



August 2024

Agricultural Marketing Assistance

Prepared by: Ethan Lauer, Senior Staff Attorney

Numerous and unpredictable market factors influence the agricultural economy. These factors include consumer preferences, the setting of federal trade and export policies, and the cost of agricultural inputs such as fuel and fertilizer. To support the success of Wisconsin's agricultural producers in the face of such uncertainties, the Department of Agriculture, Trade and Consumer Protection (DATCP) administers several marketing assistance programs. This issue brief highlights a few of these programs.

COLLECTIVE MARKETING

Some of Wisconsin's agricultural producers market their products collectively through a system of agricultural marketing orders. Marketing orders typically are 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 revenue for the program. The DATCP Secretary issues a marketing order following a referendum in which a majority of the producers approve the marketing order. Thereafter, the marketing order legally binds all producers. Revenue from the check-off is used for research and development, public education, and marketing efforts. There are currently seven marketing orders in the state: cherry, cranberry, corn, milk, soybean, ginseng, and potato.¹

Some state marketing orders have federal counterparts. For example, the U.S. Department of Agriculture operates a marketing order for milk under the federal Dairy Production Stabilization Act of 1983. That law 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 marketing 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 \$31 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 program's 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

GROW WISCONSIN DAIRY PROCESSOR GRANTS

Under the <u>Dairy Processor Grant</u> program, DATCP awards competitive grants for projects at dairy processing plants. An applicant must design a project to meet at least one of several objectives, including increased profitability, marketing, or distribution of Wisconsin dairy products.⁷

BUY LOCAL, BUY WISCONSIN PROGRAM

Under the <u>Buy Local</u>, <u>Buy Wisconsin</u> program, DATCP awards 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.⁸

In 2023, DATCP awarded grants to five recipients for projects aimed at increasing sales of local foods, expanding the offerings of value-added products made from local fresh fruit, creating a retail website to sell newly branded cheese products converted from 40-pound blocks, and implementing an online marketing strategy for local honey sales.⁹

AGRICULTURAL EXPORTS AND INTERNATIONAL MARKETING

DATCP administers an <u>International Agribusiness Center</u> that promotes the export of agricultural and agribusiness products. The center assists in the performance of market research and planning, and organizes trade shows and trade missions to foreign markets, among other activities.¹⁰

In 2021, the Legislature directed the center to establish and administer an <u>agricultural exports program</u>, in cooperation with the Wisconsin Economic Development Corporation, to achieve the following three export objectives by June 30, 2026:

- An increase in the value of Wisconsin's milk and other dairy product exports of at least 25 percent over the value as of December 31, 2021.
- An increase in the value of Wisconsin's meat and meat product exports of at least 25 percent over the value as of December 31, 2021.
- An increase in the value of Wisconsin's crop and crop product exports of at least 25 percent over the value as of December 31, 2021. 11

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 Dairy Farmers of Wisconsin, *Annual Report 2023*.

⁶ s. 93.44, Stats.; ch. ATCP 161, Wis. Adm. Code.

⁷ ss. 20.115 (4) (dm) and 93.40 (1) (g), Stats.

⁸ s. 93.48, Stats.

⁹ DATCP press release, DATCP Announces 2023 Buy Local, Buy Wisconsin Grant Recipients (November 28, 2023).

¹⁰ s. 93.42, Stats.

¹¹ s. 93.425, Stats.