



Farm Bill *Conversations with Congress* meeting a success

2012 will be a very important year for the dairy industry and agriculture as Congress attempts to tackle the job of amending the Farm Bill, which is the primary agricultural and food policy tool of the federal government. The current \$288 billion Farm Bill became law in June 2008 and is set to expire in September 2012. The Farm Bill provides funding for food and nutrition programs, commodity programs, agricultural research, energy, and rural development. About three-fourths of the current funding goes toward nutrition programs, such as food stamps, leaving about \$70 billion for non-nutrition programs.

Cooperative Network invited representatives of key Minnesota congressional offices to discuss 2012 Farm Bill issues with dairy and farm credit cooperative leaders in Willmar, Minn., on Jan. 18. Stacey Stout, associate director of public policy with Minnesota Farm Bureau, explained that the \$15 trillion federal budget deficit is driving everything in Washington, D.C.

She said that 52 percent of the budget is made up of programs like Medicare, Medicaid, and Social Security and these programs are protected from cuts. Many in Congress are pointing at farm programs as a way of balancing the federal budget.

“The USDA is 3.9 percent of the federal budget and farm programs are 12 percent of the USDA budget. Farmers want to be part of the solution, but you are not going to balance the federal budget on the backs of farm programs,” said Stout. The failure of the Super Committee to come up with \$1.2 trillion in cuts means that the Farm Bill will be worked on by the agriculture committees in both houses. Stout told those in attendance that hearings in the Senate could start as early as mid-February.

Representatives of Minnesota congressional offices then shared the thoughts and concerns of the legislators they represent. Tom Meium of Congressman Collin Peterson’s (D) office explained that in Washington, D.C., “It’s all about the budget. Nobody likes cuts, but agriculture is willing to accept them,” Meium said. “Collin Peterson hopes that the Senate will go first in putting together a Farm Bill because it is chaired by Sen. Debbie Stabenow [D] of Michigan and the Senate Agriculture Committee has more members from the Upper Midwest.”

Andy Martin of Sen. Amy Klobuchar’s (D) office agreed with Meium. He said that the Senate will go first and it should be done this year, because if Congress waits until 2013, agriculture’s base budget could be smaller than it is in 2012. Al Juhnke of Sen. Al Franken’s (D) office put a political perspective on the conversation explaining that Sen. Stabenow is up for re-election in 2012 and will want to get her work done so she can go back to the voters of Michigan having accomplished passage of the bill. Juhnke also explained the importance of events like this to get information from organizations like Cooperative Network to members of Congress.

A.J. Duerr, Cooperative Network’s director of member services, gave a preview of the upcoming Minnesota legislative session, which convenes Jan. 24.



Al Juhnke (far left) of Sen. Al Franken’s (D-MN) office talks 2012 Farm Bill issues with Staci Martin of AgStar Financial Services and Marc Knisely and Greg Jans of United FCS at Cooperative Network’s 2012 *Farm Bill Conversations with Congress* meeting in Willmar, Minn.

Cooperative Network events

Feb. 16—Wis. Dairy Legislative and Regulatory Committee Teleconference

Feb. 21—Minn. Dairy Day at the Capitol, St. Paul, Minn.

Feb. 23—*Tides of Change in Rural America*, Cooperative Network’s Rural Issues Summit, Minneapolis, Minn.

Mar. 8—Minn. Co-op Day at the Capitol, St. Paul, Minn.

Mar. 19-20—Co-ops YES! Youth Leadership Conference, Eau Claire, WI

Apr. 3-4—Dairy Policy and Directors Leadership Conference, Eau Claire, Wis.

Nov. 12-14—Cooperative Network Annual Meeting, La Crosse, Wis.

Election year shortens sessions

With the Legislatures in both Minnesota and Wisconsin keeping an eye on the 2012 elections, the legislative agendas are short. Cooperative Network is working on several issues that could affect the dairy industry in both states.

In Minnesota, 2012 is a year in which dollars get bonded for capital projects. Cooperative Network is monitoring several issues, including state disposal system permits. The permits are required for disposal of wastewater other than to surface waters, including large septic tanks and drain field systems, and spray irrigation of wastewater. These permits are good for five years. Cooperative Network supports extending the life of the permit to 10 years.

Cooperative Network is also keeping an eye on Gov. Dayton's \$33 million bonding appropriation for Minnesota's Rural Finance Authority (RFA). Dayton introduced his bonding proposal on January 17. The RFA partners with local lenders to provide affordable credit to eligible farmers.

Cooperative Network will also oppose any efforts to expand the opportunities to purchase raw milk in Minnesota.

In Wisconsin, Cooperative Network is supporting Assembly Bill 363, authored by Rep. Mike Endsley (R-Sheboygan), which regulates sales of plastic bulk merchandise containers to scrap plastic dealers in the same manner as scrap metal sales to scrap metal dealers are regulated. Member dairy cooperatives have expressed concerns over the cost and number of plastic milk crates that have disappeared over the years.

Cooperative Network is also working with Rep. Gary Tauchen (R-Bonduel) on legislation relating to financial assistance for the livestock premises registration program and a tax credit for livestock identification tags and tag reading equipment.

Cooperative Network is also supporting Senate Bill 260 authored by Sen. Sheila Harsdorf (R-River Falls) that will make the Dairy Manufacturing Facility Investment Credit more flexible. (See story at right).

CN weighs in on child labor regulations

On September 2, 2011, the U.S. Department of Labor (DOL) published a notice of proposed rulemaking that would make significant and sweeping changes to regulations issued under the Fair Labor Standards Act. The proposal, which would significantly curtail the employment opportunities available to youth working in U.S. agriculture, has generated an enormous degree of concern within the agriculture community. These changes could affect the ability of someone under the age of 15 being able to work on a farm.

Cooperative Network, along with other agricultural organizations and the National Council of Farmer Cooperatives, communicated concerns over these proposed rule changes to the DOL including regulations pertaining to:

Occupations involving the operation of agricultural tractors

The proposed rule changes would prohibit operating and assistance in operating an agricultural tractor.

Certain occupations involving working around animals

Changes to the proposed rules would prohibit youth from milking, working with non-castrated male bovines greater than six months of age, and prohibit work with a sow that has piglets. Also prohibited would be animal husbandry practices that cause pain or may result in unpredictable behavior, such as: breeding, branding, dehorning, vaccinating, castrating, treating sick animals, or treating injured animals.

Occupations involving working inside any forage or grain silo or bin

Changes would prohibit all youth from working inside any forage or grain storage silo or bin.

The DOL proposes to "clarify" the family farm exemption from these regulations by assuring that children of individuals who operate, as well as those who own, farms are eligible to work. However, the proposed rule does not take into account the realities of American agriculture and the fact that ownership patterns have changed and often one person does not solely own and/or operate a farm. The provisions related to youth under 15 years old being able to work on a farm owned by their parents would disrupt any number of employment situations where a youth works for his or her grandparent, uncle, neighbor, or an LLC with joint family ownership.

Ward testifies in favor of dairy plant credit

David Ward, Cooperative Network's director of government relations and dairy, recently testified before the Wisconsin Senate Committee on Agriculture, Forestry and Higher Education in favor of Senate Bill (SB) 260 authored by Sen. Sheila Harsdorf (R-River Falls). SB 260 will make the Dairy Manufacturing Facility Investment Credit more flexible.

Ward explained to committee members that because of the way the credit was written, dairy cooperatives could not take advantage of the credit because of the tax structure of cooperatives. In 2007 Cooperative Network and legislators restructured the credit in order to allow dairy cooperatives to pass through any Dairy Manufacturing Facility Investment Credit to their members.

"Several cooperatives have taken advantage of this and have experienced some problems with the timing of notification that made it difficult for cooperative members to claim the credit. SB 260 attempts to correct the timing issue and will allow members of a dairy cooperative to claim the dairy manufacturing facility investment credit," said Ward.

Cooperative Network worked on an amendment to SB 260 with DATCP, Department of Revenue (DOR), and Senator Harsdorf's office to address some technical concerns that the DOR has raised. The amended version of SB 260 passed out of the committee on a 7-0 vote on Jan. 19 and now awaits full Senate action.

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Dairy Update

Dairy Update is a quarterly newsletter to provide timely information on matters pertaining to Cooperative Network's dairy member-owned cooperatives.

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