

# Instructions for completing the Milk Contractor License Application

"Milk Contractor" means a person who buys producer milk or who markets producer milk as a producer agent. "Milk Contractor" does not include any of the following:

- (a) A person who merely brokers a contract between a milk producer and a milk contractor without becoming a party to the contract, taking control of milk, or accepting payment on behalf of the milk producer.
- (b) A person who merely buys or sells milk on a board of trade or commodity exchange.

"Procure producer milk in this state" means any of the following:

- (a) To buy producer milk for receipt in this state.
- (b) To receive producer milk directly from a dairy farm in this state.
- (c) To collect producer milk from a dairy farm in another state, for direct shipment to a dairy plant that the milk contractor operates in this state .
- (d) To acquire the right to market producer milk that is produced in this state.

Page 1. Indicate whether application is an Original or a Renewal by checking the appropriate box.

Legal Name: Please enter full name of applicant (from Articles of Incorporation, Partnership Agreement, etc.) including punctuation. If a sole proprietorship, enter the individual's name and provide a social security number by contacting the department.

Trade Name – Optional, please complete this only if you are using a d/b/a, different from the legal name.

Please check appropriate box indicating the type of business operation (Individual, Corporation, etc.). Enter State of Formation.

Mailing Location: Please enter contact person and address where you want all correspondence to be sent. Please provide telephone number(s), fax and email of contact person.

Yes or No. Do you hold a Wisconsin Dairy plant license?

Yes or No. Do you manufacture dairy products (ex. Cheese, fluid milk, etc.)?

Yes or No. Do you or will you have Wisconsin milk producers assigned to you?

Enter corporation or cooperative officers, partners, trustees or managers/members of an LLC (include titles). Individuals applying as a sole proprietor should enter their name and the title owner.

Page 2. Please complete a line for each location engaged in the business of buying or procuring milk from producers/producer agents (as defined in Wis. Stat. ch. 126, Subchapter III). Please enter the "Primary Location" in the box provided.

## Section A – License Fee Computation

Question 1) There is a non-refundable license fee of \$25 which is applied to all milk contractor licenses.

Questions 2) There is a surcharge fee of \$500 for operating without a license during the 365 days before submitting application.

Questions 3) FOR RENEWAL APPLICATION ONLY: There is a license surcharge of \$100 for failure renew license by the license expiration date of April 30.

Questions 4) FOR RENEWAL APPLICATION ONLY: There is a surcharge of \$100 for failure to file an annual financial statement, if required, by applicable deadline date, and surcharge has not yet been paid.

Question 5) Enter the total fees (add lines 1 through 4).

## Section B - License Information

Question 6) Indicate the Gross milk payroll obligation amount due to producers and producer agents, for all milk that was procured in this state, during your last completed fiscal year. This amount should be based on the dates the milk was received, not based on the date payment was made.

For an Original application or for your first renewal application where you first became licensed after your most recent fiscal year end, you should estimate the total milk payroll obligations that you will incur in your first complete fiscal year.

Question 7) Deferred payment contracts – [Wis. Stat. §§ 126.40(6m) and 126.485] Written contracts where milk obligations are paid after the normal payment terms as specified under Wis. Stat. § 126.48 (4<sup>th</sup> and 19<sup>th</sup> of the month)

- a) Indicate dollar amount of milk payroll obligations (in question 6) that was paid using deferred payments. (Enter zero if question does not apply or Original application.)
- b) Indicate how much of line a (above) was paid for using deferred payment from the producer or producer agent that has filed a Waiver. (Enter zero if question does not apply or Original application.)

Question 8) Yes or No. Did you have any obligations to producers under deferred payment for milk procured in this state, at any time from the beginning of your last completed fiscal year through the current date?

Question 9) Indicate the total pounds of milk procured from producers and producer agents, for all milk that was procured in this state (see definition at top of page 1), during your last completed fiscal year (corresponds to dollar amount in question 6). Then divide the total pounds number by 100 to get the total hundredweight (cwt).

- Page 3. Question 10) Largest gross amount for any single month – report the month, from your last fiscal year, for which your milk procurements resulted in the largest gross payroll obligations. This should be the obligation for the entire month for all milk received from producers and producer agents during that month. Based on the month received, not paid.
- Question 11) Report the month with the largest total amount of unpaid obligations for producer milk procured using a deferred payment contract and the amount owed.
- Question 12) Producer agent is a person acting on behalf of a milk producer to market or accept payment for milk without taking title to the milk. Mark the box for each producer agent you have procured milk through in the last completed fiscal year.
- Question 13) Yes or No. Are you a producer agent? (Definition of producer agent is above in the instructions for question 12.)
- Question 14) Yes or No. Do you have fire and extended coverage insurance that covers, at its full value, all milk and milk products in its possession, custody and control as required by Wis. Stat. § 126.43(1)?
- Question 15) Enter the next fiscal year end date – include month and day.

### Section C – Milk Contractor Default Claim Waiver

If there is common ownership between a producer or producer agent and the milk contractor, where the common ownership is greater than 50%, you may qualify for a default claim waiver. A waiver requires documentation of ownership interest and can be used to lower the milk payroll obligations used to calculate the annual assessment. A waiver must be on file or filed with the application.

Question 16) Yes or No. Do you qualify for the default claim waiver?

If No, skip questions 17 through 20.

If Yes, complete the remaining questions. Also include the original waiver, or if previously filed, provide a copy of the waiver.

Question 17) Enter the date that the milk producer/producer agent filed a written waiver under Wis. Stat. § 126.70(1)(c).

Question 18) Has there been any change in ownership percentages from the waiver filed with WDATCP?

If Yes, provided a listing of ownership percentages in producer/producer agent and license holder.

Question 19) Enter the milk payroll obligation amount included in question 6 that was procured from a producer/producer agent that has filed a Waiver.

Question 20) Enter the milk hundredweight of milk included in question 18 that was procured from a producer/producer agent that has filed a Waiver.

FOR RENEWAL ONLY: There is a monthly license fee credit when the balance of the Agricultural Producer Security Fund (see Wis. Stat. ch. 126, Subchapter II) contributed by milk contractors exceeds \$4,000,000 on February 28 of any license year. The department will insert the amount on the monthly fee statement, if applicable. If the renewal application is late, you will not be eligible for the monthly license fee credit.

The applicant has authorized the signing person to execute this application. All statements contained in this application are true, complete and accurate. The authorized person fully understands that if any statement contained in this certification is not true, complete, or accurate or is false or misleading, the applicant and the authorized person signing this application may be in violation of Wis. Stat. § 126.20, and subject to the provisions of Wis. Stat. ch. 126, Subchapter VIII. **The authorized person signing this application must be included under the officers listed on the first page of this application.** A sole proprietor would sign himself or herself. Please include title of authorized signer and the date signed.

ENCLOSE THE APPROPRIATE FEES / SURCHARGES (check or money order, payable to DATCP)

Page 4. Send application and applicable fees to:

Wisconsin Department of Agriculture, Trade and Consumer Protection  
Producer Security Section - Milk  
PO Box 93598  
Milwaukee, WI 53293-0598

Please send financial statements and additional correspondences to:

Wisconsin Department of Agriculture, Trade and Consumer Protection  
Producer Security Section - Milk  
PO Box 8911  
Madison, WI 53708-8911

IF YOU HAVE ANY QUESTIONS, PLEASE CALL Scott Manthey (608) 224-4966.