2013 DRAFTING REQUEST

Bill

Received:	**10/8/2012**	Received By:	**btradewe**
Wanted:	**As time permits**	Same as LRB:	
For:	**Administration-Budget**	By/Representing:	**Stinebrink**
May Contact:		Drafter:	**tkuczens**
Subject:	**Agriculture - other**	Addl. Drafters:	
		Extra Copies:	**RCT**

Submit via email: **YES**
Requester's email:
Carbon copy (CC) to: **tracy.kuczenski@legis.wisconsin.gov**

Pre Topic:

DOA:.....Stinebrink, BB0014 -

Topic:

Dairy processor grant program

Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	tkuczens 12/3/2012			_____ _____			
/P1	tkuczens 1/26/2013	jdyer 1/28/2013	jfrantze 1/28/2013	_____ _____	sbasford 12/5/2012		State
/P2	tkuczens 2/6/2013	csicilia 2/6/2013	rschluet 2/6/2013	_____ _____	sbasford 1/28/2013		State

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/P3				_____ _____	srose 2/6/2013		State

FE Sent For:

<END>

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/P2				_____ _____	sbasford 1/28/2013		State

/P3 gs 2/6/12 2613

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<END>

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Subject:	**Agriculture - other**	Addl. Drafters:	
		Extra Copies:	**RCT**

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Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	tkuczens 12/3/2012	P2 1/28 jld	1/28				
/P1		jdyer 12/5/2012	rschluet 12/5/2012		sbasford 12/5/2012		

FE Sent For:

<END>

2013 DRAFTING REQUEST

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Wanted:	**As time permits**	Companion to LRB:	
For:	**Administration-Budget**	By/Representing:	**Stinebrink**
May Contact:		Drafter:	**tkuczens**
Subject:	**Agriculture - other**	Addl. Drafters:	
		Extra Copies:	**RCT**

Submit via email: **YES**
Requester's email:
Carbon copy (CC) to:

Pre Topic:

DOA:.....Stinebrink, BB0014 -

Topic:

Dairy processor grant program

Instructions:

See attached

Drafting History:

Vers.	Drafted	Reviewed	Typed	Proofed	Submitted	Jacketed	Required
/?	btradewe	pl 12/5 jld	12-5-12				

FE Sent For:

<END>

Tradewell, Becky

From: Hanaman, Cathlene
Sent: Monday, October 08, 2012 8:25 AM
To: Tradewell, Becky
Subject: FW: Statutory Language Drafting Request
Attachments: Dairy Processor Grant.docx

From: Cory.Stinebrink@Wisconsin.gov [mailto:Cory.Stinebrink@Wisconsin.gov]
Sent: Thursday, September 27, 2012 3:46 PM
To: Hanaman, Cathlene
Cc: Thornton, Scott - DOA; Wavrunek, Leah J - DOA; Stinebrink, Cory R - DOA
Subject: Statutory Language Drafting Request

Biennial Budget:2013-15

Topic: Dairy Processor Grant Program

Tracking Code: BB0014

SBO Team: AEJ

SBO Analyst: Stinebrink, Cory R - DOA
Phone: (608) 266-1103
E-mail: Cory.Stinebrink@Wisconsin.gov

Agency Acronym: DATCP

Agency Number: 115

Priority: Medium

Intent:

Create a Dairy Processor grant program in DATCP. See attachment.

Attachments: True

Please send completed drafts to statlanguage@wisapps.wi.gov

Dairy Processor Grant Program

Biennial Budget Issue Paper

Wisconsin Department of Agriculture, Trade and Consumer Protection
September 21, 2012

Request:

The department requests $200,000 GPR in FY14 and FY15 to establish a Dairy Processor Grant program.

Analysis:

Agriculture contributes $59 billion to the state's economy with the dairy industry contributing nearly $27 billion of the total. The dairy industry employs more than 146,000 people. The strength of the dairy industry comes from our infrastructure starting with the cows and ending with cheeses and other dairy products made in Wisconsin.

Wisconsin has 11,378 dairy farms, more than any other state in the country, and has 1.27 million cows. Wisconsin produced 26.1 billion pounds of milk in 2011, an increase of less than one-percent over 2010 but still a new record for the state.

To add value to that milk, the state's nearly 1,200 licensed cheese makers in 140 licensed cheese plants make more than 600 varieties, types, and styles of cheese – nearly double the number of any other state. Wisconsin cheese makers make a quarter of the nation's cheese, ranking Wisconsin as the top cheese producing state. In 2011, Wisconsin produced over 2.6 billion pounds of cheese. Wisconsin ranks first among all states in the production of cheddar, American, provolone, and Muenster cheeses. With 585 million pounds produced, Wisconsin leads the nation in the production of specialty cheeses, including but not limited to asiago, gorgonzola, gruyere, aged cheddar, gouda, and limburger. The production of higher value specialty cheese is 22% of Wisconsin's total cheese production.

Nearly 60% of processors plan on increasing their production volume in the next five years and plan to invest almost $1 billion over that time in equipment and facilities. When surveyed, 24% of Wisconsin dairy producers intend to increase their herd size.

The Dairy Processor Grant program will operate similar to the Dairy 30X20 grant program for dairy farmers.

The Dairy 30X20 grant program provides assistance to Wisconsin dairy farmers, without regard to size or type of operation. The grants are designed to retain farms, facilitate operation changes, improve profitability and yield more milk. The grant funds are utilized to meet business development needs, environmental remediation planning and other management

improvements in existing operations. The grants are flexible and customizable to meet the needs of individual farms. Grant funding can be used by farmers to hire consultants, build a team of experts with a broad range of expertise, and/or address a specific business need of their operation.

The Dairy Processor Grant program will focus on an array of technical services including: business planning, product development, facility assessment, packaging & label development and marketplace penetration. Each grant would be up to $5,000. Cost share payments by the processor would be required at 20% of the grant amount.

The grant program will be administered by current DATCP staff.

Both grant programs would work in tandem to grow the state's milk supply and assist our processors in selling more cheese and dairy products.

Dairy 30x20 Emergency rule ATCP 161.60
Grants to promote dairy under 93.40(1)(g)
dairy plant 97.20(1)(a)
processing plant 97.20(1)(h)

Agriculture, Trade and Consumer Protection – Revises Ch. ATCP 161 – EmR1202

Filed with LRB: **March 22, 2012**
Publication Date: **March 30, 2012**
Effective Dates: **March 30, 2012 through August 26, 2012**
Hearing Date: **June 28, 2012**

EmR1202

This emergency rule was approved by the governor on March 27, 2012.

The scope statement for this rule, SS 002-12, was approved by the Governor on January 9, 2012, published in Register No. 673, on January 31, and approved by the Board of Agriculture, Trade and Consumer Protection on February 22, 2012.

DATCP Docket No. 11-R-13

WISCONSIN DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

EMERGENCY RULE

The Wisconsin department of agriculture, trade and consumer protection hereby adopts the following emergency rule ***to create*** s. 161.50 (3) (e) and subch. VI of ch. ATCP 161, ***relating to*** the "grow Wisconsin dairy producer" grant and loan program created under ss. 20.115 (4) (d) and 93.40 (1) (g), Stats.

Analysis Prepared by the Department
of Agriculture, Trade and Consumer Protection

This emergency rule implements the "grow Wisconsin dairy producer" grant and loan program created under s. 20.115 (4) (d) and 93.40 (1) (g), Stats., by 2011 Wisconsin Act 32 (biennial budget act). Under s. 93.40 (1) (g), Stats., the Department of Agriculture, Trade and Consumer Protection ("DATCP") is authorized to award grants and loans to dairy producers for projects designed to promote the growth of the dairy industry. The budget act transferred an annual appropriation of $200,000 for each year of the biennium from the then Department of Commerce to DATCP. (See s. 20.115 (4) (d), Stats.)

This emergency rule does all of the following:

- Authorizes DATCP to make grant and loan awards and distribute grant and loan funds appropriated for the "grow Wisconsin dairy producer" grant and loan program.
- Specifies the procedures and criteria that DATCP will use to evaluate grant and loan proposals, make grant and loan awards and distribute grant and loan payments.
- Specifies the purposes for which grant and loan funds may be used, subject to the terms of the grant or loan contract.

Statutes Interpreted

Statute Interpreted: s. 20.115 (4) (d) and 93.40 (1) (g), Stats.

Statutory Authority

Statutory Authority: ss. 20.115 (4) (d), 93.40 (1) (g) and 93.07 (1), Stats.

Explanation of Statutory Authority

Section 93.07 (1), Stats., directs DATCP to make such regulations as are necessary for the discharge of all the powers and duties of the department. While granting the authority to make grants and loans to dairy producers, the budget language does not specify the bases for grant and loan determinations. The agency considers it necessary to adopt rules to establish the bases for grant and loan determinations in order to effectuate the purposes of s. 20.114 (4) (d) and 93.40 (1) (g), Stats. This temporary emergency rule implements the "grow Wisconsin dairy producer" grant and loan program on an interim basis, pending the adoption of "permanent" rules.

Related Rules or Statutes

There are no directly related rules or statutes, other than those cited above. DATCP rules for the "grow Wisconsin dairy producer" grant and loan program will be incorporated as a subchapter of ch. ATCP 161, Wis. Adm. Code (agricultural development and market promotion).

Plain Language Analysis

The "grow Wisconsin dairy producer" grant and loan program is designed to promote the growth of the dairy industry by providing grants and loans to dairy producers. The biennial budget act transferred $200,000 in grant funding for each year of the FY 2011-13 fiscal biennium. This emergency rule spells out grant and loan procedures and criteria. Under this emergency rule, the "grow Wisconsin dairy producer" grant and loan program will support projects proposed by dairy producers intended to expand and diversify the dairy industry.

Grant and Loan Purposes

Under this emergency rule, DATCP may award grants and loans for projects that create, expand, diversify or promote any of the following:

- New capital investment in the dairy industry.
- New technologies or practices related to dairy production.
- Improvement of the competitive position of the Wisconsin dairy industry.
- Efficient use of farmland and other agricultural resources for dairy production.
- Employment in the dairy industry.

Grant and Loan Limits

Under this emergency rule, DATCP may award no more than $50,000 of grant funding nor more than $200,000 in loans to any person or entity in any state fiscal biennium. Once DATCP makes a grant award, DATCP may make the actual grant payments over an original contract term of up to 3 years. Loan awards may be for a term of up to 7 years.

Matching Contribution

DATCP may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant or loan project.

Use of Grant and Loan Funds

Under this emergency rule, grant funds may be used to reimburse any of the following expenses if those expenses are a reasonable and necessary part of the grant project:

- Operating expenses, including expenses for salaries and wages, contract and consulting services, travel, supplies and public information.
- Equipment rental.
- The purchase of equipment whose full value is ordinarily depreciable within one year.

Grant funds may not reimburse any of the following expenses:

- Real estate purchases.
- Repayment of loans or mortgages.
- Rent or contract payments for time periods extending beyond the term of the grant contract.
- Equipment purchases, except for certain equipment purchases and depreciation expenses specifically authorized by this rule.
- Administrative or overhead costs that are not direct costs of the grant project.

Loan funds are subject to the same use limitations as grant funds except that loan funds may be used for purchase of land and equipment without restriction so long as the purchase is related to the loan project.

Grant and loan Proposals

Under this emergency rule, DATCP must issue at least one request for grant and loan proposals in each state fiscal biennium (DATCP may issue more frequent requests, if it chooses to do so). The request for proposals must describe the required form and content of grant and loan proposals, and must specify a deadline for submitting grant and loan proposals. Applicants must submit grant and loan proposals to DATCP, in the manner prescribed by DATCP's request for proposals.

Grant and Loan Awards

Under this emergency rule, DATCP must evaluate grant and loan proposals and issue its grant awards within 90 days after the application deadline. DATCP must clearly identify each award recipient, the amount of the award, and the purposes for which the award is given. DATCP must consider all of the following criteria when evaluating grant proposals and making grant and loan awards:

- The extent to which a proposed project will benefit the dairy industry.
- Whether the proposal complies with DATCP's request for proposals.
- Whether the proposed project meets the standards prescribed in this emergency rule.
- The viability of the proposed project.
- The management and technical qualifications of the grant applicant.
- The qualifications of the persons who will carry out the project.
- The financial capacity of the grant applicant to complete the project as proposed.
- The adequacy of the project plan and budget.
- Whether the grant proposal adequately identifies the nature of project expenses to be reimbursed under the proposed grant.

Grant Contracts

Under this emergency rule, DATCP must enter into a contract with a grant or loan recipient before distributing any funds to that recipient. The contract must spell out grant or loan terms and conditions, including performance requirements, reporting requirements and payment terms.

Grant Payments

Under this emergency rule, DATCP may distribute grant funds in one or more payments, based on documented progress toward completion of the grant project. Loan funds may be distributed upon execution of the loan contract. The contract

must describe payment terms and conditions. DATCP may require a grant and loan recipient to file progress reports and require grant recipients to submit expense documentation as necessary to support grant payments.

Fiscal Impact

This emergency rule will have a fiscal impact on DATCP operations. Under this emergency rule, DATCP must issue at least one request for grant proposals in each state fiscal biennium. DATCP staff must review grant applications, recommend grant awards, administer grants, and ensure compliance with applicable requirements. DATCP staff will also provide technical assistance to grant and loan applicants and recipients, as appropriate.

Program administration will occupy at least .5 FTE staff in DATCP's Division of Agricultural Development (this does not include legal, managerial, DATCP central accounting, or other indirect staff support). The cost for the .5 FTE staff will be $50,000 per year, including salary, fringe benefits and support costs (there will be a smaller proportionate cost for the remainder of the current fiscal year). DATCP will try to fill program staffing needs by shifting current staff from other agricultural development programs. A complete Fiscal Estimate is attached.

Business Impact

The "grow Wisconsin dairy producer" grant and loan program is voluntary and thus imposes no cost on businesses. By providing $200,000 in grant and loan funding to dairy producers, the "grow Wisconsin dairy producer" grant and loan program will benefit dairy farms, other dairy businesses and communities that participate in production, distribution or marketing of dairy products. Grant and loan recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry. DATCP plans to use application procedures that will make the cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services. A complete Business Impact Analysis is attached.

Federal and Surrounding State Programs

Federal Programs

There are currently no similar federal programs.

Surrounding State Programs

The Minnesota Dairy Development and Profitability Enhancement program awards $200,000 annually in grants of up to $5,000 per dairy producer to cover half the cost of a comprehensive business plan to evaluate farm start-up, modernization and expansion.
In 2009-2010, 50 Minnesota producers were selected to share $1 million in grants aimed at boosting the state's livestock sector with projects that include renovation of milking facilities, barn upgrades, technology modernization, improved waste management systems and business transitions.

There are no similar programs in Illinois, Indiana, Iowa, or Michigan.

Data and Analytical Methodologies

DATCP worked with representatives of various dairy producer groups to develop standards for grant and loan determinations contained in this emergency rule.

DATCP Contact

Questions and comments related to this rule may be directed to:

Nicole Bruenig
Department of Agriculture, Trade and Consumer Protection
P.O. Box 8911
Madison, WI 53708-8911
Telephone (608) 224-5080
E-Mail: nicole.bruenig@wi.gov

Rule comments will be accepted up to two weeks after the last public hearing is held on this rule. Hearing dates will be scheduled after this rule is approved by the Governor and published in the Wisconsin State Journal.

FINDING OF EMERGENCY

Enactment of a rule is necessary to establish criteria the department will use to make determinations for grants, loans or other forms of financial assistance to dairy producers to promote and develop the dairy industry. An emergency rule is needed to ensure that funds are used to assist dairy producers during the first year of the annual appropriation as permanent rules cannot be adopted in time to provide the basis for grant determinations for the first year appropriations.

EMERGENCY RULE

SECTION 1. ATCP 161.50 (3) (e) is created to read:

ATCP 161.50 (3) (e). The grow Wisconsin dairy producer grant and loan program under ss. 20.115 (4) (d) and 93.40 (1) (g), Stats.

SECTION 2. Subchapter VI of ch. ATCP 161 is created to read:

Subchapter VI
"Grow Wisconsin Dairy Producer" Grant and Loan Program

ATCP 161.60 Purpose. This subchapter implements the "grow Wisconsin dairy producer" grant and loan program created under ss. 20.115 (4) (d) and 93.40 (1) (g), Stats.

ATCP 161.61 Definitions. In this subchapter:

(1) "Applicant" means a person who submits a grant or loan proposal under s. ATCP 161.64.

(2) "Authorized department official" means the department secretary, deputy secretary or executive assistant.

(3) "Dairy producer" means a licensed milk producer, licensed dairy plant or other licensed entities that produces or processes milk.

(4) "Department" means the Wisconsin department of agriculture, trade and consumer protection.

(5) "Person" means an individual, corporation, cooperative, partnership, limited liability company, trust, governmental entity, academic institution or other legal entity.

ATCP 161.62 Grant program; general. (1) GRANT PURPOSES. The department may award grants under s. 93.40 (1) (g), Stats., for projects undertaken by dairy producers that are designed to do any of the following:

(a) Increase production, profitability, processing, marketing or distribution of Wisconsin dairy products.

(b) Increase capital investment in the dairy industry.

(c) Apply new technologies related to dairy production.

(d) Improve the competiveness of the Wisconsin dairy industry.

(e) Make more efficient use of farmland and other agricultural resources for dairy production.

(f) Create or retain jobs in the dairy industry.

(2) GRANT AND LOAN PROPOSALS; EVALUATION. A grant or loan award under sub. (1) shall be based on a grant proposal submitted under s. ATCP 161.64. The department shall evaluate grant and loan proposals according to s. ATCP 161.65.

(3) GRANT AND LOAN AWARDS. A grant or loan award under sub. (1) shall be signed by an authorized department official. The grant or loan award shall clearly identify the person to whom the grant or loan is awarded, the amount awarded, and the purposes for which the grant or loan is awarded. The department may not award more than $50,000 in grant funding or more than $200,000 in loans to the same person in any state fiscal biennium.

(4) GRANT AND LOAN TERMS AND CONDITIONS. Each grant and loan is subject to the terms and conditions provided in s. ATCP 161.63 and the grant or loan contract. The department may specify terms and conditions to ensure that grant and loan funds are effectively used for the purposes awarded.

(5) GRANT OR LOAN CONTRACT. The department may not distribute any grant or loan funds to the recipient of a grant award under sub. (1) until that recipient enters into a contract with the department. The contract shall comply with s. ATCP 161.66.

NOTE: Grant and loan proposals, awards, contracts, progress reports and other documents are open to public inspection to the extent provided by Wisconsin's open records law, subch. II of ch. 19, Stats.

(6) The department may only award a grant or loan under this subch. for a project conducted in this state.

ATCP 161.63 GRANT and loan terms and conditions. (1) USE OF GRANT FUNDS. Permitted uses of grant funds for expenses that are a reasonable and necessary part of the grant project include:

(a) Operating expenses, including expenses for salaries and wages, contract and consulting services, travel, supplies and public information.

(b) Equipment rental.

(2) PROHIBITED USES OF GRANT FUNDS.. Grant funds may not be used for any of the following:

(a) Capital acquisition.

(b) Administrative or overhead expenses not directly related to the grant project.

(c) Repayment of loans or mortgages.

(3) USE OF LOAN FUNDS. Permitted uses of loan funds for expenses that are a reasonable and necessary part of the loan project include:

(a) Operating expenses, including expenses for salaries and wages, contract and consulting services, travel, supplies and public information.

(b) Equipment purchase or lease.

(c) Land and building acquisitions.

(4) PROHIBITED USES OF LOAN FUNDS. Loan funds may not be used repayment of loans or mortgages.

ATCP 161.44 Grant proposals. (1) GENERAL. To obtain a grant or loan under s. ATCP 161.62 (1), a person shall submit a grant or loan proposal in response to a department request for grant proposals under sub. (2).

(2) REQUEST FOR PROPOSALS. (a) The department may, at any time, issue a request for grant and loan proposals. The department shall issue a request for grant and loan proposals at least once during every state fiscal biennium. A request for grant and loan proposals shall be signed by an authorized department official and shall include all of the following:

1. A deadline date and address for submitting proposals.
2. Format and content requirements for proposals.
3. The name, business mailing address, business email address, and business telephone number of a department representative who can provide more information or answer questions about the request for proposals.
4. Other relevant terms and conditions that the department wishes to include.

(b) The department shall issue a general news release announcing each request for grant and loan proposals.

NOTE: Persons who wish to obtain a free copy of a request for grant and loan proposals may contact the department at the following address:

Wisconsin Department of Agriculture, Trade and Consumer Protection
"Grow Wisconsin Dairy Producer" Grant and Loan Program
P. O. Box 8911, Madison, WI 53718-8911
Email: GrowWisconsinDairy@wi.gov
Telephone: (855) 943-2479

ATCP 161.45 Evaluating grant proposals. (1) EVALUATION PERIOD. The department shall evaluate grant and loan proposals submitted under s. this subchapter and shall announce grant and loan awards within 90 days after the deadline for submission of proposals specified in the applicable request for proposals. The department may require applicants to submit additional information, as necessary, to complete a grant or loan proposal.

(2) EVALUATION CRITERIA. In its evaluation under sub. (1), the department shall consider all of the following criteria:

(a) Whether the proposal complies with the department request for proposals.

(b) Whether the proposed project complies with this subchapter.

(c) The viability of the proposed project.

(d) The management and technical qualifications of the applicant.

(e) The qualifications of the persons who will carry out the project.

(f) The financial capacity of the applicant to complete the project.as proposed

(g) The adequacy of the project plan and budget.

(h) Whether the proposal adequately identifies project expenses including those expenses paid for with grant or loan funds.

(i) The benefit of the project to the dairy industry.

(3) MATCHING CONTRIBUTION. The department may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant or loan project.

ATCP 161.66 Grant contracts. (1) CONTRACT REQUIRED. A successful grant and loan applicant shall enter into a contract with the department before any funds are distributed to the applicant. No funding commitment is final until a contract is executed.

(2) CONTRACT PROVISIONS. Each grant and loan contract shall be signed by an authorized representative of the department and the applicant and shall include provisions to ensure that the grant or loan recipient complies with the provisions of this subchapter, uses grant or loan funds according to its approved proposal and otherwise meets its obligations to carry out the project in its approved proposal.

(3) CONTRACT PERIOD. A contract under this section takes effect when signed by an authorized representative of the department. The original term of a grant contract may not be for more than 3 years. The original term of a loan contract may not be for more than 7 years.

NOTE: DATCP will include, in every contract under s. ATCP 161.66, general terms and conditions required in state contracts under state law. The department may include other terms and conditions that it considers necessary.

(4) PAYMENT TERMS. Every grant contract shall include payment terms and conditions, including a payment schedule if applicable.

NOTE: The department may distribute grant funds in one or more payments, based on documented progress toward completion of the grant project. The grant contract will describe payment terms and conditions. Payments are made on a reimbursement basis. The department may require a grant recipient to file progress reports and submit expense documentation as necessary to support grant payments. See s. ATCP 161.43(4).

SECTION 3. EFFECTIVE DATE AND DURATION: This emergency rule takes effect upon publication and remains in effect for 150 days. The department may seek to extend this emergency rule as provided in s. 227.24, Stats.

Dated this _____day of _____, 2012.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

By _____
Ben Brancel, Secretary

Wisconsin Department of Agriculture, Trade and Consumer Protection

Business Impact Analysis[1]

Rule Subject: **Grow Wisconsin Dairy Producer Grant and Loan Program**
Adm. Code Reference: **ATCP 161, subch. VI**
Rules Clearinghouse #:
DATCP Docket #: **11-R-13**

Rule Summary

The "grow Wisconsin dairy producer" grant and loan program is designed to promote the growth of the dairy industry by providing grants and loans to dairy producers. The biennial budget act transferred $200,000 in grant funding for each year of the FY 2011-13 fiscal biennium. This emergency rule spells out grant and loan procedures and criteria. Under this emergency rule, the "grow Wisconsin dairy producer" grant and loan program will support projects proposed by dairy producers intended to expand and diversify the dairy industry.

Grant and Loan Purposes

Under this emergency rule, DATCP may award grants and loans for projects that create, expand, diversify or promote any of the following:

- New capital investment in the dairy industry.
- New technologies or practices related to dairy production.
- Improvement of the competitive position of the Wisconsin dairy industry.
- Efficient use of farmland and other agricultural resources for dairy production.
- Employment in the dairy industry.

Grant and Loan Limits

Under this emergency rule, DATCP may award no more than $50,000 of grant funding nor more than $200,000 in loans to any person or entity in any state fiscal biennium. Once DATCP makes a grant award, DATCP may make the actual grant payments over an original contract term of up to 3 years. Loan awards may be for a term of up to 7 years.

Matching Contribution

DATCP may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant or loan project.

Use of Grant and Loan Funds

Under this emergency rule, grant funds may be used to reimburse any of the following expenses if those expenses are a reasonable and necessary part of the grant project:

- Operating expenses, including expenses for salaries and wages, contract and consulting services, travel, supplies and public information.
- Equipment rental.
- The purchase of equipment whose full value is ordinarily depreciable within one year.

Grant funds may not reimburse any of the following expenses:

- Real estate purchases.

[1] This analysis includes, but is not limited to, a small business analysis ("regulatory flexibility analysis") under ss. 227.114 and 227.19(3) (e), Stats.

- Repayment of loans or mortgages.
- Rent or contract payments for time periods extending beyond the term of the grant contract.
- Equipment purchases, except for certain equipment purchases and depreciation expenses specifically authorized by this rule.
- Administrative or overhead costs that are not direct costs of the grant project.

Loan funds are subject to the same use limitations as grant funds except that loan funds may be used for purchase of land and equipment without restriction so long as the purchase is related to the loan project.

Grant and Loan Proposals

Under this emergency rule, DATCP must issue at least one request for grant and loan proposals in each state fiscal biennium (DATCP may issue more frequent requests, if it chooses to do so). The request for proposals must describe the required form and content of grant and loan proposals, and must specify a deadline for submitting grant and loan proposals. Applicants must submit grant and loan proposals to DATCP, in the manner prescribed by DATCP's request for proposals.

Grant and Loan Awards

Under this emergency rule, DATCP must evaluate grant and loan proposals and issue its grant awards within 90 days after the application deadline. DATCP must clearly identify each award recipient, the amount of the award, and the purposes for which the award is given. DATCP must consider all of the following criteria when evaluating grant proposals and making grant and loan awards:

- The extent to which a proposed project will benefit the dairy industry.
- Whether the proposal complies with DATCP's request for proposals.
- Whether the proposed project meets the standards prescribed in this emergency rule.
- The viability of the proposed project.
- The management and technical qualifications of the grant applicant.
- The qualifications of the persons who will carry out the project.
- The financial capacity of the grant applicant to complete the project as proposed.
- The adequacy of the project plan and budget.
- Whether the grant proposal adequately identifies the nature of project expenses to be reimbursed under the proposed grant.

Grant and Loan Contracts

Under this emergency rule, DATCP must enter into a contract with a grant or loan recipient before distributing any funds to that recipient. The contract must spell out grant or loan terms and conditions, including performance requirements, reporting requirements and payment terms.

Grant and Loan Payments

Under this emergency rule, DATCP may distribute grant funds in one or more payments, based on documented progress toward completion of the grant project. Loan funds may be distributed upon execution of the loan contract. The contract must describe payment terms and conditions. DATCP may require a grant and loan recipient to file progress reports and require grant recipients to submit expense documentation as necessary to support grant payments.

Business Impact

The "grow Wisconsin dairy producer" grant and loan program is voluntary and thus imposes no cost on businesses. By providing $200,000 in grant and loan funding to dairy producers, the "grow Wisconsin dairy producer" grant and loan program will benefit dairy farms, other dairy businesses and communities that participate in production, distribution or marketing of dairy products. Grant and loan recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry. DATCP plans to use application procedures that will make the

cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services.

Conclusion

This rule will have no impact on business since it only applies to those businesses that voluntarily seek and are awarded dairy grant or loan funds.

Dated this _____ day of _____, 2012

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

By _____
Mike Powers, Administrator

Division of Agricultural Development

State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–0224/2 P1
TKK:.....

DOA:.....Stinebrink, BB0014 – Dairy processor grant program

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

12/3/12

don't gen

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

AGRICULTURE

This bill authorizes DATCP to provide grants to dairy processing plants for the purpose of promoting the growth of the dairy industry.

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

SECTION 1. 20.115 (4) (dm) of the statutes is created to read:

20.115 **(4)** (dm) *Dairy processing plant grant program.* Biennially, the amounts in the schedule for promoting the growth of the dairy industry by providing grants to processing plants, as defined in s. 97.20 (1) (h).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

SECTION 2. 93.40 (1) (g) of the statutes is amended to read:

1 93.40 **(1)** (g) Promote the growth of the dairy industry through research,
2 planning, and assistance, including grants and loans to dairy producers and grants
3 to processing plants.

History: 1981 c. 357; 1987 a. 186; 1991 a. 39; 1995 a. 27; 2011 a. 32.

4 **(END)**

Kuczenski, Tracy

From: Stinebrink, Cory R - DOA <Cory.Stinebrink@wisconsin.gov>
Sent: Thursday, January 24, 2013 1:22 PM
To: Kuczenski, Tracy
Subject: BB0014; LRB 0224

Tracy-
If you could amend the Dairy processor grant program draft to make it an Annual appropriation, rather than a Biennial. Thanks.

Cory Stinebrink
Executive Policy and Budget Analyst
State Budget Office
(608)266-1103

State of Wisconsin
2013 – 2014 LEGISLATURE

LRB-0224/~~P1~~ P2
TKK:jld:rs
RMMR

DOA:.....Stinebrink, BB0014 – Dairy processor grant program

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

1/24/13

don't gen

AN ACT ...; **relating to:** the budget.

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Annually

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2 planning, and assistance, including grants and loans to dairy producers <u>and grants</u>
3 <u>to processing plants</u>.
4 **(END)**

Kuczenski, Tracy

From: Stinebrink, Cory R - DOA <Cory.Stinebrink@wisconsin.gov>
Sent: Wednesday, February 06, 2013 8:48 AM
To: Kuczenski, Tracy
Subject: RE: Dairy processor grant program

I think we are good with the draft substantively. Thanks.

From: Kuczenski, Tracy [mailto:Tracy.Kuczenski@legis.wisconsin.gov]
Sent: Tuesday, February 05, 2013 7:03 PM
To: Stinebrink, Cory R - DOA
Subject: RE: Dairy processor grant program

Hi Cory -

Just checking in with you on this draft; did you want to make any substantive changes (other than the prepositional changes I mentioned)?

Tracy

-----Original Message-----
From: Stinebrink, Cory R - DOA [mailto:Cory.Stinebrink@wisconsin.gov]
Sent: Mon 1/28/2013 12:00 PM
To: Kuczenski, Tracy
Subject: RE: Dairy processor grant program

Tracy-
A quick question of clarification. Is there a difference statutorily by saying "dairy processing plant" versus something like "Dairy processors"? I think this draft looks good, but I wouldn't want any unintended exclusions from the program if those terms mean anything different.

Thanks,
Cory

From: Scott.Thornton@Wisconsin.Gov [mailto:Scott.Thornton@Wisconsin.Gov]
Sent: Monday, January 28, 2013 9:10 AM
To: Stinebrink, Cory R - DOA
Cc: Thornton, Scott - DOA; Thornton, Scott - DOA; Wavrunek, Leah J - DOA
Subject: Dairy processor grant program

We have received an LRB draft for DOA Tracking Code: BB0014

LRB Draft Number: 0224/P2

Drafting Attorney: Tracy K. Kuczenski
Phone: (608) 266-9867
E-mail: tracy.kuczenski@legis.wisconsin.gov<mailto:tracy.kuczenski@legis.wisconsin.gov>

The document<http://apwmad0p1025/sites/sbo/statutes/Shared%20Documents/13-0224_P2.pdf> can be found in the Stat Language site on SharePoint.

State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–0224/~~P2~~ P3
TKK:jld:jf

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s/ays

DOA:.....Stinebrink, BB0014 – Dairy processor grant program

FOR 2013-2015 BUDGET — NOT READY FOR INTRODUCTION

in 2/6/13

do NOT gen

AN ACT ...; **relating to:** the budget.

Analysis by the Legislative Reference Bureau

AGRICULTURE

This bill authorizes DATCP to provide grants to persons operating dairy processing plants for the purpose of promoting the growth of the dairy industry.

For further information see the ***state*** fiscal estimate, which will be printed as an appendix to this bill.

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

SECTION 1. 20.115 (4) (dm) of the statutes is created to read:

20.115 **(4)** (dm) *Dairy processing plant grant program.* The amounts in the schedule for promoting the growth of the dairy industry by providing grants to persons operating processing plants, as defined in s. 97.20 (1) (h).

****NOTE: This SECTION involves a change in an appropriation that must be reflected in the revised schedule in s. 20.005, stats.

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2 93.40 **(1)** (g) Promote the growth of the dairy industry through research,
3 planning, and assistance, including grants and loans to dairy producers and grants
4 to persons operating processing plants.
5 **(END)**

State of Wisconsin
2013 – 2014 LEGISLATURE

LRB–0224/P3
TKK:jld:rs

DOA:.....Stinebrink, BB0014 – Dairy processor grant program

FOR 2013–2015 BUDGET — NOT READY FOR INTRODUCTION

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