

# Minnesota Dairy Business Planning Grant Application



Minnesota Department of Agriculture  
625 Robert Street N.  
St. Paul, MN 55155

## APPLICATION PROCESS

The Dairy Business Planning Grant Program application process involves three steps:

1. Interested applicants should contact David Weinand of the Dairy Business Planning Grant Program at (651) 201-6646 for application information and eligibility.
2. The applicant will complete the Minnesota Dairy Business Planning Grant application and submit to the Minnesota Department of Agriculture (MDA) for review.
3. An MDA 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 reasons for denial.

Visit our web page address at: <http://www.mda.state.mn.us/dairyfood/dbgrant.pdf>

## SUMMARY INFORMATION

### A. PURPOSE

The goal of the Minnesota Dairy Business Planning Grants is to encourage dairy business planning and modernization activities of Minnesota dairy farms.

### B. FUNDING AVAILABILITY

The Minnesota Department of Agriculture can provide 50% of eligible project costs up to a maximum of \$5,000, the actual amount of funds awarded to any applicant is based upon:

- The viability of the project
- The project's economic impact
- Fund availability

### C. MATCHING FUNDS

Applicants will be required to contribute at least 50% of the total project costs from sources other than the State of Minnesota.

### D. ELIGIBLE APPLICANTS

Eligible applicants for the Minnesota Dairy Business Planning Grant program include existing and start-up Minnesota dairy producers.

In accordance with Americans With Disabilities Act, an alternative form of communication is available upon request.

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## E. ELIGIBLE ACTIVITIES

Proceeds from an award may only be used to cover the cost of having a qualified, independent third party provide the professional services necessary to assist the applicant in evaluating the start-up, modernization or expansion of a dairy farm. Eligible professional services include activities that are necessary in order for the applicant to make a “go or no go” decision, i.e., business planning, pre-engineering expenses.

For example, costs associated with developing a business plan that fully examines the feasibility of the proposed venture would be eligible. To be eligible for funding, proposals submitted to the Minnesota Department of Agriculture must, at a minimum, contain the following key components of a business plan:

- Executive Summary
- Short and Long Term Goals and Objectives
- Management Analysis
- Current and Historical Financial Information/Production Information
- Analysis of Proposed Business Changes

A Sample Business Plan Outline is included in this application as Attachment C and will be used to evaluate the eligibility of the final project.

## F. INELIGIBLE ACTIVITIES

The Minnesota Department of Agriculture recognizes that there are many types of professional services that are beneficial to dairy farm businesses as they position themselves for the future. However, given the limited funds available under the program, eligibility is limited to business planning, pre-engineering, and generational transfers that result in the continuance and enhancement of the dairy farm. Therefore, the following list is being provided to give you an idea of the type of professional services that are **NOT ELIGIBLE**.

1. Nutrition Consulting
2. Retirement and Investment Planning
3. Tax Planning and Tax Return Preparation
4. Intergenerational Transfer Planning that discontinues the dairy enterprise.
5. Information System Development or Consulting
6. Loan Generation/Origination Documentation
7. Chattel or Real Estate Appraisal
8. Crop Consulting
9. Nutrient Management Planning except that aspect required in the business plan.
10. Herd Health Consulting
11. The Cost of Completing a Dairy Business Planning Grant Application Form

**Note: This list is for information purposes only, it is not meant to be an all-inclusive list of ineligible activities. If you have questions regarding eligibility, please contact the Department’s Agriculture Project Consultant at (651) 201-6646.**

**APPLICATION CONTENTS AND CHECKLIST**

*\*Please attach this checklist as the last page of your application.*

**Included**  
**Yes No**

**Part I** - General Application Information

**Part II** - Project Exhibits

Project Documentation

1. Proposed Project Description
2. Current Operations Description

Consultant Documentation

1. Itemized Consultant Proposal
2. Consultant's Background

Financial Documentation

Personal Financial Statement (Attachment A)

Supporting Documentation

Certification Statement (Attachment B)

**DAIRY BUSINESS PLANNING GRANT APPLICATION  
PART I - GENERAL APPLICATION INFORMATION**

To Individuals: Social security number and some of the personal financial data that you have been asked to provide is private data under the Minnesota Government Data Practices Act (Chapter 13). The data will be used to process this application and decide whether to award you grant funds. You are not required to supply this data. If you do not provide it your grant request may be denied. Your application is public information and anyone may have a copy of it, except data that is protected by law.

*APPLICANT*

Name of Farm or Owner or Project			
Organizational Structure __ Corporation __ LLC __ Partnership __ LLP __ Sole Proprietorship __ Other_____			
Farm Contact:			
Legal First Name		Middle Initial	Last Name
Title			Phone Number
Email address			Cellular Number
Address			Fax Number
City	State	Zip Code	County
Federal Tax ID Number and State Tax ID number <b>OR</b> Social Security Number if a Sole Proprietor			

*CONSULTANT WHO WILL BE PROVIDING THE PROFESSIONAL SERVICES*

Name of Consulting Firm			
Consultant's Name*			Phone Number
Email address			Cellular Number
Address			Fax Number
City	State	Zip Code	County

*\*If the applicant will be using more than one consultant, please provide the above information for each additional consultant.*

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**PROFESSIONAL SERVICES**

Description (Business Planning, Pre-engineering, Legal, Etc*.)	Total Cost	Applicant's Match	Dairy Grant Request
<b>TOTAL SERVICES BUDGET</b>	<b>\$</b>	<b>\$</b>	<b>\$</b>

*\*Not all professional services are eligible for reimbursement under the Dairy Business Planning Grant program.*

**OWNERSHIP AND MANAGEMENT OF APPLICANT'S FARM**

<b>If the applicant is a partnership, limited partnership, limited liability company, corporation, or subchapter S or C corporation, list all partners, shareholders and owners with their offices and percent of ownership in the business. (Attach additional sheets, if necessary)</b>		
Name	Office	Percent Owned
<b>TOTAL</b>		<b>100%</b>

**EMPLOYMENT**

	Full Time*	Part Time*
1. Current Number of Employees		
2. Estimated Average Hourly Wage to be Paid		

*\*Full Time Employee = Single Employee Working 2,080 Hours Per Year*

*\*Part Time Employee = Single Employee Working Less Than 2,080 Hours Per Year*

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**BUSINESS HISTORY**

	<b>YES*</b>	<b>NO</b>
Have you previously employed a financial management consultant?		
Have you used a business plan for previous expansions or modernizations?		

*\*Please submit a detailed explanation of any YES responses.*

**LEGAL INFORMATION**

	<b>YES*</b>	<b>NO</b>
Has the applicant been involved as a defendant in any civil lawsuits during the last 12 months?		
Are you currently in compliance with the Minnesota corporate farm law?		
Has the applicant ever been involved in any bankruptcy or insolvency proceedings?		
Does the applicant have any unpaid or outstanding tax liens?		

*\*Please submit a detailed explanation of any YES responses.*

**MISC.**

	<b>YES</b>	<b>NO</b>
Are you or have you been cited for any environmental violations?		
Will the business planning grant be used for an environmental corrective action?		

**If Yes, Explain** \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

## **PART II - PROJECT EXHIBITS**

Please prepare information to address the following items and attach them to your application.

### **A. PROJECT DOCUMENTATION**

1. Please describe the applicant's proposed project relating to the dairy modernization activities.
2. Please provide information on the applicant's education and experience relative to dairy farming and if applicable, describe the applicant's current dairy farm operation including:
  - The total number of acres farmed;
  - The applicant's milk production and cows milked for each of the last three years; (not necessary if this is a new start-up operation).

### **B. CONSULTANT DOCUMENTATION**

1. Please provide a copy of the consultant's itemized written proposal for services that includes the following information:
  - The specific professional services that the consultant proposes to provide to the applicant.
  - The number of hours that the consultant expects to spend providing such professional services.
  - The consultant's proposed fee schedule.
2. Please provide background information from the consulting firm or firms so that the Minnesota Department of Agriculture can evaluate the company's professional qualifications to perform the proposed services. All professional services must be provided by an independent third party that is acceptable to the Department.
3. This information must be submitted in order to process the application.
  - The contact information for the consultant firm.
  - Three references that can verify the consultant's work experience

### **C. FINANCIAL DOCUMENTATION**

The applicant and each partner, owner, or shareholder with an ownership interest of twenty (20) percent or more must submit a signed personal financial statement, using the attached form (Attachment A) or a substitute signed balance sheet acceptable to the Department.

### **D. SUPPORTING DOCUMENTATION**

1. The applicant must submit a signed Certification Statement (Attachment B).

**Attachment A**

**APPLICANT BALANCE SHEET**

*Submitted to:*

Minnesota Department of Agriculture

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Name: \_\_\_\_\_ Social Security Number: \_\_\_\_\_

Address: \_\_\_\_\_ Date of Birth: \_\_\_\_\_

City: \_\_\_\_\_ State: \_\_\_\_\_ Zip: \_\_\_\_\_ Phone: \_\_\_\_\_

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ASSETS		LIABILITIES	
Cash	\$	Accounts Payable	\$
Accounts Receivable		Income Taxes Payable	
Crop Inventory		Real Estate Taxes Payable	
Market Livestock Inventory		Farm Loans	
Breeding Livestock Inventory		Non-Farm Loans	
Value of Growing Crops		Real Estate Taxes	
Machinery, Equipment, Trucks		Credit Cards	
Farm Buildings		Other Liabilities:	
Farm Land			
Farm Home			
Personal Property			
Other Assets:			
<b>TOTAL ASSETS</b>	<b>\$</b>	<b>TOTAL LIABILITIES</b>	<b>\$</b>

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**Applicant understands submitting false or misleading information in connection with an application may result in the applicant being found ineligible for financial assistance under the funding program and may be subject to civil and/or criminal prosecution.**

Applicant Signature \_\_\_\_\_ Date \_\_\_\_\_

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**Attachment B**

**CERTIFICATION STATEMENT**

***THE APPLICANT CERTIFIES THAT:***

1. To the best of their knowledge and belief, the data in this application is true and correct and that supporting documentation for the claims and assertions made within this application is available to the Department for its review.
2. The Applicant understands that submitting false or misleading information in connection with this application may result in the applicant being found ineligible for financial assistance under the Dairy Business Planning Grant Program. The Applicant further understands that receiving public funds as a consequence of false representations constitutes an act of fraud.
3. The Department is authorized to obtain a credit check on the applicant, the business and/or the individual(s) with controlling ownership interest.
4. I understand any information submitted is public information, under the Minnesota Government Data Practices Act, Minnesota Statute, Chapter 13 except as provided below:
  - A. Business data that is protected from release/information request during the application process:
    - Credit Reports, Financial Statements, Net worth Calculations, Balance Sheets, Business Plans, Income/Expense Projections, Customer Lists, Income Tax Returns, Design, Market, and Feasibility studies (not paid for with public funds).
  - B. Business data that remains protected after a grant is awarded:
    - Business Plans, Income/Expense Projections, Customer Lists, Income Tax Returns, Design, Market, and Feasibility studies (not paid for with public funds).

\_\_\_\_\_  
**Applicant Signature**

\_\_\_\_\_  
**Date**

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## **Attachment C**

### **SAMPLE BUSINESS PLAN GUIDELINE**

- I. Executive Summary**
  - A. Proposed Project Description
  - B. Purpose and Philosophy
  - C. Mission Statement
  
- II. Operations Plan**
  - A. Business Organization Structure/Personnel Plan
  - B. Financial and Management History
  - C. Analysis of Management Abilities
    - 1. Business/Marketing/Risk Management
    - 2. Production Management
  - D. Immediate Goals and Timetable
  - E. Management Goals
  - F. Expansion Budgets
    - 1. Facility Needs
    - 2. Cow Flow
    - 3. Labor Needs
    - 4. Feed Budgets
    - 5. Waste/environmental Management
    - 6. Insurance Coverage
  - G. Proposed Financing Sources
  - H. Pre-engineering plans, if applicable
  
- III. Financials**
  - A. Balance Sheet
    - 1. Current Balance Sheet
    - 2. Historical Balance Sheet
    - 3. Proforma Balance Sheet
  - B. Financial Projections
    - 1. Profit and Loss
      - a. Assumptions
      - b. Analysis
    - 2. Cash Flow
      - a. Assumptions
      - b. Analysis
        - i. 4 Year Monthly
        - ii. Year 5 Preliminary Summary Annual
    - 3. Cost of Production Analysis
    - 4. Sensitivity Analysis
  
- IV. Supporting Documentation**
  - A. Building Plans
  - B. Previous three years tax returns (not needed for the grant application) or historical benchmarks or example
  - C. Production Records
  - D. Narrative on employee development/training