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