

Wisconsin Department of Agriculture, Trade and Consumer Protection

Initial Regulatory Flexibility Analysis

Rule Subject: Milk Contractors

Adm. Code Reference: ATCP 100

Rules Clearinghouse #:

DATCP Docket #: 18-R-04

Rule Summary

This rule does the following:

- Modifies EmR 1803 to include milk contractor deferred payment assessments.
- Establishes a deferred payment assessment rate of 0.0035.
- Fulfills the emergency rule requirement of 2017 Wisconsin Act 155.

Small Businesses Affected

This emergency rule will establish a deferred payment assessment rate that will cover the additional risk posed to milk producers and the Agricultural Producer Security Fund (Fund) associated with milk contractors deferring payments to milk producers for up to 120 days. Milk contractors entering into deferred payment contracts with producers will pay higher assessments; however, statute permits these assessments to be passed on to the producers whose payments are being deferred.

Act 155 permits, but does not require, milk contractors to offer deferred payment contracts. Therefore, any effects will be the result of the decision of the contractor.

Milk, grain, and vegetable producers are all protected against financial defaults by contractors who contribute to the overall Fund. The additional milk contractor deferred payment assessment could potentially benefit all producers by preserving the integrity of the Fund.

Reporting, Bookkeeping, and Other Procedures

The proposed emergency rule does not create new reporting, bookkeeping, or other procedures for small businesses.

Professional Skills Required

The proposed rule does not require any additional professional skills by small businesses.

Accommodation for Small Business

The program accommodates for small business by giving them options in payment that did not previously exist among milk contractors. The rule that implements the Act provides additional accommodations rather than restricts them.

Conclusion

This rule may have an impact on affected businesses, including “small businesses.” However, the impact is voluntary, triggered by a decision to offer deferred payment contracts to milk producers. There continues to be risk of a default in payments to dairy, grain, or vegetable producers. This emergency rule should neither increase nor decrease the likelihood of such a default. This rule will not have a significant adverse effect on “small business,” and is not subject to the delayed “small business” effective date provided in s. 227.22 (2) (e), Wis. Stats. In fact, Wisconsin Act 155 requires the rule to be implemented with minimal delay.

Dated this _____ day of _____, 2018.

STATE OF WISCONSIN
DEPARTMENT OF AGRICULTURE, TRADE AND
CONSUMER PROTECTION

By _____
Sean M. Brown
Administrator, Division of Trade and Consumer Protection