

Marketing and Development Division 651-201-6646**Minnesota Dairy Business Planning Grant Application****Application Process**

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

1. Interested applicants should contact David Weinand 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: www.mda.state.mn.us/grants/grants/dbgrant.aspx

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 MDA 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.

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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 MDA 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 MDA 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 MDA at 651-201-6646.

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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)		

Marketing and Development Division 651-201-6646**Minnesota Dairy Business Planning Grant Application****Dairy Business Planning Grant Application****PART I - General Application Information****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 _____ Email _____

Phone _____ Cell _____ Fax _____

Address _____

City _____ State _____ Zip _____ County _____

Consultant Who Will be Providing the Professional Services

Name of Consulting Firm _____

Consultant's Name* _____ Email _____

Phone _____ Cell _____ Fax _____

Address _____

City _____ State _____ Zip _____ County _____

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

Professional Services

Description (Business Planning, Pre-engineering, Legal, Etc*.)	Total Cost	Applicant's Match	Dairy Grant Request
Total Budget Services \$	\$	\$	\$

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

Ownership and Management of Applicant's Farm

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)

Name	Office	Percent Owned
Total		100%

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

	Yes*	No
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

	Yes*	No
Have you 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		
Have you ever been involved in any bankruptcy or insolvency proceedings?		
Do you have any unpaid or outstanding tax liens?		

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

Miscellaneous

	Yes*	No
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 - Projects Exhibits

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

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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 MDA 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 MDA.
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 MDA.

D. Supporting Documentation

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

Marketing and Development Division 651-201-6646**Minnesota Dairy Business Planning Grant Application****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 MDA 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 MDA 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

Marketing and Development Division 651-201-6646**Minnesota Dairy Business Planning Grant Application****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. Production Records
- C. Narrative on employee development/training