

01-021-pt01
51



State of Wisconsin
Tommy G. Thompson, Governor

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

December 7, 2000

Dear Pesticide Manufacturers Licensed in Wisconsin:

As you may have already heard, we are beginning the process that would resume Agricultural Chemical Cleanup Program (ACCP) surcharge fee collection. Based on the current fund balance in the ACCP program, reimbursement claims already filed and additional claims anticipated, we believe we must resume fee collection for the 2002 pesticide registrations that will be paid in December, 2001. These registration fees will be based on product sales from October, 2000 through September 2001.

The first step in the process is presentation of a "scoping statement" to the Legislature and DATCP Board. The legislative notice was published on December 1st and the Board will be notified at their December 12 meeting. We are planning on convening an advisory committee in January to discuss the level at which the fees increase should be established. Following this meeting, we would continue on with the process and conduct public hearings during the first half of next year.

The fee amounts that may come out of the rulemaking process cannot be predicted at this time. Factors to consider include ongoing claim volumes and any legislative approval of GPR funding through the biennial budget process that can be expected to conclude next August or September. If claims continue as expected and if no GPR is provided, the maximum surcharge rate of 1.3%, may be needed to sustain the fund.

As far as what the industry should do, our advice must be limited. Since the surcharge is due from the manufacturer, each manufacturer should decide how to price their non-household pesticides, recognizing that we cannot authorize you to identify as an add-on any surcharge amount that exceeds what the current rules provide. Likewise, in discussing this issue with your dealer customers, you should not advise a dealer to charge an add-on surcharge that exceeds what is provided under the current rule.

While we recognize that both you and your dealers wish to indicate to their customers that a portion of the product price is being paid to the ACCP, neither you nor they can claim a higher percentage is paid to the state than actually occurs. We believe the best response is for each

Pesticide Manufacturers

December 7, 2000

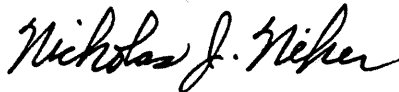
Page 2

manufacturer to price their products in recognition that the fees they will pay next year may be increased. In turn, dealers should price their products based on the price you provide them. If either you or your dealers wish to show a Wisconsin surcharge as a separate add-on, it must be limited to 0.2% for this year. The surcharge may be increased next year, based on the outcome of the rulemaking.

Finally, we continue to hear that some dealers may be adding this surcharge to overall sales, rather than just the pesticide products, or more specifically to non-household pesticide products. We request that any advice you provide to dealers clarify this point as well.

If you have any questions, you may contact me at 608/224-4567.

Sincerely,



Nicholas J. Neher, Administrator
Agricultural Resource Management Division

c: Pesticide Dealers

Amy Winter Hamner 8/2/01



CORRESPONDENCE/MEMORANDUM

Department of Agriculture, Trade and Consumer Protection

STATE OF WISCONSIN

Bureau of Agrichemical Management
Groundwater & Regulatory Section

DATE: May 4, 1999

TO: Nick

FROM: Paul

SUBJECT: LFB's ACCP Paper and Impacts of Option 4

After having a chance for a more complete review of LFB's ACCP paper, I have found numerous additional errors, which may have lead to an uninformed decision by JFC.

A primary and serious flaw with this paper is a disregard for the Department's estimated program costs. The paper uses annual spending authorities to estimate program costs, rather than the department's estimated program costs or consideration of the SEG's continuing appropriation. For example, Table 1 shows cleanup expenditures from the ACCP Fund in 1999-00 and 2000-01 of \$2,238,600. This figure is the annual amount of our existing (continuing) appropriation. Only under the text of paragraph 11 on the next page does the paper mention that our anticipated needs exceed the annual amounts of this continuing appropriation. In this text, our estimates are discounted and dismissed to the section 13.10 process should additional funds be needed. Our estimates are never referenced or used elsewhere in the paper.

For the current fiscal year, the paper uses an estimate of \$2.55 million in total reimbursements. This may have been erroneously calculated based on our March 30, 1999, expenditures and then pending claims. When we provided this information we explained that claims could still be submitted for this fiscal year through April and that we expected to be near our original estimate of \$3.2 million that we have been using since last autumn. Based on nearly a million dollars in claims sent in during April, we expect to spend \$3.1 million by June of this year, very close to our \$3.2 million estimate and \$550,000 above that used in the LFB paper.

Both Table 1 and Table 2 use the \$2.55 million for FY 98/99 and treat the SEG appropriations and governor's GPR allocation as annual program costs. Our estimated total costs for the current year and the next biennium are:

FY 1998/99	\$3,100,000 (based on claims now under review)
FY 1999/00	\$4,200,000
FY 2000/01	\$3,200,000

These estimates total \$1.3 million above those used in the paper.

Based on the LFB's inappropriate use of appropriation amounts for estimating program costs, JFC was lead to believe through paragraph 16 and option 4, that dropping GPR from the program and transferring \$1 million of SEG to GPR will leave the ACCP Fund with a balance of \$3.2 million, even with the two year fee holiday extension rule. It will not. In addition to the \$1.3 million above, removal of GPR will significantly and rapidly decrease the ACCP fund balance, which will also decreases interest revenue. Based on the attached B-3, we estimate an ACCP balance of \$1.43 million at the end of FY 2000/01. Furthermore, the fund will be facing a long-term draw of \$3.2 million per year.

In order to maintain a balance of at least \$2 million, as required by statute, we would need to withdraw the proposed fee holiday extension rule that was given final approval by the Board in March. Instead we would commence collection of the maximum surcharge allowed by statute. Doing so will mean announcing the fee changes in July, such that industry can start collecting increased fees immediately for payment in August 2000 (fertilizer) and December 2000 (pesticide).

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State Capitol
P.O. Box 8953
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Toll-free: 1-888-529-0072
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3820 Southbrook Lane
Wisconsin Rapids, WI 54494
(715) 423-1223

Co-Chair Task Force on
Digital Democracy

STATE REPRESENTATIVE
Marlin D. Schneider

D E A N O F T H E A S S E M B L Y

June 7, 2001

Committee on Agriculture
Representative Alvin Ott
State Capitol
Room 318N
Madison, WI. 53708

Dear Alvin:

Unfortunately on August 16, 2001, I will be attending the NCSL Conference in San Antonio, Texas and this conflicts with our Executive Sessions Committee on Agriculture you have scheduled for 10:00am.

I respectfully request an excused absence from the Thursday, August 16, 2001 Committee hearings for the Agricultural committee. Thank you for your consideration.

Sincerely,

Marlin

MARLIN D. SCHNEIDER
72nd District

MDS/clk

*Don't you ever
check the stuff?*

** Called Aug. 7th.
Yuft VM → Excused
But Al wanted him
to know this is an
regularly scheduled
hearing day → that we
need to take action on
the rule.*

OFFICE:
State Capitol
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Digital Democracy

STATE REPRESENTATIVE
Marlin D. Schneider

D E A N O F T H E A S S E M B L Y

June 7, 2001

Committee on Agriculture
Representative Alvin Ott
State Capitol
Room 318N
Madison, WI. 53708

Dear Alvin:

Unfortunately on August 2, 2001, I will be attending the ALEC Conference in New York City and this conflicts with our Committee Hearing you have scheduled for 10:00am.

I respectfully request an excused absence from the Thursday, August 2, 2001 Committee hearings for the Agricultural committee. Thank you for your consideration.

Sincerely,

A handwritten signature in black ink that reads "Marlin D. Schneider".

MARLIN D. SCHNEIDER
72nd District

MDS/clk

"Your representative owes you, not his industry only, but his judgment; and he betrays, instead of serving you, if he sacrifices it to your opinion." Edmund Burke Nov. 3, 1774



State of Wisconsin
Scott McCallum, Governor

Department of Agriculture, Trade and Consumer Protection
James E. Harsdorf, Secretary

Beatus copy with notes

DATE: June 8, 2001

TO: The Honorable Fred Risser
President, Wisconsin State Senate
Room 220 S, State Capitol
Madison, WI 53702

The Honorable Scott R. Jensen
Speaker, Wisconsin State Assembly
Room 211 W, State Capitol
Madison, WI 53702

FROM: James E. Harsdorf, Secretary *James E. Harsdorf*
Department of Agriculture, Trade and Consumer Protection

SUBJECT: **Pesticide License Fee Surcharges; Final Draft Rules**
(Clearinghouse Rule # 01-021)

The Department of Agriculture, Trade and Consumer Protection is transmitting this rule for legislative committee review, as provided in s. 227.19(2) and (3), Stats. The department will publish a notice of this referral in the Wisconsin Administrative Register, as provided in s. 227.19(2), Stats.

Background

The department administers an agricultural chemical cleanup program under s. 94.73, Stats. This program is designed to clean up environmental contamination caused by spills of fertilizers and nonhousehold pesticides. Under the cleanup program, the department may reimburse a portion of the eligible cleanup costs. Over 360 contaminated sites are being cleaned up under this program.

The department pays reimbursement out of the agricultural chemical cleanup fund. The fund is supported by license fee surcharges related to pesticides and fertilizers. For several years, there was a surplus in the agricultural chemical cleanup fund. But several factors have combined to eliminate the surplus:

- When the cleanup program was first established, it was funded by a combination of general tax dollars (GPR) and agricultural chemical license fee surcharges. The Legislature subsequently withdrew the GPR funding. The program is now funded entirely by license fee surcharges.
- The department reduced license fee surcharges by rule, creating a 4-year "fee holiday" beginning in 1999 and ending after 2002.

- In the last two biennial budgets, the Legislature transferred \$2,980,000 in license fee surcharge funds from the cleanup program to the state general fund. These industry funds were lost from the program.
- A rapid increase in cleanup reimbursement claims has depleted the fund balance.

Under s. 94.73(15), Stats., the department must adjust license fee surcharges by rule, as necessary, to maintain a cleanup fund balance of not less than \$2 million. But the department may not exceed the maximum surcharge amounts specified by statute.

Under current rules, pesticide license fee surcharges are scheduled to resume for the 2003 license year (at the end of the 4-year "fee holiday" that began in 1999). Beginning with license year 2003, the surcharges will return to the maximum levels allowed by statute. But that increase will come too late to maintain a positive balance in the cleanup fund, much less the \$2 million minimum balance required by statute.

Without additional revenues, the fund balance will likely fall below the required \$2 million minimum this year, and to zero by the end of the 2001-2003 biennium. In order to stabilize the rapidly declining fund balance, this rule partially reinstates pesticide license fee surcharges for the 2002 license year (thus eliminating the fourth year of the 4-year "fee holiday").

This change will prevent the fund balance from falling to zero in the short run, but will not necessarily maintain the required minimum balance of \$2 million. The department estimates that reimbursement claims will exceed new surcharge revenues by approximately \$400,000 to \$700,000 per year. The fund balance will therefore continue to decline in the long run.

Rule Contents

Pesticide Manufacturers and Labelers

This rule reinstates license fee surcharges for pesticide manufacturers and labelers, beginning with license year 2002 (rather than 2003 as in current rules). Pesticide manufacturers and labelers must pay license fee surcharges based on their annual gross sales of pesticide products in Wisconsin. This rule establishes the following surcharges for license year 2002:

- \$5 for each product with annual gross sales less than \$25,000. Under current rules (and this rule), the same surcharge will apply in subsequent license years. The surcharge is added to the current basic license fee of \$270 per product. Ex. 3 products = \$15 more surcharge
- \$170 for each product with annual gross sales between \$25,000 and \$75,000. Under current rules (and this rule), the same surcharge will apply in subsequent license years. The surcharge is added to the current basic license fee of \$790.

The Honorable Fred Risser
The Honorable Scott R. Jensen
June 8, 2001
Page 3

← Percentages apply to products sold always - thus fee retroactive
- This surcharge is now money
- To this is eliminated by companies that benefit when the license fees are paid.

• 0.75% of gross sales for each product with annual gross sales greater than \$75,000. Under current rules (and this rule), the surcharge for subsequent license years will be 1.1% of gross sales (the maximum allowed by statute). The surcharge is added to the current basic license fee of \$2760 plus 0.2% of gross sales.

.75 1.1
.2 .2
1.3
1st 2nd

A manufacturer or labeler must pay the required surcharge for each license year when applying for that year's license (normally in December of the preceding year). The surcharge is based on the applicant's pesticide sales during the 12 months ending September 30 of the preceding license year. To obtain a license for the year 2002, for example, a license applicant must pay surcharges in December, 2001, based on sales for the 12 months ending September 30, 2001.

based on sales with Rule
Sept 30, 2000 - Sept 30 2001 per m Dec '01 for 2002 license

Dealers and Distributors of Restricted-Use Pesticides; License Fee Surcharges

This rule reinstates license fee surcharges for dealers and distributors of restricted-use pesticides, beginning with license year 2002 (rather than 2003 as in current rules). A surcharge of \$40 per business location is added to the current annual license fee of \$60 per business location. Under current rules (and this rule), the same surcharge will apply in subsequent license years.

without rule
Sept 01 - Sept 02 sales, per Dec 02

A dealer or distributor must pay the surcharge for each license year when applying for that year's license (normally in December of the preceding year). To obtain a license for the year 2002, for example, a dealer or distributor must pay a surcharge in December, 2001.

Pesticide Application Businesses

This rule reinstates license fee surcharges for pesticide commercial application businesses, beginning with the license year 2002 (rather than 2003 as in current rules). A surcharge of \$55 per business location is added to the current annual license fee of \$70 per business location. Under current rules (and this rule), the same surcharge will apply in subsequent license years.

A pesticide application business must pay the surcharge for each license year when applying for that year's license (normally in December of the preceding year). To obtain a license for the year 2002, for example, a commercial application business must pay a surcharge in December, 2001.

Individual Commercial Applicators

This rule reinstates license fee surcharges for individual commercial applicators of pesticides, beginning with the license year 2002 (rather than 2003 as in current rules). A surcharge of \$20 is added to the current annual license fee of \$30. Under current rules (and this rule), the same surcharge will apply in subsequent license years.

An individual commercial applicator must pay the surcharge for each license year when applying for that year's license (normally in December of the preceding year). To obtain a license for the year 2002, for example, an individual commercial applicator must pay a surcharge in December, 2001.

Rule Modifications after Public Hearing

5
The department held one public hearing on this rule. The department held the hearing in Madison on March 28, 2001. Four people attended and testified. One other person filed written comments for the hearing record. Hearing comments may be summarized as follows:

- Two persons supported the hearing draft.
- Two persons supported a surcharge increase, but urged the department to postpone the increase for a year. This would give pesticide manufacturers more time to build the anticipated fee increase into their pesticide prices.
- One person opposed a surcharge increase.

The Legislative Council Rules Clearinghouse, in its review of the hearing draft rule, noted that the law requires the department to maintain a minimum fund balance of at least \$2 million at the end of each fiscal year. The Clearinghouse asked whether the rule would comply with this requirement and, if not, why not.

The department modified the final draft rule so that it will come closer to maintaining the minimum \$2 million fund balance required by statute. Under current rules, pesticide manufacturers selling more than \$75,000 of pesticide product per year are scheduled to pay a surcharge, beginning in license year 2003, equal to 1.1% of gross sales. The hearing draft rule would have imposed a new surcharge for 2002 (0.75% of gross sales), but would have reduced the scheduled surcharge in subsequent years (from 1.1% to 0.75% of gross sales). This final draft rule imposes a 0.75% surcharge in 2002, but leaves intact the currently scheduled surcharge of 1.1% in subsequent years.

The 1.1% surcharge, beginning in license year 2003, is the maximum allowed by statute. The department proposes a smaller surcharge for license year 2002 (0.75%), so that it will be easier for the pesticide industry to absorb the new charge. This final draft proposal will generate more revenue than the hearing draft proposal, beginning with license year 2003. But the final draft rule will not be adequate to maintain the required minimum fund balance of \$2 million.

The department projects that, even with these surcharge adjustments, annual reimbursement claims will exceed new surcharge revenues by approximately \$400,000 to \$700,000 per year. The fund balance will continue to decline, and the department will eventually have to consider other funding options.

Response to Rules Clearinghouse

The Rules Clearinghouse had no editorial comments, and only one question about this rule. The Department modified the fiscal draft rule in response to the Rules Clearinghouse question (see above).

Fiscal Estimate

This rule will generate approximately \$1.56 million in additional revenues during FY 2001-02, provided that the department adopts and publishes the rule prior to December 1, 2001. If the department publishes the rule after December 1, 2001, this rule will generate no additional revenues in FY 2001-02 (because all affected licenses are issued in December). This rule will not alter the surcharges collected in subsequent years. Current rules will remain in effect in those years, and will generate approximately \$2.65 million per year. A copy of the fiscal estimate is attached.

The department projects a cleanup fund balance of approximately \$2.7 million at the end of FY 2000-2001. The department also projects that cleanup reimbursement claims will continue at the rate of \$3.1 million to \$3.4 million per year. Even with the new surcharge revenues provided by this rule, the department projects that annual reimbursement claims will exceed new surcharge revenues by approximately \$400,000 to \$700,000 per year. The fund balance will therefore continue to decline over the long term.

Small Business Analysis

The department assumes that pesticide manufacturers will pass surcharge costs on to pesticide purchasers. If that assumption is accurate, this rule will increase total farm costs by an estimated \$1.56 million during FY 2001-2002. Based on 30,000 farms, the department anticipates average per-farm cost of about \$52. A small business analysis ("final regulatory flexibility analysis") is attached.

These cleanup surcharges are added to the basic pesticide license fees that support the department's pesticide regulatory program. Under *current* pesticide rules, basic pesticide license fees are scheduled to increase in FY 2002-2003. The basic license fee increases will raise per-farm costs by an estimated \$71 per year, assuming that the pesticide industry passes on its license costs to farmers. The combination of surcharges and basic license fee increases will raise per farm costs by an estimated \$123 per year (\$52 plus \$71), beginning in FY 2002-2003.

Environmental Assessment

This rule will benefit the environment by making more money available for environmental cleanups related to pesticide spills. But this rule does not (and cannot) cure the long-term projected shortfall in cleanup funding. Other funding sources will eventually be needed in order for cleanups to continue at their current rate. Failure to provide additional funding in future years will have an adverse effect on the environment by delaying cleanups of agricultural chemicals.

DATE: June 19, 2001

TO: Beata Kalies

Committee on Agriculture

FROM: John Scocos, Assembly Chief Clerk

RE: Clearinghouse Rules Referral

The following Clearinghouse Rule has been referred to your committee.

CLEARINGHOUSE RULE 01-021

AN ORDER to amend ATCP 29.11 (3) (intro.) and (c), 29.15 (4) (b), 29.20 (6) (b) and 29.25 (5) (a) 2., relating to pesticide license fee surcharges.

Submitted by **Department of Agriculture, Trade and Consumer Protection.**

Report received from Agency on **June 12, 2001.**

To committee on **Agriculture.**

Referred on **Tuesday, June 19, 2001.**

Last day for action - **Monday, January 1, 2001.**

Thursday, July 19

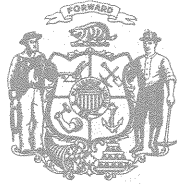
Under section 227.19 (4) of the Wisconsin Statutes, your committee has 30 days to take action or get an extension. The day **after** the official referral date is day one of your review period. Therefore, the 30th day should fall four weeks and two days after the referral date. For example, for Clearinghouse Rules referred on a Monday, a Wednesday would be your 30th day. For Clearinghouse Rules referred on a Tuesday, a Thursday would be your 30th day. For Clearinghouse Rules referred on a Wednesday, a Friday would be your 30th day. For Clearinghouse Rules referred on a Thursday or Friday, your 30th day would fall on a weekend. Therefore, your time would expire on the next working day (Monday) as provided for in s. 990.001 of the Wisconsin Statutes. Also, if the 30th day falls on a legal holiday, time would expire on the next working day.

Section 227.19 **requires** you to notify each member of your committee that you have received this Clearinghouse Rule. Although some committee chairs do so, you are not required to send a copy of the text of the rule to each member at this time. Your notice could state that members should contact you if they wish to receive a hard copy of the rule. (Please note that, unlike bills and amendments, the text of Clearinghouse Rules is not currently available online. However, LTSB is currently working on such a project.) Please put a copy of your official notification memo in the rule jacket.

Three copies of the Clearinghouse Rule and its accompanying documents are contained in the jacket. If you wish to have your Legislative Council attorney review the Clearinghouse Rule, send him/her a copy. I only need one copy remaining in the jacket when you report it out of committee at the end of the review period.

The identical process is happening simultaneously in the Senate. Keep track of their action on the rule.

For assistance with the Clearinghouse Rule process, please consult Ken Stigler (6-2406) or your Legislative Council attorney. If you wish to learn more on this subject, read section 227.19 of the Wisconsin Statutes or part 2 of the *Administrative Rules Procedures Manual* written by the Revisor of Statutes Bureau and the Wisconsin Legislative Council staff.



JUN 21 2001

Judith B. Robson
Wisconsin State Senator

June 20, 2001

Senator Dave Hansen
Chair, Committee on Labor and Agriculture
Room 19 South

Representative Al Ott
Chair, Committee on Agriculture
Room 318 North

Re: Clearinghouse Rule 01-021 (ATCP 29, relating to pesticide license fees)

Gentlemen:

I am writing in regards to the above referenced rule, which has been referred to your committees. I believe that the rule is not in accordance with the statutory authority upon which the rule is based. As co-chair of the Joint Committee for Review of Administrative Rules I am always concerned when a rule is contrary to the statutes and that is why I am writing to you.

The gist of the problem is this. State statutes require the Department of Agriculture, Trade and Consumer Protection to adjust pesticide license fee surcharges as necessary in order to maintain a minimum balance in the agricultural cleanup fund of at least \$2 million at the end of each fiscal year. The department is proposing a rule that will not satisfy this statutory requirement.

Further explanation of how the rule violates its statutory authority is provided in the Legislative Council Rules Clearinghouse report on this rule. The Department's response to the Legislative Council comments, contained in the final version of the rule, does not adequately address the issue originally raised by the Legislative Council.

Our state constitution gives the Legislature sole authority to write state law. We sometimes delegate that authority to agencies, giving them authority to write administrative rules. However, we retain oversight and control over the rules promulgated by agencies. We do this by ensuring that rules are actually based on statutes and that they properly interpret the statutes on which they are based. Rules failing to meet these criteria violate the Legislature's constitutional authority to write the laws of the state and undermine the integrity of the legislature by allowing agencies, rather than the Legislature, to make law.

I therefore urge you to look carefully at Clearinghouse Rule 01-021, relating to pesticide license fee surcharges.

If you have any questions about this rule, please do not hesitate to contact me.

Sincerely,


Senator Judith B. Robson
15th Senate District

JBR:da

State Capitol, Post Office Box 7882, Madison, WI 53707-7882 • Telephone (608) 266-2253
District Address: 2411 East Ridge Road, Beloit, WI 53511
Toll-free 1-800-334-1468 • E-Mail: sen.robson@legis.state.wi.us

Chairman:
Agriculture Committee




Member:
Conservation & Land Use
Consumer Affairs
Natural Resources
Utilities

Al Ott

State Representative • 3rd Assembly District

**Assembly Agriculture Committee
MEMO**

TO: Members of the Assembly Agriculture Committee

FROM: Representative Al Ott, Chair 

DATE: June 20, 2001

The following clearinghouse rules have been referred to the Assembly Agriculture Committee for a thirty-day review period:

Clearinghouse Rule 01-021

Relating to pesticide license fee surcharges.

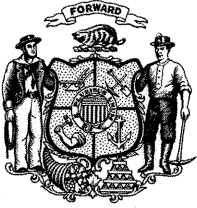
Submitted by the Department of Agriculture, Trade and Consumer Protection.

Clearinghouse Rule 01-028

Relating to minor remedial drafting changes to department rules.

Submitted by the Department of Agriculture, Trade and Consumer Protection.

The deadline for action on these rules is **Thursday, July 19, 2001**. A brief summary of the rules is enclosed. Please contact Beata Kalies in my office (6-5831) if you would like a copy of the entire rule or have further questions.



LUTHER S. OLSEN

STATE REPRESENTATIVE • 41ST ASSEMBLY DISTRICT

June 26, 2001

Representative Al Ott
Chairman, Assembly Committee on Agriculture
Room 318 North
State Capitol

Dear Representative Ott:

I would like to request that you schedule a public hearing on Clearinghouse Rule 01-021: relating to pesticide license fee surcharges. This rule has been referred to the Assembly Committee on Agriculture.

This rule reinstates license fee surcharges for pesticide manufacturers and labelers; dealers and distributors; pesticide commercial application businesses and individual commercial applicators a year early (in 2002 rather than 2003). The Department of Agriculture, Trade and Consumer Protection is arguing that this rule change is necessary to generate revenue for the agricultural chemical cleanup fund.

As you know, the Department of Agriculture, Trade and Consumer Protection created a four year fee holiday because there was a fund balance in the agricultural chemical cleanup fund. Unfortunately, the Legislature has used this fund balance for other purposes in recent years, leaving the fund depleted. I believe it is important that members of the Legislature have an opportunity to hear how this fee increase will affect farmers, the agribusiness industry and others.

With this spring and summer's heavy rains, many in agriculture are hitting hard times. This is not the time to reinstate the pesticide license fee surcharges, the cost of which will most certainly be passed on farmers.

Again, please hold a public hearing on this important issue. Thank you for your attention to this request. If you have any questions, please feel free to contact me.

Sincerely,

Luther S. Olsen

Assembly Agriculture Committee Members List 2001-2002 Session

Room Numbers.

Aug. 2nd Attendance - 8 Members

~~Chairman Al Ott - 318 North~~

Gabe Loeffelholz - 317 North

2 Yes *

John Ainsworth - 309 North

3 Yes

Marlin Schneider - 204 North - No (ALEC)

Marty Reynolds - 126 North

4 Yes

Julie Lassa - 122 North

~~Yes~~ NO (7/31) 5 715-342-0526 / (Yes)

Mary Hubler - 119 North - No

Barbara Gronemus - 114 North

~~Yes (Make it Fast AI)~~ No (8/1)

Scott Suder - 21 North - No (ALEC)

John Steinbrink - 307 West - Yes

Joe Plouff - 306 West - No (Family Vac.)

Garey Bies - 121 West

~~No~~ (Family Vac.) Will alter plans if really needed.

Steve Kestell - 17 West - Yes

Gene Hahn - 15 West - Yes

Joan Wade - 10 West - No

Jerry Petrowski - 4 West - Yes



State of Wisconsin
Scott McCallum, Governor

JUL 05 2001

Department of Agriculture, Trade and Consumer Protection
James E. Harsdorf, Secretary

June 26, 2001

Representative Alvin Ott
Chair, Committee on Agriculture
Room 318 North
State Capitol

RE: Clearinghouse Rule 01-021 (ATCP 29, relating to agricultural chemical cleanup surcharge fees)

Dear Representative Ott:

I am writing to recap the briefing I gave you regarding Clearinghouse Rule 01-021. We had discussed the inability of our rule to fully comply with statutes. Department management and staff and the industry are all concerned by this matter, but we believe it extends beyond agency authority and will require legislative action to correct.

Section 94.73(15), Stats., cites each of the fees used to generate revenues for the Agricultural Chemical Cleanup Program and requires the agency to adjust these fees as necessary to maintain a balance between \$2 million and \$5 million. Both the fee amount and the fund balance language were created when GPR was being used to cover approximately half the reimbursements for site cleanups under this program, in recognition of the general benefits of this program to the people of Wisconsin. Section 94.73(15), Stats., also establishes the maximum surcharge fees that can be collected.

As explained in the materials accompanying our proposed rule, without the GPR contributions to the program, the department is unable to comply with both the fund balance requirements of s. 94.73(15), Stats., and the maximum surcharge fee levels imposed by that section. The rule we have submitted will resume fee collection at the maximum level permitted by statute, as rapidly as the rulemaking process allows. Even with the maximum fees, the fund balance is expected to fall below the \$2 million minimum fund balance, and will continue dropping.

We have already discussed this issue with industry and anticipate meeting with key industry representatives in the coming weeks to discuss a longer-term solution. The options we have already presented include resumption of the GPR matching funds,

Representative Ott

July 2, 2001

Page 2

increases in surcharges fees above the maximums currently allowed by statute and conversion of industry fees that are currently directed to other purposes. Any of these options will require legislative action.

Thank you once again for sharing your concern over the funding of the Agricultural Chemical Cleanup Program. We continue believing that this program is an important link between Wisconsin agriculture, the environment and public health. Long-term funding for this program is a critical need to keep the cleanups moving forward and maintain protection of our groundwater.

Sincerely,



Nicholas Neher, Administrator
Agricultural Resource Management Division

C: Senator Dave Hansen, Chair
Committee on Labor and Agriculture

6/27/01

<sup>primary
of course
purpose</sup>
DATCP OACM Administrator

Mtg of Nick Nehar (Datep) re: Clean-up House Rule

01-021 Pesticide fees

Sen. Robson is asking for higher fees to meet
statutory requirement -

but even that would not be
enough to get the balance in order
because statute also limits what the
fee percentage need to be.

Rep. Olson is asking for freeze on fees altogether
which is not the answer because

what farmers do end up spending
for this is a lot less than if
they had to do clean-ups themselves...

Datep would support higher fees only if
industry supports it +
falls within statutory limits.

The agricultural fund is needed - no
other way existed in the past, that's why
the fund was created.

The average chemical/pesticide clean up costs between \$30 - 40,000 ...

What can we do ???

→ Legislature can recommend increase or ask Dotep to modify ...

Hearing must be scheduled prior to July 19th.
(Next available date is Aug. 2, 2001)

FU1: Dotep gives \$1 M to DNR to address various program such as Urban sweep.

⇒ we could take that back to Dotep.

→ we could also establish \$ GPR ...

Dotep will talk to DNR @ strategy ...

6/27/01 Outsp info to CR 01-021 Patricia Loman Gen

DEPARTMENT PROGRAM FUND NUMERIC APPROPRIATION REVENUE TYPE	CODES 115 7 257 770 SEG	TITLES Department of Ag, Trade & Cons. Prot.	REVENUE AND BALANCES FORM			
			SFY 2001 Actuals	SFY 2002 Estimate	SFY 2003 Estimate	SFY 2004 Estimate
REVENUE & EXPENDITURES						
Opening Balance			7,303,576	3,216,312	1,104,964	269,162
GPR-Earned or Program Rev				1,560,000	2,670,000	2,670,000
Interest Earnings @ 4%			376,753	128,652	44,199	10,766
Proposed Fee/Rate Increases						
Revenue Reductions (enter negatives)			(500,000)			
Interest Payments						
Statutory Lapses						
Total Revenue			(123,247)	1,688,652	2,714,199	2,680,766
Total Available			7,180,329	4,904,964	3,819,162	2,949,929
Expenditure Total			3,964,017	3,800,000	3,550,000	3,550,000
Prior Year Encumbrance			0			
Pay Plan Salary (Using estimate of 1% each year)-Enter Sal Base below			0	0	0	0
Pay Plan Fringe (22.8% * Pay Plan)			0	0	0	0
S&S increases for supps (2%/yr)-Enter SS Base below			0	0	0	0
Total Expend. & Reserves			3,964,017	3,800,000	3,550,000	3,550,000
Closing Balance			3,216,312	1,104,964	269,162	(600,071)

Chairman:
Agriculture Committee



Member:
Conservation & Land Use
Consumer Affairs
Natural Resources
Utilities

Al Ott

State Representative • 3rd Assembly District

July 17, 2001

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

Dear Secretary Harsdorf,

As chair of the Assembly Agriculture Committee, I have requested a meeting with the Department regarding Clearinghouse Rule 01-021, relating to pesticide license fee surcharges.

This meeting took place on June 27th, 2001 with Nick Neher, Administrator of the Division of Agriculture Resource Management. In addition the Assembly Agriculture Committee will have a public hearing on the subject scheduled for August 2, 2001.

Pursuant to Wisconsin Statutes, s. 227.19 (4)(b) 1 a., this will extend our review period another 30 days from July 17th, 2001.

Sincerely,

Al Ott, Chair
Assembly Agriculture Committee

Cc: Keeley Moll, DATCP
Ken Stigler, Chief Clerk's Office
Rep. Luther Olsen
Sen. Robson

AO: bk

Napralla, Erin

From: Ellinger, Lisa
Sent: Thursday, July 19, 2001 10:55 AM
To: Cekosh, Mike; Kalies, Beata; Napralla, Erin
Subject: Aug 2 hearing

Sen. Hansen would like to know if Rep. Ott would be interested in holding a joint hearing of the Ag committees on Aug 2 to review CR 01-021. Colleagues in our house have expressed concerns about this rule and we were planning to hold a hearing next month as well.

Let me know if this would be agreeable.

Lisa Ellinger

Office of State Senator Dave Hansen

319 South State Capitol

PO Box 7882

Madison, WI 53707

608-266-5679

608-267-6791 fax

*OK

- Our hearing room isn't big enough → Have Hansen's office reserve a bigger one on Senate side

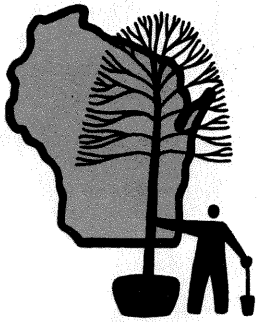
7/20 - Lisa on vacation today

- Hansen's office looking into hearing room

7/23 - Will get a room in the Senate

JUL 24 2001

9910 WEST LAYTON AVENUE
GREENFIELD, WISCONSIN 53228
PHONE (414) 529-4705
FAX (414) 529-4722



wisconsin landscape federation, inc.

State Rep. Al Ott, Chairman
Assembly Committee on Agriculture
P.O. Box 8953
Madison, WI 53708-8953

July 20, 2001

Dear Chairman Ott,

I truly hope you enjoyed the recent Agri-business bus tour and especially the Mitchell Park Domes reception and dinner hosted by our Federation. It was a pleasure having you at our event and it was a great opportunity for the Green industry to offer you and your colleagues some valuable information on the economic role we play here in Wisconsin.


I see from the hearing schedule I just received that your committee will be meeting on August 2nd to conduct a hearing on Clearinghouse Rule 01-021 relating to license fee surcharges on nonhousehold pesticide products. For obvious reasons the Federation is adamantly opposed to the resumption of these surcharges which in large part have been prompted by the Legislature when it re-directed earlier surcharge fees to GPR after they had been specifically earmarked for the Ag-Chem cleanup fund.

This is just another example of a hidden tax being imposed after slight-of-hand actions by the Legislature. We support the Ag-Chem cleanup fund but we oppose it being used as a tool to direct tax monies to other purposes. Clearly this is an issue of fairness. We would hope that your committee in its wisdom, would disallow the surcharge and restore funding for Ag-Chem from the General Purpose Revenue fund thereby allowing cleanups to proceed and give the DATCP sufficient monies to carry out this program and meet its statutory minimum balance requirement.

Please share this letter with your committee members and remind them that the 700 member firms of the Federation are troubled by this new rule and the added tax burden it represents. Thank you for your consideration.

Respectfully,

WISCONSIN LANDSCAPE FEDERATION


JOE PHILLIPS, Executive Director

Encl. 2

MEMBER ASSOCIATIONS

Commercial Flower Growers of Wisconsin • Gardens Beautiful Garden Centers • Grounds Management Association of Wisconsin
Wisconsin Landscape Contractors Association • Wisconsin Nursery Association • Wisconsin Sod Producers Association

Clarifications on Pesticide Fees

Last month, we reported in *Green Side Up* (June, 2001 issue – page 10) that the Wisconsin Agriculture Board had approved staff recommendations to significantly increase pesticide fees by as much as 79% on manufacturers, dealers, distributors, pesticide application businesses and individual pesticide applicators.

In discussing this issue further with both Brian Swingle, the pesticide certification and licensing specialist and Paul Morrison, a Bureau liaison to the Legislature (both work for the DATCP), we determined that some clarifications were in order.

We alluded to an increase in the “license fee surcharge” for individual applicators being increased from \$30 to \$50 under the recommendations approved by the Board. In reality, applicators pay a license fee now of \$30 and the surcharge is being reinstated so that the total cost to secure the license will be \$50. Similar distinctions should be made insofar as fees imposed on pesticide application businesses, dealers/distributors and manufacturers. They will continue to pay a license fee to which now a surcharge will be added.

As we had correctly reported, the surcharge is being reinstated to raise the statutory-required level of funding within the state Agricultural Chemical Cleanup program.

As Morrison pointed out to us, the Cleanup Fund is required to have a minimum balance of \$2 million. He further clarified matters by pointing out that in the last budget cycle, the Legislature took \$1 million in program funds from the Ag Chem Management Fund (it's used to operate DATCP's pesticide and fertilizer programs) as well as \$2 million from the Ag Chem Cleanup Fund (it's used solely to clean up contaminated sites). That combined \$3 million was then deposited in the State's General Fund, where its use cannot be distinguished from any other general tax revenues.

We still maintain (and no one in the DATCP disputes our contention) that the State Legislature was being grossly unfair in raiding the Ag Chem Management and Ag Chem Cleanup funds and then co-mingling those dollars to be spent on other GPR (General Purpose Revenue) programs. If the funds weren't being used as intended, we might understand the actions of lawmakers. However, in this case, there are still over 360 sites that are being cleaned up or will require cleanups in the near future. To now force the agency to restore funding by adding anew a surcharge for pesticide applications is shameful and insensitive. It makes it appear that DATCP are the bad guys. They're only doing what the law requires---a law adopted by legislators who literally “stole” the money needed to implement that law.

According to Swingle, the Cleanup surcharges were first imposed in 1994 when the program was created. For the past four years however, the surcharges were not imposed because the Department had enough money to reimburse land owners for cleanup costs and still maintain the statutory minimum balance.

Finally it should be noted that we incorrectly stated that with the surcharge, pesticide manufacturers would see their combined costs payable to the state increase by "as much as 2% of gross sales." In reality, the surcharge fee adds 1.1% to the existing license fee of 0.2% for a total of 1.3% on the approximately 250 agricultural products that require licensing.

Despite over-stating the fees to now be paid to the state, we still maintain the legislature is clearly ripping off small business entrepreneurs by forcing down our throats another hidden and onerous tax. Shame, Shame, Shame!

By: Joe Phillips

Article for August, 2001 issue of *Green Side Up*

IPM for Floriculture and Nurseries Released

The University of California, Division of Agriculture and Natural Resources is pleased to announce the publication of a major new book for the green industry - *IPM for Floriculture and Nurseries*. This 422-page manual will help nursery professionals apply integrated pest management principles to their flower and nursery crops. The benefits of adopting IPM methods include reducing pesticide resistance; minimizing phytotoxicity and disruptions that occur from pesticide re-entry intervals; and reducing the costs of pesticide purchases, application labor, and regulatory compliance.

This full-color book is profusely illustrated with illustrations, tables, a comprehensive index, and over 300 photographs. It also includes 117 pages of handy crop tables that provide a symptom based-guide for accurately diagnosing problems and give the recommended controls for problems affecting 120 major flower and foliage species.

IPM for Floriculture and Nurseries is available for \$45.00 by calling (800) 994-8849 or by logging onto <http://anrcatalog.ucdavis.edu>. Tax, along with shipping and handling, is added to the cost of each order. Quantity discounts are available.

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FAX 262-835-1026
www.garden-of-eder.com

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1 1/2 Mi W of I-94 at 5300 Hwy. K
Franksville, WI 53126



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Ag Board Okays Pesticide Fee Increases

On June 1st, the Wisconsin Agriculture Board approved staff recommendations to significantly increase pesticide fees by as much as 79% on manufacturers, dealers, distributors, pesticide application businesses AND individual pesticide applicators.

The new fee schedule was advanced after the state Agricultural Chemical Cleanup Fund fell below its designated \$2 million level. That minimum balance was mandated by the State Legislature when the fund was initially established. However, after adding some general revenue tax dollars to the fund, lawmakers not only reclaimed those monies, but took an additional \$500,000 from the fund to direct to other programs in the general budget.

Unfortunately when the DATCP developed its plan to resurrect the pesticide fee schedule and also increase it, few industry representatives spoke out. A public hearing on the issue resulted in only one person---WLF Vice President Bill Vogel---expressing opposition on behalf of the Green industry.

The Ag Board therefore had little choice but to accept the plan which now goes before the Legislature's committee for the Review of Administrative rules. Executive Director Joe Phillips has contacted State Rep. Lorraine Serrati who chairs that committee and is trying to work out some modification of the new fee schedule.

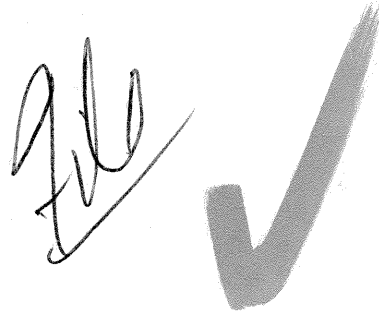
As it now stands, individual applicators who paid a license fee surcharge of \$30 would be paying \$50. Pesticide application businesses that heretofore paid \$70 per location would be paying \$125. Dealer and distributor fees would be bumped from \$60 to \$100 each. Manufacturers would see their licensing fees increased by as much as 2% of gross sales.

If the fee hikes alone weren't bad enough, the DATCP is proposed that they be made retroactive to October 2000. That means each professional user of pesticides would be dealt a double dose of fee increases when the bills are sent out in November of this year.

Reportedly there are over 360 sites in Wisconsin being cleaned up with funding from the Age Chem. Cleanup Fund. That's well and good. However, the Legislature had no business in taking fees from this fund and diverting those dollars to other programs, perhaps totally unrelated to the issue. Now, it's the taxpayer notably small business entrepreneurs who are being asked to bail out the program and the ill-advised actions of the State lawmakers. The Green industry deserves better.

By: Joe Phillips

Assembly Committee on Agriculture
C/o State Representative Al Ott, Chairman
State Capitol
PO Box 8953
Madison, WI 53708-8953
Rep.Ott@legis.stlte.wi.us



July 23, 2001

To the Assembly Committee on Agriculture,

I am writing to voice my disappointment that you are considering Clearinghouse rule 01-012 submitted by the DATCP restoring a surcharge on pesticide license fees for the Agriculture Chemical Cleanup fund. In 1994 a surcharge was imposed, and was dropped in 1997 when the fund reached it's mandated \$2 million balance. It is my understanding that the resuming the surcharge would not be necessary if the legislature hadn't redirected \$500,000 out of the Ag-Chem fund to the General Program Revenue fund. Now that the Department of Ag has a shortfall, we are again being victimized. It seems like unfair, selected taxation to take the funds that the green industry paid in good faith for a good program, and send them to the GPR for other purposes. It is my hope that your committee will not reinstate this surcharge and that the legislature will behave more responsibly with regard to the direction of funds.

At Terra-Firma Landscape, Inc., we have a staff of 20 who install and maintain landscapes. I am also a new owner of a Weed Man franchise, providing lawn care services. In all, there are 9 licensed pesticide applicators and 2 licensed businesses at this site. Our 2001 expenditures for state training and licensing will be approximately \$618. If the proposed increases are put into effect, our annual tax would be \$880- and increase of over 40%.

I will be unable to the public hearing on August 2nd, as this is my busy season. However, please submit my comments to the record.

Thank you for considering my comments.

Best wishes,

Heather Schuster, Vice President
Terra-Firma Landscape, Inc.
S66W14427 Janesville Rd
Muskego, WI 53150
(414)422-9440
hshuster@wi.rr.com

Napralla, Erin

From: Dave Van Eperen [davev@vandeheys.com]
Sent: Monday, July 23, 2001 3:06 PM
To: Rep.Ott@legis.state.wi.us
Subject: Clearinghouse Rule 01-021

Rep. Ott,

I will not be able to attend the public hearing Thursday August 2nd regarding the restoration of a surcharge on pesticide license fees but I felt it was important enough to email you with my input. As the General Manager of a large landscape company in northeastern Wisconsin, I have not had any complaints about the reasonable license fees currently charged for the pesticide license. However, I do not think that it is right to reinstate a surcharge to cover a shortfall in the Ag fund when the shortfall was created by redirecting funds out of the Ag fund into General Program Revenue. I would urge you and your committee to consider setting aside this rule.

Thank You,
Dave Van Eperen
Vande Hey's Landscape Center, Inc.

Napralla, Erin

From: Rep.Ott
Sent: Monday, July 23, 2001 10:42 AM
To: Rep.Loeffelholz; Rep.Ainsworth; Rep.Schneider; Rep.Reynolds; Rep.Lassa;
Rep.Hubler; Rep.Gronemus; Rep.Steinbrink; Rep.Plouff; Rep.Bies; Rep.Kestell;
Rep.Hahn; Rep.Wade; Rep.Petrowski; Patronskey, Mark; Neher, Nicholas J DATCP;
Fennessy, Franc; Siroky, Clarence J DATCP
Subject: RE: Joint Committee Hearing

Ag Committee Members:

Please note that our Agriculture Committee Hearing scheduled for August 2nd has been changed to a Joint Committee Hearing with the Senate Labor and Agriculture Committee to review Clearinghouse Rule 01-021. Additionally, please note that the hearing will now be held in 411 South.

It is still my intention to hold an executive session on AB 361.

Please do not hesitate to contact my office if you have any questions regarding these changes.

Rep. Al Ott
Chair, Assembly Committee on Agriculture

Napralla, Erin

From: Rep.Ott
Sent: Monday, July 23, 2001 11:07 AM
To: Nussbaum, Jody; Stigler, Ken; Krieser, Steve; Plotkin, Adam; Karius, Bob; Raschka, Adam; Hauser, Matt; Rep.Sykora; Hess, Martha; Hardinger, Marlin
Subject: Assembly Agriculture Committee Public Hearing/Executive Session - CHANGES

Please note that the Assembly Agriculture Committee Hearing scheduled for August 2nd has been changed to a Joint Committee Hearing with the Senate Labor and Agriculture Committee to review Clearinghouse Rule 01-021. Additionally, please note that the hearing will now be held in 411 South.

It is still my intention to hold an executive session on AB 361 in 411 South following the Joint Hearing.

Please do not hesitate to contact my office if you have any questions regarding these changes.

Rep. Al Ott
Chair, Assembly Committee on Agriculture

Napralla, Erin

From: Patronskey, Mark
Sent: Monday, July 23, 2001 10:46 AM
To: Rep.Ott
Cc: Lovell, David
Subject: RE: RE: Joint Committee Hearing

Rep. Ott---

David Lovell staffs Sen. Hansen's committee. He will attend the hearing on the rule, and is also familiar with AB 361 and fish farm issues, having done a great deal of work on that topic. That day (Aug 2) will be my first day back after taking a week off, and if it's OK with you, David will staff the joint hearing as well as the exec for you. I'll stay at my desk and catch up.

Thanks!

Mark P

-----Original Message-----

From: Rep.Ott
Sent: Monday, July 23, 2001 10:42 AM
To: Rep.Loeffelholz; Rep.Ainsworth; Rep.Schneider; Rep.Reynolds; Rep.Lassa; Rep.Hubler;
Rep.Gronemus; Rep.Steinbrink; Rep.Plouff; Rep.Bies; Rep.Kestell; Rep.Hahn; Rep.Wade;
Rep.Petrowski; Patronskey, Mark; Neher, Nicholas J DATCP; Fennessy, Franc; Siroky, Clarence J
DATCP
Subject: RE: Joint Committee Hearing

Ag Committee Members:

Please note that our Agriculture Committee Hearing scheduled for August 2nd has been changed to a Joint Committee Hearing

Concerning Rule 01-021

JUL 27 2001

Representative Al. Ott, Ag Chair

Dear sir, I am a vegetable farmer in southern Wisconsin. fairly large. 7000 acres. so we have some experience with chemicals obviously. There apparently is a new bill to raise the tax on chemical cleanup. etc.

Our experience with the program is similar to the tank removal program. We had a 1100 gas tank that was underground and needed removing. By ("professionals")? 9,000[#] later the tank was out, 1 barrel of dirt was there that was supposedly contained in no holes in the tank - So I asked the gentlemen in the white apparently expensive suit, what was to become of the barrel of highly contaminated soil? They said we will take it to a farm and spread it on top of the ground. 1 barrel. 9,000[#]. The Gov. ended up paying us 7000[#] out of super fund for this. ~~etc~~

It seems. we should focus on being more practical and use our common sense and I would think the money we have would be plenty.

We could be told more as users. but you are succeeding in pushing all Ag to Mex. Argentina etc where these taxes and cheap labor don't exist and do exist. Maybe that's O.K. who needs our ag economy here anyway. Please Rethink Rule 01-021

Thanks.

Sony Ancaid

2028 Hwy 106 Palmyra Wis 53156

ACCP Fund Revenue Sources at Maximum Surcharge Level

Surcharge Source	Maximum Surcharge Amount	Units	Annual Revenue
Fertilizer License	\$20	300 licenses	\$ 6,000
Fertilizer Tonnage	\$0.38	1,300,000 tons	494,000
Restricted-Use Pesticide Dealer	\$40	420 licenses	16,000
Pesticide Application Business License	\$55	1,270 licenses	70,000
Individual Pesticide Applicator License	\$20	5,250 licenses	105,000
Pesticide Registrations Sales from \$0 to \$25,000	\$5	3,600 products	18,000
Pesticide Registrations Sales from \$25,000 to \$75,000	\$170	220 products	38,000
Pesticide Registrations Sales >\$75,000	1.1% of sales	\$175,000,000 gross sales	1,925,000
		TOTAL	2,672,000

Agricultural Chemical Cleanup Program Financial History

Fiscal Year	GPR Appropriation	GPR Reimbursements	GPR Lapsed (at end of FY)	SEG Revenue (with interest)	SEG Reimbursements	SEG Converted to GPR	SEG Balance end of FY
93/94	\$2,000,000	\$ 0		\$1,888,800*	\$ 0*		\$1,888,800
94/95	2,000,000	609,826	\$3,100,000	2,671,500*	166,001*		\$4,394,299
95/96	2,000,000	465,594		2,926,733*	525,032*		\$6,796,000
96/97	2,000,000	627,204	\$2,700,000	\$3,265,865	\$707,272		\$9,354,593
97/98	1,550,000	688,271		3,443,293	776,136	\$506,906	\$11,514,844
98/99	1,850,000	1,750,795	\$1,458,310	491,044	1,123,842	479,278	\$10,402,768
99/00	0			544,886	2,144,078	1,500,000	\$7,303,576
00/01	0			397,026	3,971,619	500,000	\$3,228,983
Totals	\$11,400,000	\$4,141,690	\$7,258,310	\$15,629,114	\$9,413,980	\$2,986,184	
GPR balance still available: \$0			SEG balance available on 7/1/01: \$3,228,983				

*The ACCP operated as a component of the ACM Fund from its creation in 1993 until the end of FY 95/96. Then the ACCP Fund was created and the funds collected for that program were transferred from the ACM Fund.

Claim #	RP NAME	Payment	Total Pmts thru 6/30/01	Eligible Costs	Total Elig. Costs thru 6/30/01
1996-0020-001	Adell Coop (Adell)	6,958.59		18,500.74	
1986-0020-002	Adell Coop (Adell)	30,588.93		36,527.39	
1996-0020-003	Adell Coop (Adell)	13,092.32		18,048.49	
1998-0005-001	Adell Coop (Adell) (2nd discharge)	1,018.24	51,657.08	1,000.00	70,076.62
1999-0025-001	Adell Coop (Waldo)	0.00	0.00	0.00	0.00
1996-0011-001	Ag-Air, Inc. (Antigo)	28,018.65		41,204.68	
1996-0011-002	Ag-Air, Inc. (Antigo)	6,313.85		7,621.89	
1998-0011-003	Ag-Air, Inc. (Antigo)	4,207.73	38,540.24	5,237.18	54,083.54
2001-0009-001	Alma Farmers Union Coop	45,379.38	45,379.38	62,298.76	62,298.76
1999-0005-001	Amoco Oil Corp. (Edmund)	208,720.72	208,720.72	254,264.35	254,264.35
1996-0002-001	Arcadia Coop	32,691.12		49,692.35	
1996-0002-002	Arcadia Coop	19,526.61		21,058.19	
1986-0002-003	Arcadia Coop	5,001.21		5,987.96	
1996-0002-004	Arcadia Coop	12,055.74	69,274.68	14,408.29	81,145.79
1997-0008-001	Augusta Farmers Union Coop (Augusta) [nka Countryside Coop]	108,108.48		137,202.98	
1997-0006-002	Augusta Farmers Union Coop (Augusta) [nka Countryside Coop]	36,773.80	144,882.28	43,953.80	181,156.78
2001-0010-001	Augusta Farmers Union Coop (Fall Creek)	26,591.75	26,591.75	38,611.39	39,611.39
1995-0008-001	Bay Lakes Coop (Coleman)	54,166.64		73,306.04	
1995-0008-002	Bay Lakes Coop (Coleman)	14,206.16	68,372.80	16,954.57	90,260.61
1999-0010-001	Bay Lakes Coop (Oconto Falls)	3,870.26	3,870.26	12,223.43	12,223.43
1996-0003-001	Bleifuss Feed & Supply (North)	0.00	0.00	0.00	0.00
1988-0004-001	Bleifuss Feed & Supply (South)	0.00	0.00	3,518.06	3,518.06
2001-0007-001	Bloomer Farmers Union Coop	38,399.04	38,399.04	52,977.60	52,977.60
1995-0002-001	Blue Ribbon Feed Co.	93,609.63		125,497.14	
1995-0002-002	Blue Ribbon Feed Co.	29,972.92	123,582.55	30,585.09	156,082.23
1995-0016-001	Borzynski Farms (Franksville)	0.00	0.00	0.00	0.00
1985-0015-001	Borzynski Farms (Sturtevant)	0.00	0.00	0.00	0.00
1995-0009-001	Burlington Consumers Coop (Genoa)	15,534.27		27,622.74	
1995-0009-002	Burlington Consumers Coop (Genoa)	35,749.49		46,139.59	
1985-0009-003	Burlington Consumers Coop (Genoa)	22,678.29		24,027.75	
1995-0009-004	Burlington Consumers Coop (Genoa)	39,501.78	113,463.83	48,056.65	145,846.73
1995-0025-001	Carey, Royal [aka Agri Land Coop]	20,661.74	20,661.74	32,519.00	32,519.00
1999-0009-001	Cenex Land O' Lakes (Auburndale)	29,248.05	29,248.05	43,122.65	43,122.65
2001-0011-001	Cenex Land O' Lakes (Galesville) [fka A.G. Coop; fka Farmers Coop Supply]	33,977.83	33,977.83	47,991.00	47,991.00
1995-0032-001	Cenex Land O' Lakes (Johnson Creek) & River Valley Coop [nka United Cooperative]	107,105.83		142,556.18	
1995-0032-002	Cenex Land O' Lakes (Johnson Creek) & River Valley Coop [nka United Cooperative]	22,637.77		23,269.22	
1995-0032-003	Cenex Land O' Lakes (Johnson Creek) & River Valley Coop [nka United Cooperative]	50,424.68	180,168.28	59,021.43	224,846.63
1997-0003-001	Cenex Land O' Lakes (Lancaster)	34,656.84		49,549.21	
1997-0003-002	Cenex Land O' Lakes (Lancaster)	55,107.48	89,764.32	68,155.11	117,705.32
1996-0010-001	Cenex Land O' Lakes (Monroe)	15,313.74		26,013.25	
1996-0010-002	Cenex Land O' Lakes (Monroe)	31,742.78		38,313.36	
1996-0010-003	Cenex Land O' Lakes (Monroe)	9,495.40	58,551.81	10,899.08	75,225.69
1996-0025-001	Central Rivers Coop [nka Federated Coops Inc]	55,778.68		75,033.30	
1996-0025-002	Central Rivers Coop [nka Federated Coops Inc]	16,873.48		20,435.13	
1996-0025-003	Central Rivers Coop [nka Federated Coops Inc]	11,269.79	83,921.93	13,846.17	109,314.59
1998-0027-001	Central Sands Sales, Inc. [nka Hetco Services]	29,542.83		43,514.36	
1998-0027-002	Central Sands Sales, Inc. [nka Hetco Services]	67,106.55	96,649.37	79,840.83	123,355.19
1996-0001-001	Clary, Ron	3,929.58	3,929.58	7,759.59	7,759.59
1988-0026-001	Cole Grower Service (Madison)	14,904.81	14,904.81	25,571.05	25,571.05
1997-0017-001	Cole Grower Service (Reedsburg)	53,399.15	53,399.15	72,009.44	72,009.44
1999-0019-001	Coffax Agron Service, Inc.	11,157.24	11,157.24	21,128.25	21,128.25
2001-0012-001	Coffax Farmers Union	18,889.50	18,889.50	31,639.34	31,639.34
1996-0017-001	Combination Door Company	53,973.26	53,973.26	68,249.98	68,249.98
1995-0024-001	ConAgra Fertilizer Co. (Darlington) [aka Cole Grower Service & WS Ag Center]	81,325.12		81,180.18	
1995-0024-002	ConAgra Fertilizer Co. (Darlington) [aka Cole Grower Service & WS Ag Center]	65,890.75	127,215.87	80,300.36	161,480.64
1996-0012-001	Conover Fe (Sturtevant)	170,618.13	170,618.13	213,326.60	213,326.60
1998-0009-001	Coop Country Partners (Glen Oak)	11,003.11	11,003.11	20,825.64	20,825.64
1999-0007-001	Coop Country Partners (Prairie du Sac) [fka Tri-County Coop]	100,123.94	100,123.94	129,572.92	129,572.92

Claim #	RP NAME	Payment	Total Pmts thru 6/30/01	Eligible Costs	Total Elig. Costs thru 6/30/01
2001-0031-001	Cooperative Plus (Elkhorn - Anhy) [fka Consumers Coop]	0.00	0.00	6,933.65	6,933.65
2001-0030-001	Cooperative Plus (Elkhorn - Fert.) [fka Consumers Coop]	13,409.25	13,409.25	23,283.83	23,283.83
2001-0015-001	Cooperative Plus (Somers) [fka Farmers Grain & Supply Coop]	5,797.81	5,797.81	14,543.76	14,543.76
1995-0007-001	Cooperative Services Inc. (Poynette) [fka Coop Country Partners]	79,674.88		109,042.31	
1995-0007-002	Cooperative Services Inc. (Poynette) [fka Coop Country Partners]	22,876.17		27,407.51	
1995-0007-003	Cooperative Services Inc. (Poynette) [fka Coop Country Partners]	21,249.81		18,268.02	
1995-0007-004	Cooperative Services Inc. (Poynette) [fka Coop Country Partners]	29,415.24	153,216.20	35,624.20	190,342.04
1996-0019-001	Cornell Farmers Union [fka River Country Coop (Cornell)]	19,779.21		33,080.18	
1996-0019-002	Cornell Farmers Union [fka River Country Coop (Cornell)]	12,831.34		13,979.50	
1998-0019-003	Cornell Farmers Union [fka River Country Coop (Cornell)]	4,498.47	37,109.02	5,534.53	52,584.21
1995-0031-001	Cottage Grove Coop [fka Dane Co. Farmers Union]	171,359.13		215,984.64	
1995-0031-002	Cottage Grove Coop [fka Dane Co. Farmers Union]	58,015.87		68,808.13	
1995-0031-003	Cottage Grove Coop [fka Dane Co. Farmers Union]	7,750.00	237,125.00	5,990.85	291,781.62
2000-0014-001	Countryside Coop (Whitehall) [fka Cooperative Equity Assn; fka Mondovi Equity Coop]	88,533.79	88,533.79	88,739.10	88,739.10
1999-0023-001	Crop Production Services (Darlen)	155,858.43	155,858.43	200,601.00	200,601.00
2001-0002-001	Crop Production Services (Lone Rock)	34,215.65	34,215.65	48,030.49	48,030.49
1998-0008-001	Cropmate (Janesville)	15,305.51		26,036.19	
1998-0008-002	Cropmate (Janesville)	2,530.72		3,086.71	
1998-0008-003	Cropmate (Janesville)	15,566.02	33,402.26	19,195.24	48,318.14
1995-0014-001	Cumberland Farmers Union Coop [fka Country Pride Coop]	22,547.36		34,763.97	
1995-0014-002	Cumberland Farmers Union Coop [fka Country Pride Coop]	34,969.11	57,518.47	41,807.16	78,571.13
2000-0018-001	Customer One Cooperative (Marathon)	87,039.47	87,039.47	113,752.20	113,752.20
1999-0015-001	Cutler Cranberry Co.	743.49	743.49	8,408.91	8,408.91
1999-0006-001	Danco Prairie FS Coop (Arlington)	11,732.73	11,732.73	21,718.90	21,718.90
1997-0004-001	Danco Prairie FS Coop (DeForest)	234,000.00		295,860.92	
1997-0004-002	Danco Prairie FS Coop (DeForest)	80,000.00	314,000.00	195,432.22	491,293.14
2001-0033-001	Danco Prairie FS Coop (Stoughton)	113,560.20	113,560.20	143,503.36	143,503.36
1995-0034-001	Dawn Products [aka Eden Farm Supply]	22,603.38		38,591.28	
1995-0034-002	Dawn Products [aka Eden Farm Supply]	14,341.94		15,540.50	
1995-0034-003	Dawn Products [aka Eden Farm Supply]	102,610.03	139,555.35	121,405.62	173,537.38
1996-0007-001	Dean Siegenthaler [aka Greg's Feed & Seed]	0.00	0.00		0.00
1997-0018-001	Deiss and Nugent Feed Corp.	11,141.88		20,960.07	
1997-0018-002	Deiss and Nugent Feed Corp.	16,466.56		19,897.42	
1997-0018-003	Deiss and Nugent Feed Corp.	90,153.52	117,761.96	108,811.93	149,669.42
2001-0023-001	DeLong Co. (Clinton)	268,879.12	268,879.12	328,238.60	328,238.60
1995-0011-001	DeLong Co. (Evansville)	3,124.13		11,546.92	
1995-0011-002	DeLong Co. (Evansville)	19,009.85		22,815.23	
1995-0011-003	DeLong Co. (Evansville)	85,405.72	107,539.70	103,014.75	137,376.90
2001-0014-001	DeLong Co. (Sharon)	104,198.87	104,198.87	134,059.30	134,059.30
1987-0005-001	DeLong Co. (Walworth)	3,422.83	3,422.83	11,652.93	11,652.93
1998-0021-001	Dorchester Coop [fka Heartland Coop (Dorchester)]	74,193.90		97,565.44	
1998-0021-002	Dorchester Coop [fka Heartland Coop (Dorchester)]	68,784.16	142,978.06	85,381.94	182,947.38
1998-0018-001	Dwyer, Dennis O.	12,383.07	12,383.07	22,527.50	22,527.50
1995-0017-001	East Central Coop (Cleveland)	28,594.65		44,540.85	
1995-0017-002	East Central Coop (Cleveland)	4,834.14	33,428.79	3,573.25	48,114.10
2000-0024-001	East Central Coop (Kiel)	64,980.96	64,980.96	87,001.14	87,001.14
1995-0013-001	Elko Solutions	40,434.97		59,878.53	
1995-0013-002	Elko Solutions	44,621.05		51,095.95	
1995-0013-003	Elko Solutions	32,878.02		40,364.33	
2000-0017-001	Equity Cooperative (Amery - Site 1)	54,901.01	172,835.05	68,194.67	219,533.48
2000-0025-001	Equity Cooperative (Amery - Site 2) [fka Central Farm Supply]	159,580.67	159,580.67	199,983.16	199,983.16
1999-0020-001	Equity Cooperative (Milltown)	16,041.47	16,041.47	26,848.92	26,848.92
1998-0010-001	Farm Bureau Cooperative	36,932.03	36,932.03	52,846.83	52,846.83
1998-0010-002	Farm Bureau Cooperative	81,417.35		109,271.69	
1998-0010-003	Farm Bureau Cooperative	13,025.60		15,730.38	
2000-0013-001	Farm Bureau Cooperative (Antigo) - spill	4,143.69		5,055.91	
1998-0028-001	Farm Feed & Seed, Inc.	404.70	88,991.34	500.00	130,557.96
2001-0025-001	Farmers Coop Produce (Baldwin - 10th Ave)	15,722.81	15,722.81	26,802.89	26,802.89
2001-0026-001	Farmers Coop Produce (Baldwin - HWY 12)	0.00	0.00	5,772.28	5,772.28
1999-0010-001	Farmers Flying Service, Inc.	9,562.83	9,562.83	18,852.76	18,852.76
1999-0016-002	Farmers Flying Service, Inc.	12,202.07		22,510.37	
1999-0013-001	Four Seasons FS Coop (Chippewa Falls) [fka Farm Supply Coop]	11,182.57	23,394.64	13,792.33	36,302.70
		90,602.10	90,602.10	117,275.53	117,275.53

Claim #	RP NAME	Payment	Total Prmts thru 6/30/01	Eligible Costs	Total Elig. Costs thru 6/30/01
2001-0005-001	Four Seasons FS Coop (Strum)	39,281.83	39,281.83	55,030.91	55,030.91
1996-0024-001	FS Coop (Amherst Junction)	37,976.42		56,614.36	
1996-0024-002	FS Coop (Amherst Junction)	30,212.76		33,600.89	
1996-0024-003	FS Coop (Amherst Junction)	24,033.66	92,222.84	29,265.33	119,480.58
1999-0021-001	Garden Valley Cooperative	7,931.81	7,931.81	17,339.55	17,339.55
2001-0021-001	Grand River Coop (Markesan)	113,190.83	113,190.83	142,455.23	142,455.23
1995-0023-001	Great Rivers FS Coop (Mt. Zion)	13,379.21		23,677.96	
1995-0023-002	Great Rivers FS Coop (Mt. Zion)	30,357.33	43,736.53	36,882.37	60,360.33
1995-0003-001	Green Rock FS (Janesville)	44,458.88		65,091.01	
1995-0003-002	Green Rock FS (Janesville)	12,625.74		11,726.54	
1995-0003-003	Green Rock FS (Janesville)	0.00			
1995-0003-004	Green Rock FS (Janesville)	108,559.34	165,643.98	133,718.71	210,534.26
1995-0022-001	Green Rock FS (Orfordville - Fert)	35,811.60	35,811.60	50,802.91	50,802.91
1995-0021-001	Green Rock FS (Orfordville - Fert)	63,694.02		84,586.38	
1995-0021-002	Green Rock FS (Orfordville - Fert)	86,105.51	149,799.52	105,882.52	190,470.90
2001-0001-001	HACCO, Inc. (Randolph) [fka Hopkins Ag Chem. Co.]	314,000.00	314,000.00	400,000.00	400,000.00
1999-0014-001	Hahn, David D.	35,022.98	35,022.98	45,820.35	45,820.35
2001-0035-001	Harmony Country Coop (Spencer)	9,617.15	9,617.15	18,878.77	18,878.77
1995-0004-001	Hartung Brothers (Arena)	89,871.67		121,083.27	
1995-0004-002	Hartung Brothers (Arena)	13,108.42		10,285.76	
1995-0004-003	Hartung Brothers (Arena)	16,367.61	119,347.70	19,720.40	151,069.43
1996-0023-001	Hartung Brothers (Oxford)	53,777.34		72,730.58	
1996-0023-002	Hartung Brothers (Oxford)	2,362.51	56,139.65	2,861.52	75,592.10
2000-0006-001	Heartland Coop (Owen) [fka Coop Services Clark Co]	67,175.08	67,175.08	90,124.22	90,124.22
1996-0016-001	Hillshire Farm & Kahns	23,446.57	23,446.57	31,345.29	31,345.29
1999-0004-001	IMC AgriBusiness, Inc. (Edmund)	314,000.00	314,000.00	625,699.10	625,699.10
1998-0022-001	Iowa Lafayette FS, Inc. (Mineral Point)	86,033.39		129,241.74	
1998-0022-002	Iowa Lafayette FS, Inc. (Mineral Point)	839.62		1,026.00	
1998-0022-003	Iowa Lafayette FS, Inc. (Mineral Point)	2,019.04	100,892.06	2,466.45	132,734.18
1998-0023-001	Iowa Lafayette FS, Inc. (Shullsburg)	94,462.79		125,578.49	
1998-0023-002	Iowa Lafayette FS, Inc. (Shullsburg)	69,761.33	164,224.12	84,948.77	210,527.26
1999-0008-001	J & S Liquid Fertilizer Inc.	15,884.33	15,884.33	26,817.15	26,817.15
1997-0015-001	Janssen Enterprises	43,120.88		59,592.65	
1997-0015-002	Janssen Enterprises	20,552.23		24,806.43	
1997-0015-003	Janssen Enterprises	10,531.58	74,204.68	12,909.55	97,308.63
1995-0001-001	Jay-Mar Inc. (Jay-Mar St.)	50,263.98		72,601.35	
1995-0001-002	Jay-Mar Inc. (Jay-Mar St.)	8,561.71		12,340.70	
1995-0001-003	Jay-Mar Inc. (Jay-Mar St.)	31,416.62		33,417.65	
1995-0001-004	Jay-Mar Inc. (Jay-Mar St.)	4,188.09	95,430.40	5,208.85	123,568.55
2000-0010-001	Jay-Mar Inc. (Walnut St.)	126,101.33		159,393.21	
2000-0011-001	Jay-Mar Inc. (Walnut St.) - spill	9,453.43	135,554.76	11,388.97	170,780.18
2000-0009-001	Jefferson Co. Farmco Coop (Mapleton)	118,276.51	118,276.51	152,641.63	152,641.63
1997-0013-001	Jefferson Co. Farmco Coop (Palmyra)	18,059.48		28,551.00	
1997-0013-002	Jefferson Co. Farmco Coop (Palmyra)	31,192.02		37,581.00	
1997-0013-003	Jefferson Co. Farmco Coop (Palmyra)	55,217.08		67,861.20	
1997-0013-004	Jefferson Co. Farmco Coop (Palmyra)	8,203.76	112,672.35	10,012.35	144,005.55
1997-0001-001	Kettle Lakes Coop (Bulk Plant, Hwy K)	5,518.98		14,196.07	
1997-0001-002	Kettle Lakes Coop (Bulk Plant, Hwy K)	18,035.44	23,554.32	21,901.65	36,097.72
1998-0025-001	Kettle Lakes Coop (First St.)	37,927.62		52,729.23	
1998-0025-002	Kettle Lakes Coop (First St.)	60,959.26	88,886.88	74,424.93	127,154.16
1996-0005-001	Kuhn, Gary	5,779.98	5,779.98	14,500.82	14,500.82
2001-0018-001	L & M Agri Supply	5,280.05	5,280.05	13,790.62	13,790.62
2001-0020-001	Land O' Lakes (Clinton) [fka Burlington Consumers Coop; fka Badgerland Farm Center]	138,864.46	138,864.46	170,680.83	170,680.83
1999-0002-001	Land O' Lakes (London)	31,330.45	31,330.45	45,589.77	45,589.77
2000-0004-001	Land O' Lakes (Marshfield)	4,524.98	4,524.98	13,076.77	13,076.77
2001-0022-001	Land O' Lakes (Whitewater) [fka Burlington Consumers Coop; fka Badgerland Farm Center]	218,775.44	218,775.44	268,795.78	268,795.78
1996-0004-001	Leroy Feed Mill Inc.	6,890.24	6,890.24	15,845.59	15,845.59
1997-0007-001	Lofty Acres Inc. (aka Joe Draxler)	4,747.78	4,747.78	9,048.03	9,048.03
1998-0017-001	Luxemburg Milling Co.	47,609.70		64,977.58	
1996-0017-002	Luxemburg Milling Co.	60,972.37		74,244.92	
1998-0017-003	Luxemburg Milling Co.	11,879.04	120,261.12	14,227.05	153,448.55
2001-0019-001	MAI - Mark Anderson & Assoc. (fka Grange Hall Crop Service)	19,827.76	19,827.76	27,217.42	27,217.42

Claim #	RP NAME	Payment	Total Pmts thru 6/30/01	Eligible Costs	Total Elig. Costs thru 6/30/01
1998-0011-001	Majeski Farms	10,789.84	10,789.84	16,052.78	16,052.78
1998-0001-001	McMillan Farms, Inc.	10,376.57	10,376.57	16,525.76	16,525.76
1999-0022-001	Medford Cooperative, Inc.	5,457.45	5,457.45	14,221.90	14,221.90
1995-0005-001	Melke, Roger & June [fka Jones Fertilizer]	8,575.56	8,575.56	12,759.84	12,759.84
2001-0004-001	Melrose Farm Service	39,168.39	39,168.39	54,826.74	54,826.74
1995-0033-001	Mid State Power & Equipment	6,291.62	6,291.62	10,892.41	10,892.41
1997-0002-001	Mid-County Coop (Gresham)	26,978.27		40,232.78	
1997-0002-002	Mid-County Coop (Gresham)	28,049.79	55,028.06	34,233.60	74,466.38
1996-0013-001	Mid-Lakes FS (Bonduel - Anhy)	20,651.39		34,099.83	
1996-0013-002	Mid-Lakes FS (Bonduel - Anhy)	25,315.53		29,351.96	
1996-0013-003	Mid-Lakes FS (Bonduel - Anhy)	36,264.59	82,231.51	43,420.82	106,872.61
1998-0014-001	Mid-Lakes FS (Bonduel - Main)	23,287.40		37,495.11	
1996-0014-002	Mid-Lakes FS (Bonduel - Main)	35,279.14		41,344.39	
1996-0014-003	Mid-Lakes FS (Bonduel - Main)	42,263.36	100,829.90	50,414.81	129,254.31
1996-0015-001	Mid-Lakes FS (Bowler)	22,956.20		36,846.05	
1996-0015-002	Mid-Lakes FS (Bowler)	9,951.49		10,383.37	
1996-0015-003	Mid-Lakes FS (Bowler)	53,511.60	86,419.29	63,975.54	111,204.96
1998-0002-001	Mid-Lakes FS (Francis Creek)	25,986.80		41,348.77	
1998-0002-002	Mid-Lakes FS (Francis Creek)	49,444.35	75,431.15	58,243.04	99,591.81
2001-0017-001	Mid-Lakes FS (Lena)	119,077.42	119,077.42	149,048.85	149,048.85
2001-0032-001	Mid-Lakes FS (Newton)	103,236.20	103,236.20	131,139.01	131,139.01
1996-0022-001	Mid-Lakes FS (Rosendale)	32,358.66		49,350.29	
1996-0022-002	Mid-Lakes FS (Rosendale)	7,236.02		6,194.50	
1996-0022-003	Mid-Lakes FS (Rosendale)	1,224.57	40,820.25	1,437.55	56,982.34
1998-0012-001	Mid-Lakes FS (Shirley)	18,075.28		30,781.70	
1996-0012-002	Mid-Lakes FS (Shirley)	55,854.04		68,561.12	
1998-0012-003	Mid-Lakes FS (Shirley)	39,727.97	113,687.29	46,740.29	144,083.11
2001-0029-001	Mid-Lakes FS (Waldo)	100,387.67	100,387.67	125,145.83	125,145.83
1995-0020-001	Millard Feed Mill	17,642.40		28,905.55	
1995-0020-002	Millard Feed Mill	34,604.18		39,780.26	
1995-0020-003	Millard Feed Mill	32,325.80		40,407.25	
1998-0008-001	Millard Feed Mill (2nd discharge)	1,724.11	86,296.48	2,026.31	111,119.37
1998-0021-001	Mondovi Coop Equity Assn (Osseo) [nka Countryside Coop; fka Cooperative Equity Assoc]	14,532.30		25,135.69	
1996-0021-002	Mondovi Coop Equity Assn (Osseo) [nka Countryside Coop; fka Cooperative Equity Assoc] - includes Smith farm split	73,403.34	87,935.64	110,223.14	135,358.63
1999-0003-001	Mt. Horeb Farmers Coop (Hollandale) [nka Premier Coop]	51,803.85	51,803.85	70,795.55	70,795.55
1998-0007-001	Neuser & New Holstein Apple Orchard	10,673.67	10,673.67	15,926.66	15,926.66
1995-0028-001	New Horizons (Fernimore)	8,124.10	8,124.10	17,333.81	17,333.81
1995-0029-001	New Horizons (Patch Grove)	12,496.40	12,496.40	22,626.27	22,626.27
1996-0009-001	New Richmond Farmers Union	80,714.79		105,506.71	
1996-0009-002	New Richmond Farmers Union	54,587.48	135,302.25	55,709.46	171,216.17
1997-0008-001	Omniflight Helicopters, Inc.	314,000.00	314,000.00	455,305.18	455,305.18
2000-0012-001	Oregon Farm Center	49,874.30	49,874.30	66,868.33	66,868.33
1997-0012-001	Outagamie Coop Service [fka Freedom Agri Center]	11,673.08		21,601.80	
1997-0012-002	Outagamie Coop Service [fka Freedom Agri Center]	28,408.74		34,618.90	
1997-0012-003	Outagamie Coop Service [fka Freedom Agri Center]	74,302.31	114,384.13	89,884.35	146,085.05
1995-0006-001	Paul Miller Farms	12,446.23	12,446.23	18,127.05	18,127.05
1998-0003-001	Phillips Ag & Cenex Land O' Lakes (Platteville)	65,243.26		91,705.32	
1996-0003-002	Phillips Ag & Cenex Land O' Lakes (Platteville)	9,057.32		5,949.72	
1998-0003-003	Phillips Ag & Cenex Land O' Lakes (Platteville)	42,378.93	116,879.51	50,573.70	148,228.74
1998-0020-001	Pickett Coop [aka Eldorado Farm]	19,536.25	19,536.25	31,106.70	31,106.70
2001-0024-001	Premier Cooperative (Black Earth) [fka Patron's Mercantile Coop]	12,223.63	12,223.63	22,113.90	22,113.90
2001-0008-001	Progressive Farmers Cooperative (Forest Junction)	71,657.86	71,657.86	93,448.37	93,448.37
1995-0012-001	Pulaski-Chase Coop	58,988.77		83,590.58	
1995-0012-002	Pulaski-Chase Coop	42,266.03		52,166.28	
1995-0012-003	Pulaski-Chase Coop	20,734.59		19,527.87	
1995-0012-004	Pulaski-Chase Coop	22,385.52		27,110.64	
1995-0012-005	Pulaski-Chase Coop	12,356.30		15,225.54	
1995-0012-006	Pulaski-Chase Coop	9,240.16	165,971.36	11,107.86	208,728.77
1998-0018-001	R&L Supply Coop [nka Coop Co. Partners (Reedsburg)]	26,820.60	26,820.60	39,886.89	39,886.89
2000-0020-001	Reedsville Coop	147,316.12	147,316.12	188,520.68	188,520.68
1997-0008-001	Rice Lake Farmers Union Coop	0.00			
1997-0008-002	Rice Lake Farmers Union Coop	68,975.82	68,975.82	93,219.77	93,219.77

Claim #	RP NAME	Payment	Total Pmts thru 6/30/01	Eligible Costs	Total Elig. Costs thru 6/30/01
1995-0027-001	Ridgeland Chetek (Chetek)	8,486.16		18,445.15	
1995-0027-002	Ridgeland Chetek (Chetek)	3,189.38		4,098.92	
1995-0027-003	Ridgeland Chetek (Chetek)	3,371.04		3,126.63	
1995-0027-004	Ridgeland Chetek (Chetek)	2,282.44	17,309.02	2,787.49	28,458.19
1995-0026-001	Ridgeland Chetek (Ridgeland)	29,598.34		45,674.88	
1995-0026-002	Ridgeland Chetek (Ridgeland)	11,140.84		14,408.30	
1995-0026-003	Ridgeland Chetek (Ridgeland)	2,827.61	43,566.79	189.35	80,272.53
1997-0011-001	Rio Farmers Union Coop [nka Cottage Grove Coop]	84,902.42		113,828.02	
1997-0011-002	Rio Farmers Union Coop [nka Cottage Grove Coop]	0.00	84,902.42	0.00	113,828.02
2001-0034-001	River Country Coop (Boyd)	10,886.10	10,886.10	20,537.55	20,537.55
1995-0019-001	River Country Coop (Chippewa Falls)	14,319.98		24,815.54	
1995-0019-002	River Country Coop (Chippewa Falls)	61,725.62	76,045.60	72,549.63	97,365.17
1998-0008-001	Riverdale Ag Service Inc.	7,652.71	7,652.71	16,258.58	16,258.58
2000-0001-001	RJR Enterprises	32,787.14	32,787.14	42,982.18	42,982.18
2000-0008-001	Robbins, Robert R. [aka Stoney Brook Farms]	3,480.61	3,480.61	7,273.48	7,273.48
1998-0014-001	Roblee, Joseph [aka Sampson / Roblee (Brownsville)]	23,524.63		35,710.14	
1998-0014-002	Roblee, Joseph [aka Sampson / Roblee (Brownsville)]	28,143.65	51,668.28	33,832.30	69,542.44
1999-0011-001	Ross Soil Service, Inc.	0.00	0.00	5,446.93	5,446.93
1998-0015-001	Rowan, Bonnie	19,907.02	19,907.02	26,915.72	26,915.72
2001-0013-001	Runda, Alan E.	4,991.67	4,991.67	9,050.61	9,050.61
1995-0030-001	Sauk County Farmers Union	14,595.52	14,595.52	25,167.15	25,167.15
1999-0017-001	Schultz / Artymuk / Schroeder	12,997.48	12,997.48	19,005.55	19,005.55
1997-0014-001	Schultz Agri-Service, Inc.	5,074.35		13,630.13	
1997-0014-002	Schultz Agri-Service, Inc.	28,017.00		33,877.31	
1999-0018-001	Shaw, David	2,754.36	35,845.71	3,380.75	50,888.19
1998-0019-001	Shawano Equity Coop [nka Mid-County Coop]	10,765.83	10,765.83	16,257.43	16,257.43
1998-0019-001	Shawano Equity Coop [nka Mid-County Coop]	64,849.80	64,849.80	85,808.58	85,808.58
2000-0002-001	Sheldon Cooperative (Main)	64,462.06	64,462.06	86,622.06	86,622.06
2000-0003-001	Sheldon Cooperative (Remote)	34,428.05	34,428.05	49,730.82	49,730.82
2000-0023-001	Southwest Supply, Inc.	11,760.59	11,760.59	21,898.95	21,898.95
1998-0013-001	Spiritland Agri-Service	12,557.79	12,557.79	22,522.06	22,522.06
1987-0010-001	State Bank of Argyle [aka Peterson Property; nka AMCORE Financial]	93,400.68		119,750.85	
1997-0010-002	State Bank of Argyle [aka Peterson Property; nka AMCORE Financial]	25,520.12	118,920.80	30,688.18	150,437.01
2000-0007-001	Steinacker Farms Inc.	7,384.82	7,384.82	12,078.55	12,078.55
2001-0006-001	Superior Propane Inc (Weyauwega) [nka Weyauwega Sketgas]	61,478.62	61,478.62	80,836.18	80,836.18
2000-0005-001	Terra International (Dane) [nka Agro Distribution]	240,818.35	240,818.35	299,998.47	299,998.47
1999-0028-001	Terra International (Fall River) [nka Agro Distribution]	183,898.94		233,757.52	
1998-0028-002	Terra International (Fall River) [nka Agro Distribution]	6,371.61	190,268.55	7,525.75	241,283.27
1999-0001-001	Terra International (Milton) [nka Agro Distribution]	100,046.24		128,773.40	
1998-0001-002	Terra International (Milton) [nka Agro Distribution]	16,514.49		20,014.31	
2000-0019-001	Terra International (Milton) [nka Agro Distribution] - spill	145.12	116,705.84	176.00	148,963.71
2001-0037-001	Terra International (Ripon) [nka Terra Industries]	253,304.05	253,304.05	313,994.74	313,994.74
2001-0027-001	Terra International (Shiocton) [nka Agro Distribution]	156,449.04	156,449.04	191,653.85	191,653.85
2000-0022-001	Thermogas (Boscobel) [nka Williams Natural Gas Liquids Inc.]	170,253.74	170,253.74	209,225.08	209,225.08
2000-0015-001	Thermogas (Burlington) [nka Williams Natural Gas Liquids, Inc.]	22,252.67	22,252.67	34,172.92	34,172.92
2001-0029-001	Thermogas (Lone Rock) [nka Williams Natural Gas Liquids Inc.]	55,548.52	55,548.52	72,723.14	72,723.14
2001-0003-001	Thermogas (Madison) [nka Williams Natural Gas Liquids Inc.]	120,576.83	120,576.83	152,922.09	152,922.09
1995-0010-001	Tomorrow Valley Coop (Amherst)	37,554.18		55,882.18	
1995-0010-002	Tomorrow Valley Coop (Amherst)	26,488.61		29,028.06	
1995-0010-003	Tomorrow Valley Coop (Amherst)	4,014.44		4,938.43	
1995-0010-004	Tomorrow Valley Coop (Amherst)	2,288.39	70,343.62	2,767.29	92,613.98
1997-0016-001	Tomorrow Valley Coop (Clintonville)	71,881.27		94,368.35	
1997-0018-002	Tomorrow Valley Coop (Clintonville)	73,429.94	145,291.21	87,333.42	181,701.77
2000-0021-001	Tomorrow Valley Coop (Wittenberg)	18,451.36	18,451.36	30,172.86	30,172.86
2001-0038-001	Twin-State Engineering & Chemical Co. (Janessville)	124,712.94	124,712.94	158,489.17	158,489.17
2000-0016-001	Union Cooperative Assn (Evansville)	201,053.45	201,053.45	249,300.47	249,300.47
1999-0026-001	Valders Coop	42,541.36	42,541.36	59,919.83	59,919.83
1999-0024-001	Valley Liquid Fertilizer	8,230.26	8,230.26	17,508.15	17,508.15
1999-0027-001	W.R. Grace & Co.	64,221.04	64,221.04	86,749.84	86,749.84
1998-0016-001	Wagel, Joseph	19,533.74	19,533.74	25,659.34	25,659.34
1998-0012-001	Wilderness Log Homes	54,411.44	54,411.44	68,896.58	68,896.58
1995-0018-001	Williams Farms Co. Inc. [aka Ag-Air (Suring)]	33,401.86	33,401.86	47,889.22	47,889.22

Claim #	RP NAME	Payment	Total Pmts thru 6/30/01	Eligible Costs	Total Elig. Costs thru 6/30/01
1996-0008-001	Wolf River Country Coop (New London) [fka New London Coop] [nka Larsen Cooperative Co.]	14,275.15		24,790.32	
1996-0008-002	Wolf River Country Coop (New London) [fka New London Coop] [nka Larsen Cooperative Co.]	39,918.12	54,193.27	45,341.28	70,131.60
		\$ 13,548,468.41	\$ 13,548,488.41	\$ 18,093,654.82	\$ 18,093,454.82

T H AGRI-CHEMICALS, INC.

P.O. Box 265, Highway 73
Plainfield, WI 54966
715/335-6343 715/335-6345

July 31, 2001

Representative Al Ott
318 North, State Capitol
Madison, WI 53702

Representative Al Ott,

I am writing in regard to Clearing House Rule 01-021, which will reinstate pesticide license fee surcharges retroactively.

While I am in support of the agricultural chemical cleanup fund, to reinstate these fees and make them retroactive is going to create significant financial hardship on Wisconsin growers and dealers alike.

Growers will suffer from the fact that this is an unbudgeted expense. Wisconsin potato growers and food processors are some of the largest users of pesticides. It is not uncommon for these people to spend \$500,000.00 to \$1,000,000.00 a year for herbicides, insecticides and fungicides to protect their crops. If the fee is increased by just 1% it will mean a \$5,000.00 to \$10,000.00 additional unbudgeted expense. While this may not sound like a lot of money to some people, to growers who have not been breaking even the past few years this is placing an additional hardship on them.

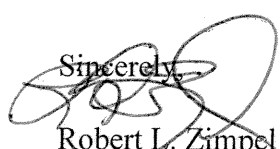
Dealers are going to have considerable expense in labor, invoicing and postage to collect these fees. We will not be able to collect all of these fees because any accounts that are C.O.D. or cash sales will most likely refuse to pay these fees. Because we are responsible for collecting these fees we will suffer additional losses.

If the Agricultural Chemical Cleanup Fund had not been raided by the Legislature with a total of \$2,980,000.00 in license fee surcharges being transferred to the state general fund and removing all GPR funding, we would not have the problem we are faced with. Rather than increase fees and make them retroactive this year I believe that the state should restore a portion of the funding they raided in the past two sessions. By doing this it would avoid putting additional hardships on Wisconsin agriculture this year.

I am enclosing some information on agricultural field crops pesticide fees for thirteen Midwest states. I hope you find this information useful.

Thank you for your time. If you should have any questions or comments please feel free the contact me.

Sincerely,



Robert L. Zimpel
President

Agricultural Field Crops Pesticide Fees
13 MACPA States

State	Pest. Reg. Fee/Year unless noted	Pesticide Special Taxes	Comments	Pesticide Dealer or Business Facility License	Private Applicator License (Farmer)	Com. Appl. License	Noncom. Appl. License	Public & Commercial Not for hire License	Operator License	Sales Tax Charged
CO	\$80/product application*	\$20* - included in registration fee.	* \$20 for CO Groundwater fund.	Restricted Use Pesticide Dealer - \$50/year/site	No license certification only. See state notes.	\$350/year	NA	\$50 Limited Commercial & Public Applicator \$75 Qualified Supervisor 3 years.	\$75 individual without on site supervision.	NO
IL	\$250/company, \$100/product 2003. \$300/company, \$130/product 2004.	NA	NA	\$100/location for restricted use.	\$15 2006, \$20 2007, License is for 3 years.	\$45 -2006, \$60 -2007	NA	NA	\$30 2003 \$35 2004 \$40 - 2007	NO
IN	\$75*	NA	*Discontinued pesticide requires 2 yrs. terminal registration. (Reg. fee continues.)	\$30/year per location.	1/1/01-\$10/yr. plus continuing education or \$40 for 5 years plus test.	\$30/year	NA	\$0 public employees, \$30 not-for-hire	NA	NO
IA	\$250-\$3000/product. \$250 initial registration for new products for first year. Natural Products* (See state notes.)	NA	Fees based on one fifth of one percent (0.002) of previous year's sales.	Depends on sales. See state notes .	\$15 for 3 years.	\$25 per company plus \$30/year, or \$75 for 3 years, for each applicator.	Not necessary as long as non-restricted pesticides are used and on property owned by the company. If restricted pesticides are used, then have to follow commercial applicators license requirements.	Public must be certified.	NA	NO
State	Pest. Reg. Fee/Year unless noted	Pesticide Special Taxes	Comments	Pesticide Dealer or Business Facility License	Private Applicator License (Farmer)	Com. Appl. License	Noncom. Appl. License	Public & Commercial Not for hire License	Operator License	Sales Tax Charged
KS	\$190/product	NA	\$100 to state water plan, \$30 KS Depart of Ag to fund pesticide program operations, \$60 KS Ag	\$100/year. An additional \$10 is required for each non-certified applicator that applies pesticides under the business' license.	\$10 - requires certification	\$35 per category every 3 yrs.* \$25 initial exam fee per category.	NA	NA	NA	NO

State	Pest. Reg. Fee/Year unless noted	Pesticide Special Taxes	Comments	Pesticide Dealer or Business Facility License	Private Applicator License (Farmer)	Com. Appl. License	Noncom. Appl. License	Public & Commercial Not for hire License	Operator License	Sales Tax Charged
MI	\$20/product	Specialty \$100 per product. Non-specialty - 0.75% Annual Gross Sales in MI with minimum of \$150. *	Remediation Fund. * Funds Ground Water and Fresh Water Protection Act.	\$100/location dealer facility license fee. See state notes. \$50/dealer	Certification required (\$10 for 3 years), then \$25 for registration.	Must be certified (\$50 for 3 years), then \$25 to register. Must also have a business license - \$50.	NA	NA	NA	NO
MN	0.6% of one percent of annual gross sales in MN, \$250 minimum.*	0.2% of one percent of annual gross sales in MN**. (This is included in reg. fee.)	*Discontinued pesticides require 2 yrs. terminal registration. **For clean-up of ag chem spill sites.	\$200/year per location with \$50 license and \$150 to ACRRA.	\$35 3 years.	\$90 includes \$40 to ACRRA.	\$90 - Business \$10 exempt government entities.	NA	See state notes.	NO
MO	\$15/product	N/A	NA	\$25/year dealer license	Certificate required.	\$50	\$25/year	Must be certified.	See state notes.	NO
NE	\$90/product	NA	\$30 Noxious Weed Cash Fund, \$60 Buffer Strip Incentive Fund.	\$25/year per location for dealer.	\$0 See state notes.	\$0	\$0	NA	NA	NO see state notes.
ND	\$350/2 years.	See state notes.	\$50 General Fund \$300 Environment And Rangeland Protection (EARP) Fund.	Business must register with Secretary of State.	\$19 plus certification fee.	\$53 single cat. \$10 for additional cat. plus cert.	NA	NA	NA	YES
OH	\$50/product	\$50 - See state notes.	NA	\$25/year	\$30 for 3-year certificate.	\$100 - year	NA	\$20/year	\$30/year	YES
SD	\$175 every 2 yrs.	NA	\$40 pest. reg. fund, \$42.50 weed & pest fund, \$42.50 public lands weed & pest control fund, \$30 ag experiment station, \$20 cooperative extension service.	\$50/site for dealer or \$25 - if applicant holds pesticide applicator license. 7/1/01 - \$100 every 2 years per site plus applicator license if applicator.	\$0 certification required every 5 years.	\$25/year 7/1/01- \$25 for 2 years.	NA	\$0 for government employees.	NA	NO

State	Pest. Reg. Fee/Year unless noted	Pesticide Special Taxes	Comments	Pesticide Dealer or Business Facility License	Private Applicator License (Farmer)	Com. Appl. License	Noncom. Appl. License	Public & Commercial Not for hire License	Operator License	Sales Tax Charged
WI	Non-household pesticides, fees are determined by the gross sales as follows: Less than \$25,000 annual gross sales - \$270/product; \$25,000 - \$75,000 - \$790; >than \$75,000 - \$2,760 + 0.2%.* See state notes for change in 2002.	See state notes regarding ACCP surcharge & changes in 2002.	*Fees for previously registered pesticide products are based on product type & the product's preceeding year's gross sales in WI. See state notes.	\$70/yr/location Commercial Pesticide Business Location License. \$60/yr/location for Pesticide Dealer Restricted Use.	\$0 must be certified which is \$30 per category, \$5/sub-category. Good for 5 years.	\$45/year for license includes \$15 for certification & \$30 for license. License fee of \$40/year to resume 12/02. Plus ACCP surcharge of \$20. See state notes.	NA	Government & Education exempt, but must file for license.	NA	NO

HEADING DEFINITIONS:

- **State** respective 13 states in MACPA region
- **Pest. Reg.** Pesticide Registration
- **Pesticide Special Taxes** fee charged at time of registration for a specific effort. Product cannot be registered in the state without paying the special tax.
- **Comments** explains the special tax or any other special things related to pesticide registration.
- **Pesticide dealer or business facility license** different states use different terms but generally refers to a special license that either the dealer or facility must have in order to operate.
- **Private applicator license (farmer)** this is only for farmers or producers.
- **Com. Appl. License** Commercial Applicator License
- **Noncom. Appl. License** Noncommercial Applicator License
- **Public & Commercial Not for hire License** generally this is for public employees such as state or school districts and other "not for hire" entities.

HEADING DEFINITIONS CONTINUED:

- **Operator license** varies from state to state. In Illinois it means the person who drives the spray rig. A licensed commercial applicator has determined and loaded the appropriate spray mixture.
- **Sales Tax Charges** this is for purchase of pesticide products by farmers for agricultural production purposes.
- **NA** Not applicable.

STATE NOTES:

Colorado Environmental Protection Agency handles the private applicator program. No license is issued; rather the producers are certified via a self-study kit. The certification program is free and good for 4 years.

Illinois \$5 fee for duplicate license, \$20 for late application fee.

Iowa pesticide dealer with less than \$100,000 in gross retail pesticide sales pay a license fee based on one-tenth of one percent of the gross retail pesticide sales in the previous year or:

- a. \$25.00 if less than \$25,000 gross retail.
- b. \$50.00 if \$25,000 or more but less than \$50,000.
- c. \$75.00 if \$50,000 or more but less than \$75,000.
- d. \$100.00 if \$75,000 or more but less than \$100,000.

Iowa license required for manufacturer and distributors not engaged in retail sales - \$25/location.

Iowa natural products are exempt from registration fees, but must still register, if the sales are less than \$20,000 in state and no similar product is registered in the state and a substantial amount of active ingredient is naturally occurring substance such as plant or animal and the oral lethal dose 50 has to be 5,000 milligrams/kilograms or greater.

Kansas dealer/facility license fee and special assessment - \$100/location split with \$20 to KS Department of Ag to fund pesticide program operations. (A bill is being considered that would increase the \$20 fee paid to the Department \$12 to a grand total of \$32.)

Commercial applicators license is good for 3 years and requires 6 hours of recertification training every 3 years.

Michigan legislature is considering an increase in fees, as this matrix is prepared.

STATE NOTES CONTINUED:

Minnesota total registration fee is 0.6% of one percent of annual gross sales in Minnesota, \$250 minimum includes 0.2% for clean-up of ag chem spills which is known as ACRRA for the Ag Chemical Response & Reimbursement Account.

- Minnesota licenses Structural Pest Control operators at \$50 per year, plus \$200 per year to license the company.
- Minnesota licenses Commercial Aquatic Pest Control operators at \$90 per year, plus \$100 per year to license the company.

Missouri operator license requirement is that so long as one individual is certified and licensed, then other employees can use under their supervision.

Nebraska the 2001 legislature is currently considering a license fee of \$30 for 3 years for private applicator license, implementing a sales tax, increasing registration fees and implementing a fertilizer use fee.

North Dakota pesticide registration is \$350 every two years, however under the law, the fees will "sunset" and be \$300 on 6/30/00. However, there is legislation currently (2001) being considered that would delete the "sunset" provision and keep the registration fee at \$350/product every two years. Environmental and Rangeland Protection Fund (EARP) provides funding for several programs including pesticide and pesticide container collection, noxious weed program, groundwater testing, pesticide enforcement, and minor use to perform research on minor crops and use.

Ohio while it may not be considered a special tax, the State does collect a product fee annually for combined fertilizer and pesticide products, also \$50.

Also, every company that employs a custom applicator, i.e. commercial or limited commercial, must also pay a business license fee of \$20 per location; this does not apply to utilities that hire commercial or limited commercial applicators.

Ohio regulatory programs are self-sustaining, supported one-third by grant funds, one-third by product registration fees and one-third by licensing fees.

Wisconsin renewal fees are based on the preceeding year's gross sales in Wisconsin using the following scale:

- \$0-25,000 - \$270 for non-household pesticides plus \$5 maximum Agri Chemical Cleanup Program (ACCP) surcharge;
- \$25,000 75,000, - \$790 for non-household pesticides plus \$170 maximum ACCP surcharge;
- Greater than \$75,000 - \$2,760 plus 0.2% of the gross sales of non-household pesticides plus a maximum ACCP surcharge of 1.1%.

In addition to the base fee, there is an ACCP maximum surcharge as follows: \$55 for pesticide application business, \$40 for pesticide dealer-restricted use, \$20 for pesticide individual applicator.

Wisconsin's ACCP surcharge is currently not collected. The legislature is currently (2001) considering changes in the ACCP surcharge with the surcharge increasing to 0.75% of gross sales. Also, to obtain a license for 2002, a pesticide registrant must pay surcharges based on sales for the 12 months ending September 30, 2001.

Other:

Web site <http://ace.orst.edu/info/nptrn/state1.htm> - has state pesticide regulatory agencies listed.

Information prepared by the Mid America Crop Protection Association in cooperation with state associations and state agencies.

Information is current as of May 2, 2001.

For additional information contact:



9735 Landmark Parkway Dr., St. 14., St. Louis, MO 63127
PH: 314/849-9446; FX: 314/849-0988; TF: 800/625-2767

Rule → Per Beata

Mark P is drafting motion & letter (To Jim H.)

↓
DATCP to consider
modifying rule to
eliminate the retroactivity

↓
① Suggest 13.10 to
request \$ taken by
legislature in the past.

② Suggest creating an
advisory group to
figure out how to keep
the fund solvent

- * Beata doesn't think everybody needs to know about this yet.
- * Call Beata (608) 635-9774 for more details
- * You need to talk to Hausday today about this so he's not the last to know.

Clearinghouse Rule 01-021
Agricultural Chemical Cleanup Program Surcharge Fees
Background to Testimony of Nicholas Neher

The Agricultural Chemical Cleanup Program was established in 1994 to help local coops and independent farm centers deal with the problems that had resulted from years of accumulation of small spills, dripping valves, equipment cleaning and related activities at pesticide storage and handling facilities. In the early years of pesticide handling these facility operators were lead to believe that these chemicals would break down rapidly and that only larger releases might cause an environmental problem. Investigations during the late 1980s and early 1990s found this was not the case, and that contamination was common at these commercial facilities. We've also found these problems at farms, but typically at a smaller scale.

When the program was established it had two components; cleanup and reimbursement. The investigation and cleanup component required the Department to go out and identify the contamination and direct facility owners to clean up the contamination. We have done that at over 350 sites and completed work at more than 140 sites. We also clean up and close between 50 and 90 one-time spills of fertilizer or pesticide annually.

The reimbursement side of the program was initially established to recognize that the one-time costs of these cleanups, even when well managed, can be expensive. For a seasonal industry that works on tight margins, the \$50,000 to \$150,000 cost of a cleanup was frequently large enough to force site closures. Funding for reimbursements was initially established with a near 50/50 mix of GPR and industry surcharges, to recognize that this program would benefit both agriculture and the environment, as well as the small communities where these facilities exist.

In the first years of the program many facilities waited to see how well the program would work before submitting claims. Provisions in both the law and rule provided several incentives to hold back on submission of costs. Our assumptions that claims would come in rapidly resulted in over-estimates on costs during these years. While substantial dollars were spent, claims were not submitted, such that the pot of eligible costs grew far faster than the reimbursement claims. Finally the statute instituted a three-year rolling deadline for submission of costs, with the intent of eliminating this large but undefined backlog of eligible costs.

During FY 00/01 we have dealt with the last of these old costs, which lead to a record reimbursement level of just under \$4 million. We have an additional \$1.8 million in pending claims that were carried into this fiscal year, but the unknowns on what might be submitted and other rule provisions that limited our ability to reliably estimate costs are virtually eliminated.

Current expenditure estimates are based off written and approved cost estimates. Every December we review completed work and compare this with the approved cost estimates

to arrive at our annual industry expenditure. We know the industry has spent between \$4.2 million and \$4.7 million per year in each of the past three years. We know that 75% of costs are submitted within one year of when they are incurred and 90% are submitted within two years of when they are incurred. We also know that after deductibles, co-pays and ineligible costs are removed, we typically pay 75% of the submitted industry expenses.

While funding for the program began with the 50/50 GPR/ Industry mix, this changed when expenses did not match predictions. Industry fees accumulated in the ACCP Fund and GPR allocations were lapsed and reduced. Eventually the ACCP surcharges were placed on hold and the GPR appropriation was reduced to zero. Nearly \$3 million in industry surcharges was also converted to GPR during this period. This remains a major concern of the industry. Between the surcharge fee suspension, rule changes that promoted prompt submission of eligible costs and the conversions of SEG to GPR, the fund balance has dropped rapidly. Combined, these issues have lead some agricultural representatives to suggest that the fund should be discontinued. We believe this is a short-sighted reaction that fails to recognize that the industry will still be spending more than \$4 million per year to clean up this contamination. Elimination of the fund simply accelerates the problem of facility closings.

During FY 00/01 the balance went from \$7.3 million to \$3.2 million. Although expenditures were higher in 00/01, with some carry-over effect in 01/02, the annual expenditures are expected to drop back to between \$3.1 and \$3.4 million. Without prompt resumption of surcharge collection, the fund will be near zero at the end of FY 01/02. Even with resumption at the maximum rates proposed by this rule, the estimated \$2.7 million in revenue will not meet the expected reimbursement demand.