STATE OF WISCONSIN
Legislative Audit Bureau
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Report 25-28
November 2025

Dairy Processor Grant Program and Meat Processor Infrastructure Grant Program

Department of Agriculture, Trade and Consumer Protection

Joint Legislative Audit Committee Members

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Dairy Processor Grant Program
and
Meat Processor Infrastructure Grant Program

Department of Agriculture, Trade and Consumer Protection

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Response

From the Secretary of the Department of Agriculture, Trade and Consumer Protection

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Legislative Audit Bureau

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November 7, 2025

Senator Eric Wimberger and
Representative Robert Wittke, Co-chairpersons
Joint Legislative Audit Committee
State Capitol
Madison, Wisconsin 53702

Dear Senator Wimberger and Representative Wittke:

In response to the Joint Legislative Audit Committee's request that we evaluate the administration of state grants, we have completed a review of the Department of Agriculture, Trade and Consumer Protection's (DATCP's) administration of its Dairy Processor Grant program and Meat Processor Infrastructure Grant program.

In general, state grants involve management of three stages, including the pre-award stage, active stage, and closeout stage. To assess DATCP's management of each of the grant stages of the Dairy Processor Grant and Meat Processor Infrastructure Grant programs, we reviewed each of the 14 dairy processor grants and each of the 9 meat processor infrastructure grants that DATCP executed in fiscal year (FY) 2024-25. We also reviewed each of the 21 dairy processor grants and each of the 17 meat processor infrastructure grants that ended in FY 2024-25.

From FY 2023-24 through FY 2024-25, DATCP executed 29 dairy processor grants totaling $1.0 million and 48 meat processor infrastructure grants totaling $2.1 million. These grants ranged from $11,600 to $62,100. As of July 2025, DATCP had reimbursed a total of $378,900 and $687,800 respectively for the 29 dairy processor grants and the 48 meat processor infrastructure grants.

We found that DATCP did not sufficiently document justifications for the amounts it awarded to grant recipients and did not announce grants within the 90 days required by administrative rules. We also found that DATCP had not created monitoring plans as required by its grant policies and procedures and did not annually and independently verify the accuracy of information reported to it by a sample of grant recipients. In addition, we found DATCP did not consistently withhold specified amounts as final payments for the two programs and did not conduct follow-up surveys or publicly report on the extent to which the two programs achieved program goals. We make recommendations to DATCP for improvements.

We appreciate the courtesy and cooperation extended to us by DATCP. A response from the Secretary of DATCP follows the appendices.

Respectfully submitted,

Joe Chrisman
State Auditor

JC/ss

Introduction

State agencies typically administer state grant programs under authority granted by Wisconsin Statutes. State grants are funded primarily by state revenue, including general purpose revenue, program revenue, and segregated revenue. Depending upon their purposes, state grants may be awarded directly to entities such as local units of government, universities, law enforcement agencies, nonprofit organizations, telecommunications providers, businesses, or individuals. State agencies may also award grants to organizations, which then further distribute funds to entities or individuals. Some state grants may be awarded competitively while others may be awarded to those entities that meet certain criteria.

The Joint Legislative Audit Committee requested that we conduct an audit of the administration of state grants in order to evaluate:

- the statutory authority under which certain state grants operate;
- the policies and procedures that state agencies followed when managing certain state grants;
- the extent to which state agencies consistently followed policies and procedures and whether these policies and procedures were compliant with statutory and administrative rule requirements;
- the amounts of grant activity that occurred in recent years through certain state grants, including the amounts awarded and expended;

- the outcomes or results attained by certain state grants as reflected in the documentation of state agencies;

- how state agencies implemented program integrity efforts;

- the costs for state agencies to administer certain state grants;

- the extent to which state agencies have maintained sufficient and appropriate records to document decisions in administering certain state grants; and

- the extent to which state agencies can improve the administration of certain state grants.

To determine the specific state agencies and state grants to review, we considered risk-based criteria including but not limited to, whether state grant programs were newly created, state grant programs received significant increases or decreases in funding or experienced significant expansions or contractions in the scope of state grants management, state grant programs served considerable number of entities, state grant programs awarded grants to organizations that then further distributed funds, or had prior audit findings related to grant management.

As part of our ongoing evaluation of the administration of state grants, we selected two grant programs that the Department of Agriculture, Trade and Consumer Protection (DATCP) administered in fiscal year (FY) 2024-25:

- DATCP's Dairy Processor Grant program, which provides grants to individuals operating dairy processing plants and is established under ss. 20.115 (4) (dm) and 97.20 (1) (h), Wis. Stats.; and

- DATCP's Meat Processor Infrastructure Grant program, which provides grants to individuals operating meat processing facilities and is established under s. 93.68 (2), Wis. Stats.

As shown in Table 1, the State appropriated $1.2 million in the 2021-2023 biennium and $3.0 million in the 2023-2025 biennium to these two grant programs.

Table 1

Appropriated Amounts for Select Grant Programs, by Biennium
Since 2021-2023

DATCP Program	2021-2023	2023-2025
Dairy Processor Grant Program	$ 800,000	$ 1,000,000
Meat Processor Infrastructure Grant Program	400,000	2,000,000
Total	**$1,200,000**	**$3,000,000**

Grants and Expenditures

DATCP has administered the Dairy Processor Grant program since 2013.

Since 2013, DATCP has administered the Dairy Processor Grant program, which provides grants to individuals operating dairy processing plants. Dairy processor grants are designed to help implement projects that:

- increase production, profitability, processing, marketing, or distribution of Wisconsin dairy products;
- increase capital investment in the dairy industry;
- apply new technologies related to dairy production;
- improve the competitiveness of the Wisconsin dairy industry;
- make more efficient use of farmland and other agricultural resources for dairy production; or
- create or retain jobs in the dairy industry.

DATCP has administered the Meat Processor Infrastructure Grant program since 2021.

Since 2021, DATCP has administered the Meat Processor Infrastructure Grant program, which provides grants to individuals operating meat processing facilities. Meat processor infrastructure grants are designed to help implement projects that:

- increase a meat processing facility's harvest capacity by 20.0 percent or more per year;
- increase meat or meat product production that shows a benefit to harvest capacity within the supply chain;

- increase a meat processing facility's efficiency;
- improve the competitive position of the Wisconsin meat sector; or
- create employment opportunities in the Wisconsin meat sector.

2023 Wisconsin Act 19, the 2023-2025 Biennial Budget Act, appropriated $1.0 million in general purpose revenue for the Dairy Processor Grant program and $2.0 million in general purpose revenue for the Meat Processor Infrastructure Grant program. From FY 2023-24 through FY 2024-25, DATCP executed 29 dairy processor grants totaling $1.0 million and 48 meat processor infrastructure grants totaling $2.1 million, as shown in Table 2. These grants ranged from $11,600 to $62,100.

Table 2

Dairy Processor and Meat Processor Infrastructure Grants
FY 2023-24 through FY 2024-25

	Dairy Processor Grant Program		Meat Processor Infrastructure Grant Program	
Fiscal Year	Number	Awarded Amount	Number	Awarded Amount
2023-24	15	$ 500,000	39	$1,794,100
2024-25	14	500,000	9	258,400
Total	**29**	**$1,000,000**	**48**	**$2,052,500**

Figure 1 shows the locations of the 14 dairy processor grants and 9 meat processor infrastructure grants that DATCP executed during FY 2024-25. DATCP executed these grants as a result of its two most-recent rounds of dairy processor grants and its most-recent round of meat processor infrastructure grants at the time of our audit fieldwork.

Figure 1

Dairy Processor and Meat Processor Infrastructure Grants Executed During FY 2024-25, by Grant Recipient Location

As of July 2025, DATCP had reimbursed a total of $378,900 and $687,800 respectively for the Dairy Processor Grant and Meat Processor Infrastructure Grant programs for grants it executed from FY 2023-24 through FY 2024-25.

As of July 2025, DATCP had reimbursed a total of $378,900 and $687,800 respectively for the 29 dairy processor grants and the 48 meat processor infrastructure grants it executed from FY 2023-24 through FY 2024-25, as shown in Table 3. Reimbursements are less than the amounts awarded because not all grant recipients requested reimbursements for the full amounts of their grants, including grant recipients that had recently received grants in FY 2024-25. Dairy processor grants and meat processor infrastructure grants typically had performance periods of two years during which grant recipients can incur costs eligible for reimbursement.

Table 3

Dairy Processor and Meat Processor Infrastructure Grant Reimbursements as of July 2025
FY 2023-24 through FY 2024-25

	Dairy Processor Grant Program		Meat Processor Infrastructure Grant Program	
Fiscal Year	Amount Reimbursed	Reimbursements as a Percentage of Awarded Amount	Amount Reimbursed	Reimbursements as a Percentage of Awarded Amount
2023-24	$311,400	62.3%	$674,000	37.6%
2024-25	67,500	13.5	13,800	5.3
Total	**$378,900**	37.9	**$687,800**	33.5

DATCP identified two program staff in 2.0 full-time equivalent (FTE) positions as primarily responsible for administering both the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program. These 2.0 FTE employees had annualized salaries of $165,100 as of June 2025. We reviewed the position descriptions for the two staff and found they had responsibilities that spanned multiple grant programs at DATCP and referenced job duties unrelated to the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program.

DATCP also identified two additional employees in 2.0 FTE positions with responsibilities specific to the Dairy Processor Grant program or the Meat Processor Infrastructure Grant program. These two additional employees included a specialist whose responsibilities focused on economic development consulting for the dairy industry and a specialist whose responsibilities focused on economic development consulting for the livestock and meat industry. These two additional employees had annualized salaries of $156,100 as of June 2025.

Grant Stages

In general, state grants involve management of three stages:

- pre-award stage, which may include the documentation of grant management policies and procedures, an announcement of the grant application process and criteria for eligibility, the submission and review of a grant application, an assessment of any conflicts of interest for an applicant, a review of an applicant's financial condition, deliberation on a pool of applicants to select those that will advance, the awarding of a grant to a successful applicant, and the execution of a grant agreement or contract;

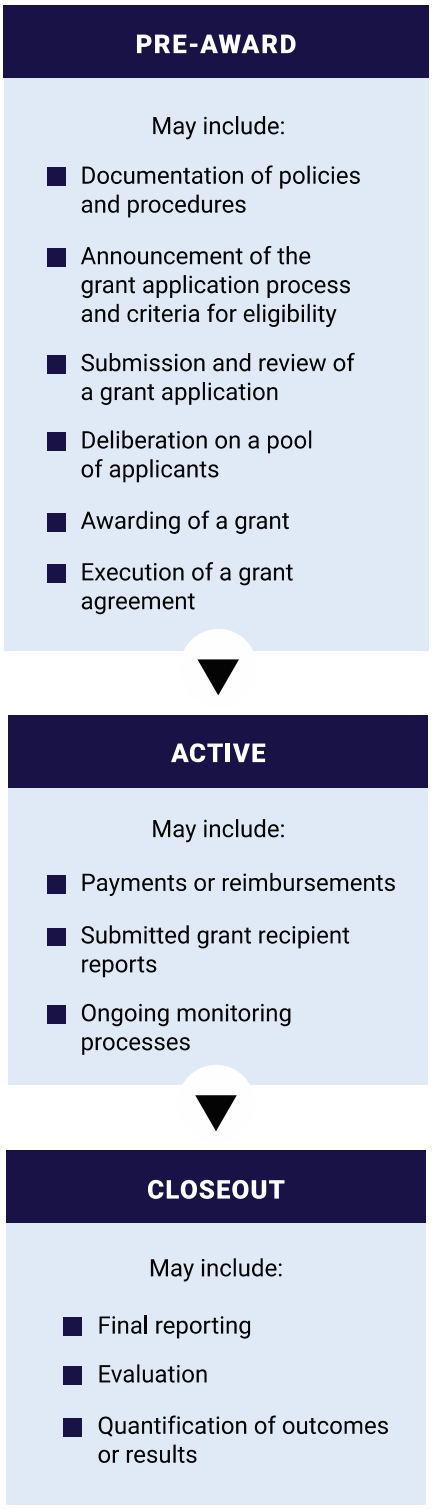
- active stage, which may include payments or reimbursements to a grant recipient, reports submitted by a grant recipient, and ongoing monitoring processes based on the terms of the grant agreement or contract; and

- closeout stage, which may include final reporting or evaluation in order for the state agency to quantify outcomes or results.

Figure 2 shows the stages of grant management and typical processes that occur at each stage.

Figure 2

Stages of Grant Management



Best Practices

To identify best practices for agencies that administer grant programs, we reviewed publicly available information, including:

- Federal Uniform Grant Guidance contained in Title 2, Subtitle A, Chapter II, Part 200 of the Code of Federal Regulations and other federal guidance to federal agencies administering grant programs;
- grant administration recommendations from the Government Finance Officers Association;
- reports from the U.S. Department of Justice's Office of the Inspector General and the U.S. Government Accountability Office; and
- reports from IBM's Center for Business Government, which funds third-party research with the goal of improving the effectiveness of government at the federal, state, local, and international levels and has published multiple reports on government grants.

Table 4 shows the five grant management best practices we identified based on our review.

Table 4

Grant Management Best Practices We Identified

Category	Grant Management Best Practices
Performance Measures	Establish measurable and attainable performance measures and reassess the appropriateness of these measures on an ongoing basis.
Eligibility Requirements	Provide applicants with criteria used to evaluate applications and select grant recipients.
Performance Reporting	Require performance reporting and complete steps to verify information reported by grant recipients.
Assessment	Assess the extent to which applicable performance measures were achieved following each grant cycle.
Transparency	Publicize grant outcomes information to demonstrate progress and ensure transparency.

To complete this evaluation of state grant programs, we:

- reviewed the policies and procedures of each grant program concerning the pre-award, active, and closeout stages of state grants;
- interviewed the state agencies responsible for administering the grant programs; and
- performed detailed reviews of executed grants and grants that ended, covering a total of 61 grants, to assess the pre-award, active, and closeout stages of state grants.

Many, but not all, state agencies administer state grants. In future audit work, we will select additional state grant programs for review.

■ ■ ■ ■

Pre-Award Stage

To assess DATCP's management of its pre-award stage of the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program, we reviewed each of the 14 dairy processor grants and each of the 9 meat processor infrastructure grants that DATCP executed in FY 2024-25. We found that DATCP did not complete all review activities for dairy processor grant proposals and could not verify that all review activities were completed for meat processor infrastructure grant proposals. We also found that DATCP did not formally assess whether grant proposers for the two grant programs were DATCP employees or parents, siblings, spouses, or children of DATCP employees. In addition, we found that DATCP did not sufficiently document its justifications for the amounts it awarded for the two grant programs and did not consistently comply with administrative rules pertaining to the announcement of grants. Further, we found that DATCP awarded meat processor infrastructure grants to grant recipients that were not yet operating meat processing facilities licensed by DATCP or the U.S. Department of Agriculture (USDA). We make recommendations to DATCP for improvements.

Pre-Award Stage Management

DATCP is required by s. ATCP 163.02 (1), Wis. Adm. Code to issue requests for grant proposals for the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program at least once during every state fiscal biennium for which grant funding is appropriated. Requests for grant proposals are required to contain certain information, including criteria for grant eligibility and format and content requirements for grant proposals.

A number of criteria must be considered by DATCP in its review of grant proposals, including:

- whether the proposed project complies with DATCP's request for grant proposals;
- whether the proposed project will meet the grant's objectives as listed in DATCP's request for grant proposals;
- the viability of the proposed project;
- the adequacy of the proposed project plan and budget; and
- the financial capacity of the grant proposer to complete the proposed project and provide any required matching funds.

In FY 2024-25, DATCP issued requests for grant proposals for the Dairy Processor Grant program in August 2024 and December 2024. As a result of these two requests for grant proposals, DATCP executed 14 dairy processor grants totaling $500,000. DATCP issued one FY 2024-25 request for grant proposals for the Meat Processor Infrastructure Grant program in January 2025. As a result of this request for grant proposals, DATCP executed nine meat processor infrastructure grants totaling $258,400.

Both FY 2024-25 Dairy Processor Grant program requests for grant proposals indicated that eligible grant proposers must:

- operate a licensed dairy processing plant that is located in Wisconsin and that is engaged in pasteurizing or manufacturing dairy products, or processing dairy products into other dairy products for sale or distribution;
- have a project that will make operational improvements, improve profitability, or involve a new process or innovation;
- have no outstanding state penalties or violations and be in good standing with the Wisconsin Department of Financial Institutions (DFI); and
- not be a DATCP employee, or a parent, sibling, spouse, or child of a DATCP employee.

The FY 2024-25 Meat Processor Infrastructure Grant program request for grant proposals indicated that eligible grant proposers must:

- operate a meat processing facility licensed by DATCP or the USDA that is located in Wisconsin and be engaged in livestock harvesting or further meat processing;
- have a project that will increase harvest capacity, either directly or upstream in the supply chain;
- have no outstanding state or federal penalties or violations and be in good standing with the Wisconsin Department of Revenue, DFI, DATCP, and the USDA; and
- not be a DATCP employee, or a parent, sibling, spouse, or child of a DATCP employee.

In July 2024, DATCP implemented grant policies and procedures for all newly executed grants.

In July 2024, DATCP implemented grant policies and procedures for all newly executed grants. In addition, the grant policies and procedures indicated that all existing grants were expected to comply with the grant policies and procedures as appropriate. DATCP indicated that it had no comprehensive grant policies and procedures prior to July 2024. The 14 FY 2024-25 dairy processor grants and 9 FY 2024-25 meat processor infrastructure grants were executed after DATCP's grant policies and procedures were in effect.

We reviewed each of the 14 dairy processor grants and each of the 9 meat processor infrastructure grants that DATCP executed in FY 2024-25.

To assess DATCP's management of its pre-award stage of the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program, we reviewed each of the 14 dairy processor grants and each of the 9 meat processor infrastructure grants that DATCP executed in FY 2024-25. The amounts associated with each of the 23 grants ranged from $18,300 to $50,000. Appendix 1 shows the 23 grant recipients, grant types, and grant amounts awarded.

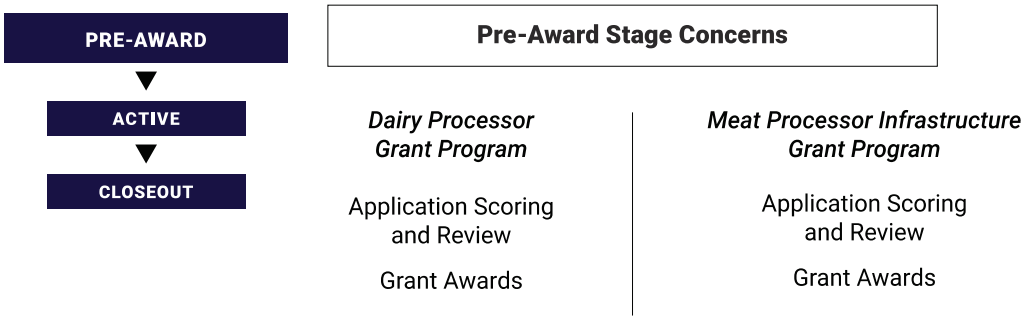
We reviewed each of the 21 dairy processor grants and each of the 17 meat processor infrastructure grants that ended in FY 2024-25.

We also reviewed each of the 21 dairy processor grants and each of the 17 meat processor infrastructure grants that ended in FY 2024-25. The amounts associated with each of the 38 grants ranged from $10,000 to $50,000. Appendix 2 shows the 38 grant recipients, grant types, fiscal years the grants were executed, and grant amounts awarded.

As shown in Figure 3, we identified two concerns with the pre-award stage of DATCP's Dairy Processor Grant program and Meat Processor Infrastructure Grant program.

Figure 3

Pre-Award Stage Concerns Identified



Application Scoring and Review

DATCP's grant policies and procedures indicated that after a grant proposal was received, program staff reviewed it to identify potential issues. The review process included a series of activities to review information from the State of Wisconsin Ineligible Vendor List, the Federal Debarment List, Wisconsin Circuit Court Access, DFI, the Wisconsin Department of Revenue, and the Wisconsin Department of Natural Resources (DNR), as well as internal information from DATCP.

We found that DATCP did not complete all review activities for dairy processor grant proposals in accordance with its grant policies and procedures.

We reviewed documentation for all dairy processor grant proposals DATCP received in FY 2024-25 in response to its August 2024 and December 2024 requests for grant proposals to determine whether DATCP had completed its review process in accordance with its grant policies and procedures. Although we found that DATCP completed certain review activities for all dairy processor grant proposals, we found that DATCP did not complete all review activities in accordance with its grant policies and procedures. For example:

- DATCP did not complete DNR-related review activities prior to executing the 14 FY 2024-25 dairy processor grant agreements. DATCP contacted DNR in November 2024 and January 2025 in order to complete review activities for the FY 2024-25 dairy processor grant proposals, but DNR did not respond. In March 2025, and after all 14 FY 2024-25 dairy processor grant agreements had been executed, DNR provided DATCP with a link to its review database. Although DATCP indicated it retroactively completed DNR-related review activities for the 14 FY 2024-25 dairy processor grants, it could not provide us with documentation verifying that these review activities occurred.

- DATCP did not document its review of the FY 2024-25 dairy processor grant proposals against the Federal Debarment List or the State of Wisconsin Ineligible Vendor List. Although DATCP indicated that it had completed such activities for the FY 2024-25 dairy processor grant proposals, it did not document this information because its review templates did not contain fields for such activities.

DATCP did not provide us with documentation verifying that all review activities were completed for meat processor infrastructure grant proposals.

To determine whether DATCP completed its review process in accordance with its grant policies and procedures, we also reviewed documentation for all meat processor infrastructure grant proposals DATCP received in FY 2024-25 in response to its January 2025 request for grant proposals. Although we found that DATCP completed certain review activities for all meat processor infrastructure grant proposals, we found that DATCP's documentation did not indicate that it had completed DNR-related review activities prior to executing the nine FY 2024-25 meat processor infrastructure grant agreements. On March 27, 2025, DNR provided DATCP with a link to its review database. DATCP indicated it completed DNR-related review activities on March 31, 2025, before the nine FY 2024-25 meat processor infrastructure grant agreements were executed from April 2025 through June 2025. However, DATCP did not provide us with documentation verifying that these review activities were completed.

DATCP should comply with its grant policies and procedures by completing each required review activity for each dairy processor grant proposal and meat processor infrastructure grant proposal it receives. DATCP should also consistently document the results of each required review activity. Doing so will help to ensure DATCP identifies potential issues during the grant proposal review process and considers those issues before executing grant agreements.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *comply with its grant policies and procedures by completing each required review activity for each dairy processor grant proposal and meat processor infrastructure grant proposal it receives;*

- *consistently document the results of each required review activity; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement these recommendations.*

DATCP's grant policies and procedures established a grant proposal review process that relies on the selection of outside individuals to perform reviews of grant proposals. Grant proposal reviewers selected by DATCP were typically industry experts with prior grant experience. DATCP's grant policies and procedures indicated that grant determinations were based on grant scoring criteria as well as grant proposal score ranks, comments, and knowledge from grant proposal reviewers.

DATCP established scoring criteria to evaluate the dairy processor grant proposals and the meat processor infrastructure grant proposals it received in FY 2024-25. The criteria included:

- 35 possible points for a statement of need, assessing the extent to which the proposed project met at least one of the program objectives;
- 25 possible points for activities and outcomes, assessing whether activities and outcomes were adequately explained, met project need or purpose, and included a reasonable proposed timeline;
- 20 possible points for a budget, assessing whether the budget was adequately explained, had only necessary items, was justifiable, and identified amounts to be reimbursed by the grant and amounts to serve as matching funds;
- 10 possible points for the overall grant proposal, assessing its organization and compliance with the requests for grant proposals; and
- 10 possible points for grant proposals that indicated industry-wide benefit or involved new or innovative processes.

In response to its three FY 2024-25 requests for grant proposals, DATCP received 31 dairy processor grant proposals totaling $1.3 million in funding requests and 51 meat processor infrastructure grant proposals totaling $2.2 million in funding requests. DATCP selected three reviewers to score each grant proposal and ranked proposals based on their average score. Program staff considered the rankings established by reviewers and provided DATCP's Office of the Secretary with award amount recommendations after considering additional factors such as past grants. For each round of grant proposals, the Secretary's Office approved the grant recipients and grant amounts as recommended by DATCP's program staff.

We found that DATCP did not sufficiently document its justifications for the amounts it awarded to dairy processor grant proposals.

We reviewed the scoring documentation for all FY 2024-25 dairy processor grant proposals and subsequent documentation provided to DATCP's Secretary's Office to assess the determinations DATCP made following its review of grant proposals. We found that DATCP did not sufficiently document its justifications for the amounts it awarded to dairy processor grant proposals. For example:

- In the first round of FY 2024-25 dairy processor grants, DATCP fully funded all grant proposals with average scores of 82 or above. In the second round of FY 2024-25 dairy processor grants, DATCP did not fully fund any grant proposal, despite all seven grant proposals receiving average scores higher than 82. DATCP did not document its justifications for the particular amounts it awarded to grant proposals for either round of FY 2024-25 dairy processor grants.

- In the second round of FY 2024-25 dairy processor grants, two grant proposals received average scores of 84. DATCP awarded both grant proposals $20,000. This award amount represented 80.0 percent of the requested amount for one grant proposal and 44.0 percent of the requested amount for the second grant proposal. DATCP did not document whether it considered amounts requested in grant proposals when making grant determinations.

- In the second round of FY 2024-25 dairy processor grants, DATCP awarded $25,000 to a grant proposal that received an average score of 89, which was the second-highest average score received in the second round of grant proposals. This grant amount represented 50.0 percent of the requested amount for the grant proposal. DATCP determined this grant amount despite having terminated a previous dairy processor grant with the same grant proposer in November 2024 because the grant proposer was unable to be contacted over the course of its prior two-year grant period. DATCP did not document whether it considered past grant performance when making grant determinations.

We found that DATCP did not sufficiently document its justifications for the amounts it awarded to meat processor infrastructure grant proposals.

We reviewed the scoring documentation for all FY 2024-25 meat processor infrastructure grant proposals and subsequent documentation provided to DATCP's Secretary's Office to assess the determinations DATCP made following its review of grant proposals. We found that DATCP did not sufficiently document its justifications for the amounts it awarded to meat processor infrastructure grant proposals. For example:

- One grant proposal received an average score of 94.7, which was the second-highest score to receive grant funding in the round. DATCP awarded the grant proposal $20,000, which represented 45.4 percent of the amount requested for the grant proposal. Another grant proposal received an average score of 85.3, which was the lowest score to receive grant funding in the round. DATCP awarded the grant proposal $25,000, which represented 50.0 percent of the amount requested for the grant proposal. Although the grant proposal that received an average score of 94.7 may have received a lesser percent of the amount requested due to license issues, DATCP did not document its justifications for the particular amounts it awarded to grant proposals for FY 2024-25 meat processor infrastructure grants.

- DATCP fully funded one grant proposal with an average score of 87.7. DATCP did not fully fund any other grant proposal, despite five FY 2024-25 meat processor infrastructure grant recipients receiving average scores higher than 87.7. Although DATCP may have fully funded the grant proposal because the grant recipient only requested $18,300, DATCP's documentation did not indicate whether it considered amounts requested in grant proposals when making award determinations.

- In DATCP's January 2025 request for grant proposals, DATCP indicated that preference may be given to grant proposers who do not have an open grant as of the close of the grant proposal period. One grant proposal received an average score of 90 but did not receive grant funding. The grant proposer had received a prior meat processor infrastructure grant, but the grant was no longer open as of the close of the grant proposal period. DATCP's documentation indicated the grant proposal did not receive funding because preference was given to other grant proposers that had not previously received DATCP grants. However, this justification differed from the information contained in the request for grant proposals. Five of the nine FY 2024-25 meat processor infrastructure grant recipients received lower average scores than this grant proposal.

Without documentation of justifications, it is unclear whether DATCP made grant determinations consistently and appropriately. Although DATCP's grant policies and procedures indicated that grant determinations are based on score ranks, comments, and knowledge from grant proposal reviewers, it did not specify factors to consider when determining award amounts. In addition, DATCP's grant policies and procedures do not require justifications to be documented when grant amounts differ from requested amounts and when staff elect not to award grant proposals.

DATCP should modify its grant policies and procedures to specify the factors program staff should consider when determining grant amounts to award to dairy processor grant proposals and meat processor infrastructure grant proposals. Such factors could include, but are not limited to, variance among grant proposal reviewer scores, amounts requested by grant proposals, and past grant performance. In addition, DATCP should document in writing its justifications for the particular amounts it determines to award to grant proposals, including when those amounts differ from requested amounts and when it elects not to award grant proposals. Doing so will help DATCP ensure that grant amounts are determined consistently and appropriately.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *modify its grant policies and procedures to specify the factors program staff should consider when determining grant amounts to award to dairy processor grant proposals and meat processor infrastructure grant proposals;*

- *document in writing its justifications for the particular amounts it determines to award to grant proposals, including when those amounts differ from requested amounts and when it elects not to award grant proposals; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement these recommendations.*

DATCP's grant policies and procedures required a conflict-of-interest policy to be signed by each grant proposal reviewer. We reviewed documentation for all grant proposals DATCP received in FY 2024-25 to determine the extent to which DATCP followed its conflict-of-interest procedures.

DATCP did not obtain signed conflict-of-interest policies from grant proposal reviewers as required by its grant policies and procedures.

We found that DATCP did not obtain signed conflict-of-interest policies from grant proposal reviewers. DATCP instead provided grant proposal reviewers with instructions and written expectations indicating reviewers were to self-report any potential conflicts of interest. DATCP indicated it did not require signatures from grant proposal reviewers because it considered its July 2024 grant policies and procedures to be relatively new when the grant proposals for the grants executed in FY 2024-25 were reviewed.

DATCP's FY 2024-25 requests for grant proposals required that grant proposers not be a DATCP employee or a parent, sibling, spouse, or child of a DATCP employee. However, DATCP's grant policies and procedures did not include similar requirements.

DATCP did not formally assess whether grant proposers were DATCP employees or parents, siblings, spouses, or children of DATCP employees.

We reviewed documentation for all grant proposals DATCP received in FY 2024-25 to determine whether DATCP had formally assessed whether grant proposers were DATCP employees or parents, siblings, spouses, or children of DATCP employees. Although DATCP indicated that such information was obtained informally through discussions with grant proposers, we found that DATCP did not conduct such assessments and, therefore, had no documentation to indicate whether this requirement had been satisfied for any of the 14 dairy processor grants or any of the 9 meat processor infrastructure grants executed in FY 2024-25.

DATCP should comply with its grant policies and procedures by requiring reviewers of dairy processor grant proposals and meat processor infrastructure grant proposals to sign conflict-of-interest policies, and it should permit only those reviewers who sign such policies to review grant proposals. In addition, DATCP should modify its grant policies and procedures to establish a process to formally assess whether grant proposers are ineligible for grants as stated in the requests for grant proposals because they are DATCP employees or parents, siblings, spouses, or children of DATCP employees. Doing so will ensure that conflicts of interest are identified and accounted for during the application scoring and review process.

☑ Recommendation

We recommend that the Department of Agriculture, Trade and Consumer Protection:

- *comply with its grant policies and procedures by requiring reviewers of dairy processor grant proposals and meat processor infrastructure grant proposals to sign conflict-of-interest policies;*

- *permit only those reviewers who sign such policies to review grant proposals;*

- *modify its grant policies and procedures to establish a process to formally assess whether grant proposers are ineligible for grants as stated in the requests for grant proposals because they are DATCP employees or parents, siblings, spouses, or children of DATCP employees; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement these recommendations.*

Grant Awards

DATCP is required by s. ATCP 163.03 (1), Wis. Adm. Code to evaluate grant proposals and announce grants within 90 days of the deadline to submit grant proposals as identified within the request for grant proposals. DATCP published press releases announcing the recipients of dairy processor grants and meat processor infrastructure grants to comply with this requirement. In addition, administrative rules specify that all grant proposals are open to public inspection after the awarding of grants.

DATCP did not announce grants within the 90 days required by administrative rules.

We reviewed the grant proposal deadlines and corresponding grant announcements of past dairy processor grant rounds and past meat processor infrastructure grant rounds to determine the extent to which DATCP met the 90-day requirement. As shown in Table 5, we found that DATCP did not announce grants within 90 days for five of its past six dairy processor grant rounds and for three of its past four meat processor infrastructure grant rounds.

Table 5

Number of Days After Grant Proposal Deadlines That Grant Announcements Occurred

Round	Grant Proposal Deadline	Date of Announcement	Difference (in days)[1]
Dairy Processor Grant Program			
FY 2020-21	January 15, 2021	May 18, 2021	123
FY 2021-22	January 7, 2022	April 27, 2022	110
FY 2022-23	January 30, 2023	May 15, 2023	105
FY 2023-24	October 13, 2023	January 31, 2024	110
FY 2024-25 (Round 1)	October 7, 2024	December 10, 2024	64
FY 2024-25 (Round 2)	January 17, 2025	June 12, 2025	146
Meat Processor Infrastructure Grant Program			
FY 2021-22	January 14, 2022	May 5, 2022	111
FY 2022-23	March 17, 2023	May 10, 2023	54
FY 2023-24	March 8, 2024	June 26, 2024	110
FY 2024-25	February 24, 2025	July 30, 2025	156

[1] DATCP is required by s. ATCP 163.03 (1), Wis. Adm. Code to evaluate grant proposals and announce grants within 90 days of the deadline to submit grant proposals as identified within the request for grant proposals.

DATCP indicated it waited to publish the press release announcing grant recipients for a given round until all grant agreements were executed. Although we found that all grant agreements were executed for the second round of FY 2024-25 dairy processor grants 21 days before the deadline established by DATCP's request for grant proposals and administrative rules, DATCP did not publish the press release for that round until 56 days after the deadline. In addition, although all FY 2024-25 meat processor infrastructure grant agreements were executed by June 10, 2025, 16 days after the deadline established by DATCP's request for grant proposals and administrative rules, DATCP did not publish the press release for that round until 66 days after the deadline.

Administrative rules do not permit DATCP to extend the period of time it has to evaluate grant proposals and announce grants past 90 days. DATCP should comply with administrative rules by evaluating dairy processor grant proposals and meat processor infrastructure grant proposals and announcing grants within 90 days of the deadline to submit grant proposals. Doing so will ensure that the opportunity for public inspection of grant proposals is not delayed.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *comply with s. ATCP 163.03 (1), Wis. Adm. Code, by evaluating dairy processor grant proposals and meat processor infrastructure grant proposals and announcing grants within 90 days of the deadline to submit grant proposals; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement this recommendation.*

To be eligible for funding, DATCP's FY 2024-25 Meat Processor Infrastructure Grant program request for grant proposals indicated that grant proposers must operate a meat processing facility licensed by DATCP or the USDA.

We reviewed documentation for all meat processor infrastructure grant proposals DATCP received in FY 2024-25 to determine the extent to which DATCP considered grant proposer licenses when making grant determinations. We found that in one case, grant proposal reviewers recommended a grant proposal for funding despite the grant proposer not having such a license. DATCP subsequently awarded the grant proposer a $20,000 meat processor infrastructure grant. DATCP's grant agreement specified that the grant recipient was required to obtain a license during its performance period and would not be reimbursed for eligible expenses prior to obtaining a license.

We also reviewed the documentation associated with the 17 meat processor infrastructure grants that ended in FY 2024-25 to determine the extent to which DATCP considered such licenses when administering the Meat Processor Infrastructure Grant program in past grant rounds. We found that one of the grant recipients did not have a license at any point during its performance period, despite its grant agreement requiring that it have and maintain such a license during its performance period. We found that DATCP fully reimbursed this grant recipient its $25,000 meat processor infrastructure grant, but because the grant recipient had not obtained a license as of the end of its performance period, DATCP approved a one-year extension through May 2026 for the grant recipient to obtain a license. DATCP indicated it planned to recoup amounts paid to the grant recipient if a license is not obtained by May 2026.

DATCP indicated that future rounds of grant funding would be available only for those meat processing facilities that are licensed at the time of grant proposal submission. However, as noted, DATCP's FY 2024-25 request for grant proposals indicated that grant proposers must operate a meat processing facility licensed by DATCP or the

USDA to be eligible for funding under the program, but DATCP awarded a grant to a grant proposer without such a license.

As noted, providing applicants with criteria used to evaluate applications and select grant recipients is a grant management best practice. As required by its requests for grant proposals, DATCP should award meat processor infrastructure grants to only those grant proposers that are licensed. Doing so will ensure that publicly available eligibility criteria accurately represent DATCP's process for determining meat processor infrastructure grants.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *award meat processor infrastructure grants to only those grant proposers that are licensed, as required by its requests for grant proposals; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement this recommendation.*

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Active Stage

To assess DATCP's management of its active stage of the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program, we reviewed each of the 14 dairy processor grants and each of the 9 meat processor infrastructure grants that DATCP executed in FY 2024-25. We also reviewed each of the 21 dairy processor grants and each of the 17 meat processor infrastructure grants that ended in FY 2024-25. We found DATCP had not created monitoring plans as required by its grant policies and procedures. We also found that grant recipients did not consistently submit semiannual performance reports to DATCP in accordance with their grant agreements. In addition, we found that DATCP did not comply with its dairy processor grant agreements that required grant recipients to submit two to four reimbursement requests each year. Further, we found that site visit documentation did not contain all information required by DATCP's grant policies and procedures. We make recommendations to DATCP for improvements.

Active Stage Management

Dairy processor grants and meat processor infrastructure grants typically had performance periods of two years during which grant recipients can incur costs eligible for reimbursement. Dairy processor grant recipients were required to expend matching funds of at least 20.0 percent of the total grant. Meat processor infrastructure grant recipients were required to expend matching funds of at least 100.0 percent of the total grant. Grant recipients were required to report expenditures of matching funds and expenditures eligible for reimbursement. Dairy processor grant agreements and meat processor infrastructure grant agreements required grant recipients to submit semiannual performance reports

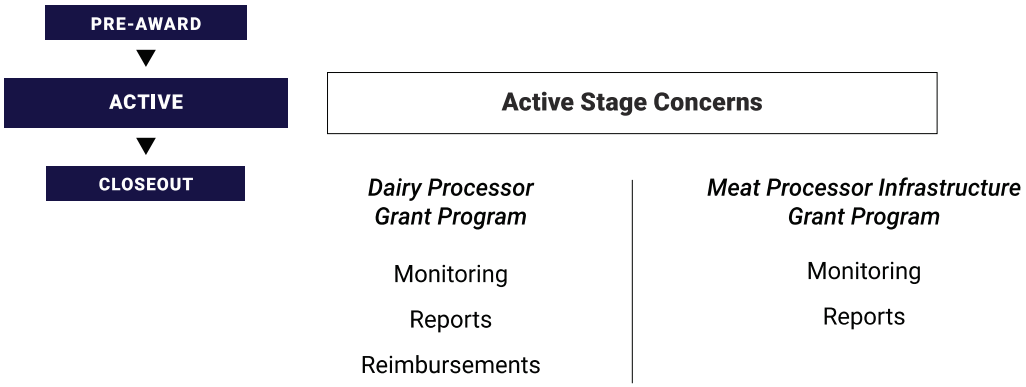
while their grants were ongoing. Reimbursement payments were contingent on DATCP's receipt of these performance reports.

To assess DATCP's management of its active stage of the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program, we reviewed each of the 14 dairy processor grants and each of the 9 meat processor infrastructure grants that DATCP executed in FY 2024-25. We also reviewed each of the 21 dairy processor grants and each of the 17 meat processor infrastructure grants that ended in FY 2024-25.

As shown in Figure 4, we identified three concerns with the active stage of DATCP's Dairy Processor Grant program and two concerns with the active stage of DATCP's Meat Processor Infrastructure Grant program.

Figure 4

Active Stage Concerns Identified



Monitoring

DATCP had not created a monitoring plan for the Dairy Processor Grant program or the Meat Processor Infrastructure Grant program at the time of our audit fieldwork.

DATCP's grant policies and procedures required a monitoring plan to be created for the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program. Monitoring plans were required to include monitoring procedures applicable to all grant recipients, assess compliance with reimbursement requirements, and assess compliance with statutory requirements. In addition, monitoring plans were required to include a risk analysis. DATCP had not created a monitoring plan for the Dairy Processor Grant program or the Meat Processor Infrastructure Grant program at the time of our audit fieldwork.

In addition, DATCP's grant policies and procedures required program staff to assess the risk level of all grant recipients. To complete the risk assessment, grant recipients responded to a DATCP-provided survey that was used to evaluate their internal processes and financial- and business-operation capabilities. Using this self-reported information, DATCP assigned each grant recipient a risk level of low-, medium-, or high-risk. DATCP indicated that it used this risk level to inform future monitoring activities.

We reviewed the risk assessment documentation for the 14 dairy processor grants and the 9 meat processor infrastructure grants executed in FY 2024-25 to determine whether DATCP's risk assessment processes were sufficient. We found that DATCP determined 10 of these 23 grant recipients were low-risk, 13 were medium-risk, and none were high-risk. However, we also found that:

- DATCP did not verify information grant recipients reported to it in risk surveys for either grant program;
- although DATCP's grant policies and procedures indicated the risk assessment for grant recipients would be evaluated and reevaluated as necessary to inform monitoring activities, DATCP indicated it only completed risk assessments at the time of grant agreement execution; and
- DATCP identified that one dairy processor grant recipient had falsely answered a question in its risk survey, but DATCP did not take action because updating the answer to the question would not have changed the grant recipient's overall risk level.

In addition, we found that grant recipients could identify a number of potential concerns and still not be determined as high-risk according to risk level thresholds established by DATCP. In order to be determined as high-risk, a grant recipient needed to receive a score of 30 on DATCP's risk survey. For example, 1 of the 14 dairy processor grant recipients received a score of 20 on its risk survey while indicating that it:

- had been in operation for four years or less and did not have a board of directors or similar management and oversight body;
- had not had a financial statement audit performed in the last three years;
- did not have written financial and accounting procedures, procurement and purchasing procedures, or asset management procedures; and
- did not have sufficient internal controls to establish segregation of financial duties.

Further, we found that one of the nine meat processor infrastructure grant recipients received a score of 29 on its risk survey while indicating that it:

- had not received a federal or state grant within the last five years;
- had no staff members with experience managing a federal or state grant, but did not expect to hire a consultant to manage the grant;
- did not have a board of directors or similar management and oversight body;
- made use of a manual accounting system;
- had not had a financial statement audit performed in the last three years;
- did not have written documentation retention procedures, financial and accounting procedures, procurement and purchasing procedures, or asset management procedures; and
- did not have sufficient internal controls to establish segregation of financial duties.

DATCP should comply with its grant policies and procedures by creating and following monitoring plans for the Dairy Processor Grant program and Meat Processor Infrastructure Grant program. Doing so will strengthen DATCP's program integrity efforts by ensuring DATCP consistently and effectively monitors grant recipients. Such monitoring plans should include:

- a process by which DATCP can independently verify risk survey responses provided by grant recipients to help ensure the validity of survey responses it obtains;
- the specific situations in which DATCP will reevaluate the risk level of grant recipients to inform monitoring activities; and
- a schedule by which DATCP will periodically review the risk scores produced by past risk surveys, assess whether the distribution of low-, medium-, and high-risk grant recipients is appropriate, and make changes to its risk level thresholds as necessary to ensure it is effectively monitoring the Dairy Processor Grant program and Meat Processor Infrastructure Grant program.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *comply with its grant policies and procedures by creating and following monitoring plans for the Dairy Processor Grant program and Meat Processor Infrastructure Grant program; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement this recommendation.*

Administrative rules require DATCP to annually and independently verify, from a sample of grant recipients, the accuracy of information reported to it as required under grant agreements. DATCP indicated that it considers its day-to-day administration of dairy processor grants and meat processor infrastructure grants to satisfy this administrative rule requirement but that no additional verification steps are completed for the grant programs.

DATCP's grant policies and procedures required DATCP to complete site visits for a random sample of 10.0 percent or less of high-risk grant recipients.

DATCP's grant policies and procedures required DATCP to complete site visits for a random sample of 10.0 percent or less of high-risk grant recipients. As noted, none of the grant recipients with awards executed in FY 2024-25 for the two programs was determined by DATCP to be high-risk. In addition, DATCP indicated it had not determined risk levels for the grant recipients with grants that ended in FY 2024-25 because the grants had been executed prior to the implementation of DATCP's July 2024 grant policies and procedures. However, as noted, DATCP's grant policies and procedures indicated that all existing grants were expected to comply with the grant policies and procedures, as appropriate. None of the grants that was executed or that ended in FY 2024-25 for the two programs was assigned a risk level that required site visits.

DATCP's grant policies and procedures indicated that the standard schedule for site visits to high-risk grant recipients was once a year. Program staff were required to document in a site visit report the date of the site visit, the issues reviewed, and the grant recipient's plan to resolve issues. In addition, DATCP's site visit report required program staff to record a list of expenses to be reviewed and photo evidence or other documentation obtained during the visit.

DATCP's dairy processor grant site visit documentation did not contain all information required.

Although the risk profiles of the grant recipients did not require DATCP to do so, DATCP completed one site visit for 1 of the 14 dairy processor grants executed in FY 2024-25 and one site visit for 1 of the 21 dairy processor grants that ended in FY 2024-25. We reviewed the site visit documentation associated with the two site visits to determine whether DATCP had sufficiently verified information reported by grant recipients. We found that the site visit report completed for the grant that ended in FY 2024-25 did not contain all information

required. The documentation did not verify the expenses to be reviewed and did not include photo evidence or other documentation obtained during the visit.

DATCP's meat processor infrastructure grant site visit documentation did not contain all information required.

Although the risk profiles of the grant recipients did not require DATCP to do so, DATCP completed a site visit for 6 of the 17 meat processor infrastructure grants that ended in FY 2024-25. We reviewed the site visit documentation associated with the six site visits to determine whether DATCP had sufficiently verified information reported by grant recipients. We found that the site visit reports did not contain all information required. The documentation did not verify the extent to which grant recipients met project performance goals and did not include photo evidence or other documentation obtained during the visits.

DATCP should comply with its grant policies and procedures for the Dairy Processor Grant program and Meat Processor Infrastructure Grant program by determining risk levels for all grant recipients with active grants, regardless of whether their grants were executed prior to the implementation of DATCP's July 2024 grant policies and procedures. In addition, DATCP should establish a minimum percentage of grant recipients that it will conduct site visits for each year, regardless of risk level. Finally, DATCP should consistently verify information reported by grant recipients when it completes site visits, and document such verification, including the verification of expenses and photo evidence or other documentation obtained during the visits. Doing so will strengthen DATCP's program integrity efforts by ensuring that DATCP considers all grant recipients determined to be high-risk when completing site visits and annually and independently verifies the accuracy of information reported to it by a sample of grant recipients.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *comply with its grant policies and procedures for the Dairy Processor Grant program and Meat Processor Infrastructure Grant program by determining risk levels for all grant recipients with active grants, regardless of whether their grants were executed prior to the implementation of DATCP's July 2024 grant policies and procedures;*

- *establish a minimum percentage of grant recipients that it will conduct site visits for each year, regardless of risk level;*

- *consistently verify information reported by grant recipients when it completes site visits, and document such verification, including the verification of expenses and photo evidence or other documentation obtained during the visits; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement these recommendations.*

Reports

DATCP's grant agreements for the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program specified that grant recipients may be required to return all previously disbursed funds to DATCP and may be removed from future funding opportunities if they did not submit reports on time or submitted incomplete reports. In addition, grant agreements indicated that reports 30 or more days overdue may result in reimbursements being withheld pending submission of reports. Although both grant programs required semiannual performance reports, the content required in the reports differed.

Semiannual performance reports were required by dairy processor grant agreements to include:

- a brief summary of activities performed and targets or performance goals achieved during the reporting period for the project;

- a discussion of any unexpected delays or impediments as well as favorable or unusual developments for the project;

- a quantitative summary illustrating the increase in dairy farms where milk is taken from, projected monetary benefits, new or retained jobs, and new investment during the reporting period due to project work;

- an outline of work to be performed during the next reporting period of the project; and

- an explanation of the grant funds expended to date for the project.

We found that dairy processor grant recipients did not consistently submit semiannual performance reports to DATCP in accordance with their grant agreements.

We reviewed the semiannual performance reporting documentation for the 21 dairy processor grants that ended in FY 2024-25. We found that grant recipients did not consistently submit semiannual performance reports to DATCP in accordance with their grant agreements. Of the 21 dairy processor grants that ended in FY 2024-25, we found that:

- 11 grant recipients submitted semiannual performance reports after deadlines specified in their grant agreements;
- 8 grant recipients did not submit all of the semiannual performance reports required by their grant agreements while their grants were ongoing; and
- 3 grant recipients submitted semiannual performance reports that did not contain all required information. For example, one grant recipient submitted its first two semiannual performance reports to DATCP without outlines of work to be performed in upcoming reporting periods.

Semiannual performance reports are required by meat processor infrastructure grant agreements to include:

- the project status;
- steps completed in the last six months;
- actions to be completed in the next six months; and
- any barriers or issues with the project.

We found that meat processor infrastructure grant recipients did not consistently submit semiannual performance reports to DATCP in accordance with their grant agreements.

We reviewed the semiannual performance reporting documentation for the 17 meat processor infrastructure grants that ended in FY 2024-25. We found that grant recipients did not consistently submit semiannual performance reports to DATCP in accordance with their grant agreements. We found that four grant recipients submitted semiannual performance reports after deadlines specified in their grant agreements and two grant recipients did not submit all of the semiannual performance reports required by their grant agreements while the awards were ongoing.

DATCP indicated it would require repayment of grant funds or withhold funding for issues related to a grant recipient's performance reporting if such reporting was deemed insufficient. However, we found that DATCP did not require repayment of grant funds or withhold reimbursements from any grant recipient with late, missing, or incomplete performance reports for either grant program. DATCP indicated it did not consider semiannual reports submitted to be

incomplete, in part, because grant recipients submitted final reports that indicated projects had ended.

As noted, requiring performance reporting and completing steps to verify information reported by grant recipients is a grant management best practice. DATCP should comply with its grant agreements for dairy processor grants and for meat processor infrastructure grants by ensuring that semiannual performance reports contain all information required and fulfill reimbursement requests only after grant recipients provide all required performance reporting information. Doing so will strengthen DATCP's program integrity efforts by ensuring that funding is being used as intended under the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *comply with its grant agreements for dairy processor grants and for meat processor infrastructure grants by ensuring that semiannual performance reports contain all information required;*

- *fulfill reimbursement requests only after grant recipients provide all required performance reporting information; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement these recommendations.*

Reimbursements

Beginning in FY 2022-23, DATCP's dairy processor grant agreements required grant recipients to submit at least two but no more than four reimbursement requests each year of the performance period. This requirement was included in the grant agreements for 15 of the 21 dairy processor grants that ended in FY 2024-25, but was not included in the grant agreements for the 17 meat processor infrastructure grants that ended in FY 2024-25. DATCP indicated it included this requirement to limit the number of reimbursement requests grant recipients could submit in a given year.

Although 12 grant recipients did not submit the required number of reimbursement requests in each year of their performance period, DATCP paid reimbursement requests despite this grant agreement requirement not being met.

We reviewed the reimbursement documentation for the 15 dairy processor grants that ended in FY 2024-25 and required two to four reimbursement requests each year to determine the extent to which DATCP received a sufficient number of reimbursement requests from each grant recipient. Although 12 of these 15 grant recipients did not submit the required number of reimbursement requests in each year of their performance period, DATCP paid reimbursement requests despite this grant agreement requirement not being met. For example, DATCP paid single reimbursement requests totaling 100.0 percent of the amount awarded for 9 of the 15 grant recipients.

DATCP should comply with its dairy processor grant agreements that require grant recipients to submit at least two but no more than four reimbursement requests each year of the performance period. Doing so will strengthen DATCP's program integrity efforts by providing additional opportunities to assess grant progress and verify eligible costs.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *comply with its dairy processor grant agreements that require grant recipients to submit at least two but no more than four reimbursement requests each year of the performance period; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement this recommendation.*

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Closeout Stage

To assess DATCP's management of its closeout stage of the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program, we reviewed each of the 21 dairy processor grants and each of the 17 meat processor infrastructure grants that ended in FY 2024-25. We found that DATCP did not consistently comply with its grant agreements by withholding specified amounts as final payments for the two programs. We also found that final performance reports submitted to DATCP for the Dairy Processor Grant program did not consistently contain all required information. In addition, we found that DATCP did not conduct follow-up surveys and did not publicly report on the extent to which the two programs achieved program goals. We make recommendations to DATCP for improvements.

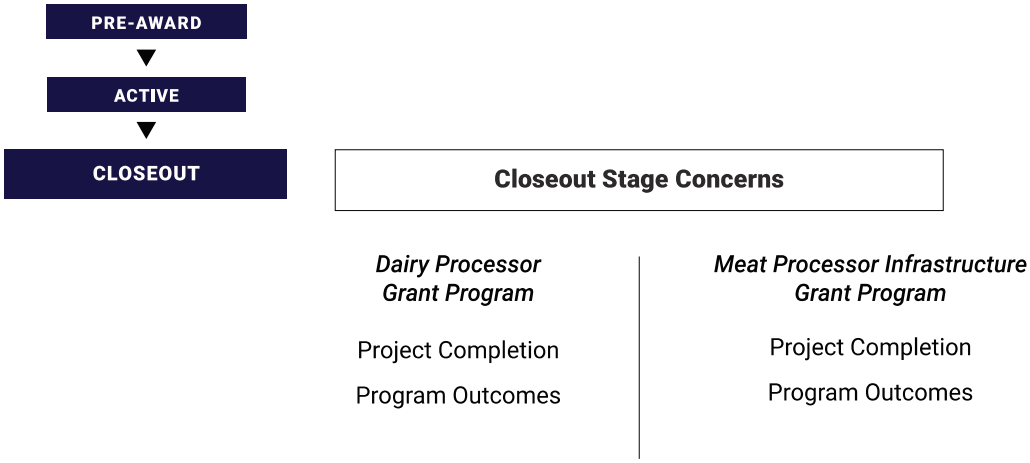
Closeout Stage Management

To assess DATCP's management of its closeout stage of the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program, we reviewed each of the 21 dairy processor grants and each of the 17 meat processor infrastructure grants that ended in FY 2024-25.

As shown in Figure 5, we identified two concerns with the closeout stage of DATCP's Dairy Processor Grant program and Meat Processor Infrastructure Grant program.

Figure 5

Closeout Stage Concerns Identified



Project Completion

DATCP's dairy processor grant agreements required final performance reports to be submitted to DATCP no more than 60 days after the project completion date. Final performance reports were required to include:

- a brief description of the original intent and perceived benefit of the project;
- a discussion of how the goals of the project were achieved;
- a quantitative summary describing the increase in dairy farms where milk is taken from, projected monetary benefits, new or retained jobs, and new investment during the reporting period due to project work;
- a discussion of results, conclusions, and lessons learned for the project;
- additional information available related to the project, such as publications or websites; and
- a contact person for the project, with a telephone number and an email address.

We reviewed the final performance reporting documentation for the 21 dairy processor grants that ended in FY 2024-25. We found that 13 of the 21 grant recipients submitted final performance reports that did not contain all required information. This included 10 final performance reports missing contact information, one final performance report missing a quantitative summary, and two final performance reports missing both contact information and quantitative summaries.

We found that DATCP did not follow up with the dairy processor grant recipients that were missing information in their final performance reports. DATCP indicated that when final performance reports were missing contact information, it would identify the information based on other communications sent throughout the grant project.

DATCP should comply with its dairy processor grant agreements by requiring grant recipients to submit final performance reports that contain all required information and fulfill final reimbursement requests only after grant recipients provide complete performance reporting information. Doing so will strengthen DATCP's program integrity efforts by ensuring DATCP has complete information when considering final reimbursement requests.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *comply with its dairy processor grant agreements by requiring grant recipients to submit final performance reports that contain all required information;*

- *fulfill final reimbursement requests only after grant recipients provide complete performance reporting information; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement these recommendations.*

Grant agreements required grant recipients to submit their final reimbursement requests within 60 days after the end of the performance period in order to receive payment. Grant agreements indicated that requests submitted after that date would be denied unless pre-approval for late submission is provided by DATCP.

DATCP paid one grant recipient following a single reimbursement request that was submitted 341 days after the end of the performance period specified in its grant agreement.

We reviewed the 38 grants that ended in FY 2024-25 and found that DATCP paid one dairy processor grant recipient following a single reimbursement request that was submitted 341 days after the end of the performance period specified in its grant agreement. DATCP indicated that it decided to process the payment once the reimbursement request was submitted despite the grant recipient not meeting the 60-day requirement and not having pre-approval to do so, in part, because DATCP wanted the project to succeed and part of the delay was due to difficulties in obtaining required documentation. DATCP reimbursed 100.0 percent of the grant recipient's request, which was for 73.8 percent of its total grant.

DATCP should comply with its dairy processor grant agreements by approving only those final reimbursement requests that are submitted within 60 days after the end of a grant recipient's performance period, unless it provides pre-approval for late submission. Doing so will strengthen DATCP's program integrity efforts by ensuring it can review final reimbursement requests shortly after grant performance periods end.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *comply with its dairy processor grant agreements by approving only those final reimbursement requests that are submitted within 60 days after the end of a grant recipient's performance period, unless it provides pre-approval for late submission; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement this recommendation.*

DATCP's FY 2024-25 Dairy Processor Grant program requests for grant proposals prohibited single, large reimbursements at the end of grant projects. Grant agreements for each of the 21 dairy processor grants that ended in FY 2024-25 required DATCP to withhold a final payment of 20.0 percent of the grant recipient's total grant pending receipt of both a final reimbursement request and final report. Grant agreements for the 17 meat processor infrastructure grants that ended in FY 2024-25 required DATCP to withhold a final payment of 25.0 percent of the grant recipient's total grant pending receipt of both a final reimbursement request and final report.

We found that DATCP paid more than 20.0 percent of the total grants as a final payment for 17 of the 21 dairy processor grants that ended in FY 2024-25.

We reviewed the reimbursement documentation for the 21 dairy processor grants that ended in FY 2024-25 to determine the extent to which DATCP appropriately withheld 20.0 percent of total grants for final payments. We found that DATCP paid more than 20.0 percent of the total grants as a final payment for 17 of the 21 dairy processor grants that ended in FY 2024-25. For 2 of the 21 grant recipients, there were no reimbursement requests submitted. Of the remaining 19 grant recipients:

- 13 grant recipients received a single reimbursement of 100.0 percent of the total grant at the end of their grant project;
- 4 grant recipients received multiple reimbursements, with their final payment exceeding 20.0 percent of the total grant; and
- 2 grant recipients received multiple reimbursements, with their final payment worth exactly 20.0 percent of the total grant, as expected under their grant agreements.

We also found that DATCP made a single reimbursement of 100.0 percent of a dairy processor grant before documentation indicated that the grant recipient had completed all project activities for the grant. In July 2023, DATCP executed its dairy processor grant agreement with the grant recipient to complete a packaging redesign. The performance period for the grant was from April 2023 through March 2025. On October 23, 2024, which was one day after the final performance report was submitted to DATCP, DATCP sent the grant recipient a closeout letter and approved its single reimbursement request. In the grant recipient's final performance report, the grant recipient indicated that the project was expected to begin on October 23, 2024. DATCP indicated it chose to reimburse the grant recipient and close the grant because the grant recipient had incurred all grant costs and was working to complete the project. Although DATCP indicated it remained in contact with the grant recipient about the project's progress, it could not provide us with documentation of additional project progress.

We found that DATCP paid more than 25.0 percent of the total grants as a final payment for 14 of the 17 meat processor infrastructure grants that ended in FY 2024-25.

We reviewed the reimbursement documentation for the 17 meat processor infrastructure grants that ended in FY 2024-25 to determine the extent to which DATCP appropriately withheld 25.0 percent of total grants for final payments. We found that DATCP paid more than 25.0 percent of the total grant as a final payment for 14 of the 17 meat processor infrastructure grants that ended in FY 2024-25. For 1 of the 17 grant recipients, there were no reimbursement requests submitted. Of the remaining 16 grant recipients:

- 7 grant recipients received a single reimbursement of 100.0 percent of the total grant at the end of their grant project;

- 7 grant recipients received multiple reimbursements, with their final payment exceeding 25.0 percent of the total grant;

- 1 grant recipient received multiple reimbursements, with a final payment of 25.0 percent of the total grant, as expected under its grant agreement; and

- 1 grant recipient received multiple reimbursements, with a final payment of less than 25.0 percent of the total grant. DATCP fully reimbursed the grant recipient's initial reimbursement request, which represented 75.0 percent of the total grant. The grant recipient's second and final reimbursement request represented 16.9 percent of the total grant, which DATCP also fully reimbursed.

DATCP should comply with its grant agreements by withholding a final payment of 20.0 percent for dairy processor grants and 25.0 percent for meat processor infrastructure grants pending receipt of both a final reimbursement request and final report. Doing so will strengthen DATCP's program integrity efforts by allowing DATCP to observe grant project progress prior to approving final payments.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *comply with its grant agreements by withholding a final payment of 20.0 percent for dairy processor grants and 25.0 percent for meat processor infrastructure grants pending receipt of both a final reimbursement request and final report; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement this recommendation.*

Program Outcomes

As noted, dairy processor grants were designed to help implement projects that:

- increased production, profitability, processing, marketing, or distribution of Wisconsin dairy products;

- increased capital investment in the dairy industry;

- applied new technologies related to dairy production;
- improved the competitiveness of the Wisconsin dairy industry;
- made more efficient use of farmland and other agricultural resources for dairy production; or
- created or retained jobs in the dairy industry.

As noted, meat processor infrastructure grants were designed to help implement projects that:

- increased a meat processing facility's harvest capacity by 20.0 percent or more per year;
- increased meat or meat product production that showed a benefit to harvest capacity within the supply chain;
- increased a meat processing facility's efficiency;
- improved the competitive position of the Wisconsin meat sector; or
- created employment opportunities in the Wisconsin meat sector.

DATCP's dairy processor grant agreements and meat processor infrastructure grant agreements permitted DATCP to conduct follow-up surveys of grant recipients after grants had ended in order to assess the long-term impacts of the program. We requested that DATCP provide us with any follow-up surveys it had conducted of grant recipients in order to assess information grant recipients had reported.

DATCP indicated it had not conducted follow-up surveys for the Dairy Processor Grant program or the Meat Processor Infrastructure Grant program at the time of our audit fieldwork.

DATCP indicated it had not conducted follow-up surveys for the Dairy Processor Grant program or the Meat Processor Infrastructure Grant program at the time of our audit fieldwork because it instead completed informal follow-ups with prior grant recipients. DATCP also indicated that the population of Meat Processor Infrastructure Grant program grant recipients was not yet large enough to survey. As noted, DATCP has administered the Dairy Processor Grant program since 2013 and the Meat Processor Infrastructure Grant program since 2021. In addition, DATCP did not complete written assessments of or publicly report on the extent to which the two grant programs achieved program goals.

As noted, establishing measurable and attainable performance measures, reassessing the appropriateness of those measures on an ongoing basis, and assessing the extent to which applicable performance measures were achieved following each grant cycle are

grant management best practices. In addition, it is a grant management best practice to publicize grant outcomes information to demonstrate progress and ensure transparency.

DATCP should establish a process by which it assesses whether the objectives of the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program were met, and whether the anticipated outcomes of grants were achieved. DATCP could do so by conducting follow-up surveys of grant recipients after grants have ended as its grant agreements permit and by completing written assessments of grants. In addition, DATCP should publicly report on the extent to which the Dairy Processor Grant program and the Meat Processor Infrastructure Grant program achieved program goals. Doing so will allow DATCP to make program improvements as needed and will increase transparency in the programs.

☑ Recommendation

We recommend the Department of Agriculture, Trade and Consumer Protection:

- *establish a process by which it assesses whether the objectives of the Dairy Processor Grant program and Meat Processor Infrastructure Grant program were met, and whether the anticipated outcomes of grants were achieved;*

- *publicly report on the extent to which the Dairy Processor Grant program and Meat Processor Infrastructure Grant program achieved program goals; and*

- *report to the Joint Legislative Audit Committee by January 30, 2026, on the status of its efforts to implement these recommendations.*

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Appendices

Appendix 1

Executed FY 2024-25 Dairy Processor Grants and Meat Processor Infrastructure Grants We Reviewed

Dairy Processor Grants

Grant Recipient	County	Municipality	Award Amount
CROPP Cooperative	Vernon	La Farge	$ 50,000
Family Fresh Pack, Inc.	Green	Monticello	50,000
Hidden Springs Creamery, LLC	Vernon	Westby	50,000
Alpinage Cheese, LLC	Milwaukee	Oak Creek	48,200
Marieke Marketing Etc., LLC DBA Marieke Gouda	Clark	Thorp	41,000
Crave Brothers Farmstead Cheese, LLC	Dodge	Waterloo	40,800
Brunkow Cheese of Wisconsin	Lafayette	Darlington	35,000
Decatur Dairy, Inc.	Green	Brodhead	35,000
Klondike Cheese Company	Green	Monroe	35,000
Silver and Lewis Cheese Factory Company Cooperative	Green	Monticello	30,000
Milk Specialties Company DBA Actus Nutrition	Fond du Lac	Fond du Lac	25,000
Burnett Dairy Cooperative	Burnett	Grantsburg	20,000
Specialty Cheese Company, Inc.	Dodge	Reeseville	20,000
Widmer's Cheese Cellars, Inc.	Dodge	Theresa	20,000
Total			**$500,000**

Meat Processor Infrastructure Grants

Grant Recipient	County	Municipality	Award Amount
Almena Meat Company, Inc.	Barron	Almena	$ 40,000
Brock's Butcher Block	Monroe	Sparta	40,000
Country Pride Meats	Rock	Clinton	40,000
Malterer Meats	Dodge	Iron Ridge	25,200
Butcher Block 66	Portage	Stevens Point	25,000
Hickerson Meats & Processing, LLC	Burnett	Grantsburg	25,000
Hickory Hills Country Meats, LLC	Calumet	Chilton	25,000
Good News Farm, LLC	Pepin	Stockholm	20,000
45 Mercantile, LLC	Langlade	Antigo	18,300
Total			**$258,400**

Appendix 2

Dairy Processor Grants and Meat Processor Infrastructure Grants That Ended in FY 2024-25, by Fiscal Year Executed

Dairy Processor Grants

Grant Recipient	County	Municipality	Fiscal Year	Award Amount
Hidden Springs Creamery, LLC	Vernon	Westby	FY 2024-25	$ 50,000
Bekkum Family Farms, LLC DBA Nordic Creamery	Vernon	Westby	FY 2023-24	37,500
Mexican Cheese Producers, Inc.	Lafayette	Darlington	FY 2023-24	37,500
CROPP Cooperative	Vernon	La Farge	FY 2023-24	33,500
Pine River Pre-Pack, Inc.	Manitowoc	Newton	FY 2023-24	25,000
Oak Grove Dairy, Inc.	Waupaca	Clintonville	FY 2023-24	17,000
Blakesville Creamery, LLC	Ozaukee	Port Washington	FY 2023-24	11,900
Cedar Grove Cheese	Sauk	Plain	FY 2022-23	30,000
Marieke House of Gouda, LLC	Eau Claire	Eau Claire	FY 2022-23	25,000
Landmark Creamery, LLC	Dane	Belleville	FY 2022-23	20,000
Westby Cooperative Creamery	Vernon	Westby	FY 2022-23	18,000
Harmony Cheese, LLC	Marathon	Edgar	FY 2022-23	17,500
Roelli Cheese Company, Inc.	Lafayette	Shullsburg	FY 2022-23	14,800
Winona Foods, Inc.	Brown	Howard	FY 2022-23	12,500
Scoops Ice Cream	Calumet	Chilton	FY 2022-23	10,000
Milk Specialties Global	Fond du Lac	Fond du Lac	FY 2021-22	28,000
Cedar Valley Cheese, Inc.	Ozaukee	Belgium	FY 2021-22	25,000
Lynn Dairy, Inc.	Clark	Granton	FY 2021-22	25,000
Hill Valley Dairy, LLC	Walworth	East Troy	FY 2021-22	20,000
Brunkow Cheese of Wisconsin	Lafayette	Darlington	FY 2021-22	18,500
University of Wisconsin-Platteville	Grant	Platteville	FY 2021-22	10,000
Total				**$486,700**

Meat Processor Infrastructure Grants

Grant Recipient	County	Municipality	Fiscal Year	Award Amount
Almena Meat Company, Inc.	Barron	Almena	FY 2023-24	$ 50,000
Beck's Meats, Inc.	Outagamie	Kaukauna	FY 2023-24	50,000
Maple Leaf Meats, LLC DBA Bushy's Meat Market	Trempealeau	Independence	FY 2023-24	50,000
Butcher Block 66, LLC	Portage	Stevens Point	FY 2023-24	50,000
Fox Bros. Piggly Wiggly	Washington	Slinger	FY 2023-24	50,000
Kelly's Pot Pies, LLC	Walworth	East Troy	FY 2023-24	50,000

Continued on next page

Grant Recipient	County	Municipality	Fiscal Year	Award Amount
Malterer Meats	Dodge	Iron Ridge	FY 2023-24	$ 50,000
Maplewood Packaging, Inc.	Brown	Green Bay	FY 2023-24	50,000
Ole's Up-North Sausage Company, LLC	Ashland	Ashland	FY 2023-24	50,000
Salchert's Market, Inc.	Fond du Lac	Saint Cloud	FY 2023-24	50,000
Silver Creek Specialty Meats, Inc.	Winnebago	Oshkosh	FY 2023-24	50,000
Wenzel's Farm, LLC	Wood	Marshfield	FY 2023-24	31,000
Bloomington Meats II, LLC	Grant	Bloomington	FY 2023-24	11,600
JM Watkins, LLC	Pierce	Plum City	FY 2022-23	25,000
NF Packing, Inc.	Walworth	Elkhorn	FY 2022-23	25,000
Sailer's Food Market	Pierce	Elmwood	FY 2022-23	25,000
University of Wisconsin-River Falls	Pierce	River Falls	FY 2022-23	20,000
Total				**$687,500**

Response

State of Wisconsin
Governor Tony Evers

Department of Agriculture, Trade and Consumer Protection
Secretary Randy Romanski

November 4, 2025

Mr. Joe Chrisman, State Auditor
Wisconsin Legislative Audit Bureau
22 East Mifflin Street, Suite 500
Madison, WI 53703

Dear Mr. Chrisman,

Thank you for your thorough review of the Dairy Processor Grant program and Meat Processor Infrastructure Grant program administered by the Wisconsin Department of Agriculture, Trade and Consumer Protection (DATCP). We appreciate the opportunity to receive feedback on the administration of both programs and the opportunity to comment on the Legislative Audit Bureau's reported findings.

As mentioned in the findings, we have a very small team responsible for the administration of these, and other grants managed by the department. While the report references two full time employees (FTE) responsible for these grants and acknowledges that they are responsible for multiple grant programs, we feel it appropriate to provide additional emphasis to this point. The two FTE referenced are the Budget and Policy Supervisor Division – Advanced, who has responsibilities that are split 50/50 between two divisions, and the Grants Specialist – Advanced, who administers ten grants including the two audited by LAB. The Grants Specialist responsibilities range from general administration of the programs, providing outreach on available grants, as well as technical assistance to recipients including small businesses who oftentimes are unfamiliar with government grant requirements and need assistance when applying for and managing their grant funds.

In recent years, the amount of grant funding DATCP administers to strengthen Wisconsin's food supply chain and build a more resilient and prosperous agriculture economy has grown significantly while our staffing levels have not. In FY 2019, DATCP's Division of Agricultural Development administered two state grant programs totaling $400,000. The division also administered the federally funded Specialty Crop Block Grant Program totaling $740,774 in 2019.

In FY 2026, DATCP's Division of Agricultural Development is responsible for administering six state grant programs totaling $8,315,649. The division has also administered an additional five federal grant programs totaling more than $45 million since 2022. During this time, state funded staffing levels have not increased to match the increased workload associated with administering these grant programs.

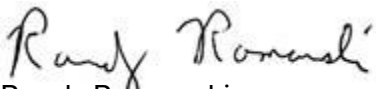
While we are thankful for the investment of funds to help farmers and processors expand their operations, seek new markets for their products, and help individuals and families who are food insecure, this has put a strain on the existing staff responsible for managing these programs and administering these grants.

To assist with this increased workload and responsibility, there was a proposal in Governor Evers' 2025-27 executive budget for 2.0 FTE Grant Manager Positions. These positions were requested to administer these grant programs in DATCP's Division of Agricultural Development. Unfortunately, the position request was removed from the final budget passed by the Legislature.

In response to the audit findings, DATCP will update and fully implement our policy and procedure manual and work with Division of Agricultural Development staff to enhance program measures. We will also continue working with the Governor and the Legislature to document our request for additional positions to assist with grant administration.

Once again, thank you for your thorough review of the department's Dairy Processor Grant program and Meat Processor Infrastructure Grant program. We look forward to reporting on our progress January 30, 2026.

Sincerely,



Randy Romanski

Secretary