Southeast Dairy Business Innovation Initiatives (SDBII) Farm Business Grants
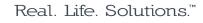
What is SDBII?

Southeast Dairy Business Innovation Initiative (SDBII)

– Supported by USDA AMS

– Over $38MM effort, 50% spent on dairy business subawards

•Supports dairy businesses in the Southeast

– Also, in West, Mid-West, and Northeast through companion DBII programs

SDBII: Research and Technical Assistance

- Program encompassing:
  - Animal husbandry
    - Large ruminant
    - Small ruminant
  - Food safety
  - Food quality & product development
  - Economic evaluation and benchmarking
    - Farm
    - Processing
    - Emerging issues (policy, transportation)
  - Marketing and Agritourism

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Grant Programs

- Spring Cycle: Open - **January 5; Closes – March 1 at 5pm/ET**
  - Farm Infrastructure Improvement Grant (inaugural program in 2022)
    - Focus on improving existing dairy farm businesses through cow comfort, stall improvements, cooling and ventilation improvements, etc.
  - Precision Technology and Management Grant (inaugural program in 2022)
    - Focus on investing in precision technologies or management tools for existing dairy farm businesses such as robotic milking, automated calf feeders, behavior monitoring technologies, etc.

- Fall Cycle:
  - Dairy Business Planning Grant (inaugural program in 2020)
    - Open to all dairy businesses, both processing and farm
  - Specialty Processing Equipment Grant (inaugural program in 2020)
    - Focus is on adding or updating equipment for dairy processing facilities

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What is the purpose of SDBII Business Grants?

Spur growth and profitability for dairy producers and processors in the Southeast by helping them modernize and innovate

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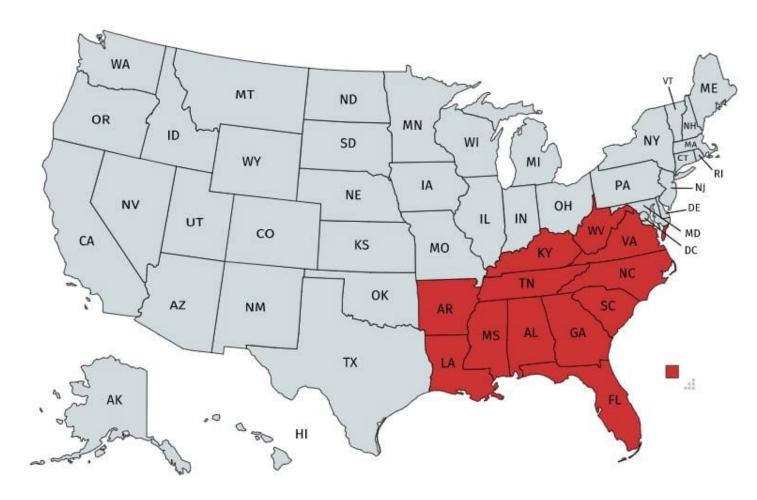THE UNIVERSITY OF TENNESSEE

Who can apply?

Applicants Must Either:

- Operate a permitted dairy farm
- Operate a permitted dairy processing facility

Program Reach

– Alabama
– Arkansas
– Florida
– Georgia
– Kentucky
– Louisiana
– Mississippi
– North Carolina
– South Carolina
– Tennessee
– Virginia
– West Virginia
– Puerto Rico

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Dairy Business Grants Awarded

**Total:
107**

Grant Type	Number Awarded
Dairy Business Planning	9
Specialty Processing Equipment	39
Farm Infrastructure Improvement	44
Precision Technology & Management	15

Farm Infrastructure Improvement Grant:

- Maximum Award Amount: $100,000 per Grantee
- Matching Funds on Request: 25% of Requested Amount (e.g., $25,000 on a $100,000 request)
- $1,000,000 available to award; At least 10 awards are expected to be made.

Farm Infrastructure Improvement Grant

- Implementation or upgrading of cooling systems/ventilation to reduce heat stress
- Increasing water and feed access
- Investing in equipment to increase parlor throughput and labor efficiency
- Improved feed and forage management and storage
- Improvements to animal housing and environments
- Water, waste, and manure management improvements
- Investing in more efficient on-farm milk cooling and/or storage

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Precision Technology Investment Grant:

- Maximum Award Amount: $150,000 per Grantee
- Matching Funds on Allowable Expenses: 25% of Requested Amount (e.g., $37,500 on a $150,000 request)
- $1,500,000 available to award; At least 10 awards are expected to be made.

Precision Technology Investment Grant

- Wearable technologies (animal movement trackers, estrus detection devices)
- Technology driven pasture, forage, and feed management systems
- Equipment to support automation and robotics for farm processes including (but not limited to):
  - automated feeding of youngstock
  - automated manure and nutrient management or application
- Improvements to animal housing/cow comfort improvements, especially for heat abatement
- Implementation of biotechnologies that can improve herd performance and longevity
  - genomic testing programs
- Business management improvements
  - Inventory and financial analysis tools
  - training opportunities in agribusiness management
  - consultations with industry experts
- Technology and equipment that supports improved milk
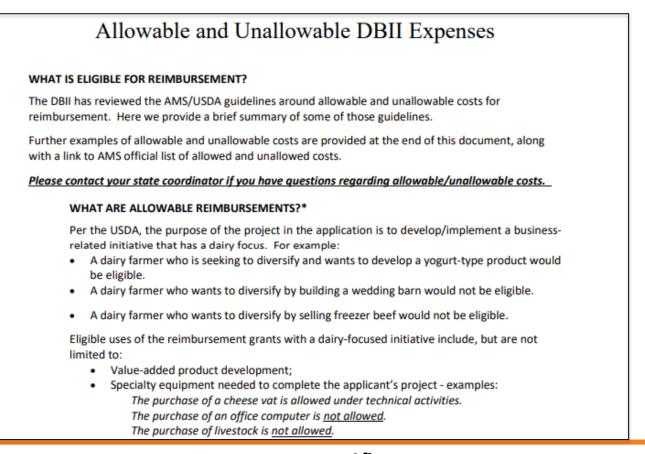
Unallowable Costs

• Construction (**Anything Involving Concrete Work/Breaking the Ground**)

• Employee wages

• Real estate purchases

• Repayment of loans or mortgages

• Rent or contract payments for time periods extending beyond the

12-month period allowed for eligible projects

• Legal fees (for suits, disputes, etc.)

• Lobbying, fundraising, or other political activities
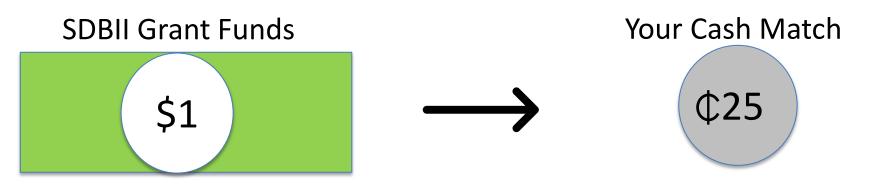
Allowable and Unallowable Expenses

https://www.ams.usda.gov/sites/default/files/media/AMSGrantsTermsandConditions.pdf

Allowable and Unallowable DBII Expenses

WHAT IS ELIGIBLE FOR REIMBURSEMENT?

The DBII has reviewed the AMS/USDA guidelines around allowable and unallowable costs for reimbursement. Here we provide a brief summary of some of those guidelines.

Further examples of allowable and unallowable costs are provided at the end of this document, along with a link to AMS official list of allowed and unallowed costs.

**Please contact your state coordinator if you have questions regarding allowable/unallowable costs.**

WHAT ARE ALLOWABLE REIMBURSEMENTS?*

Per the USDA, the purpose of the project in the application is to develop/implement a business-related initiative that has a dairy focus. For example:

- A dairy farmer who is seeking to diversify and wants to develop a yogurt-type product would be eligible.
- A dairy farmer who wants to diversify by building a wedding barn would not be eligible.

- A dairy farmer who wants to diversify by selling freezer beef would not be eligible.

Eligible uses of the reimbursement grants with a dairy-focused initiative include, but are not limited to:

- Value-added product development;
- Specialty equipment needed to complete the applicant's project - examples:
  - _The purchase of a cheese vat is allowed under technical activities._
  - _The purchase of an office computer is not allowed._
  - _The purchase of livestock is not allowed._

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Match Requirement

Applicants must provide a cash match of at least 25% of the requested grant funds. For instance, a grant application requesting $100,000 would require $25,000 in matching expenses. Please note that a 25% match on requested funds is the same as 20% of the total project cost. To illustrate this, we can see that $25,000 (the match) equals 25% of $100,000 (the request), and 20% of $125,000 (the total project cost). The match dollars must be allowable expenses.
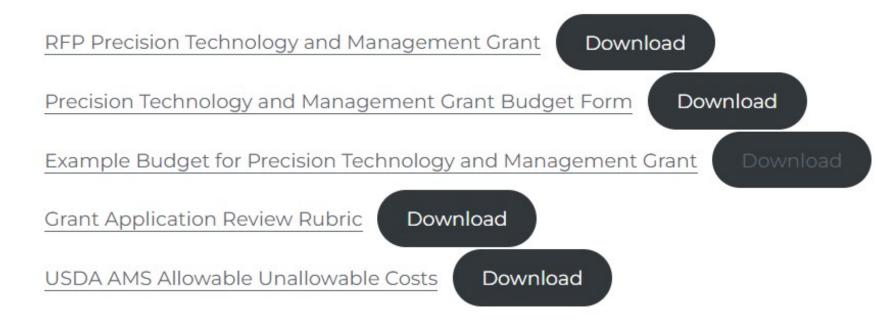
SDBII Grant Funds

$1

Your Cash Match

¢25

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Grant Workbook Components

- Please read the request for proposal IN FULL before starting your application.

RFP Precision Technology and Management Grant — Download

Precision Technology and Management Grant Budget Form — Download

Example Budget for Precision Technology and Management Grant — Download

Grant Application Review Rubric — Download

USDA AMS Allowable Unallowable Costs — Download

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Grant Workbook Access

Farm Infrastructure Improvement Grant

https://sdbii.tennessee.edu/farm-infrastructure-improvement-grant/

Precision Technology Investment Grant

https://sdbii.tennessee.edu/precision-technology-and-management-grant/

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Scoring Criteria

The grant is scored out of a possible 100 points based on the following categories

- Grant Application (5 possible points)
- Goals Alignment (10 possible points)
- Summary (20 possible points)
- Work Plan (20 possible points)
- Business Fundamentals (20 possible points)
- Budget (20 possible points)
- Other Considerations (5 possible points)

Letter of Support (Required)

Applicants to the Farm Infrastructure Improvement Grant must submit at least one letter of support (LOS) from a collaborator (lender, co-op, independent milk processor, industry specialist etc.). There is a limit of five letters that can be added in the grant submission portal. Letter writers must also provide contact information and be willing to complete a short survey evaluating the merit of the proposed project and grant applicant. LOS writers will be contacted for those grant applicants who are initially deemed to be competitive for funding in the first round of review. Letters of support should be specific to the current grant application, not recycled from previous submissions.

Supplementary Materials and Quotes

Budget items costing more than $5,000 must be supported with at least one quote. Aerial photos showing the site of the proposed project, conceptual drawings of the facility being improved, literature or specification sheets for equipment, business plans, and company financial statements are also considered useful supplementary documents.

How do I access/submit the grant?

- First read the grant RFP IN FULL

- Log on to the grant portal and read each question

- Reach out with questions to one of your state coordinators

- Work in word or another word processing program (save as you go!)

- Transfer text to the application portal when you are done

- Upload budget, quotes, and other supplementary materials to the portal

- Submit via the correct grant application portal

- Applications must be received by: **March 1st, 2024, at 5pm/ET**

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Grant Portal Access

Farm Infrastructure Improvement Grant

https://forms.gle/Hg47v64wU5LRtycq9

Precision Technology Investment Grant

https://forms.gle/jXXFSjbmibgEQbPb6

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Unique Entity Identifier

Written Guide:

Click tab above the video:
https://www.tn.gov/agriculture/topic/farm.html

Video Guide:

https://www.youtube.com/watch?v=0uv1YNAsINk

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Who Can I Reach Out to for Help?

Program Contacts

Tennessee, Alabama, Florida, & Louisiana

Shep Stearns & Liz Eckelkamp: sdbiigrants@utk.edu

Kentucky, Arkansas, Virginia, & West Virginia

Jennifer Hickerson: j.hickersonkddc@gmail.com

North Carolina, South Carolina, Georgia, & Mississippi

Brittany Whitmire & Stephanie Ward: ncdairyextension@ncsu.edu

Team Members

- Team of over 50 individuals across all disciplines (https://sdbii.tennessee.edu/our-team/)
- Leadership Team:

North Carolina

Dr. Stephanie Ward   Brittany Whitmire

Tennessee

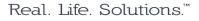
Dana Weber, Shep Stearns, Dr. Liz Eckelkamp

Kentucky

Jennifer Hickerson