



Southern Ohio Agricultural &
Community Development
Foundation

Next Step Agricultural Pilot Program 2010 – 2011

GRANT REQUIREMENTS

Signed Application

Proof of Funds for Entire Project

- Bank letter preferred

Business Plan

I. Management

A. Current Farm Description

B. Current Farm Equipment & Facilities

C. New Plan

II. Profit & Loss

A. Income Generated **Critical Piece of Your Plan**

B. Projected Income

C. Projected Expenses

III. Cash Flow (2009 actual, 2011 & 2012 projections)

IV. Summary

V. Attachments

Possible Interview at the discretion of the Review Committee

PLEASE READ CAREFULLY

This is a competitive grant application. **The business plan outline represents the minimum amount of information required to provide uniformity in the review process.** Provide any additional information you deem appropriate to justify and/or explain your project request.

Southern Ohio Agricultural and Community Development Foundation
Next Step Agricultural Pilot Project Application
Application Period: August 1 – August 31, 2010

Applicant's Name: _____

Applicant's Mailing Address: _____

City: _____ State: _____ Zip Code: _____

Applicant's Phone Number: (____) _____ Cell Number: (____) _____

Date of Birth: _____ Date Submitted: _____ County: _____

Address where project is located: _____

SOURCE OF FUNDING	DOLLAR AMOUNT	PERCENT OF TOTAL PROJECT COST
Amount Requested from SOACDF		
Personal Contribution to Project		
Total Estimated Project Cost *		100% *

- **Applicant can not have operated a farm for more than 5 years.**
- Approved applicants are eligible for up to 50% reimbursement with a \$25,000 maximum grant payment.
- The Foundation anticipates awarding up to 4 grants.
- An IRS Form 1099 will be issued to each grant recipient.
- SOACDF will require a minimum ownership retention period of two years from date of purchase for all goods, products, or equipment obtained with grant funds.
- **Applicant must reside and project must be located within the 22 counties the Foundation serves.**
- **Copy of Ohio Driver's License is required to confirm residency and over 18 years of age.**

APPLICANT CERTIFICATION STATEMENT

I understand that by signing this application I certify that I meet all eligibility requirements and that all statements and representations are true and correct. I understand that I may be held civilly and/or criminally liable under federal or state law for knowingly making false or fraudulent statements. I grant the Southern Ohio Agricultural and Community Development Foundation authority to verify records, public and private, for the purpose of evaluating this request for financial assistance. Information provided to and obtained by the Foundation may be subject to public disclosure during deliberations of the Foundation at public meetings, in minutes of public meetings or under the Ohio Public Records Act.

Signature: _____ **Date:** _____

Submit To:
SOACDF
PO Box 47
Hillsboro, Ohio 45133
Phone: 937-393-2700
Web Site: www.soacdf.net

SOUTHERN OHIO AGRICULTURAL AND COMMUNITY DEVELOPMENT
FOUNDATION
2010 - 2011

NEXT STEP AGRICULTURAL PILOT PROJECT CRITERIA

Important Information:

- Applicant must reside and project must be located in the following 22 counties: Adams, Athens, Brown, Clermont, Clinton, Fayette, Gallia, Greene, Highland, Jackson, Lawrence, Meigs, Monroe, Montgomery, Morgan, Noble, Pike, Ross, Scioto, Vinton, Warren, or Washington.
- Projects must be deemed agricultural in nature to be eligible for cost share.
- **Preference will be given to projects that are value added, innovative, technology oriented or agbioresources in nature.**
- Applicants may only apply for either Agricultural Development or Next Step Agricultural Program, not both.
- Application/Certification Period – August 1 – August 31, 2010
- No application postmarked prior to August 1, 2010 or after August 31, 2010 will be accepted.
- Project Committee Review – Completed by mid October 2010
- Board Approval – October 2010 Board meeting. Notification to Applicants – Goal – late October 2010
- Project Completion Deadline – May 31, 2011
- **Applicants who have received prior grant awards for an Agricultural Diversification or Agricultural Development project will be ineligible to apply for two years following the fiscal year in which they received funding.**
- Husband/Wife will be treated as one application for eligibility for agricultural development projects.
- Permanent improvements can only be made on property owned by the applicant.
- Ineligible expenses cannot be used as applicant's portion of matching funds for cost share.
- Cost share up to 50% of applicant's eligible amount not to exceed final award amount.
- Where trade-ins are involved, cost share will be calculated on net difference.
- SOACDF will provide eligible applicants cost share on projects funded by SWCD/NRCS or other agencies, if the proposed projects meet or exceed SOACDF general guidelines. Cost share will be made only on balance.
- **Random spot checks will be performed to monitor program compliance.**
- **All approved purchases receiving cost share must permanently reside in the State of Ohio.**

Ineligible Expenses: (Including but Not Limited To)

- | | |
|--|---|
| • Purchase of real estate | • Equipment repairs |
| • Normal operation expenses | • Trucks, Vans, Cars and Motorcycles |
| • Debt, rent or lease payments | • ATV, Gators, Boats, Motorhomes and Utility vehicles |
| • Utilities, taxes, travel, meals, etc. | • Finance charges, insurance, admin fees |
| • Costs of preparing a business plan | • Tobacco production related costs |
| • Animals not retained for two (2) years | • Inventory, supplies, shop tools, power washers |
| • Landscaping/lawn care equipment | • Commercial kitchens, beds & breakfasts |
| • Utility service hookups including tap fees | • Items purchased or charges incurred prior to application period |

Eligible Expenses:

- Costs of goods, materials or equipment directly related to project.
- Subcontractor, material and/or services (labor) to complete the approved project.
- Cost of computer hardware/software which will enhance profitability.
- Eligible livestock- beef or dairy cattle, swine, sheep or goats less than four years of age. See other side.
- **Reimbursement will be considered for the following in order of preference:**
 - a) **New equipment purchases**
 - b) **Used equipment will be considered based on condition and age**
 - c) **SOACDF will have final authority to approve/deny any project**

The Southern Ohio Agricultural & Community Development Foundation reserves the right to determine eligibility for the program, eligibility of any project undertaken in this program and discretion to make judgments of eligibility upon inspection of any project completed with Foundation dollars. All projects must be completed within the time limits set by the program and any eligible items purchased under this program must be retained by the participant for at least two years.

SOUTHERN OHIO AGRICULTURAL AND COMMUNITY DEVELOPMENT
FOUNDATION

2010 - 2011

NEXT STEP AGRICULTURAL PILOT PROJECT CRITERIA

Guidelines

- Material and labor will be considered eligible costs not to exceed \$3.00/linear foot for fence projects.
- Generators must be a minimum size of 25kw to be eligible.
- Material and labor for water projects are not to exceed \$2.00/foot.
- Flat bed trailers must be between 7000 and 29,500 GVW.
- Rotary Mowers (excluding finish mowers) must a minimum of 5 ft.
- Pull type spreaders must be a minimum of 4 ton.
- Pull type sprayers must be a minimum of 300 gallon.
- Lime will be reimbursed at 50% of up to a maximum of \$21/ton.
- New seedings will be reimbursed at 50% up to a maximum of \$225/acre.
- A standard soil test from a lab accredited by the North American Proficiency Testing Program is required at the time of application.
 - Test results must include: pH level and per acre lime and fertilizer recommendations
 - Soil samples taken within the last 3 years will be accepted as long as the current year recommendations were projected and indicated on the results. Otherwise, a new soil sample with current year recommendations will be required.
 - Proper acreage must be reflected on the soil test recommendations report.
 - Soil test charges are not a reimbursement item.

Livestock Eligibility Requirements for Cost Share

- Identification required for all approved livestock purchases. List of tag/tattoo identification will be required prior to inspection.
- Submission of Certificate of Veterinarian Inspection required with completion form.
- All bulls – Must be registered and meet Agricultural Development Livestock criteria guidelines (EPD's).
- All semen and embryos – Beef, Dairy, Swine, Sheep and Goats – Must meet Genetic Improvement Criteria guidelines.

Registered Livestock – Must meet current year Agricultural Development Livestock criteria guidelines.

Commercial Livestock – Must meet the following criteria as certified by licensed veterinarian.

- Dairy/Beef Females
 - a) Health protocol – IBR, BVD, PI3, BRSV/Vibriosis and Leptospirosis / Parasite control. Other vaccines as recommended by vet.
 - b) Confirmed bred or calf at side (beef). Confirmed bred or in lactation (dairy). OR be from a Foundation approved beef or dairy heifer development program
 - c) Less than four (4) years of age at time of purchase.
- Swine- Females
 - a) Health protocol – Basic vaccinations as certified by licensed vet.
 - b) Confirmed bred.
 - c) Age – Coming with second litter or younger.
- Sheep & Goats – Follow Genetic Improvement guidelines

NEXT STEP AGRICULTURAL PILOT PROJECT LIVESTOCK CRITERIA

Production livestock eligible for cost-share: Beef and Dairy cattle, semen and embryos, Swine breeding stock and semen, Sheep breeding stock and Goats. ** Registration papers are not required to be transferred to the buyer's name prior to submission for cost-share.

All bulls, semen and embryos purchased must have Expected Progeny Differences (EPDs). The animal's EPDs must be BETTER than the breed's national average in a minimum of at least three categories. All animals, in addition to meeting EPD requirements, must be less than four (4) years of age at date of purchase to qualify for cost share.

Beef & Dairy Bulls - All bulls older than 12 months of age at the date of purchase must have passed a Breeding Soundness Evaluation (BSE) within 30 days of the date of purchase. A copy of the Breeding Soundness Evaluation (BSE) must be also be submitted with the completed project request form and bill of sale.

All Cattle - Must be a minimum of 205 days of age and weaned to qualify for cost share. Calves at the side of a cow that qualifies for cost share are exempt from the age requirement.

Semen - For beef and dairy semen, only semen with the CSS (Certified Semen Services) stamp will qualify for cost-share. The CSS stamp indicates that a specific set of procedures, health protocols and semen quality standards were followed during collection. For beef and dairy semen, proof of CSS approval must be attached to bill of sale, as well as a copy of the animal's registration paper with EPDs or a copy of a publication that lists the animal's EPDs. The semen donor must be better than breed average in three EPD categories. For beef and dairy semen there is a \$40 per straw dollar limit on purchased semen where cost-share is requested. There will be a \$40 per dose limit on swine semen. Cost-share is available on one semen tank per application. Insemination fees, stud fees and shipping costs are not eligible for cost-share.

Frozen Embryos and confirmed pregnancies - Embryos and confirmed pregnancies are eligible for cost-share. Embryos must be certified grade 1 or 2 and from a collection performed by a certified embryologist. Attached to the bill of sale should be a copy of the flush summary sheet indicating the grade and quality of the embryos. The sire and dam of the embryo must be better than breed average in three EPD categories. Maximum cost share is \$500 per embryo. Embryo collection and transfer are not eligible for cost-share.

Goats - To be eligible for cost-share all goats must have passed a veterinary inspection within 30 days of the date of purchase. All goats must be certified by a veterinarian to be free of foot rot, parrot mouth and all contagious diseases. A copy of the veterinarian's inspection report must be submitted with the completed project request form and bill of sale.

IMPORTANT INFORMATION!! Applicants must do the following:

**** Authentic bill of sale must include the name, address and phone number of the seller as well as the date of purchase and the buyer's name.**

In addition to the above information the following is also required:

Bulls older than 12 months of age – include a copy of the Breeding Soundness Evaluation (BSE).

Beef and Dairy Semen – include proof of CSS (Certified Semen Services) stamp.

Embryos & Pregnancies – include a copy of the flush summary sheet indicating the grade and quality of the embryos.

Goats and Sheep without EPDs – include a copy of the veterinarian's inspection report indicating the animals have been inspected for foot rot, parrot mouth and other contagious diseases. Also include documentation indicating the flock's enrollment in the scrapie eradication program.

**** SOACDF will require a minimum ownership retention period of two years from the date of purchase on all animals.**

Current Active Sires EPD Beef Breed Averages (Spring 2010)

(13 of the most common beef breeds with EPD's are eligible for cost-share)

Only the following beef EPDs are eligible for cost share: birth weight **BW**, weaning weight **WW**, yearling weight **YW**, milk, calving ease **CE** and any of the three typical EPD's for carcass traits (marbling **MB**, ribeye area **RE**, %**RP**) **No more than one of the three required EPDs can be from the carcass EPDs: MB, RE, %RP.**

<u>Breed</u>	-----Production-----				<u>Maternal</u> <u>YW</u>	-----Carcass-----		
	<u>CED</u>	<u>BW</u>	<u>WW</u>	<u>Milk</u>		<u>CW</u>	<u>IMF</u>	<u>REA</u>
Angus	+5	+2.1	+43	+21	+79	+11	+0.13	+0.10
Charolais		+0.7	+24.8	+6.6	+43.5	+2.6	+0.001	+0.15
Chianina		+2.1	+38.9	+7.4	+69.4	-0.9	0.00	-0.08
Halfblood Gelbvieh	-0.1	+35	+18	+6	+74	+0.02	+0.07	+0.24
Hereford	+0.1	+3.6	+42	+16	+70	+0.7	+0.002	+0.20
Limousin	+7.1	+1.9	+41.9	+20.2	+78.5	+2.9	-0.08	+0.43
Maine-Anjou		+2.9	+40.1	+19.9	+79.6	+2.3	0	+0.015
Shorthorn	-1.2	+2	+13.6	+2.1	+22.8	+0.094	-0.002	-0.011
Sim-Angus		-0.4	+26	+3.6	+50.7	-6.2	+0.04	-0.01
Simmental	+7.0	+1.1	+31.2	+2.7	+55.9	-2.6	+0.11	-0.13

Birth Weight - To be better than breed average for birth weight, the number should be lower, i.e. Angus +2.2 lbs. for birth weight should be +2.19 lbs. or lower to be better than breed average. For all other EPDs the number should be higher than the average.

Current Active Females EPD Beef Breed Averages (Spring 2010)

<u>Breed</u>	-----Production-----				<u>Maternal</u> <u>YW</u>	-----Carcass-----		
	<u>CED</u>	<u>BW</u>	<u>WW</u>	<u>Milk</u>		<u>CW</u>	<u>IMF</u>	<u>REA</u>
Angus	+4.0	+2.4	+39	+19	+71	+8	+0.07	+0.007
Charolais		+0.8	+20.7	+6.3	+36	+1.7	-0.002	+0.1
Chianina		+1.4	+40.6	+8.5	+72.70	+0.70	+0.01	-0.10
Halfblood Gelbvieh	-0.1	+35	+18	+5	+74	+0.02	+0.07	+0.24
Hereford	+0.1	+3.6	+42	+16	+70	+0.7	+0.002	+0.20
Maine-Anjou		+2.6	+40.6	+20	+80.2	+2	0.00	+0.17
Shorthorn	+1.7	+0.3	+6.3	+1.7	+11.9	+2.839	-0.009	+0.026
Sim-Angus		-0.4	+26	+3.6	+50.7	-6.2	+0.04	-0.01
Simmental	+7.0	+1.1	+31.2	+2.7	+55.9	-2.6	+0.11	-0.13
Limousin	+6.9	+2.0	+38.4	+20.0	+72.3	+3	-0.08	+0.38

Current Active Swine EPD Breed Averages

Only the following swine EPDs are eligible for cost-share: back fat **BF**, days to 250 lbs. **Days**, pounds of lean **Lbs.**, number born alive **NBA**, litter weight **LWT**, terminal sire index **TSI**, sow productivity index **SPI** and maternal line index **MLI**.

<u>Breed</u>	<u>BF</u>	<u>Days</u>	<u>Lbs.</u>	<u>NBA</u>	<u>LWT</u>	<u>TSI</u>	<u>SPI</u>	<u>MLI</u>
Chester white	-0.01	-0.97	+0.01	+0.03	+1.76	101.90	101.61	105.09
Duroc	+0.01	-0.63	-0.04	+0.00	+0.18	101.60	100.30	101.10
Hampshire	+0.01	+0.22	-0.48	-0.03	+0.49	95.90	98.60	99.00
Landrace	+0.00	-0.79	+0.20	+0.07	+0.46	103.20	102.10	104.40
Poland China	-0.01	-0.55	+0.01	+0.04	+1.72	101.23	102.43	105.22
Spotted	-0.02	-0.45	+0.01	+0.11	+2.41	101.37	104.37	108.06
Yorkshire	+0.00	-0.79	+0.20	+0.07	+0.46	103.20	102.10	104.40

Back Fat and Days to 250 Lbs. - To be better than breed average for back fat and days to 250 lbs. the number should be lower, i.e. Hampshire +0.22 for days should be +0.21 or lower to be above breed average. For all other EPDs the number should be higher than the average.

Current Sheep and Goat Requirements

All sheep and goats must have passed a veterinary inspection within 30 days of the date of purchase. All sheep and goats must be certified by a veterinarian to be free of foot rot, parrot mouth and all contagious diseases. A copy of the veterinarian's inspection report must be submitted. The seller's flock or herd must also be enrolled in the USDA Scrapie Eradication Program. This applies to all sheep and goats. Documentation indicating the flock's enrollment in the Scrapie Eradication Program must also be submitted with the completed project request form and bill of sale.

Not all Sheep will have performance data. However, if submitted, only the following sheep EPDs are eligible for cost-share: Weaning weight **WW**, 120-day postweaning weight **Post WW**, maternal milk **Milk**, number born alive **# Born**.

<u>Breed</u>	<u>WW</u>	<u>Post WW</u>	<u>Milk</u>	<u># Born</u>
Dorset	+0.38	+0.78	+0.08	-0.69
Hampshire	-0.02	+0.04	-0.07	+0.18
Katahdin	+0.47	+0.72	+0.35	+0.17
Polpay	+0.86	+2.18	+0.87	+3.76
Rambouillet	+0.86	N/A	+0.23	+2.15
Suffolk	+1.04	+1.97	+0.09	+1.92

Current Active Dairy Sires PTA (EPD) Breed Averages (Spring 2010)

Only the following dairy PTAs Predicted Transmitting Ability (EPDs) are eligible for cost-share: net merit dollars **NM\$**, milk pounds **Milk #**, fat pounds **Fat #**, fat percent **Fat %**, protein pounds **Protein #**, protein percent **Protein %**, productive life **PL** and somatic cell score **SCS**.

<u>Breed</u>	<u>NM\$</u>	<u>Milk #</u>	<u>Fat #</u>	<u>Fat %</u>	<u>Protein #</u>	<u>Protein %</u>	<u>PL</u>	<u>SCS</u>
Ayrshire	+352	+890	+43	+0.04	+33	+0.02	+2.2	+2.89
Brown Swiss	+182	+331	+15	+0.01	+13	+0.01	+1.8	+2.91
Guernsey	+101	+326	+20	+0.04	+10	.00	+0.8	+3.03
Holstein	+223	+551	+25	+0.02	+18	+0.01	+1.3	+2.90
Jersey	+217	+463	+29	+0.05	+18	+0.01	+1.8	+3.00
Milking Shorthorn	+78	-286	+5	+0.08	-5	+0.01	+1.5	+2.88
Red and White	+153	-73	+12	+0.06	+3	+0.02	+1.9	+2.96

Current Active Dairy Females PTA (EPD) Breed Averages (Spring, 2010)

Only the following dairy PTAs Predicted Transmitting Ability (EPDs) are eligible for cost-share: net merit dollars **NM\$**, milk pounds **Milk #**, fat pounds **Fat #**, protein pounds **Protein #**, productive life **PL** and somatic cell score **SCS**.

<u>Breed</u>	<u>NM\$</u>	<u>Milk #</u>	<u>Fat #</u>	<u>Protein #</u>	<u>PL</u>	<u>SCS</u>
Ayrshire	30	31	0.7	-0.1	0.7	2.99
Brown Swiss	42	-19	0.2	-0.3	0.8	2.98
Guernsey	64	-2	-0.0	0.1	1.3	2.96
Holstein	41	-22	1.1	0.1	0.6	2.97
Jersey	32	-6	2.1	-0.0	0.6	2.99
Milking Shorthorn	54	213	8.6	6.2	0.2	3.01
Red and White	-66	-638	-13.0	-16.0	0.6	3.00

***Recently several "genetic defects" have been identified among the various breeds of purebred livestock. We recommend that program participants educate themselves on these problems and use all available information in their selection process.

SAMPLE FARM BUSINESS PLAN

Outline of What Your Plan Should Include

Business Plan

- I. Management
 - A. Current Farm Description
 - B. Current Farm Equipment & Facilities
 - C. New Plan
- II. Profit & Loss
 - A. Income Generated **Critical Piece of Your Plan**
 - B. Projected Income
 - C. Projected Expenses
- III. Cash Flow (2009 actual, 2011 & 2012 projections)
- IV. Summary
- V. Attachments

Business Plan

I. Management

A. Current Farm Description

People reviewing your business plan may not know you and they will not have the opportunity to visit your farm, so use this section to help them understand your farm operation – what you have been doing and how you do it.

Describe your current farm activity. Include information such as:

1. Your name and your farm name if you have one.
2. Legal structure (sole proprietor, partnership, LLC, etc.)
3. Identify sources of income generated by your farm.
4. Size and scope of your operation :

Description of your **CURRENT FARMING ENTERPRISE**: (Please insert numbers.)

Crops:	Corn Acres	_____
	Soybean Acres	_____
	Wheat Acres	_____
	Tobacco Acres	_____
	Forage (hay & pasture)	_____
	Horticulture Acres	_____
	All other Acres	_____
Livestock:	Cattle – number of head	_____
	Hogs – number of head	_____
	Sheep – number of head	_____
	Other – number of head	_____

5. Describe characteristics that make your farm unique.

B. Current Farm Equipment, Facilities, & Livestock Inventory

Use the chart below to describe what you currently own or have available to work with. List major equipment currently used or which could be used each year in the normal operation of the farming business and the proposed project. Include age, make, model, and current condition. Also specify livestock age and condition if applicable.

EQUIPMENT / FACILITY/LIVESTOCK	AGE	CONDITION	OWNED or AVAILABLE

C. New Plan

People reviewing your business plan may not be familiar with all types of agricultural development projects. Provide any information you have to help them understand your ideas and convince them that you know what you are talking about, especially if you are proposing a unique project. Use this section to help the reviewers understand your new project and how it fits with your existing operation.

Describe the new project you are planning. Provide the following information:

1. What you plan to do and how you are going to do it.
2. Why you are doing this specific project.
3. How this new project “fits” with your current operation.
4. Describe the specific details of all new components. (buildings, equipment, livestock, etc.)
5. Provide cost estimates or actual quotes of all project components.
6. Plan to market product services. Describe what new products/services you will have and who will purchase them. Who will they hear about you and why will they buy from you, versus your competitors? Where will they purchase – on-farm, livestock auction, farmers’ market, etc?

II. Profit & Loss

CRITICAL PIECE OF YOUR BUSINESS PLAN

DO NOT LEAVE BLANK

A. Income Generated

Include any comments you think are important in further explaining the money section of your business plan.

In your own words explain how this project increases profitability.

DO NOT LEAVE BLANK

B. Projected Income (For Grant Request Only – Not Entire Farm Operation)

Sold To:	Products/services, quantity, price:	Gross Income:

C. Projected Expenses (For Grant Request Only – Not Entire Farm Operation)

Cost:	When:	Expense:
Loan Principle/Interest		
Feed costs (supplement and mineral)		
Fuel		
Repairs and Maintenance		
Breeding and Veterinary		
Supplies, etc.		
Utilities		
Insurance		
Hired Labor		
Rent/Lease Payment		
Real Estate Tax		
Miscellaneous		

III. Cash Flow

Applicants must include Cash Flow (2009 actual, 2011 & 2012 projections) spreadsheets for the proposed plan. (See attached sample)

IV. Summary

Summarize the key points that you have written in your business plan in this section. Be convincing that you need this project to replace tobacco income; you have the ability to complete the project by the end of next May; and that there is a market – people who will pay for your products/services. Draw highlights from materials within the plan to include in this section.

What are the compelling reasons that this project will be a success?

If approved, describe long-term financial impact this will have on your farm operation in the next five years. Be specific and identify why it makes financial sense.

Describe what makes your project unique.

Provide a chart of project costs (source and use of funds).

Project Costs

Estimated Amount	Project Component	Source
	Total Project Cost (Personal and SOACDF funds)	
	Personal Funds	%
	Amount Requested from SOACDF	%

V. Attachments

List what items are included in the attachments, then delete this text and use this page as a cover page for the attachments. Attach any supporting documentation that supports your business plan. This should include COST ESTIMATES, CONTRACTS, CERTIFICATES OF TRAINING, AGRICULTURALLY RELATED LETTERS OF RECOMMENDATION, ETC.

Suggestion: Use dealer quotes or contractor estimates where possible. Equipment advertisements appear generic since these items will not likely be available 3 months after the application.