

1999 DRAFTING REQUEST

Assembly Amendment (AA-AB133)

Received: 05/7/99

Received By: traderc

Wanted: Soon

Identical to LRB:

For: Legislative Fiscal Bureau

By/Representing: Schug

This file may be shown to any legislator: NO

Drafter: traderc

May Contact:

Alt. Drafters:

Subject: Agriculture - miscellaneous

Extra Copies:

Pre Topic:

LFB:.....Schug -

Topic:

DATCP export marketing

Instructions:

See Attached

Drafting History:

<u>Vers.</u>	<u>Drafted</u>	<u>Reviewed</u>	<u>Typed</u>	<u>Proofed</u>	<u>Submitted</u>	<u>Jacketed</u>	<u>Required</u>
/?	traderc 05/13/99	gilfokm 05/15/99		_____			
/1			mclark 05/17/99	_____	lrb_docadmin 05/17/99		

FE Sent For:

<END>

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1?	traderc	1-5-15-99 kmj	S/17 mrc	mrc/km 5/17			

FE Sent For:

<END>

Tradewell, Becky

From: Schug, David
Sent: Friday, May 07, 1999 3:07 PM
To: Tradewell, Becky
Subject: RE: DATCP amendments

You are correct-- here goes...

Paper 210 Drainage Alt 5 and Alt 6

Paper 211 AgChem Alt 4

Paper 212 Pesticide Motion 216 and Motion 216

~~#213 Export Motion 444~~ The wording in the motion is misleading and is based on alternative 3, which discusses Federal revenues in addition to the amount provided in Chapter 20.115(3)(m). Thus, \$1 of marketing GPR 115(3)(a) should lapse for every \$1 in federal funding received above the amount of funding provided in 20.115(3)(m). (We are thinking of a two-line appropriation with GPR and PR-F listed as well as a net amount provided).

#214 price reform Alt 1

#215 nursery Alt 2c (includes technical changes in Alt 1), Motion 214, Motion 231 (I made an error in calculating Alt 2c. The position total change to base is really 1.00 and not 2.00 as written.

#216 weights Alt 2 and Alt 3, Motion 215 (add towns with cities and villages)

#217 LPG Alt 5

#218 grain Alt 2 and Alt 3

#219 web page Alt 2

#220 electronic Alt 3

#221 fair aids Alt 1

All summary items for which no papers were written were approved, except for #20, consumer protection assessment. That item is still outstanding.

Motion 661 also was approved.

I am faxing over the above motions. Besides the pending consumer protection assessment item, that should do it for DATCP.

David

Passed

Senator Jauch

AGRICULTURE, TRADE AND CONSUMER PROTECTION

Export Marketing
[Paper #213]

Motion:

Move to provide \$300,000 GPR annually for the Department's export production program.
Direct the Department to seek at least \$130,000 FED annually for this program and require that one dollar of GPR lapse to the general fund for each dollar of federal monies received for the program.

Motion #444



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

May 4, 1999

Joint Committee on Finance

Paper #213

Export Marketing (DATCP)

[LFB 1999-01 Budget Summary: Page 97, #10]

CURRENT LAW

DATCP has 5.0 export consultants and a program assistant in the international agribusiness marketing center performing export sales, promotion and outreach activities for agricultural products. In addition, the DATCP Bureau of Agricultural Development and Promotion has an agricultural development and diversification section and commodity and product promotion section, which includes the Alice in Dairyland and "Something Special from Wisconsin" promotion, that also assist with the marketing of Wisconsin agricultural products domestically and abroad.

GOVERNOR

Provide \$300,000 GPR and 2.0 export consultant positions and \$25,000 PR each year to restructure and expand the Marketing Division's export promotion program. Program revenue is provided from industry contributions. Of the amounts appropriated, \$507,600 in the biennium would be used for supplies and services.

DISCUSSION POINTS

1. According to DATCP, in 1997, Wisconsin agricultural exports contributed more than \$1.9 billion and approximately 33,000 jobs to the state's economy. For example, the Department estimates Wisconsin shipped \$40 million in grain, livestock and food products to Mexico, including nearly \$10 million in heifers and \$4.7 million in genetics.

Export Promotion

2. DATCP is required to operate an international agribusiness marketing center to

promote the foreign export of Wisconsin's agricultural and agribusiness products by (a) assisting with market research and planning to identify international marketing opportunities for the state's products and firms; (b) providing technical assistance on international marketing to individual businesses; (c) organizing and participating in trade shows and trade missions to foreign markets; (d) coordinating federal, regional, state and local marketing information which may lead to export opportunities; (e) assisting persons considering direct investments, joint ventures, licensing or other business arrangements for the production of agribusiness products in this state; and (f) cooperating with the Department of Commerce in promoting the products through foreign trade offices. The international agribusiness center has been administered by DATCP since 1985.

3. Commerce maintains a trade office presence in twelve countries. Commerce also has international outreach consultants based in Waukesha, Oshkosh, Eau Claire and Madison to assist firms in expanding export efforts. Commerce and DATCP entered into an MOU in 1996 establishing a framework for coordination of international export marketing and development activities. The MOU outlines which agency will take the lead responsibility for export-related activities and export promotion of specific products. In addition, each agency assures the other that it will refer those desiring assistance to the proper agency. DATCP is also provided access to international trade offices and personnel, for a fee to cover the costs of services provided.

4. The international agribusiness center currently has two staff focused on specific products and three staff focused on exporting to specific regions of the world. The Department proposes reorganizing the center and adding an outreach specialist and a promotion specialist. The five remaining staff would be organized by dairy (one staff), processed foods (two staff) and meat and livestock (two staff) product areas. The outreach specialist would enlist more agribusinesses in exporting and provide agribusinesses with assistance expanding exports. The promotion specialist would focus on advertising, media, trade shows and general export promotion coordination and activities. DATCP envisions the outreach and program specialists would also work with existing marketing program areas such as Alice in Dairyland and "Something Special from Wisconsin."

5. DATCP believes the bill would assist in doubling Wisconsin agribusiness exports by 2002 through:

a. Enhancing the Department's export sales focus and strengthening export promotional activities and programs;

b. Improving export education efforts and increasing the number of Wisconsin agribusinesses that export;

c. Expanding price reporting for international markets and establishing reliable export data and tracking of results; and

d. Bringing more foreign buyers to Wisconsin.

6. DATCP attempts to track results of export promotion activities by surveying agribusinesses one month and 12 months after each agency activity. In surveys returned to DATCP,

agribusinesses credited \$5.5 million in sales and 18 created jobs to DATCP 1996-97 activities, with most results coming from contacts and contracts from international trade shows. However, some of these businesses may have attended the trade shows and made contacts without DATCP assistance or coordination. Companies have also reported \$1.3 million of sales in the 1997-99 biennium thus far from reverse buyer missions (bringing potential buyers to Wisconsin).

7. DATCP estimates it currently participates in 39 outreach activities to promote exporting per year. These include conferences, seminars, and industry and trade association meetings. Through these activities, the Department estimates reaching 1,000 companies annually. In addition, the Department distributes 5,000 directories of agribusiness suppliers in the state. The agency projects it would conduct a total of 50 outreach activities per year with the additional outreach coordinator position in the bill.

Funding

8. In 1997-98, DATCP estimates it spent \$450,000 GPR for international marketing, including \$358,700 for staff and \$91,300 for export promotion activities. In addition, the Department receives a total of approximately \$210,000 annually from the U.S. Livestock Genetics Export, Inc. (USLGE) to carry out livestock genetic promotions, the Mid-America International Agri-Trade Council (MIATCO) for assisting exporting companies and conducting local and regional trade shows and trade missions and the U.S. Dairy Export Council (USDEC) for dairy export assistance. The Department has applied for an additional \$130,000 annually in federal funding. DATCP could use the additional \$130,000 annually instead of requesting new GPR. Under this alternative, if DATCP does not receive the federal funding, the Department could request funds under the s. 13.10 process. The Department also estimates receiving \$70,000 annually from industry contributions.

9. Although some marketing activities are export specific, much of the general product promotion activities of DATCP contribute to exporting as well. Thus, the agency's export promotion activities and export marketing budget go beyond those of the international agribusiness center.

10. DATCP plans to use the \$600,000 GPR in the biennium as follows: (a) \$143,000 for the salary and fringe benefits of 2.0 export consultants; (b) \$140,000 for eight reverse buyer missions; (c) \$100,000 to augment current federal and private industry funding for developing a Wisconsin area at, and recruiting companies to participate in, six international trade shows; (d) \$96,000 for producing multilingual trade brochures and a trade show booth exhibit; (e) \$30,000 for coordinating a Wisconsin area at four national trade shows that attract international customers; (f) \$25,000 for creating "how to" guides for agribusinesses to initiate or expand export activities; (g) \$21,000 to purchase trade data and international marketing software; (h) \$20,000 to increase and enhance Wisconsin space and presence at the World Dairy Expo; (i) \$16,000 to gather price information and create promotions at Commerce-run overseas trade offices; and (j) \$9,000 to upgrade in size and scope current directories of Wisconsin agricultural suppliers.

11. The agency would solicit additional industry contributions to upgrade directories of

(Revenues would be raised through donations and fees for services provided.)

<u>Alternative 2</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Base)	\$400,000	\$250,000	\$650,000
[Change to Bill]	-\$200,000	\$200,000	0]
2000-01 POSITIONS (Change to Base)	2.00		2.00
[Change to Bill]	0.00		0.00]

3. Modify the Governor's request to provide \$170,000 GPR and 2.0 export consultant positions and \$155,000 PR each year to expand the marketing division's export promotion program. (\$130,000 in annual revenues would be provided from federal dollars, with \$25,000 annual revenues from industry contributions.)

<u>Alternative 3</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Base)	\$340,000	\$310,000	\$650,000
[Change to Bill]	-\$260,000	\$260,000	0]
2000-01 POSITIONS (Change to Base)	2.00		2.00
[Change to Bill]	0.00		0.00]

4. Approve one or more of the following:
- a. \$143,000 for the salary and fringe benefits of 2.0 export consultants;
 - b. \$140,000 for eight reverse buyer missions;
 - c. \$100,000 to augment current federal and private industry funding for developing a Wisconsin area at, and recruiting companies to participate in, six international trade shows;
 - d. \$96,000 for producing multilingual trade brochures and a trade show booth exhibit;
 - e. \$30,000 for coordinating a Wisconsin area at four national trade shows that attract international customers;
 - f. \$25,000 for creating "how to" guides for agribusinesses to initiate or expand export activities;
 - g. \$21,000 to purchase trade data and international marketing software;
 - h. \$20,000 to increase and enhance Wisconsin space and presence at the World Dairy Expo;
 - i. \$16,000 to gather price information and create promotions at Commerce-run overseas trade offices; and
 - j. \$9,000 to upgrade in size and scope current directories of Wisconsin agricultural suppliers.

5. Maintain current law.

<u>Alternative 5</u>	<u>GPR</u>	<u>PR</u>	<u>TOTAL</u>
1999-01 FUNDING (Change to Base)	\$0	\$0	\$0
[Change to Bill]	-\$600,000	-\$50,000	-\$650,000]
2000-01 POSITIONS (Change to Base)	0.00		0.00
[Change to Bill]	-2.00		-2.00]

Prepared by: David Schug

1999

Date (time) needed SOON

LRB b 0270 11

**LFB BUDGET AMENDMENT
[ONLY FOR LFB]**

RET: King:

See form **AMENDMENTS — COMPONENTS & ITEMS.**

**LFB AMENDMENT
TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45**

ONote

>>FOR JT. FIN. SUB. — NOT FOR INTRODUCTION<<

At the locations indicated, amend the bill as follows:

✓ #. Page 374., line .6.: after that line insert:

Ⓟ " Section 179 p. CR; 20.115(3)(c)

#. Page, line
Ⓟ 20.115(3)(c) ^(D) Export promotion program. A sum

sufficient for promotion of exports of agricultural products, not to exceed, in any fiscal year, the difference

#. Page, line
between \$300,000 and the amount by which federal ^{money} received for this purpose in that fiscal year exceed the

#. Page, line
federal ^{money} received for this purpose in fiscal year 1998-99. "

#. Page, line

✓ #. Page 938, line .13.: after that line insert:

1930j
Section # 93.07 (3) of the statutes is amended to read:

93.07 (3) PROMOTION OF AGRICULTURE. To promote the interests of agriculture, dairying, horticulture, manufacturing, commercial fishing and the domestic arts and to advertise Wisconsin and its dairy, food and agricultural products by conducting campaigns of education throughout the United States and in foreign markets. Such campaigns shall include the distribution of educational and advertising material concerning Wisconsin and its plant, animal, food and dairy products. The department shall coordinate efforts by the state to advertise and promote agricultural products of this state, with the department of commerce where appropriate. The department shall submit its request and plan for market development program expenditures for each biennium with its biennial budget request. The plan shall include the identification and priority of expenditures for each market development program activity. In each fiscal year, the department shall seek federal money

History: 1971 c. 125; 1975 c. 189, 323, 394; 1979 c. 34, 129, 221, 361; 1981 c. 20, 291; 1981 c. 391 s. 210; 1983 a. 410; 1985 a. 29; 1987 a. 27, 186; 1987 a. 399 ss. 307p, 443yx; 1987 a. 403; 1989 a. 56; 1991 a. 39, 269, 309; 1993 a. 216; 1995 a. 27 ss. 3554 to 3556, 9116 (5), 9145 (1); 1995 a. 79, 450; 1997 a. 27, 192.

for the promotion of exports of agricultural products
in an amount at least equal to \$130,000 plus
the amount of federal money received for this
purpose in fiscal year 1998-99. "

(End)

Note

David Schug:

This is a draft of the export marketing item. This approach is the most straightforward one that I can think of to the appropriation. I am sure that there are other possible approaches. However, I do not think that it is possible to place the GPR and the ^{new} PR-F into one appropriation.

Please note that s. 20.115 (3) (m) ~~the federal appropriation for~~

~~the marketing program~~ is not ^{an} "amount^s in the schedule" appropriation. The amounts in the schedule only represent an estimate of how much federal funding ^{will be received.}
This is why I drafted the language referring to increased

Federal Funding as I did, rather than referring to federal funding received above the amount of funding provided in

s. 20.115 (3) (m).

Let me know if you have any questions.

RET

**DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU**

LRBb0270/1dn
RCT:kmg:mrc

May 17, 1999

David Schug:

This is a draft of the export marketing item. This approach is the most straight forward one that I can think of to the appropriation. I am sure that there are other possible approaches. However, I do not think that it is possible to place the GPR and the PR-F into one appropriation. Please note that s. 20.115 (3) (m) is not an "amounts in the schedule" appropriation. The amounts in the schedule only represent an estimate of how much federal funding will be received. This is why I drafted the language referring to increased federal funding as I did, rather than referring to federal funding received above the amount of funding provided in s. 20.115 (3) (m).

Let me know if you have any questions.

Rebecca C. Tradewell
Managing Attorney
Phone: (608) 266-7290
E-mail: Becky.Tradewell@legis.state.wi.us



State of Wisconsin
1999 - 2000 LEGISLATURE

LRBb0270/1
RCT:kmg:mrc

LFB:.....Schug - DATCP export marketing

FOR 1999-01 BUDGET — NOT READY FOR INTRODUCTION

LFB AMENDMENT

TO 1999 ASSEMBLY BILL 133 AND 1999 SENATE BILL 45

1 At the locations indicated, amend the bill as follows:

2 **1.** Page 374, line 6: after that line insert:

3 **"SECTION 179p.** 20.115 (3) (c) of the statutes is created to read:

4 20.115 (3) (c) *Export promotion program.* A sum sufficient for promotion of
5 exports of agricultural products, not to exceed, in any fiscal year, the difference
6 between \$300,000 and the amount by which federal moneys received for this purpose
7 in that fiscal year exceed the federal moneys received for this purpose in fiscal year
8 1998-99."

9 **2.** Page 938, line 13: after that line insert:

10 **"SECTION 1930j.** 93.07 (3) of the statutes is amended to read:

