State of Wisconsin
Governor Scott Walker

Department of Agriculture, Trade and Consumer Protection

Ben Brancel, Secretary

DATE: February 5, 2014

TO: Board of Agriculture, Trade and Consumer Protection

FROM: Ben Brancel, Secretary
Daniel Smith, Administrator, Agricultural Development Division

SUBJECT: Dairy Processor Grant Program, ATCP 161 (Hearing Draft)

PRESENTED BY: Mike Bandli

REQUESTED ACTION:

At the February 11, 2014 Board meeting, the Department of Agriculture, Trade and Consumer Protection (DATCP) will ask the DATCP Board to authorize public hearings on a proposed rule (copy attached) related to Dairy Processor Grants. This rule implements the "Wisconsin dairy processor" grant program created under s. 20.115 (4) (dm) and 93.40 (1) (g), Stats., by 2013 Wisconsin Act 20 (biennial budget act). .

SUMMARY:

Background

The "dairy processor" grant program is designed to promote the growth of the dairy industry by providing grants to dairy processors. The biennial budget act appropriated $200,000 in grant funding for each year of the FY 2013-15 fiscal biennium. This proposed rule spells out grant procedures and criteria. Under this proposed rule, the "dairy processor" grant program will support projects proposed by dairy processors intended to expand and diversify the dairy industry. On January 20, 2014 DATCP adopted an emergency rule that is virtually identical to this proposed rule.

Grant Purposes

Under this proposed rule, DATCP may award grants for projects that create, expand, diversify or promote any of the following:

- New capital investment in the dairy industry.
- New technologies or practices related to dairy production.
- Improvement of the competitive position of the Wisconsin dairy industry.

- Efficient use of farmland and other agricultural resources for dairy production.
- Employment in the dairy industry.

Grant Limits

Under this proposed rule, DATCP may award no more than $50,000 of grant funding to any person or entity in any state fiscal biennium. Once DATCP makes a grant award, DATCP may make the actual grant payments over an original contract term of up to 3 years.

Matching Contribution

DATCP may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant project.

Use of Grant Funds

Under this proposed rule, grant funds may be used to reimburse any of the following expenses if those expenses are a reasonable and necessary part of the grant project:

- Operating expenses, including expenses for salaries and wages, contract and consulting services, travel, supplies and public information.
- Equipment rental.
- The purchase of equipment whose full value is ordinarily depreciable within one year.

Grant funds may not reimburse any of the following expenses:

- Real estate purchases.
- Repayment of loans or mortgages.
- Rent or contract payments for time periods extending beyond the term of the grant contract.
- Equipment purchases, except for certain equipment purchases and depreciation expenses specifically authorized by this rule.
- Administrative or overhead costs that are not direct costs of the grant project.

Grant Proposals

Under this proposed rule, DATCP must issue at least one request for grant proposals in each state fiscal biennium (DATCP may issue more frequent requests, if it chooses to do so). The request for proposals must describe the required form and content of grant and loan proposals, and must specify a deadline for submitting grant proposals. Applicants must submit grant proposals to DATCP, in the manner prescribed by DATCP's request for proposals.

Grant Awards

Under this proposed rule, DATCP must evaluate grant proposals and issue its grant awards within 90 days after receipt of a complete proposal. DATCP must clearly identify each award recipient, the amount of the award, and the purposes for which the award is given. DATCP must consider all of the following criteria when evaluating grant proposals and making grant awards:

- The extent to which a proposed project will benefit the dairy industry.
- Whether the proposal complies with DATCP's request for proposals.
- Whether the proposed project meets the standards prescribed in this proposed rule.
- The viability of the proposed project.
- The management and technical qualifications of the grant applicant.
- The qualifications of the persons who will carry out the project.
- The financial capacity of the grant applicant to complete the project as proposed.
- The adequacy of the project plan and budget.
- Whether the grant proposal adequately identifies the nature of project expenses to be reimbursed under the proposed grant.

Grant Contracts

Under this proposed rule, DATCP must enter into a contract with a grant recipient before distributing any funds to that recipient. The contract must spell out grant terms and conditions, including performance requirements, reporting requirements and payment terms.

Grant Payments

Under this proposed rule, DATCP may distribute grant funds in one or more payments, based on documented progress toward completion of the grant project. DATCP may require a grant recipient to file progress reports and require grant recipients to submit expense documentation as necessary to support grant payments.

Federal and Surrounding State Programs

Federal Programs

There are currently no similar federal programs.

Surrounding State Programs

The Minnesota Dairy Development and Profitability Enhancement program awards $200,000 annually in grants of up to $5,000 per dairy producer to cover half the cost of a comprehensive business plan to evaluate farm start-up, modernization and expansion.

In 2009-2010, 50 Minnesota producers were selected to share $1 million in grants aimed at boosting the state's livestock sector with projects that include renovation of milking facilities, barn upgrades, technology modernization, improved waste management systems and business transitions.

There are no similar programs in Illinois, Indiana, Iowa, or Michigan.

Data and Analytical Methodologies

DATCP worked with representatives of various dairy industry groups to develop standards for grant and loan determinations contained in this proposed rule.

Analysis and Supporting Documents used to Determine Effect on Small Business

DATCP worked with representatives of various dairy industry groups to determine the effect of the proposed rule on small businesses.

Business Impact

The "dairy processor" grant program is voluntary and thus imposes no cost on businesses. By providing $200,000 in grant funding to dairy processors, the "dairy processor" grant program will benefit dairy farms, other dairy businesses and communities that participate in production, distribution or marketing of dairy products. Grant recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry. DATCP plans to use application procedures that will make the cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services. A complete Regulatory Flexibility Analysis is attached.

Next Steps

If the Board authorizes public hearings on this rule, DATCP will refer a copy of the rule to the Legislative Council Rules Clearinghouse and publish a hearing notice in the Wisconsin Administrative Register. DATCP will hold public hearings on the dates and at the locations specified in the hearing notice. The hearing dates and locations have not yet been determined.

Following the public hearings, DATCP will prepare a final draft rule for the Board's consideration. If the Board approves a final draft rule, DATCP will transmit that final draft rule to the governor for his written approval and then to the Legislature for review by appropriate legislative committees. If the Legislature takes no action to stop the rule, the Secretary will sign the final rulemaking order and transmit it for publication.

DATCP Docket No. 13-R-16
Rules Clearinghouse No.

Hearing Draft Rule
January 21, 2014

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

1 The Wisconsin department of agriculture, trade and consumer protection hereby proposes the
2 following rule ***to amend*** ss. 161.50 (3) (f), 161.60 and 161.62 (1) (intro.) ***relating to*** the "grow
3 Wisconsin dairy processor" grant program created under ss. 20.115 (4) (dm) and 93.40 (1) (g),
4 Stats.

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

This proposed rule implements the "Wisconsin dairy processor" grant program created under s. 20.115 (4) (dm) and 93.40 (1) (g), Stats., by 2013 Wisconsin Act 20 (biennial budget act). Under s. 93.40 (1) (g), Stats., the Department of Agriculture, Trade and Consumer Protection ("DATCP") is authorized to award grants and loans to dairy producers for projects designed to promote the growth of the dairy industry. The budget act created an annual appropriation in DATCP of $200,000 for each year of the biennium for grants to dairy processors. (See s. 20.115 (4) (dm), Stats.)

This proposed rule does all of the following:

- Authorizes DATCP to make grant awards and distribute grant funds appropriated for the "Wisconsin dairy processor" grant and loan program.
- Applies the procedures and criteria that DATCP currently uses for dairy producer grants and loans funded under s. 20.115 (4) (d), Stats., to grants for dairy processors funded under s. 20.115 (4) (dm), Stats.

Statutes Interpreted

Statute Interpreted: s. 20.115 (4) (dm) and 93.40 (1) (g), Stats.

Statutory Authority

Statutory Authority: ss. 20.115 (4) (dm), 93.40 (1) (g) and 93.07 (1), Stats.

Explanation of Statutory Authority

Section 93.07 (1), Stats., directs DATCP to make such regulations as are necessary for the discharge of all the powers and duties of the department. While granting the authority to make grants to dairy processors, the budget language does not specify the bases for grant determinations. The agency considers it necessary to adopt rules to establish the bases for grant determinations in order to effectuate the purposes of s. 20.114 (4) (dm) and 93.40 (1) (g), Stats. This proposed rule implements the "dairy processor" grant program.

Related Rules or Statutes

There are no directly related rules or statutes, other than those cited above. DATCP rules for the "dairy processor" grant program will be incorporated in subchapter of ch. ATCP 161, Wis. Adm. Code (agricultural development and market promotion).

Plain Language Analysis

The "dairy processor" grant program is designed to promote the growth of the dairy industry by providing grants to dairy processors. The biennial budget act appropriated $200,000 in grant funding for each year of the FY 2013-15 fiscal biennium. This proposed rule spells out grant procedures and criteria. Under this proposed rule, the "dairy processor" grant program will support projects proposed by dairy processors intended to expand and diversify the dairy industry.

Grant Purposes

Under this proposed rule, DATCP may award grants for projects that create, expand, diversify or promote any of the following:

- New capital investment in the dairy industry.
- New technologies or practices related to dairy production.
- Improvement of the competitive position of the Wisconsin dairy industry.
- Efficient use of farmland and other agricultural resources for dairy production.
- Employment in the dairy industry.

Grant Limits

Under this proposed rule, DATCP may award no more than $50,000 of grant funding to any person or entity in any state fiscal biennium. Once DATCP makes a grant award, DATCP may make the actual grant payments over an original contract term of up to 3 years.

Matching Contribution

DATCP may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant project.

Use of Grant Funds

Under this proposed rule, grant funds may be used to reimburse any of the following expenses if those expenses are a reasonable and necessary part of the grant project:

- Operating expenses, including expenses for salaries and wages, contract and consulting services, travel, supplies and public information.
- Equipment rental.
- The purchase of equipment whose full value is ordinarily depreciable within one year.

Grant funds may not reimburse any of the following expenses:

- Real estate purchases.
- Repayment of loans or mortgages.
- Rent or contract payments for time periods extending beyond the term of the grant contract.
- Equipment purchases, except for certain equipment purchases and depreciation expenses specifically authorized by this rule.
- Administrative or overhead costs that are not direct costs of the grant project.

Grant Proposals

Under this proposed rule, DATCP must issue at least one request for grant proposals in each state fiscal biennium (DATCP may issue more frequent requests, if it chooses to do so). The request for proposals must describe the required form and content of grant and loan proposals, and must specify a deadline for submitting grant proposals. Applicants must submit grant proposals to DATCP, in the manner prescribed by DATCP's request for proposals.

Grant Awards

Under this proposed rule, DATCP must evaluate grant proposals and issue its grant awards within 90 days after receipt of a complete proposal. DATCP must clearly identify each award recipient, the amount of the award, and the purposes for which the award is given. DATCP must consider all of the following criteria when evaluating grant proposals and making grant awards:

- The extent to which a proposed project will benefit the dairy industry.
- Whether the proposal complies with DATCP's request for proposals.
- Whether the proposed project meets the standards prescribed in this emergency rule.
- The viability of the proposed project.
- The management and technical qualifications of the grant applicant.

- The qualifications of the persons who will carry out the project.
- The financial capacity of the grant applicant to complete the project as proposed.
- The adequacy of the project plan and budget.
- Whether the grant proposal adequately identifies the nature of project expenses to be reimbursed under the proposed grant.

Grant Contracts

Under this proposed rule, DATCP must enter into a contract with a grant recipient before distributing any funds to that recipient. The contract must spell out grant terms and conditions, including performance requirements, reporting requirements and payment terms.

Grant Payments

Under this proposed rule, DATCP may distribute grant funds in one or more payments, based on documented progress toward completion of the grant project. DATCP may require a grant recipient to file progress reports and require grant recipients to submit expense documentation as necessary to support grant payments.

Federal and Surrounding State Programs

Federal Programs

There are currently no similar federal programs.

Surrounding State Programs

The Minnesota Dairy Development and Profitability Enhancement program awards $200,000 annually in grants of up to $5,000 per dairy producer to cover half the cost of a comprehensive business plan to evaluate farm start-up, modernization and expansion.

In 2009-2010, 50 Minnesota producers were selected to share $1 million in grants aimed at boosting the state's livestock sector with projects that include renovation of milking facilities, barn upgrades, technology modernization, improved waste management systems and business transitions.

There are no similar programs in Illinois, Indiana, Iowa, or Michigan.

Data and Analytical Methodologies

DATCP worked with representatives of various dairy industry groups to develop standards for grant and loan determinations contained in this emergency rule.

Analysis and Supporting Documents used to Determine Effect on Small Business

DATCP worked with representatives of various dairy industry groups to determine the effect of the proposed rule on small businesses.

Business Impact

The "dairy processor" grant program is voluntary and thus imposes no cost on businesses. By providing $200,000 in grant funding to dairy processors, the "dairy processor" grant program will benefit dairy farms, other dairy businesses and communities that participate in production, distribution or marketing of dairy products. Grant recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry. DATCP plans to use application procedures that will make the cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services. A complete Regulatory Flexibility Analysis is attached.

DATCP Contact

Questions and comments related to this rule may be directed to:

Kathy Schmitt
Department of Agriculture, Trade and Consumer Protection
P.O. Box 8911
Madison, WI 53708-8911
Telephone (608) 224-5048
E-Mail: kathy.schmitt@wisconsin.gov

Where and when comments May Be Submitted

Questions and comments related to this rule may be directed to:

Kathy Schmitt
Department of Agriculture, Trade and Consumer Protection
P.O. Box 8911
Madison, WI 53708-8911
Telephone (608) 224-5048
E-Mail: kathy.schmitt@wisconsin.gov

Rule comments will be accepted up to two weeks after the last public hearing is held on this rule. Hearing dates will be scheduled after this proposed rule is approved by the DATCP Board.

---

1 **SECTION 1.** ATCP 161.50 (3) (f), 161.60 and 162.62 (1) (intro.) are amended to read:

2 ATCP 161.50 (3) (f). The "grow Wisconsin dairy producer" grant and loan program

3 under ss. 20.115 (4) (d) and (dm) and 93.40 (1) (g), Stats.

1 ATCP 161.60 **Purpose.** This subchapter implements the "grow Wisconsin dairy

2 producer" grant and loan program created under ss. 20.115 (4) (d) and (dm) and 93.40 (1) (g),

3 Stats.

4 ATCP 161.62 (1) (intro.) The department may award grants from the appropriation under

5 s. 20.115 (4) (dm), Stats., and grants and loans from the appropriation under s. 20.115 (4) (d)

6 under s 93.40 (1) (g), Stats., for projects undertaken by dairy producers that are designed to do

7 any of the following:

8 **SECTION 2. EFFECTIVE DATE:** This rule takes effect on the first day of the month

9 following publication in the Wisconsin administrative register, as provided in s.

10 227.22(2)(intro.), Stats.

11

. Dated this _____day of _____, 2014.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

By _____
Ben Brancel, Secretary

Wisconsin Department of Agriculture, Trade and Consumer Protection

Initial Regulatory Flexibility Analysis

Rule Subject:	**Grow Wisconsin Dairy Processor Program**
Adm. Code Reference:	**ATCP 161**
DATCP Docket #:	**13-R-16**

Rule Summary

This proposed rule implements the "Wisconsin dairy processor" grant program created under s. 20.115 (4) (dm) and 93.40 (1) (g), Stats., by 2013 Wisconsin Act 20 (biennial budget act). The "dairy processor" grant program is designed to promote the growth of the dairy industry by providing grants to dairy processors. The biennial budget act appropriated $200,000 in grant funding for each year of the FY 2013-15 fiscal biennium. Among other things, this proposed rule does all of the following:

This proposed rule spells out grant procedures and criteria. Under this proposed rule, the "dairy processor" grant program will support projects proposed by dairy processors intended to expand and diversify the dairy industry.

Grant Purposes

Under this proposed rule, DATCP may award grants for projects that create, expand, diversify or promote any of the following:

- New capital investment in the dairy industry.
- New technologies or practices related to dairy production.
- Improvement of the competitive position of the Wisconsin dairy industry.
- Efficient use of farmland and other agricultural resources for dairy production.
- Employment in the dairy industry.

Grant Limits

Under this proposed rule, DATCP may award no more than $50,000 of grant funding to any person or entity in any state fiscal biennium. Once DATCP makes a grant award, DATCP may make the actual grant payments over an original contract term of up to 3 years.

Matching Contribution

DATCP may give preference to applicants providing matching funds which may be in the form of capital, land, labor, equipment or cash related to the grant project.

Use of Grant Funds

Under this proposed rule, grant funds may be used to reimburse any of the following expenses if those expenses are a reasonable and necessary part of the grant project:

- Operating expenses, including expenses for salaries and wages, contract and consulting services, travel, supplies and public information.
- Equipment rental.
- The purchase of equipment whose full value is ordinarily depreciable within one year.

Grant funds may not reimburse any of the following expenses:

- Real estate purchases.
- Repayment of loans or mortgages.
- Rent or contract payments for time periods extending beyond the term of the grant contract.
- Equipment purchases, except for certain equipment purchases and depreciation expenses specifically authorized by this rule.
- Administrative or overhead costs that are not direct costs of the grant project.

Grant Proposals

Under this proposed rule, DATCP must issue at least one request for grant proposals in each state fiscal biennium (DATCP may issue more frequent requests, if it chooses to do so). The request for proposals must describe the required form and content of grant and loan proposals, and must specify a deadline for submitting grant proposals. Applicants must submit grant proposals to DATCP, in the manner prescribed by DATCP's request for proposals.

Grant Awards

Under this proposed rule, DATCP must evaluate grant proposals and issue its grant awards within 90 days after receipt of a complete proposal. DATCP must clearly identify each award recipient, the amount of the award, and the purposes for which the award is given. DATCP must consider all of the following criteria when evaluating grant proposals and making grant awards:

- The extent to which a proposed project will benefit the dairy industry.
- Whether the proposal complies with DATCP's request for proposals.
- Whether the proposed project meets the standards prescribed in this emergency rule.
- The viability of the proposed project.
- The management and technical qualifications of the grant applicant.
- The qualifications of the persons who will carry out the project.
- The financial capacity of the grant applicant to complete the project as proposed.

- The adequacy of the project plan and budget.
- Whether the grant proposal adequately identifies the nature of project expenses to be reimbursed under the proposed grant.

Grant Contracts

Under this proposed rule, DATCP must enter into a contract with a grant recipient before distributing any funds to that recipient. The contract must spell out grant terms and conditions, including performance requirements, reporting requirements and payment terms.

Grant Payments

Under this proposed rule, DATCP may distribute grant funds in one or more payments, based on documented progress toward completion of the grant project. DATCP may require a grant recipient to file progress reports and require grant recipients to submit expense documentation as necessary to support grant payments.

Small Business Affected

This proposed rule will have a positive impact on dairy processors. The "dairy processor" grant program is voluntary and thus imposes no cost on businesses. By providing $200,000 in grant funding annually to dairy processors, the "dairy processor" grant program will benefit dairy farms, other dairy businesses and communities that participate in production, distribution or marketing of dairy products. Grant recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry. DATCP plans to use application procedures that will make the cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services.

Reporting, Bookkeeping and other Procedures

The proposed rule does not regulate any small businesses and thus there are no reporting, bookkeeping or other procedures in the proposed rule for small businesses.

Professional Skills Required

The proposed rule does not regulate any small businesses and thus there is no profession skill required for small businesses.

Accommodation for Small Business

Many of the businesses affected by this rule are "small businesses." DATCP plans to use application procedures that will make the cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services.

Conclusion

This rule will benefit affected businesses, including "small businesses." This rule will not have any adverse effect on "small business".

Dated this 21 day of January, 2014.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE,
TRADE AND CONSUMER PROTECTION

By _____
Daniel Smith, Administrator
Division of Agricultural Development

ADMINISTRATIVE RULES
FISCAL ESTIMATE
AND ECONOMIC IMPACT ANALYSIS

Type of Estimate and Analysis

☒ Original ☐ Updated ☐ Corrected

Administrative Rule Chapter, Title and Number

Ch. ATCP 161, Dairy Processor Grants

Subject

Dairy Processor Grants

Fund Sources Affected	Chapter 20 , Stats. Appropriations Affected
☒ GPR ☐ FED ☐ PRO ☐ PRS ☐ SEG SEG-S	20.115(4)(dm)

Fiscal Effect of Implementing the Rule

☐ No Fiscal Effect ☐ Indeterminate	☐ Increase Existing Revenues ☐ Decrease Existing Revenues	☒ Increase Costs ☒ Could Absorb Within Agency's Budget ☐ Decrease Costs

The Rule Will Impact the Following (Check All That Apply)

☐ State's Economy ☐ Local Government Units	☒ Specific Businesses/Sectors ☐ Public Utility Rate Payers

Would Implementation and Compliance Costs Be Greater Than $20 million?

☐ Yes ☒ No

Policy Problem Addressed by the Rule

This rule implements the "Wisconsin dairy processor" grant program created under s. 20.115 (4) (dm) and 93.40 (1) (g), Stats., by 2013 Wisconsin Act 20 (biennial budget act). Under s. 93.40 (1) (g), Stats., the Department of Agriculture, Trade and Consumer Protection ("DATCP") is authorized to award grants and loans to dairy producers for projects designed to promote the growth of the dairy industry. The budget act creates an annual appropriation of $200,000 for each year of the biennium in DATCP for grants to dairy processors. (See s. 20.115 (4) (dm), Stats.)

This rule does all of the following:

- Authorizes DATCP to make grant awards and distribute grant funds appropriated for the " Wisconsin dairy processor" grant program.
- Specifies the procedures and criteria that DATCP will use to evaluate grant proposals, make grant awards and distribute grant payments.
- Specifies the purposes for which grant funds may be used, subject to the terms of the grant contract.

Summary of Rule's Economic and Fiscal Impact on Specific Businesses, Business Sectors, Public Utility Rate Payers, Local Governmental Units and the State's Economy as a Whole (Include Implementation and Compliance Costs Expected to be Incurred)

The "Wisconsin dairy processor" grant program is voluntary and thus imposes no cost on businesses. By providing $200,000 in grant funding to dairy processors, the "grow Wisconsin dairy processor" grant program will benefit dairy farms, other dairy businesses and communities that participate in production, distribution or marketing of dairy products. Grant recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry. DATCP plans to use

application procedures that will make the cost of applying insignificant and particularly make it possible for small businesses to apply for funding without hiring consulting services.

This rule will have a fiscal impact on DATCP operations. Under this rule, DATCP must issue at least one request for grant proposals in each state fiscal biennium. DATCP staff must review grant applications, recommend grant awards, administer grants, and ensure compliance with applicable requirements. DATCP staff will also provide technical assistance to grant and loan applicants and recipients, as appropriate.

Program administration will occupy at least .5 FTE staff in DATCP's Division of Agricultural Development (this does not include legal, managerial, DATCP central accounting, or other indirect staff support). The cost for the .5 FTE staff will be $50,000 per year, including salary, fringe benefits and support costs (there will be a smaller proportionate cost for the remainder of the current fiscal year). DATCP will try to fill program staffing needs by shifting current staff from other agricultural development programs.

Local Governments

This rule will not impact local governments. Local governments will not have any implementation or compliance costs.

Utility Rate Payers

The rule will have no impact on utility rate payers.

General Public

This rule will have a positive effect on the agricultural sector of the economy and therefore on the state economy and in that way will produce positive results for the general public.

Benefits of Implementing the Rule and Alternative(s) to Implementing the Rule

Benefits

Dairy Processor grant recipients will benefit directly, while others will benefit indirectly from the creation of a stronger dairy industry.

General Public
The general public will benefit from this rule because the state will have a stronger dairy industry.

Alternatives

This rule does all of the following:

- Authorizes DATCP to make grant awards and distribute grant funds appropriated for the "Wisconsin dairy processor" grant program.
- Specifies the procedures and criteria that DATCP will use to evaluate grant proposals, make grant awards and distribute grant payments.
- Specifies the purposes for which grant funds may be used, subject to the terms of the grant contract.

The legislation that created the dairy processor grant program does not include criteria for grant determinations. To carry out legislative intent the only alternative is for DATCP to create those criteria by administrative rule.

Long Range Implications of Implementing the Rule

Long-term, implementing the rule will benefit dairy processors, the dairy industry and the general public.

Compare With Approaches Being Used by Federal Government

There are currently no similar federal programs.

Compare With Approaches Being Used by Neighboring States (Illinois, Iowa, Michigan and Minnesota)

The Minnesota Dairy Development and Profitability Enhancement program awards $200,000 annually in grants of up to $5,000 per dairy producer to cover half the cost of a comprehensive business plan to evaluate farm start-up, modernization and expansion.

In 2009-2010, 50 Minnesota producers were selected to share $1 million in grants aimed at boosting the state's livestock sector with projects that include renovation of milking facilities, barn upgrades, technology modernization, improved waste management systems and business transitions.

There are no similar programs in Illinois, Indiana, Iowa, or Michigan.

Comments Received in Response to Web Posting and DATCP Response

No comments were received in response either to the posting on the DATCP external website or the statewide administrative rules website.