

Whereas, the Access to Capital committee of the Dairy Task Force 2.0 has determined a critical need for rural processor access to capital, and whereby the Wisconsin dairy farmers are dependent on a vibrant dairy processing infrastructure for both strong prices and access to markets, we hereby recommend the following:

- 1) Recommend to the Governor that he request the Wisconsin Housing and Economic Development Authority (WHEDA) create a pilot loan guarantee program under the existing Agribusiness Guarantee program, setting aside up to \$3MM of their guarantee authority for this pilot program with the following modifications:
 - a. For the pilot program only, change the maximum guarantee to the lesser of 25% of the loan amount or \$750,000
 - b. For the pilot program only, change this from a shared loss guarantee to a fixed amount guarantee for the life of the guarantee (last out).
 - c. Change maximum guarantee terms to:
 - i. Land and Buildings 10 years
 - ii. Inventory, Equipment, machinery to 5 years
 - iii. Permanent working capital to 2 year
 - d. Change the closing fee to 1.5% of the guarantee amount
- 2) Recommend to the Governor that he request WHEDA create the following permanent changes to the existing Agribusiness Guarantee Program:
 - a. Change the maximum guarantee program to 90% of the loan amount up to \$750,000 (shared loss).
 - b. Change maximum guarantee terms to:
 - i. Land and Buildings 10 years
 - ii. Inventory, Equipment, machinery to 5 years
 - iii. Permanent working capital to 2 year
 - c. Change the closing fee to 1.5% of the guarantee amount
- 3) Recommend to the Governor that he work with the legislature to appropriate an additional \$10MM to support the guarantee loan fund held by WHEDA for the purpose of expanding the processor pilot program, while also supporting the modernization and expansion of the existing guarantee loan programs. Specifically, related to:
 - a. Modernizing and expanding the CROP (Credit Relief Outreach Program) guarantee program to insure it is a meaningful and cost effective tool to support producers credit needs.
 - b. Expand and modernize the FARM (Farm Asset Reinvestment and Management) supporting access to credit for dairy farmers to modernize and implement technology in their operations to increase efficiency of operations.