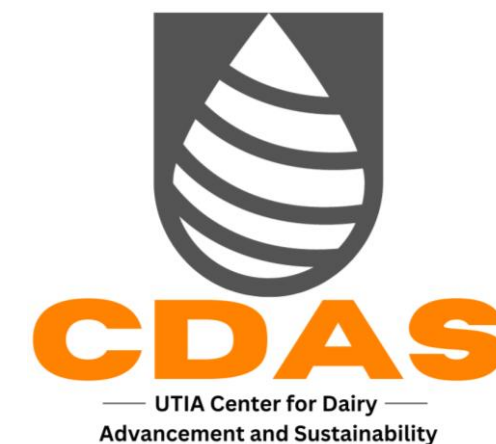




Southeast Dairy Business Innovation Initiative (SDBII)

Based at the University of Tennessee Institute of Agriculture Center for Dairy Advancement and Sustainability





2026 Grant Info Session

Specialty Processing Equipment Grant and Dairy Business Planning Grant

Deadline

September 23, 2026,

5:00 p.m. ET



What We'll Cover

1 About the initiative and what's new for 2026

3 Basic eligibility for each program

5 Required application materials

7 Scoring criteria

2 The two grants at a glance

4 Allowable and unallowable costs

6 What makes quotes and letters of support stand out

8 Key dates and how to apply



About the Initiative

- Based at the University of Tennessee Institute of Agriculture, with partner land-grant universities across the Southeast
- Funded by USDA's Agricultural Marketing Service (AMS)
- At least 50% of program funding goes directly to dairy businesses through grants
- Serves licensed dairy farms and processors in 12 Southeastern states and Puerto Rico



Two Grants at a Glance

	Dairy Business Planning	Specialty Processing Equipment
Focus	Planning and learning: feasibility studies, business plans, training	Purchasing dairy processing equipment
Maximum Award	\$30,000	\$150,000
Total Available	\$250,000	\$1 million
Cash Match	None required	25% of the amount requested
Who Applies	Dairy farms or processors seeking outside planning expertise	Existing or credibly planned dairy processors
Grant Web Page	https://sdbii.tennessee.edu/dairy-business-planning-grant-open/	https://sdbii.tennessee.edu/specialty-equipment-processing-grant/



Shared Program Goals

Diversify dairy product markets to reduce risk and develop higher-value uses for dairy products

Promote business development that diversifies farmer income through processing and marketing innovation

Encourage the use of regional milk production

Your Grant Narrative must identify which goals your project supports.



Dairy Business Planning Grant Eligibility

- ✓ Operate an existing, permitted dairy business (farm or processor) in an eligible Southeastern state or Puerto Rico, or have a clear outline for establishing one
- ✓ Your project advances one of the three shared program goals
- ✓ No immediate family (parent, sibling, spouse, or child) works as affiliated staff or faculty with SDBII
- ✓ You do not currently have an open Dairy Business Planning Grant

Open grants in Specialty Processing Equipment, Farm Infrastructure Improvement, Precision Technology and Management, or Dairy Industry Impact do not disqualify you.



Specialty Processing Equipment Grant Eligibility

- ✓ Operate an existing, permitted dairy processing business, or have a documented feasibility study outlining credible plans to start one
- ✓ The project's primary focus is purchasing processing equipment, not farm-level production
- ✓ Your project advances one of the three shared program goals
- ✓ No open grant in Farm Infrastructure Improvement, Precision Technology and Management, or a previous Specialty Processing Equipment Grant

New rule: receiving a Specialty Processing Equipment Grant this round makes you ineligible for Farm Infrastructure Improvement, Precision Technology and Management, or Specialty Processing Equipment during the 2027 cycles.



Allowable and Unallowable Costs

Allowed

- Special-purpose equipment tied to dairy processing, plus installation
- Rental of land, buildings, or equipment through the grant period
- Consultant and contractor costs (capped at a GS-15, Step 10 federal rate)
- Supply items under \$5,000 needed for the project

Not Allowed

- Construction, building, or land acquisition
- General-purpose equipment (vehicles, office equipment, IT systems)
- Salaries and wages, as an expense or as matching funds
- Farm-level production costs: milking equipment, parlor upgrades, feed, herd health
- Branding, swag, and other image-only marketing costs

Full list: USDA-AMS Grant Terms and Conditions, ams.usda.gov



Dairy Business Planning Grant Materials

- Completed Grant Narrative and Budget Workbook
- At least one letter of support from a collaborator (lender, customer, or partner organization)
- If not yet a permitted dairy business: a letter from your state department of agriculture outlining your permitting pathway and progress to date
- A vendor quote for every budget item; items over \$5,000 require at least one quote
- Business plans, feasibility studies, or conceptual drawings relevant to your project



Specialty Processing Equipment Grant Materials

- Completed Grant Narrative and Budget Workbook
- A business plan is required from every applicant, updated within the last three years and covering the 2027 project period
- If you don't yet operate a permitted processing facility, a feasibility study is also required
- At least two letters of support from collaborators
- A vendor quote for every budget item; items over \$5,000 require at least one quote
- Documentation of the funding source for any costs paid before the award is made



Make Your Quotes Work Harder

- Get a quote for every budget line; items over \$5,000 require at least one formal quote
- More detail is better: attach the manufacturer's spec sheet or sales literature alongside the quote
- Reviewers use that detail to confirm the equipment actually fits your stated purpose
- Break out installation, freight, and setup as separate line items within the quote
- Missing a quote? Say why in the narrative's Additional Information section



Choose Letters of Support Carefully

Write from someone independent of your business: not an owner, employee, family member, or anyone who benefits financially if you receive the grant.

Good Sources

- Lender or loan officer
- Customer or buyer
- Service provider or supplier
- Extension agent or professional
- Rep from your state department of agriculture

A Strong Letter

- Shows real, specific knowledge of your business and you
- References the actual project, not generic praise
- Explains the writer's relationship to your business

Dairy Business Planning requires at least 1 letter. Specialty Processing Equipment requires at least 2.



How Applications Are Scored

CATEGORY	WHAT REVIEWERS LOOK FOR	POINTS
Grant Application	Thorough, well-organized project description	5
Goals Alignment	Fit with program goals; prior SDBII technical assistance	10
Summary	Improves profitability, efficiency, capacity, or supports jobs	20
Work Plan	Realistic timeline and clear, detailed benchmarks	20
Business Impact	Payoff over time; costs fit the benefit and existing operation	20
Budget	Every line justified, necessary, and reasonably priced	20
Other Considerations	Industry-wide benefit, unique approach, specific letters of support	5



Key Dates

July 22, 2026	Application window opens
September 23, 2026	Deadline: 5:00 p.m. ET, hard cutoff, no exceptions
6 to 8 Weeks Later	Committee review of complete, on-time applications
By End of November	Award decisions announced by email
Mid-January 2027	Contracts issued. Do not spend before signing
Jan 1 to Dec 31, 2027	Project performance period



Before You Apply

- ✓ Get your Unique Entity ID (UEI) at SAM.gov now. It is not required to apply, but is required if you're awarded funding
- ✓ Make sure your legal business name matches your UEI record exactly
- ✓ Create your application account in the [Foundant portal](#)
- ✓ Save your application often. The portal auto-saves, but the deadline cutoff is hard
- ✓ Read the full RFP for your grant before you begin drafting





Southeast Dairy Business Innovation Initiative

Based at the University of Tennessee Institute of Agriculture



Questions?

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