

Wisconsin Department of Agriculture, Trade and Consumer Protection

Initial Regulatory Flexibility Analysis

Rule Subject: Milk Contractors
Adm. Code Reference: ATCP 100
Rules Clearinghouse #: Not yet assigned
DATCP Docket #: 15-R-02

Rule Summary

This rule does the following:

- Amends one of 3 fund assessment exemption requirements for milk contractors, reducing the overall fund minimum balance requirement from \$11 million to \$5 million.

Small Business Affected

This rule will have a positive impact on milk contractor business by allowing those that meet fund assessment exemption requirements under ATCP 100.135 (10) (a) and (b) to not pay fund assessments if the producer security overall fund balance is at least \$5 million on February 28 of the preceding license year. The milk contractor industry would otherwise be required to pay an additional \$420,000 - \$800,000 annually, until the overall fund balance reaches a minimum of \$11 million.

This rule could have a negative effect on small milk, grain and vegetable producer businesses that could potentially be impacted by the lower agricultural producer security overall fund balance, in the event of future large defaults.

Recordkeeping requirements

This rule does not present changes to recordkeeping requirements.

Accommodation for Small Business

Many of the businesses affected by this rule are “small businesses.” However, given the subject matter, there are very few accommodations or special exceptions that can be made for small businesses.

Conclusion

This rule will have significant impact on affected businesses, including “small businesses.” Negative effects, if any, would result only in the event of a large default by dairy, grain or vegetable contractors. 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), Stats.