

# *Southeast Dairy Business Innovation Initiative (SDBII)*

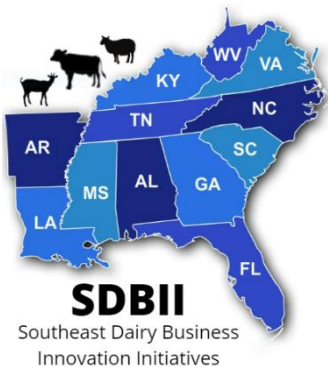
## **Dairy Business Planning Grant**

*For Dairy Producers in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, and Puerto Rico*

### ***2023 Grant Request for Proposal***

***Application  
Deadline:***

**October 16, 2023  
at 3:00pm/ET**



University of Tennessee Institute of Agriculture  
Animal Science Department  
244 C.E. Brehm Animal Sciences Building 2506  
River Drive, Knoxville, TN 37996  
[sdbii.tennessee.edu](http://sdbii.tennessee.edu)



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**Important Dates and Webinar Information:**

Applications must be received by: **October 16, 2023, at 3:00 p.m.**

**Applications will not be accepted after 3:00 p.m. on October 16, 2023**

After August 15, a recording of an informational grant webinar will be available [here](#).

Questions related to the grant or can be directed to Shep Stearns

Email : [sstearn1@utk.edu](mailto:sstearn1@utk.edu)

Phone : (865) 974-0991

## **Background on the Southeast Dairy Business Innovation Initiatives Program**

The Southeast Dairy Business Innovation Initiatives (SDBII) program is based at The University of Tennessee Institute of Agriculture's Animal Science Department. Key program collaborators such as the Center for Profitable Agriculture (CPA), NC State, North Carolina A&T, University of Kentucky, Kentucky Dairy Development Council (KDDC), and others, offer guidance and support to the program. SDBII's mission is to spur growth and profitability for dairy producers and processors in the Southeast by helping them modernize and innovate.

SDBII provides dairy businesses in the Southeast with a variety of free and low-cost instructional resources. These include an annual value-added dairy conference, a variety of workshops on key industry topics, and decision-making tools that help dairy professionals make informed decisions as they plan for growth.

The program is funded by the Agricultural Marketing Service (AMS) division of the United States Department of Agriculture (USDA) through the 2018 Farm Bill. In addition to the technical assistance and educational resources provided through SDBII, 50% of the program's funding is awarded in grants made directly to dairy businesses to support investments and innovations in production and processing.

### **Description of Grant:**

The Dairy Business Planning Grant provides reimbursement funds to permitted dairy farm businesses located in the Southeast that are seeking the help of experts to plan for the future. Dairy businesses in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, and Puerto Rico are eligible. Applications may be submitted by current dairy businesses only. For the purposes of evaluating eligibility, dairy businesses are considered to include companies that are engaged in the production and/or processing of milk for commercial consumption and are permitted to do so by state and federal authorities. Eligible businesses may be involved in the production or processing of milk from cattle, sheep, goats, water buffalo, camels, and other dairy species. Projects that involve investments related to the sale of raw milk for human or pet consumption are not allowed.

Applicants who have been awarded a grant through SDBII in a previous cycle may not apply in the same grant category if they currently have a previous project in the same grant category that is open. A project is considered open if the grant contract period is still active, reimbursement funds remain unspent, and the award recipient has not been notified that their project is considered complete by SDBII personnel. Award recipients with an open project in one SDBII grant category may apply for funding in any SDBII grant category where they do not have an open project. Applicants may not apply for two grants that are offered in the same cycle (e.g., two grants with the same due date). Applicants who have been awarded one or more grants in previous cycles of the program may continue to apply and receive funding.

### **Dairy Business Planning Grant:**

\$30,000 max award; No match required; \$250,000 available; At least 8 awards are expected to be made

### **Funding Priorities:**

The purpose of grants made through this grant will be to support dairy businesses of all kinds in undertaking planning and learning facilitated by outside content area experts.

Requests for funds under this RFP should involve one or more of the following:

1. Leveraging the experience and judgment of reputable industry experts to evaluate the feasibility of a proposed new enterprise, business/marketing approach, process, or major investment
2. Increasing the applicant's working knowledge of their existing business and/or future enterprise
3. Gaining a certification, credit, and/or educational experience that improves the competitiveness of the business or its workforce
4. Utilizing legal services to strengthen the business structure or succession plan

Below is a listing of possible projects that could be eligible for this funding:

- *A dairy farm conducts a feasibility study exploring the viability of starting an on-farm creamery with the help of a qualified and experience consultant*
- *A producer-processor dairy business hires a lawyer to draft a new set of company bylaws*
- *A dairy farm hires a certified crop advisor to plan a transition to feeding a high forage diet*
- *A dairy business hires an agricultural business consultant to assist in drafting a business plan*
- *A group of cheese makers pay to attend a short course to improve their cheese-making skills*
- *A milk processor pays a food scientist to develop/update a food safety plan*

### **Eligible Applicants:**

Dairy businesses that are licensed and based in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, or Puerto Rico are eligible to apply.

Eligible applicants may not have an immediate family member (i.e., parent, sibling, spouse, or child), working as an affiliated staff or faculty member with the SDBII, or serving on the award review committee.

Priority will be given to the following:

- Entities that received direct technical assistance through SDBII
- Dairy businesses with limited access to other forms of assistance

Previous awardees of SDBII grants may apply. Past awards and corresponding project completion will be taken into consideration when evaluating applications.

### **Reimbursement:**

Applicants who are selected to receive a grant award will be awarded funds on a reimbursement basis. Reimbursement requests must be supported with a canceled check or credit card statement and an appropriate invoice marked "paid" and showing a balance reflecting the payment.

## **Allowable and Unallowable Costs**

The following describes the general allowable and unallowable costs for the Dairy Business Planning Grant. Additionally, SDBII is unable to fund items that fall outside the AMS published list of allowable costs found in the link [here](#).

### **Consultant Costs/Professional Services**

**Allowable** *subject to limitations below.* Contractual/consultant costs are expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the recipient in the form of a procurement relationship.

**Allowable** for contractor/consultant rates that do not exceed the salary of a GS-15 step 10 Federal employee in the area. This does not include fringe benefits, travel, indirect costs, or other expenses. Verify allowable consultant/contractor pay ranges [here](#).

### **Sales & Marketing Costs**

**Unallowable** for costs designed solely to promote the image of an organization, general logo, or general brand.

**Unallowable** for costs for promotion of specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc. that do not align with the legislated purpose of the grant program.

**Unallowable** for promotional items, swag, gifts, prizes, memorabilia, and souvenirs.

**Allowable** for costs designed to promote products that align with the purpose of the grant program.

### **Salaries & Wages**

**Unallowable** as a reimbursable expense for all grant related activities.

### **Legal Fees**

**Allowable** for professional services relating to the formation of a business structure or creating legal documents.

**Unallowable** for litigation or services pertaining to legal defense, bringing a lawsuit, arbitration between parties, or completing a real-estate or other purchase.

## **Application Requirements:**

### **A complete application includes:**

1. A completed Grant Application Form with all questions answered.
2. A completed Grant Budget Form.
3. Submission of at least one Letter of Support (LOS) from a collaborating partner.
4. Submission of supplemental materials including business plans, conceptual drawings, estimates/quotes, and other budget justification items which can be added as attachments when you submit your application using the grant submission form.

## **Submission Process:**

**All applications must be submitted by 3:00pm/ET on October 16, 2023 via the form available: [here](#).**

The grant application and budget template will be made available on August 4, 2023. The documents will be available for download [here](#).

## **Evaluation Criteria and Process:**

Dairy Business Planning Grants are awarded on a competitive basis to the top scoring applicants. SDBII reserves the right to disqualify low scoring applications even if remaining funds are available in a particular grant cycle. Only complete applications, as outlined above which are submitted on time, will be evaluated. Applications will be reviewed by a committee of industry experts that are not employed by the SDBII program. Program staff will not score applications. If you have questions about the application process or would like feedback on a proposed application, please contact your state's SDBII area representative or [sdbiigrants@utk.edu](mailto:sdbiigrants@utk.edu). Feedback will not be available in the days immediately preceding the deadline, so please start working on your application and submit questions as early as you can.

To receive high scores from the review committee, applicants' grant narrative sections should fully answer the questions clearly and directly. Project applications should carefully and precisely present how the project will be accomplished and undertaken within a reasonable timeline.

### **Application Evaluation and Scoring Criteria:**

**Grant awards will only be made to prospective or current dairy businesses. Applications will be reviewed by a committee of experts from the dairy industry. The following criteria will be used by the review committee to score grant applications.**

General scoring criteria are listed below. Applicants may receive a maximum of 100 points:

- Grant Application (5 possible points)
  - Is the project description thorough and well-organized?
- Goals Alignment (10 possible points)
  - How well does the project focus on at least one of the program alignment areas?
  - Has the applicant participated in SDBII technical assistance programs?
- Summary (20 possible points)
  - Does the planning project have the potential to result in improved profitability for the applicant?
  - Does the planning project have the potential to improve worker well-being?
  - Does the planning project contribute to the long-term viability of the farm?
- Work Plan (20 possible points)
  - Has the applicant considered critical issues for a dairy business?
  - Is the timeline reasonable and achievable within the grant period?
  - Are the benchmarks for completing the project clear and detailed?
- Business Impact (20 possible points)
  - Does the project have the potential to pay for itself over time?
  - Are the costs appropriate given the expected benefit?
  - Is the planning project a logical next step given the business' existing infrastructure?
- Budget (20 possible points)
  - Is the total amount justifiable to achieve activities and outcomes?
  - Is each budget item necessary to achieve the reported outcome?
  - Are costs reported reasonable?
- Other Considerations (5 possible points)
  - Does the project take a unique approach?
  - Does the project have the potential to serve as a model for other dairy or agricultural businesses?



### **Award Recipient Responsibilities**

Applicants who receive funding for proposed projects will be responsible for the following:

1. Signing an agreement with the University of Tennessee Office of Sponsored Projects (OSP).
2. Completing the project within the contractual timeframe.
3. Submitting a final project report in the required format per the executed contract.
4. Submitting a final financial report itemizing actual expenses. Copies of invoices and proof of payment must be submitted with reimbursement requests.
5. Agreeing to site inspection once the project is complete.
  - a. Other requirements as outlined in the grant contract. Grantees will have additional training on requirements before the contracts are executed.

If awarded, failure to provide the necessary information to establish an agreement or failure to sign and return a complete grant contract by the deadlines provided at the time of contract issuance will result in the rescindment of the award and the reallocation of funds back to the program. The awardee may reapply through future funding opportunities, but there is no guarantee they will be awarded funds again in a future round.

### **Letter of Support (Required)**

Applicants to the Dairy Business Planning Grant must submit at least one letter of support (LOS) from a collaborator (lender, co-op, existing or potential customer, industry specialist, Extension professional, etc.).

### **Supplementary Materials and Quotes**

Budget items costing more than \$5,000 must be supported with at least one quote. Aerial photos showing the business' farm site or photos of other existing assets that factor into the planning project, previously completed business plans, financial statements for the existing business, literature detailing the scope of coursework to be taken as part of the project, are also considered useful supplementary documents.

### **Grant Awardee Responsibilities and Reporting Requirements**

The level of success that award applicants demonstrate in the performance of their responsibilities in completing reporting and other obligations in a timely manner will be considered in award decisions for future grant proposal submissions. Applicants who receive a grant award will be required to report on the progress of their project 6 months after the execution of their contract with The University of Tennessee. Award recipients will also be required to provide a project completion report within 60 days of the conclusion of their 12-month grant award period. Studies, reports, plans, legal documents, and other deliverables funded as part of a grant award must be fully completed and in the award recipient's possession by this time. Equipment funded through the grants should be fully installed, in operational condition, and in use. In all cases, submission of receipts for reimbursement must be completed by the end of the grant period. Receipts submitted after the grant period is complete will not be reimbursed. A final report is due 12 months after the contract period ends.

To aid award recipients in completing their reporting responsibilities, a reporting template will be shared with them through email. Reporting areas will include the following: a description of the project intent, summary of the project accomplishments and outcomes, dollar amount of increase in sales, increase in markets reached, new products or processes developed, and jobs retained or created. In addition, the recipient will be asked to share other insights from project execution, including, wherever possible, industrywide benefits. Note: The University of Tennessee reserves the right to modify reporting requirements during the course of the project.