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Agricultural Marketing Assistance

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Agricultural economics depends in part on national and international market forces, including the value of the dollar, the setting of federal trade and export policies, the cost of agricultural inputs such as fuel and fertilizer, and the prices for agricultural products. To support the success of Wisconsin's producers in the agricultural economy, the state administers several agricultural marketing assistance programs. Most of these programs are operated by the Department of Agriculture, Trade and Consumer Protection (DATCP). This issue brief highlights a few of the main marketing assistance programs.

DATCP DIVISION OF AGRICULTURAL DEVELOPMENT

Through its Division of Agricultural Development, DATCP works to develop, grow, and diversify Wisconsin agriculture, food, and related businesses. For example, the division operates the <u>Wisconsin Farm Center</u>, which provides free and confidential services to farmers, including assisting minority farmers facing production or marketing challenges and offering a branding initiative to help market products grown by military veterans. The division also assists agricultural producers with identifying new markets, developing product identities, and exporting products to other states and countries.

COLLECTIVE MARKETING

Some of Wisconsin's agricultural producers market their products collectively through a system of agricultural marketing orders. Marketing orders are typically requested by producers of a specific commodity in a petition to DATCP. A marketing order levies a "check-off"—an assessment on each producer—that generates revenues for the program. A marketing order is issued by the DATCP Secretary following a referendum in which the marketing order is approved by a majority of the producers, and thereafter is legally binding on all producers. Revenues from the check-off are used for research and development, public education, and marketing efforts. There are currently seven marketing orders in the state: cherries, cranberries, corn, milk, soybeans, ginseng, and potatoes.¹

Some state marketing orders have federal counterparts. For example, the U.S. Department of Agriculture operates a marketing order for milk under federal law, the Dairy Production Stabilization Act of 1983. That act requires domestic milk producers to pay 15 cents per 100 pounds of milk produced. The funds support the National Dairy Promotion and Research Board.²

The federal milk marketing order allows a credit against its assessment for contributions to a qualified state program of dairy product promotion, research, or nutritional education. In Wisconsin, the <u>Dairy Farmers of Wisconsin</u> (which was known as the Wisconsin Milk Marketing Board until 2017) operates the state's one federally qualified program. Under the state order, a milk producer is assessed at a rate of 10 cents per 100 pounds of milk. Therefore, under the federal and state orders operating together, a Wisconsin milk producer contributes five cents to the federal board and 10 cents to the Dairy Farmers of Wisconsin. That latter entity received around \$30 million in each of the last two years from those assessments.

"SOMETHING SPECIAL FROM WISCONSIN" BRANDING CAMPAIGN

Specified agricultural goods that are produced or manufactured in Wisconsin may be included in the state's "Something Special from Wisconsin" branding campaign. Goods approved by DATCP may bear the "Something Special from Wisconsin" logo, which has held a federal trademark since 1989. To be eligible, 50 percent of a good's value must be attributable to Wisconsin ingredients, production, or processing activities. A business pays an annual fee for the right to use the official logo. The fee ranges from \$0 for nonprofit organizations up to \$200 for companies grossing more than \$500,000 annually.6

BUY LOCAL, BUY WISCONSIN PROGRAM

Under the <u>Buy Local</u>, <u>Buy Wisconsin</u> program, DATCP is authorized to award grants intended to increase the sale of Wisconsin food products to local consumers. To qualify as a Wisconsin food product, the unprocessed commodity or processed product must be either grown in Wisconsin or produced from animals kept in Wisconsin, or primarily derived from either of those sources. Among other possible purposes, a grant may be used to create, expand, diversify, or promote local food marketing systems and market outlets or local food and cultural tourism routes.⁷

In 2020, DATCP awarded grants to nine recipients for such projects as developing new value-added hazelnut products, leasing warehouse space for off-site storage by a co-op, and launching a marketing initiative for Wisconsin-branded hop varieties.⁸

GROW WISCONSIN DAIRY PRODUCER GRANTS AND LOANS

Under the <u>Grow Wisconsin Dairy Producer</u> program, DATCP competitively awards grants to dairy processing plants and grants or loans to dairy producers. Projects designed to achieve increased production, profitability, processing, marketing, or distribution of Wisconsin dairy products and projects involving the application of new technologies in dairy production are among those eligible for an award.⁹

¹ See chs. ATCP 141 to 149, Wis. Adm. Code.

² 7 U.S.C. s. 4504 (g) (1) and (3) (A); 7 C.F.R. Part 1150. Importers pay a federal assessment of 7.5 cents per 100 pounds of dairy products imported into the United States. [7 U.S.C. s. 4504 (g) (3) (B).]

³ 7 U.S.C. s. 4504 (g) (4).

⁴ s. ATCP 144.06(1), Wis. Adm. Code.

⁵ See Dairy Farmers of Wisconsin, Fiscal Year 2020 Annual Report.

 $^{^6}$ s. 93.44, Stats.; subch. II of ch. ATCP 161, Wis. Adm. Code.

⁷ s. 93.48, Stats.; subch. IV of ch. ATCP 161, Wis. Adm. Code.

⁸ DATCP press release, Buy Local, Buy Wisconsin Grant Recipients Announced (May 8, 2020).

 $^{^9}$ s. 93.40 (1) (g), Stats.; subch. VI of ch. ATCP161, Wis. Adm. Code.