



Fiscal Year 2021 Description of Funded Projects

Number of Grants Awarded: 4
Amount of Funds Awarded: \$20,199,778.00

For more information, please visit: <https://www.ams.usda.gov/services/grants/dbi>.

NOTE: The below project descriptions were provided by the grant recipients.

California

Recipient: California State University at Fresno, Fresno, CA

Project Type: New Initiative

Award Amount: \$1,799,778

Dairy Business Innovation Initiative – Pacific Coast Coalition

California produces more milk than any other state, yet its dairy businesses face significant challenges: volatile fluid milk prices, declining demand for milk, and increased costs. This extends to nearby states, with dairy producers and processors across the Pacific Coast region – California, Oregon, and Washington – struggling to remain viable. Dairy producers in each of these states experienced negative returns in 2020 losing an average of \$1.35/hundredweight (USDA Economic Research Service).

Between 2012 and 2017, California lost 278 dairy farms – 17% of the state’s existing industry; Oregon and Washington combined lost another 178 dairies (USDA Census of Agriculture, 2012/2017). Given the devastating impacts of the COVID-19 pandemic on the industry, the outlook is even grimmer. A collaborative effort supporting regional dairy businesses in the development, production, marketing, and distribution of dairy products is desperately needed. As such, California State University, Fresno will lead a collaborative effort leveraging existing dairy industry resources, including institutions of higher education; state dairy promotion programs; research organizations; and industry stakeholders, among others, to achieve the project goal of spurring regional dairy innovation by assisting dairy businesses in developing higher-value uses for their milk, diversifying their markets and income, and realizing increased returns.

The project goals will be accomplished through the hosting of a Pacific Coast Coalition Dairy Business Innovation Initiative that will 1) provide direct technical assistance to dairy businesses through hands-on value-added product development consultancy; workshops; a conference, short courses and webinars; and university student internships and will 2) provide direct subawards to dairy businesses.

Tennessee

Recipient: University of Tennessee Center for Profitable Agriculture, Knoxville, TN

Project Type: Continuing Initiative

Award Amount: \$6,133,333.33

Website: <https://cpa.tennessee.edu/>

Southeast Dairy Business Innovation Initiative

The Southeast Dairy Business Innovation Initiative – Phase 3 of the Diversifying Income and Adding Value by Manufacturing Dairy Products will provide additional educational opportunities for value-added dairy producers while continuing to support initiatives from Phase 2 such as expanding the Dairy Gauge and on-farm assessments. Individuals wanting to begin or continue a value-added dairy business in the southeast United States are the intended audience. This program will include:

- Identifying and providing targeted support to underrepresented population dairy business owners in the southeast.
- Providing targeted support to small ruminant (sheep and goat) dairy business owners in the southeast.
- Conducting surveys on consumer preferences surrounding cosmetic and shelf stable products.
- Conducting a value-added dairy conference in 2024.
- Recruiting a cohort of peers for MILK (Mastering Individual Leadership Knowledge) workshops including STRENGTH FINDERS, KAI, managing different personalities, transition planning, and managing stress and mental health.
- Developing and deploying a Value-Added Dairy Business Gauge and identifying vital Key Performance Indicators.
- Developing peer groups in Kentucky and Tennessee for dairy businesses focused on financial management.
- Deploying eye tracking technology on value-added dairy businesses to determine consumer purchasing habits.
- Providing scholarships for in-depth reviews with the Kentucky Center for Agriculture and Rural Development.
- Conducting workshops centered around sensory properties and business management.
- Expanding the MarketReady program to include social media and digital marketing strategies
- Providing a Competitive Subaward Program for Southeast Value-Added Dairy Businesses.
- Creating Extension fact sheets, publications, and video resources to aid value-added dairy producers in their decision-making.

Vermont

Recipient: Vermont Agency of Agriculture, Food and Markets, Montpelier, VT

Project Type: Continuing Initiative

Award Amount: \$6,133,333.33

Website: <https://agriculture.vermont.gov/dbic>

Northeast Dairy Business Innovation Center

The Northeast Dairy Business Innovation Center (NE-DBIC) is taking a targeted and intentional approach to supporting community and climate forward dairy production across the ten-state region served by this grant funding. With a marketplace still in flux from the pandemic and a consumer base that is taking a more critical eye to product impacts, the time is right for the NE-DBIC to invest higher levels of

funding in technical assistance and grants that can move regional dairy forward towards a more resilient future. Both farmers and processors will continue to directly benefit from grant-funded opportunities: from receiving education on how to best grow forage crops and thus reduce reliance on imported feeds to grant funding that will develop sustainable alternative packaging suitable for use for the region's small-scale processors. Over half of total grant funds are allocated for innovation – bringing emerging ideas and strategies into the mainstream and making them accessible to farmers and processors at all scales across the region. When these grant opportunities are paired with the research and development currently underway in from previous awards, the NE-DBIC will be able to continue to support a strategic and cohesive approach to positioning the Northeast as the leading producer of dairy products that support rural communities, have a climate forward approach, and lay the foundation for long-term success.

Wisconsin

Recipient: University of Wisconsin Center for Dairy Research, Madison, WI

Project Type: Continuing Initiative

Award Amount: \$6,133,333.33

Website: <https://www.cdr.wisc.edu/dbia>

Dairy Business Innovation Alliance (DBIA) – 2021

The Dairy Business Innovation Alliance (DBIA), established in 2019, is a partnership between the Center for Dairy Research (CDR) and the Wisconsin Cheese Makers Association (WCMA). Together with regional collaborators across five states (WI, MN, IA, SD, IL) the DBIA provides access to expertise, resources and insights to support dairy business innovation.

The DBIA 2021 proposal expands and consolidates the previous programs to create a sustainable, replicable model that promotes business innovation within the dairy industry. The initiative will continue to build upon the previous grant infrastructures and complete a pipeline of efforts designed to enable dairy farmers/processors to get their ideas off the ground and into existing and new markets and grow their business. This will be achieved through the following goals:

- Continue to provide financial and technical assistance to small dairy entrepreneurs & processors in their efforts to add value to their milk.
- Increase the support for our select DBIA cohort in the development and growth of their business efforts by expanding the scope of grants and technical assistance across marketing, financial planning and technical expertise.
- Encourage existing Industry to address critical needs across new technology, sustainability and marketing innovation.
- The DBIA will continue to work with regional and national collaborators as it develops programs with the potential for scalable application across the country.