

Annual Report

Agricultural Producer Security Trust Fund

Year Ended June 30, 2020

Issued November 17, 2020



Division of Trade and Consumer Protection
Bureau of Business Trade Practices
Agricultural Producer Security Section

TABLE OF CONTENTS

Statement of Revenues, Expenditures, and Cash Balances	2
Notes to Statement of Revenues, Expenditures, and Cash Balances	
Note 1 -- Accounting Methodology	3
Note 2 -- Statements of Revenues, Expenditures, and Cash Balances by Industry Group	4
Note 3 -- Revenues	8
Note 4 -- Expenditures	9
Note 5 -- Fund Balances and Statutory Trigger Amounts	10
Note 6 -- Individual Security	11
Note 7 -- License History	13
Note 8 -- Defaults	14

Wisconsin Agricultural Producer Security Trust Fund
Statement of Revenues and Expenditures, and Cash Balances
(rounded to \$10s)

	FY 20	FY 19	FY 18
Revenues			
Assessments			
Grain Dealers	\$ 807,990	\$ 888,340	\$ 966,400
Grain Warehouse Keepers	64,880	57,090	39,570
Milk Contractors	534,090	536,650	755,870
Vegetable Contractors	193,140	247,220	279,060
Total Assessments	1,600,100	1,729,300	2,040,900
Licenses Fees & Administrative Revenues			
Grain Dealers	26,470	31,830	28,500
Grain Warehouse Keepers	296,000	292,100	292,000
Milk Contractors	157,300	158,890	158,670
Vegetable Contractors	109,950	124,910	133,950
Total License Fees & Monthly Fees	589,720	607,730	613,120
Interest Revenue	165,840	235,970	114,890
Grain Dealer – Audits for Marketing Boards	7,840	8,000	8,600
Total Revenues	\$ 2,363,500	\$ 2,581,000	\$ 2,777,510
Expenditures			
Salaries and Fringe			
Grain Dealers	307,400	275,100	273,700
Grain Warehouse Keepers	241,030	218,330	212,980
Milk Contractors	349,170	328,800	335,650
Vegetable Contractors	114,440	107,790	109,040
Total Salaries and Fringe	1,012,040	930,020	931,370
Supplies and Services			
Grain Dealers	95,630	63,500	59,360
Grain Warehouse Keepers	69,920	46,060	46,090
Milk Contractors	66,470	62,410	61,270
Vegetable Contractors	18,100	16,070	18,330
Total Supplies and Services	250,120	188,040	185,050
Default Payments to Producers	(42,810)	22,920	-
Miscellaneous Expense	-	-	-
Total Expenditures	\$ 1,219,350	\$ 1,140,980	\$ 1,116,420
Net Change in Fund Balance	1,144,150	1,440,020	1,661,090
Beginning Cash Balance	11,051,000	9,610,980	7,949,890
Ending Cash Balance	\$ 12,195,150	\$ 11,051,000	\$ 9,610,980

Wisconsin Agricultural Producer Security Trust Fund

Notes to Statement of Revenues and Expenditures, and Cash Balances

OVERVIEW

The Wisconsin Agricultural Producer Security Trust Fund (the Fund) is established under Wis. Stat. § 25.463 and is administered by the Department of Agriculture, Trade and Consumer Protection (the Department). The Fund is maintained within the Department's Agricultural Producer Security Program (the Program). The Program is governed by Wisconsin Statute Chapter 126. The purpose of the Program is to provide some level of assurance that milk, vegetable and grain producers will be paid for their products. Generally, persons who purchase grain, milk or vegetables from Wisconsin producers, and grain warehouse keepers who store producer owned grain, are required to comply with the provisions of Wis. Stat. ch. 126. Collectively, these parties are defined as "Contractors". Wis. Stat. ch. 126 contains a variety of provisions to ensure that Contractors are able to pay producers. However, if a Contractor does fail to pay, producers may be able to make a claim against the Fund.

Fund revenues primarily consist of assessments and license fees paid by licensed Contractors. Fund expenditures include administrative expenditures of operating the Program and any costs associated with insurance or other backing for the fund. Further, should a contractor fail to pay a grain, milk or vegetable producer, that producer may be able to make a claim against the Fund for partial reimbursement.

The State of Wisconsin Investment Board oversees the management of investment activities for the Fund.

Note 1 – Accounting Methodology

The Statement of Revenues and Expenditures, and Cash Balances are presented using the cash basis method of accounting. Revenues are recognized when received and expenditures are recognized when disbursed.

All transactions for the Fund are recorded using STAR, which is the State of Wisconsin's accounting and human resource management system. The Wisconsin Department of Administration is responsible for the overall management of this system. The Department's Division of Management Services is responsible for the overall accounting for the Fund, including processing revenue and expenditure transactions.

In addition, state law requires the department to account for the balance in the Fund that is attributable to each of the four contractor license types within the program (Grain Dealers, Grain Warehouse Keepers, Milk Contractors, and Vegetable Contractors).¹ Accordingly, the Division of Trade and Consumer Protection (Division) maintains more detailed revenue, expenditure, and cash balance reports, which are reconciled with STAR on a monthly basis.

¹ Wis. Stat. § 126.05(2).

Note 2 – Statements of Revenues, Expenditures, and Cash Balances by Industry Group

Revenues, expenditures, and cash balances for each of the four license programs are shown on pages 4 - 7.

GRAIN DEALER			
CASH BALANCE and DETAILED REVENUES & EXPENDITURES			
(rounded to \$10s)			
Revenue Detail			
Description	FY 20	FY 19	FY 18
Assessments	\$ 53,680	\$ 69,500	\$ 221,450
Deferred Payment Assessments	748,890	816,770	743,100
License Fees	25,170	29,230	25,600
Penalties/Late Fees	6,730	4,670	4,750
Audit Services for Marketing Boards	7,840	8,000	8,600
Interest (allocated)	81,390	115,850	55,480
Total Revenues	\$ 923,700	\$1,044,020	\$1,058,980
Expenditure Detail			
Personnel Expenditures			
Personal Services	233,720	206,450	200,250
Fringe Benefits	73,680	68,650	73,450
Subtotal	307,400	275,100	273,700
Supplies and Services			
Travel & Training	17,830	18,510	14,920
Telecommunication	1,000	920	780
Rent & Lease	25,250	20,890	20,950
Maintenance & Repairs	-	20	20
Professional/Contractual Services	2,480	2,330	2,180
Other Administrative & Operating	19,230	18,400	17,680
Insurance	1,720	1,560	1,490
Printing	20	130	40
Computer Software	27,720	-	-
Supplies	380	740	1,300
Subtotal	95,630	63,500	59,360
Other Expenditures			
Default Payments	26,700	-	-
Miscellaneous Expenditure	-	-	-
Total Expenditures	\$429,730	\$338,600	\$333,060
Net Change in Cash Balance	493,970	705,420	725,920
Beginning Cash Balance	7,571,930	6,866,510	6,140,590
Ending Cash Balance	\$8,065,900	\$7,571,930	\$6,866,510

GRAIN WAREHOUSE KEEPER
CASH BALANCE and DETAILED REVENUES & EXPENDITURES
(rounded to \$10s)

Revenue Detail			
Description	FY 20	FY 19	FY 18
Assessments	\$ 64,780	\$ 57,040	\$ 9,220
License Fees	295,400	291,100	289,800
Penalties/Late Fees	700	1,050	2,550
Interest (allocated)	10,770	15,290	7,560
Total Revenues	\$371,650	\$ 364,480	\$ 339,130
Expenditure Detail			
Personnel Expenditures			
Personal Services	185,810	165,750	157,840
Fringe Benefits	55,220	52,580	55,140
Subtotal	241,030	218,330	212,980
Supplies and Services			
Travel & Training	11,370	9,980	9,650
Telecommunication	600	810	1,030
Rent & Lease	19,780	16,770	16,680
Maintenance & Repairs	-	20	10
Professional/Contractual Services	1,940	1,820	1,700
Other Administrative & Operating	14,800	14,370	14,040
Insurance	1,340	1,210	1,100
Printing	10	450	30
Computer Software	18,480	-	-
Supplies	1,610	630	1,850
Subtotal	69,930	46,060	46,090
Other Expenditures			
Default Payments	66,250	-	-
Miscellaneous Expenditure	-	-	-
Total Expenditures	\$377,210	\$264,390	\$259,070
Net Change in Cash Balance	(5,560)	100,090	80,060
Beginning Cash Balance	315,120	215,030	134,970
Ending Cash Balance	\$309,560	\$315,120	\$215,030

MILK CONTRACTOR
CASH BALANCE and DETAILED REVENUES & EXPENDITURES
(rounded to \$10s)

Revenue Detail

Description	FY 20	FY 19	FY 18
Assessments	\$530,480	\$535,860	\$752,150
Deferred Payment Assessments	390	-	-
Monthly License Fee	154,370	152,360	152,090
Annual License Fee	2,600	2,750	2,950
Penalties/Late Fees	3,550	4,580	7,350
Interest (allocated)	70,490	99,880	49,260
Total Revenues	\$761,880	\$795,430	\$963,800

Expenditure Detail

Personnel Expenditures

Personal Services	250,680	231,700	232,850
Fringe Benefits	98,490	97,100	102,800

Subtotal	349,170	328,800	335,650
-----------------	----------------	----------------	----------------

Supplies and Services

Travel & Training	10,330	7,150	4,690
Telecommunication	4,700	3,810	3,310
Rent & Lease	25,590	26,450	25,150
Maintenance & Repairs	700	170	170
Professional/Contractual Services	2,690	2,530	2,510
Other Administrative & Operating	20,300	19,990	23,140
Insurance	1,980	1,860	1,800
Printing	-	30	10
Supplies	180	420	490

Subtotal	66,470	62,410	61,270
-----------------	---------------	---------------	---------------

Other Expenditures

Default Payments	(135,760)	22,920	-
Miscellaneous Expenditure	-	-	-

Total Expenditures	\$ 279,880	\$ 414,130	\$ 396,920
---------------------------	-------------------	-------------------	-------------------

Net Change in Cash Balance	482,000	381,300	566,880
----------------------------	---------	---------	---------

Beginning Cash Balance	7,124,260	6,742,960	6,176,080
------------------------	-----------	-----------	-----------

Ending Cash Balance	\$ 7,606,260	\$7,124,260	\$6,742,960
----------------------------	---------------------	--------------------	--------------------

VEGETABLE CONTRACTOR
CASH BALANCE and DETAILED REVENUES & EXPENDITURES
(rounded to \$10s)

Revenue Detail

Description	FY 20	FY 19	FY 18
Assessments	\$ 26,950	\$ 66,980	\$ 131,000
Assessment Surcharge	165,610	180,160	147,850
License Fees	94,500	107,040	117,720
Nonparticipating Potato License Fee	15,050	17,470	16,030
Penalties/Late Fees	970	470	410
Interest (allocated)	3,180	4,950	2,590
Total Revenues	\$ 306,260	\$ 377,070	\$ 415,600

Expenditure Detail

Personnel Expenditures

Personal Services	81,430	75,390	75,470
Fringe Benefits	33,000	32,400	33,570
Subtotal	114,430	107,790	109,040

Supplies and Services

Travel & Training	1,990	1,290	3,770
Telecommunication	-	-	-
Rent & Lease	7,620	6,000	6,210
Maintenance & Repairs	-	-	-
Professional/Contractual Services	850	800	750
Other Administrative & Operating	6,950	7,250	6,940
Insurance	630	600	490
Printing	-	10	-
Supplies	60	120	170
Subtotal	18,100	16,070	18,330

Other Expenditures

Default Payments	-	-	-
Miscellaneous Expenditure	-	-	-

Total Expenditures	\$ 132,530	\$ 123,860	\$ 127,370
---------------------------	-------------------	-------------------	-------------------

Net Change in Cash Balance	173,730	253,210	288,230
Beginning Cash Balance	(3,960,310)	(4,213,520)	(4,501,750)
Ending Cash Balance	\$(3,786,580)	\$(3,960,310)	\$(4,213,520)

Note 3 – Revenues

Assessments

The Division maintains billing and accounts receivable systems that track assessments by individual contractor and by license year. Each contractor's assessment amount is calculated by multiplying the "assessment rate" by the contractor's total procurements (or storage capacity in the case of grain warehouse keepers).

Generally, assessment rates are calculated using a complex formula that is based on the contractor's current ratio and debt-to-equity ratio. The assessment rate is higher for contractors having weaker financial positions. The assessment rate for contractors that are not required to file a financial statement is a fixed rate based on the number of years the contractor contributed to the Fund. The Department calculates the annual assessment at the beginning of each license year.²

License Fees and Inspection Fees

License fees must be paid to obtain a license. Whereas assessment rates are partially based on financial ratios, license fees are based on the overall purchase volume or storage capacity of the licensee.

- Grain Dealer License and Inspection Fee Detail
 - Nonrefundable license processing fee of \$25.
 - Base License fee of \$0.0010 per bushel, rounded to the nearest \$100, except license fee may not be less than \$100 or more than \$10,000, less any fee credits for which the grain dealer qualifies.
 - Additional locations fee (for each location greater than one) of \$100
 - Audit services for marketing boards. While on site for routine grain dealer audits, the bureau regularly performs compliance exams on behalf of the Wisconsin Corn Marketing Board and the Wisconsin Soybean Marketing Board to confirm grain dealers are properly reporting check-off obligations to those organizations. The Program then bills the marketing boards for time spent doing this work.

- Grain Warehouse Keeper License and Inspection Fee Detail
 - Nonrefundable license processing fee of \$25.
 - Locations license fee of \$25 for each grain warehouse location.
 - Inspection Fees of \$0.0025 per bushel, rounded to the nearest \$1,000, except the inspection fee may not be less than \$1,000 or more than \$10,000, less any fee credits for which the grain warehouse keeper qualifies.
 - Supplemental inspection fee of \$275 for each location other than the main location.

- Milk Contractor License Fee Detail
 - Nonrefundable license processing fee of \$25.

² For more details about the assessment calculation, please see Wis. Stat. §§ 126.15, 126.30, 126.46, 126.60 and Wis. Admin. Code §§ ATCP 99.135, 99.255, 100.135 and 101.255. Assessment calculators are available by visiting the following website:

https://datcp.wi.gov/Pages/Programs_Services/AgriculturalProducerSecurity.aspx

- Monthly License fees of \$0.0015 for each 100 pounds of producer milk that the milk contractor procured in this state during the preceding month, less any fee credits for which the milk contractor qualifies.
- Vegetable Contractor License Fee Detail
 - Nonrefundable license processing fee of \$25.
 - Contract Obligation fees of \$25 plus \$0.0875 for each \$100 in contract obligations, less any fee credits for which the vegetable contractor qualifies.
 - A processing potato buyer that has elected not to participate in the fund pays the lesser of \$2,000 or \$25 plus \$0.0875 for each \$100 in contract obligations.

Late Payment Surcharges and Other Penalties

There are several penalties and surcharges under both the license fee and the assessment provisions of the producer security law, including:

- Late fee for failing to file an annual license renewal application and license fee payment. (\$100)
- Late fee for failing to file a required financial statement. (\$100)
- Late fee for failing to pay a monthly license fee when due (milk contractors only). (20% of the amount due)
- Surcharge for operating without a license. (\$500)
- Late fee for failing to pay an assessment installment by the required due date. (\$50 or 10% of the amount due; whichever is greater)

Interest Revenue

The Wisconsin Department of Administration deposits interest into the fund at the end of each month. The interest rate is determined monthly based on the overall return on the State of Wisconsin’s entire cash holdings. The division allocates interest revenue among the subaccounts based on each subaccount’s prior month ending balance as a percentage of the entire fund. Except that, in the event that a subaccount has a negative balance, that subaccount is ignored and the interest is allocated among the subaccounts with positive balances. Generally, the monthly interest rates received by the fund rise and fall along with other interest rates throughout the broader economy. For the Fiscal Years ended June 30, 2020, 2019 and 2018; the Fund received interest revenue of \$165,840.82, \$235,970.93 and \$114,889.22, respectively. This means that average annualized interest rates for these three years were 1.36%, 2.14%, and 1.20%, respectively.

Note 4 – Expenditures

Employee Expenditures

The Department has authority to allocate FTEs within the license type subaccounts. The Department strives to place each FTE in the industry subaccount for which that person performs most of their duties. Positions that cannot be directly tied to an individual industry subaccount are allocated proportionally among the four

subaccounts. The Division has periodically made revisions to the allocations to ensure they reflect the actual work being done as accurately as possible.

Allocation of the authorized FTEs, as of June 30, 2020, is shown in the schedule below.

	Grain Dealer	Grain Warehouse Keeper	Milk Contractor	Vegetable Contractors	Total
Agricultural Auditor	2.80	2.20	3.20	0.80	9.00
Agricultural Auditor Supervisor	0.25	0.25	0.25	0.25	1.00
Financial Specialist			0.50	0.20	0.70
License Permit Program Associate	0.60	0.40			1.00
Unassigned (Vacant – 0.25 FTE)					0.25
TOTAL	3.65	2.85	3.95	1.25	11.95

Supplies and services expenditures are charged to the individual subaccounts based on employee allocations. For example, the Wisconsin Department of Administration collects rent for office space from the department. The Department allocates the rent expenditures across the industry license type categories based on the number of FTEs in each individual program. Therefore, the allocation of FTEs among the four subaccounts has a direct impact on supplies and services expenditure amounts listed in the schedules in Note 2.

Note 5 –Fund Balances and Statutory Trigger Amounts

License Fee Credits

The crediting of excess Fund balances over the minimum threshold is an integral component of the program. Should the balance attributable to any one of the four industry groups exceed the specified minimum threshold, the department must use a portion of the excess as a credit to the next year’s license fees owed by contributing contractors in that particular industry license type. The minimum balance threshold for each license type is as follows:

- Grain Dealers and Grain Warehouses Keepers \$ 2,300,000 combined on May 31
- Milk Contractors \$ 4,000,000 on February 29
- Vegetable Contractors \$ 825,000 on November 30

In the event any of the industry groups exceed the thresholds listed above, the Department, in the following license year, issues a license fee credit to each contributing contractor who files a timely application. For the Grain Dealer, Milk Contractor and Vegetable Contractor license groups, the amount of the credit is fifty percent (50%) of the excess above the minimum balance threshold. In the case of the Grain Warehouse Keeper license group, the amount of the credit is twelve and a half percent (12.5%) of the excess and they are not eligible for license fee credits until after January 1, 2023. The credit is allocated among the contractors based on the total amount paid in license fees over the four preceding license years.

The milk contractor and grain dealer license groups received license fee credits in each of the three fiscal years reported in this document. Credits used in FY 20 were: Milk Contractor \$313,329 and Grain Dealer \$319,700.

Minimum and Maximum Fund Balances

Wis. Stat. ch. 126 permits the Department to modify fund assessments by administrative rule. Further, the statute *requires* the Department to modify assessments in order to maintain fund balances greater than the minimum and less than the maximum amounts.³ These amounts are as follows:

	Minimum Statutory Balance	Actual Balance as of June 30, 2020	Maximum Statutory Balance
Grain Dealers and Grain Warehouse Keepers	\$ 1,200,000	\$ 8,375,465.99	\$ 7,000,000
Milk Contractors	\$ 3,000,000	\$ 7,606,261.86	\$ 12,000,000
Vegetable Contractors	\$ 800,000	(\$ 3,786,582.27)	\$ 3,000,000
Entire Fund	\$ 5,000,000	\$ 12,195,145.58	\$ 22,000,000

Rules have been implemented which make various adjustments to assessments as follows:

- Create an additional vegetable contractor assessment surcharge of 0.002 times total contract obligations capped at \$50,000.
- Allow for a 50% reduction in vegetable contractor assessments if all contract obligations are under written contracts with payment terms of no more than 30 days.
- Reduce milk contractor assessments by 20%.
- Create a deferred payment assessment of \$0.0035 multiplied by total milk payment obligations deferred.
- Reduce grain dealer assessments, including grain deferred payment assessments, while the grain dealer portion of the Fund exceeds \$6,000,000.

Assessment Holiday

Pursuant to administrative rules, contractors who have been contributing contractors for at least five years may forego paying any fund assessments for the following license year if, as of the specified date, the overall fund balance is at least \$11,000,000, and fund balance attributable to the industry group meets the specified minimum balance:

- Grain Dealers \$ 3,000,000 as of May 31 [Wis. Admin. Code § ATCP 99.126(5)]
- Grain Warehouse Keepers \$ 500,000 as of May 31 [Wis. Admin. Code § ATCP 99.235(4)]
- Milk Contractors \$ 6,000,000 as of Feb. 28 [Wis. Admin. Code § ATCP 100.135(10)]
- Vegetable Contractors \$ 1,500,000 as of Nov. 30 [Wis. Admin. Code § ATCP 101.245(4)]

Note 6 – Individual Security

The department holds security from some licensed contractors for the benefit of producers. The security can be filed in the form of an irrevocable letter of credit, commercial surety bond, certificate of deposit, or cash. Security is held for various reasons which include the following:

³ Wis. Stat. § 126.88

- **Disqualified:** Contractors who have filed a financial statement that shows negative owners' equity when they are first applying for a license must file individual security. These contractors do not contribute to the fund.
- **Deferred Payment:** Grain dealers and milk contractors that use deferred payment and do not meet a minimum 4:1 debt to equity ratio must file individual security in addition to contributing to the fund.
- **Estimated Default Exposure in Excess of \$20 million.** Contributing contractors who do not meet minimum financial ratios and whose estimated default exposure exceeds \$20 million are required to post security in an amount equal to the difference between the contractor's estimated default exposure and \$20 million.⁴ These contractors receive a proportionate reduction in their annual assessments.
- **Voluntary:** Contributing contractors whose estimated default exposure exceeds the maximum amount that can be paid out of the fund for any one default (60% of the total fund balance) may voluntarily file security to cover the difference. These contractors receive a proportionate reduction in their annual assessments.
- **Other:** If a contributing contractor is unable to file a required financial statement for initial licensing, is otherwise unable to comply with statutory provisions, or presents an especially excessive risk to producers, the department may require individual security.

Security Held as of June 30, 2020

	Bonds	Letter of Credit	CD's and other cash equivalents	Total Security
Grain Dealer				
Disqualified	\$ -	\$ 364,224	\$ -	\$ 364,224
Deferred Payment	245,228	485,086	32,759	763,073
Exposure Greater than \$20 Million			524,013	524,013
Voluntary	30,435,000			30,435,000
Other			31,525	31,525
Total	\$ 30,680,228	\$ 849,310	\$ 588,297	\$ 32,117,835
Milk Contractor				
Disqualified	\$ -	\$ -	\$ -	\$ -
Exposure Greater than \$20 Million	34,724,800	26,680,191		61,404,991
Voluntary	20,710,200			20,710,200
Other		500,000		500,000
Total	\$ 55,435,000	\$ 500,000	\$ 0	\$ 82,615,191
Grand Total				\$ 114,733,026

⁴ The current ratio must be at least 1.25:1 and the debt to equity ratio must be no more than 4:1 for grain dealers, grain warehouse keepers, and vegetable contractors; and 2:1 for milk contractors.

Note 7 – License History

In the producer security program, each industry group has a separate license and expiration. The statutory expirations are:

- Grain Dealers, August 31 [Wis. Stat. § 126.11(4)(g)]
- Grain Warehouses Keepers, August 31 [Wis. Stat. § 126.26(3)(f)]
- Milk Contractors, April 30 [Wis. Stat. § 126.41(3)(d)]
- Vegetable Contractors, January 31 [Wis. Stat. § 126.56(4)(e)]

The following tables show the total number of licenses issued for each program and the total obligations, or for Grain Warehouse the storage capacity, reported on the license application. The Grain Dealer table also shows the total bushels purchased and total deferred payments made.

GRAIN DEALER				
License Year	Licenses Issued	Total Bushels Reported	Total Purchases Reported	Total DP Reported
2020 / 2021	218	443,491,103	\$1,972,730,259.97	\$243,747,517.83
2019 / 2020	214	478,113,547	\$2,071,092,136.37	\$254,235,921.29
2018 / 2019	223	486,409,035	\$2,131,516,511.45	\$276,503,567.46
2017 / 2018	230	482,348,475	\$2,182,501,509.51	\$263,797,486.18
2016 / 2017	232	433,995,530	\$2,022,015,455.36	\$249,167,940.94
2015 / 2016	244	385,365,675	\$2,046,937,724.98	\$263,722,370.99
2014 / 2015	249	351,788,691	\$2,403,340,977.00	\$260,941,793.00
2013 / 2014	258	400,823,098	\$2,919,177,409.31	\$245,494,567.87
2012 / 2013	274	378,966,400	\$2,365,294,942.53	\$226,152,173.63
2011 / 2012	288	454,962,837	\$2,257,068,777.21	\$127,216,085.10
2010 / 2011	287	361,803,947	\$1,699,023,816.74	\$91,623,760.92
2009 / 2010	292	338,283,870	\$1,739,085,053.18	\$81,360,205.63

GRAIN WAREHOUSE KEEPER		
License Year	Licenses Issued	Total Capacity
2020 / 2021	89	113,507,741
2019 / 2020	89	111,802,238
2018 / 2019	89	114,957,171
2017 / 2018	92	108,940,953
2016 / 2017	93	99,330,658
2015 / 2016	96	111,836,055
2014 / 2015	99	108,651,388
2013 / 2014	101	109,542,279
2012 / 2013	103	102,174,345
2011 / 2012	106	99,369,562
2010 / 2011	108	138,478,653
2009 / 2010	111	121,502,437

MILK CONTRACTORS		
License Year	Licenses Issued	Total Obligations
2020 / 2021	102	\$ 6,004,133,964
2019 / 2020	107	\$ 5,428,548,009
2018 / 2019	113	\$ 5,826,643,909
2017 / 2018	114	\$ 5,442,967,296
2016 / 2017	114	\$ 5,600,605,835
2015 / 2016	115	\$ 7,094,983,256
2014 / 2015	120	\$ 5,996,509,973
2013 / 2014	120	\$ 5,612,011,214
2012 / 2013	119	\$ 5,544,595,746
2011 / 2012	118	\$ 4,465,441,273
2010 / 2011	114	\$ 3,527,503,717
2009 / 2010	115	\$ 4,873,420,108

VEGETABLE CONTRACTORS		
License Year	Licenses Issued	Total Obligations
2020 / 2021	32	\$ 255,745,776
2019 / 2020	33	\$ 283,325,768
2018 / 2019	34	\$ 274,844,173
2017 / 2018	35	\$ 306,769,790
2016 / 2017	36	\$ 271,984,516
2015 / 2016	40	\$ 322,047,777
2014 / 2015	39	\$ 315,109,222
2013 / 2014	39	\$ 315,395,738
2012 / 2013	37	\$ 236,101,361
2011 / 2012	37	\$ 307,748,089
2010 / 2011	36	\$ 282,116,910
2009 / 2010	37	\$ 213,589,108

Note 8 – Defaults

On August 1, 2019, a licensed grain dealer, Frank’s Feed Mill, Inc., defaulted on payments to grain producers. The department initiated a Recovery Proceeding and received 8 default claims from grain producers. Of the 8 claims only 4 were allowable and payments from the Agricultural Producer Security Fund totaling \$26,703.27 were made in December 2019.

On November 25, 2019, the department revoked the grain warehouse keeper and grain dealer licenses held by Asbury Grain Service, LLC (Asbury). The department found that Asbury had not maintained the quantity and quality of all grain stored for depositors. The department initiated a Recovery Proceeding and received fifty three (53) default claims from grain depositors. Of the fifty three (53) claims filed, forty six (46) were allowed and payments from the Agricultural Producer Security Fund totaling \$66,245.49 were made in July 2020. The payments were made in July but funds were appropriated for these payments in June 2020.

The department also received producer claims of nonpayment for grain purchased by Asbury in November and December of 2019. The department initiated a Recovery Proceeding and received 24 default claims from grain producers. Of the twenty four (24) claims filed, twenty three (23) were allowed and payments totaling \$254,775.69 were made in April of 2020. The Department held security in the form of an Irrevocable Letter of Credit for Asbury's grain dealer license and all payments made to grain producers for grain sold to Asbury were drawn on the Letter of Credit.

On January 6, 2020, the department revoked the milk contractor license held by Southwestern Wisconsin Dairy Goat Products Cooperative (SWDGPC). The department found that SWDGPC had failed to make timely payments for milk purchased from producers. The department initiated a Recovery Proceeding and received twenty two (22) default claims from milk producers. All twenty two claims were allowed and payments from the Agricultural Producer Security Fund totaling \$211,455.47 were made in April 2020.

Default Payments Recovered

On December 19, 2014, a licensed milk contractor, Liberty Milk Marketing Cooperative, defaulted on payments to milk producers and entered state receivership on December 22, 2014. In June 2014 payments totaling \$1,012,789.82 were made to producers as a result of the default of Liberty Milk Marketing Cooperative. In March 2019, the department received partial reimbursement from the receiver in the amount of \$141,980.60. In January 2020, the department received an additional and final reimbursement from the receiver in the amount of \$347,214.96.

Defaults Payouts since inception of APS Fund

Wisconsin Milk Contractor Defaults

Date	Milk Contractor	Default Amount	Recovery for Producers	Net Producer Loss	Number of Producers/ Producer Agents
2005	Linden Cheese Company	\$ 193,286	\$ 130,378	\$ 62,908	36
2014	Liberty Milk Marketing Cooperative	1,291,826	1,012,790	279,036	27
2019	Noble View Creamery, LLC **	207,298	164,897	42,401	5
2020	Southwestern Wisconsin Dairy Goat Products Cooperative ***	264,319	211,455	52,864	22
Total		\$ 1,956,729	\$ 1,519,520	\$ 437,209	90

Wisconsin Vegetable Contractor Defaults

Date	Vegetable Contractor	Default Amount	Recovery for Producers	Net Producer Loss	Number of Producers/ Producer Agents
2013	Allens, Inc. *	\$ 8,782,359	\$ 6,753,802	\$ 2,028,557	19
Total		\$ 8,782,359	\$ 6,753,802	\$ 2,028,557	19

Wisconsin Grain Dealer Defaults

Date	Grain Dealer	Default Amount	Recovery for Producers	Net Producer Loss	Number of Producers/ Producer Agents
2012	Cuff Nutrition Service	\$ 20,807	\$ 1,982	\$ 18,825	2
2013	GB Elevator, LLC	157,246	125,001	32,245	3
2013	Ruby Grain, LLC	75,337	60,269	15,068	13
2020	Frank's Feed Mill, Inc.	33,379	26,703	6,676	4
2020	Asbury Grain Services, LLC	254,776	254,776	00	23
Total		\$ 541,545	\$ 468,731	\$ 72,814	45

Wisconsin Grain Warehouse Keeper Defaults

Date	Grain Warehouse Keeper	Default Amount	Recovery for Producers	Net Producer Loss	Number of Producers/ Producer Agents
2020	Asbury Grain Services, LLC	\$ 66,245	\$ 66,245	\$ 00	46
Total		\$ 66,245	\$ 66,245	\$ 00	46

* There are still actions pending that may change the recovery amounts.

** In August of 2019 Noble View paid the remaining \$42,401 owed to producers. The department is pursuing reimbursement for its payment to Noble View producers.

*** As of September 30, 2020, Southwestern Wisconsin Dairy Goat Products Cooperative has paid milk producers \$14,203 of the remaining amount owed them.