



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**

2013-15 Biennial Budget Bill, Assembly Bill 40
Joint Committee on Finance Agency Briefing
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Co-Chairs Darling and Nygren 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 more than \$59 billion impact on Wisconsin's economy is truly a "growing" business. Governor Walker has introduced his budget plan to help DATCP continue serving our state's residents a safe, wholesome food supply through a vibrant agriculture industry and a fair business environment.

Trade and Consumer Protection:

As you know, I take every chance I can get to tout Wisconsin's strong agricultural heritage. But, the history of our state's consumer protection laws is equally as valuable. 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. In fact, 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 a top priority at DATCP today. The Division of Trade and Consumer Protection (TCP) is the state's primary consumer protection agency with broad authority to regulate unfair business practices. The TCP division works closely and collaboratively with the Attorney General's office enforcing the state's consumer protection laws.

With fewer state and federal resources available, we have worked very hard to streamline as many of our services as possible during the past two years. With that efficiency goal in mind, I was very pleased that Governor Walker's budget includes the provision to transfer the Department of Safety and Professional Services (DPS) tank and petroleum inspection program to DATCP. Most states, including Minnesota, Illinois, Michigan and Missouri, have consolidated fuel quality and weights and measures programs. A one-time cost associated with the transfer of \$915,000 will pay for equipment, laptops and IT modernization, and a centralized lab. With the consolidation, we are estimating an annual savings of \$450,000. Furthermore, DATCP will eliminate 4.5 FTE (now vacant), saving \$270,000 annually and consolidate DPS labs, saving \$179,000 in annual rent costs.

The consolidation will eliminate redundant trips by state inspection staff. The current 15 Weights & Measures inspectors and 22 Petroleum System Specialists will be cross-trained with the eventual goal of creating one inspector classification. This will reduce driving, preparation and result reporting time by eliminating visits to the same business by two different inspectors. The DPS field offices/labs will be centralized into our current Weights and Measures Metrology laboratory, saving rent costs. And finally, modernizing inspection procedures and tools will eliminate current duplication in the petroleum inspection program of writing manual test reports, re-entering results and scanning reports into a database. From the feedback we've received on

Agriculture generates \$59 billion for Wisconsin

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the proposal, the consolidation should be a win-win situation for consumers and businesses alike.

Agricultural Development:

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 work closely with industry groups, individual farmers, and processors to maximize their profits and create new opportunities for growth. As funding challenges persist we remain committed to servicing business growth in WI. Despite grant reductions in our Agricultural Diversification and Development, Buy Local Buy WI and Grazing program areas, we will continue to provide vital services to these sectors. These programs have never been solely based on the minimal grant dollars we offered, but rather the broader analytical value our staff brings to each of the specific sectors.

As such, we will continue with our very successful WI Local Food Market Guide, Producer First Technical Assistance program, Buy Local Buy Wisconsin Workshops, On-farm fruit and vegetable grower food safety workshops and other collaborative efforts with the Wisconsin Local Food Network. Moreover, we are currently recruiting a program supervisor position to further focus our services and dovetail our Something Special from Wisconsin Program, Buy Local Buy Wisconsin and Farm to School program areas into a concentrated unit where additional partnerships can be fostered. Pairing these areas with our already well-established Grazing services will further increase economic development for Wisconsin producers and raise exposure to Wisconsin grown food.

Over the past year, we heard from dairy processors who are looking to expand their business. As a result of those discussions, Governor Walker included \$200,000 in FY14 and FY15 for a Dairy Processor Grant program to focus on an array of technical services, including business planning, product development, and facility assessment. Each grant will be up to \$5,000 with a 20 percent cost share match from the processor. This new grant will work in tandem with the Dairy 30x20 producer grants to grow our state's milk supply and increase cheese and dairy product sales for processors. Governor Walker is committed to helping the Wisconsin dairy industry continue to meet the demand for quality Wisconsin dairy products in the global marketplace.

Agriculture Resource Management

Since 1989, DATCP has awarded Clean Sweep grants in the fall to accommodate counties and municipalities, which budget on a calendar year basis. Due to past budget reductions, DATCP was having difficulty contracting with counties and municipalities and was put in the position of approving contracts based off of future funding availability.

To ensure the department has funds available prior to contracting with counties and municipalities for collection events, Governor Walker included a one-time transfer of \$750,000 from the Agricultural Chemical Management fund to the Environmental Fund to fund one calendar year of the Clean Sweep grant program. This one time funding will continue the successful partnership of state and local governments to properly dispose of unwanted pesticides, household hazardous waste and unwanted prescription drugs.

In addition to the Clean Sweep funding, 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. This includes cost-share grants provided to landowners. And although the DATCP budget request does reduce the GPR appropriation for county conservation staffing grants, I am pleased that nearly \$16 million of GPR and SEG will remain in the next biennium to fund the valuable services the county staff offer rural landowners.

Governor Walker understands that agriculture is more than just a business in Wisconsin; it is a way of life. This budget reflects his commitment to the industry's future. These budget recommendations will help our agency continue to keep food safe, protect animal and plant health, meet our environmental obligations and protect consumers. These are DATCP's core responsibilities.

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