



## Old McDonald's Farm Improvement

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*Livestock Investment Grant 2016*

### ***Old McDonald's Farms***

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123 McDonald Lane  
EIEIO, MN 50000

O: 612-555-5555

### ***Ronald McDonald***

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123 McDonald Lane  
EIEIO, MN 50000

Ronald@mcdonald.com  
O: 612-555-5555

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## ***Applicant Information***

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### **Project Name\***

Old McDonald's Farm Improvement

### **Amount Requested\***

\$22,500.00

### **Name of Farm (if applicable)**

Old McDonald's Farm

### **County\***

Hamburglar

### **Organizational Structure (if other, please list)\***

Partnership

### **How did you hear about the Livestock Investment Grant? (if other, please list)\***

MDA Website

Radio

Word of Mouth

## ***Eligibility Requirements***

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### **I am in good standing with the State of Minnesota (no back taxes).\***

Yes

### **I am a current Minnesota resident or entity authorized to farm in Minnesota\***

Yes

### **I am a principal operator of the farm (actively involved in the operation of the farm).\***

Yes

### **I certify that the expenses for this project occurred between 8/1/2015 and 6/30/2017.\***

Yes

### **Optional Documentation**

You may attach a letter of support (no more than two (2) pages) from someone other than yourself (i.e. Lender, Farm Business Management, Extension Educator, Consultant, etc.)

**Please review the Request for Proposals (RFP) before continuing. Frequently asked questions may be found on page 8, and the criteria we will use to evaluate proposals are on page 9.**

## Application Questions

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Please use the narrative part of the application to provide additional details about your planned livestock investment (livestock numbers, expansion plans or steps for farm transition, etc.) to the answers you give below.

**Does this project improve the efficiency or profitability on this farm?\***

Yes

**If yes, please explain how (i.e. technology, updated equipment, better facilities, modernization, etc.):**

This will improve the efficiency of our farm with the use of technology to herd our sheep. It will improve profitability through building a shelter that will allow us to acquire higher profits for our sheep.

**Does this investment have a positive impact on the environment?\***

Yes

**If yes, describe the impact or improvement (could include improvement to water, air, and/or soil):**

This project will allow us to relocate our ducks to our own private land, which will ensure better water quality in nearby waters.

**Plans/Programs/Assessments\***

**Have you completed a Conservation Plan, Organic Plan, Annual Nutrient Management Plan, Conservation Stewardship Program, or Environmental Assessment, etc. for your farm?**

Yes

**If yes, what program? (if other, please list)**

Pork Quality Assurance (PQA)  
Annual Nutrient Management Plan  
Regular soil testing  
Farm Energy Audits  
Green Star Farm Initiative  
Farmers Assuring Responsible Management (FARM)  
Environmental Quality Assurance (EQA)  
SWCD and NRCS Programs  
EQIP  
Water Quality Certification

**Are you in compliance with current feedlot rules?\***

No

**If not, does this project address this issue?**

Yes

**Does this project support the entry or transition of a new livestock operation into the area?\***

Yes

**If yes, please explain (including beginning farmers and/or a generational transition on a farm):**

I will begin farming for the first year after my dad retires. Once he retires, I (his son) will take over the farm completely.

**Does this project create employment opportunities (construction installation, after construction, etc.)?\***

Yes

**If yes...**

**During Construction: new number of full-time**

3

**During Construction: new number of part-time**

3

**Post Construction/Purchase: new number of full-time**

1

**Post Construction/Purchase: new number of part-time**

1

**Natural Disaster/Unintended Condition\***

**Are you rebuilding after a natural disaster or other unintended condition that happened within the past two years?**

Yes

**If yes, please explain disaster and/or condition:**

Our sheep herd was hit with Straightwoolstopgrowingitis last year, which was spread by wildlife.

**Grants/Other Sources\***

**Are you receiving funding for this project from other grants or government sources?**

Yes

**If yes, what is the amount?**

\$25.00

**If yes, what sources?**

USDA Farmer Liability Opportunity Program (FLOP)

## ***Previous Livestock Investment Grants***

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**Has your operation previously applied for a grant under the Livestock Investment Grant Program?\***

Yes

**If yes, were you awarded any Livestock Investment Grant Funds?**

Yes

**If yes, grant amount awarded**

\$4,000.00

**If yes, date grant awarded**

12/01/2012

**Primary Applicant Age (check one)\***

25-35

**Number of years applicant has been farming (receiving over 25% of income from farming):\***

1

**Did you, or will you, receive at least 25% of your annual gross income from agriculture?\***

Yes

## Narrative

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### Narrative\*

*Please use this narrative section to describe your project including how it fits into your business plan and the vision of your livestock operation. Include **timelines for project construction or equipment purchase dates** and details to support answers to questions on the previous page. (Please note there is a 2-page maximum allowed for your narrative. Add additional pages if needed by uploading into the file upload area below.)*

My name is Ronald McDonald Jr. and I'm applying for the Livestock Investment Grant. I grew up on this farm and will be farming one year with my father Ronald Sr. as of January. I graduated from college with my B.S. and worked in corporate America working my way up to owning a small fast food franchise. My parents are planning on retiring and I've always wanted to take over when the opportunity presented itself.

These projects will greatly improve the efficiency of our farm. We raise a lot of livestock, perhaps you've heard of our farm in E.I.E.I.O. Sheep are one of the livestock species we raise. The challenge with raising sheep is that they shrink when they get wet. This has posed a huge problem for our farms profitability as small sheep sell for less than larger sheep. This grant will allow us to have portable shelter for the sheep while they are grazing. The other exciting feature will be that we will be incorporating unmanned aerial systems (drones) to corral the sheep into the structure 30 minutes before it rains. This will allow the sheep to graze as much as possible and then be released as soon as the storm has passed minimizing the amount of time they are away from their feed. I expect being able to sell larger sheep should add 15-20% to our bottom-line with this enterprise.

This investment will also have a positive impact on the environment because our ducks will not be allowed to swim in Duck Duck Gray Duck Lake. Our ducks will be relocated to a lake we will privately own and dig on our own land. We are working with the environmental regulatory agency and plan to call it McDonald Lake and will be stocked with fresh water fish for our flock. Having our own lake will allow us to better control the environment and the diet of our ducks. We are also exploring the opportunities of expanding our farm to include aquaculture. Time will tell if this venture will be successful. Two years ago there were allegations that our ducks had contributed to the higher phosphorus in the recreational/competitive fishing lake. This lake is home to the Pick-A-Boo lake trout (known to be very illusive to anglers). We have cooperated with all aspects of the investigation and were found to innocent of any of the allegations. Despite this we are working with the environmental regulatory institution to ensure that our farm is a ZERO discharge. Our assessment with several different environmental programs confirms that a ZERO discharge will be able to be obtained after these corrective actions as well as others not mentioned in this application. Our current discharge levels are unacceptable at 5% during a 100 year rain event. I am confident that we will win several environmental and conservation awards after implementing these changes.

We are working on becoming complaint with all the 7020 feedlot rules controlled by the state.

As a new farmer I am very excited for the opportunity to be involved in producing food for the world. As I stated earlier I grew up on this farm and will be farming with my parents almost one year this January.

Our sheep flock was recently hit with a rare disease that caused the wool to grow straight and fast. Wool is more valuable when it is crimped and no one wants to buy straight wool. We suspect that this virus was brought in by some wildlife. Our veterinarian was able to isolate it as Straightwoolstopgrowingitis. Not only does the wool quality get affected but the sheep stop growing. We were forced to basically depopulate our entire flock and clean and autoclave all our equipment at our own expense to eliminate the disease. After years of genetic improvement we were forced to start over. We now realize our biosecurity plan was inadequate. The perimeter fence will have strict biosecurity protocols that will be implemented to better protect our flock. The perimeter fence for our farm will be laser activated to eliminate so much as a house fly breaching the fence without an access code. We feel that this level of security will be necessary after suffering this devastating loss.

## ***Species and Numbers of Livestock on Farm***

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*Please indicate how many of each species you own.*

**Beef (Breeding)**

40

**Beef (Youngstock)**

**Beef (Feeders)**

40

**Dairy (Breeding)**

**Dairy (Youngstock)**

60

**Dairy (Feeders)**

**Swine (Breeding)**

**Swine (Youngstock)**

60

**Swine (Feeders)**

**Sheep/Goat (Breeding)**

40

**Sheep/Goat (Youngstock)**

**Sheep/Goat (Feeders)**

20

**Poultry (Breeding)**

40

**Poultry (Youngstock)**

30

Poultry (Feeders)

Horse (Breeding)

3

Horse (Youngstock)

Horse (Feeders)

Other, please list:

Other (Breeding)

Other (Youngstock)

Other (Feeders)

### ***Livestock Investment Expenditures***

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**February 1, 2015 - June 30, 2016**

**For each of the following four categories (livestock equipment, livestock building or facility improvements, fencing or pasture management expense, and other eligible expenses), please list the item being purchased and the cost of the item. Then complete the subtotal field for each applicable category.**

**Livestock Equipment** *(This includes all handling equipment purchases such as waste management equipment or robotic milker.)*

**Livestock Equipment Description #1**

**Livestock Equipment Cost #1**

**Livestock Equipment Description #2**

**Livestock Equipment Cost #2**

**Livestock Equipment Description #3**

**Livestock Equipment Cost #3**

**Livestock Equipment Description #4**

**Livestock Equipment Cost #4**

**Livestock Equipment Expenses Subtotal**

\$0.00

**Livestock Building or Facility Improvements** *(This includes all aspects of a new building or remodeling project, building, land prep, etc.)*

**Livestock Building or Facility Improvements Description #1**

Mobile Sheep housing with unmanned aerial system

**Livestock Building or Facility Improvements Cost #1**

\$100,000.00

**Livestock Building or Facility Improvements Description #2**

New duck pond – 5 acre (McDonald Lake); (includes excavation, water filtration unit)

**Livestock Building or Facility Improvements Cost #2**

\$10,000.00

**Livestock Building or Facility Improvements Description #3**

**Livestock Building or Facility Improvements Cost #3**

**Livestock Building or Facility Improvements Description #4**

**Livestock Building or Facility Improvements Cost #4**

**Livestock Building or Facility Improvement Expenses Subtotal**

\$110,000.00

**Fencing or Pasture Management Expense** *(fence posts, waterers, water lines, fencers, corral, culverts, etc.)*

**Fencing or Pasture Management Expense Description #1**

Lazer perimeter fence

**Fencing or Pasture Management Expense Cost #1**

\$115,000.00

**Fencing or Pasture Management Expense Description #2**

**Fencing or Pasture Management Expense Cost #2**

**Fencing or Pasture Management Expense Cost #3**

**Fencing or Pasture Management Expense Description #3**

**Fencing or Pasture Management Expense Description #4**

**Fencing or Pasture Management Expense Cost #4**

**Fencing or Pasture Management Expenses Subtotal**

\$115,000.00

**Other Eligible Expenses**



**Other Eligible Expenses Description #1**

**Other Eligible Expenses #1**

**Other Eligible Expenses Description #2**

**Other Eligible Expenses #2**

**Other Eligible Expenses Description #3**

**Other Eligible Expenses #3**

**Other Eligible Expenses Subtotal**

\$0.00

**Grant Total of Expenses\***

\$225,000.00

**Total Grant Request\***

*Total Grant Request may not exceed 10% of the Total Grant Expenses. This number must match the amount entered in the first question of the proposal.*

\$22,500.00

## **Acknowledgements**

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**This Applicant Certifies that:\***

*1. To the best of my knowledge and belief, the data in this application is true and correct and supporting documentation for the claims and assertions made within this application is available to the Minnesota Department of Agriculture for its review.*

Yes

**Further, \***

*2. I understand that submitting false or misleading information in connection with this application may result in the applicant being found ineligible for financial assistance under the Livestock Investment Grant Program. I further understand that receiving public funds as a consequence of false representations constitutes an act of fraud.*

Yes

**Further, \***

*3. I understand that MDA may conduct audits, check references, and conduct site inspections after grants are awarded and prior to dollars being disbursed.*

Yes

**Further, \***

*4. I understand application data is private or nonpublic data until grant applications are awarded. Names, addresses and requested amounts then become public information. An entire application*

*becomes public when an agency has completed negotiating the grant agreement with a grantee. Individual grant applicants do not have to provide the information requested on the application form. However, if you do not, we will not be able to consider your grant request. The only persons who will have access to your data during the time that it is protected are those permitted access by law, by your written consent, by a court order, or by those department employees whose job duties require access.*

Yes

**Further,\***

5. I verify all information supplied in this application is correct to the best of my knowledge.

Yes

**Applicant's Signature\***

Ronald McDonald

**Date\***

07/30/2015

## Letters of Support

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**Letter of Support\***

**MoneyBanks, Inc.**  
**11111 Hee-Haw Ave. MacDonald, MN 51111**

September 4, 2015

Dear MDA Grant Review Committee,

I am writing in support of the McDonald Farm. I have worked with the McDonald Farm for over 30 years and I am excited that the next generation is interested in taking over the farm. The McDonald farm has grown significantly over the years. The older generation started off with just a few head of cattle, a few chickens and other various livestock. Since I've been working with them there were livestock here, livestock there, here a cow, there a goat, livestock were virtually everywhere, they are literally bursting at the seams with livestock.

As their banker the farm has always been in a strong financial position and with the next generation coming home after selling his interest in the fast food franchise the farm will be able to incorporate all the environmental corrections and new technology to take the farm to the next level. I know that the farm was under investigation by the environmental regulatory institution in the state; all the findings have shown that the farm was NOT responsible for the higher phosphorus levels in Duck Duck Gray Duck Lake. The additional environmental protections they are proposing will further eliminate any possibility their farm could ever be suspected ever again.

The McDonald's are a great family and are very popular within the community. If you have any questions or wish to discuss our support for them further feel free to contact me at 651-555-5000.

M.T. Pockets  
Senior Ag. Loan Officer