

STATE OF WISCONSIN )  
 ) ss.  
DEPARTMENT OF AGRICULTURE, )  
TRADE AND CONSUMER PROTECTION )

TO ALL TO WHOM THESE PRESENTS SHALL COME, GREETINGS:

I, James L. Smith, Administrator, Marketing Division, State of Wisconsin, Department of Agriculture, Trade and Consumer Protection, and custodian of the official records of said Division, do hereby certify that the annexed order creating rules relating to the agricultural diversification and development grant program, Chapter Ag 4, Wis. Adm. Code, were duly approved and adopted by the Department on April 12, 1991.

I further certify that said copy has been compared by me with the original on file in the Department and that the same is a true copy thereof, and of the whole of such original.

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed the official seal of the Department at the Department offices in the city of Madison, this 12th day of April, 1991.



*James L. Smith*  
James L. Smith, Administrator  
Marketing Division

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ORDER  
OF THE STATE OF WISCONSIN DEPARTMENT OF AGRICULTURE,  
TRADE AND CONSUMER PROTECTION  
ADOPTING RULES

1           The state of Wisconsin department of agriculture, trade and  
2 consumer protection adopts the following order creating ch. Ag 4,  
3 relating to the agricultural diversification and development  
4 grant program.

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

Statutory authority: s. 93.07(1), Wis. Stats.

Statute interpreted: s. 93.46, Wis. Stats.

This rule establishes procedural requirements for administration of the agricultural diversification and development grant program by the department. The department may provide grants 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. Total funding for a single project under this chapter may not exceed \$50,000, and the length of any funded project may not exceed 3 years. The department may not award a grant under this chapter unless the grant is for a project conducted in this state.

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. The department must make its grant award decisions within 90 days after close of the application period. Each applicant awarded a grant must sign a contract with the department which obligates the grantee to use the funds for the intended purposes under the program and file periodic progress reports.

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1 SECTION 1. Chapter Ag 4 is created to read:

2 Chapter Ag 4

3 AGRICULTURAL DIVERSIFICATION AND DEVELOPMENT PROGRAM

4 Ag 4.01 PURPOSE. This chapter establishes procedural  
5 requirements for administration of the agricultural  
6 diversification and development grant program under s. 93.46,  
7 Stats.

8 Ag 4.02 DEFINITIONS. As used in this chapter:

9 (1) "Department" means the state of Wisconsin department of  
10 agriculture, trade and consumer protection.

11 (2) "Individual" means a natural person.

12 (3) "Organization" means any of the following:

13 (a) A partnership, firm, association, corporation or other  
14 legal entity.

15 (b) A cooperative organized under ch. 185, Stats., whether  
16 or not operated for profit.

17 Ag 4.03 GRANT REQUIREMENTS. (1) GENERAL. The department may  
18 award grants under s. 93.46, Stats., to individuals or  
19 organizations to fund demonstration projects, feasibility  
20 analyses, and applied research directed toward new products,  
21 technologies and practices that will stimulate agricultural  
22 development and diversification of economic activity within  
23 agriculture.

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

1 (a) Creation of jobs in the agricultural industry.

2 (b) New capital investment and expansion in the agricultural  
3 industry.

4 (c) Agricultural product market development and expansion.

5 (d) Diversification and expansion of the production,  
6 processing and distribution of agricultural products.

7 (e) Commercial application of new technologies or practices  
8 related to agricultural products.

9 (f) Increased use of surplus agricultural products.

10 (g) Improvement of the competitive position of this state's  
11 agricultural industry.

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

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

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

22 Ag 4.04 GRANT TERMS AND CONDITIONS. (1) GENERAL. The  
23 department shall establish appropriate terms and conditions for  
24 each grant based on the project for which the grant is awarded.  
25 Terms and conditions shall be designed to ensure that grant  
26 moneys are effectively used for the purposes awarded. The terms

1 and conditions shall be included in the grant contract under  
2 s. Ag 4.07.

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

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

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

12 (c) Equipment leases.

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

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

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

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

25 (b) Administrative overhead expense.

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

1 (d) Business loan payments.

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

6 Ag 4.05 APPLICATION PROCEDURES. (1) APPLICATION PERIODS. An  
7 individual or organization may file an application for an  
8 agricultural diversification or development grant between January  
9 15 and March 15 of each calendar year. Additional application  
10 periods may be scheduled at other times at the discretion of the  
11 department.

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

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

1 (a) A cover page which includes:

2 1. The name, address and telephone number of the applicant.

3 2. The title and brief description of the project.

4 3. The amount of funding requested.

5 4. The duration of the proposed project.

6 5. The name and address of the principal contact person for  
7 the proposed project.

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

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

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

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

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

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

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

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

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

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

17 Ag 4.06 GRANT APPLICATION REVIEW AND AWARD DETERMINATION.

18 (1) REVIEW PERIOD. The department shall review each grant  
19 application submitted under this chapter. The department may  
20 require the applicant to provide additional information regarding  
21 the application as the department deems necessary. Within 90  
22 days after the close of each application period, the department  
23 shall make its grant award decisions.

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

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

28 (b) The viability of the proposed project.



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

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

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

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

9 (g) The adequacy of the project plan.

10 Ag 4.07 GRANT CONTRACTS. (1) CONTRACT REQUIRED. A  
11 successful grant applicant shall enter into a contract with the  
12 department before any grant money is distributed to the  
13 applicant. No funding commitment is final until the contract is  
14 executed.

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

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

25 Ag 4.08 REPORTING. Every contract under s. Ag 4.07 shall set  
26 forth a schedule of progress reports and payments. Grant

1 payments shall be made in installments, according to the contract  
2 payment schedule. A grant recipient shall provide the department  
3 with periodic written progress reports throughout the life of the  
4 contract. Installment payments shall be conditioned upon the  
5 receipt of progress reports, as provided in the contract. All  
6 financial and program reports become the property of the  
7 department and are open to public inspection.

8 Ag 4.09 PROGRAM ADMINISTRATION. The department shall  
9 solicit, evaluate, and approve grant applications; enter into  
10 contracts; authorize contract payments; monitor compliance with  
11 contractual obligations and project activities of grantees;  
12 receive and review progress reports submitted under s. Ag 4.08;  
13 and prepare research findings for public dissemination.

14 Ag 4.10 APPLICATION MATERIALS. The department shall provide  
15 application materials upon request to any individual or  
16 organization who wishes to apply for a grant. The application  
17 materials shall include pertinent instructions, requirements and  
18 procedures under this chapter.

1 SECTION 2. EFFECTIVE DATE. The rules contained in this order  
2 shall take effect on the first day of the month following  
3 publication in the Wisconsin administrative register, as provided  
4 in s. 227.22(2)(intro.), Stats.

Dated this 12<sup>th</sup> day of April, 1990.

STATE OF WISCONSIN  
DEPARTMENT OF AGRICULTURE,  
TRADE AND CONSUMER PROTECTION

By James L. Smith  
James L. Smith  
Administrator  
Marketing Division

KWM/Ag 4/D8  
4.12.91

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