

**DEPARTMENT OF AGRICULTURE, TRADE, AND CONSUMER PROTECTION BOARD
AND
NATURAL RESOURCES BOARD**

MINUTES

The joint meeting of the Department of Agriculture, Trade, and Consumer Protection (DATCP) Board and Natural Resources Board (NRB) was held on Wednesday, February 23, 2005 in Room 106, State DATCP Building, 2811 Agriculture Drive, Madison, Wisconsin. The meeting was called to order at 8:30 a.m. for discussion on items 1-5. The meeting adjourned at 12:00 p.m.

ORDER OF BUSINESS

Introductions by Board Chairs and Department Secretaries

Members Present

DATCP Board

Mike Dummer
Richard Cates, Jr.
Cindy Brown
Enrique Figueroa
Brian Rude
Margaret Krome
Andy Diercks
Shelly Mayer
Mike Krutza

NRB Board

Gerald O'Brien
Duke Welter
Herb Behnke
Jonathan Ela
Steve Willett

Mr. Dummer amended the agenda to move Livestock and Wildlife issues to be discussed after Land Use and Land Management Issues.

There were no objections from the Board members.

Land Use and Land Management Issues

- Agricultural grazing and DNR grassland initiatives
- North Branch Milwaukee River Wildlife and Farm Heritage projects

Mr. O'Brien asked how do the two Departments work together and what do they discuss.

Steve Miller, DNR, Director, Facilities and Lands Bureau said that the goal isn't to take agriculture land out of production. The DNR would like to work with agriculture community to continue agriculture production. To continue to have land to hunt and fish on, there needs to be large blocks of rural landscapes including agriculture land.

Todd Peterson DNR, Public Service and User Program, Wildlife Management Bureau stated another way the Departments work together is through the Conservation Reserve Enhancement Program (CREP).

Mr. Willett stated that the DNR has specific funding for various land programs such as stewardship. Does DATCP have similar programs where they can put farm heritage lands in restricted uses?

Jim Arts DATCP, Rural Land Use Policy and Economically and Environmentally Sound Agricultural Practices stated no, but it's a good idea for long-term farm protection.

Mr. Willett asked if the tax structure is the best way for you to protect this land. For example the DNR has the forestry tax. Has agriculture thought about a form of tax to generate funds to preserve farmland?

Mr. Arts stated he did not know.

Mr. Willett stated that Mr. Miller is the author of the land legacy program, which is when the second stewardship fund was put into place. It was requested that we prioritize how we spend stewardship money and those parcels that were unique and worthy of stewardship protection. Is there a similar type of program for farmland?

Mr. Arts stated that there is in a way. County by county and town by town have identified areas for exclusive agriculture zoning protection, but that was a long time ago and it hasn't been updated. There is increasing

fragmentation and all of them need blocks of land to protect the integrity of that resource. More work is need to identify long-term land protection.

Mr. Willett suggested there should be a program similar to the land legacy program developed to protect farmland.

Mr. Krutza asked if it is fair to say that 66% of Wisconsin land is farm and wood lands today. What was it about 75 years ago?

Keith Foye, DATCP, Land Management, Agriculture Resource Management stated agriculture land is usually describe around 16 million acres. 75 years ago stated it was much more.

Mr. Krutza asked philosophically, if it was more 75 years ago and 66% today, what will it be 20 years in the future.

Mr. Peterson stated that the conversion of marginal farmland to forestland is economically driven. What drives the economics of farming is the federal farm bill and international trade agreements. He predicted 20 years from now farmland will account for 55% of Wisconsin lands.

Mr. Willett asked if Wisconsin can sustain agriculture at 55%.

Mr. Miller stated he isn't qualified to answer the question, but it is an issue that the two boards should consider: how will we sustain agriculture in the future. Some of the issues the DNR and DATCP staff addresses are: where is agriculture going, how much agriculture land is enough and should the state have a program to protect soils that produce crops.

Mr. Behnke stated that one of the questions from Mr. Poulson when the Board is considering agriculture land purchase is what are we going to do with this land. He asked Mr. Miller to explain how the DNR buys development rights from farmers to protect lands that are at risk for development.

Mr. Miller stated the DNR can use stewardship dollars to buy development rights to land if it's within the project boundaries. There is also some federal money available for the protection of farmland. Another program that the DNR has worked with DATCP on is where the state buys the whole farm and then sells the farming rights back to the farmer.

Ms. Krome stated that she appreciates the grassland project. She asked how do we get farmers into grazing operations. The impediment to the adoption of grazing is the lack of technical assistance. The Departments should look at some of the obstacles that need to be overcome to adoption of a system of agriculture.

Mr. Peterson stated that a couple of weeks ago there was a meeting of agencies for central Wisconsin grassland area. There were three grazing specialists from Natural Resources Conservation Service (NRCS). One stated that his area of responsibility is one million acres. He suggested that the DNR hire a grazing specialist because it's important to the prairie chicken project and other grassland birds. It's important that DATCP identify what areas should be protected as agriculture land and develop a plan to protect the land.

Secretary Nilsestuen stated we don't have a complementary program to the stewardship program. He suggested that we need a more comprehensive approach to protecting working lands, but there needs to be funding beyond public dollars.

Mr. Welter asked about coordination of efforts of soil conservation through CREP and the DNR. He stated there are CREP projects that purchase buffers along streams. How can the Departments coordinate ways of paying additional money for public access easements?

Mr. Peterson stated that's pretty easily done. He gave an example about a wetland preserve project.

Mr. Cates stated that another example of cooperation in grassland, trials with managed grazing livestock in trout stream areas to control the woody brush. It was productive for farmer and agency. It was a positive development. The question is if agriculture is going to get involved in what acreage to save, how does that preempt the comprehensive planning process in place now that the local government currently has authority over?

Mr. Willett stated that the DNR faces the same question in doing or stewardship and land legacy programs with smart growth at local levels. The DNR is trying to work with various counties as they implement smart growth. Sometimes it doesn't work, but the DNR takes the role of facilitator, educator, and coordinator. We don't know how it's going turn out.

Ms. Krome stated these issues depend upon informed, comprehensive land use at the local level. The departments should try to shift the debate to point out the importance of empowering local government. There is a need for state leadership to advance the land use issues to the local level. The two agencies should develop a program to move forward on a strategic plan. The federal policy is an important issue as well, we need to deal with it as best we can. The Conservation Securities Program is designed to pay farmers around the country for stewardship. It would be helpful for the DNR help DATCP encourage the federal government to not cut funding to that program.

Mr. Peterson stated that in 1990 the DNR and DATCP wrote a letter to the congressional delegations for the 1990 farm bill. We did it again in 1996. It didn't get out of the governor's office. There is a short history of the agencies working together to communicate our goals to congressional delegation.

Mr. Dummer stated that at DATCP we have subcommittee structure to the Board. This is a significantly serious issue with potential for a lot of joint participation. He would commit our sub-committees to develop position papers with logical action. The Boards could decide where they want to direct staff and energy. Specifically, work on a comprehensive land use planning on state and local level, use of conservation and agriculture land and designate how to use and preserve it, Conservation Security Program, CREP-commonality and joint use.

Mr. Willett stated that when it comes to agricultural lands, DATCP should be the leader because the DNR isn't always welcomed with open arms.

Secretary Nilsestuen stated DATCP is willing to put significant energy into this issue. It's a long-term issue that needs a vision.

Ms. Mayer stated she hopes that as two Boards that we don't separate wildlife/farmland, and preserving it. Without economy do we have the resources to protect our environment? We need to show profitability to young farmers and producers to trigger a desire to do farming.

Livestock and Wildlife Issues

- Chronic Wasting Disease
- Bovine Spongiform Encephalopathy etc.
- Wolf Depredation

Mr. Willett stated that DNR and DATCP share the issue of wolves and the federal lawsuits affect the wolf population in Wisconsin. Has the U. S. Fish and Wildlife Service (USFWS) asked for an exemption for Wisconsin, Minnesota, and Michigan. He thinks the two Boards need to take a position.

Laurie Osterndorf, DNR, Administrator, Division of Land explained the federal delisting of the wolf and how the recent court ruling in Oregon affects Wisconsin's wolf management plan. The delisting process gave Wisconsin additional tools to control wolves. Depredating wolves could be euthanized. Since then, 41 wolves have been removed from the landscape. Now wolves are classified as endangered again, we can't use those tools. Wisconsin is trying to regain the ground that has been lost with that ruling. We are trying to get a recovery permit. It won't do what delisting would do, but it will help control wolves. The strategy is to segment out our region out of the endangered listing.

Mr. Willett stated that the USFWS doesn't have the power to exempt Wisconsin from the endangered status.

Secretary Hassett stated we are taking an administrative approach, where the USFWS can exempt Wisconsin from the endangered status because our population is recovered. . It is the quickest way to resolve this.

Mr. Behnke asked Dave Nelson, USDA-Wildlife Services to comment on the discussion.

Mr. Nelson stated since the court ruling we had to pull our traps that were being used to catch problem wolves. We have had two complaints that we are just sitting on because we can't euthanize these wolves.

Signe Holtz, Director, Endangered Resources Bureau stated that USFWS is still in the process of delisting and they are deciding whether or not they should continue. The language in the Oregon court ruling states that the Midwest is recovered, so the DNR is encouraging the USFWS to go from endangered to delisted there. It would be difficult for groups to sue on that action because the judge already said Midwest is recovered.

Mr. Willett states he thinks the case will go to the ninth district court of appeals where it will just sit. It would be helpful if the DNR would be at the table.

Mr. Dummer asked if there is a number of wolves and livestock kill ratio. As the wolf population grows, will the kill rate stay the same?

Ms. Osterndorf stated the Wisconsin Wolf Management Plan population goal is 350. It is a winter number that can double in the summer. It was approved by USFWS. As far as how many livestock kills there are, we are hoping to issue landowner permits to control that. That won't happen until the federal government turns the authority over to the State of Wisconsin.

Mr. Behnke stated he is concerned about how will we continue to pay for depredations from the Endangered Resources fund. We don't have the money necessary to reimburse the farmers for their loss. The genetic value not paid for, only the amount that would be if it would be slaughtered.

Mr. Nelson stated that the cost of production is much more than the dead livestock. The verified complaints are three times what they were three years ago. As the workload goes up, the funding is going down.

Mr. Behnke stated there is a large amount of deer and there isn't a food shortage for deer. This problem isn't going to go away. When they get tired of chasing deer, they will go after calves. We need to decide how to pay these farmers for their losses.

Mr. O'Brien stated that wolves are a problem for both Boards. He gets letters on a regular basis from beef producers. Our hands are tied right now because of the court decision.

Dr. Bob Ehlenfeldt, DATCP, State Veterinarian stated that for a diseased animal, we pay 2/3 of the value with a cap of \$1,500. Even a bull that is valued at \$90,000 is still capped at \$1,500.

Mr. Figueroa asked what do we know today for the forecast of how much CWD is spreading in the deer herd.

Ms. Osterndorf stated that in the western zone there is an 8-12% prevalent rate of CWD.

Alan Crossley, DNR, Wildlife Biologist, South Central Region stated that the geographic spread is relatively small. We are just on the cusp of understanding this disease. We only have data from 2002, 2003, and soon 2004. There is a lot of research going on right now. We just don't have the data right now to draw conclusions because it's such a new disease. We need to continue surveillance: in 2002 surveillance was statewide, in 2003 it was in the herd eradication and reduction zone and in 2004 in the disease eradication zone and in 2005 we plan on beginning surveying statewide again beginning with the Northeast Region.

Mr. Figueroa asked about the process for controlling the disease if you find it in other areas of the state.

Mr. Crossley stated we don't have that articulated yet. If it does pop up somewhere else in the state, we will have to decide if we can be successful to eradicating this disease, which is still our goal. We can see the implications, if we don't do anything by looking at Colorado and Wyoming. We need to make every effort to control this disease.

Mr. Behnke stated he supports the DNR on how they are handling the CWD, but he is concerned that the funding for research and control of this disease are coming out of the segregated hunting and fishing license fund. We have spent \$20 million on this disease and funded for another \$4 million this year. We are putting other resource management programs aside so we can devote the money to the work that needs to be done on CWD. It's a bigger and broader problem that goes beyond the DNR and those who buy hunting and fishing licenses. We need GPR dollars to fund CWD.

Ms. Brown asked if we agree that our priorities are public health, economic health, and animal health. How much does hunting contribute to the state economy.

Secretary Hassett stated around \$1.7 billion related to hunting in general, with \$1 billion for deer hunting.

Ms. Brown asked how much does dairy and livestock contribute to the state's economy.

Secretary Nilsestuen stated around \$38 billion is taken to the shelf.

Ms. Brown asked how much have we spent on combating wildlife and livestock diseases.

Tom Hauge, DNR Director, Wildlife Management Bureau stated the other high profile wildlife diseases include West Nile virus and monkey poxes. Over the same time period where we've spent \$20 million on CWD, we've spent maybe an additional \$1 million for all the other diseases combined. We have put our energy and funds into CWD.

Dr. Ehlenfeldt stated for livestock diseases the budget is \$2-3 million and we supplemented by a similar amount from the USDA.

Ms. Brown asked if this spending reflects our priorities. As policy makers do we need to do something different to align where our spending on the various diseases with where the economic priorities are.

Mr. Willett stated that is the legislature's responsibility. We are agencies that implement. We can suggest, but it's not our role to determine the priorities of the budget. Our role is to analyze our needs and be advocates for our needs.

Mr. Krutza stated that he met with a cervid grower and their concern is that the testing process is very complex and a single test can be a death sentence to their herd. We could be putting an industry out of business due to some flawed testing.

Dr. Ehlenfeldt stated there is a double testing process. As far as a death sentence of a herd, that's correct, a positive is an elimination of a herd. He gave statistics of herds that have had to be destroyed. If we leave these animals in the herd and on the landscape, the prevalence incident levels are going to increase in those herds. There's no live animal test. That's the sad part.

Mr. Figueroa asked if the best science points to the way it spreads in the wild herd through mucus.

Mr. Crossley stated it's still not known. The feeling is that it's animal to animal contact, but the exact mechanism of transmission is still not known.

Ms. Krome stated that this was a useful discussion. She asked how do we work collaboratively as two agencies to tackle this issue.

Mr. O'Brien stated he thinks that these were education discussions and the department is doing what they can. Funding seems to be the issue.

Mr. Ela stated that on the issues of CWD and wolves, the programs are fairly completely described. There is less room for creative invention than in the field of land use.

Mr. Crossley asked the Boards to encourage the federal government to provide federal funds for CWD research in Wisconsin. In addition, to use the Boards' positions to say we need to stay the course and give time to do the research.

Nonpoint Pollution Program

- Program Priorities and Resource Allocation

Kathy Pielsticker, DATCP, Administrator, Agriculture Resources Management

Mr. Willett stated that one of the hot button issues is streams and animals. What is the current status of that and where are we going in the future?

Russ Rasmussen, DNR, Director, Watershed Management Bureau stated the issue is the streams and what the animals leave behind. We are making progress with the nonpoint performance standards that the agencies have worked together on and many groups support it. The challenge is implementing them. Some of the standards include limiting livestock direct access to streams, nutrient management, T standards, clean water diversions, and buffer standard. We are trying to target efforts where buffers will do the most good. Nonpoint isn't an overnight solution. It takes time for this to work.

Mr. Willett asked how do the departments determine success whether the program working or not.

Mr. Rasmussen is concerned about how to exhibit success. He distributed a report that is given to legislators and stakeholders to highlight the successes.

Mr. Willett asked him to project when the Boards should revisit this issue.

Mr. Rasmussen stated the next opportunity would be around the 2006-7 timeframe because the University will reopen performance standards to draft policy for agriculture buffers. As far as other portions of the rule, we don't plan on looking at it more often than every 5 years.

Ms. Krome stated that she had met with conservation leaders over the past year. One of the questions asked was if we are targeting the right people on nonpoint. Perhaps we should target the bad actors that are violating the appropriate standards of stewardship. Do we have meaningful enforcement? She hears a loud and clear message that there is a lack of enforcement. She proposed using the conservation security program that raises up people who are considered to be excellent stewards. We should raise these stewards up.

Mr. Willett stated he thinks we are succeeding in identifying those people who have excessive violations. Our approach is to identify them, sensitize them to the issue, and provide education and funding to resolve issue. If that fails, we prosecute them. This process isn't going to happen overnight.

Mr. Rasmussen stated that we are making progress with certain tools that are in place. Counties are supposed to target greatest needs and apply for grants. It's a competitive process with limited funding. He gave an example of a local success story. He stated the DNR is lacking tools for enforcement because the notice of discharge program isn't funded.

Mr. Foye stated DATCP is working to provide a county with the opportunity to plan. There is also the opportunity to use state cost sharing available through DATCP.

Ms. Krome stated she isn't blaming either Department for the issues. It is a question of resources.

Secretary Nilsestuen stated that there are many players involved in this issue from the federal to the local level. It is a long-term effort. As an agency, we need to take a look at program and its limitations and figure out what's working best, what partnering changes can we make to increase the effectiveness to reaching our goals. He has been working with Secretary Hassett about the nutrient management rules and where we are going with those.

Ms. Krome stated that we need to dig deeper. The Board should get more involved.

Ms. Mayer stated that regulators and other interested partners such as proactive producers get involved. There isn't enough dollars to enforce and protect the environment. Bring these partners to the table to work with policy makers and regulators will only work with if there is a true solution.

Mr. Ela stated he would like a tutorial arranged so that those Board members who are interested can learn in a systematic fashion about the nonpoint programs.

Mr. O'Brien stated that when the Board passed the nonpoint pollution rule he learned a lot about farming, polluting the rivers, spreading manure, etc. He was also concerned about the farmers that would be put out of business because of passing the rule. It's good to bring it back to the forefront of our minds.

Mr. Behnke asked isn't the problem the lack of money to get this rule implemented.

Mr. Dummer stated that cost sharing is one of the requirements on a lot of those issues.

Mr. Rasmussen stated that when this rule was passed we predicted a 30-year implementation process. Funding has gone down because of budget issues since then. Based on current funding, it will probably take more like 45 years to implement the rules.

Mr. Dummer stated that agriculture producers continue to advance in their practices many of these injustices are self corrected and sometimes it is a generation change before that actually does take place.

Regulatory Innovation

- Green Tier
- Dairy Gateway

Will Hughes, DATCP, Administrator, Division of Agricultural Development gave an overview of the Dairy Gateway.

Mark McDermid, Director, Cooperative Environmental Assistance Bureau gave an overview of Green Tier.

Mr. O'Brien asked if participation is mandatory or voluntary.

Mr. McDermid stated that it is voluntary.

Mr. O'Brien asked how does the Department get people involved

Mr. McDermid stated through neighbor projects where farmers and neighbors get together to set a common environmental goals. Other farmers have stepped forward and asked to be recognized under Green Tier, a law that recognizes farmers as operating in an environmentally responsible way.

Mr. Hughes stated that through this process where a couple of farmers step forward to become discovery farms.

Mr. Figueroa asked who recognizes the farmer, DNR or DATCP and what is the benefit to being recognized.

Mr. McDermid stated DNR recognizes the farmer. There will be a branding (logo) that will formally recognize as a green tier farm. The organization will be formally recognized on the website and we will provide publicity at local and statewide level.

Mr. Cates stated that this is an exceptional program. He asked for an example of a specific project. Are the two discovery farms in Manitowoc County the ones that are the example?

Mr. McDermid stated that Green Tier is new to everyone and it's a discovery process for everyone. He described the two different approaches of the discovery farms. A lot of non-farming people were involved.

Mr. Diercks asked how much of dairy gateway is getting people who don't want to necessarily participate.

Mr. Hughes stated it is a voluntary program where mediators bring neighbors together. Mediation by nature is voluntary. It involves people who are proactive.

Mr. McDermid stated that there are many different players represented including a banker, a processor, and environmental groups.

Mr. Diercks stated that the market aspect and economic value needs to be addressed.

Mr. McDermid stated that there is an opportunity for premiums on economic side.

Mr. Hughes stated trying to get people to be proactive by helping them realize their investment opportunities.

Mr. Cates stated there are labels that identify environmental practice that aren't organic such as food alliance. It takes into account social responsibility and environmental practices.

Mr. McDermid stated he would like to incorporate those type of labels into this program.