



Dairy 2020 Early Planning Grant Program Application

Prepared by:

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SUMMARY INFORMATION

A. PURPOSE

The goal of the Dairy 2020 Early Planning Grant program is to encourage and stimulate the start up, modernization and expansion of Wisconsin dairy farms.

Since its inception in November 1996, the Dairy 2020 Early Planning Grant Program has provided more than \$1,600,000 to nearly 700 Wisconsin dairy producers.

B. FUNDING AVAILABILITY

Although Commerce can provide 75% of eligible project costs up to a maximum of \$3,000, the actual amount of funds awarded to any applicant is based upon factors such as:

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

C. MATCHING FUNDS

Applicants will be required to contribute at least 25% of the total project costs from sources other than the State of Wisconsin.

D. ELIGIBLE APPLICANTS

Eligible applicants for the Dairy 2020 Early Planning Grant program include existing and start-up Wisconsin dairy producers.

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 expenses.

For example, costs associated with developing a business plan that fully examines the feasibility of the proposed venture would be eligible. However, costs incurred to develop detailed architecture and engineering plans are not eligible. It is not reasonable to believe that a producer would spend thousands of dollars if they were still uncertain as to whether or not to proceed with the project.

To be eligible for funding, the plan you are seeking funding for must, at a minimum, contain the following key components of a business plan:

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

A Sample Business Plan Outline is included in this application as Attachment D.

F. INELIGIBLE ACTIVITIES

Commerce 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, eligibility is limited to business planning activities. Therefore, the following list is being provided to give you an idea of the type of professional services that **are not** eligible.

1. Engineering Services
 - Building Design
 - Farmstead Layout
 - Manure Storage
2. Nutrition Consulting
3. Retirement and Investment Planning
4. Tax Planning and Tax Return Preparation
5. Intergenerational Transfer Planning
6. Information System Development or Consulting
7. Loan Generation/Origination Documentation
8. Chattel or Real Estate Appraisal
9. Crop Consulting
10. Nutrient Management Planning
11. Herd Health Consulting
12. The Cost of Completing a Dairy 2020 Early Planning Grant Application

Note: This list is for information purposes only, it is not meant to be an all-inclusive list of ineligible activity. If you have questions regarding eligibility please contact the Department's Agriculture Finance Specialist at (608) 266-9869.

APPLICATION PROCESS

The Dairy 2020 Early Planning Grant Program application process involves three steps:

1. Interested applicants should contact Director of the Dairy 2020 Program at (608) 266-7370. Applicants will discuss the project the Director. The Director will provide information regarding the eligibility of the proposed activities and identify other resources that could potentially assist the applicant.
2. The applicant will complete the application manual and submit it to the Department for review.
3. The project will be underwritten and an Internal Review Committee will make a funding recommendation. The project will either be:
 - A. Denied, in which case the applicant will receive a letter with reasons for denial.
 - or
 - B. Approved, in which case the applicant will receive a notification of award.

Visit our web page address at: <http://www.commerce.state.wi.us>

APPLICATION CONTENTS AND CHECKLIST

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

	Included	
	<u>Yes</u>	<u>No</u>
<u>Part I</u> - General Application Information	<input type="checkbox"/>	<input type="checkbox"/>
<u>Part II</u> - Project Exhibits		
Project Documentation		
1. Proposed Project Description	<input type="checkbox"/>	<input type="checkbox"/>
2. Current Operations Description	<input type="checkbox"/>	<input type="checkbox"/>
Consultant Documentation		
1. Itemized Consultant Proposal	<input type="checkbox"/>	<input type="checkbox"/>
2. Consultant's Background	<input type="checkbox"/>	<input type="checkbox"/>
Personal Financial Statement (Attachment A)	<input type="checkbox"/>	<input type="checkbox"/>
Certification Statement (Attachment B)	<input type="checkbox"/>	<input type="checkbox"/>
Taxpayer Identification Number Verification form (Attachment C)	<input type="checkbox"/>	<input type="checkbox"/>

DAIRY 2020 EARLY PLANNING GRANT PROGRAM APPLICATION

PART I - GENERAL APPLICATION INFORMATION

APPLICANT

Name of Farm			
Organizational Structure <input type="checkbox"/> Corporation <input type="checkbox"/> LLC <input type="checkbox"/> Partnership <input type="checkbox"/> LLP <input type="checkbox"/> Sole Proprietorship <input type="checkbox"/> Other _____			
Farm Contact:			
Legal First Name	Middle Initial	Last Name	
Title		Phone Number	
Address		Fax Number	
City	State	Zip Code	County
Federal Employer ID Number OR Social Security Number if a Sole Proprietor			

CONSULTANT WHO WILL BE PROVIDING THE PROFESSIONAL SERVICES

Name of Consulting Firm			
Consultant's Name*		Phone 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.*

PROFESSIONAL SERVICES

Description (Business Planning, Engineering, Accounting, Etc*.)	Total Cost	Applicant's Match	Dairy 2020 Request
TOTAL SERVICES BUDGET	\$	\$	\$

****Not all types of professional services are eligible for reimbursement under this program.***

OWNERSHIP AND MANAGEMENT OF APPLICANT'S FARM

If the applicant is a partnership, limited partnership, limited liability company, corporation, or subchapter S corporation, list all partners, shareholders and owners with their offices and percent ownership in the business.		
Name	Officer Title	Percent Owned
TOTAL		100%

EMPLOYMENT

	Full Time*	Part Time*
1. Current Number of Employees		
2. Estimated No. Of New Employees Within Three Years		
3. 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

BENEFITS

	YES	NO
Does the applicant currently provide health insurance benefits to employees?		
Does the applicant anticipate providing health insurance benefits to employees?		

LEGAL INFORMATION

	YES*	NO
Has the applicant been involved as a defendant in any civil lawsuits during the last 12 months?		
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.

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 start-up, modernization or expansion of a dairy farm.
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.

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 that have been selected so that Commerce 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.

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).
2. The applicant must submit a signed Taxpayer Identification Number [TIN] Verification form (Attachment C).

Attachment A

APPLICANT PERSONAL FINANCIAL STATEMENT

Submitted to:

WISCONSIN DEPARTMENT OF COMMERCE

Name: _____

Social Security Number: _____

Address: _____

Date of Birth: _____

City: _____ State: _____ Zip: _____

Phone: _____

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:			
TOTAL ASSETS	\$	TOTAL LIABILITIES	\$

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

CERTIFICATION STATEMENT

THE APPLICANT:

1. Certifies that to the best of its knowledge and belief, the information being submitted to Commerce is true and correct.
2. Certifies that Commerce is authorized to obtain a credit check on the applicant and any business or individual that currently has an ownership interest (20% or more) in the applicant.
3. Understands that the Dairy 2020 Early Planning Grant program is a competitive process and that not all applications are funded.
4. Understands that application materials will not be returned.
5. Understands that unless it qualifies as trade secret, all information submitted to Department of Commerce by a business or individual seeking financial assistance is subject to Wisconsin's Open Records Law.

The applicant requests that Commerce treat the following items as TRADE SECRET:

	<u>Yes</u>	<u>No</u>	<u>NA</u>
A. Personal financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
B. Historical business financial statements.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
C. Business financial projections.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
D. Plan or study to be funded by this application.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
E. Other: _____	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If Section 5 is left blank then all information provided to Commerce will be open to examination and copying.

Applicant Signature

Date

**INSTRUCTIONS FOR COMPLETING
TAXPAYER IDENTIFICATION NUMBER (TIN) VERIFICATION
(SUBSTITUTE W-9)
(Found on the following page)**

For all projects approved by Commerce, the following TAXPAYER IDENTIFICATION NUMBER (TIN) VERIFICATION/SUBSTITUTE W-9 form is used as a reference for issuing checks to Recipients. Commerce will file with the IRS appropriate income tax forms for award Recipients based off the information that appears on this form.

Legal Name:

Enter your legal business name as registered with the IRS
Individuals/Sole Proprietorships: Enter Last Name, First Name, MI

Please note that you do not need to complete the Trade Name, Primary Address, Remit Address or Order Address portions of the W-9 form for the purpose of this application.

Entity Designation:

Check **ONE** box that describes the type of business entity.

Taxpayer Identification Number (TIN) - LIST ONLY ONE:

Social Security Number

OR

Employer Identification Number

OR

Individual Taxpayer Identification Number

If you do not have a TIN, apply for one immediately. Individuals use federal form SS-05, which can be obtained from the Social Security Administration. Businesses and all other entities use federal form SS-04, which can be obtained from the Internal Revenue Service.

Certification:

The person signing this document should be a partner in the partnership, an officer of the corporation, the name of the individual listed or sole proprietor listed under legal name.

Privacy Act Notice:

Section 6109 requires you to furnish your correct TIN to persons who must file information returns with the IRS to report interest, dividends, and certain other income paid to you, mortgage interest you paid, the acquisition or abandonment of secured property, or contributions you made to an IRA. The IRS uses the numbers for identification purposes and to help verify the accuracy of your tax return. You must provide your TIN whether or not you are required to file a tax return. Payers must generally withhold 31% of taxable interest, dividend, and certain other payments to a payee who does not furnish a TIN to a payer. Certain penalties may also apply.



Substitute **W-9**

DO NOT send to IRS

Taxpayer Identification Number (TIN) Verification

Print or Type

Please see the following page for complete instructions.

This form can be made available in alternative formats to qualified individuals upon request.

➤ **LEGAL NAME** Enter your legal business name as registered with the IRS.
 Individuals/Sole Proprietorships: Enter Last Name, First Name, MI

➤ **Trade Name**
 If doing business as (D/B/A) or enter business name of Sole Proprietorship

➤ **Primary Address** (for return of 1099 form)
 PO Box or number and street, City, State, ZIP + 4

➤ **Remit Address** (where check should be sent if different from primary)
 PO Box or Number and Street, City, State, ZIP + 4

➤ **Order Address** (where order should be sent if different from primary)
 PO Box or number and street, City, State, ZIP + 4

➤ **ENTITY DESIGNATION** (check only one)
Required

- Individual / Sole Proprietor
- Corporation (includes service corporations)
- Limited Liability Company
- Government Entity
- Hospital Exempt from Tax or Government Owned
- Long Term Care Facility Exempt from Tax or Government Owned
- All Other Entities

➤ **TAXPAYER IDENTIFICATION NUMBER (TIN)**
 If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN. However, using your EIN may result in unnecessary notices to the requester.

Check Only One Required

- Social Security Number (SSN)
- Employer Identification Number (EIN)
- Individual Taxpayer Identification Number for U.S. Resident Aliens (ITIN)

➤ **CERTIFICATION**
 Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number, AND
2. I am not subject to back up withholding because (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to back up withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding.

Printed Name	Printed Title	Telephone Number ()
Signature		Date (mm/dd/ccyy)

For Agency Use Only		
Agency Number	Contact	Phone Number
Change <input type="checkbox"/> Name <input type="checkbox"/> Address <input type="checkbox"/> Other (explain)		

Return this form to the address listed below. For your convenience this form has been designed for return in a standard window envelope

☐ Department of Commerce - Bureau of Business Finance
 201 West Washington Avenue
 P.O. Box 7970,
 Madison, WI 53707

Forms may be returned by use
 of FAX Number:
 608-264-6151

Attachment D

SAMPLE BUSINESS PLAN OUTLINE

- I. Executive Summary**
 - A. Proposed Project Description
 - B. Mission Statement

- II. Operations Plan**
 - A. Business Organization Structure
 - B. Farm History
 - C. Analysis of Management Abilities
 - 1. Business Management
 - 2. Production Management
 - 3. Financial Management
 - D. Goals and Timetable
 - E. Expansion Budgets
 - 1. Facility Needs
 - 2. Cow Flow
 - 3. Labor Needs
 - 4. Feed Budgets
 - 5. Waste Management
 - 6. Insurance Coverage
 - F. Proposed Financing Sources

- 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. 1st Year Monthly
 - ii. Year 2 - 3 Annual
 - 3. Cost of Production Analysis
 - 4. Sensitivity Analysis

- IV. Supporting Documentation**
 - A. Building Plans
 - B. Production Records