

# AGRICULTURE, TRADE AND CONSUMER PROTECTION

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Act 19		2023-25 Change Over Base Year Doubled		2022-23	Act 19		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$30,837,100	\$42,106,300	\$33,351,400	\$13,783,500	22.3%	201.40	201.40	201.40	0.00	0.0%
FED	11,699,400	11,910,300	11,635,300	146,800	0.6	91.52	88.77	88.77	-2.75	-3.0
PR	31,062,400	34,305,000	33,296,800	5,477,000	8.8	217.87	218.62	218.62	0.75	0.3
SEG	<u>36,823,900</u>	<u>41,338,300</u>	<u>41,829,000</u>	<u>9,519,500</u>	12.9	<u>130.50</u>	<u>130.50</u>	<u>130.50</u>	<u>0.00</u>	<u>0.0</u>
<b>TOTAL</b>	<b>\$110,422,800</b>	<b>\$129,659,900</b>	<b>\$120,112,500</b>	<b>\$28,926,800</b>	<b>13.1%</b>	<b>641.29</b>	<b>639.29</b>	<b>639.29</b>	<b>-2.00</b>	<b>-0.3%</b>

## Budget Change Items

### Departmentwide

#### 1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

Provide adjustments to the agency base budget for the following:

(a) reductions for staff turnover (-\$337,600 GPR, -\$157,200 FED and -\$307,900 PR annually); (b) removal of non-continuing elements from the base (-\$265,800 FED in 2024-25); (c) full funding of continuing position salaries and fringe benefits (\$399,000 GPR, \$793,100 FED, \$723,000 PR, and \$196,000 SEG annually); (d) reclassifications and semi-automatic pay progression (\$4,800 GPR annually, \$51,100 PR in 2023-24 and \$56,900 PR in 2024-25, and \$76,100 SEG in 2023-24 and \$81,700 SEG in 2024-25); and (e) full funding of lease and directed move costs (-\$176,300 GPR, -\$22,100 FED, -\$33,200 PR, and -\$54,400 SEG in 2023-24 and -\$280,300 GPR, -\$31,300 FED, -\$78,200 PR, and -\$92,000 SEG in 2024-25).

GPR	-\$324,200
FED	952,600
PR	826,800
SEG	<u>403,400</u>
<b>Total</b>	<b>\$1,858,600</b>

#### 2. BUREAU OF LABORATORY SERVICES [LFB Paper 170]

Provide the following for the Bureau of Laboratory Services (BLS)

from its general operations PR appropriation: (a) \$600,000 PR in 2023-24 to support equipment acquisition and maintenance; (b) \$54,000 PR in 2023-24 for wireless temperature monitoring equipment; and (c) \$21,000 PR each year of the biennium for maintenance of the wireless temperature monitoring system. Additionally, provide funding in programs outside of BLS as follows to cover lab-assessed costs of equipment: (a) \$349,500 in 2023-24 and \$10,500 in 2024-25 from the segregated agrichemical management (ACM) fund; and (b) \$325,500 PR in

PR	\$1,232,000
SEG	<u>360,000</u>
<b>Total</b>	<b>\$1,592,000</b>

2023-24 and \$10,500 PR in 2024-25 from fees on regulation of food, lodging, and recreational facilities.

BLS analyzes samples gathered during inspections and regulatory actions under the food safety and agrichemical management programs. The Bureau charges Department programs for its services, with the charges reflected as expenditures to those programs and as revenues to the laboratory.

Additionally, provide \$100,000 PR each year to support maintenance and general laboratory operations within BLS. Funding in programs outside of BLS consists of: (a) \$52,000 SEG each year from the agrichemical management fund; and (b) \$48,000 PR each year from fees on food, lodging, and recreational facilities. [See "Agriculture, Trade and Consumer Protection -- Regulatory Programs."]

**3. COMPUTER SYSTEM EQUIPMENT, STAFF AND SERVICES**

PR	\$300,000
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Provide \$150,000 in each of 2023-24 and 2024-25 for additional expenditures for information technology services throughout the Department. DATCP information technology services are funded from assessments charged to appropriations of other DATCP programs. Total budgeted amounts for computer system equipment, staff, and services are \$3,871,600 in 2023-24 and \$3,868,900 in 2024-25.

**4. DEBT SERVICE REESTIMATE [LFB Paper 106]**

GPR	- \$170,900
SEG	<u>977,600</u>
Total	\$806,700

Provide the following adjustments to debt service appropriations to reflect estimated principal and interest payments on previously issued general obligation bonds: (a) -\$100 GPR in 2023-24 and -\$500 GPR in 2024-25 for bonds issued for past upgrades to the Wisconsin Veterinary Diagnostic Laboratory (WVDL); (b) -\$16,600 GPR in 2023-24 and -\$153,700 GPR in 2024-25 for bonds issued for landowner cost-sharing and enrollment incentive payments under the Conservation Reserve Enhancement Program (CREP), a state-federal land and water conservation program; and (c) \$142,000 SEG in 2023-24 and \$835,600 SEG in 2024-25 from the nonpoint account of the environmental fund for bonds issued to support cost-sharing grants to landowners for structural best management practices installed under the soil and water resource management (SWRM) program.

Debt service is budgeted as follows: (a) for WVDL upgrades, \$700 GPR in 2023-24 and \$300 GPR in 2024-25; (b) for CREP, \$982,400 GPR in 2023-24 and \$845,300 GPR in 2024-25; and (c) for SWRM grants, \$4,882,300 SEG in 2023-24 and \$5,575,900 SEG in 2022-23.

## 5. POSITION REALIGNMENT

Transfer the following positions and associated salary and fringe benefit costs shown in the table between appropriations to align the funding sources of the positions with their current duties within the Department.

	Funding	Positions
GPR	- \$5,000	0.00
FED	- 162,800	- 0.75
PR	159,200	0.75
SEG	<u>2,200</u>	<u>0.00</u>
Total	- \$6,400	0.00

### DATCP Position Realignment

<u>Division/Appropriation</u>	<u>Fund</u>	<u>Annual Funding</u>	<u>Positions 2023-25</u>
<b><i>Food and Recreational Safety</i></b>			
Food inspection	GPR	-\$77,700	-0.75
<b><i>Animal Health</i></b>			
General program operations	GPR	10,900	0.15
<b><i>Trade and Consumer Protection</i></b>			
Public warehouse regulation	PR	-22,500	-0.25
Dairy trade regulation	PR	-45,100	-0.50
Grain inspection and certification	PR	-184,400	-2.00
Weights and measures inspection	PR	107,100	1.25
Federal funds; weights and measures	FED	-70,700	-1.00
Unfair Sales Act enforcement	SEG	-22,500	-0.25
Telephone solicitation regulation	PR	69,900	0.75
<b><i>Agricultural Development</i></b>			
General program operations	GPR	64,300	0.60
Federal funds; Wisconsin Farm Center	FED	-11,100	-0.10
<b><i>Agricultural Resource Management</i></b>			
Related services	PR	187,100	2.00
Industrial hemp	PR	-187,100	-2.00
Agricultural resource management services	PR	-23,600	-0.25
Soil and water administration	SEG	23,600	0.25
<b><i>Management Services</i></b>			
Computer system equipment, staff, and services	PR	178,200	1.75
Indirect cost reimbursements	FED	<u>400</u>	<u>0.35</u>
Total		-\$3,200	0.00

The transfers result in a net change of -\$3,200 annually and affect funds by source annually as follows: (a) -\$2,500 GPR; (b) \$79,600 PR with 0.75 positions; (c) -\$81,400 FED with -0.75 positions; and (d) \$1,100 SEG.

## 6. PROGRAM REVENUE REESTIMATES

PR	- \$57,000
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Reestimate the program revenue appropriation associated with the former industrial hemp program by -\$28,500 per year. Beginning on January 1, 2022, administration of the Wisconsin hemp program was transferred from DATCP to the U.S. Department of Agriculture (USDA). This provision and others in separate items delete all base funding budgeted for the industrial hemp program.

**7. FEDERAL REVENUE REESTIMATES**

FED	- \$643,000
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Reestimate federal funds for the Division of Agricultural Development by -\$321,500 each year. The affected appropriation receives funds primarily associated with the federal Specialty Crop Block Grant program and other market development grants for certain crops.

**8. DELETE VACANT POSITIONS**

	Positions
FED	- 2.00

Delete 2.0 positions vacant for more than 18 months under the Department's federal funds appropriations for food safety and central administrative services.

**Agricultural Assistance**

**1. AGRICULTURAL ASSISTANCE GRANT PROGRAMS**  
[LFB Papers 176 and 177]

GPR	\$2,200,000
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*Meat Processor Grant Program.* Provide an additional \$1,600,000 in 2023-24 for grants to facilities that slaughter animals for human consumption, or that process meat or meat products, excluding rendering plants, to promote the growth of the meat industry in Wisconsin. Under 2021 Wisconsin Act 58 and subsequent action by the Joint Committee on Finance, a biennial appropriation allocating \$200,000 GPR each year was created for meat processing grants. In addition to state funding, \$10 million in one-time federal funding under the American Rescue Plan Act of 2021 was provided for grants to meat processors in 2021-22 through the Meat and Poultry Supply Chain Resiliency grant program. Total funding for the program is \$1,800,000 GPR in 2023-24 and \$200,000 GPR in 2024-25.

*Dairy Processor Grant Program.* Provide an additional \$300,000 each year of the 2023-25 biennium on a one-time basis for grants to dairy processors to fund projects intended to grow processing plants, contribute to processor innovation, or improve production and profitability of processing plants. 2021 Act 58 provided \$200,000 each year in base funding and \$200,000 per year in one-time funding in the 2021-23 biennium for dairy processing grants. Total funding for dairy processor grants is \$500,000 annually in the 2023-25 biennium.

**2. TRIBAL FOOD SECURITY PROGRAM** [LFB Paper 175]

PR	\$3,000,000
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Provide \$1,500,000 tribal gaming PR annually on a one-time basis for grants to nonprofit food assistance organizations that purchase and distribute food to tribal elders and to entities supporting the growth and operation of participating food producers. Specify that grant recipients should give preference to Indigenous-based food producers and local food producers when purchasing food for distribution. Provide DATCP with rule-making authority to implement the program. The program would provide ongoing state funding for the Tribal Elder Food Box

program, which began in 2021 with funding from the Feeding Wisconsin association of food banks and USDA.

[Act 19 Sections: 53, 145, and 385]

**3. WISCONSIN AGRICULTURAL EXPORT PROMOTION** [LFB Paper 179] 

GPR	\$2,000,000
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Provide \$1,000,000 GPR annually to DATCP's International Agribusiness Center to support agricultural export promotion through the Wisconsin Initiative for Agricultural Exports (WIAE).

2021 Wisconsin Act 92 established the WIAE and requires DATCP, in collaboration with the Wisconsin Economic Development Corporation (WEDC), to seek to increase Wisconsin agricultural exports to 25% more than their December 31, 2021, amount by June 30, 2026, for the following: (a) milk and dairy products; (b) meat, poultry, and fish products; and (c) crops and crop products. Of the amounts appropriated for the program, \$2,500,000 (50%) must be expended for milk and dairy products, \$1,250,000 (25%) must be expended for meat, poultry, and fish products, and \$1,250,000 (25%) must be expended for crops and crop products. Act 92 specifies DATCP may not expend more than \$1,000,000 per year under the program.

2021 Act 58 created a GPR continuing appropriation to DATCP and set aside \$558,400 GPR each year of the 2021-23 biennium in the Joint Committee on Finance's supplemental appropriation to support the WIAE program. Subsequent action by the Committee approved transfers of \$558,400 in each of February and August, 2022, to the agricultural exports appropriation. Additionally, 2021 Wisconsin Act 207 provided DATCP the ability to use available PR balances of an inactive rural development program for the purposes of promoting dairy exports under WIAE. A total of \$441,600 each year in the 2021-23 biennium was allocable to WIAE from this source, resulting in total funding of \$1,000,000 each year. Funding in the 2021-23 biennium supported export expansion grants, international market access grants, and various trade promotion activities.

**4. FARMER MENTAL HEALTH ASSISTANCE** [LFB Paper 181] 

GPR	\$200,000
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Provide \$100,000 annually on a one-time basis for farmer mental health assistance programming. Under 2019 Act 9 and 2021 Act 58, DATCP has been provided \$100,000 each year since 2019-20 in one-time funding for farmer mental health assistance to support: (a) a 24-hour helpline for providing immediate support; (b) tele-counseling sessions that can be administered online by a licensed mental health professional; and (c) counseling vouchers that farmers and their family members can redeem for free in-person care at participating mental health providers in their area. In addition to counseling services, funding supported: (a) free virtual courses for agricultural service providers such as lenders and agribusiness firms in understanding and managing the stresses of farming; (b) online farmer and farm couple support groups for bringing farmers together to discuss their shared challenges; and (c) a podcast on farm-related challenges.

**5. COUNTY FAIR AIDS**

GPR	\$387,200
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Provide an additional \$193,600 for aids to county and district fairs each year. Total funding for the program is \$650,000 annually in the 2023-25 biennium. Section 93.23 of the statues requires DATCP to provide fair aids to counties and certain organized agricultural societies, associations, and boards in the state in an amount equal to 95% of the first \$8,000 paid in net premiums and 70% of all net premiums that exceed \$8,000, up to a maximum amount of \$10,000 per fair. If premium reimbursement requests exceed available funding, the Department must prorate the amount of aids provided to each fair.

**6. AGRICULTURE IN THE CLASSROOM**

SEG	\$100,000
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Provide an additional \$50,000 annually from the segregated agrichemical management fund for the Agriculture in the Classroom grant. Total funding for the grant is \$143,900 annually. Annual grants are made to the Wisconsin Farm Bureau Federation for administration of the program.

**Environment**

**1. COUNTY CONSERVATION STAFF AND PROGRAM EXPANSION [LFB Paper 185]**

GPR	\$1,416,200
SEG	<u>2,832,300</u>
Total	\$4,248,500

Provide one-time funding of \$1,332,100 SEG in 2023-24 and \$1,500,200 SEG in 2024-25 from the nonpoint account of the environmental fund and \$666,100 GPR in 2023-24 and \$750,100 GPR in 2024-25 for additional grants to counties to support land and water conservation staff that perform work related to achieving state goals for soil conservation and water quality. Total funding for the program is \$10,962,300 in 2023-24 and \$11,214,400 in 2024-25, as shown in the table.

**County Conservation Staffing Funding**

Fiscal Year	GPR		Nonpoint SEG		Annual Total
	Base	One-Time	Base	One-Time	
2020	\$3,027,200		\$5,936,900	\$475,000	\$9,439,100
2021	3,027,200		5,936,900	475,000	9,439,100
2022	3,027,200	\$688,600	5,936,900	1,377,300	11,030,000
2023	3,027,200	772,000	5,936,900	1,543,900	11,280,000
2024	3,027,200	666,100	5,936,900	1,332,100	10,962,300
2025	3,027,200	750,100	5,936,900	1,500,200	11,214,400

Under current law, county conservation staff activities eligible for funding include: (a) implementation of land and water resource management plans, which are required of every county by statute to identify local objectives for soil and water conservation; (b) conservation practice engineering, design, and installation; (c) cost-share grant administration; (d) farmland preservation program administration; and (e) livestock regulation. Grants are awarded in a tiered process, providing each county full funding for its first position, 70% funding for its second position, and 50% funding for subsequent positions as available funds allow. In the 2023 allocation, first and second positions at each county were funded at 100% and 70% respectively, and 5% of costs on average associated with third positions were funded. Under the 2023 allocation, fully funding the state share of first, second, and third positions would have cost approximately \$13.5 million.

**2. NITROGEN OPTIMIZATION PILOT PROGRAM [LFB Paper 186]**

SEG	\$3,600,000
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Provide \$1,800,000 nonpoint SEG on a one-time basis in each year of the 2023-25 biennium for nitrogen optimization and cover crop insurance rebate programs funded initially in 2022-23. 2021 Wisconsin Act 223 established a commercial nitrogen optimization pilot program and a cover crop insurance rebate program administered by DATCP to implement strategies that optimize the application of commercial nitrogen and to encourage broader use of cover crops to benefit Wisconsin soils, surface water, and groundwater. Act 223 did not appropriate funding, but the Joint Committee on Finance approved supplemental funding of \$2,400,000 nonpoint SEG in 2022-23 for DATCP to begin implementing the programs. Application periods for 2022-23 funding for each program closed January 31, 2023. Act 19 funding is to support \$1,000,000 for the commercial nitrogen optimization pilot program and \$800,000 for the cover crop insurance premium rebate program annually.

**3. PRODUCER-LED WATERSHED PROTECTION GRANTS [LFB Paper 186]**

SEG	\$500,000
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Increase funding for producer-led watershed protection grants by an additional \$250,000 nonpoint SEG annually on a one-time basis in the 2023-25 biennium. Under 2021 Act 58, the statutory cap on annual producer-led watershed protection grant awards was increased from \$750,000 to \$1,000,000 and an additional \$250,000 nonpoint SEG each year was appropriated on a one-time basis during the 2021-23 biennium to provide a total of \$1,000,000 in each year of the biennium. In 2023, DATCP awarded 43 grants to producer-led watershed protection groups. Groups may receive grants for such activities as: (a) planning and shared learning programs; (b) surveying and identification of management practices and solutions; (c) increasing participation in conservation, including through incentive payments; and (d) measurement and promotion of the benefits of conservation practices, including water and soil testing.

**4. SOIL AND WATER RESOURCE MANAGEMENT [LFB Paper 187]**

GPR	\$7,000,000
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Provide \$7.0 million GPR in 2023-24 in an existing continuing appropriation on a one-time

basis for cost-sharing grants in the soil and water resource management (SWRM) program. Funding is intended to supplant bonding authority for certain SWRM grants in the 2023-25 biennium. SWRM cost-sharing grants typically funded by bond revenues support landowner installation of structural best management practices at agricultural sites, such as those intended to reduce soil erosion from agricultural lands and to provide for manure storage and containment. DATCP was authorized \$7 million in new bonding authority in each biennium beginning in 2007-09, and the Department typically provides \$3.5 million per year for grants to landowners.

In general, state law requires that agricultural landowners receive a cost-sharing offer of at least 70% of the cost of installing a structure or practice if the landowner is to be required to modify an existing structure or operation. Funding for these activities typically comes from both nonpoint SEG and DATCP general obligation bonding authority; nonstructural practices cannot be supported by bonding and are funded from nonpoint SEG. Structural improvements can be supported by any available funding sources, but are customarily funded with bond revenues.

**5. CLEAN SWEEP GRANTS [LFB Paper 188]**

SEG	\$500,000
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Provide an additional \$250,000 annually from the environmental management account of the segregated environmental fund for clean sweep grants. Clean sweep grants are provided to counties and municipalities for the collection and disposal of pesticides, farm chemicals, unwanted prescription drugs, and hazardous wastes. Funding for clean sweep grants in the 2021-23 biennium is \$750,000 annually from environmental management SEG. Base funding for the program is \$1,000,000 under Act 19.

## Regulatory Programs

**1. MEAT INSPECTION PROGRAM STAFF [LFB Paper 195]**

GPR	\$1,080,200
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Provide \$538,800 GPR in 2023-24 and \$541,400 GPR in 2024-25 on a one-time basis to match FED expenditures for inspection and sampling at meat processors. DATCP's meat safety program conducts inspection of animal and poultry slaughtering and processing in establishments not otherwise inspected by USDA. State-inspected facilities are typically smaller operations. The state-funded portion of the inspection program is supported by GPR, and USDA provides matching FED on a dollar-for-dollar basis. State inspection programs by law must enforce standards that are "at least equal to" federal food-safety standards, including having sufficient levels of staffing to meet required inspections of processing establishments.



**2. DOG FACILITY, RABIES CONTROL AND HUMANE OFFICER PROGRAM STAFFING [LFB Paper 196]**

PR	- \$80,000
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Reduce supplies and services funding within the dog licenses, rabies control, and related services PR appropriation by \$40,000 annually. Base funding for the appropriation is \$464,600 in 2023-24 and \$464,200 in 2024-25.

The dog licenses, rabies control, and related services appropriation has carried an unsupported overdraft since 2018-19. As required by 2021 Act 58, DATCP in 2021-22 transferred \$450,000 from the Veterinary Examining Board PR appropriation to the dog licenses, rabies control, and related services appropriation to reduce the overdraft. As of June 30, 2022, the appropriation had an unsupported overdraft of \$70,200. The reduction in supplies and services spending is intended to further reduce program expenditures while additional fee revenues anticipated over the next several years are expected to eliminate the overdraft.

**3. LIVESTOCK PREMISES REGISTRATION SUPPORT [LFB Paper 197]**

SEG	\$140,000
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Increase funding in the Division of Animal Health by \$70,000 from the segregated agrichemical management (ACM) fund in each year of the 2023-25 biennium for livestock premises registration. Additionally, amend an existing ACM SEG appropriation for animal health inspection, testing, and enforcement to authorize expenditures for the livestock premises registration program. Funding for the livestock premises registration program is \$420,000 annually under Act 19, including \$350,000 GPR in base funding and \$70,000 ACM SEG.

Under current law, any person keeping livestock must register with DATCP the premises at which the animals are kept. Premises holding any of the following animals are required to register with DATCP: (a) bovine animals; (b) equine animals; (c) goats; (d) sheep; (e) swine; (f) poultry; (g) farm-raised deer or elk; (h) captive game birds, such as pheasant, quail or duck; (i) camelids, such as camels, llamas or alpacas; (j) ratites, such as ostrich or emu; and (k) fish. The program is administered through a contract with the Wisconsin Livestock Identification Consortium.

[Act 19 Section: 52]

**4. AGRICHEMICAL MANAGEMENT OPERATIONS [LFB Paper 170]**

SEG	\$104,000
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Provide \$52,000 annually from the segregated agrichemical management fund for general program operations in the Division of Agricultural Resource Management. Funding is intended to support the Division's share of additional expenditure authority for the DATCP Bureau of Laboratory Services. [See "Agriculture, Trade and Consumer Protection -- Departmentwide."]

**5. FOOD, LODGING AND RECREATION REGULATION [LFB**

PR	\$96,000
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Paper 170]

Provide \$48,000 in each year of the biennium for additional expenditures associated with the Division of Food and Recreational Safety, consisting of \$24,000 each year for each of the food establishment and recreational facility establishment program areas. The Division of Food and Recreational Safety regulates and collects license and other fees associated with: (a) food production, processing, and distribution, including dairy farms, food warehouses, restaurants, and grocery stores; and (b) lodging and recreation facilities, including hotels, campgrounds, and swimming pools. Total budgeted amounts from fees for food, lodging, and recreation regulation are \$12.1 million in 2023-24 and \$11.8 million in 2024-25. Funding is intended to support the Division's share of additional expenditure authority for the DATCP Bureau of Laboratory Services. [See "Agriculture, Trade and Consumer Protection -- Departmentwide."]