

2001 DRAFTING REQUEST

Assembly Amendment (AA-ASA1-SB55)

Received: 06/26/2001

Received By: traderc

Wanted: Soon

Identical to LRB:

For: Spencer Black (608) 266-7521

By/Representing: Susan McMurray

This file may be shown to any legislator: NO

Drafter: traderc

May Contact:

Addl. Drafters:

Subject: Agriculture - miscellaneous

Extra Copies:

Submit via email: YES

Requester's email: Rep.Black@legis.state.wi.us

Pre Topic:

No specific pre topic given

Topic:

Agricultural marketing, rn137

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 06/27/2001	jdye 06/27/2001		_____			
/1			rschluet 06/28/2001	_____	lrb_docadmin 06/29/2001	lrb_docadmin 06/29/2001	

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1?	traderc	1 6/27 jld					
			6-28-1				

FE Sent For:

<END>

Assembly Democrat Budget Amendment Requests..

Request Number:
(not LRB number)

137

Agency:

DATCP

Description:

JTRCT
?

Attachments:

LFB motion 171

Contact person: Susan McMurray, 266-7521, Representative Black's Office

- take the Ag marketing farm protection act: language
 - provide no funding
 - Require DATCP to implement a program to promote a "Wisconsin first" - policy ~~for~~ by ~~the~~ consumers
 - section P 3 -
 - DATCP marketing (staff) to ~~the~~ implement program.
- 06/22/01
No new positions.

AGRICULTURE, TRADE AND CONSUMER PROTECTION,
NATURAL RESOURCES AND COMMERCE

Family Farm Protection Act

Motion:

Move to provide \$2,225,000 GPR annually and \$380,700 PR in 2002-03 with 3.0 GPR and 2.0 PR positions for programs in the Departments of Agriculture, Trade and Consumer Protection (DATCP, \$2,225,000 GPR annually and 3.0 GPR positions) and Natural Resources (DNR, \$380,700 PR with 2.0 PR positions in 2002-03). Further, transfer \$500,000 annually from the Department of Commerce Wisconsin Development Fund for a farm entrepreneur micro-loan program. Funding would be allocated as described below.

DATCP – Resource Management. Provide \$500,000 GPR annually and 1.0 program and planning analyst position in a new, annual appropriation and create a cost-share program to assist farmers interested in, or transitioning to, managed intensive grazing or organic systems of agricultural production. Allow cost-shares to be used for educational and technical assistance or for eligible management practices and require DATCP to determine eligible practices and cost-share rates (up to a maximum of 70%) by rule. Further, provide \$1,000,000 GPR annually for: (a) cost-share funding for state and federally required nutrient management plans; (b) a certification program for persons who develop nutrient management plans; and (c) state and federal crop insurance programs. Require DATCP to provide cost-share funding under this program to farms with fewer than 300 animal units.

DATCP – Agricultural Marketing. Provide \$400,000 GPR annually to increase agricultural development and diversification (ADD) program grant funding. Further, provide \$250,000 GPR annually with 1.0 agricultural marketing consultant and create a "Buy Wisconsin" market development program that would: (a) promote a Wisconsin identity for diverse, farm-raised foods through producer directories, marketing materials, media and trade promotion for Wisconsin producers, producer organizations and specialty food companies; and (b) encourage school districts and local and state governments to purchase products directly from Wisconsin producers, producer organizations and specialty food companies.

DATCP – Price and Market Reform. Provide \$75,000 GPR annually and 1.0 trade practices analyst position to review price reports, disseminate information about farm prices to farmers and develop criteria for agricultural production contracts to prevent unfair trade practices between producers and buyers of milk or "market livestock" (any animal raised for food or fiber purchased from producers for slaughter, processing or resale). Require market livestock buyers to submit these contracts to DATCP for review. Further, require milk processors and market livestock buyers to submit daily price reports to DATCP.

DNR -- Water Pollution Discharge Elimination System Fees. Require that applicants for water pollutant discharge elimination system (WPDES) permits pay an application fee that generates revenues equal to the Department's appropriation for processing WPDES permit applications and performing compliance monitoring of the permit holder. Create a program revenue annual appropriation for deposit of the application fees. Direct DNR to promulgate administrative rules to establish the fee structure. Provide \$380,700 PR in 2002-03 with 2.0 PR positions to be funded from the fees to increase departmental activities related to WPDES permit application processing and compliance monitoring.

DNR -- Animal Waste Management. Require DNR to prepare and submit to the appropriate standing committee in each house of the Legislature no later than the 13th month after the effective date of the bill, a report outlining options, including the use of wastewater treatment systems, to the handling of liquid animal waste through manure storage lagoons and aerial irrigation systems. Require that the report include all of the following: (a) best available control technology; (b) maximum available control technology; (c) lowest achievable emission reduction; and (d) a plan to phase out nonconforming lagoons.

Commerce -- Farm Entrepreneur Micro-Loan Program. Establish a low-interest loan program under the Rural Economic Development (RED) program that provides low interest loans to individuals for: (a) farm operating costs; (b) costs of implementing new farm enterprises; and (c) costs of developing agricultural businesses that add value and build markets. Require Commerce staff to administer the program. Transfer \$500,000 from the Wisconsin Development Fund in each year and create a separate program under RED for farm entrepreneur micro-loans.

Note:

The motion would provide funding and positions as shown in the table below.

Family Farm Protection Act Funding

	<u>2001-02</u>	<u>2002-03</u>	<u>ETE</u>
DATCP-- Resource Management	\$1,500,000	\$1,500,000	1.0
DATCP-- Agricultural Marketing	650,000	650,000	1.0
DATCP--Price and Market Reform	75,000	75,000	1.0
DNR-- WPDES fees (PR)	<u>0</u>	<u>380,700</u>	<u>2.0</u>
TOTAL GPR	\$2,225,000	\$2,225,000	3.0
TOTAL PR	\$0	\$380,700	2.0

DATCP -- Resource Management. Under current administrative rules, nutrient management plans are eligible for 50% cost-shares under DNR's nonpoint and DATCP's land and water resource management programs.

DATCP -- Agricultural Marketing. The ADD program provides grants to farmers or other entrepreneurs to develop agricultural crops and livestock products, value-added and other new uses for existing products and new business ventures. The ADD program base budget for grants is \$400,000 GPR annually.

DNR -- Water Pollution Discharge Elimination System Fees. Persons must currently obtain a WPDES permit from DNR to receive permission to discharge any pollutant into the waters of the state. Permit holders generally include municipal wastewater treatment plants, industrial facilities and large scale agricultural operations. Permits include conditions such as effluent limitations, limitations necessary to meet federal or state water quality standards, compliance schedules and groundwater protection standards. Permits are issued for a term of up to five years. There are approximately 4,230 WPDES permits (474 industrial, 665 municipal, 91 confined animal feeding operations and approximately 3,000 general permits). Based on an average of 846 permits issued per year, DNR would have to assess fees that average approximately \$450 per permit applicant to cover the \$380,700 in expenditure authority provided under the motion (though DNR would have the authority to set variable fees based on criteria established by rule).

Currently, WPDES permit holders do not pay an application fee. Rather, they are required to pay an annual wastewater discharge environmental fee. The amount of fee is specified by DNR rule and is based on the environmental harm caused by the pollutants discharged, the quantity of the pollutants discharged and the quality of the water receiving the discharge. In fiscal years through 1999-00, DNR could not charge total fees that exceeded \$7,450,000, and in fiscal years beginning in 2000-01 cannot charge total fees that exceed \$7,925,000. The fees are deposited in the general fund and are used to partially offset about \$9.8 million in GPR appropriated for DNR wastewater management functions. For the fees assessed in fiscal years beginning in 2000-01, for calendar year 2000 discharges, DNR is required to: (a) use the fees paid by a person in 1999-00 as the basis for the fees; (b) determine the fee for each person based on the amount of pollutants discharged, using a five-year rolling average; (c) use a performance-based approach that increases a person's fees in proportion to increases in the amount of pollutants discharged and decreases a person's fees in proportion to decreases in the amount of pollutants discharged; (d) omit any multiplier or similar mechanism that would increase a person's fees in order to compensate for decreases in overall amounts of discharges; and (e) omit any provision that would increase the fee per unit of pollutant discharged in order to compensate for decreases in overall amounts of discharges.

Certain WPDES permit holders also pay an annual groundwater fee to DNR, for deposit in the environmental management account of the environmental fund. The fee equals \$100 if the permittee discharges effluent on land or if the permittee produces sludge from a treatment work which is disposed of on land. The fee equals \$200 if the permittee discharges effluent on land and disposes of sludge from a treatment work on land. The fee generated \$99,800 in revenue in 1999-00.

The proposal would not make changes in either the current annual wastewater discharge permit fee or the annual groundwater fee paid by WPDES permit holders.

Commerce -- Farm Entrepreneur Micro-Loan Program. The Rural Economic Development (RED) program provides grants for professional services and for dairy farm and other agricultural business start-ups, modernizations and expansions. The program also provides grants and loans for working capital and fixed asset financing in starting or expanding a business and to pay certain employee relocation and certain training costs. Loans and grants are made from both a GPR appropriation, as well as a program revenue repayments appropriation. Base level funding for RED is \$656,500 GPR and \$120,000 PR.

The Wisconsin Development Fund (WDF) consists of the following programs: (1) technology development grants and loans; (2) customized labor training grants and loans; (3) major economic development grants and loans; (4) urban early planning grants; (5) Wisconsin trade project; (6) employee ownership assistance grants; (7) manufacturing extension center grants; (8) revolving loan fund capitalization grants; and (9) the rapid response fund. The WDF is funded through both a general purpose revenue (GPR) and a program revenue (PR) appropriation. The GPR appropriation is the primary source of funding for the WDF. Annual base level funding for the program is \$7,503,800 GPR and \$2,500,000 PR. This motion would require Commerce to allocate \$500,000 annually from the WDF for grants and loans under the proposed Farm Entrepreneur Micro-Loan Program.

[Change to Bill: \$4,450,000 GPR and \$380,700 PR and 3.0 GPR and 2.0 PR positions]

**ADC CAUCUS BUDGET AMENDMENT
[ONLY FOR CAUCUS]**

RET : JLD :

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

**CAUCUS AMENDMENT
TO ASSEMBLY SUBSTITUTE AMENDMENT 1
TO 2001 SENATE BILL 55**

>>FOR CAUCUS SUPERAMENDMENT — NOT FOR INTRODUCTION<<

DNate

At the locations indicated, amend the substitute amendment as follows:

#. Page 882, line 16: after that line insert:

Section 2383 s. CR; 93.07 (3m) ^x

#. Page, line: 93.07 (3m) ^(b) Wisconsin first program. To

~~department shall~~ administer a market development

#. Page, line: program to do all of the following:

¶ (a) Promote a Wisconsin identity for farm-raised

#. Page, line: food products through producer directories and other promotions for Wisconsin producers, producer organizations and specialty food companies.

#. Page, line: ¶ (b) Encourage ^{state agencies and} school districts and other units

local governmental to purchase products directly from Wisconsin producers, producer organizations, and specialty food companies. "

(End) ✓

b/843/ldn
RAT: jld
J

DNde

Current law contains several similar requirements related to marketing Wisconsin products, including sections 93.07 (3) and (17) and 93.44 of the statutes.

RAT

DRAFTER'S NOTE
FROM THE
LEGISLATIVE REFERENCE BUREAU

LRBb1843/1dn
RCT;jld:rs

June 28, 2001

Current law contains several similar requirements related to marketing Wisconsin products, including sections 93.07 (3) and (17) and 93.44 of the statutes.

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