Biofuels: Marketing Order WLC: 0363/1

LAK:ty 12/10/2008

AN ACT *to amend* 96.01 (3) and 96.02; and *to create* 96.01 (4m) and 96.05 (1m) of the statutes; **relating to:** marketing orders and agreements for bioenergy feedstocks.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

**JOINT LEGISLATIVE COUNCIL PREFATORY NOTE:** This bill draft was prepared for the Joint Legislative Council's Special Committee on Domestic Biofuels.

Under the "Agricultural Marketing Act" marketing orders or agreements can be issued for agricultural commodities. [ch. 96, stats.] The purposes of these orders and agreements include promoting orderly and efficient marketing and preventing economic waste by promoting fair methods of competition, uniform grading and classification, and market realization and development. An assessment is levied upon affected producers and handlers to defray the costs associated with a marketing order.

This bill draft would designate products used as bioenergy feedstocks, including timber and wood products, as "agricultural commodities" to which a marketing order or agreement may be applicable. The bill draft would also require the secretary of the department of agriculture, trade and consumer protection to periodically assess the development of markets for bioenergy feedstocks and determine whether the issuance of a marketing order or agreement for these products would be appropriate.

**SECTION 1.** 96.01 (3) of the statutes is amended to read:

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96.01 (3) "Agricultural commodity" means any agricultural, horticultural (excepting floricultural), viticultural, vegetable, poultry, and livestock products produced in this state, including for use as a bioenergy feedstock, including milk and milk products, bees and honey, or any class, variety or utilization thereof, either in their natural state or as processed by a producer for the purpose of marketing such product or by a processor, but not including timber and wood products, except timber and wood products used as a bioenergy feedstock.

**SECTION 2.** 96.01 (4m) of the statutes is created to read:

96.01 (4m) "Bioenergy feedstock" means biomass used to produced energy, including transportation fuel, heat, or electricity.

**SECTION 3.** 96.02 of the statutes is amended to read:

96.02 Policy. It is declared to be the policy of this state to promote orderly and efficient marketing of agricultural commodities and to prevent economic waste of the agricultural wealth of this state. Unfair methods of competition, lack of uniform grading and classification of agricultural commodities, and the inability of individual producers to obtain present markets or to develop new or larger markets for Wisconsin agricultural commodities result in disorderly marketing of such commodities. As a result agricultural producers are prevented from receiving a fair return for the products which they market. Such conditions jeopardize the continued production of an adequate food and energy supply supplies for this and other states, and may result in unemployment with its attendant burdens on the citizens of this state. The production, processing and marketing of agricultural commodities within this state is hereby declared to be affected with a public interest and this chapter is enacted for the purpose of protecting the health, peace, safety and general welfare of the people of this state.

**SECTION 4.** 96.05 (1m) of the statutes is created to read:

96.05 (1m) If the secretary, based on periodic assessments of markets for bioenergy feedstocks, determines that the issuance of a marketing order or agreement for bioenergy feedstocks will effectuate the declared policy of this chapter, the secretary shall propose the issuance of a marketing order or agreement under sub. (1) for bioenergy feedstocks.