

## **Recommendation #21**

**Sub-committee:** Generational Succession and Transition

**Submitted by:** Melissa Haag and Joy Kirkpatrick

**Problem Statement:** Monies which were available for producer grants under the Grow Wisconsin Dairy 30X20 program have more recently been directed to the Governor's Dairy Scholarship program. Both programs have been useful, but the program parameters should allow flexibility for use of farms at differing stages of their careers.

### **Recommended Solution:**

1. *Continue “Governor’s Dairy Scholarship”.* Maintain the existing program with guidelines already in place. Details can be found at: <http://www.heab.state.wi.us/docs/dairy/GDSsummary.pdf>. Last year, this program provided \$200,000 for students of any age at any stage of their dairy career who were seeking educational opportunities in dairy science programs.
2. *Reinstate a portion of the “Grow Wisconsin Dairy” initiative* which provided farmers the opportunity to access funding intended for the use of farm succession and transition planning. Family farms are in need of guidance as they transfer assets from one generation to the next. This complex topic is difficult to strike a balance between the financial capabilities of the younger generation and care maintenance / retirement for the older generation. Access to a neutral third party can be an important key to the success of farm transitions, but professional facilitation and advice can be costly.
3. Provide a financial assistance grant to producers participating in sponsorship of a **“Registered Apprenticeship Program.”** Pathways into dairy farming are limited for young farmers who may not have been born into a farm family or whose family farm operation is too small for them to join. Registered apprenticeship programs give young farmers the opportunity to actively learn on-the-job alongside an established dairy farmer. This experience provides the young farmer a valuable learning experience, while helping them ease into their own potential farming operation. While these programs are beneficial for young farmers, they can create a significant cost to the certified farm operation acting as a mentor. Mentors are vital to the success of registered apprenticeship programs and grant funding might provide an incentive for dairies to participate.

**Recommendation #22****Sub-committee:** Generational Succession and Transition**Submitted by:** Ryan Klussendorf

**Problem Statement:** The 2009 Wisconsin Statutes 93.53 — *Beginning farmer and farm asset owner tax credit eligibility* — authorizes a tax credit to support enrollment of the beginning farmer to enroll in a financial management program. The tax credit was terminated in 2013. An eligible farmer can access the credit which is equal to 15 percent of a lease amount received by an established farmer. Chattel (machinery, equipment, facilities, livestock, etc.) may be used for asset valuation but owned land cannot. This is too restrictive for beginning farmers who are purchasing land assets. Further, the \$200,000 constraint on individual net worth is too restrictive as an owned dwelling may exceed the limitation.

**Recommended Solution:**

1. ***Reinstate the 2009 Wisconsin Statutes 93.53 — Beginning farmer and farm asset owner tax credit with these changes:***
2. ***Include “Agricultural land” in the definition of an agricultural asset*** in Wisconsin Statute 93.53 Section(1)(a)
3. ***Increase the restriction of individual net worth from “\$200,000” to “500,000”*** in Wisconsin Statute 93.53 Section(2)(a)

## **Recommendation #23**

**Sub-committee:** Generational Succession and Transition

**Submitted by:** Dave Daniels

**Problem Statement:** The average age of farm operators is approaching 60 years old. As an increasing number of farm businesses approach succession and transition of assets to a younger generation, there are a limited number of facilitators to aid in the process. These farm owners need access to group and individual education and facilitation.

### **Recommended Solution:**

*Maintain and Coordinate succession facilitators from University of Wisconsin-Center for Dairy Profitability, University of Wisconsin-Extension, Wisconsin Department of Agriculture, Trade and Consumer Protection (Farm Center), and Wisconsin Technical Colleges across the state.* This may be accomplished by creating an administrative board which would coordinate statewide activities and serve as a central clearinghouse for program resources and information. Such a centralized board may also seek funding support from USDA, other granting agencies, or the recommended Dairy Innovation Hub to hire additional facilitators.

**Recommendation #28**

**Sub-committee:** Generational Succession and Transition

**Submitted by:** Charles Untz

**Problem Statement:** The Wisconsin Department of Workforce Development is chartered in part to provide employment and training for adult workers to re-enter the workforce. However, self-employed workers who have lost their business—such as farmers—do not meet eligibility requirements under the dislocated worker program. They have not received a “notice of termination or layoff” from an employer.

**Recommended Solution:**

*The State of Wisconsin should review the “Workforce Innovation and Opportunity Act (WIOA) Title 1. Eligibility Determination and Documentation, 8.2.2” to alter eligibility to include self-employed individuals.*