

Kara O'Connor: Losing one dairy farm a day is not 'normal'

Posted on Tuesday, Jun 13, 2017

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Headlines from the past month reveal the disappointing truth about the state of Wisconsin's dairy industry. "Dairy industry breathes a sigh of relief," said one headline, celebrating a "return to normal" now that most of the farmers who were axed by Grassland Dairy Products have found new milk buyers.

And what does "normal" look like? "Dairy farm exits outpaced 10-year trend," read another headline from Hoard's Dairyman, noting Wisconsin lost 400 dairy farms in 2016.

There is nothing "normal" about America's Dairyland losing more than a dairy farm per day in 2016. If that is what passes for normal in today's dairy industry, then we need an entirely new normal. One place to start is strengthening Wisconsin's prohibition on corporate farm ownership.

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Wisconsin's anti-corporate farming law was written in 1973. Since then, it has been chipped away, creating loopholes that allow even very large corporations to own farmland.

Wis Statutes Section 182.001(1) prohibits corporations with 16 or more shareholders from owning farmland and farming operations, including "the production of dairy products not including the processing of such dairy products." This law prevents large publically-traded corporations — about 1 percent of all U.S. businesses — from owning Wisconsin farms. However, corporations with 15 or fewer shareholders face no such limitations on their ability to own farms or farmland.

Grassland Dairy Products, a privately-held family corporation, apparently has fewer than 16 shareholders, so regardless of its size and corporate status it can own unlimited amounts of farmland and farming operations.

Another significant loophole in Wisconsin's anti-corporate farming law is that it allows corporate investors to own unlimited amounts of farmland, as long as the land is in turn rented to a farmer.

Wisconsin Statutes 182.001(2)(e) states: "This section [prohibiting corporate ownership of farmland] does not apply to agricultural land acquired by a corporation or trust for expansion or other corporate or trust business purposes and such land may be used for farming operations if leased to a person not prohibited from engaging in farming operations[.]"

Wisconsin is experiencing a growing trend of investor-ownership of farmland, such as purchases by retirement fund TIAA-CREF, which drive up the cost of farmland and make it harder for beginning farmers to purchase farmland. We should not accept as "normal" a world in which farmers are merely tenants on land owned by an out-of-state corporate investor. When an investment fund like TIAA-CREF owns the land, there is very little hope that the farmer will ever have the chance to buy it or pass it down to the next generation. This chipping away of farmer ownership of land also has significant implications for conservation. Why should a farmer invest in soil health or conservation practices on land that he or she doesn't own?

If there is one issue where there is almost universal agreement among farmers, it is that there should be limits on corporate ownership of farms. Wisconsin Farmers Union conducted a survey of all Wisconsin dairy farmers last fall, and 88 percent of respondents answered 'yes' to the following question: "Should farm organizations like Wisconsin Farmers Union continue to stand up for laws that limit foreign and corporate ownership of farms?"

It did not go unnoticed by Wisconsin farmers that at the same time Grassland Dairy was dropping dozens of family farms, it was directly engaged in assisting the development of a 5,000-cow CAFO in Dunn County. Grassland is the largest producer of butter in the nation, with a market share of nearly 50 percent. Its effort to consolidate ownership at both the processing and farm level is a perfect example of why we need stronger anti-corporate farming laws. If we fail to put some reasonable limits on corporate farming in Wisconsin, we can expect to see less farmland owned by actual farmers, and more of Wisconsin's family farms getting

pink slips from their processors in the years to come. That is not a future that any of us should accept as normal.

— *O'Connor is government relations director for the Wisconsin Farmers Union.*