

2022 SPECIAL ORDER OF BUSINESS

MEAT PROCESSING INFRASTRUCTURE AND SERVICES

WHEREAS, small and mid-scale family livestock farmers form an important part of our rural economies and are essential for meeting consumer demand for Wisconsin meat; and

WHEREAS, throughout Wisconsin rural communities lack infrastructure to support and encourage more small and mid-scale farms to form and to grow in production, and specifically many meat processing facilities that serve local farms have closed in recent years; and

WHEREAS, existing meat processing infrastructure is under strain with slaughter of certain classes, such as federally-inspected, state-inspected facilities, custom and various other livestock, needing to be scheduled more than a year in advance; and

WHEREAS, Wisconsin farms are in a position to grow in market share and economic importance, however farmers in many WFU chapters are constrained by inaccessible meat processing services, and therefore are unable to serve demand; and

WHEREAS, this lack of access to meat processing services for small and mid-scale farms gives additional advantage to corporate-owned, vertically-integrated operations creating an unfair market advantage; and

WHEREAS, in 2020 the Wisconsin Economic Development Corporation (WEDC) created an Office of Rural Prosperity and is in a position to help support economic development that enhances small, family-owned agriculture and rural communities in Wisconsin; and

WHEREAS, buying local is imperative to sustaining small and mid-scale family farms and cannot be fully realized with the current deficient meat processing systems; and

WHEREAS, in 2021 Wisconsin schools had a difficult time procuring many school lunch items, including meat. Local small and mid-scale farmers could have stepped in to fulfill these local needs, if not for the inadequate processing infrastructure; and

WHEREAS, WFU supports a consumer's right "to choose agricultural products that create climate benefits and opportunities for family farmers to articulate their climate mitigation efforts with consumers through food processors and retailers;" and

THEREFORE, BE IT RESOLVED, that in order to foster an environment in which family farms have equitable market access and the ability to be economically sustainable and grow, Wisconsin Farmers Union advocates for the WEDC to offer financial support to increase the capacity of and start new state and USDA-inspected meat processors throughout the state; and

BE IT FURTHER RESOLVED, that small and mid-scale farmers need meat processors that farmers can custom order, slaughter, butcher, and package their livestock to meet their needs and their customers' desires for locally-sourced, humanely-processed meat; and

BE IT FURTHER RESOLVED, that WFU urges increased support from County and Regional Economic Development agencies; and

BE IT FURTHER RESOLVED, that WFU urges streamlining regulation and increasing education and support for local processors to remain viable, as well as for processors that offer USDA and DATCP, organic, Halal, and Kosher certification; as well as mobile and other on-farm processing facilities and find end users of animal by-products and waste; and

BE IT FURTHER RESOLVED, that WFU supports allowing meat and poultry products sales across state lines if they have been inspected through state, Meat and Poultry Inspection (MPI) programs; and

BE IT FURTHER RESOLVED, that WFU supports the formation of cooperatives and other business structures that form to address specific local and regional processing needs, and offers assistance to chapters to do so; and

BE IT FURTHER RESOLVED, that WFU supports funding efforts for schools and institutions to educate about the benefits of and procurement of all types of locally-sourced food; and

BE IT FURTHER RESOLVED, that WFU supports further education and workforce development in meat processing services.

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PRESERVING SMALL- AND MID- SIZE FARMS

WHEREAS, over eight years between 2012 and 2019 Wisconsin has lost 6,300 farms or 8.8 percent of the farms in the state; and

WHEREAS, all scales of farms by sales experienced a drop in farm numbers over this period; and

WHEREAS, of these 6,300 farms, eighty-three percent (5,200 farms) had sales of less than \$250,000 and ninety-four percent (5,950 farms) had sales of less than \$500,000; and

WHEREAS, all scales of farms by sales increased acreage farmed, except for micro farms with sales of less than \$10,000, and farms with sales greater than \$250,000, and especially farms with sales over \$1 million, showed the largest increase in average acreage (185 ac); and

WHEREAS, of the 6,300 decreased farms, 4,342 of the farms exiting the industry were dairy farms, indicating that about 2,000 other types of farms also ceased operation; and

WHEREAS, the factors that have caused the cessation of farming until now will continue to strengthen and force more farmers from the industry; and

WHEREAS, many complicated factors negatively affect the continuation of farm numbers and the Wisconsin Farmers Union has addressed only some of these in a piecemeal approach focusing on specific farm-related issues; and

THEREFORE, BE IT RESOLVED, that WFU with various allied organizations will intensely explore the problem, develop and lead systemic and realistic solutions to sustain small- and mid-size farms to continue their operation; and

BE IT FURTHER RESOLVED, that the systemic approach will address the interrelationship between issues related to government assistance and regulation, demographics, business, economics, legacy and succession, market concentration, trade structures, development of marketing, politics and farm input, competitiveness, amongst others; and

BE IT FURTHER RESOLVED, that WFU will establish a multi-year phased approach with deliverables to address this problem in order to sustain and significantly improve the viability of small- and mid-size farming operations.

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DAIRY POLICY REFORM

WHEREAS, U.S dairy farms are an important segment of our nation's economy. As one of the world's largest dairy-producing nations, the industry provides roughly \$140 billion in economic output, \$29 billion in household earnings, and more than 900,000 jobs; and

WHEREAS, despite dairy's economic contribution to our nation, federal programs are failing producers who face difficult economic conditions. Between 2014 and 2020, over 11,000 U.S dairy farms went out of business as low milk prices failed to cover the average cost of production. Meanwhile, total cow numbers increased slightly and milk production remained relatively stable. The overproduction of milk and the inability for the market to stabilize following an economic downturn accelerated the loss of dairy farms throughout the U.S, particularly in dairy-heavy states like Wisconsin; and

WHEREAS, Wisconsin Farmers Union recognizes efforts made by Congress to improve federal dairy programs, but the Dairy Margin Coverage program does not address the fundamental problem of oversupply. Federal dairy policy must provide both a safety net for family dairy farms in all regions and of all herd sizes, and a mechanism to manage milk supply to meet profitable demand; and

WHEREAS, a 2019 economic analysis, supported by a 2021 follow-up study, showed that a system of managed growth in dairy production would have a positive impact on the dairy economy. The results show that by managing growth would result in increased milk prices, reduced price volatility, fewer dairy farm exits, and reduced government expenditures; and

WHEREAS, there is growing support among U.S dairy farmers, farm organizations, and members of congress for managing dairy production growth without issuing a strict quota, prohibiting expansion, or halting trade; and

WHEREAS, in addition to oversupply issues bringing down prices paid to farmers, 2018 Farm Bill Federal Milk Marketing Order (FMMO) price formula changes have led to lower prices paid to Wisconsin dairy farmers; and

THEREFORE, BE IT RESOLVED, WFU calls on Congress to establish a mandatory program for managed growth based on market demand and price stability in the 2023 Farm Bill. Such a program should increase farmer profitability by:

1. Elevating milk prices
2. Preventing overproduction
3. Reducing milk price volatility

Such a program should also:

1. Allow for beginning farmer entry
2. Reduce government expenditures
3. Respond to global market conditions
4. Be national and mandatory so that all dairy producers participate
5. Allow for planned growth when the market can accept additional milk
6. Be designed in such a way that any production base does not acquire value
7. Have meaningful farmer input in development, implementation, and governance

BE IT FURTHER RESOLVED, WFU supports the Class I pricing formula reverting back to higher value of Class III or Class IV instead of the average of Class III and Class IV that was put in place in the 2018 Farm Bill.

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CONCENTRATION IN THE AGRICULTURE INDUSTRY

WHEREAS, deregulation of industries has been a commonplace occurrence over the past four decades which has rolled back many of the protections to independent agricultural interests and farmers that were established to foster competition and a healthy marketplace; and

WHEREAS, enforcement of federal antitrust laws has diminished over the past few decades, with very few meaningful investigations into mergers and acquisitions of large scale agricultural producers, suppliers and processors; and

WHEREAS, a decline in the vitality of rural communities has coincided with this concentration in agricultural and retail food markets with family farms bearing the brunt of this injustice; and

WHEREAS, the movement towards fewer bigger suppliers of Ag inputs and markets for farm products has been accelerating in the past decade; and

WHEREAS, a recent USDA study “Milk Hauling Charges in the Upper Midwest Marketing Area, October 2021”, indicates that hauling charge by cwt declines as the producer's milk volume increases, creating incentive for concentration in the dairy industry; and

THEREFORE, BE IT RESOLVED, that Wisconsin Farmers Union strongly demands that the Wisconsin Department of Justice (WI DOJ) and the United States Department of Justice (US DOJ), as well as other regulatory agencies, aggressively investigate this situation and initiate action to level the playing field for family farmers and return meaningful competition to the marketplace; and

BE IT FURTHER RESOLVED, that WFU calls on the WI DOJ and US DOJ to follow through on the antitrust investigation and to aggressively prosecute violators of antitrust laws; and

BE IT FURTHER RESOLVED, that WFU urges the federal government to increase its oversight of consolidation and vertical integration in the agriculture industry and to establish a constant dialog within agriculture about market control and antitrust concerns; and

BE IT FURTHER RESOLVED, that WFU opposes the investment in arable lands in all countries by institutional investors (corporations, commercial and investment banks, pension funds, life insurance companies, endowments, high net-worth individuals, sovereign wealth funds, all of which apply to both domestic and foreign entities, amongst others). These lands should primarily be owned, managed, and farmed, if so desired, by domestic family farmers; and

BE IT FURTHER RESOLVED, that WFU urges the Wisconsin Attorney General's office to vigorously enforce the law limiting ownership by foreign entities to 640 acres of land in Wisconsin.

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FAMILY FARMERS SHAPING CLIMATE CHANGE POLICY

WHEREAS, a bold proposal to transform our society is needed to address the effects of climate change, to ensure food security, a healthy landscape, climate mitigation, and to attain a prosperous rural America through a strong family farm system of agriculture; and

WHEREAS, findings in the Sixth Assessment Report of the UN's Intergovernmental Panel on Climate Change indicate that to avoid the worst potential impacts of climate change, urgent action is needed to reduce carbon emissions, and is described by UN Secretary-General António Guterres as a "code-red for humanity"; and

WHEREAS, studies by the Wisconsin Initiative on Climate Change Impacts project that if climate change continues unchecked, Wisconsin will experience increasingly warmer temperatures, especially during the winter months, and increasing amounts of precipitation and extreme rain events; and

WHEREAS, such changes in climate may also have adverse impacts on Wisconsin agriculture by increasing erosion from extreme rain events, hampering access to fields at critical times, stimulating the spread of plant disease and weed dominance, and causing alterations in late-winter freeze/thaw cycles; and

WHEREAS, farmers are on the front line of climate change and, along with an already brutal farm economy driven by agricultural consolidation and the rising costs of inputs, unpredictable weather patterns pose yet another challenge to farmers fighting to survive; and

WHEREAS, farmers have a vested interest and a critical role to play in solving climate change through transforming farming practices to sequester carbon, improve soil health, water quality and the health of the environment; and

WHEREAS, sustainable land-use and farming practices (e.g., no-till or low-till planting, cover cropping, and rotational livestock-grazing) not only protect the environment, but also have the potential to improve farmer economic stability and food security, which benefits all Americans; and

WHEREAS, farmers and rural Americans have the available land base to support the conversion to a clean energy economy future; and

WHEREAS, family farmers and rural Americans must have a seat at the table to help shape the development of state or national legislation to mitigate or adapt to the impacts of climate change; and

THEREFORE, BE IT RESOLVED, Wisconsin Farmers Union urges the Wisconsin State Legislature and Congress to expand existing programs or develop new legislation to address climate change consistent with the following:

- Appoint a Climate Change Rural Task Force to inform and articulate an agricultural and rural plan in the emerging climate legislative platform. Farmers must have a meaningful seat at the table.
- Expand and increase appropriations for existing USDA programs such as Conservation Reserve Program (CRP) for using marginal farmland that is better served in mitigating climate change, the Conservation Stewardship Program (CSP), and Environmental Quality Incentives Program (EQIP) that focus on building soil health without placing additional regulatory burdens on farmers.
- Support and expand programs like USDA's Rural Energy for America Program (REAP).
- Support programs like USDA Climate Hubs
- Direct USDA to develop a labeling system that informs consumers of food and other consumer goods that are carbon intensive in their production and manufacturing process.
- Pass legislation aligned with the recommendations in the final report of the 2020 Wisconsin State Task Force on Climate Change.
- Enact legislation that would facilitate family farmer participation in carbon credit markets, such as the **Growing Climate Solutions Act**, that pays a reasonable rate to incentivize farmers to participate.
- Support Carbon Pricing legislation, such as the **Energy Innovation and Carbon Dividend Act**.
- Wisconsin Farmers Union calls on Congress to end the annual fossil fuel production subsidy and shift that money towards regenerative and conservation farming practices.

BE IT FURTHER RESOLVED, in addition to legislative action, Wisconsin Farmers Union supports creating market and educational opportunities among producers and consumers through:

- Local initiatives in communities to build resilience in food, fiber, and energy systems with economic investment in local market infrastructure
- Investment in energy efficiency and local renewable energy that generates a reasonable and profitable return
- Efforts to revitalize communities with agricultural businesses that utilize new technologies and that create markets for diversified and specialty crops to provide flexibility to farmers adapting to changing weather patterns
- Community education programs to help farmers share and improve strategies on how they can work with ecological systems to create resilient, profitable farms.
- Educational programs for consumers on the important role farmers and food systems play in climate mitigation and to help them choose food produced using climate friendly practices.