

California Department of Food and Agriculture
2024 Dairy Plus Program
Frequently Asked Questions

General Questions

1. Are Financial documents required to be submitted for previous AMMP recipients who are only applying for the Dairy Plus Program?

No, previous AMMP or DDRDP recipients with a completed and closed-out project or with an in progress project applying only for the Dairy Plus Program are not required to submit financial documents again.

2. If a dairy is applying for a vermifilter that has not applied before (not a previous AMMP recipient), can they choose to apply under AMMP or Dairy Plus Program if they are only proposing one practice? For example, can a dairy that has not applied before skip AMMP and apply directly for the Dairy Plus Program because it has a higher funding limit?

No, at this time the only eligible applicants for the Dairy Plus Program are those applying for a new AMMP or DDRDP project along with Dairy Plus Program, or past AMMP or DDRDP recipients seeking to enhance manure and nutrient management of their past completed and closed-out project. We have committed under the USDA Partnerships for Climate Smart Commodities (PCSC) grant, where the Dairy Plus Program incentive funds are from, to contribute a certain amount of State (i.e., AMMP or DDRDP funding) and private matching funds towards the Dairy Plus Program projects. Additionally, the AMMP and DDRDP review processes are robust, which are expected to lend strength to the fundability of projects selected for the Dairy Plus Program award.

3. If a dairy receives a grant from a private organization (non-government), are they ineligible?

For matching funds, this is fine. As long as the main recipient of the Dairy Plus Program funds is the dairy producer, the sources for other matching funds towards the project are not restricted.

4. A producer has a current AMMP project that is likely to be done later this year (i.e., 2024) – would their operation be eligible to receive Dairy Plus Program funding if the AMMP project is complete before the Dairy Plus Program funding decisions are made?

Yes, since 2024, a new, previous, and in progress AMMP (or DDRDP) recipient can apply for additional funding through Dairy Plus Program.

5. Will the score of an AMMP project include the benefits resulting from the Dairy Plus Program component? If AMMP and Dairy Plus Program projects are scored separately, would a low AMMP score for what will be only a part of the improvements planned for a dairy impact the opportunity to access the Dairy Plus Program funding?

For those applying for both a new AMMP project and Dairy Plus Program funding, the AMMP portion of the application will be scored separately from the Dairy Plus Program portion, which aligns with the application guidance to keep the components and practices for each application as distinct as possible. As the AMMP portion of a comprehensive proposal will be ranked amongst other AMMP only projects (which helps ensure AMMP only applicants are not disadvantaged either), this is not anticipated to have a large impact on access to Dairy Plus Program funding.

6. If a dairy applies for AMMP and Dairy Plus Program, but does not get awarded the AMMP grant, will they lose the whole project including the Dairy Plus Program opportunity?

Yes, at this time, if the new AMMP or DDRDP proposal does not rank high enough to be awarded, consequentially the Dairy Plus Program portion would also not be awarded. Dairy Plus Program funding is linked to and leverages AMMP or DDRDP funds and the project should be in addition to and building on the AMMP or DDRDP component.

7. Does a dairy's financial strength significantly affect whether or not they are selected for the AMMP / Dairy Plus Program grants? In other words, are dairies with negative amounts on their tax returns less likely to be awarded for the AMMP & Dairy Plus Program grants?

Financial review to assess an operation's financial soundness and likely ability to fund upfront costs while waiting for reimbursement, as well as sustain the project through and beyond the grant term, occurs for the AMMP or DDRDP portions of a proposal – this makes up 5 points within the Budget and Financials section. Operations can also choose to submit more than tax returns to provide a fuller picture. Please note, project partners must not have filed for bankruptcy in the past five years.

8. If a farm with a covered lagoon digester (not CDFA DDRDP-funded) wants to apply for a Dairy Plus Program grant to treat their digestate, are they eligible?

This type of operation could not apply only for Dairy Plus Program funding, as they do not have a past completed or in progress AMMP or DDRDP project.

Technical Questions

1. Can a weeping wall be the primary separator required for vermifiltration, or does it require an additional mechanical separator?

As currently written in the RGA under eligible practices, and the way the AMMP Benefits Calculator is set up, a primary mechanical separator is required to be implemented in front of a vermifiltration system. A weeping wall is considered a non-mechanical separator. If a weeping wall is a feasible method of primary separation to remove coarse fibers before the effluent is applied to a vermifilter and there are examples or

data to support it, it could be submitted through a New Practices Request for Proposals and may be considered for future updates.

Budget, Matching Funds, and Allowable/Unallowable Cost Questions

1. Can USDA EQIP funds be used as a Dairy Plus Program match?

Yes, EQIP can be matching funds for the Dairy Plus Program. However, it is not possible for applicants to receive EQIP funds for the same practice and at the same time as the practice funded by the Dairy Plus Program. This is because both programs are funded by the US Department of Agriculture (USDA).

2. Can matching funds be spent before the start of the project to increase project readiness?

No, matching funds spent prior to the grant term and project implementation would not be able to be counted as matching funds. For programs and funding scenarios where matching funds are required, it would be strongly encouraged to wait until the grant term begins and an agreement is executed to begin spending matching funds so that they can be accounted for. This differs from costs that may be incurred to contribute to a project's readiness, such as fees for permit submission or design development. Costs that are incurred outside of the grant agreement term cannot be reimbursed.

3. Can we show proof of matching funds from the bank during application, and then if other funds are secured can they be substituted once a project is awarded?

Yes, as long as in the application a source of matching funds is clearly demonstrated to the reviewers, these can be solidified at a later time. We may need the awardee to provide updated documentation or evidence of the matching funds if they are different from what was shown in the application.

4. What would be considered documented evidence of matching funds with the Dairy Plus Program for those who have received AMMP in the past? Especially if an applicant doesn't know if they have secured other federal funds yet - how would document this?

Dairy Plus Program applicants may be applying for multiple grants at the same time, such as to obtain matching funds for their Dairy Plus Program project. If a matching fund source is not fully secure at the time of application, it is recommended for the applicant to identify more than one matching fund source in case the primary matching fund source falls through. Examples of documentation might include bank loan agreements or financial institution support for a project, or letters from other companies or organizations that might want to help fund the project, and how much they will contribute. It is important to note that if a project is awarded, matching funds will be tracked and will need to be spent at the same time and rate as the grant funds are reimbursed.

5. For those only applying for the Dairy Plus Program who have received AMMP grants in the past, they are required to do a 50/50 match up to \$750,000 dollars – can these matching funds come from other State or Federal grants/programs, and not just solely from the applicant?

Yes, that is correct. Other sources of funding such as from State and Federal programs can be used as matching funds. However, the old AMMP funding/award won't count towards the Dairy Plus Program matching funds, as those funds were already spent and are not active anymore.

6. Can an applicant get \$750K from AMMP and additional funding from the Dairy Plus Program for the same vermifilter?

No, there cannot be contributions from two funding sources (in this case, AMMP as well as the Dairy Plus Program) for the same system (or piece of equipment or activity), such as a vermifilter. The Dairy Plus Program practice and project components should be different and separate from those being funded by the AMMP project to avoid any potential for “double dipping” (i.e., obtaining income from two different sources illicitly). However, this does not imply that an overall comprehensive project on a dairy cannot be funded by more than one program: for example, a mechanical separator (required to remove coarse solids prior to effluent entering a vermifilter) being funded by AMMP and vermifilter being funded by Dairy Plus Program.

7. Is it possible to start working on a proposed system with activities/costs not included in the project budget? If so, are there any limitations in these pre-project activities? Are there specific activities (still necessary for the implementation of the project but not included in the budget worksheet) that are not allowed? For example, can they include construction, supplies, equipment, and labor?

Applicants can begin pre-development activities such as those that may increase project readiness (for example – submitting permit applications, obtaining design or engineering documents). If occurring prior to or at the time of application, those items would generally not be included in the proposal's Budget Worksheet. CDFA and USDA cannot reimburse costs incurred outside of a grant agreement term (for example, prior to application submission or during application review). Currently, there is no guidance on what types of pre-project activities are allowed. If pre-project/pre-development activities include major components of manure management being captured by the Benefits Calculator Tool but are occurring prior to the project term, there may be a question on whether those GHG reductions can be accounted for or accepted in a proposal.

For programs that require matching funds, it is strongly recommended to wait until the project term so that they can be counted towards the matching requirement.

8. The Dairy Plus Program refers to \$750/cow – does this include dry cows and heifers on a dairy facility?

Yes, all types of cows on a dairy (with the exception of calves) can be counted as a “cow” in Dairy Plus if their manure will be affected by the project, as they can be quantified in the AMMP or DDRDP Benefits Calculator Tools (lactating dairy cows in both freestall and open lot corrals, dry cows, and heifers are included livestock categories in both calculators).

9. For a previous AMMP recipient applying for Dairy Plus, if a total project cost is \$500,000, what would this look like in terms of match requirement? Same question if the total Dairy Plus project cost is \$2,000,000?

A Dairy Plus for Previous AMMP funding scenario has a “50/50 match – up to \$750,000” requirement (Funding Scenarios). In the first example, the Dairy Plus Program could fund \$250,000 and the producer would cost match \$250,000 to make up the total new project cost. In the second example, the producer would need to cost match up to \$750,000 of the total project cost (the Dairy Plus Program could fund up to \$1.25 million, based on a \$750/cow rate).