## **I:\Farm Viability\Outreach & Communications\VFFVP_logo_color.jpg Dairy Improvement Grants Program**

The Vermont Farm & Forest Viability Program is pleased to announce that funds for on-farm improvements are available on a competitive basis for grants of up to **$40,000** to Vermont dairy farmers that are members of St. Albans Cooperative or Dairy Farmers of America. These funds are designed to help farmers make investments in their businesses that result in increases in farm viability and/or milk production.

Funds for this grant program are donated by Commonwealth Dairy and awarded by the Vermont Farm & Forest Viability Program, in partnership with the St. Albans Cooperative, Dairy Farmers of America, Housing Vermont, the Massachusetts Housing Investment Corporation and CEI, Inc.

**VERMONT FARM & FOREST VIABILITY PROGRAM**

## The Vermont Farm & Forest Viability Program (VFFVP) offers one-on-one, in-depth business planning, technical assistance and management coaching to Vermont farm, food and forest enterprises in order to improve the economic viability of Vermont's working landscape. When funding is available, we provide grants to assist farm businesses to implement their business plans and improve the economic viability of their operations. VFFVP is a program of the Vermont Housing & Conservation Board.

**HOW TO APPLY:**

Full application instructions and eligibilityinformation can be found in the Guidelines section, pages 2-5 of this packet. Please read this entire packet and application fully before beginning the process of applying. **Applications will be due December 15th, 2016** (see timeline below).We recommend starting as soon as possible, as this application requires time to gather materials and complete.

If you need assistance or have questions about the application, contact Viability Program Manager Liz Gleason at dairygrants@vhcb.org, or call 828-3370.

We prefer that you submit the application using the online form described in Section 4 of the guidelines, but if necessary we can accept hard copy applications by mail. Download the application form from <http://www.vhcb.org/viability>, or pick up a hard copy at the St. Albans Cooperative offices or from DFA Field Staff Regional Manager Susan Isham (susan.isham@dairymarketingservices.com or 802-877-6942).

**TIMELINE:**

Applications available: **September 27th, 2016**

Info sessions: Monday, 10/17/16 (Middlebury, American Legion 12 pm – 2 pm), 10/17/16 (St. Albans Free Library, 12 pm – 2 pm)

Application due date: December 15th, 2016 at 5pm.

Review period: December-January 2017

Grantees announced: February, 2017

Grant funds available for disbursement: March, 2017

*Info sessions*: We will be hosting two information sessions on October 17th (see above). If there is significant enough need, we MAY host another session in late November – if this is the case that session will be listed on our website. These sessions are an opportunity for you to meet with program staff to learn more about the grants process in person and to have questions answered one-on-one. More info on application assistance can be found in Section 8 of the Application Guidelines.

## **I:\Farm Viability\Outreach & Communications\VFFVP_logo_color.jpg Dairy Improvement Grants Program**

**GUIDELINES**

**Please read through the grant instructions and application fully before beginning to fill out your application. If you have any questions about the application process or project eligibility, contact:** Liz Gleason, Viability Program Manager, at dairygrants@vhcb.org or 828-3370.

**1. ELIGIBILITY REQUIREMENTS**

**Eligible farms:**

* Applicants must be dairy farms located in Vermont that currently are members of the St. Albans Cooperative or Dairy Farmers of America.
* Applicants must submit a business plan that meets the criteria listed in Section 7: Components of a Business Plan
* Applicants do NOT have to be enrolled or past participants in the Vermont Farm & Forest Viability Program to apply.
* Applicants can be organic or conventional, and the size of your farm does not impact your application.
* Farmers who were previously awarded Dairy Improvement Grants will not be eligible this year.

**Eligible projects:** If your business meets the criteria above, you are eligible to apply for between $5,000\* and $40,000for the following kinds of projects\*:

* Construction or facility improvements (labor and/or materials)
* Conservation-related improvements or practices that are permanent/long-term, including permanent field practices such as grass waterways, but not annual practices. This grant may be used as matching funds for EQIP or other conservation funds, but cannot be used instead of existing federal or state funds available for conservation practices.
* Equipment (in special circumstances): Requests for funding for equipment must be able to demonstrate that the equipment:
	+ Will be used frequently
	+ Is essential to the business
	+ Must be purchased (can’t be easily rented)
	+ Leads to new, innovative farm practices

We are unlikely to fund equipment that is used infrequently, or that could very feasibly be rented or contracted. If you have any questions about equipment eligibility, please email or call.

*\* In special circumstances, program staff may provide a waiver for grant requests below the* $5,000 *minimum, or for a type of project not on this list. Please contact Liz Gleason in advance of the application deadline to request a waiver, if desired.*

**Up to date business plan:** To apply for funding, you must also submit a business plan that meets the criteria in Section 7, including recent financial statements. It should provide an overview of the whole business, as well as document the purpose and need for the grant project and the project’s impact on your business.

**2. SELECTION CRITERIA**

When the review team evaluates your grant application, they will be assessing the **impact, quality,** and **need** for your project. The following factors will be considered during the grant review:

IMPACT:

* **Farm viability:** Does the application demonstrate a positive impact on the business, the farm family, or others in the agricultural community? Does the project improve the farm’s bottom line, or other components of farm viability such as improved labor efficiencies, safety, loan repayment, ability to balance work and personal life, or help complete a farm transfer?
* **Feasibility:** Does the application demonstrate financial feasibility and that there is an adequate management team to successfully implement the project?
* **Innovation:** Is there a particularly innovative approach as a part of this project? Will funding this project support early adopters of new practices, solutions or technology?
* **Production:** Does the project demonstrate significant measurable improvement in milk quality or production?
* **Environmental Stewardship**: Does the project help meet existing and new water quality and other environmental regulations? Does the project help build soil fertility?

QUALITY

* Is the application **complete**?
* Does the project seem **well planned**?
* Does the narrative include **concrete numbers** for how the project will improve the business? For example: “Production will increase by x%.” or “Our net income will be $X more per year.”

NEED:

* **Financial:** Does the farm need financial support in order to complete this project in a timely way?
* **Regulatory:** Does the farm need to complete the project to meet RAPs or other regulatory requirements?

**3. MATCHING FUNDS REQUIREMENT**

Farmers must have matching funds equal to or more than the amount of grant funding you are requesting.The matching funds must be directed to the same project for which you are requesting funds. Eligible match sources include:

* Your own cash or savings
* Loans or expected loan receipts
* Grants from private or public sources, including USDA NRCS or VT Agency of Agriculture Food & Markets
* Outside investment capital
* Your/your employee’s labor (for the project only)

Grant funds and matching funds cannot be used for activities or purchases that occurred before the application deadline.

***NOTE:*** *Only labor related to your project is eligible as matching funds. An example: Your total project cost is $40,000. You are requesting a $20,000 grant, and are providing the other $20,000 in eligible matching funds. Of the matching funds, $15,000 is for materials and $5,000 is for labor (done by you, your employees or by an outside hire) associated with the project. Labor associated with normal, day-to-day farm work is not eligible.*

**4. APPLICATION SUBMISSION**

Applications must be submitted no later than 5pm on December 15th, 2016. We will not accept late applications.

Submit online (PREFERRED METHOD):

Application: <http://www.vhcb.org/viability>

To send in your application, first read through the entire set of guidelines and the application. Make sure you can answer all the questions, and you have a complete business plan, before starting to enter your responses online.

You should upload the budget sheet and business plan as attachments. You can use the fillable budget sheet on our website, or print and fill out by hand.

Please try to access the online application at least a week before the deadline. If you experience difficulties with this system and need assistance, please email us no later than one week before applications are due.

Saving your application: The online application can save your application while you are working on it, if you create a login and password. If you do not want to create a login and password, be ready to complete your entry in one sitting and submit it. You will get an email copy of your application after submittal.

Submit by mail:

If you do not have reliable access to the internet or continue to experience difficulty with the online application, you can submit in hard copy. Download the application form from <http://www.vhcb.org/viability>, or pick up a hard copy at the St. Albans Cooperative offices or from DFA Field Staff Regional Manager Susan Isham (susan.isham@dairymarketingservices.com or 802-877-6942).

You are welcome to handwrite the basic information and budget sheet, but the narrative questions and all other information MUST BE TYPED.

Mail to: Liz Gleason

Vermont Farm & Forest Viability Program

58 E. State Street

Montpelier, VT 05602

5. REVIEW TEAM, CONFIDENTIALITY & COMPLIANCE REVIEW

By submitting your application materials, you agree to allow them to be read by members of the Dairy Grants Review Committeeand by staff of the Vermont Farm & Forest Viability Program. Inaccordance with our program’s Confidentiality Policy, no other persons will have access to your application materials, and all copies will be collected for safekeeping following the meeting of the Review Committee. The Review Committee will be made up of farm business advisors, dairy experts, representatives from the St. Albans Cooperative Creamery, Dairy Farmers of America, farmers and/or farm lenders. The information they learn while reading applications is considered highly confidential and they will be held to our confidentiality policy as well as required to return all copies of applications and supporting documents.

In addition to the review team, a list of all farms that apply will be shared with the VT Agencies of Agriculture and Natural Resources for a compliance review. Each agency will have the opportunity to express any concerns or let our staff know if farms are out of compliance with state or federal regulations. Being out of compliance does not cause a farm to be ineligible for funds; in fact farms that are out of compliance but working with agency staff to come into compliance may be considered a high priority for grant funds.

**6. GRANT TERMS AND CONDITIONS**

Applicants will be notified of the status of their application by the end of February. Grant checks are dispersed on a reimbursement basis only, meaning that you will have to demonstrate that you have spent the grant and match amount before we can send the check. Should you receive funding, you will have to sign a contract that requires the following:

1. You will carry out the project as stated in your application (unless you need to request a waiver to change the uses of funds)
2. **Applicants who receive grants will be expected to remain in farming for a period of five years.** If a recipient ceases to have a “qualified farm operation” on the farm within this time period, the VFFVP reserves the right to require partial or full repayment, prorated over five years.
3. Grant recipients must agree to allow VFFVP staff to visit the farm once the project is complete, and should expect to submit annual income and production data via survey.

All applicants receiving funding will be sent a packet of information about their grant, including the contract and other paperwork to complete. Grantees will need to submit invoices or receipts that document that you have spent the funds in order to be reimbursed. Alternatively, you can submit invoices from contractors, dealers, etc. that you have not paid yet if you need the funds up front. Once we receive all the paperwork and proof of expenses, it takes 1-3 weeks to receive the grant check in the mail. Grant funding is typically considered taxable income, and you will receive a Form 1099 from the Vermont Housing and Conservation Board (the Vermont Farm & Forest Viability Program is a program of VHCB) for the grant amount.

**7. COMPONENTS OF A FARM BUSINESS PLAN & FINANCIAL STATEMENTS**

The following outline should be used as a guide to write your business plan, or as a list of requirements to make sure your plan meets program requirements. **The financial statements are critical, and will be kept confidential**. Please do not submit tax returns unless you do not track your income and expenses any other way. If you need to submit tax returns, please black out your social security or EIN number. A business plan that gives readers a comprehensive understanding of your farm and includes financial statements is usually not shorter than 4-10 pages.

If you already have a business plan, make sure that it includes the following information – however, it does not necessarily need to be in the same order, or with the same headings.

**I. Cover Sheet & Table of Contents**

**II. Summaries**

a. Narrative Summary: an overview of the purpose of the plan and most critical farm issues and goals.

b. Financial summary: an overview of information from the financial statements as well as a brief description of any plans that would significantly change your financial picture.

**III. Farm Description**

Description of your land base, history, labor, production, facilities, markets, and other significant facts.

**IV. Strengths, Weaknesses, Opportunities, and Threats (SWOT Analysis)**

Please list the top 2-3 Strengths, Weaknesses, Opportunities and Threats to the Business.

a. Strengths are internal to the business (such as excellent herd management)

b. Weaknesses are internal to the business (such as no exit strategy for older generation)

c. Opportunities are external to the business (such as increased consumer interest in specialty dairy products)

d. Threats are external to the business (such as disease or fluctuating milk prices)

**V. List of proposed Business Ideas and Strategies**

Description of all the actions you plan to take to maintain, improve, or grow your business.

**VI. Implementation Plan**

A description of the schedule or timeline (including target dates for completion) of the proposed business ideas and strategies.

**VII. Financial Statements:**

a. Current Balance Sheet: a snap-shot of financial condition showing assets and liabilities

 REQUIRED: 2015 year-end or current balance sheet

 OPTIONAL: previous years’ balance sheets

b. Historical Income Statement: a listing of farm income and farm expenses (also known as Profit &Loss)

REQUIRED: 2015 (or most recent historical income statement)

 OPTIONAL: previous 3 years’ income statements

c. Cash-flow Projection or budget for 2017: typical monthly projections of the movement of cash into (payments received the business) and out of (payments made) the business; should take into account income and expenses that affect cash available. Any projections beyond 2017 are optional.

**8. APPLICATION ASSISTANCE**

If you need assistance writing or reviewing your application, business plan, or putting together financial statements (income, balance sheet, or cash-flow), we may be able to provide you with help from a Farm Viability service provider or farm business advisor. There is very limited space available for business planning consultation and these advisors are only available for business and financial planning (not helping to prepare other parts of the grant application), so **if you would like some support please get in touch as soon as soon as possible**. We also recommend asking a trusted advisor to review your application and attachments, such as a family member or friends who have experience with grant writing, a colleague, your accountant, or other business advisors.

For questions about the application requirements, please contact Liz Gleason, Viability Program Manager, at dairygrants@vhcb.org or 828-3370.