

PRESS RELEASE

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\$41.5 Million Mega-Dairy Biogas Project Defaults

Wisconsin Communities Resist Similar Factory Farm Gas Deals

It may be impossible to figure out how mega-dairy owner Robert Zahn got the tiny Town of Gillett, WI to finance a factory farm gas deal with an Australian finance giant for \$41,585,000. But according to a [June 2 securities filing](#) first reported by [Bloomberg Law](#), the deal's now in default and investors are looking for a \$1.7 million principal payment.

Gillett sponsored a tax-exempt bond sale in 2022 to build a facility that is suppose to produce gas from the millions of gallons of waste produced by Zahn's 7,200 cows. An international cast of financiers were in on the deal including Australian-based [MacQuarie Capital](#), Louisiana-based [Progressive Energy LLC](#) and Milwaukee-based attorney [Lynda Templin](#). The [Wisconsin Economic Development Corporation](#) served as underwriting manager for a \$41,585 fee.

"Zahn's deal is one of many popping up around Wisconsin in which privately-owned dairies get counties and towns to float millions in public bonds," said Lisa Doerr a Polk County farmer active with [Sustain Rural Wisconsin Network \(SRWN\)](#). "High income investors buy the bonds and pay no taxes on interest earned."

Pierce County Chair Jon Aubart [approved a similar \\$18 million bond deal](#) in January as part of a controversial \$35 million mega-dairy [expansion by Breeze Dairy Group](#). According to Breeze Dairy's [application to the Public Finance Authority](#), \$360,000 would go to cover the "Cost of Issuance." Elected officials and citizens are now [circulating a petition](#) asking that the deal be stopped.

In addition to dairy waste, [factory farm gas facilities](#) often take waste from sewage plants, slaughter houses, and food processors. They produce a by-product called digestate containing highly concentrated nutrients, such as phosphorus and nitrogen. On June 5, the Waupaca County Zoning Commission tabled an industry effort to stop any local regulations of factory farm gas facilities or digestate within the County. They will revisit this issue in December 2025.

"These guys want the public to finance their giant factory farms but they fight any and all regulation," said Kim Dupre, from SRWN. "Bob Zahn is a perfect example. He [founded Venture Dairy](#) which is [legally challenging the Wisconsin DNR's authority](#) to regulate factory farms to protect health and property. Boondoggles like Zahn's are a bad deal for rural communities and investors."

Sustain Rural Wisconsin Network is a statewide coalition of individuals and organizations dedicated to preserving the health and economic vitality of rural communities. www.sustainruralwisconsin.org.

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