



Dairy Business Planning Grant Program Details

In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651-201-6000. TTY users can call the Minnesota Relay Service at 711. The MDA is an equal opportunity employer and provider.

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Grant Summary

Overview

The Dairy Business Planning Grant encourages business planning for Minnesota dairy farms and dairy processors. Grants cover 50% of the cost, up to \$5,000, to hire a qualified, independent third party to provide technical assistance services for evaluating the operation, transitional changes, expansions, improvements, and other business modifications.

We issue payments on a reimbursement basis (after work has been completed and paid for). All purchases for the eligible items must be made after grant contract agreements are signed.

Funding availability

Approximately \$83,000 is available each fiscal year. Applicants may request between \$500 and \$5,000, with a 50% cash match required.

Applications will be reviewed in the order in which they are received. Applications received by May 1 of each year will be prioritized; applications that are received after that may be put on hold until the new fiscal year starts on July 1.

How to apply

Apply for the Dairy Business Planning Grant using our [online application system](#).

- If you're a new user, you need to create an account first.
- Once you're logged in, select "Dairy Business Planning Grant."
- We will only accept one application per farm or processor.

How to get help

For questions about the grant program or application or for help using our online application system, email MDA.AGRigrants@state.mn.us with "Dairy Business Planning Grant" in the subject line or call 651-201-6500.

Eligibility

Eligible applicants

Applicants must be the principal operator or prospective operator of a dairy farm or dairy processing business. The farm or business must be in Minnesota and have authorization to farm or conduct business in Minnesota. Farms or businesses may only have one open Dairy Business Planning Grant at a time.

A principal operator is a person primarily responsible for the day-to-day operation of the farm or processing business. The principal operator could be an owner, hired manager, cash tenant, share tenant, or partner. Grant contract agreements may be written with the principal operator or the farm or processing business entity.

MDA employees, their spouses, and farms or businesses owned or principally operated by them are not eligible.

Eligible activities

Grant funds may only be used for the cost of having a qualified, independent third party provide professional services such as evaluating the operation, transitional changes, expansions, improvements, and other business modifications. The provider must assist in creating a business plan report to be submitted to the MDA. The business plan report, at a minimum, must contain the following key components:

- Executive summary
- Short- and long-term Goals and Objectives
- Analysis of proposed business changes
- Financial projections on how the business plan will change operations on the farm or processor

Ineligible expenses

The MDA recognizes that there are many types of professional services that are beneficial to dairy farms or dairy processors as they position themselves for the future. However, given the limited funds available under the program, eligibility is limited to activities that result in a specific plan that supports the continuance and enhancement of the dairy farm or dairy processing business. Ineligible items include, but are not limited to:

- Farm Business Management tuition
- Herd health, nutrition, or crop consulting
- Investment, tax planning, and tax return preparation
- Intergenerational transfer planning that discontinues the dairy enterprise
- Information system development or consulting
- Loan generation, origination documentation, chattel, or real estate appraisal
- Nutrient management planning, except for aspects required in the business plan
- Costs of completing a dairy business planning grant application form
- Expenses that are incurred before a signed contract
- Capital purchases
- Operational expenses

Matching funds

You may apply for up to 50% or up to \$5,000, whichever is less, of the eligible costs of completing a project. To receive your grant payment, you must provide documentation showing payment for the full cost of the project and a business plan.

Table 1. Examples of projects showing the reimbursement amount and the grantee's contribution

Example	Third-party fee	Grant reimbursement (50%, up to \$5,000)	Grantee cost
1: Legal fees for farm transition	\$13,000	\$5,000	\$8,000
2: Engineering plans for an expansion	\$8,000	\$4,000	\$4,000

Sources of matching funds may include cash, loans, other grants, and liquid capital assets dedicated to the project. Other sources of state funding may not be used as match.

Application Review Policies

Application process

- Apply for the Dairy Business Planning Grant using our [online application system](#).
 - If you're a new user, you need to create an account first.
 - Once you're logged in, select "Dairy Business Planning Grant."
- We are not responsible for any technical or logistical problems that result in a late submission. It is your responsibility to ensure we receive your application before the deadline.

A review committee will evaluate the project and make a funding recommendation. The project will either be:

- A. Approved, in which case the applicant will receive a notification of award; or
- B. Denied, in which case the applicant will receive a letter with reason(s) for denial and how the application can be updated or resubmitted for reconsideration.

After your application is approved and you receive notification of the award, you will be sent a grant contract agreement via DocuSign. You must sign your grant contract agreement within 30 days of it being sent to you. You may not begin to spend grant funds until your grant contract agreement has been fully executed (signed by you and the commissioner of agriculture or their designee).

Conflicts of interest

State grant policy requires that steps and procedures are in place to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers ([MINN. STAT.16B.98](#) and [Conflict of Interest Policy for State Grant-Making, 2022 \(Word\)](#)).

Organizational conflicts of interest occur when:

- A grantee or applicant is unable or potentially unable to give impartial assistance or advice to the MDA due to competing duties or loyalties.
- A grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties.

In cases where a conflict of interest is suspected, disclosed, or discovered, the applicant or grantee will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

Requirements for Grant Recipients

Grant award agreement

Grant contract agreement templates are available for review on the [Office of Grants Management Forms and FAQs](#) webpage.

Upon approval of an application and before beginning work on the grant project(s) and receiving reimbursements, the applicant must:

- Complete an IRS W-9 form or register as a vendor in SWIFT, the state's accounting system.
- Submit other required documentation within 30 days of award notification.
- Sign a grant contract agreement showing their intention to complete the proposed tasks. This agreement must be signed within 30 days of being sent to the grantee.

Accountability and reporting

Grantees may be required to submit annual progress reports during the grant period, a copy of the business plan, and additional information about the long-term impact for up to three years after the grant period. Grant payments will not be made on grants with past-due progress reports unless the MDA has given the grantee a written extension.

Information reported to the MDA may be classified as public data. Failure to regularly report, respond to surveys, and promptly respond to information requests may impact the grantee's ability to secure future funding from the MDA.

Payments

Eligible expenses may only be incurred after the grant contract agreement has been signed by all parties.

Grant funds are dispersed on a reimbursement basis. All requests for reimbursement must correspond to the approved grant budget.

The MDA may perform a financial reconciliation of at least one invoice. Financial reconciliation may be performed on additional payment requests at the discretion of the MDA. For this purpose, the grantee must provide expense receipts, employee timesheets, invoices, and any other supporting documents requested by the state.

Grant payments may be used to fulfill federal and state tax liabilities or may be withheld until the grantee has paid any tax liabilities ([MINN. STAT. 270C.65, Subd. 3](#) and other applicable law).

Bidding requirements

All grantees must abide by the state's bidding requirements for items costing over \$10,000. See a detailed list of the state's [bidding requirements](#) for details.

Project audits

The grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate ([MINN. STAT. 16B.98, subd. 8](#)).

The grantee is responsible for the retention of documents and records relevant to the grant. This requirement will last for a minimum of six years from the grant agreement end date; receipt and approval of all final reports; or the required period of time to satisfy all state and program retention requirements, whichever is later.

Affirmative action and non-discrimination policy

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the employee or applicant for employment is qualified ([MINN. STAT. 363A.02](#)). The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship ([Minnesota Rules, part 5000.3500](#)).

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the [Minnesota Human Rights Act](#).

Voter registration requirement

The grantee will provide voter registration services for its employees ([MINN. STAT. 201.162](#)).

Privacy Notice and Data Classification

The information provided as part of the Dairy Business Planning Grant application will be used to assess the applicant's eligibility to receive payment under this program and to fulfill applicable financial reporting requirements. Completing this application is voluntary; applicants are not legally required to provide the MDA with the information requested, but only completed applications will be considered. While much of the information applicants provide is classified by Minnesota law as public, some of the information may be classified by law as private or nonpublic at the MDA. Data classified as private or nonpublic will be accessible only to MDA employees and contractors that have a work assignment that requires access to the data, and to other entities authorized by law to receive the data. The MDA may be obligated to provide the data to law enforcement agencies, the Minnesota Department of Administration, Minnesota Management and Budget, the Office of the State Auditor, or the Office of the Legislative Auditor. If necessary to commence or defend a legal proceeding, the data may be shared with the Minnesota Attorney General's Office and Minnesota or federal courts. Finally, private data about you or nonpublic data about your business may be released to third parties through your informed consent, or pursuant to a valid court order or subpoena that requires such disclosure.

Internal Revenue Service (IRS) Code Section 6109 requires applicants to provide their correct taxpayer identification number to payers who must file information returns with the IRS. The MDA will use the information provided on the applicant's W-9 form to report payments received as part of this program to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of the applicant's tax return. For more information on how the information provided on a W-9 may be used, refer to the Privacy Act Notice on page 6 of the W-9 form.

Application Questions

You will be asked to answer these questions in our online application system. Answer all questions to the best of your ability. For questions that include a narrative response, be sure to give enough details for reviewers to be able to evaluate your response.

Contact information

Applicant information

- Applicant name
- Mailing address
- Applicant email
- Applicant telephone
- Farm name
- Farm county
- Farm address
- Minnesota State House District (use the [District Finder](#) if you don't know your district.)

Farm or business structure

- Sole proprietorship
- Partnership
- LLP
- LLC
- Corporation (Incorporated)
- Estate
- Trust
- Other

Project information

Farm or business summary

- Briefly provide a summary of your farm or business. (1,000 characters, including spaces)
 - For dairy farms, this should include who is involved in the operation, the number of years dairy farming, the number of milking animals/youngstock, background information, and why this planning needs to be conducted.
 - For dairy processors, describe who is included in the operation, what is being processed, the number of years operating, the size of the operation, and why this planning needs to be conducted.

Goal of business plan

- Briefly describe your goal for working with a consultant or other technical assistance provider. (1,000 characters, including spaces)

Professional services

- Complete the table below outlining the professional services you will be using.
 - Note: Only expenses incurred after the grant contract agreement has been signed by all parties are eligible for reimbursement. The grant reimburses 50% of the cost to hire third-party consultants, up to a maximum payment of \$5,000. No advance payments will be given. Educational expenses are not eligible. At the completion of the project, you must submit invoices and proofs of payment for all contracted third-party providers and a business plan report summarizing the project.

Example:

Description (business planning, pre-engineering, legal, etc.)	Third-party provider	Total cost
Transition planning legal consultation	ABC Consulting	\$5,000

Quotes and other sources

- Submit quotes or estimates for services. (optional)

Workplan and timeline

- When do you plan to start your project? (mm/dd/yyyy)
- Create a workplan using the example format shown below. You should include the steps you will take to successfully complete your project. For example, you might include target dates for finding a consultant, creating a business plan, and implementing the proposed changes.

Example:

Timeframe	Description of task or action item	Responsible party
March 2025	Research a consultant	Self
April 2025	Sign contract with consultant	Self
July 2025	Work with consultant to create plan	Self and contractor
September 2025	Create plan and implement	Self and contractor
November 2025	Implement plan	Self and employees
December 2025	Complete grant report and submit expenses	Self

Eligibility

Confirm that the following statements apply to you or your organization.

- I am the principal operator or have the authority to apply on behalf of the farm or business and no other application is being submitted from this farm. (Yes)
- I acknowledge that any work that is performed prior to having a fully executed grant contract agreement (signed by all parties) is not eligible for reimbursement nor can it be counted towards any match requirement. (Yes)
- Is the applicant or farm owner or principal operator an MDA employee or spouse of an MDA employee? (No)
- I understand that my social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, may be used by federal and state tax agencies and state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action that requires filing of state tax returns and paying delinquent state tax liabilities, if any. (Yes)
- I agree to keep all related records and receipts and make them available to the MDA, state auditor, or legislative auditor for a minimum of six years. (Yes)
- I understand that the information provided as a part of this Dairy Business Planning Grant application will be used to assess my/our eligibility to receive payment under this program and to fulfill applicable financial reporting requirements. I also understand that completing this application is voluntary and I'm not legally required to provide the MDA with the information requested, but only completed applications will be considered. I understand that while much of the information provided is classified by Minnesota law as public, some of the information may be classified by law as private or nonpublic at the MDA. Data classified as private or nonpublic will be accessible only to MDA employees and contractors that have a work assignment that requires access to the data, and to other entities authorized by law to receive the data. I understand the MDA may be obligated to provide the data to law enforcement agencies, the Minnesota Department of Administration, Minnesota Management and Budget, the state auditor, or the legislative auditor. If necessary to commence or defend a legal proceeding, the data may be shared with the Minnesota Attorney General's Office and Minnesota or federal courts. Finally, I understand that private data about me or nonpublic data about my business may be released to third parties through my informed consent, or pursuant to a valid court order or subpoena that requires such disclosure.
- I understand that Internal Revenue Service (IRS) Code Section 6109 requires me to provide a correct taxpayer identification number to payers who must file information returns with the IRS. The MDA will use the information I provide on the W-9 form to report payments received as part of this program to the IRS. The IRS uses the numbers for identification purposes and to help verify the accuracy of the grantee's tax return. (Yes)
- I affirm that the information I am submitting is true, complete, and accurate. (Yes)