

Clearinghouse Rule 08-038

Wisconsin Department of Agriculture, Trade and Consumer Protection

Business Impact Analysis

Rule Subject: “Buy Local” Grant Program
Adm. Code Reference: ATCP 161 Subch. IV
Rules Clearinghouse #: Not yet assigned
DATCP Docket #: 08-R-01

This rule implements the “buy local” grant program created under s. 93.48, Stats., by 2007 Wisconsin Act 20 (biennial budget act). Under s. 93.48, Stats., the Department of Agriculture, Trade and Consumer Protection (“DATCP”) is authorized to award grants for projects designed to increase local purchases of Wisconsin agricultural products. The budget act appropriated \$225,000 for this grant program in the FY 2007-09 fiscal biennium.

The budget act requires DATCP to adopt rules for the “buy local” grant program. DATCP adopted a temporary emergency rule effective February 22, 2008, to implement the “buy local” grant program in the current fiscal year. This “permanent” rule will allow DATCP to continue the “buy local” grant program in future years.

Rule Description

This rule does all of the following:

- Authorizes DATCP to make grant awards and distribute grant funds appropriated for the “buy local” grant program.
- Spells out the procedures and criteria that DATCP will use to evaluate grant proposals, make grant awards and distribute grant payments.
- Spells out the purposes for which grant funds may be used, subject to the terms of the grant contract.

Under this rule, the “buy local” grant program will focus mainly on food products, rather than other agricultural products such as timber, feed, fiber or nursery products. However, the program may incidentally benefit those other products.

Grant Purposes

Under this rule, DATCP may award grants for projects that are designed to increase the sale of Wisconsin food products to local purchasers. For example, DATCP may award grants for projects to create, expand, diversify or promote any of the following:

- Local food marketing systems and market outlets.
- Local food and cultural tourism trails.
- Production, processing, marketing and distribution of Wisconsin food products for sale to local purchasers.

Eligible Expenses

Under this 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.
- Real estate and equipment rental.
- The purchase of equipment whose full value is ordinarily depreciable within one year.
- Reasonable depreciation expense incurred, for capital equipment, during the term of the grant contract.

Matching Requirement

To qualify for a grant under this rule, a grant recipient must make a matching commitment equal to at least 33% of the grant amount. A matching commitment may include a commitment of capital, land, labor, equipment or cash related to the grant project. Under this rule, matching funds may include grant funds received from sources other than DATCP (this is a change from the temporary “emergency” rule that took effect on February 22, 2008).

Grant Award Criteria

Under this rule, DATCP must evaluate grant proposals and issue its grant awards within 90 days after the grant 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 the following criteria when evaluating grant proposals and making grant awards:

- The extent to which a proposed project will increase local purchases of Wisconsin food products.
- Whether the proposal complies with DATCP’s request for proposals.
- Whether the proposed project meets the standards prescribed in this rule.
- The viability of the proposed project.
- Additional project benefits for Wisconsin agriculture or tourism.
- 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 Limitations

Under this rule, no individual grant award may exceed \$50,000. DATCP may not make more than one grant award to the same person in the same state fiscal biennium. Once DATCP makes a grant award, DATCP may make the actual grant payments over a contract period of up to 2 years. DATCP may extend the contract term for up to one additional year upon request.

Grant Contracts

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

Business Impact

The “buy local” grant program will benefit farmers, businesses and communities that participate in production, distribution or marketing of locally produced foods. Grant recipients will benefit directly, while others will benefit indirectly from the creation of stronger local food networks and systems. Many of the beneficiaries of this program will be small businesses.

This rule will have a positive impact on program beneficiaries, because it will allow DATCP to implement the “buy local” grant program. The rule will establish basic standards and procedures for the “buy local” grant program to ensure that the program is effective and accountable. The rule standards and procedures will not have any adverse impact on program beneficiaries.

Accommodation for Small Business

The “buy local” grant program will be of special benefit to small and medium-sized businesses. This rule will also benefit small businesses by allowing DATCP to implement the “buy local” program. This rule will establish basic standards and procedures for the “buy local” grant program to ensure that the program is effective and accountable. Those standards and procedures will not have any adverse effect on small business, so there is no need to make special accommodations for small business.

Conclusion

The “buy local” grant program will benefit farmers, businesses and communities that participate in production, distribution or marketing of locally produced foods. Grant recipients will benefit directly, while others will benefit indirectly from the creation of stronger local food networks and systems. Many of the beneficiaries of this program will be small businesses.

This rule will have a positive impact on program beneficiaries, because it will allow DATCP to implement the “buy local” grant program. The rule will establish basic standards and procedures for the “buy local” grant program to ensure that the program is effective and accountable. The rule standards and procedures will not have any adverse impact on program beneficiaries.

Dated this _____ day of _____, 2008

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

By _____
Will Hughes, Administrator,
Division of Agricultural Development