

Chapter Ag 4

AGRICULTURAL DIVERSIFICATION AND DEVELOPMENT  
PROGRAM

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**Ag 4.01 Purpose.** This chapter establishes procedural requirements for administration of the agricultural diversification and development grant program under s. 93.46, Stats.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.

**Ag 4.02 Definitions.** As used in this chapter:

- (1) "Department" means the state of Wisconsin department of agriculture, trade and consumer protection.
- (2) "Individual" means a natural person.
- (3) "Organization" means any of the following:
  - (a) A partnership, firm, association, corporation or other legal entity.
  - (b) A cooperative organized under ch. 185, Stats., whether or not operated for profit.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.

**Ag 4.03 Grant requirements.** (1) **GENERAL.** The department may award grants under s. 93.46, Stats., to individuals or organizations to fund demonstration projects, feasibility analyses, and applied research directed toward new products, technologies and practices that will stimulate agricultural development and diversification of economic activity within agriculture.

(2) **ALLOWABLE PURPOSES.** The department may not award a grant under sub. (1) unless the project has at least one of the following purposes:

- (a) Creation of jobs in the agricultural industry.
- (b) New capital investment and expansion in the agricultural industry.
- (c) Agricultural product market development and expansion.
- (d) Diversification and expansion of the production, processing, and distribution of agricultural products.
- (e) Commercial application of new technologies or practices related to agricultural products.
- (f) Increased use of surplus agricultural products.
- (g) Improvement of the competitive position of this state's agricultural industry.

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(h) Efficient use of farmland and other agricultural resources.

(3) **PROJECT LIMITATIONS.** The department may not award a grant to any project if the proposed length of the project exceeds 3 years. The total funding to a single project may not exceed \$50,000. Individual applicants may cooperate with any public or private organization in conducting a project.

(4) **PROJECT CONDUCTED IN THIS STATE.** The department may not award a grant under this chapter unless the grant is for a project conducted in this state.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.

**Ag 4.04 Grant terms and conditions.** (1) **GENERAL.** The department shall establish appropriate terms and conditions for each grant based on the project for which the grant is awarded. Terms and conditions shall be designed to ensure that grant moneys are effectively used for the purposes awarded. The terms and conditions shall be included in the grant contract under s. Ag 4.07.

(2) **PERMITTED USES OF GRANT FUNDS.** Permitted uses for grant funds include the following:

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

(b) Real estate rental payments. Real estate mortgage payments or land contract payments through which a grantee acquires equity in real estate are not a permitted use of grant funds.

(c) Equipment leases.

(d) Purchase of small or low cost equipment items which are normally depreciated within one year.

(e) Purchase of capital equipment. The amount awarded for this purpose in each year of the grant may not exceed the annual straight-line depreciation which would be allowed under generally accepted accounting principles for acquisitions of large capital equipment having a depreciation schedule longer than one year.

(3) **PROHIBITED USES OF GRANT FUNDS.** Grant funds may not be used for any of the following, except as authorized under sub. (2):

(a) Capital acquisitions by the grantee such as the purchase of land, buildings or machinery.

(b) Administrative overhead expense.

(c) Funding for business start-up costs or expansion.

(d) Business loan payments.

(4) **MATCHING CONTRIBUTIONS.** The department may give preference to applicants providing matching funds in the form of capital, land, labor, equipment or other eligible categories of expenses.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.

**Ag 4.05 Application procedures.** (1) **APPLICATION PERIODS.** An individual or organization may file an application for an agricultural diversification or development grant between January 15 and March 15 of each calendar year. Additional application periods may be scheduled at other times at the discretion of the department.

(2) **REQUEST FOR PROPOSALS.** The department shall give notice of the annual and any additional application periods under sub. (1) by issuing a request for grant proposals. The department shall issue its request for grant proposals by mail to county agriculture extension agent offices, vocational, technical and adult education districts, the department of development, the Wisconsin housing and economic development authority, and other persons on its program mailing list compiled from inquiries concerning the grant program. The department shall also issue a press release announcing its request for proposals to news media likely to give notice to the public.

(3) **APPLICATION FORMAT.** An application for a grant under this chapter shall be in the form prescribed by the department in its request for proposals. An application shall include all of the following:

(a) A cover page which includes:

1. The name, address and telephone number of the applicant.
2. The title and brief description of the project.
3. The amount of funding requested.
4. The duration of the proposed project.
5. The name and address of the principal contact person for the proposed project.

(b) A statement identifying the problem or opportunity to be addressed and the importance of the project to Wisconsin agricultural economic development and diversification.

(c) A project summary describing the project's objectives, expected results, economic benefits, the approach to be used in addressing the stated problem or opportunity, and the role the proposed project will play in achieving the objectives of the grant program.

(d) A specific statement of project purposes, which shall be consistent with one or more of the purposes under s. Ag 4.03 (2).

(e) A discussion of the expected results from the proposed project, how those results relate to the objectives of the grant program, and how they will benefit agriculture.

(f) A work plan which identifies specific project tasks, a timetable for completing the tasks, and the persons responsible for completing the tasks.

(g) The practical or commercial applications of the proposed project, including any economic, environmental or other benefits to agriculture which will result from the project.

(h) Names, addresses, occupations and project-related qualifications of key personnel responsible for carrying out the proposed project.

(i) A budget containing line items for project costs by expenditure category, including supplies and services, facilities and equipment, and personnel costs subdivided by number and type of employees and hourly wages.

(4) **PUBLIC ACCESS TO APPLICATIONS.** All grant applications are open to public inspection after the awarding of grants. The department may withhold access to any application or portion of an application containing information qualifying as a trade secret as defined in s. 134.90 (1) (c), Stats.

Note: Grant applicants must identify those portions of an application which contain a trade secret and claim the exemption from public inspection at the time of filing a grant application with the department.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.

**Ag 4.06 Grant application review and award determination.** (1) **REVIEW PERIOD.** The department shall review each grant application submitted under this chapter. The department may require the applicant to provide additional information regarding the application as the department deems necessary. Within 90 days after the close of each application period, the department shall make its grant award decisions.

(2) **AWARD CRITERIA.** The department shall consider all of the following criteria in its review of grant applications:

(a) The extent to which the project will achieve one or more of the purposes in s. Ag 4.03 (2).

(b) The viability of the proposed project.

(c) The perceived benefit of the project to agriculture or agribusiness.

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

(e) The qualifications of the persons who will perform the work in carrying out the project.

(f) The financial capacity of the applicant to complete the project as proposed if the requested funding is granted.

(g) The adequacy of the project plan.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.

**Ag 4.07 Grant contracts.** (1) **CONTRACT REQUIRED.** A successful grant applicant shall enter into a contract with the department before any grant money is distributed to the applicant. No funding commitment is final until the contract is executed.

(2) **CONTRACT PROVISIONS.** A grant contract shall be reasonably designed to ensure that the grant recipient carries out the recipient's obligations with respect to the grant. The contract shall be signed by the secretary of the department and the applicant. The parties may amend the contract by mutual written consent.

(3) **BREACH OF CONTRACT.** The department may void a contract and seek return of any funds released under the contract for failure by the award recipient to perform the recipient's obligations under the contract.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.

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**Ag 4.08 Reporting.** Every contract under s. Ag 4.07 shall set forth a schedule of progress reports and payments. Grant payments shall be made in installments, according to the contract payment schedule. A grant recipient shall provide the department with periodic written progress reports throughout the life of the contract. Installment payments shall be conditioned upon the receipt of progress reports, as provided in the contract. All financial and program reports become the property of the department and are open to public inspection.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.

**Ag 4.09 Program administration.** The department shall solicit, evaluate, and approve grant applications; enter into contracts; authorize contract payments; monitor compliance with contractual obligations and project activities of grantees; receive and review progress reports submitted under s. Ag 4.08; and prepare research findings for public dissemination.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.

**Ag 4.10 Application materials.** The department shall provide application materials upon request to any individual or organization who wishes to apply for a grant. The application materials shall include pertinent instructions, requirements and procedures under this chapter.

History: Cr. Register, May, 1991, No. 425, eff. 6-1-91.