



## Co-op Kudos

Congratulations to **Land O'Lakes** for making Fortune Magazine's [2017 Change the World](#) list!

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## Cooperative Network Calendar

**Sept. 20: Employment Law Update,**  
Eau Claire, Wis.  
[Learn More...](#)

**Sept. 21: Minnesota Agricultural Credit Issues Conference,** St. Cloud, Minn.  
[Learn More...](#)

**Oct. 18: Wisconsin Co-op Day at the Capitol,** Madison, Wis.  
[Learn More...](#)

**Oct. 25: Federal Dairy Issues Forum,** Rochester, Minn.  
[Learn More...](#)

**Nov. 14-15: Cooperative Network Annual General**



## Cooperative Network News

### Regional & Federal

#### **Cooperative Network's Federal Dairy Issues Forum**

Dairy leaders from Minnesota and Wisconsin will gather in Rochester, Minn. for Cooperative Network's Federal Dairy Issues Forum on Oct. 25. The forum is designed to give dairy cooperative directors and others interested in the dairy industry information to help them in their board rooms and their jobs in the dairy industry.

Corey Geiger, managing editor of Hoard's Dairyman, will discuss Canada's influence in the dairy industry of the upper Midwest. Attendees will learn that Canada's relationship with the U.S. dairy industry is more than the situation that happened this spring. Dr. Mark Stephenson, director of dairy policy at UW-Madison will give an overview of the changing landscape of milk production across the U.S., including altering genetics, milk production increases in some regions and contraction in others. A panel moderated by Cooperative Network will look at priorities in the 2018 Farm Bill and reactions from Congressional staffers from Minnesota and Wisconsin.

Dairy Revenue Protection (Dairy-RP) is a proposed insurance plan, developed by the American Farm Bureau Federation. Dairy-RP would allow dairy farmers to purchase risk management protection against declines in quarterly revenue from milk. The concept for Dairy-RP will be presented by John Newton, Director of Market Intelligence with the American Farm Bureau. A detailed look at the decline in fluid milk consumption and what needs to be done to reverse the trend will be discussed by Laura Wilford, Director of the Wisconsin Dairy Council.

For more information on Cooperative Network's Federal Dairy Issues Forum and for an event agenda and registration form click [here](#).

**Meeting**, St. Paul, Minn.

**April 30 - May 1, 2018:  
SCH Conference,**  
Minneapolis, Minn.

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## Link of the Week



[40 Square](#) is a health plan cooperative providing Minnesota farm families the control to manage their health care. Founded by Cooperative Network and United Farmers Cooperative, 40 Square has spent more than a decade advocating for rural Minnesotans.

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## Wisconsin

### **Pesticide product pass-through surcharge fees ending**

DATCP has informed us of the updated timeline for changing the pesticide product registration fee and they requested our providing this to our farm supply members. The RevEx package in the biennial budget bill (AB 64/SB 30) approved by the Joint Finance Committee of the legislature moves to a flat per product fee of \$500 per product registered. Accordingly, the 0.8 percent surcharge fee on pesticide product sales is eliminated effective Oct. 1, 2017. Retail/wholesalers will no longer be able to charge a pass-through fee on pesticide products they sell. If you do, you will need to refund the fees to your customers. You may need to modify your systems to ensure you do not charge this fee after October 1. DATCP has sent a letter to pesticide product registrants to alert all the registrants of the change. They letter also advises that the registrants will need to do one final reconciliation of their sales for the period of Oct. 1, 2016 through Sept. 30, 2017. DATCP intends to provide further information about this process when they send out license renewal packets in a few weeks.

### **Joint Finance Committee finalizes action on budget, Assembly & Senate next steps**

The State Assembly is set to consider the state biennial budget on Sept. 13. That comes after the legislature's Joint Finance Committee finished work on the budget on Sept. 6 with a partisan 12-4 vote to move the amended budget ahead to the membership in each house. The State Senate is expected to then act on the budget either after Assembly action, or on the following week.

### **Transportation items addressed by Joint Finance Committee**

When the legislature's Joint Finance Committee (JFC) acted on transportation items in the state budget bill Sept. 5, they made a number of decisions of interest to our members. Among them are the following:

- Permit the sale of dyed diesel fuel for use in a recreational motor boat. Under current law, dyed diesel fuel is exempt from the state motor vehicle fuel tax. However, the sale of gasoline or diesel fuel for use in recreational motor boats is subject to the state's motor vehicle fuel tax. The revenue from the tax is then transferred from the transportation fund to the water resources accounts of the segregated conservation fund based on a formula.
- Eliminate the Jan. 1, 2020 statutory sunset provisions related to weight allowances and permitting provisions applicable to implements of husbandry and agricultural commercial motor vehicles.
- Provide WDOT \$2.5 million to enter into a contract for a tolling implementation study.
- Require the WDOT Secretary to eliminate 100 positions in 2017-18 and an additional 100 positions in 2018-19.
- Create a \$75 fee for hybrid-electric vehicles and a \$100 fee for electric vehicles, effective Jan. 1, 2018, which would be paid in addition to the existing annual registration fees for passenger vehicles powered by hybrid-electric or electric engines. This would not apply to farm-use plated vehicles or vehicles registered with a gross vehicle weight in excess of 8,000 pounds.

While all of the above-items were changes from Governor Walker's recommendations on transportation, they retained many of the

Governor's provisions, including the Governors recommended level of bonding of \$12 million for the freight rail preservation program (FRPP). Cooperative Network and other stakeholders had requested a level of \$20 million in bonding revenue for the biennium for FRPP.

### **Tax changes approved by Joint Finance Committee**

When the JFC approved tax changes this week in their executive sessions on the biennial budget, they included the following items:

- Phase-in an expanded personal property tax exemption. Exempt machinery, tools, and patterns, not including such items considered manufacturing property under current law, from the property tax effective with property assessed as of Jan. 1, 2018. Machinery is defined as a structure or assemblage of parts that transmits force, motion, or energy from one part to another in a predetermined way by electrical, mechanical, or chemical means, and specify that machinery does not include a building. Cooperative Network has been part of a Personal Property Tax coalition that has sought the elimination of the personal property tax that is unevenly applied by local governments across the state.
- Exempts from the sales tax items used in the business of beekeeping.

### **GreenStone Farm Credit Services Clintonville staff meet with Rep. Gary Tauchen**

A dozen staff of GreenStone Farm Credit Services met with State Rep. Gary Tauchen (R – Bonduel) at their new Clintonville office on Sept. 6. Tauchen visited about numerous legislative items, including the state budget, the high capacity well permitting legislation that was signed into law, and the proposed changes to the cooperative statute. Tauchen is the author of the high cap well act and AB 353, which is the cooperative statute modernization legislation.

### **Cooperative Network on agenda at statewide managers and directors meetings**

Cooperative Network will update attendees on recent legislative and regulatory matters at the Wisconsin Statewide Managers Association Fall meeting in Eau Claire on Sept. 12. Farm supply directors from across the state will meet on Sept. 13 at the same location, and will also be receiving the Cooperative Network update.

### **Farm Supply Committee meeting Sept. 27**

The next meeting of the Farm Supply Committee will be Sept. 27 at the Stevens Point office of AgCountry Farm Credit Services. Lori Bowman, Ag Chem. Management Bureau Director at DATCP, will give an update on the RevEx implementation, bureau reorganization and staffing changes at the bureau. All farm supply members are welcome to attend the meeting.

### **Peter Barca resigns as Assembly Minority Leader**

State Representative Peter Barca (D – Kenosha) announced he is resigning as the Assembly Minority Leader effective Sept. 30. In a statement Barca said "I have made the very difficult decision to step down as leader of the Assembly Democrats following deliberate, thoughtful discussions. I am grateful to my colleagues for their support over the last seven years." Barca was chosen Minority Leader in December of 2011.

Barca has chosen to resign so he can put more focus on his district and

the challenges it will face in the months ahead. No date has been set by Assembly Democrats to choose Barca's replacement.



*Cooperative Network recently hosted the National Conference of State Cooperative Councils. [Click here](#) to learn more about their visit.*

## Minnesota

### **Supreme Court rules Dayton's veto of legislative branch funding constitutional**

Gov. Mark Dayton's line-item veto of funding for the legislative branch was ruled constitutional by the Minnesota Supreme Court last Friday. The ruling comes on the heels of oral arguments from attorneys for both the Governor and the Legislature late last month. A ruling made earlier this summer by a Ramsey County judge indicated that the governor had offended the Separation of Powers clause of the Minnesota Constitution. After the ruling was rendered, the governor contended that his veto was legal and was done to bring legislators back to the bargaining table to discuss fiscal and policy differences that he feels could jeopardize Minnesota's future. Now, according to the Supreme Court's order last week, both sides are required to participate in good-faith efforts to resolve their dispute through mediation. They are required to agree to a mediator by tomorrow, or else one will be designated by the Supreme Court. Both sides are then to file a joint statement reporting the status of their mediation efforts on or before Sept. 30. A memoranda by the parties must also explain by Sept. 15 any potential remedies to their dispute.

### **House Majority Leader Joyce Peppin speaks to Minnesota Statewide Managers Association**

On Sept. 7, House Majority Leader Joyce Peppin (R – Rogers) addressed approximately 75 attendees at the Minnesota Statewide Managers Association meeting. Cooperative Network secured the Majority Leader for the meeting, where she discussed the 2017 legislative session, what is on the horizon for the 2018 session, and looking forward to the 2018 elections. She fielded a host of questions from those gathered including ones relating to the agriculture containment tax exemption repeal, buffers, transportation funding, and health care. A legislative and political update was also provided during the meeting, which included a discussion on the Cooperative Network-led initiative to allow for the establishment of an agriculture cooperative health coverage option.

### **Rep. Heintzeman and MDA officials address Farm Supply Committee meeting in Brainerd**

Cooperative Network hosted the Farm Supply, Grain and Fuel Sector Committee meeting last week in Brainerd. The meeting was held in conjunction with the Minnesota Statewide Managers Meeting.

Representative Josh Heintzeman (R – Nisswa) provided his perspective on the 2017 legislative session, as well as explained the role he serves as the Vice-Chair of the Environment and Natural Resources Policy and Finance Committee. In addition, officials from the Minnesota Department of Agriculture discussed the proposed Nitrogen Fertilizer Rule.

**Reminder: Broadband grant deadline today**

The deadline for Border-to-Border Broadband grant applicants is set for today at 4 p.m. Instructions for those wishing to submit an application for a grant can be found at the Minnesota Department of Employment and Economic Development's (DEED) [website](#). For those who plan to file an application and don't know who to contact or who provides service in the area, questions can be directed to (651) 259-7610 or [deed.broadband@state.mn.us](mailto:deed.broadband@state.mn.us). DEED is required by law to post the specific criteria and any quantitative weighting scheme or scoring system that will be used to evaluate or rank applications and award grants for this competitive grant program. The application period for the 2017 grants program started on July 3, 2017. During the 2017 legislative session, \$20 million was infused into the border-to-border broadband grant program. Cooperative Network was pleased to support this legislation on behalf of our membership.

**Still time to register for Minnesota Agricultural Credit Issues Conference on Sept. 21**

Registration is still open for Cooperative Network's Minnesota Credit Issues Conference. The event will be held on Sept. 21 at the Best Western Plus Kelly Inn in St. Cloud. CEOs, general managers, finance and credit professionals from credit union, Farm Credit, farm supply, livestock, genetics, and fuel cooperatives are encouraged to attend. Hear the latest on policy, trends, and developments in member lending:

- Strategic lending issues
- Economic update and forecast
- Mitigating risk
- Farm Service Agency update
- Difficult debt collections
- Interactive credit manager best practices panel

More information and registration is available [here](#).

## Featured Event



[Register today!](#)

**Federal Dairy Issues Forum - Oct. 25**

Learn how federal legislation and issues may affect your cooperative and members at Cooperative Network's Federal Dairy Issues Forum. Top industry leaders will provide insight on these issues and answer your questions.

**Who should attend:** Managers, key staff, and directors from dairy cooperatives in Minnesota and Wisconsin, as well as others with an interest in the dairy industry and policy.

More information and registration is available

[here](#).

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