



DAIRY INNOVATION GRANT GUIDELINES

For 2026-2027

Introduction

Choose Iowa is the state's signature brand for Iowa grown, Iowa raised and Iowa made food, beverages, and other agricultural products. A marketing initiative overseen by the Iowa Department of Agriculture and Land Stewardship, Choose Iowa builds on the growing demand for local foods. Choose Iowa creates new markets for Iowa farmers and provides consumers with more local choices. The Choose Iowa Dairy Innovation cost-share Grant was created to assist Iowa dairies with their efforts to reduce labor and to increase on-farm processing of Iowa dairy products.

Overview

- Available funding allocated for awarding to recipients in 2026-2027: \$500,000.
- Maximum amount awarded per grant awardee: up to \$100,000.
 - The total amount of grant funding requested may not surpass \$100,000 per applicant including both their on-farm processing and labor reducing technology requests.
- Applicants must provide a minimum of one-to-one (1:1) financial match from private sources such as cash, financing or other non-government grant funds for total project costs. In-kind contributions are not accepted.
 - Example: An individual applying for a grant of \$5,000 must provide at least \$5,000 from other sources for a project total of \$10,000.
- Grant funds are paid out as a reimbursement after grant project(s) are completed.
- Projects cannot be in progress before a grant is awarded and must be able to be completed in 12 months or less.
- Purchases for grant project can begin after the grant agreement is finalized with signatures from the grant recipient and an IDALS representative. Purchases made before this point are not eligible for reimbursement.

Highlights	FY24	FY25	FY26
Funds available to award	\$750,000	\$750,000	\$500,000
Total funds requested	\$2,670,191.50	\$1,568,231	TBD
Projects awarded	20	15	TBD
Value of awarded projects	\$2,211,000.24	\$4,127,864	TBD

Grant Award Timeline

Grant program announced, and application period opens.	March 1, 2026
Virtual Office Hours	March 11, 2026, at 11 a.m.
Grant application deadline	Noon CST on April 17, 2026
Committee scores applications	April 17, 2026 – May 22, 2026
Awardees notified, and grant agreements issued	June 2026
Awardees announced	June 2026
Funds dispersed to awardees	By reimbursement during grant term (June 2026 – June 2027)

Eligible Applicants

Applicants must satisfy the following criteria to be deemed eligible for funding under the Dairy Innovation Grant program:

- Be an individual, business, agricultural cooperative, non-profit organization or local government.
- Be in good standing with the State of Iowa.
- The business must not currently be in bankruptcy.
- Currently reside or conduct business in Iowa.
- The business must not have been subject to any regulatory enforcement action related to federal, state, or local environmental, worker safety, food processing, or food safety laws, rules, or regulations within the last five years.
- Business must be permitted by the Iowa Department of Agriculture and Land Stewardship or in the process of obtaining a permit.
 - Project must be permitted activity.
- Not be an IDALS employee or immediate family member of an IDALS employee.
- Applicant must be able to provide a one-to-one (1:1) financial match for the grant. In-kind contributions not accepted.
- Membership in Choose Iowa brand program NOT required but encouraged.
- Business must employ less than 50 individuals.

Eligible Projects

Projects must address one or more of these goals:

- Create new jobs.
- Create or expand opportunities for local small-scale milk producers to market pasteurized milk and milk products under private labels.
- Provide greater flexibility or convenience for local small-scale farmers to have milk processed.
- Reduce labor associated with the on-farm production and storage of milk.

Examples of eligible projects include but are not limited to:

- On-farm processing equipment or infrastructure such as:
 - Pasteurization equipment
 - Processing vats
 - Packaging and labeling equipment
- Labor reducing equipment or technology such as:
 - Milking robots
 - Health monitoring technology or activity systems
 - Automatic feed systems
 - Cleaning assistance tools

Ineligible Expenses

- Any costs incurred by any firm for work performed prior to the formal execution of a contract.
- Administrative or overhead costs not directly related to the grant project.
- Start-up costs such as inventory, license fees, working capital, etc.
- Costs associated with advertising, public relations, entertainment.
- Employee wages and benefits.
- Paying off existing debt, related collection costs, mortgage, loans or legal fees.
- Paying off existing fines, penalties or settlements for failure to comply with laws or regulations.
- Real estate purchases.
- Rent or contract payments for time periods extending beyond the term of the grant contract.
- Lobbying fundraising or other political activity.

Application Materials

Applicants must apply for the Choose Iowa Dairy Innovation Grant through the online application portal found at chooseiowa.com. Applicants may submit supporting documents including quotes and estimates to supplement budget details as well as letters of support with their applications.

IDALS may require additional information and/or a site visit to review the proposed project.

Agreements

IDALS will develop an agreement for each funded project. No funding commitment is final, and **no project may begin incurring expenses until the contract is signed by the grant recipient and an IDALS representative.**

Grant agreements must be signed and returned to Choose Iowa within 30 days of receipt via the grant portal. Failure to submit an executed copy of the agreement within 30 days of receipt may result in the loss of awarded grant funds, unless the delay is approved by IDALS.

Project Changes

Any project changes after a grant has been awarded must be within the scope of the original project proposal. If an awardee wishes to make changes to their approved project, please email a detailed explanation of the change request along with supporting documentation to chooseiowagrants@iowaagriculture.gov. The scoring committee will review change requests on a case-by-case basis for approval or denial.

Payments

This is a reimbursement grant. Consult your legal or financial advisor regarding financial or tax considerations for any funds received.

Prior to submitting reimbursement requests, grant recipients must submit a current and complete W-9 form via the Choose Iowa grant portal.

Requests for reimbursement must be submitted via the Choose Iowa grant portal. To receive reimbursement, grantees must provide assurance the work has been completed, including submitting receipts and invoices and clearly outline expenditures. Only eligible expenses identified in the project budget as budget line items shall be eligible for reimbursement. Choose Iowa will only reimburse eligible expenses up to the actual costs and not to exceed the costs included on the budget, without the prior written consent of the Choose Iowa. Project costs shall not be changed, modified, or reallocated between budget line items without the prior written consent of the Department or Choose Iowa staff.

Reporting Requirements

A summary and photos of the completed project, including a detailed update to the project outcomes originally described in the grant application is required when submitting the final reimbursement request.

Applicants who do not submit reports on-time, and/or submit incomplete reports, may be required to return all previously disbursed funds to Choose Iowa/IDALS and/or may be removed from future funding opportunities.

Record Requirement

Grant recipients will be responsible for setting up and maintaining a project file that contains all records of correspondence with Choose Iowa/IDALS, receipts, invoices, and copies of all reports and

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documents associated with the project. Recipients shall retain all data and other records relating to the acquisition and performance of the Grant Award Agreement for a period of three years after the completion of the contract. All records shall be subject to inspection and audit by state personnel at reasonable times. Upon request, the grantee shall produce a legible copy of any or all such records.

Scoring Criteria

Labor reducing equipment and on-farm processing projects will be scored separately. Choose Iowa Dairy Innovation Grants are competitive and will be scored and awarded based on the following criteria as well as other criteria as specified in the administrative rules. Applicants must score at least a 60 to be considered for funding. Preference may be given to those not previously awarded funding. A concerted effort will be made to award grant funds across a variety of project types and also distribute grant funds geographically across the State.

CRITERIA	MAXIMUM SCORE
Project addresses the goals of the program to create or add new jobs, expand opportunities and provide greater flexibility or convenience for local small-scale farmers, and/or reduce labor associated with the on-farm production and storage of milk <ul style="list-style-type: none">- Expand or refurbish existing milk plants or establish a new milk plant.- Expand or refurbish existing mobile dairy processing units or establish new mobile dairy processing units.- Rent buildings, refrigeration facilities, freezer facilities or equipment necessary to expand dairy processing capacity, including mobile dairy or refrigeration units used exclusively for dairy processing.- Incorporate methods and technologies that reduce farm labor associated with milk production and storage, including but not limited to the use of robotics and processes or systems that operate using computerized equipment or machinery.	25 points
Detailed budget and match <ul style="list-style-type: none">- Budget clearly details all project costs.- Budget clearly explains source and amount of applicant's funds for private match.- Budget is cost effective and planned purchases are backed by quotes or other sources.- Total project budget is more than double the amount of grant funding requested.	20 points
Work plan and timeline <ul style="list-style-type: none">- Work plan is thorough and realistic.- A detailed description of each step of the project is provided with estimated dates.	20 points
Business readiness, financial sustainability and experience <ul style="list-style-type: none">- Applicant demonstrates sound business management, financial aptitude and stability.- Applicant describes the financial benefit of doing the grant project.- Applicant demonstrates a need for grant funding.	15 points

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CRITERIA	MAXIMUM SCORE
Impact on Iowa agriculture (The extent to which measurable objectives can be determined that demonstrates the proposed project's benefit to the agriculture community) <ul style="list-style-type: none">- Impact is appropriate for the size of the grant request.- Project has both short-term and long-term impact, including jobs and investments in Iowa.	10 points
Application completeness and detail <ul style="list-style-type: none">- The completeness of the application information and sufficiency of detail used to describe the project in the application.- May include (but not required): quotes, estimates, letter(s) of support or affirmations of financial solvency, photos or other supporting documentation.	10 points
TOTAL	100 POINTS

Contact Information

Choose Iowa, Iowa Department of Agriculture and Land Stewardship

Hoover State Office Building
1305 E. Walnut St.
Des Moines, IA 50319

(515) 281-8600
ChooselowaGrant@IowaAgriculture.gov

Appendix

List of questions in the grant application

1. Title (such as Mr., Ms., Dr., etc.)
2. Contact first name
3. Contact last name
4. Business name
5. Position title
6. Business address
7. County
8. Email
9. Cell Phone
10. Number of employees
11. Provide a brief description of your business. Include information about the business' products or services and its markets and/or customers.
12. This project includes on-farm processing, and/or this project includes labor reducing technology. (Select the correct response)
- 13. On-Farm Processing**
 - a. Requested amount for on-farm processing.
 - b. Describe the project being proposed. Describe any new products that your business will be able to offer or new revenue streams that grant funding would enable for your business.
 - c. Describe the proposed budget for the project in detail and how you plan to finance the private match requirement. Please include any quotes you have received as well as any pre-approval/commitment letters you have secured for financing.
 - i. Document upload such as quotes estimates or letters of support.
 - ii. Budget Worksheet for on-farm processing (template provided by Choose Iowa). Budget worksheet must be submitted in .xlsx or .xls file format. If you do not have Microsoft Excel, you may use an alternate free spreadsheet program such as Google sheets, then save in .xlsx or .xls file format.
 - d. Describe how this project would increase market opportunities for your business.
 - e. Provide a detailed project timeline, including the start of construction, equipment purchase/installation, project completion date, and reimbursement timing.
 - f. Will the project be completed if grant assistance is not awarded?
- 14. Labor Reducing Technology**
 - a. Requested amount for labor reducing technology.
 - b. Describe the current need you have for labor-reducing technology or equipment, how it would reduce the current labor required for your business, and how it would positively benefit your business.
 - c. Provide a detailed project timeline, including the start of construction, equipment purchase/installation, project completion date, and reimbursement timing.
 - d. Will the project be completed if grant assistance is not awarded?
 - e. Describe the proposed budget for the project in detail and how you plan to finance the private match requirement. Please include any quotes you have received as well as any pre-approval or commitment letters you have secured for financing.
 - i. Document upload such as quotes estimates or letters of support.

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- ii. Budget Worksheet for labor reducing technology (template provided by Choose Iowa). Budget worksheet must be submitted in .xlsx or .xls file format. If you do not have Microsoft Excel, you may use an alternate free spreadsheet program such as Google sheets, then save in .xlsx or .xls file format.