

Cadott Area Cooperative AEA

Wisconsin Department of Agriculture, Trade and Consumer Protection
Farmland Preservation Program (ch. 91, Wis. Stats.)

Agricultural Enterprise Areas: Request for Petitions

The Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP) is requesting petitions, under s. 91.86, Wis. Stats., to designate *Agricultural Enterprise Areas (AEAs)* under s. 91.84, Wis. Stats. Petitions must be filed by **February 26, 2010**.

Interested petitioners should contact Coreen Fallat at Coreen.Fallat@wisconsin.gov or (608) 224-4625 to indicate their intent to submit a request for AEA designation.

DATCP will evaluate the petitions and, by June 11, 2010, will announce selected AEAs for subsequent designation by rule. Between now and January 1, 2012, DATCP may designate up to 15 AEAs with a combined area of up to 200,000 acres. After January 1, 2012, up to 1 million acres may be designated as AEAs statewide. DATCP may issue a second request for petitions in 2010.

An *Agricultural Enterprise Area (AEA)* is a contiguous land area, devoted primarily to agricultural use, which is locally targeted for agricultural preservation and development. Designation of an AEA does not, by itself, control or limit land use. However, farmers in an AEA may earn state income tax credits by entering into voluntary farmland preservation agreements. An AEA may be part of a broader local strategy to protect farmland and promote agricultural and related development.

Who May Petition

A petition must be jointly filed by at least 5 eligible farmers in the proposed AEA, and by each county, town or municipality in which any part of the proposed AEA is located. Other persons may sign the petition as supporting "cooperators."

Filing the Petition

- Petitioners must jointly complete and file the attached PETITION FORM. All required petitioners must sign, and every petitioner should keep a copy of the complete petition.
- Submit *hard copies* of all the following to DATCP:
 - The completed PETITION FORM (*including* any supporting pages, maps and documentation).
 - A signed *signature page* for each owner of an eligible farm who is signing the petition.
 - A signed *signature page* for each political subdivision in which any part of the proposed AEA is located.
 - Cooperator signature pages if any.

Submit hard copy materials to:

Wisconsin DATCP
Attn: DARM AEA
2811 Agriculture Dr
PO Box 8911
Madison, WI 53708-8911

- Submit an *electronic copy* of the following (see attached Map and Spatial Data Guidelines):
 - Map of the proposed AEA.
 - Spatial location data used to create the map.

Submit electronic materials to:

Email: DATCPWorkingLands@wisconsin.gov (Enter "Map and spatial location data for proposed AEA" in the subject line).

- If you have questions, call 608-224-4625 or email DATCPWorkingLands@wisconsin.gov.

REVIEW AND DECISION

DATCP has the discretion to grant or deny a petition subject to s. 91.86, Wis. Stats. DATCP will consider the materials included with each petition, and may choose among competing petitions. Decisions will be *based on the materials that you submit*, so please make sure that the materials are clear, complete and accurate. DATCP will give notice of its decision to the contact person identified in the petition. DATCP may also issue a public announcement, particularly if it grants a petition.

DATCP must designate AEA's by administrative rule. An AEA does not take effect until DATCP adopts and publishes a rule creating that AEA. Any decision granting an AEA petition is contingent upon a successful administrative rulemaking process to implement that decision. Rules are subject to possible legal and policy challenges. DATCP may reverse its decision and withdraw a proposed rule at any time. DATCP may also modify or repeal an AEA by rule.

Map and Spatial Data Guidelines

A clear agricultural enterprise area map should:

- Be titled with the preferred name of the proposed AEA.
- Clearly delineate the boundary of the proposed AEA so it is easy to determine whether a parcel of land is located within the proposed area.
- Have a map scale of no greater than one inch = 2,000 ft. (1:24,000).
- Show political boundaries (county, city, town, village), parcel boundaries, section lines, roads and water bodies.
- Have a map legend that includes symbols for all data represented on the map, including farmland preservation area boundaries, political boundaries, parcel boundaries, section lines, roads, and water bodies.
- Identify map scale, north arrow, map date and map producer.
- Be submitted in .pdf or equivalent file format via an appropriate electronic data transfer method (email, ftp, cd, flashdrive, or other acceptable method).

Spatial location data used to create a farmland preservation map should:

- Be projected in the WTM83, NAD83(1991) coordinate reference system.

- Include metadata written to the “Content Standard for Digital Geospatial Metadata (CSDGM), Vers. 2 (FGDC Metadata Standard).” This includes data source, producer, contact, and attribute definitions. Metadata should also indicate, in the “purpose” section, that the map information is provided as a part of the petition requesting designation of an agricultural enterprise area.
- Be submitted in vector shapefile or equivalent file format via an appropriate electronic data transfer method (email, ftp, cd, flashdrive, or other acceptable method).

If you have any problems meeting these preferred mapping and data standards, please contact DATCP at 608-224-4632 or by email at DATCPWorkingLands@wisconsin.gov.



Wisconsin Department of Agriculture, Trade & Consumer Protection
 Division of Agricultural Resource Management
 P.O. Box 8911
 Madison, WI 53708-8911
 (608) 224-4500

Agricultural Enterprise Area Petition

The undersigned persons hereby petition the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP), pursuant to s. 91.86, Wis. Stats., to create an Agricultural Enterprise Area (**AEA**) under s. 91.84, Wis. Stats. We submit the following information in support of the petition (*use the space provided or check the appropriate box*):¹

PART I. GENERAL INFORMATION

- A. Preferred name of AEA. Cadott Area Cooperative AEA
- B. County or counties in which the proposed AEA is located (*all must sign this petition*). Chippewa
- C. All towns, villages or cities in which the proposed AEA is located (*all must sign this petition*). Town of Goetz,
Town of Delmar,
Chippewa Co.
- D. Number of owners of "eligible farms,"² within the proposed AEA, who are signing this petition (*at least 5 required*). 9
- E. Total number of acres in the proposed AEA.³ 1,829
- F. All counties signing the petition have a certified farmland preservation plan. Yes No
- G. All land in the proposed AEA is located within a farmland preservation area designated in the certified county farmland preservation plan. Yes No
- H. All of the parcels in the proposed AEA are contiguous.⁴ Yes No
- I. The proposed AEA is primarily in agricultural use. Yes No
- J. Designated contact person for the AEA.

Name: Les Danielson

Address: 11543 270th Street, Cadott, WI 54727

Phone number: 715-313-0309

Email: farmerLes@yahoo.com

¹ Personal information you provide may be used for secondary purposes (Privacy Law s. 19.62-19.80, Wis. Stats.)

² An "eligible farm" is one that produced at least \$6,000 in "gross farm revenues" during the tax year preceding the year of this petition, or a total of at least \$18,000 in "gross farm revenues" during the 3 taxable years preceding the year of this petition. "Gross farm revenues" means gross receipts from agricultural use of a farm, excluding rent receipts, less the cost or other basis of livestock or other agricultural items purchased for resale which are sold or otherwise disposed of during the taxable year.

³ DATCP will give preference to proposed AEAs of at least 1,000 acres of land.

⁴ Contiguous means immediately adjacent or separated only by a lake, stream, or transportation or utility right-of-way.

PART II. PURPOSE AND RATIONALE FOR AEA

DATCP will evaluate petitions under s. 91.86, Wis. Stats., and will consider information provided in response to the following questions.

2. What activities are planned in the proposed AEA to achieve the agricultural preservation and development goals?

Describe any planned activities within the AEA, including grants, development incentives, cooperative agreements, land or easement purchases, land donations, promotional activities, public outreach or other actions that will help achieve the stated goals. Identify other individuals and entities involved in these efforts and their level of commitment. Attach supporting documentation, where appropriate.

Map 1 shows the location of the proposed Cadott Area Cooperative Agricultural Enterprise Area (AEA) and the petitioning farms.

This AEA petition has been filed by a small group of nine (9) conventional dairy and cash grain producers who have an established working relationship, and now manage their operations using a traditional family “farm cooperative” model.

The goal of the petitioners is to establish an AEA to:

1. Preserve the agricultural land and water base that will support and maintain the economic viability of these existing farm operations.
2. Preserve and strengthen the existing business relationships among the farm petitioners who now cooperate and function as an economic unit.
3. Maintain a stable and predictable supply of milk, grain, maple syrup, and forest products, as now marketed to area processors.
4. Preserve the existing agri-business enterprise relationships that exist between the farm petitioners, the agricultural processors, and the local agri-business suppliers that service the agricultural infrastructure.
5. Use the AEA as a vehicle to formalize these relationships and to pursue new cooperative ventures that will advance State and local agricultural development goals.

A number of project-based activities are planned to pursue these goals and to gain added value from the pilot project.

The pilot project will be used by the petitioners and by Chippewa County to pursue the following objectives:

1. Document existing cooperative business arrangements and determine opportunities for expanded cooperation through joint purchases of fuel and crop inputs, equipment sharing, and product marketing.
2. Evaluate the feasibility of producing and marketing biomass on a sustained basis to support the State’s renewal energy goals (25 x 2025), using a small-scale distributed energy production model.
3. Implement a voluntary program to schedule and conduct farm energy audits on eligible farms (cash grain and livestock) within the AEA. Use the program to establish a baseline estimate of current energy use and starting point for farm-based energy conservation measures.

4. Evaluate the feasibility of compiling and marketing carbon credits through the established Wisconsin Farmer's Union (WFU) carbon credit program; and of using the administrative framework of Wis. Stats. 92 and the County Land Conservation Committee (LCC) service delivery system to provide independent third party verification that soil and water conservation best management practices have been installed and are being maintained.

This pilot project will be actively supported by Chippewa County, with direct staffing commitments through the Chippewa County Cooperative Extension Office (UWEX) and the Chippewa County Department of Land Conservation and Forest Management (LCFM).

To advance these State and local program objectives, County staff support will be assigned to:

- Coordinate pilot project-related activities.
- Apply for and manage grants and short-term projects that will be used to advance the stated objectives (1-4).
- Implement a public outreach program and promotional activities to inform and educate the general public, stakeholders, and targeted agricultural interests of the objectives and outcomes of the pilot AEA.
- Document the process, steps, and resources (\$ and time) that are required to establish an AEA and the resources required to administer and service farmland agreements so that this information can be shared with others.

It is important to note that this project is supported by the Wisconsin Farmer's Union (WFU) as a cooperating petitioner. As a cooperating petitioner, WFU will participate in the public outreach and project evaluation components of this pilot.

3. How will the AEA location promote agricultural preservation and development?

Explain what is special about this location. Include why the proposed AEA is geographically well “targeted” for agricultural preservation and development. Explain how the geographic distribution of existing agricultural uses and related infrastructure helped determine the location (see next). Attach supporting documentation, where appropriate.

This AEA pilot has a strong business foundation that is based upon enterprise relationships that have already been built, and are now being applied by the producers within the AEA. This existing business foundation and producer network will assure immediate returns from the project.

This location and economic scenario make this project well suited to promote agricultural preservation and development because:

1. The project can serve as a case example of a fully functioning “enterprise area” that has evolved using the traditional farm cooperative model. This example can be used to show how farms in a developing AEA can cooperate to be more productive and profitable.
2. The project provides an ideal target area, and a well organized group of producers that will allow the petitioners to explore and demonstrate activities that will advance the stated project objectives.

Agricultural Diversity and Interdependence of Agricultural Uses

The AEA supports four (4) free-standing forage-based dairy operations, two (2) heifer replacement/steer operations (supported by on-farm forage and cash grain production), five (5) cash grain operations (forage/corn/beans), and one (1) maple syrup operation.

All of the petitioning farms are contiguous within the AEA, and now operate as a “neighborhood unit”. These farms are third (3rd) generation “family farm” operations that are independently owned and managed by the descendants of two (2) extended families (Roth & Danielson).

The physical location of these working farms and their long-standing family relationships have allowed these operations to cooperate over time and to build an effective agricultural enterprise model.

Economic Activity Between Farms

These operations currently use shared resources, exchange equipment and/or labor, and have historically pursued opportunities for joint purchasing and marketing, making them economically interdependent.

Establishment of the AEA pilot project will provide an institutional framework that will further support and encourage these enterprise exchanges within the AEA.

The nature and extent of these exchanges between the individual working farms are illustrated in a matrix provided as Figure 1.

This degree of cooperation has allowed individual producers to specialize in an area of agricultural production (or processing), while cooperating with others in the area with mutual interests and needs, for example: investing in a dairy herd expansion with the assurance that a neighbor will invest in additional land that will be used for quality forage for this and other herds; building an energy efficient corn drying setup, larger than a single operation could otherwise economically support with the assurance that it would be used by those who have invested in land and custom machinery for corn and bean production; upgrading the technology and equipment used in the custom cropping, heifer/steer, and forest management operations with the assurance that the field operations, replacement animals, meat, syrup, and wood products will be used to augment and support the other agricultural enterprises.

This business approach has allowed the cooperating producers in this area to successfully maintain operations on a family business scale, and to transfer them to succeeding generations while minimizing financial risk. The success of this strategy is demonstrated by the fact that this area now maintains a much higher concentration of “cows per acre” than that which now exists in the surrounding towns where dairy herds have been lost over the past twenty years.

Proximity to Agricultural Processing/Marketing Infrastructure

The agricultural commodities and forest products produced in this AEA are used to supply regional agri-processors, and are critical to the ongoing viability of the surrounding agricultural infrastructure.

- All of the milk produced by farms in the AEA (approximately 8 million lbs) is shipped to the AMPI plant in Jim Falls, eight miles away.
- All of the corn grown in the AEA is either fed to animals within the AEA or marketed to Ace Ethanol, located eight miles away (Approx. 100K bushel/yr).
- All of the syrup produced on these farms is transported to and processed at the Roth Sugar Bush, located in the AEA.

The close proximity of these working farms to agricultural processors limit transportation costs and allows the block of cooperating farms in the AEA to be a reliable low-cost producer/supplier (See Q#4).

Existing Enterprise Relationships and the Opportunity for Immediate Returns and Benefits from the Pilot

Because this AEA is proposed as a “pilot project”, it is important to emphasize that these existing enterprise-based business relationships and the associated business network are well established.

If approved, the petitioners will be posed to immediately share information with DATCP and other AEA’s participating in the working lands network about these existing working arrangements. They will also be well prepared to immediately advance the specific project objectives that will be used to advance State and local agricultural goals (see Q#2).

It is important to note that the producers and petitioners are well organized and have a proven history of accomplishments that have been gained by working closely through State farm organizations, Town and County government, and State and Federal agricultural agencies.

As a result, the petitioners are well positioned to “hit the ground running”.

4. How did you determine the size and the boundary of the proposed AEA?

Explain why the size and boundaries are appropriate, and will help “focus” preservation development efforts. As part of the explanation, include a discussion of agricultural uses and infrastructure, unique land resources, soil productivity, proximity to viable farm markets or processing facilities, and other relevant factors. Attach supporting documentation, where appropriate.

Existing Enterprise Relationships and Density Agricultural Business Units

The boundaries of this AEA were drawn to include only those producers who have committed to work together to advance the stated goals and objectives of the AEA. A special effort was made by the petitioners to not recruit or include the farms of adjoining landowners who preferred not to participate.

As a result, the AEA has a high density of eligible working farms. Importantly, all of the petitioners with eligible farms included in the AEA have a stated interest in entering Farmland Preservation agreements, and/or exploring projects that might advance the stated project objectives (see Q#2).

Manageable Project Size and Targeted Focus

The size and diverse composition of the AEA (1,829 acres, 10 working farms) provides a reasonable production base to support cooperative ventures.

The relatively small number of participants is manageable, and will allow the County and State agencies to work with the participants to design demonstration projects (and pursue State and Federal grants) that will be used to advance the project objectives.

Representative Working Farms and Land Characteristics

The location and physical characteristics of this AEA make it representative of North Central Wisconsin.

The AEA is located on the northern edge of the tension zone, which constitutes the northern range of cash grain operations in Wisconsin. The glacial geology and soil types of this AEA are characteristic and representative of counties in North Central Wisconsin (Chippewa, Clark, Taylor, Rusk, Marathon).

Farms in the AEA are located on a glacial till plain. Soils are of the Spencer, Magnor, and Almena Association. Soils are predominantly class 1-3 prime agricultural soils. Land improvements have been made through farm drainage to upgrade Class IV-VI soils that have limitations due to wetness.

These are conventional, small-scale, family-owned operations that are representative of those in North Central Wisconsin. The information and knowledge gained through this pilot will be applicable and readily transferrable to similar working farms in this part of the State.

Working Farms and Relationship to Existing Agri-Processors and Infrastructure Characteristics of North Central Wisconsin

The AEA has a good farm-to-market road network and is located within three (3) miles of the Highway 29 East/West highway corridor, with immediate hub access to the Hwy. 94 interstate and Hwy. 53 corridor.

This existing road network provides for the efficient transport of agriculture commodities to local processors and for the transport of processed food, fuel, and fiber to local and regional markets.

The location of the AEA in proximity to the agricultural infrastructure, transportation network, and market centers is shown on Map #2.

Working Farms Location in Proximity to Regional Urban Centers

The AEA is located on the edge of the Eau Claire/Chippewa Falls/Menomonie urban area. This location allows ready access to urban markets near to where agricultural products are processed and marketed.

The agricultural and forest products produced in the AEA are processed at local cheese plants (Jim Falls), ethanol facilities (Stanley), syrup processing/butter facilities (Cadott), and sawmills and biomass processors (Stanley, Cornell).

Conversely, this close proximity to the markets places an additional demand on the ag land base associated with nonfarm-related urban development (See Q#7).

5. What are the current land uses within the proposed AEA?

Provide documentation to show that the proposed AEA is primarily in agricultural use. Describe the percentage and distribution of agricultural and agriculture-related uses; residential uses; transportation, utility, energy and communications uses; undeveloped natural resource and open space uses; and other uses as applicable. Identify the principal types of agricultural use and describe the location, geographic scope, size, significance and compatibility of those agricultural uses. Describe current trends and emerging issues within the proposed area. Attach a land use map for the area to support this explanation (at the town or county scale).

Land Uses

Land uses within and adjacent the AEA are primarily agricultural and agricultural-related. Cultivated land, used to support dairy and grain crop production, comprises approximately 95% of the enterprise area.

The location and distribution of agricultural uses, nonfarm residential, transportation, utility-related uses, and undeveloped natural resources is shown on Map 3.

Principle Agricultural Uses

Agricultural uses are those that have been developed to support and maintain four (4) free-standing forage-based productive dairy operations; two (2) steer operations, supported by on-farm forage and cash grain production; five (5) cash grain operations (forage/corn/beans); and one (1) maple syrup.

These agricultural operations are highly compatible and are managed to optimize efficiency, joint production, and farm profitability (See Q#3).

Current Trends

The current trends and emerging issues within the AEA are representative of those that affect working farms in Wisconsin. Those most pronounced in the AEA are as follows:

1. Changes in types, sizes, and intensity of agricultural operations and production, whereby small-scale dairy operation are being replaced by larger-scale dairy operations, swine or poultry operations, or by cash grain operations.
2. Changes in agricultural technology with a trend toward less labor and greater automation.
3. Changes in agricultural markets with a trend toward specialization and processing for select markets.
4. Land use development trends, whereby land historically used to support productive farm operations is being divided and developed for nonfarm-related residential, commercial, and recreational use (See Q#7).

6. How is the proposed AEA consistent with your other local land use plans?

The entire proposed AEA must be located within a farmland preservation area designation in the county's certified farmland preservation plan (please document). Explain how the proposed AEA is consistent with existing county and local land use plans. If there are inconsistencies, explain how they will be reconciled. Attach supporting documentation, where appropriate.

The establishment of this AEA is consistent with all of the local land use plans for the areas.

Landowner Plans

It is important to note that this AEA has been sponsored and driven by local producers who plan to preserve and manage their land for agricultural production.

Town Plans

This AEA includes parcels located in the Town of Delmar and in the Town of Goetz.

The Town of Goetz has chosen to not develop comprehensive plans under Wis. Stats. 66.10. The Town has, instead, chosen to pursue a "laissez-faire" approach toward development. Under this approach, full authority for land development, farmland management, and land conservation related decisions rests exclusively with each property owner.

The Town of Delmar has developed and adopted the Town of Delmar Comprehensive Plan, (12/09). The parcel located in the Town of Delmar is planned for agricultural use.

County Plans

The Chippewa County Comprehensive Plan (11/09), and the Chippewa County Land and Water Resource Management Plan, (08/09), document the County's intent to actively support the local efforts of individual landowners and towns to preserve farmland.

The Chippewa County Land and Water Resource Management Plan, (8/09), explicitly identifies farmland preservation and the conservation of "working lands" as a management objective and identifies the development of a "Working Lands Pilot Program" as a program priority. It states:

Goal 2; Objective 1, states:

"Support the efforts of individual landowners, private nonprofit conservation organizations, and local municipalities to preserve productive "working lands".

- Develop and implement a "working lands" pilot project to evaluate and advance County options for farmland protection.
 - Prepare a project proposal through the Wis. Working Lands Initiative to define the scope, purpose, and means to evaluate a pilot project.
 - Prepare and enter 66.03 municipal agreements and M.O.U.'s with participating municipalities and public agencies.
 - Prepare and submit project budget and grant proposals.
- Revise and update the Chippewa County Farmland Plan in association with State efforts to update WI Stats. 91 and the State Farmland Preservation Program.
 - Identify the location, size and boundaries of working land conservation areas through use of Town or county-based planning processes, and landowner registries.

County Farmland Preservation Plan

The AEA is located in an area identified for agricultural preservation, as documented in the Chippewa County Farmland Preservation Plan, (1987).

The parcels planned for farmland protection in the County's Farmland Preservation Plan (1987), and those planned for farmland protection under this AEA proposal (2010), are fully consistent. The extent of consistency is illustrated in Map 4, which shows the parcels historically planned for farmland preservation in relation to the parcels located within the proposed AEA.

The only apparent inconsistencies are associated with three (3) minor inclusions of a nonfarm parcels, (less than 35 acres in size). This inconsistency can be attributed to the mapping criteria used when creating the initial 1985 Farmland Preservation Plan map (parcels less than 35 acres in size were mapped as nonfarm inclusions).

It is important to note that one of the inclusions (20 acre – B. Danielson) is now part of a working farm.

To reconcile the minor inconsistency in mapping between the Chippewa County Farmland Preservation Plan (1987), and the proposed AEA mapping (2010), the petitioners propose to simply recognize the two (2) nonfarm residential parcels (less than 35 acres) as pre-existing nonfarm inclusions that have limited potential for further non-agricultural related development, or to exclude these parcel islands from the AEA.

7. What nonagricultural development trends affect the proposed AEA?

Explain current development trends affecting the proposed AEA. Describe the likelihood that land in the AEA will transition out of agriculture in the foreseeable future (note that an AEA may not include any area planned for nonagricultural development within the next 15 years). Attach supporting documentation, where appropriate.

Given the location of the AEA in proximity to the Village of Cadott and the Chippewa Falls/Eau Claire Urban Area, there are ongoing land use trends that have resulted in the fragmentation and development of productive agricultural land to nonfarm uses.

These development trends are driven by a market demand for single family housing units, rural estates, and small hobby farms located within commuting distance of major urban areas.

As a result of these trends, several secondary impacts have resulted that have a negative effect on the viability of ongoing agricultural operations. They are:

- Increased land prices.
- Loss of land base and increased fragmentation of productive lands used to support working farms.
- Increased traffic and road congestion that effect the movement of farm equipment and road safety.
- Increased potential for urban/rural land use conflicts, including an escalation of agriculturally related nuisance complaints (noise, dust, odor, agricultural runoff, and nonpoint pollution control).
- Increased concern over land access, recreational trespassing, and wildlife management (including deer and nuisance species).

In the past twenty (20) years, there has been significant development of nonfarm residences located adjacent the AEA. A number of new land divisions have occurred in the last five (5) years, located immediately west and south of the proposed AEA. The location of this nonfarm rural residential development in proximity to the AEA is shown on Map 4.

If this application is approved, it is unlikely that land in the AEA will transition out of agriculture in the foreseeable future. Approval of the AEA would provide continuity toward the long-term Farmland Preservation Program goals.

It is unlikely because:

1. The petitioning landowners share a strong social and business commitment to limit development within the AEA.
2. The AEA boundary has been created so that it does not include parcels that are beyond the control of the cooperating petitioners.

8. How will current or proposed land use controls support the proposed AEA?

Describe current and proposed land use controls such as zoning ordinances (farmland preservation, shoreland, wetland), farmland preservation agreements, easements, subdivision ordinances, natural area protections or other similar controls. If the area is zoned, attach a zoning map for the area (at the town or county scale). Attach documentation, where appropriate.

It is important to note that the Towns of Goetz and Delmar do not participate in County Comprehensive Zoning or administer town zoning. Given this fact, regulatory controls to augment land use restrictions established through voluntary farmland preservation agreements will be limited.

Proposed land use controls used to support the AEA will be limited to existing land use ordinances administered by Chippewa County, including Shoreland/Wetland Zoning (NR115), Wis. Storm Water Runoff Controls (NR 216), and Chippewa County Land Division Ordinance (1 acre minimum lot size/no rural density restrictions).

Opportunities to pursue conservation easements to protect farmland and natural areas are now available through the Chippewa County Stewardship Fund, State Stewardship Fund, USDA Farm and Ranch Lands Protection Program, and other State and Federal grant sources. These opportunities will be explored at the request of the petitioning landowners who chose to enter a Farmland Preservation Agreement, under Wis. Stats. Chapter 91.

9. How will the proposed AEA promote compliance with the state's soil and water standards for nonpoint source pollution?

Farmers in an AEA who enter into a farmland preservation agreement must meet the following state standards (ATCP 50, Wis. Adm. Code), to claim a tax credit. Please indicate whether any of the petitioners are already in compliance with these standards. Explain how the proposed AEA will promote compliance with conservation standards. Attach documentation, where appropriate.

- *Control of soil erosion*
- *Nutrient management planning*
- *Prevention of direct runoff from feedlots or stored manure into state waters*
- *Prevention of overflowing manure storage structures*
- *Repair of failing and leaking manure storage structures and closure of abandoned manure storage structures*
- *Construction of new or substantially altered manure storage structures to technical standards*
- *No stacking of manure in unconfined piles in water quality management areas*
- *Diversion of clean water from feedlots, manure storage areas and barnyards in the water quality management area*
- *Maintenance of self-sustaining sod cover along waterways*

Compliance with ATCP 50/NR151 Nonpoint Pollution Standards

Chippewa County has formally adopted the State agricultural nonpoint pollution control prohibitions and performance standards, as established in NR151 and ATCP 50.

The County has also adopted an administrative framework and process for systematically administering these standards as part of its soil and water conservation program (Chippewa County Land and Water Resource Management Plan, 7/2/09, Appendix 4, "Addendum to the Chippewa County Operational Agreement Between DNR & Chippewa County Land Conservation Department for the Administration and Implementation of Agricultural Nonpoint Pollution Performance Standards and Prohibitions Under NR151 and NR243, April 16, 2004").

The Chippewa County Land Conservation Committee and Department have systematically administered this process since 2004 as a foundational element of the County's soil and water conservation program efforts.

Establishment of the AEA will promote compliance with the conservation standards by:

1. Triggering the statutory requirement (Wis. Stats, Chapter 91) that these conservation standards be administered by the County, and be implemented by landowners who enter a Farmland Preservation agreement.
2. Institutionalizing the administrative process (adopted by Chippewa County) by which each farm entering a Farmland Preservation agreement will be systematically evaluated to determine the extent of current compliance and will be informed of the extent of current compliance and any outstanding issues of noncompliance.
3. Targeting available State and Federal funds with technical assistance to encourage landowners to come into compliance.
4. Assuring transparency and public accountability through the use of an established producer-driven annual reporting and self-certification process, as currently administered by the Chippewa County Dept. of Land Conservation and Forest Management to assure ongoing compliance.

Farmland Preservation Program Participants to Share Costs of Compliance Monitoring

Of special importance, the petitioners have agreed to the administrative procedures that will be used to document and administer the NR151/ATCP 50 standards.

The petitioners have also agreed to a fee structure that will be used to offset the County's administrative costs of administering Farmland Preservation Agreement applications and the ongoing program costs associated with annual certification and compliance monitoring.

To offset public costs, an annual fee of \$.50 per acre will be assessed to each participating landowner based upon the acres enrolled through the Farmland Preservation contract.

If successful, this fee for service arrangement may help promote compliance with the State's soil and water conservation standards by distributing new program costs between County government and program participants.

Historic Commitment to Soil/Water Conservation by Petition Producers Show Minimum Standards are Likely Met

Eight (8) of the nine (9) petitioning landowners have (or have had) Farmland Preservation agreements, and now meet County soil and water conservation standards.

Similarly, eight (8) of the nine (9) petitioning landowners now also participate in the USDA Conservation Security Program (CSP) and are eligible for incentive payments based upon their conservation program commitments.

10. How will the proposed AEA promote agricultural and related investment?

Describe current and proposed investment within the AEA. Identify key current and potential investors and their level of commitment. Explain how the AEA will promote or facilitate agricultural and related investment. Attach documentation, where appropriate.

The proposed AEA will promote agriculture and agricultural investment.

The level of historic capital investment made by the petitioning families in land and agricultural facilities in the AEA is substantial. Ongoing operational investment costs made by the petitioning producers (machinery, labor, fuel, and crop inputs) are also very significant.

Several petitioners within the AEA have recently made significant capital investments to expand and/or upgrade their operations and facilities with the express guarantee of business from other AEA members.

Recent capital investments include additions to the agricultural land base made through land purchases within and adjacent the AEA, upgrades to existing grain storage facilities and the establishment of a new grain drying facility within the AEA, and the expansion and modernization of several dairy facilities.

The key investors, their financial institutions, and the extent of recent investments are as follows:

<u>Investor</u>	<u>Financial Institution</u>	<u>Type and Scope of Investment</u>	<u>Year</u>
D. & A. Danielson	M&I Bank	•A 200 cow dairy	2007
L. & D. Danielson	AgStar	•A 130,000 bushel grain weighing/drying/storage facility	2008 & 2009
H. & T. Danielson	Northwestern Bank	•A replacement combine	2005
J. & L. Danielson	AgStar	•200 acre farm	2008

It is important to note the equipment/facilities are not otherwise commercially oriented and are not generally available for use or hire by non-AEA members.

The AEA will promote and facilitate agricultural-related investments by:

1. Promoting the use of farmland preservation agreements. This will stabilize land use in the AEA and provide relief from nonfarm related development pressure and associated costs (See Q#7).
2. Providing the stability, institutional framework, and financial assurance needed to encourage local investments by the petitioners and local financial institutions in agricultural-related processing facilities.
3. Establishing a targeted area for the use of project grants and rural economic development loans that would be used by the petitioners to improve and grow their enterprise operations.

It is anticipated that future investments made by the petitioning producers will be consistent with the existing specialty/growth model. Further investments in agricultural land are planned and anticipated as farmland located adjacent the AEA boundary become available.

11. How will the proposed AEA support economic activity within the community?

Explain how the AEA will promote economic activity between agricultural enterprises or between agricultural and nonagricultural enterprises. This may include, for example, joint marketing opportunities, purchase of feed, shared facilities and equipment, custom manure spreading or other opportunities. Attach documentation, where appropriate.

As described in Q#2, the economic activity between the agricultural producers is well established, and has allowed these producers to specialize and adapt their operations as needed to remain viable.

As described in Q#3, the economic activity and business relationship between the producers, the food and commodity processors, and the agricultural service sector is stable and also well established.

Establishment of an AEA pilot project will provide the opportunity for the petitioners to evaluate and explore opportunities to expand these enterprises within and outside of the AEA.

Establishing this AEA will maintain the viability of these working farms, will support the expansion of this economic activity, and help stabilize, maintain, and build the rural economy.

12. What is the level of cooperator support for this petition?

Describe the level of support by other farmers, and by affected businesses, community organizations, and government entities. Attach cooperator "signature pages," if any.

As described in Q#4, all ten (10) landowners with eligible farms within the boundaries of the AEA have registered their support for this petition. Nine (9) of the ten (10) have signed the petition representing 95% of the land area. The tenth landowner was out of town and unavailable at the time the petition was circulated.

This petition is supported by the Wisconsin Farmer's Union (WFU) as a cooperating petitioner. WFU has an interest in participating in this pilot project to help define and advance the concept of an AEA, and to determine the costs and possible benefits of AEA sponsorship to other WFU members in Wisconsin.

This petition is supported by all of the processors, financial institutions, and all of the affected agribusinesses that are affiliated with the petitioning producers.

Are there any other compelling reasons to choose this AEA proposal from among competing AEA proposals? *Explain, and attach documentation where appropriate.*

We have not reviewed all of the other AEA proposals so are not aware of any other compelling reasons to select it among competing interests.

In summary, we believe it is a strong candidate for a pilot project because the AEA:

1. Is relatively small in size and is comprised of a high density of committed petitioners with an existing agricultural enterprise relationship that will allow them to "hit the ground running".
2. Has a clear list of local objectives and projects that can be used to immediately advance State and local agricultural preservation and development objectives.
3. Is strongly supported by a national farm organization.
4. Is strongly supported by local government, as exhibited by the commitment by Chippewa County, to assign public support to assure the success of the project.

PART III. MAP AND SPATIAL LOCATION DATA

Please send all of the following information, in electronic form, to: DATCPWorkingLands@wisconsin.gov (enter "AEA Petition" in the subject line):

1. A map of the proposed AEA that shows:

- The proposed AEA boundary.
- The boundaries of all land parcels within the proposed AEA.
- Labels to identify farm parcels owned by persons signing this petition.
- Major features such as roads and surface water resources.
- Political boundaries lying within the proposed AEA, including any boundaries of counties, towns, villages, cities or drainage districts.

2. The spatial location data used to create the map. Please follow the attached MAP AND SPATIAL DATA GUIDELINES.

Landowner Signature Page

The petition must be signed by the owners of at least 5 eligible farms within the proposed AEA. A separate signature page, in the following form, must be signed by the owner of each farm. An authorized individual may sign on behalf of a legal entity. If a farm is jointly owned by a husband and wife as individuals, both must sign.

Farm owner (correct legal name or legal name of business entity): _____

Type of business entity, if applicable (check one):

Individual or married couple

Corporation

Partnership

LLC

Other (describe) _____

Authorized signature _____ Date _____

Print name of signer _____

Authorized signature _____ Date _____

Print name of signer _____

Farm address: _____

Farm owner address: _____

Contact phone number: _____

Petitioner information

I (we) already have a farmland preservation agreement with the state. Yes No

I (we) are interested in entering into a farmland preservation agreement. Yes No

(Note: To enter into a farmland preservation agreement, the farm must meet state soil and water conservation standards.)

Political Subdivision Signature Page

The petition must be signed by every political subdivision (county, town, city or village) in which any part of the proposed AEA is included. A separate signature page, in the following form, must be attached for each political subdivision. This signature page must be signed by an authorized officer or representative of the political subdivision.

Political subdivision name: Chippewa County, Wisconsin

Type (check one): County Town City Village

Printed name of authorized officer or representative: William H. Reynolds

Title of authorized officer or representative: Chippewa County Administrator

Authorized signature: _____ Date: _____

Principal mailing Address: 711 N. Bridge Street, Chippewa Falls, WI 54729

Phone number: 715-726-7984

Acreage of land in proposed AEA located in political subdivision: 1,829 acres

Cooperator Petitioner Signature Page (optional)

Other persons (cooperators) may sign in support of the petition. A separate signature page, in the following form, is required for each cooperator. An authorized individual may sign on behalf of a legal entity.

Legal name of cooperator: _____

Relevant interest (farm owner, business, nonprofit or community organization, government entity, other): _____

Principal mailing Address: _____

Phone number: _____

Briefly describe your interest in signing this petition for designation of an agricultural enterprise area:

I have read this petition and support the designation of the proposed area as an AEA.

Print name _____

Authorized signature: _____ Date _____