

## **Family Farm Protection Act**

### *Executive Summary*

The proposed Family Farm Protection Act is designed to:

- Invest in a future for Wisconsin family-farms including low interest loans, low-cost strategies for modernization and expansion and the development of new agricultural enterprises, new products and an aggressive marketing effort for Wisconsin grown products.
- Level the playing field so small to moderate sized family farms – the majority of Wisconsin farms – can be economically viable.
- Ensure adequate environmental protection and healthy rural communities.

The Act calls for significant state investments in research, education and economic development programs that identify new uses for crops, develop new agricultural products, markets and processes that have the potential to expand markets and demand for farm products, increase farm income, create jobs and enhance Wisconsin's rural communities. The Act also reforms current state grant and loan programs that have tended to benefit large-scale operations over small farms and it limits the amount of cost-sharing dollars that any one farm can get to help more farms comply with environmental standards. The Act directs the University to investigate the impact of consolidation in the industry and requires the DOJ to assess its ability to enforce laws governing anti-competitive practices. The Act restores consumer credit protections for agricultural loans and creates new loan programs for new agricultural businesses. Finally, it expands state assistance to farms implementing manure management plans and enhances oversight of some large-scale agricultural practices, particularly large-scale manure storage facilities.

The following outline is a consensus document prepared by the following organizations: WI Farmers Union, WI Public Interest Research Group, Churches Center for Land and People, Sierra Club, Lutheran Office on Public Policy in WI, Wisconsin's Environmental Decade, and Wisconsin Citizen Action.

# Family Farm Protection Act – DRAFT

## Fiscal Impact

\$8,100,000 annually

\$150,000 in one time expenditures

## Major Policy Components (LRB 4560 section numbers in bold for reference)

### **I. Agricultural Research, Education and Business Development Programs**

a) Increase funding for DATCP Agriculture Development and Diversification grant program which promotes new uses and markets from \$400,000 to \$2 million annually. **S78(2)**

b) Establish \$1 million annual DATCP “Buy Wisconsin” Market Development Program that:

Promotes a Wisconsin identity for local, farm-raised foods including producer directories, marketing materials, media and trade co-promotion with producers, producer commodity groups and Wisconsin based specialty food companies.

Provides assistance to producers, school districts and local and state governments to promote the purchasing of products directly from family farmers, producer commodity groups and Wisconsin-based food specialty companies as a means of expanding markets for farm products and improving the quality and freshness of food served to children. **S17 & S78(3)**

c) Increase UW-Center for Dairy Profitability funding by \$100,000 annually for research on low-capital strategies for improving profitability of moderate scale dairy farms

Increases funding for research of low-cost options (low-cost milking parlors, managed grazing, financial strategies) to assist moderate scale dairy farms in becoming more competitive in the dairy sector. **S78(5)**

d) Establish DATCP cost-share program for transition to managed intensive grazing and organic systems of livestock production. Fund at \$2 million annually.

Establishes a new program that provides cost-share programs and educational and technical assistance to farmers interested in or transitioning to managed grazing and/or organic livestock systems. **SS 1, 2, & 18**

e) Increase annual funding for research and education programs on effective entry strategies for beginning farmers.

Increases UW - Center for Integrated Agricultural Systems funding (\$50K) for on-going research pertaining to effective entry strategies for beginning farmers. **S78(6)**

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Increases funding (\$100K) for Wisconsin Technical College System beginning farmer education programs. **S78(7)**

Increases funding (\$50K) for University of Wisconsin farm industry short-course for beginning dairy and beginning market gardener programs. **S78(6)**

- f) Increase UW-Center for Integrated Agriculture (CIAS) farmer-research grants on sustainable agriculture. **S1**

Increases funding of applied research and on-farm demonstration projects conducted by UW scientist and farmer research teams by \$200,000 annually. Focus on family farm-related issues including: managed grazing and organic dairying, environmentally and socially responsible food production systems and related enterprises.

**S1**

- g) Authorize Rural Business Economic Development program loans to individuals for farm operating costs and agricultural business start-ups. Fund at \$1 million annually. Loan policies and practices for the loans should be established by a farmer advisory board and staffed by DATCP Agriculture Development and Diversification and Department of Commerce Rural Economic Development Programs. **S76&78(4)**

- h) Require the Department of Commerce to disburse Dairy 2020 grant funds for modernization and expansion and other Rural Business Economic Development grant funds for new dairy start-ups in such a manner that the average size of grant recipients is equivalent to the average size of a WI dairy farm in the previous year. Promotes fairness in grant programs. **Ss74-75**

**II. Anti-Competitive Practices**

- a) Require UW-PATS to study the degree of concentration in the dairy and livestock industry and its impact social and economic impact on family farm agriculture, rural communities and consumers in Wisconsin. Study funded at \$100,000. **S77(4) and S78(8)**

- b) Require the Department of Justice (DOJ) to assess it's capacity to enforce laws governing agricultural anti-trust and unfair business practices and what it would need in terms of authority, staff and funding. Require the DOJ to review such programs that exist in other states and determine what types of activities would be appropriate in Wisconsin, how they would become aware of complaints and what actions they could take. **S77(5)**

**III. Credit and Agricultural Financing Reform**

- a) Require all lenders participating in state financing programs (WHEDA) to use *loan servicing and forbearance policies* to the fullest extent possible prior to foreclosure actions. **S23**

- b) Eliminate the \$150 loan application fee for CROP program. **S22**

- c) Restore coverage of Wisconsin Consumer Act to farmers (*Eliminated by 1997 Wisconsin Act 302*). **Ss41-73**

- d) Require that farmers be provided with copies of all agricultural credit transactions. **S20**

## **V. Rural Community and Natural Resource Protection**

### a) Environmental Funding

- Provide \$2 million annually in cost share funding for state and federal required nutrient management plans and planner certification. Give priority to farms that have never before had a nutrient management plan. Develop nutrient management planning certification program. **S1, S9 & S16.**
- Limit the amount that can be awarded to a single farm through Soil and Water Resource Management programs to \$50,000. **S14**

- b) WPDES Permits: Currently there is no charge for the development of approximately 846 WPDES permits per year. To improve permitting services and compliance monitoring of the permit program for livestock facilities, charge a permit fee of \$250 for all WPDES permits & provide fee-funded staff. See also S77(2) relating to assessment of staffing requirements for permitting and compliance. **S31**

- Require the Department of Natural Resources to comply with WI Stat.s 299.05 and set time limits for issuance of WPDES permits for livestock operations. **Already Law**
- Eliminate the exemption from the \$10 minimum daily fine for livestock facilities that violate their WPDES permits. Limit the maximum daily fine to \$1,000. **S38-40**

### c) Livestock Waste Storage Facilities

- **Require Proof of Financial Responsibility:** Ensure that owners of manure storage facilities with capacity greater than 3 million gallons have the resources to pay for clean up before they are allowed to start operating. **S26**
- Require the University of Wisconsin – Program on Agricultural Technology Studies to study and report back in one year on options to liquid animal waste handling through manure storage lagoons and aerial irrigation systems, including the use of wastewater treatment systems. The study will develop a plan to phase out lagoons that do not meet NRCS standards. Fund study at \$50,000. [Note that industrial and commercial lagoons have been regulated since July 1, 1990 with a deadline of July 1, 1995 to upgrade, rebuild or abandon nonconforming lagoons.] **S77 and S78(1)**
- Prohibit construction of new liquid livestock waste storage lagoons along trout streams. **S27**

- d) **Integrator Liability:** Ensure that liability for environmental compliance rests with the entity with substantial operational control of the facility. This provision places financial liability at the top of the corporate chain where it belongs, rather than forcing the community or contract farmer to pay for damage caused by decisions/policies made at a higher corporate level. **S30**

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- e) Require best management practices for controlling ammonia and hydrogen sulfide emissions at large animal feeding operations. **S37**
- f) All permits & bonds must be in place before WPDES-permitted facilities can begin operation. **S29**
- g) Open Records: Documents related to permit and discharge monitoring should be open and accessible by the public. **S32-36**

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