

August 2009

Dear Minnesota Livestock Producer:

The Minnesota Department of Agriculture (MDA) is accepting applications for the 2009 Livestock Investment Grant Program (LIGP) as part of the newly created Agricultural Growth, Research, and Innovation Program (AGRI). These grants are available to qualifying livestock producers and provide reimbursement of up to 10% of their investment in buildings and/or capital equipment.

Grant applications will be competitively scored using an evaluation profile and ranked on their relative merit in each category. A review committee will evaluate the applications and notify recipients in early 2010. *Give special attention to the evaluation profile when answering the questions on the application.* If you applied for, but were not granted a Livestock Investment Grant in 2008, your application remains active and will be considered along with 2009 applicants.

Receipts for purchases or services are not requested as a part of the application process. Only grants that are approved will need to provide proof of payment. Grants will be paid to eligible producers after they have submitted proof of payment to MDA.

Applications for the 2009 Livestock Investment Grant program must be postmarked by **November 30, 2009**. All applications must be originals (emailed and faxed copies will not be accepted). Keep a copy of your application for your own records. *Incomplete grant applications will not be accepted or reviewed. Submitted applications will not be returned.*

Application checklist:

- Application is completely filled out, signed, and all questions are answered
- Project cost estimates are clearly defined within the application
- Make a copy of complete application for your reference
- Optional: a letter of support is included (no more than 2 pages)

MAIL COMPLETED APPLICATION TO:

**Livestock Investment Grant Program
Minnesota Department of Agriculture
625 Robert Street North
St. Paul, MN 55155-2538**

Thank you for making an investment in Minnesota's livestock industry.

Sincerely,

Gene Hugoson
Commissioner



Agricultural Growth, Research and Innovation Program (AGRI)

Minnesota Livestock Investment Grant Application

MN LAWS 2009, CHAPTER 94, ARTICLE 2, SEC. 12.

PLEASE PRINT

LEGAL – FIRST NAME		MIDDLE INITIAL	LAST NAME	
NAME OF FARM (if applicable)				
MAILING ADDRESS				
CITY		STATE	ZIP	COUNTY
PHONE NUMBER			CELL PHONE	
EMAIL				
ORGANIZATIONAL STRUCTURE				
<input type="checkbox"/> SOLE PROPRIETORSHIP <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> LLP <input type="checkbox"/> LLC <input type="checkbox"/> CORPORATION <input type="checkbox"/> OTHER _____				
ELIGIBILITY REQUIREMENTS				
<i>I am a current Minnesota resident or entity authorized to farm in Minnesota</i> <input type="checkbox"/> YES <input type="checkbox"/> NO <i>I hold an appropriate feedlot registration for the livestock operation</i> <input type="checkbox"/> YES <input type="checkbox"/> NO <i>I am a principal operator of the farm (actively involved in the operation of the farm)</i> <input type="checkbox"/> YES <input type="checkbox"/> NO <i>Expenses are or will be paid between January 1, 2009 and December 31, 2009</i> <input type="checkbox"/> YES <input type="checkbox"/> NO				
OPTIONAL DOCUMENTATION:				
<i>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.)</i>				

SEE THE FREQUENTLY ASKED QUESTIONS AND EVALUATION PROFILE SHEET FOR CLARIFICATION.

Contact for further assistance:

Livestock Investment Grant Program651-201-6500

www.mda.state.mn.us/livestockinvestmentgrant

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.

(check one)

APPLICATION QUESTIONS

	Yes	No
Will this investment have a positive impact on the environment? <i>If yes, describe the impact or improvement (could include improvement to water, air, and/or soil):</i>		
Have you completed a Conservation Plan, Organic Plan, or Environmental Assessment for your farm? (See Frequently Asked Questions for clarification) <i>If yes, what program?</i>		
Will this project support the entry or transition of a new livestock operation into the area? <i>If yes, please explain (Including beginning farmers and/or a generational transition on a farm):</i>		
Will project improve the efficiency or profitability on this farm? <i>If yes, please explain how (i.e. technology, updated equipment, better facilities, modernization, etc.):</i>		
Will project increase livestock production or numbers on this farm? <i>If yes, please list the before and after numbers of livestock, projected pounds of milk sold off the farm, pounds of pork marketed or sold off the farm, etc.</i> BEFORE _____ AFTER _____		
Will project create employment opportunities? <i>If yes, number of full-time _____ approximate hourly rate \$ _____</i> <i>number of part-time _____ approximate hourly rate \$ _____</i>		
Are you rebuilding after a natural disaster or other unintended condition? <i>If yes, please explain disaster and/or condition:</i>		
Are you receiving funding for this project from other grants or government sources? <i>If yes, what sources?:</i>		
Have you previously applied for a grant under the Livestock Investment Grant Program? <i>If yes, were you awarded any Livestock Investment Grant Funds? <input type="checkbox"/> Yes <input type="checkbox"/> No</i> <i>If yes, grant amount awarded _____ Date grant awarded _____</i>		

Primary Applicant Age (check one): under 25 25–35 36–45 46–55 56–65 over 65

Number of years applicant has been farming _____

Number of operators/managers on farm _____

Number of other employees on farm _____

Do you use professional and/or technical assistance on this project and/or your farming operation?
 i.e.; Farm Business Management, Extension, Consultant, Accountant, etc. Yes No

If yes, who or what organization? _____

Did you receive at least 50% of annual gross income from agriculture last year? Yes No

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. *(Add additional pages if needed.)*

SPECIES AND NUMBERS OF LIVESTOCK CURRENTLY ON FARM

SPECIES OF LIVESTOCK	BREEDING	YOUNGSTOCK	FEEDERS
BEEF			
DAIRY			
SWINE			
SHEEP/GOAT			
POULTRY			
HORSE			
OTHER (LIST)			

Livestock Investment Expenditures: January 1, 2009 – December 31, 2009	Total \$ of Capital Expenditure for this Project
Livestock Equipment <i>(this includes all self contained equipment or equipment only purchases such as waste management equipment or robotic milker)</i>	
(A) SUBTOTAL	
Livestock Building or Facility Improvements <i>(this includes all aspects of a new building or remodeling project, building, land prep, equipment in building, etc.)</i>	
(B) SUBTOTAL	
Fencing or Pasture Management Expense	
(C) SUBTOTAL	
Other Eligible Expenses	
(D) SUBTOTAL	
(ADD SUBTOTALS A, B, C, D) GRAND TOTAL EXPENSES	

→ **NOTE:** Grant request can only cover 10% of the total eligible investment expense. There is a maximum of \$50,000 cumulative grant claim per operation over the lifetime of the program.

Total Livestock Investment (above) \$ _____ x 10% = \$ _____ Grant Request

THE 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.
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.
3. I understand that MDA may conduct audits, check references, and conduct site inspections after grants are awarded and prior to dollars being disbursed.
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.
5. I verify all information supplied in this application is correct to the best of my knowledge.

X Applicant's Signature _____ Date _____
REQUIRED

Application must be postmarked by November 30, 2009

Send to: The Livestock Investment Grant Program • Minnesota Department of Agriculture • 625 Robert St. N. • St. Paul, MN 55155-2538



Frequently Asked Questions

What is the Livestock Investment Grant Program (LIGP)?

It is a grant to a person or entity who raises livestock in Minnesota for the purposes of improving or expanding livestock production in Minnesota. It will award 10% of a project's cost with a minimum expense of \$4,000 and a maximum expense of \$500,000.

I applied for LIGP in 2008. Do I need to reapply?

No. All eligible applicants from 2008 that were not funded will have their applications considered along with 2009 applicants. Producers who applied in 2008 and have additional investments in 2009 may apply again for this year's capital expenditures.

Who is eligible?

Applicants must be a resident of the state of Minnesota or an entity in compliance with the corporate farm law, be the principal operator of the farm, and hold an appropriate feedlot registration.

What livestock species are eligible?

All livestock species are eligible for the investment grant.

How much money is available?

\$1 million is available for the program operations and grants.

What does the grant cover?

- The acquisition, construction, or improvement of buildings or facilities for the production of livestock or livestock products
- The acquisition of equipment for livestock housing, confinement, feeding, and waste management
- The development of pasture for use by livestock

Except for qualifying pasture development expenditures, qualifying expenditures only include amounts that are allowed to be capitalized and deducted under either section 167 or 179 of the Internal Revenue Code in computing federal taxable income. These two sections provide guidance into the classification of assets for purposes of determining their depreciation schedule. IRC 167 and 179 describe what property can be depreciated and what methods of depreciation are allowed under tax law. IRC 179 also describes capital gains and the recapture of taxable income from the sale of assets.

Qualified expenditures do not include an amount paid to refinance existing debt or for livestock animals.

How are grants awarded?

Grant applications must be postmarked no later than November 30, 2009. Incomplete applications will not be accepted nor reviewed. The process will include two steps. The first is selection of qualified grant applications awarded competitively through an evaluation profile by a selection committee

convened by the Minnesota Department of Agriculture.

The second step will be the release of the grant funds to the recipient upon project completion and MDA receiving proof that the expenses were paid.

What if funding runs out?

If funds are depleted, MDA will start a waiting list for the next application/funding period. Applications will remain active for one year or through the next funding cycle.

I've started or finished a project/purchase before the grant was approved am I still eligible?

As long as the project/purchase applied for was paid for after January 1, 2009 and before December 31, 2009 you may still apply.

What is meant by a Conservation Plan, Organic Plan, or Environmental Assessment?

There are numerous management options to improve a livestock operation's impact on the environment. Pork Quality Assurance (PQA), Livestock Environmental Quality Assurance (LEQA), Nutrient Management Plans, Organic System Plan, Soil Testing, SWCD and NRCS programs are a few examples.

What is meant by a natural disaster or unintended condition?

Some improvements or new construction will be considered if it occurs as a result of a natural disaster or unintended condition (such as sudden disability or physical condition). The LIGP competitive process will provide up to five (5) additional points for producers that experienced a natural disaster, including but not limited to: fire or smoke damage, high winds or tornado, collapse of a roof (due to heavy snowfall) or flood damage to buildings or livestock equipment. (Financial losses resulting from low prices or market conditions are very real, but not considered natural disasters or an unintended condition in this definition.)

What documentation do I need to receive a grant?

Materials submitted must include a completed application with all questions answered including narrative section outlining the business plan and planned objectives for the livestock investment. A letter of reference or support (no more than 2 pages) is also welcome, but not required. **Note: Receipts are not required to apply for the investment grant with this application.** Those applicants that are selected to receive funding will be required to verify expenditures through paid invoices and further documentation.

Does the MDA have authority for verifying accountability?

Yes, applicants should be aware that the MDA may conduct audits, check references, and conduct site inspections after grants are verified and prior to dollars being disbursed.



Evaluation Profile - Livestock Investment Grant Program

This is a competitive grant program. Applications will be scored using the evaluation profile and ranked on their relative merit in each category. Give special attention to the evaluation profile when answering the questions on the application. Other factors that may be considered in the process include geographic location of the operation and livestock species.

Evaluation Item	1 Point UNSATISFACTORY	2 Points BORDERLINE	3 Points SATISFACTORY	4 Points VERY GOOD	5 Points OUTSTANDING
Investment will have a positive impact on the environment	No impact	Investment impact on the environment is uncertain	Effect on the environment is not clearly measurable but will probably be beneficial	Investment is likely to result in positive environmental benefit	Investment will clearly result in substantial positive environmental benefit
Conservation, Organic or Environmental Quality Assurance plan	No plan	Is considering available programs	Has finished plans but not implemented a plan	Implemented some parts of a plan but not all	Has an ongoing plan or a completion certificate
Entry or transition of operation into area	Not mentioned	Not a factor in investment	Part of long-term business plan	Helps facilitate generational transition	Helps new operation (2 years or less in business)
Investment improves efficiency or profitability of operation	Not mentioned	Change does not impact efficiency or profitability of operation	Operation should have improved efficiency or profitability through investment	Efficiency or profitability of operation will be improved and well described in narrative	New or updated technology significantly improved efficiency or profitability of operation
Increase production or livestock numbers	No change	5% increase	10% increase	15% increase	20% increase
Employment opportunities	Not mentioned	No change	Increase in employment	Increase in 2 – 5 employees	Increase in 6 or more employees
Natural Disaster/ Unintended event (see FAQ's)	Not a factor in investment		Event influenced decision on investment but was not the main factor		Was the main factor for the investment
Number of years farming	Not mentioned	More than 25 years farming	15 – 25 years farming	5 – 14 years farming	Less than 5 years farming
Completeness of applications	Not complete	Not legible, hard to read and/or understand	Everything filled out and readable	Complete, legible and does not leave many questions in the mind of reviewer	Complete, typed, and detailed in description of investment plan and goals