CUSTON OV Representing Custom Farming in Wisconsin | SUMMER 2019



Protect your business with written contracts By Mary Hookham for WCO



Collecting on past due accounts can be a serious challenge in any business but especially in custom farming businesses. David Krekeler of Krekeler Strother, S.C. of Madison provided

David Krekeler

attendees at the 2019 Forage Symposium with challenges, opportunities and options when it comes to collecting on past due accounts.

"I've represented quite a few custom operators in my practice and they all have very large accounts," Krekeler said. "And even before those accounts go bad, the size could mean the difference between a profitable year and unprofitable year. Our goal is to help you not have any unprofitable years."

Krekeler said there are three types of

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customers: those who pay on time in full, those who pay late or sporadically and those who simply do not pay at all. Those who don't pay at all, or perhaps make it difficult to extract payment, are that way simply because that's who they are and that's how they do business, he said.

"There is nothing so valueless as a service already rendered," he said.

The Curve of Gratitude, originally adapted from attorney Jay Foonberg, allowed Krekeler to clearly explain the best time to send a bill to the customer and expect payment in return. The best time to request payment is immediately after the work got done, he said.

"When the work is done, you should send your bill," Krekeler said. "It's easy for your customer to remember what a good job you did and they are feeling grateful. But if you wait too long, the customer will forget what a good job you did and might decide not to pay

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UPCOMING DATES:

WI Farm Technology Days July 23-25, Johnson Creek, Wis Board meeting - July 23

> Proposals to speak at 2020 Forage Symposium Due Sept. 1

CONTACT WCO:

Membership or Sponsorship: execdir@wiscustomoperators.org (608) 577-4345



From the **President's Cab** By Bryce O'Leary



As I write this letter, we have been dodging rainstorms for weeks. This season has brought us a whole set of challenges that we may not have encountered in many years. With much patience, persistence, determination and hard work, the crops

finally got planted, hay is getting harvested and spirits are getting pushed to the limit. Along with poor prices for milk and increased cost for inputs, everyone is concerned about how this will all turn out. The situation requires everyone to work together to get through until better times arrive.

This year has seen the loss of more dairy farms in the first six months than normal. Each farm that exits the business has an impact on the community that is much farther reaching than just the cows being gone. If someone you work with is not themselves, try to reach out to help them find solutions to their issues. Farming can be isolating, and as custom operators, we often have a window into what might be happening on a farm that others can't see.

In April, I attended Dairy Day at the Capitol, organized by DBA. We heard from Gov. Evers, DATCP secretary-designee Brad Pfaff and several legislators. We broke into small groups to meet with many of the Senators and Assembly members. The goal was to reach out to them and show an agenda to move agriculture forward in Wisconsin. The topic I pushed most was for increased funding for rural roads. Too much of the state's road funding is sent to metropolitan areas. Too many of our rural roads and bridges have become substandard.

If you are looking for workers to operate your harvest vehicles, Wisconsin offers a farm service CDL. This is only good for 180 days and requires a valid class D license and a written test on CDL knowledge. This may be a tool for you to fill positions in your harvest operation. Go to wisconsindot.gov and type keyword "farm service CDL" for all the details. As you are planning for the rest of the season, remember that we need everyone to come home safe so make sure your plans leave room for errors that might occur. It only takes the blink of eye or one bad decision to forever change your life. Enjoy your summer, smile and enjoy every successful day.

Policy center issues to watch

State Budget: Gov. Tony Evers signed the budget on July 3. It contained several key elements that benefit agriculture:

- **Dairy Innovation Hub** -\$8.8 million for investment in dairy research at UW-Madison, UW-Platteville and UW-River Falls.
- **Transportation** 10 percent increase in general transportation aids, paid to counties, towns, villages, and cities.
- **Rural road funding** \$75 million for one-time grants for local communities.

- Support for farmer-led watershed groups - \$1 million in grant funding to help improve water quality.
- Non-point pollution grants - \$6.5 million for rural non-point-source water pollution-abatement grants.
- Rural broadband \$48 million to expand rural broadband in local communities. The largest investment in this program to date.

Additional items include funds for industrial hemp, the CAFO program, farmer mental health and more.

Forage Symposium Feb. 17-19

Watch your mail and email for registration materials for the annual Forage Symposium. Registration opens early December. Mark your calendars for Feb. 17-19 again at the Chula Vista in Wisconsin Dells. If you need to obtain or renew your Commercial Pesticide Applicator certificate, please register for the training on Feb. 17. This event is a WCO, MFA and PNAAW partnership.



BUSINESS TOOLS

Collections (continued from p. 1)



you."

The first step in collecting payment from clients is to gather as much information as possible. This information should be in the form of the basics such as name, address, phone number and social security number. Then go to the next level with copies of personal and business financial statements, completed credit applications, a list of assets and liens on the client's property and bank account information.

"We want to know as much as we can about the customer because this information may help us decide if we even want to take this job," Krekeler said. "It will help us avoid a lot of conflicts and make more money."

Documentation is the next step and can be in the form of contracts, guarantees and liens. Written contracts are the safest options for both parties, Krekeler said. Contract items to discuss with customers and potentially include in a written contract are clear customer identification, payment schedule, method of payment, guarantor, identification of collateral or granting of security interest, responsibility for providing fuel, supplies, labor

and equipment, anticipated schedule of work, how delays will be handled, interest charges and attorney fees. In order to be able to legally charge interest, a written contract must be in place.

"The expectations of you and your customer should be identical," Krekeler said.

The security interest of all business owners is crucial, he said. Owners can create or grant security interest in writing, ensure it attaches to the underlying asset and perfect liens to make them effective against third parties.

Taking action to collect payment requires sound, timely invoicing, clear and frequent communication between both parties, and top-notch accounts receivable management. The actual payment collection is typically obtained from wages or bank accounts, and should be collected immediately after services are rendered to ensure payment in full, Krekeler said.

"Bill early and bill often," he said. "Bill in advance."

David Krekeler devotes his practice to solving financial problems for Wisconsin farmers, businesses and individuals. He has taught workshops on debt relief for farmers, collection tips, business reorganization and just about anything related to debtor-creditor matters. David is a past chair of both the Bankruptcy, Insolvency and Creditors' Rights Section of the Wisconsin State Bar and of the Western District of Wisconsin Bankruptcy Bar

For additional information, read his blog at ks-lawfirm.com or contact David directly by calling (608) 258-8555 or jdkrek@ks-lawfirm.com.



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WCO NEWS

Dvorachek and Lemmenes join the board, officers selected By WCO





Jesse Dvorachek

Isaac Lemmenes

WCO members selected two new directors during the annual meeting on Feb. 20, held in conjunction with the Forage Symposium.

Jesse Dvorachek from Dvorachek Farm and Industry, LLC in Brillion, was elected as an operator director. Isaac Lemmenes from R Braun Inc. in St. Nazianz was elected as a corporate director and as the group's treasurer. Dvorachek is the owner of Dvorachek Farm and Industry, LLC, a custom manure application company. In addition to WCO, Dvorachek is a member of the Professional Nutrient Applicators Association of Wisconsin (PNAAW) and Peninsula Pride Farms, a farmer-led group that focuses on promoting environmentally sound agriculture on the Door Peninsula. Dvorachek and his wife, Heather, have three children: Sage (7), Bella (5) and Wyatt (2).

Lemmenes serves as the manufacturing shop supervisor, product designer and as a manure equipment sales rep for R Braun Inc., a diverse farm service business that offers ventilation, excavation, dredging and manure services, fabrication, sales, rental equipment and more. Lemmenes, who also has experience as a custom operator, previously served on the WCO board as an operator director from 2014 to 2017.

Officers were also selected by the WCO board of directors. Bryce O'Leary, owner of O'Leary Brothers Chopping Service LLC in Janesville, was re-elected as the group's president. Ray Liska, owner of Apollo Vale Enterprises in Cochrane, was reelected as vice-president. Corporate representative Josh Bartholomew of Oxbo International in Clear Lake was re-elected as secretary, and Lemmenes was elected treasurer.

Retiring board members Bill Arneson of Arneson Custom Farming in Barneveld and Chuck Rabitz of Peshtigo National Bank in Coleman were honored for their service to WCO.

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Great employees keep you going; WCO Employee of the Year By WCO

2020 will be the fourth year for the Employee of the Year (EOTY) award, We continue to promote this award because the board feels strongly that honoring the accomplishments and contributions of employees is important. We know it's hard to pick one person over another, but we encourage you to think about the broader purpose of this award and submit a nomination.

You may also nominate your entire crew for a new version of this award. "Crew of the Year"

Labor continues to be a primary challenge for WCO members but there are examples of men and women employed by custom farming operations who make significant contributions to your team.

The Employee of the Year award honors an employee of a custom Dec. 1. Interested members should

farming operation who demonstrates excellence in six important categories. This award is particularly focused on acknowledging and recognizing employee contributions that are beyond the normal job expectations.

For 2020, we are considering nominations for individuals and entire crews. The nominee does not need to be your personal employee. They can work for any custom operator.

All employees, both full-time and part-time are eligible for the award. The winner will receive \$750 and the nominator will receive \$250. The award for Crew of the Year will be determined at a later date, if a crew is selected for the award.

Applications for the 2020 WCO Employee of the Year Award are due



Norm Kowitz, WCO's 2019 Employee of the Year. Photo submitted.

visit the WCO website for more information including eligibility, criteria and application.

This past February, WCO honored Norm Kowitz from Sullivan Custom Farming, Sparta, Wis.





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Wisconsin Injury to Highway law & state budget update

By Aaron Stauffacher, Dairy Business Association



Year after year, it seems like the same spots on the same town and counroads ty being are

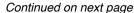
patched. But new roads require funds that local governments don't have. At the same time, the ag equipment we use has gotten larger and heavier. While many people benefit from using the local roads, some are quick to cast the blame for worsening roads on our agriculture equipment. As local roads grow worse, funds diminish, pressure increases to make visible users of the road pay the price.

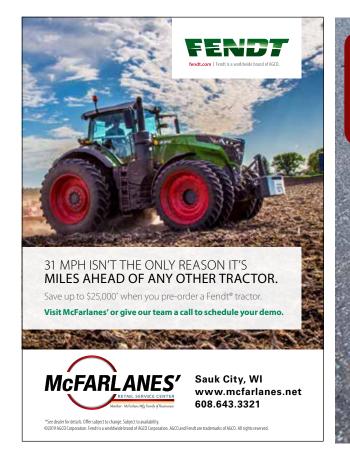
When I first joined Dairy

Business Association (DBA), the Implement of Husbandry (IOH) bills were center stage. These laws provided a method for local governments to monitor heavy traffic on its roadways. The IOH laws did not, however, modify existing authorities to protect roadways from damage.

Local governments can place seasonal or special weight restrictions deteriorating on roads. Some may even try to strongarm roadway users into some kind of road agreement. Each pose a major headache in themselves, but you will most likely be aware of the underlying circumstances before starting a job.

The Wisconsin Injury to Highway statute provides local governments a strong tool to





Document any existing damage to roads before starting a job. Photos have been used to help alleviate blame.

TANSPORTATION ISSUES

Continued from previous page

go after roadway users who cause damage to a road after the fact. Over the past few seasons, we have seen an increasing number of jurisdictions threaten its use. This statute should not be ignored, especially if some of the roads you happen to be operating on are in bad shape.

<u>Wis. Stat. § 86.02 Injury to highway.</u> Any person who shall injure any highway..., or by any other act, shall be liable in treble damages, to be recovered by the political division chargeable with the maintenance of highway injured, and the amount recovered shall be credited to the highway maintenance fund.

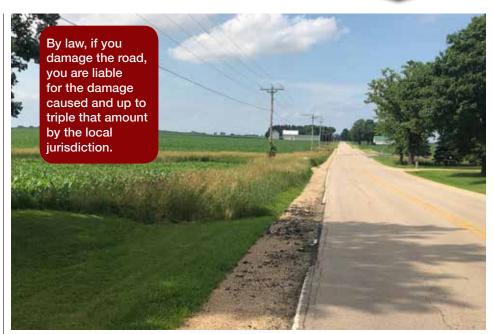
To be more than a veiled threat, the locality must use the law correctly and probably have good evidence to prove that you did, in fact, damage the road. This will most likely bode well for you, but the locality does have a strong bargaining position. Under the law, not only would the person or entity who caused the damage be liable for the damage caused, but the law allows for treble damages which can be up to triple of that amount. To avoid that expense or to help fend off the threat of an injury to highway action hanging over your head, here are three things you may want to consider:

1. Examine the road before a job.

Although it's common knowledge, do your due diligence. Before starting a job, it's good practice to examine the roadways that will be traveled.

2. Educate yourself.

Find out if there are any past road damage issues in the jurisdiction where you are working. The more issues you hear about, the more thorough you will want to be in documenting road



conditions before and after uses.

3. Document existing damage.

Pictures, video and notes are a few examples of what some have done to prove the roadway was already damaged. Documenting others' uses of the road may also help alleviate blame as well.

By taking some of these steps, you may realize that your use is causing some damage to the road. You should tailor your operations to mitigate any further damage.

As stated earlier, the impetus for any animosity between local government and roadway users may be the lack of funding available to fix local roads. Transportation funding has been a sticky issue in Madison for a while now. In recent years, lawmakers have been cautious about passing any revenue increases but have settled for increased borrowing and focused spending.

The transportation funding debate came to another head this spring as the state budget proposal was being crafted and recently wrapped up. Throughout this process, DBA advocated for a sustainable, long-term transportation funding solution that includes local road projects.

On July 3, Gov. Evers approved a budget that includes increased transportation aids and a one-time allocation of \$75 million into a local road improvement program divvied up between towns, counties and municipalities. We are hopeful rural local governments will take advantage of these funds.

There are two major priorities for road funding: 1) a long-term sustainable solution and 2) ensuring that rural roads and infrastructure are not forgotten in the discussion. This budget makes some improvements and rural roads were singled out for additional dollars, but more could have been done. Ultimately, we are still looking for the long-term strategy that our state needs.

We encourage you stay informed about the conversations about the roadways that are being had in town halls and county board rooms in your areas.

Aaron Stauffacher is the associate director of government affairs for DBA. Contact him at (608)482-2438 or

astauffacher@dairyforward.com 🛉



Membership incentive program

Don't forget - WCO has a membership incentive program! If you sign up a new member and they list your name on the paper application or online, you receive \$25 towards your 2020 membership. Sponsors can participate also. Simply list your company name on the "referred by" line and earn money towards your 2020 sponsorship.

Incentive not to exceed cost of membership or sponsorship. We already have members and sponsors taking advantage of the program. Help WCO grow our membership base!

Welcome to WCO General Members (\$50/year) derive their income (whole or part) from custom farming. Receive full voting rights and featured on website with business information.

Associate Members (\$50/year) support the custom farming industry, but do not engage in custom farming themselves.

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SYMPOSIUM HIGHLIGHTS

2020 Forage Symposium request for proposals

By Maria Woldt for WCO

Again this year, WCO is accepting proposals to speak at the Forage Symposium held in Wisconsin Dells, Feb. 17-19 at the Chula Vista. The WCO Education Committee has historically selected sessions for the Symposium using a combination of survey data and current issues. In an effort to keep the event fresh and tailored to what attendees are truly looking for, we hold a "request for proposals - or "RFP"

This process is common for academic conferences, and is a great way to keep content relevant.

The WCO RFP is open to anyone with a relevant topic for the custom farming community. Preference will be given to educational topics and to WCO platinum and gold level sponsors. Proposals are due Sept. 1 using the online submission form.

WHO CAN APPLY?

WCO is accepting proposals for breakout and general sessions. This request is open to the following:

- 1. WCO Platinum or Gold level corporate sponsors,
- 2. University, nonprofit or government agency professionals with ties to WCO,
- 3. WCO operator members

Individuals, companies, universities, organizations and government agencies may submit proposals.

HOW TO APPLY & APPLICATION FORMAT

Proposals should be submitted using the online proposal submission form loacated at wiscustomoperators.org by Sept. 1, 2018. Proposals should address the topic's relevance to the custom farming community.



SEMINAR SELECTION TIMELINE:

- July. 15, 2019 Release and distribution of "Request for Proposals"
- Sept. 1, 2019 Deadline to submit proposal
- Nov. 1, 2019 Topics selected, notifications sent

ABOUT FORAGE SYMPOSIUM

The Forage Symposium is a partnership between the Wisconsin Custom Operators (WCO), Midwest Forage Association (MFA) and the Professional Nutrient Applicators Association of Wisconsin (PNAAW).

More than 400 farmers, custom operators, farm and operator employees and ag professionals attend the two and a half day conference. WCO, MFA and PNAAW host breakout sessions that are open to all attendees regardless of membership. There are also general sessions that are presented in a large-group format.

WCO is accepting proposals for

breakout sessions. Applications from the pool of proposals will also be considered for general sessions.

TYPES OF PROPOSALS:

Breakout Sessions (60 or 90 minutes): Offered Tues. Feb. 18 and Wed. Feb. 19. Each breakout room comfortably accommodates 75-100+ people. Traditional AV equipment is available – screen & projector with a HDMI plug-in. Speakers may bring presentations on a memory drive or on their own computer to plug into the system.

SPONSORSHIPS COSTS

All corporate presenters must be gold or platinum level WCO sponsors to be considered. There is no fee to sponsor the session other than the yearly WCO sponsorship fee.

If you have questions, contact Maria Woldt, at execdir@wiscusomoperators. org or (608) 577-4345.

Please send your photos to WCO

Photos featured in the *Custom News* are either taken by staff or submitted by members and sponsors. We are always looking for high quality images of custom farmers in action. It might look like we favor certain brands because some sponsors are really good at sending in awesome photos! So - if you don't see enough of a certain brand of equipment, YOU can change that!

Please e-mail your high-resolution images (1MB or larger) to execdir@wiscustomoperators.org and we will be sure to feature you on our social media channels and in our publications. Thank you in advance!



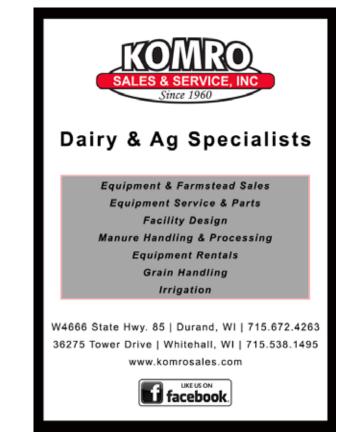


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Under Wisconsin's Injury to Highway law, not only is a person or entity who caused the damage liable for the damage caused, but the law allows for treble damages which can be up to triple of that amount. **1**

-Aaron Stauffacher. Read his article on p. 6

To complete your no fee IoH/Ag CMV permit applications (Required as of January 1, 2015), go to wisconsin.gov and search "no fee ag permits"

Questions about IoH definitions and rules? Go to wiscustomoperators.org/resources