



State of Wisconsin
Governor Scott Walker

Department of Agriculture, Trade and Consumer Protection
Ben Brancel, Secretary

Testimony of Department of Agriculture, Trade and Consumer Protection
Secretary Ben Brancel

2011-13 Biennial Budget Bill, Assembly Bill 40 & Senate Bill 27
Joint Committee on Finance Agency Briefing
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Co-Chairs Darling and Vos and members of the Joint Committee on Finance, thank you for the opportunity to appear before you to discuss the Department of Agriculture, Trade and Consumer Protection (DATCP) budget. As a major economic driver, agriculture's \$59 billion impact on Wisconsin's economy is serious business. As others who have appeared before me have indicated, Governor Walker has introduced his plan to address the state's \$3.6 billion dollar deficit and I am here to report that DATCP is prepared to continue improving upon the services it provides to Wisconsin's residents while operating with reduced state and federal funding.

Internally we are reviewing our programs to prioritize what needs to be done to achieve our core missions. Programs and activities DATCP has undertaken in the past for specific interest groups or because funding was made available through state or federal sources and that will no longer be funded, will be evaluated on their merits. To continue these activities, greater coordination will be needed between public and private entities. In addition to the program reviews, we are looking closely at the associated administrative rules to make certain that they are efficient, effective and reflect the intent of the statutes.

We are investigating potential realignment/reorganization of divisions, bureaus and positions to adjust to changes in funding and to improve efficiencies both internally and to our customers. We will continue to work to streamline and improve services to our customers and are working towards automating all of our licensing services.

As most of you know, our Division of Food Safety's (DFS) mission is to ensure the safety and wholesomeness of the state's food supply, from the point of production, through processing, packaging, distribution and sale. This includes our Meat Safety program. With 285, Wisconsin has the largest number of state inspected meat plants in the United States. The Meat Safety program is a federal match program which requires enforcement standards that are at minimum equal to federal standards. To continue to satisfy this federal requirement, the Governor has included three new state funded meat inspector positions in his budget, along with DATCP identifying two existing positions, for a total of five state funded inspector positions over the biennium. These positions will be matched with federal funds for five more needed positions. The additional inspector capacity will help the department accommodate local slaughter facilities that wish to grow their businesses and ship meat and meat products interstate, once federal rules governing the program are written.

Agriculture generates \$59 billion for Wisconsin

DATCP's Division of Agricultural Development (DAD) works in partnership with the state's agricultural industry to promote, develop, and diversify agricultural commerce, our food and related businesses and provide direct services to farmers. The existing programs in DAD, including the Dairy Business Innovation Center, the Grow Wisconsin Dairy Team and the Farm Center work closely with industry groups, individual farmers, and processors to maximize their profits and create new opportunities for growth. The Governor's budget proposes to transfer both the administration of the Dairy 2020 program and the eligibility certification of the Dairy Manufacturing Facility Tax Credit Program to DATCP. The consolidation of these programs will complement existing DATCP programs to further modernize and expand our state's dairy industry.

Within DAD, we are expecting to lose \$3,258,500 in federal earmarks for the Value-Added Dairy Initiative (Dairy Business Innovation Center), the Specialty Meat Initiative and the Grazing Lands Conservation Initiative.

Another key component to our strong agricultural economy is our Division of Animal Health (AH). DAH is charged with maintaining Wisconsin's livestock disease free status for major program diseases, reduce the potential for the introduction of new diseases to our livestock, and to rapidly respond to and contain disease outbreaks, thus minimizing the impact on animal, public and economic health. As I mentioned in my opening remarks, all indications are that DATCP will experience reductions in federal earmarks. I mention this because several animal health programs are funded through federal earmarks. Some of the program areas impacted by the loss of federal revenues include Livestock Premises Registration, Chronic Wasting Disease for deer and elk farmers, Johne's Disease Management in dairy, beef and goats and Viral Hemorrhagic Septicemia (VHS) in fish farm management. A total of \$3,553,200 in funding could be eliminated.

We have already begun meeting with many of the industry associations that will be impacted by this loss of funding and possible reduction in program services. Our message to industry leaders has been for these activities to continue will we need greater coordination between both public and private entities.

Farmers are passionate about taking care of the land which they grow their crops and pasture their animals. The Division of Agricultural Resource Management (DARM) works to ensure the wise use of land, water, and plant resources through many programs.

The Governor's budget maintains the core of the farmland preservation program by maintaining \$27 million in farmland preservation tax credits, requiring county farmland preservation planning, continuing planning grants which assist counties in updating their farmland

preservation plans and authorizing the designation of Agricultural Enterprise Areas (AEAs) to encourage expanded farming and supporting businesses in designated areas.

In addition to the farmland preservation provisions, the Governor also provides \$7 million in bonding authority for the soil and water resource management program to continue best management practices to limit sediment and nutrient runoff on farms.

DATCP as it is known today was actually created in the mid 1800's as a Treasury agent to enforce the "hawkers and peddlers law" regarding home solicitation. Our responsibilities related to agriculture were added beginning in the late 1880's and early 1900's. That simple core mission to protect Wisconsin's consumers remains steadfast in the DATCP of today. The Division of Trade and Consumer Protection (TCP) will continue to be the state's primary consumer protection agency with broad authority to regulate unfair business practices. The TCP division will continue its close working relationship enforcing the state's consumer protection laws in collaboration with the Attorney General.

Once again, thank you for your time and I look forward to answering any questions you may have.