



Fiscal Year 2022 Description of Funded Projects

Number of Grants Awarded: 4
Amount of Funds Awarded: \$76,000,000.00

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

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

California

Recipient: California State University, Fresno Foundation, Fresno, CA

District: CA – 016

Project Type: Continuing Initiative

Award Amount: \$19,000,000.00

Website: <https://www.dairypcc.net/>

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 milk demand, and increased costs. The struggle to remain viable extends to dairy producers and processors throughout the Pacific Coast region – California, Oregon, Washington and neighboring Nevada, New Mexico, and Arizona. Between 2012 and 2022, these states lost 50% of their dairy farms (USDA Census of Agriculture, 2012 - 4,120 farms; state dairy websites 2022 - 2,058 farms) yet cumulatively still produce 30% of all USA milk. Given the devastating impacts of the COVID-19 pandemic, 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; community colleges, 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/income, and realizing increased returns. The project goal will be accomplished by expanding the capacity of the Pacific Coast Coalition Dairy Business Innovation Initiative that will provide 1) direct technical assistance to dairy businesses through hands-on consultancies, workshops, conferences, short-courses, certificate programs, webinars, and university student internships and 2) direct subawards to dairy businesses.

Tennessee

Recipient: The University of Tennessee, Knoxville, TN

District: TN – 002

Project Type: Continuing Initiative

Award Amount: \$19,000,000.00

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

Southeast Dairy Business Innovation Initiative

The Southeast Dairy Business Innovation Initiative (SDBII) will continue to provide support to value-added dairy

producers across 12 Southeast states (Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, South Carolina, Tennessee, Virginia, and West Virginia). This expansion requires additional human resources support to provide access to programming and grant opportunities across all states, ethnicities, and value-added dairy specialties. We will expand our team to include members of the Southern Dairy Foods Research Center to focus on dairy foods. This furthers our overarching goal of creating a holistic support system, benchmarks, and resources across all aspects of value-added dairying. To that end, outcomes will include:

- Conducting workshops and focus groups on sensory properties of foods and consumer preference.
- Creating a University of Tennessee Creamery to train producers, processors, industry, state regulators, and students.
- Researching extending processed dairy product shelf life.
- Increasing availability of milk quality information for value-added dairy businesses with an emphasis on small ruminants.
- Establishing a milk quality testing lab to help troubleshoot problems relative to milk quality.
- Developing and implementing a branding and marketing tool kit.
- Adding a beef-on-dairy crossbred section to the Dairy Gauge program.
- Providing additional scholarships for in-depth business reviews with the Kentucky Center for Agriculture and Rural Development.
- Quantifying impact of some mitigation strategies on GHG and C equivalent emissions from value-added dairy systems.
- Providing a Competitive Subaward Program for Southeast Value-Added Dairy Businesses.
- Creating Extension fact sheets, publications, decision tools, and video resources to aid value-added dairy producers in their decision-making.

Vermont

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

District: VT – At-large

Project Type: Continuing Initiative

Award Amount: \$19,000,000.00

Website: <https://nedairyinnovation.com>

Northeast Dairy Business Innovation Center

In late 2021, in response to the region's organic dairy crisis, the Northeast Dairy Business Innovation Center (NE-DBIC) co-led the Northeast Dairy Task Force to develop a set of recommendations for USDA on how to best respond to current organic industry upheaval, while addressing the broader context of system-wide dairy supply chain development needs. The Northeast Dairy Task Force represented 27 organizations from across the region and nation, bringing together a brain trust to identify key leverage points for strengthening regional dairy systems, from farm to consumer. Critical areas for development identified through this work include processing expansion, distribution logistics, institutional markets, farm viability, and federal policy. The NE-DBIC, as an organization that supports and represents the region, was instrumental in developing the recommendations. The NE-DBIC plans a course of investment that stays true to the needs outlined in the report with the goal of investing substantial funding in processing infrastructure, farm improvements, distribution capacity, and market development. These funds will support a broad assortment of scales, production practices, end products, and consumers, creating a pathway for regional dairy resiliency and developing long-term relationships and projects that will support the dairy sector beyond the project period.

Recipient: The Board of Regents of the University of Wisconsin System, Madison, WI

District: WI-002

Project Type: Continuing Initiative

Award Amount: \$19,000,000.00

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

Dairy Business Innovation Initiatives (DBIA)

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 (Wisconsin, Minnesota, Iowa, South Dakota, Illinois) the DBIA provides access to expertise, resources, and insights to support dairy business innovation.

This supplemental funding will allow the DBIA to significantly expand our grant program and provide significant and practical impetus to the commercialization of innovative dairy products. This will be achieved via the following goals:

- GOAL 1: Expand our grant and technical assistance programs from 5 to 11 states and significantly increase the funding available for each grant program.
- GOAL 2: Improve technical assistance across commercialization, innovation and troubleshooting resources for dairy business and startups, including:
 - Developing value-added dairy by-products via fermentation and novel processing techniques
 - Reducing scale-up access barriers in order to lower the cost of market entry to a growing dairy platform (enhanced commercialization)
 - Enhancing access to cutting edge analytical resources to assist product development and research into areas like specialty cheese and new product development.

The proposal outlined in this application will expand our overall program to cover to a total of 11 states, comprising approximately 35% of the nation's milk supply. The states added to the five noted above include Michigan, Ohio, Indiana, Nebraska, Kansas and Missouri. Research will explore fermentation of dairy by-products such as whey and whey permeate to generate novel bio-chemicals to improve dairy industry sustainability and reduce its carbon footprint.