

California Department of Food and Agriculture
2024 Dairy Plus Program
Questions and Answers (Q&A)*
August 22, 2024

1. A previous Alternative Manure Management Program (AMMP) project is interested in applying for a Dairy Digester Research and Development Program (DDRDP) for previous AMMP, as well as applying for a Dairy Plus Program (Dairy Plus) for DDRDP. If an applicant applies for both DDRDP and Dairy Plus, and they are not awarded the DDRDP, will the Dairy Plus for DDRDP application packet automatically transfer to the Dairy Plus for AMMP application folder because the farm already has AMMP?

No, there is no automatic transfer between the Dairy Plus application programs, specifically from Dairy Plus for DDRDP to Dairy Plus for AMMP, or vice versa. Applicants must submit separate applications for each scenario if they wish to be considered for both. This means applying once for Dairy Plus for DDRDP and once for Dairy Plus for AMMP. If a project is not selected for DDRDP, the applicant will be disqualified from the entire Dairy Plus for DDRDP. It's important to note that the projects for AMMP and DDRDP are entirely distinct, and the CDFA will not accept a project submitted for Dairy Plus for DDRDP as valid for a Dairy Plus for AMMP, or the other way around. Therefore, careful consideration of the requirements for each program is essential when applying.

2. If an applicant applies for AMMP or DDRDP and Dairy Plus (for either AMMP or DDRDP) and receives an award for both AMMP/DDRDP and Dairy Plus, but after the award, the awardee decides not to proceed with the Dairy Plus project, would the awardee also lose their AMMP/DDRDP award?

As the AMMP and DDRDP are separate programs with their own applications and funding sources, the content of each application should not overlap with the other. If a decision is made not to proceed with the Dairy Plus award, it would not automatically result in the loss of the entire AMMP or DDRDP project, even though they are closely connected.

3. Two separate proposals interested in applying for Dairy Plus with operations having 2 different FSA registrations are interested in sharing a vermifiltration system. The vermifiltration system proposed in one grant proposal will be shared with a dairy that is a tract of the FSA registration of the second application. Do these two applications meet the eligibility criteria for the Dairy Plus Program?

CDFA and the California Dairy Research Foundation (CDRF) are not able to completely and accurately assess the particular situation without the proper context. However, if two dairies are applying for the same advanced manure management system, and both submit different applications proposing the same advanced manure management system, only one of them shall be awarded. Independently on the number of dairies feeding to one advanced manure management system, only one application (up to \$1.25M at a maximum of \$750/cow) can be awarded and should be the application for the dairy facility where the system is going to be implemented.

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4. Regarding the new Dairy Plus requirement to include all project design components in the budget worksheet (Attachment D), that is, *"All project design components (e.g. pipelines, cement, electrical, etc.) must be clearly identified as reimbursable or matching funds in Attachment D: Budget Worksheet."*

- a. Does this requirement contradict what Dairy Plus RGA stated about matching funds from dairies that have not previously received AMMP or DDRDP funds (i.e., no matching funds requirements) and the limits shown in other funding scenarios?

No, this requirement does not contradict the Dairy Plus matching fund scenarios. The new requirement was added to the Request for Grant Applications (RGA) as a general expectation for all applicants, encompassing basic expectations for all funding rounds and other incentive programs, such as AMMP, DDRDP, and Dairy Plus. This request for a detailed project depiction became necessary after technical reviews of last year's Dairy Plus applications, which often lacked comprehensive details about the entirety of the project. It is essential that the proposed project includes a complete budget worksheet that outlines costs proposed for reimbursement, identifies required matching funds, and distinguishes any additional matching funds that are provided but not required. Furthermore, it is important to note that these projects are typically more expensive than the grant award amount, making a detailed budget worksheet crucial regardless of whether matching funds are a requirement.

- b. When a Dairy Plus project is proposed alongside an AMMP project, can the design include shared elements common to AMMP and Dairy Plus? For example, if a project proposes pumps or new electrical panels that will serve both AMMP and Dairy Plus projects, the cost of these items must be included in the Dairy Plus budget worksheet. However, *"AMMP costs cannot be included as matching funds in the Dairy Plus budget worksheet"* [wrong statement]. Can only a portion of the costs for a shared design component be included in the Dairy Plus budget worksheet?

The statement that *"AMMP costs cannot be included as matching funds in the Dairy Plus budget worksheet"* is incorrect. In fact, costs for shared components from both AMMP and Dairy Plus can (and should) be included in the matching funds section of the Dairy Plus budget worksheet. However, it is critical for applicants to avoid duplicating requests for reimbursement or matching funds across the two budget worksheets. For example, if a pump is fully funded under AMMP, it cannot be listed again for full reimbursement under Dairy Plus.

Additionally, it's important to clearly indicate in both budget worksheets which parts of the project are funded by Dairy Plus (or AMMP) or shared between them. This clarity will help reviewers assess the project and its budget effectively.

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In summary, while the Dairy Plus grant and its components cannot be used as matching funds for AMMP, the AMMP award and its shared components can indeed serve as matching funds for Dairy Plus. For more detailed information, please refer to the 2024 AMMP RGA regarding Dairy Plus matching funds requirements (see page 14) and the Dairy Plus RGA for cost share, including AMMP and DDRDP awards (see page 13).

- c. How can an applicant know which "design components" are to be included in the Dairy Plus budget worksheet? For example, a new processing pit can be used for the effluent of a separator and be used to feed the vermifilter. Is this a project design component?

Design components or project elements refer to significant parts of the project, such as equipment, concrete installations, processing pits for effluent transfer to the vermifilter/advanced manure management practice, or any processes that facilitate the movement of liquid manure between AMMP and Dairy Plus systems. Additionally, associated costs like labor and design can also be included in the budget worksheet. All of these items should be detailed in the Dairy Plus budget worksheet, categorized as either matching funds or reimbursable costs, provided they meet the reimbursement requirements.

- d. We assume non-allowable costs such as design above 5%, general contractor costs for non-labor items or above 25% of the total project cost, technical licenses, and other not allowable costs are not "design components" and don't need to be added to the Dairy Plus budget.

Costs exceeding 5% for design or 25% for general contract costs related to non-labor items may not be eligible for reimbursement from Dairy Plus. However, these costs are not considered unallowable. Therefore, any amount above these limits can still be included in the matching funds section of the budget worksheet.

- e. How detailed should the list of the "design components" be? Can something like "Vermifilter structure" be enough? Should it be divided into "Flooring", and "walls"? Can the generic term "piping" be used, or do we need to list independently the piping used to feed the vermifilter and the piping used to recirculate water for flushing? Should we list every item shown in the layout?

The level of description should be sufficient and appropriate to the project design, should accurately represent the project as a whole, and must depict generally what is indicated in the project design and maps provided in Attachment A.1. Generic terms such as "vermifilter structure", or even "flooring" and "walls" are not specific enough to describe the system. It is also important to include dimensions, quantities, and function of these items as best as possible available at the time of

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application (e.g., 100 inches of 6-inch PVC pipe to carry liquid manure from mechanical solid separator to vermifilter, cost \$20 per inch, equal \$2,000)

- f. Is the term "design component" relating to the design of a vermifiltration system only or all the improvements planned for the dairy? Can this include additional activities described in the proposal compared to the vermifiltration system such as improved settling ponds, updated pumps, new piping to connect barns to allow manure treatment, cleaning of ponds, etc?

Yes, the term "design components" refers not only to the advanced manure management practice and activities necessary to implement the advanced manure management practice successfully, but can include improvements to the dairy facility if proven to directly be related to the implementation of the advanced manure management practice. However, it is important to note that reimbursement costs may be restricted to the specific boundaries of the proposed project as defined in your application. This limitation is based on the environmental performance review conducted by the USDA (CPA-52), which assesses the project's potential environmental impacts. Therefore, only those costs that fall within the approved project area will be eligible for reimbursement.

- g. Can a table in the Project Description attachment (Attachment A) that shows all the items and activities included in the project, i.e., Dairy Plus funding, matching funds items, and items excluded from the Dairy Plus budget replace the need to include all items in the budget? Would it be sufficient if the table shows the costs?

No, adding a table of costs to the Project Description (Attachment A) would not replace the need to include this information in the budget worksheet (Attachment D). Dairy Plus allows for more explanation, if helpful, in the Project Description, but can't replace the budget worksheet. The narrative can and should be used to help support the budget worksheet in terms of how the project is going to be implemented, the challenges to be overcome, the importance of each item, and how they are covered by AMMP/DDRDP vs. Dairy Plus, etc.

5. If a dairyman has multiple dairies with different dairy "names" but all are set up as one dairy entity at FSA, does that mean they can only apply at one of their dairies?

For the 2024 Dairy Plus, only one USDA Farm Service Agency (FSA) registered entity/producer name is eligible for an award in each solicitation round. If multiple dairy operations under one FSA registered entity/producer name apply and are selected, only one dairy operation shall be awarded. Producers receiving grant award funds must be registered with the FSA for the specific farm/tract information for all tracts. Note: One farm per tract is eligible for award. Please see Eligibility and Exclusions in the [2024 Request for Grant Applications](#).

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Dairy Plus also requires producers to submit *Attachment A.2 - FSA Permission Form* which requires the producer to provide the California Dairy Research Foundation (CDRF) with the following information:

- FSA producer name/farm business entity name
- FSA farm, tract, and field ID numbers and associated maps
- Topographic Map showing the location of my project

6. We would like to include our calculations for the project's nitrogen surplus benefits estimate in the Benefits Calculator Tool for Dairy Plus. Would adding an extra sheet/tab to the Excel Benefits Calculator Tool for Dairy Plus violate the requirement of not modifying the AMMP or DDRDP Benefits Calculator Tool? If this is not permissible, could you please advise on how we can submit our Excel file with the application?

Yes, any modification to the AMMP Benefits Calculator Tool or DDRDP Benefits Calculator Tool files (i.e. unlocked AMMP or DDRDP Benefit Calculator) will be considered unreadable, corrupt, or otherwise unusable attachments and will be automatically disqualified at the administrative review phase. Please refer to the instructions in the 2024 Dairy Plus RGA (pages 12 and 20). The applicant may submit any supplemental documentation showing that the proposed project will result in benefits for nitrogen and salt surplus, including calculations and literature review in Attachment C.

7. Two dairies are under the same FSA. We understand we can only have one Dairy Plus Project awarded per FSA. We are thinking of applying for AMMP for both dairies. Should we apply for both dairies for Dairy Plus in case one of the two doesn't get the AMMP? We don't want to have the AMMP awarded to the dairy that doesn't have the Dairy Plus application. Is it possible to apply for both dairies knowing only one can be selected?

Applying for both the AMMP and Dairy Plus programs for a single advanced manure management system is an option to be made by the applicants. If an applicant chooses to pursue funding for both programs while sharing one advanced manure management system between two dairies, it is crucial to clearly outline the details in the application. This includes explaining how the manure will be transported and treated between the two dairies. Additionally, please note that since there is only one FSA-registered entity for both dairy farms, only one of the dairies will be eligible to receive funding from the Dairy Plus program. Therefore, applicants should carefully consider their application strategy and ensure that all necessary information is clearly presented.

8. Two dairies are adjacent and can share a vermifiltration system. One of the dairies will apply, but the system will serve the 2 dairies under the same FSA. In our mind, it will result in a larger project with more animals treated than only having one dairy. Is this allowed? Should we submit the FSA of both dairies?

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Yes, it is allowed for one dairy to apply for funding for a shared vermifiltration system that serves both adjacent dairies under the same FSA. This approach can indeed create a larger project that benefits more animals by efficiently managing manure from both dairies. When applying, the applicant should include the FSA forms for both dairies, which possibly should show the same information. Applicants should be sure to provide detailed information on how the system will function and the benefits it will bring to both dairies in their application. Additionally, applicants should include the animal count of those animals being treated by the shared advanced manure management system in the appropriate Benefits Calculator Tool.

9. Two dairies are adjacent and can share a vermifiltration system. One of the dairies will apply, but the system will serve 2 dairies under two different FSA registrations. Is this allowed? Should we submit the FSA of both dairies?

Yes, two dairy farms under two different FSAs are allowed to share a vermifiltration/advanced manure management system. Currently, there is no need to send the FSA form of the dairy that sends the manure to the dairy where the vermifiltration is located. Only the FSA form of the dairy where the vermifiltration is located needs to be included in the application, as this is the site where the environmental performance review will be conducted. However, this may change if CDFA/CDRF receives different guidance from USDA after the project award.

10. Two dairies are adjacent and will share a vermifiltration system. Different dairymen own them, and each will submit a separate AMMP project. Can we submit a common Dairy Plus application for the shared vermifiltration system? Suppose we submit the common Dairy Plus proposal with one of the 2 AMMP proposals. In that case, the number of cows and baseline GHG emissions submitted with AMMP will not be the baseline scenario for the common Dairy Plus project.

The application submitted should be specifically linked to the dairy implementing the vermifiltration, and the FSA form submitted should be linked to this dairy as well. It is essential that the Benefits Calculator Tool used in the Dairy Plus application accurately reflects the entire project, including the total number of animals that will be contributing to the vermifiltration system from both dairies. It is acceptable for an AMMP application to have a different number of animals than Dairy Plus if these numbers better reflect the system when they are operational.

11. Four dairies have the same owner but different operators. The operators will apply for AMMP projects, and two dairies will share a separator and vermifiltration system, so there will be three different applications and three different FSA. However, the operations taxes are paid all by the same owner. Is this an issue?

CDFA cannot provide a definitive answer based solely on the information given in this question. However, for the Dairy Plus program, it is likely that eligibility for an award would

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not be an issue, given that each operator is associated with a different FSA. Each FSA should include the relevant farm and field tract information for the location of the project. Therefore, as long as the applications are properly aligned with the respective FSA registrations, operators should be able to apply without encountering eligibility problems for the Dairy Plus award.

12. How should we approach a project where the address of the dairy is in one county, but the vermifiltration system is in a different county? Should we apply using the farm address, but should the permit relate to the vermifiltration system locations?

The FSA address for the dairy operation applying may be different from the address where the vermifiltration/advanced manure management system is located. However, CDFA will use the FSA-registered address for sending reimbursement checks, documentation, and other grant-related matters. Therefore, it is important for the applicant to coordinate with their responsible FSA office in case there is a need to update the address or name. For permit applications, please adhere to the instructions provided by the local, state, or federal agencies responsible for these projects.

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