



2008
Summer
Issue

Wisconsin Department of Agriculture, Trade & Consumer Protection, P.O. Box 8911, Madison, WI 53708-8911

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FLOOD RESOURCES

DATCP Flood Resource Page

Recent flooding has caused a number of problems for farms, consumers, and homeowners. The Department of Agriculture, Trade & Consumer Protection has put together a flood resource page. Click the link below for useful information related to problems/concerns related to damage from recent storms/flooding.

<http://www.datcp.state.wi.us/flood2008/index.jsp>

County Fairs Calendar

Summertime means enjoying a County Fair!
For the 2008 Wisconsin County Fair schedule and entertainment guide, click:

<http://www.datcp.state.wi.us/mktg/business/marketing/fairs/pdf/mk-0059web2008.pdf>

or

<http://www.wifairs.com/wifairs.asp>



This newsletter is published by the Wisconsin Farm Center, a Bureau within the Wisconsin Department of Agriculture, Trade and Consumer Protection.

The Wisconsin Farm Center provides services to Wisconsin farmers and agribusinesses to promote the vitality of the state's agricultural economy and rural communities.

If you have questions or comments about the newsletter, please contact the editor, Mike Exum: 1-608-224-5051 or email: Michael.Exum@Wisconsin.gov

Farm Center Volunteer Program

FARM CENTER VOLUNTEER PROGRAM

For over 20 years, the Wisconsin Farm Center has offered assistance to farmers and agribusinesses throughout Wisconsin. In order to personally connect with each of the thousands of individuals in Wisconsin Agriculture, the Wisconsin Farm Center has enlisted the help of volunteers. These volunteers serve as mediators and advisors assisting farmers with various issues ranging from financial distress to dispute resolution. Since 1985, nearly 300 individuals have volunteered time, education, and experience to one of Wisconsin's most vital assets, the agricultural community.

The Farm Crisis of the 1980's created economic and social hardships for many farmers and their families. As a response, the Farm Mediation and Arbitration Program was created. The first Farm Advisors were trained in the Fall of 1985 and the first Mediators shortly thereafter. Wisconsin was the only state to use volunteers as mediators in the United States. Volunteers bring with them a wealth of experience and knowledge that is indispensable to understanding some of the unique needs of farm families. Over the years their professionalism and passion in serving the Wisconsin agricultural community has allowed the state to resolve more farm disputes with fewer dollars. Equally as important though, is the personal touch and helping hand that each volunteer extends to a Wisconsin farmer - a helping hand that otherwise, without our team of dedicated volunteers, could not be offered.

The roles of the Farm Center's Volunteers are quite different. The Volunteer Mediators help people resolve conflicts by bringing them together to facilitate dialog and help the parties to reach agreement to settle their disputes. Mediators have to remain neutral, not taking either side of the dispute. The Volunteer Farm Advisor, on the other hand, is an advocate for the farmer. The Advisor assists the farmer in preparing for negotiations with lenders, finding local resources to help resolve problems or just provide a helping hand when needed.

In addition to the initial training all Mediators and Advisors receive, the Farm Center hosts an update training conference for all volunteers. This conference provides opportunity for volunteers to network with others, make notice of changes or updates to the Farm Center, and discuss diverse, important topics to Wisconsin farmers.

The next Farm Center update training is being scheduled for mid- October 2008. We are in the early planning stages so the exact date and location have yet to be determined. If you are a current volunteer, a letter with more detail will be arriving from us shortly (if you do not receive it by mid-July, please contact us).

If you are not currently a volunteer but would like to be (or know of someone else who would) please call us at the Farm Center (1-800-942-2474) so that we can provide you with information on becoming a volunteer.

DATCP
Farm Bill
Summary

2008 FARM BILL SUMMARY

General

Agriculture is the cornerstone of our state economy, generating one in five jobs and \$55 billion in economic activity.

The Farm Bill will help us keep this vital Wisconsin industry growing and vibrant by complementing Governor Doyle's efforts to strengthen dairy, conservation, renewable energy and rural development in the state.

Preserving Safety Net for Dairy Producers

The Farm Bill extends the Milk Income Loss Contract (MILC) program. This was the Governor's top Farm Bill priority.

- Wisconsin producers have received over \$413 million under this program, the highest in the nation.
- The Farm Bill increases the monthly payment rate from 34 percent of the difference between \$16.94 and the Boston Class I price (if lower) to 45 percent, as originally in the 2002 Farm Bill.
- To account for increases in cost of production, the \$16.94 per hundredweight target price will be linked to the monthly National Average Dairy Feed Ration Cost: The MILC trigger will be adjusted by 45 percent of the percentage increase in the feed ration cost above \$7.35 per hundredweight. Beginning September 1, 2012, the trigger for the adjustment in the price used to determine the payment rate is set at \$9.50 per hundredweight.

EXAMPLE: Feed ration cost increases to \$8.085, a 10 percent increase. The MILC target price would increase by 45 percent of that 10 percent increase:

$$.45 \times 10 = 4.5 \text{ percent}$$

$$.045 \times 16.94 = .76$$

$$.76 + 16.94 = \$17.70 \text{ MILC trigger price}$$

- Payments will be made on up to 2.98 million pounds (up from 2.4 million pounds) of current monthly production for a producer annually, roughly a 140-cow farm, regardless of geographic location or end use of their milk.
- The MILC program helps preserve Wisconsin's family dairy farm tradition, because it is targeted toward small- to medium-sized operations. This is a way of life that is the backbone of our state culture and values.
- Now that milk prices have recovered, the MILC program has not been triggered for several months. The program has worked as it was supposed to work, as a cushion to keep producers afloat in a sea of low milk prices. But our hard-working farm families deserve assurance that if they need help, this program will be there for them in the future.

Promoting Renewable Energy

The Farm Bill also complements Gov. Doyle's renewable energy initiative - Promoting Our Wisconsin Energy Resources (POWER) - by providing \$1 billion to develop home grown energy in places like the Midwest, not the Mideast.

- Loan Guarantees - Provides \$320 million in loan guarantees for bio refineries producing advanced bio fuels.
- Renewable Energy For America Program (REAP) - Replaces the Renewable Energy & Efficiency Improvements Program (section 9006). Provides \$250 million in grants and loan guarantees for agricultural producers and rural small businesses to make energy efficiency improvements.
- Bioenergy Program - Provides \$300 million to continue production incentives for increases in production of ethanol and biodiesel made from agricultural and forestry crops and associated waste materials, including animal manure and

DATCP Farm Bill Summary Continued

livestock/food processing waste.

- Biomass Research and Development Program (Section 9008) - Extends the program through 2012 and provides \$120 million in funding.

Preserving Working Lands

Realizing a future of renewable energy independence means we must protect the land base it depends on. That's why it's important that the Farm Bill will provide an additional \$7.9 billion over the next 5 years to enhance conservation programs that help Wisconsin producers remain good stewards of the land.

- Environmental Quality Incentives Program (EQIP) - Increases funding for EQIP by \$3.4 billion. EQIP provides financial and technical assistance to help farmers and ranchers install or implement conservation practices on working agricultural lands.
- Funding for Farm Protection Program (FPP) - Doubles funding for FPP to \$773 million. FPP provides matching funds (up to 50 percent of the fair market easement value) to help State, tribal, or local governments and non-governmental organizations purchase development rights to keep productive farm and rangeland in agricultural uses.
- Cooperative Conservation Program Initiative (CCPI) - Allows State/local governments, producer groups, and Indian tribes to deliver financial assistance to producers instead of USDA, to better provide assistance to producers.
- Conservation Security Program (CSP) – Provides \$1.1 billion in new funding to enroll nearly 13 million acres per year. This voluntary program provides payments for producers who practice good stewardship on their agricultural lands.

Promoting Agriculture Development

- Specialty Crop Block Grants – The bill authorizes mandatory funding of \$224 million over five years. Current funding is discretionary and \$7 million annually, Wisconsin's share administered by DATCP.
- Interstate Meat Shipment - The Farm Bill lifts the ban on interstate sales of state-inspected meat, under a new optional federal-state program. Allowing sales of state-inspected meat across state lines will strengthen our rural economy, expand markets for our farmer's products and give consumers more food choices at the grocery store.
- Value-Added Agricultural Product Market Development Grant Program – The Farm Bill provides \$15 million in mandatory funding, along with authority to Congress to provide additional amounts. Value-added agriculture increases the economic value and consumer appeal of an agricultural product.

Crop Subsidy Payments

Commodity subsidies are a small portion of overall Farm Bill spending, accounting for about 13 percent; 73 percent of Farm Bill funding goes toward nutrition programs (food stamps, school lunches, etc.).

- People with more than \$500,000 in non-farm-related income would not be able to collect any subsidies, while those making more than \$750,000 in farm-related income would no longer be eligible for direct payments (a spouse qualifies for the payments as well); the "three-entity rule" is also repealed.
- Farmers with less than 10 acres would no longer receive payments, with an exception for poor and socially-disadvantaged farmers.

Prepared by DATCP staff

FARM SUCCESSION PLANNING

By Dean T. Stange

For those clients who are fortunate enough to have a child interested in taking over the farm, succession planning can be difficult, even in the most harmonious family. There is no one-size-fits-all solution. The complex emotions and issues involved in the transfer of farms to the next generation often means succession planning is more of an art than a science, although certain basic rules should underlie most planning decisions.

The goals of parents and children may be very different, and even conflict. Parents usually depend on the farm payments for their retirement income and need financial security. The child who takes over the farm may often want to purchase the farm at a reduced price as compensation for a lower salary earned while farming and for the unpaid labor provided by his or her spouse.

In cooperation with a planner, farm families need to answer the following basic questions:

Ownership. Are the parents ready to transfer full ownership of the farm to the successor child or perhaps only some assets, such as the machinery and cattle? Could the child initially enter into ownership as a partner with the parents?

Control. Are the parents ready to give up control of the farm and accept all decisions of the child, even when they don't agree?

Financial Security. Do the parents want cash from the sale of the farm or are they prepared to act as the banker and sell the farm in installments? Can the farm support the child's family with enough income to make payments?

Equal treatment of children. When the parents die, should non-farm children be treated the same as the child who farms? Can non-farm assets be distributed to children who aren't farming? Can the child who's farming "pay off" the non-farm children with farm income or assets?

There are some basic rules for a successful transition.

First, communication is the key to make any transition work. Parents and children have to discuss the hard issues and not make assumptions about what is expected to occur.

Second, all agreements between parents and children should be in writing, not oral "understandings."

Third, if only some assets will be transferred to the successor children, the parents and successor children should establish a schedule for transferring the management of the farming operation to the children, whether based on age of the parents or other factors.

Fourth, when the parents die, the transfer of the farm should be limited to the child who's farming. This will maintain the farm as an operating entity and will do much to preserve family harmony. Life insurance or other assets may need to be allocated to the non-farming children to "equalize" the distribution of assets, if possible.

Dean T. Stange is a partner in the Madison, Wisconsin office of the Michael, Best & Friedrich, LLP law firm where he practices estate planning. He was raised on a dairy farm in Sheboygan County. He can be reached at 608-257-3501.

The Farm Center does not endorse or recommend attorneys, but we do provide a list, by region of the state, of attorneys who have expressed an interest in Agricultural Law/Estate Planning practice. For more information on farm transfer issues or if you would like a list of Attorneys in your area who have expressed an interest in providing legal services to farmers, contact the Farm Center at 1-800-942-2474.

Beginning and Minority Farmer Outreach & Assistance Program Update

The Wisconsin Farm Center has launched a Beginning and Minority Farmer Outreach and Assistance Program, thanks to a grant from USDA Risk Management Agency. Four part-time outreach specialists serve the program; 2 Hmong and 2 Spanish speaking. This project offers outreach to underserved farmers to make them aware of risk management resources that can help their farms be more sustainable. In addition to making these farmers aware of the services of the Wisconsin Farm Center, producers are able to receive one-one financial counseling, learn about local agriculture resources, and participate in educational workshops. In collaboration with Brown County Extension, the Fondy Food Center, and the Farm Service Agency, the project has offered workshops targeting Hmong growers in Sheboygan, Appleton, Madison, and Milwaukee on producing and selling fresh market vegetables. These have been well attended and we are excited to build on these successes with Hmong growers. Hispanic/Latino farmer outreach specialists are meeting with local organizations and the faith based community to reach out to Spanish speaking beginning farmers. We also organized a workshop for fresh market growers in Richland Center that covered record keeping, crop insurance programs, financial analysis, and tools of the trade that are easier on your body. Plans are underway to have a statewide women farmer conference in December. Please stay tuned as this event develops. For more information on the Beginning and Minority Farmer Outreach and Assistance Program, Contact Kathy Schmitt at the Farm Center.

Phone: 608-224-5048

Email: Kathy.Schmitt@Wisconsin.gov

Upcoming Events Calendar

June 25-30 **National Guernsey Convention, Madison**

<http://www.wiguernsey.com/nationalconvention.html>

June 28-29 **Cranberry Blossom Days** <http://www.discovercranberries.com/>

July 9 – 12 **Conferencia Internacional sobre Ganado Lecher (CIGAL) Conference**

DATCP attends to promote WI dairy genetics/products. For information contact Jen Pina-Gallagher: 1-608-224-5125

email: jen.pinogallagher@wisconsin.gov

July 10 **Iowa County Steak Fry On The Farm** Scott & Val Gaffney host the annual event. 4888 Co. HH, Barneveld. For more information call Jeff at 608-574-7265.

July 15 - 17 **Wisconsin Farm Technology Days, Brown County**

<http://www.wifarmtechnologydays.com/>

July 16 **Goat Farm Tour/Brown County area** in conjunction with Farm Tech Days

Contact Jeanne Meier for info: jeanne.meier@wisconsin.gov

July 21 **Midwest Buyers Mission, Milwaukee**

International Retail food/foodservice buyers in Milwaukee to meet with WI Food companies. For more info contact Lisa Stout at 608-224-5126 or

Email: lisa.stout@wisconsin.gov

Aug 18-20 **Wisconsin State Jersey Show, Marshfield.** Call 608-756-9034 or go to link:

<http://home.earthlink.net/~gil-bar/id3.html>

Sept 5-7 **Wisconsin Sheep & Wool Festival**, Jefferson Fair Park, Jefferson. Contact: Jill Alf, 608-868-2505 or visit: www.wisconsinssheepandwoolfestival.com.

	Sept 26	World Beef Expo WI State Fair Park, West Allis. Runs from Sept. 26 to Sept. 28. http://www.worldbeefexpo.com/home/
	Sept 28	Third International Forum For Women In Dairying , Sept. 28 to 29, Madison Contact Kathy Lascala at 800-255-5513 ext. 776 for details.
	Sept. 30	World Dairy Expo , runs from Sept. 30 to Oct. 4, Madison Dairy Expo website: http://www.world-dairy-expo.com/gen.home.cfm
	Sept. 30	China Feed Ingredients Buyers Mission Runs in conjunction with World Dairy Expo. Networking opportunity with select Chinese feed ingredient suppliers. Dan Vogel 608-224-5113 or dan.vogel@wisconsin.gov

July						
SUN	MON	TUES	WED	THUR	FRI	SAT
	1	2	3	4	4	
6	7	8	9	10	11	12
13	14	15	16	17	18	19
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August						
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31						

September						
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28	29	30				

Visit the Wisconsin Farm Center at <http://www.datcp.state.wi.us/core/agriculture/agriculture.jsp>