rule, which went into effect August 1, and the proposed permanent rule. We are in support of both and appreciate that DATCP worked very positively with the dairy industry to identify a remedy that enjoys broad industry support.