

October 12, 2026

The Honorable Brooke L. Rollins
Secretary
U.S. Department of Agriculture
1400 Independence Avenue, SW
Washington, DC 20250

Dear Secretary Rollins:

We are writing on behalf of organizations representing dairy farmers, processors, cooperatives, and businesses across the United States to urge the U.S. Department of Agriculture to reconsider a new 25 percent cost-share requirement imposed on applicants to the Dairy Business Innovation (DBI) Initiatives. Included for the first time in the Fiscal Year 2026 Notice of Funding Opportunity, this requirement represents a significant departure from the program's established structure and threatens the ability of the four existing DBI Initiatives to continue delivering critical support to America's dairy businesses.

We strongly support the purpose of DBI and the work of the four existing centers, which serve dairy businesses in 41 states. This lean program delivers a meaningful return on federal investment by helping build stronger, more resilient dairy businesses, a more robust food supply chain, and stronger rural economies.

DBI demonstrates how federal resources can be deployed strategically through established institutions rather than creating new federal infrastructure. The four initiatives bring specialized dairy expertise and regional relationships to businesses seeking assistance with product development, business planning, technical challenges, operational improvements, market development, and other opportunities for growth.

That model is particularly important for small and mid-sized dairy businesses. A business may have a promising product, an opportunity to enter a new market, or an opportunity to diversify its revenue, but lack the specialized expertise or resources to pursue it. DBI helps bridge that gap.

The new cost-share requirement puts that effective model at risk. The four existing initiatives are housed at public universities, a state department of agriculture, and a university/industry partnership. They do not have resources available to satisfy a 25 percent match, and they do not directly benefit from any dollars awarded.

Congress established DBI in the 2018 Farm Bill with bipartisan support, and USDA launched the program, with no match required, during the first Trump Administration. Congress has continued to support the initiative because of its role in helping dairy

businesses become more competitive, develop new markets, innovate, and increase the value of domestic milk.

That mission is particularly important in today's dairy economy. Farmers and processors are managing volatile markets, elevated production and energy costs, transportation expenses, workforce challenges, infrastructure and capital needs, and significant domestic and international competition. Dairy farmers depend on a strong processing sector to maintain and expand markets for their milk, while processors must continually invest in efficiency, innovation, products, and market opportunities.

Again, we believe the cost-share requirement should be abandoned in its entirety due to its impact on the program, and the burden it will ultimately place on dairy farmers and processors. Additionally, while you consider withdrawing the cost-share requirement, we request USDA consider an immediate extension of the NOFO deadline of an additional sixty days to provide prospective DBI grant applicants the opportunity to carefully analyze the viability and budgetary implications of this new cost share requirement. Considering that all historical NOFO funding opportunities were subject to an approximate sixty-day timeline, and had no cost-share requirement, this timeline extension is warranted.

We appreciate the Administration's recognition of the importance of DBI and the Department's continued investment in the program. To build on that commitment, we respectfully request that USDA remove the 25 percent cost-share requirement and reissue the Fiscal Year 2026 funding opportunity without required match.

Thank you for your consideration, and please reach out to any of us to discuss this matter in greater detail.

Sincerely,

Center for Dairy Excellence

Dairy Institute of California

Florida Farm Bureau

Georgia Milk Producers

Idaho Dairymen's Association, Inc.

Indiana Dairy Producers

International Dairy Foods Association

Iowa State Dairy Association

Kentucky Farm Bureau Federation

Midwest Dairy Coalition

Milk Producers Council

National All-Jersey

National Association of State Departments of Agriculture

National Milk Producers Federation

North Carolina Dairy Producers Association

North Carolina Farm Bureau

Northeast Dairy Producers Association

Oregon Dairy Farmers Association

South Dakota Dairy Producers

South East Dairy Farmers Association

Tennessee Dairy Producers Association

Tennessee Farm Bureau Federation

United Dairy Farmers of Florida

Vermont Dairy Producers Alliance

Virginia Farm Bureau

Washington State Dairy Federation

Wisconsin Cheese Makers Association

Wisconsin Dairy Products Association

Cc: Office of Management and Budget