

Southeast Dairy Business Innovation Initiatives (SDBII) Farm Business Grants

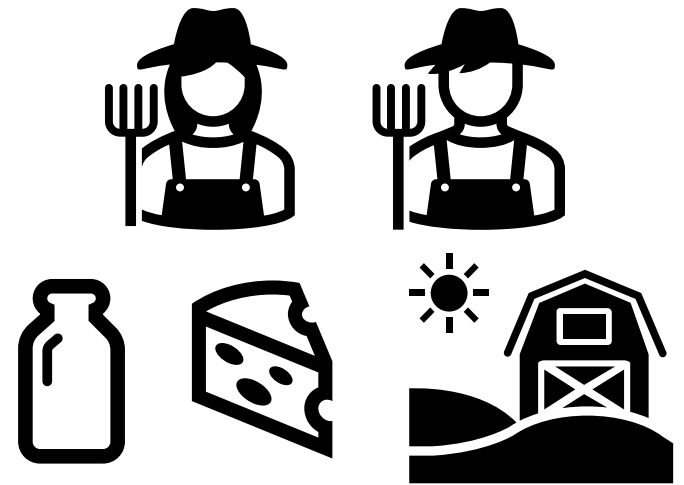


What is SDBII?

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: Technical Assistance Programming

- Regular Programs Include:
 - The Southeast Value-Added Dairy Conference (SEVAD)
 - The Value-Added Dairy Experiential Short Course
 - Dairy Gauge SE Farm Benchmarking Program
 - UDAIRE Internship Program
 - In Depth Business Evaluations for Existing Dairy Businesses
 - Free support and guidance on trouble shooting for farm and processing dairy businesses



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

FUNDING CALENDAR

<https://sdbii.tennessee.edu/funding-calendar/>

Application Open	Program Name	Grant Description	Eligible Applicants
January 1st – March 5th, 2025	<u>Farm Infrastructure Improvement Grant</u>	Grants to permitted dairy farm businesses located in the Southeast for farm facility updates.	Dairy Producers
January 1st – March 5th, 2025	<u>Precision Technology and Management Grant</u>	Grants to support diversification and modernization of permitted dairy producers and processors through use of precision technology.	Dairy Producers
July 23rd – September 24th, 2025	<u>Dairy Business Planning Grant</u>	Grants to permitted dairy farm businesses located in the Southeast for the help of experts to plan for the future.	Dairy Producers / Dairy Processors
July 23rd – September 24th, 2025	<u>Specialty Processing Equipment Grant</u>	Grants to assist dairy processors reduce risk and develop higher value uses for the milk supply in the Southeast.	Dairy Processors

Previously Funded Projects Summaries

<https://sdbii.tennessee.edu/previously-funded-projects/>

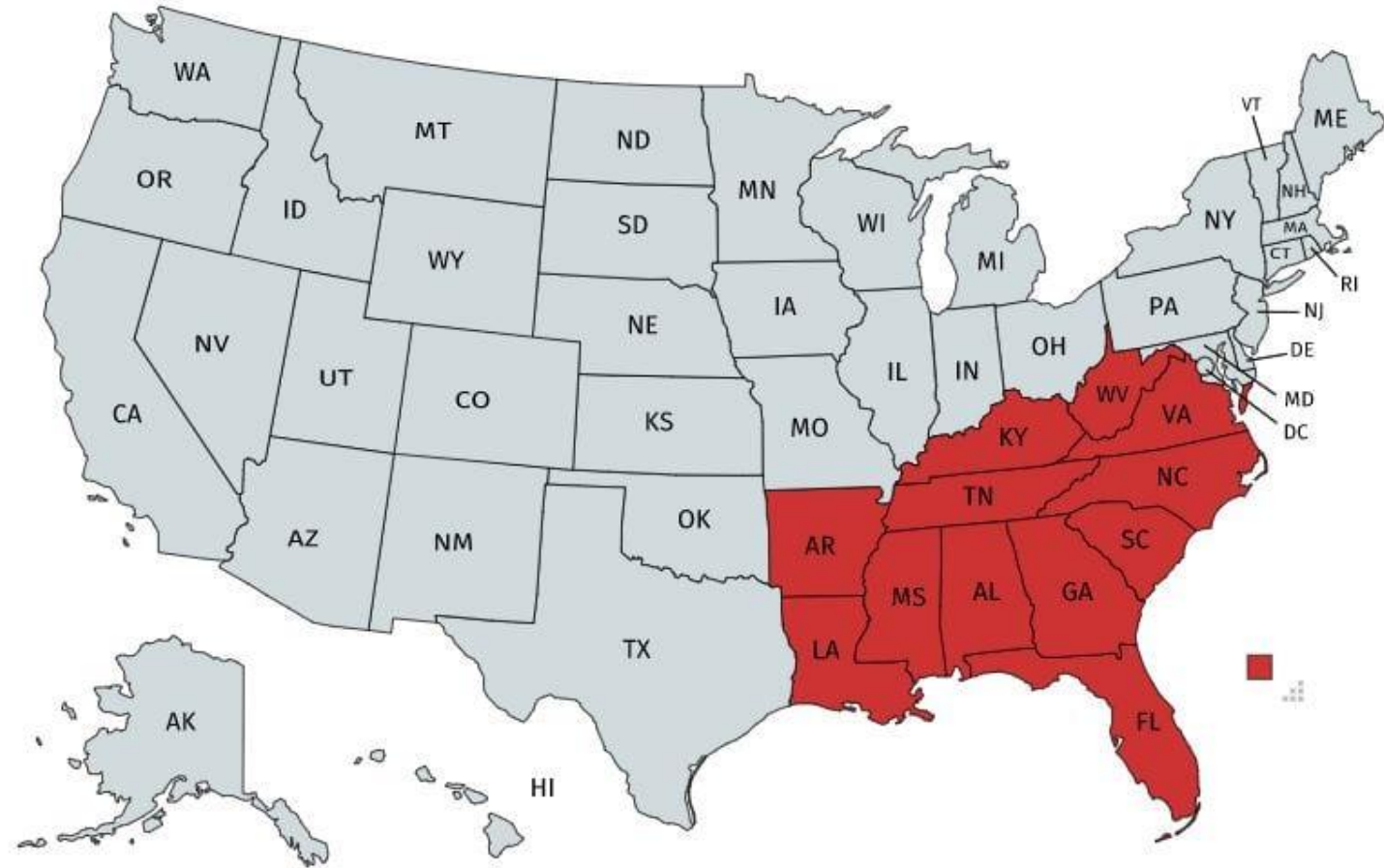
Who can apply?

For all SDBII Grants, the applicant must be:

- A permitted dairy business
- Be based in Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, West Virginia, or Puerto Rico.

Program Reach

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



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)



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

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)



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.

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

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.



Grant Information Pages

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/>

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.

Rectangular Snip

Unique Entity Identifier

Written Guide:

[2.1 Quick Start Guide-Getting a Unique Entity ID](#)



How do applicants access/submit the grant?

- First read the grant RFP IN FULL
- Log on to the grant submission portal and register
- Once you are registered, select the link to the application that you are interested in and read each question
- Reach out with any questions you may have to one of your state coordinators
- Upload budget, quotes, and other supplementary materials to the portal
- Fill out all questions completely, making sure to answer all parts of the question
- Submit via the correct grant application link

Who Can I Reach Out to for Help?

Program Contacts

Tennessee, Alabama, Florida, Louisiana, & Puerto Rico

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

North Carolina



Dr. Stephanie Ward



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Thank you! Questions?



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