

DATE: June 3, 2024

TO: Board of Agriculture, Trade, and Consumer Protection

FROM: Randy Romanski, Secretary

SUBJECT: ATCP 52, Producer Led Watershed Protection Grants

PRESENTED BY: Kelly Martinson, Program and Policy Analyst, Division of Agricultural Resource Management

REQUESTED ACTION:

At the June 3, 2024, Board meeting, the Department will request approval of the attached scope statement, regarding ch. ATCP 52 Producer Led Watershed Protection Grants.

SUMMARY:

The department proposes to amend ATCP 52 to implement a commercial nitrogen optimization pilot program, as per Wisconsin statute s. 92.14 (16), Stats., to provide crop insurance premium rebates for planting cover crops, as per Wisconsin statute s. 92.14 (17), Stats., and to assess options to update, simplify, supplement, and clarify existing rule provisions.

For the commercial nitrogen optimization pilot program, an agricultural producer may apply for a grant to implement a project for at least two growing seasons, that optimizes the application of commercial nitrogen. The Department will consider rule provisions needed to implement the statutory requirements, including the criteria that will be used to prioritize and score applications. Additionally, the Department will consider rule provisions that establish the application and award process, identify eligible and ineligible activities and costs, and establish contract and reporting requirements.

The Department may provide a crop insurance premium rebate of \$5 for each acre that is planted with a cover crop. DATCP will consider how: to establish the application and award process, to determine eligible cover crops, and to establish procedures to verify that a cover crop is planted on an acre for which a rebate is provided. DATCP will also consider how to determine the maximum amount of acres for which an applicant may receive funding in a year, except that DATCP may impose such a maximum only in years in which the total amount of funding requested by eligible applicants exceeds the total funding available.

The commercial nitrogen optimization pilot program and crop insurance premium rebates for planting cover crops program were created in 2021 Act 223, and administrative rules are necessary to manage the programs. Previously, these programs were managed via an emergency rule.

Approval of a scope statement is the preliminary step for enacting a permanent rule. If the Board approves the scope statement, the Department will draft a proposed permanent rule. The Board will have at least two future opportunities to review the proposed rule after it is drafted. The Board must approve a hearing draft rule before DATCP may hold public hearings on the rule proposal. The Board must also approve the final draft rule before DATCP may adopt the rule. A proposed permanent rule can only take effect after the final draft receives approval

from the DATCP Board and the Governor and completes the legislative review process and is published.

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