



# News & Views

*A Monthly Publication Dedicated to the Feed, Seed, Grain and Farm Supply Industries of Wisconsin*

## **WASA Board of Directors**

The WASA Board of Directors had two seats (an At-Large representative and the Seed Industry representative) up for election this year and the votes have been counted. Thank you to all of you who voted and to all our candidates. The newly elected members of the Board of Directors, along with information about them, are listed below.

### **At-Large Representative:**

**Steve Hanvold, Customer One Cooperative, Marathon**

Steve is the Agronomy Division Manager for Customer One Cooperative in Marathon, also supervising facilities in Antigo, Edgar, Marathon & Merrill. After college graduation, he worked for Midland Services in Ashland for two years before beginning his career in Marathon at Customer One Cooperative (formerly Marco Cooperative and Rib River Valley Co-op, respectively), where he has been ever since. Steve currently serves as a director for the Wisconsin Aglime Association. In addition, he is a Certified Crop Advisor (CCA) as well as a Certified Professional Agronomist (CPAg).

### **Seed Industry Representative:**

**Doug Bastian, Winfield Solutions, Madison**

Doug Bastian is the America's Alfalfa Representative for Eastern US and also manages the Forage Sorghum product line for Winfield Solutions, a Land O'Lakes Company. He has also been involved with forage and turf seed product management over the past 14 years both on a national and regional level. Doug is currently involved on the American Seed Trade Association - Farm Seed Committee Chairman and Grass Variety Review Board for the Association of Official Seed Certifying Agencies and the Cool Season Grass Initiative. He has also been actively involved in the WI Forage Council Board of Directors.

In addition, the new board met and voted on officers for the coming year. They are President Tom Lefeber of St. Nazianz Milling Inc. and Vice President John Van De Wiel of Cuba City Feed Mill, Inc.

We would also like to recognize both Kim Lamp of Olsen's Mill and Bob O'Donnell of Seed Solutions for their service on the Board and to members of the Association. Both were assets to the association and continue to be for the community and our industry.

## **Somebody Asked**

**Q.:** My company has a Wisconsin grain dealer license. A state auditor recently asked to see the company's brokerage statements in order, as I was told, "to see if you are speculating." Is this right? I was never asked this before by a state auditor.

**A.:** First, let's be clear; state grain auditors have very wide latitude in what they can request in the form of documents from a licensee. That includes additional reporting to the state beyond the usual financial reports the operation may prepare for its own use.

That said; there are no Wisconsin state grain licensing requirements regarding "no speculation." The state of Illinois requires grain dealers to remain a certain percentage hedged, but not in Wisconsin. We would suggest showing what documentation you have, but again, even it doesn't exist, there is no penalty or failure on your part.

## **State Budget Proposals**

Earlier this month Governor Doyle released details of his proposed state budget. Once you get past the headlines regarding the closing of regional DNR and DOT service centers and an income tax increase for the top 1% of earners, the budget's agricultural points largely don't get reported.

The major identifiable ag-related issues in the proposed budget include:

- Fee schedule changes for the seed labeler licensing program. This is something that has been in the works for a couple years. It doesn't include any state preemption language, which would clarify the state's sole regulatory authority over seed sales.
- Would establish separate refundable tax credit programs for modernization or expansion of meat processing plants or cooperative dairy processing plants.
- Would revise the fee schedule for the weights and measures program, including new fees for new vehicle scale construction inspection and re-inspections following violations of weights and measures regulations. This latter point would potentially mean you would have a de facto penalty assessment for even the smallest infraction of the rules.
- The elimination of the Clean Sweep Program. This is a program that has done a lot of good in past years, but the budget knife is cutting very deep.
- Lapses from the Agrichemical Management Fund and the Agricultural Chemical Cleanup Fund totaling \$1 million and \$1.5 million in the first and second years of the budget, respectively. This has continued to be a "money pit" for the administration and legislature for the past several budgets. And it hasn't stopped. The only positive from the raid on the funds this time is the monies will be used to fund the dairy and meat processing tax credit programs mentioned above.

In addition, while not specifically targeting DATCP funds, the proposed budget would grant the ability for the state Department of Administration to allocate fund lapses that are yet to be determined. The amounts would be \$125 million for this fiscal year and \$262 million for each of the next two years. The numbers involved in just this one item eclipse all the other DATCP budget adjustments combined.

Why is this important? Because this is an enormous unknown hanging out there and that means we don't know which funding source will be tapped to fill those amounts.

WASA staff asked the DATCP Secretary at a budget briefing earlier this month if the Producer Security Fund was "safe." We received the answer that he knew of no plans to take funds from that program and felt that it would be among the last sources to be touched. Comforting words, but not assurance of a hands off policy.

The one bet we would be willing to make at this point is that more monies than already identified will be lapsed from the Ag Chem Cleanup and Agchem Management Funds. As it currently stands, even with the announced lapses, fund levels are above the threshold that triggers ag chem. fee increases. Don't bet on that remaining true going into next year.

With both houses of the legislature controlled by the governor's party, don't expect too many revisions changing these budget proposals.

## **Biomass Aggregation Grant**

The Wisconsin Office of Energy Independence (OEI) has announced a request for grant applications (RFA) for projects that will aggregate biomass materials that will be used in a Wisconsin electric utility generating station.

The application should address the following elements of a plan to aggregate biomass material and sell that material to a power plant owner for fuel:

- 1) How Wisconsin DNR woody biomass harvesting guidelines will be followed,
- 2) Landowners and their organizations (such as cooperatives and or producer/land-owner associations) should be involved in fashioning the aggregation plan,
- 3) The aggregation plan should create value for landowners/farmers and have a reasonably good chance of being accepted by a utility as a workable fuel supply plant for an electric generating station,
- 4) All stakeholders should be consulted in the preparation of the plan.

The application should address the applicants' ability and qualifications to successfully complete a biomass aggregation plan that will result in the harvesting and aggregation of biomass material for use in a Wisconsin power plant. You may consider this far-fetched but it really isn't. Any grain elevator, feed mill or warehouse has experience in dealing with growers, bringing together their product and storing it. This is simply taking your skills and applying them in a slightly different manner.

The amount of funds available to fund proposals is \$25,000. One or two awards will be made. A matching contribution of 50% is required to be evidenced and provided by the successful applicant. The study must be completed within 12 months of the date of selection of the successful application.

The deliverable under this grant award is a completed plan to harvest, aggregate, process and deliver biomass fuel to a Wisconsin power plant. The plan must be furnished to OEI no later than 3 months after the completion of the plan. The grant is not for doing the plan, but rather for the development of a plan to do the project.

Wisconsin electric utilities, farm/agricultural organizations and businesses are eligible to make application. A 50% match is required for this program. Matching funds of one dollar of principal funding for every grant dollar are required.

Proposals are due, by regular mail or email, by **5:00 p.m. CDT, March 15, 2009.**

Questions about this RFA should be directed to:  
David J. Jenkins  
Director of Commercialization and Market Development at the OEI.  
Phone: 608-264-7651.

This RFA is available on OEI's website at <http://power.wisconsin.gov/>.

## **Correction and Clarification■**

In last month's newsletter, we mistakenly referred to an LLC as a Limited Liability Corporation. An LLC is really a Limited Liability Company and is not a Corporation.

The designation is used to help, in theory, a sole proprietor or partnership receive some of the protections provided by a Corporation. An LLC can file IRS Form 8832 to elect to be taxed as a Corporation, but it does not change the entity's structure. For example, a partnership formed as an LLC can elect to be taxed as an S-Corporation. But their partnership operating agreement still governs, within Federal S-Corporation taxation limits.

## **WASA Directory Update■**

The following updates should be made to your WASA Directory.

**New:**

**Continental Western Group  
PO Box 500  
Luverne, MN WI 56156  
Phone: (507) 283-2381**

**Linzmeier Business Solutions, LLC  
585 E. Glenbrook Dr.  
Pulaski, WI 54162  
Phone: (920) 819-0703**

**Zeeland Farm Service, Inc.  
2525 84<sup>th</sup> Ave.  
Zeeland, MI 49464  
Phone: (616) 772-9042**

As additions or changes are made throughout the year, we will notify you here in WASA N & V.

## **Looking Down the Road■**

**Mch. 9-13 AFIA Spring Forum/Purchasing & Ingredient Suppliers Conference  
Destin, FL**

**Mch. 29-31 NGFA Convention  
Orlando, Florida**

**Sep. 10 WASA Golf Outing  
Northern Bay Golf Resort, Arkdale**

**Route:**

- General Manager
- Feed Department
- Grain Department
- Agronomy
- Safety Director
- Personnel
- \_\_\_\_\_

**WASA Board of Directors**

Tom Lefeber, President  
(920) 773-2505

John Van De Wiel, Vice-President  
(608) 744-2287

Doug Bastian (608) 838-4354

Doug Cropp (608) 882-2620

Steve Hanvold (715) 443-2241

Erik Huschitt (608) 329-3900

Tim Lange (608) 676-2255

Dennis Schultz (715) 654-5134

David Wiederholt (608) 739-3103

**WASA Staff** (608) 223-1111

John Petty, Executive Director

RB "Bob" Willder, Loss Control Dir.

Denise Poindexter, Office Manager

**Include the WASA Directory  
in your 2009 Advertising  
Strategy for your Company**

**The WASA Annual Directory  
Advertising Materials  
will be sent out via email  
March 6, 2009**