

ADMINISTRATIVE RULES

Fiscal Estimate & Economic Impact Analysis

1. Type of Estimate and Analysis <input checked="" type="checkbox"/> Original <input type="checkbox"/> Updated <input type="checkbox"/> Corrected	2. Date 6/12/25								
3. Administrative Rule Chapter, Title and Number (and Clearinghouse Number if applicable) ATCP 52, Producer Led Watershed Protection Grants									
4. Subject Rules governing Producer-Led Watershed Protection Grants Program, Commercial Nitrogen Optimization Pilot Program, and Crop Insurance Premium Rebates for Planting Cover Crops Program									
5. Fund Sources Affected <input type="checkbox"/> GPR <input type="checkbox"/> FED <input type="checkbox"/> PRO <input type="checkbox"/> PRS <input checked="" type="checkbox"/> SEG <input type="checkbox"/> SEG-S	6. Chapter 20, Stats. Appropriations Affected s. 20.115 (7) (qf), Stats.								
7. Fiscal Effect of Implementing the Rule <table style="width: 100%;"><tr><td><input type="checkbox"/> No Fiscal Effect</td><td><input type="checkbox"/> Increase Existing Revenues</td><td><input checked="" type="checkbox"/> Increase Costs</td><td><input type="checkbox"/> Decrease Costs</td></tr><tr><td><input type="checkbox"/> Indeterminate</td><td><input type="checkbox"/> Decrease Existing Revenues</td><td colspan="2"><input checked="" type="checkbox"/> Could Absorb Within Agency's Budget</td></tr></table>		<input type="checkbox"/> No Fiscal Effect	<input type="checkbox"/> Increase Existing Revenues	<input checked="" type="checkbox"/> Increase Costs	<input type="checkbox"/> Decrease Costs	<input type="checkbox"/> Indeterminate	<input type="checkbox"/> Decrease Existing Revenues	<input checked="" type="checkbox"/> Could Absorb Within Agency's Budget	
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8. The Rule Will Impact the Following (Check All That Apply) <table style="width: 100%;"><tr><td><input type="checkbox"/> State's Economy</td><td><input checked="" type="checkbox"/> Specific Businesses/Sectors</td></tr><tr><td><input type="checkbox"/> Local Government Units</td><td><input type="checkbox"/> Public Utility Rate Payers</td></tr><tr><td colspan="2"><input type="checkbox"/> Small Businesses (if checked, complete Attachment A)</td></tr></table>		<input type="checkbox"/> State's Economy	<input checked="" type="checkbox"/> Specific Businesses/Sectors	<input type="checkbox"/> Local Government Units	<input type="checkbox"/> Public Utility Rate Payers	<input type="checkbox"/> Small Businesses (if checked, complete Attachment A)			
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<input type="checkbox"/> Small Businesses (if checked, complete Attachment A)									
9. Estimate of Implementation and Compliance to Businesses, Local Governmental Units and Individuals, per s. 227.137(3)(b)(1). \$0									
10. Would Implementation and Compliance Costs Businesses, Local Governmental Units and Individuals Be \$10 Million or more Over Any 2-year Period, per s. 227.137(3)(b)(2)? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No									
11. Policy Problem Addressed by the Rule Implements permanent authorities to administer the Commercial Nitrogen Optimization Pilot Program and Crop Insurance Premium Rebates for Planting Cover Crops Program; clarifies existing language in ATCP 52 related to the Producer-Led Watershed Protection Grants and creates flexibility in the rate at which personnel (e.g., group coordinator or contractor) can be compensated, as these expenses have increased significantly since the rule was first promulgated a decade ago.									
12. Summary of the Businesses, Business Sectors, Associations Representing Business, Local Governmental Units, and Individuals that may be Affected by the Proposed Rule that were Contacted for Comments. Feedback was collected from a diverse group of stakeholders ranging from agribusiness organizations, conservation groups, county governments, university entities, and the federal government.									
13. Identify the Local Governmental Units that Participated in the Development of this EIA. Pierce County, Marathon County, Green County									
14. 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 Department expects the proposed rule to have minimal to no economic impact because the covered programs are voluntary and businesses and individuals must opt into grant participation or to apply for incentives. The proposed rule would amend ch. ATCP 52 to align with ss. 92.14 (16) and 92.14 (17), Stats. The proposed rule creates grant and incentive requirements that have been administered under emergency authority since FY 2022-23. Costs incurred by grant recipients and crop insurance premium rebate applicants are voluntary and include normative agricultural inputs. The Department anticipates minimal economic impact from proposed revisions to existing language in ch. ATCP 52 related to the Producer-Led Watershed Protection Grants Program, as the proposed revisions primarily seek to provide clarification.									

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Entities impacted by this rule include agricultural producers, non-operator farmland owners, agribusiness and environmental stakeholders, including but not limited to crop insurance agents, agronomists, etc., the University of Wisconsin System and other non-profit entities with a vested interest in conservation and or agriculture. Most affected entities are small businesses, pursuant to the definition under s. 227.485 (2) (c), Stats.

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

s. 92.14 (16) (g), Stats. requires the Department to promulgate rules to implement the Commercial Nitrogen Optimization Pilot Program; s. 92.14 (17) (b), Stats. indicates the Department may promulgate rules to administer the Crop Insurance Premium Rebate for Planting Cover Crops Program. Benefits of rule making for the crop insurance premium rebate program include defining cover crops which is not defined in s. 92.14 (17), Stats., and clarifying processes related to applications. s. 93.59, Stats. grants the Department authority to promulgate rules for the Producer-Led Watershed Protection Grants Program, including defining "legal entity" and specifying eligible activities under this grant. Benefits of rule changes to the Producer-Led Watershed Protection Grants program under ATCP 52 includes simplifying and clarifying language, and creating flexibility in the rate at which personnel (e.g., group coordinator or contractor) can be compensated under this grant, as these expenses have increased significantly since the rule was first promulgated a decade ago.

16. Long Range Implications of Implementing the Rule

The rule would align ATCP 52 with the authorities granted or assigned in ss. 92.14 (16) (g) and s. 92.14 (17) (b), Stats. clarifying processes for administration of the Commercial Nitrogen Optimization Pilot Program and Crop Insurance Premium Rebates for Planting Cover Crops Program. The rule would also continue to administer the Producer-Led Watershed Protection Grants Program in alignment with s. 93.59, Stats.

17. Compare With Approaches Being Used by Federal Government

The pandemic cover crop assistance program, administered by USDA-RMA was discontinued in 2022. Pending open enrollment periods, financial assistance for installation of cover crops may be available through the U.S. Department of Agriculture - Natural Resources Conservation Program (USDA-NRCS) Environmental Quality Incentives Program (EQIP) or USDA-NRCS Conservation Stewardship Program (CSP); however, this approach cost shares the implementation of cover crops as opposed to reducing insurance premium rebates in return for planting cover crops. There are currently no comparable federal government programs for the Commercial Nitrogen Optimization Pilot Program or Producer-Led Watershed Protection Grants Program.

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

No other states currently operate a state program equivalent to the Producer-Led Watershed Protection Grants program.

Illinois and Iowa independently administer a Cover Crops Premium Discount Program, each state program offers a \$5 insurance premium discount per acre enrolled and verified in the program. Michigan and Minnesota do not currently operate a state program equivalent.

There is no state sponsored nitrogen optimization programming (adjacent or direct) in Illinois and Michigan. Iowa does not have a formal commercial nitrogen optimization program; however, it does make nitrogen optimization tools and strategies available to its producers. These tools and strategies include the Corn Nitrogen Rate Calculator, which is a tool to estimate potential N-nitrate loss by estimating optimal nitrogen based on fertilizer and corn prices. Minnesota has different nitrogen optimization programs available to producers, including a farmer educational outreach program focused on how nitrogen behaves in the environment. The Minnesota Nitrogen Fertilizer Management Plans include groundwater nitrate testing and evaluation, targeting sensitive areas in the state. This program includes voluntary testing of private wells. Finally, the Minnesota Groundwater Protection rule, Department of Agriculture Rule 1573 – Groundwater Protection, minimizes potential sources of nitrate pollutions to the state's groundwater and protects drinking water by restricting application of nitrogen fertilizer in the fall and on frozen soils in areas vulnerable to contamination, and outlines steps to reduce the severity of the problem in areas where nitrate in public water supply wells is already elevated. Illinois, Iowa, Michigan and Minnesota administer state nutrient loss reduction strategies.

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19. Contact Name

Kelly Martinson

20. Contact Phone Number

608-224-6335

This document can be made available in alternate formats to individuals with disabilities upon request.

ADMINISTRATIVE RULES Fiscal Estimate & Economic Impact Analysis

ATTACHMENT A

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1. Summary of Rule's Economic and Fiscal Impact on Small Businesses (Separately for each Small Business Sector, Include Implementation and Compliance Costs Expected to be Incurred)

The Department expects the proposed rule to have minimal to no economic impact. The proposed rule would amend ch. ATP 52 to align with ss. 92.14 (16) & 92.14 (17), Stats. The proposed rule creates grant and incentive requirements that have been administered under emergency authority since FY 2022-23. Costs incurred by grant recipients and insurance premium rebate applicants are voluntary and include normative agricultural inputs.

Entities impacted by this rule include agricultural producers, non-operator farmland owners, agribusiness and environmental stakeholders, including but not limited to crop insurance agents, agronomists, etc., the University of Wisconsin System and other non-profit entities with a vested interest in conservation and or agriculture. Most affected entities are small businesses, pursuant to the definition under s. 227.485 (2) (c), Stats.

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2. Summary of the data sources used to measure the Rule's impact on Small Businesses

The proposed rule creates voluntary grant and incentive requirements for the Nitrogen Optimization Pilot Program and Cover Crop Insurance Premium Rebate Program that have been administered under emergency authority since FY 2022-23. Costs incurred by grant recipients and insurance premium rebate applicants are voluntary and include normative agricultural inputs.

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3. Did the agency consider the following methods to reduce the impact of the Rule on Small Businesses?

- ☐ Less Stringent Compliance or Reporting Requirements
☐ Less Stringent Schedules or Deadlines for Compliance or Reporting
☐ Consolidation or Simplification of Reporting Requirements
☐ Establishment of performance standards in lieu of Design or Operational Standards
☐ Exemption of Small Businesses from some or all requirements
☐ Other, describe:

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4. Describe the methods incorporated into the Rule that will reduce its impact on Small Businesses

Participation in the Nitrogen Optimization Pilot Program, Cover Crop Insurance Premium Rebate Program, and Producer-Led Watershed Protection Grant Program are voluntary for participants.

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5. Describe the Rule's Enforcement Provisions

The rule clarifies the Department's authorities to enter into grants for the purpose of nitrogen optimization or producer-led watershed protection activities. Grant contracts may apply articles of administration for compliance with the contract, however, the rule does not otherwise create regulatory enforcement provisions.

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6. Did the Agency prepare a Cost Benefit Analysis (if Yes, attach to form)

☐ Yes ☒ No
