Congress of the United States

Washington, DC 20510

October 20, 2026

The Honorable Brooke Rollins
Secretary
U.S. Department of Agriculture
1400 Independence Ave., SW
Washington, D.C. 20250

Dear Secretary Rollins:

We write to respectfully request that the U.S. Department of Agriculture (USDA) withdraw the new 25 percent cost-share requirement in the Fiscal Year (FY) 2026 Request for Applications for the Dairy Business Innovation (DBI) Initiatives program and reissue the Notice of Funding Opportunity (NOFO) without a matching requirement.

Congress established the DBI Initiatives in Section 12513 of the Agriculture Improvement Act of 2018 (7 U.S.C. 1632d), which President Trump signed into law. USDA launched the program during his first Administration, and it has had strong bipartisan support ever since, including bipartisan reauthorization legislation introduced in both chambers this Congress. Over the lifetime of the program, Congress has consistently funded DBI and has never included a cost sharing requirement. Further, the statute does not require initiatives to provide matching funds, and USDA has never before required a match in any funding cycle.

Today, the four existing initiatives serve dairy farmers and processors in 41 states and territories, representing 87 percent of the nation's milkshed. They are the Dairy Business Innovation Alliance at the University of Wisconsin, the Northeast Dairy Business Innovation Center at the Vermont Agency of Agriculture, Food and Markets, the Pacific Coast Coalition at California State University, Fresno, and the Southeast Dairy Business Innovation Initiative at the University of Tennessee. Together they have awarded more than $106 million to 911 dairy businesses. Even so, they have been able to meet only about 35 percent of the demand they see through their competitive award processes. By law, at least half of each initiative's funding must go directly to grants to dairy businesses. The remainder supports technical assistance in business planning, marketing, and product development.

The need for this support has never been greater. Dairy farmers and processors are facing volatile markets, higher production and fuel costs, labor shortages, aging infrastructure, and growing competition. Small and mid-sized operations in particular depend on DBI to modernize equipment, develop new products, reach new markets, and keep viable outlets for farmers' milk. DBI works because it puts federal resources in the hands of regional partners with deep technical expertise and long-standing relationships with the dairy businesses they serve.

The organizations that host these initiatives are public universities and a state department of agriculture, working in partnership with a nonprofit trade association. They do not profit from DBI funding, and they generally do not have unrestricted resources to cover a 25 percent match.

The initiatives have told USDA that the new requirement could make continued operation of the program untenable. A requirement meant to stretch federal dollars could instead keep those dollars from reaching the farms and processors Congress intended to help.

Accordingly, we request that USDA:

1. Withdraw the 25 percent cost-share requirement from the FY2026 DBI NOFO; and
2. Reissue the NOFO without a matching requirement, consistent with every prior year of the program, and extend the application deadline as needed so the initiatives have adequate time to apply.

We also request responses to the following questions no later than October 27, 2026:

1. What was the rationale for adding a cost-share requirement in FY2026, and what statutory or regulatory authority does USDA rely on to impose it?
2. Before issuing the NOFO, did USDA assess whether the four initiatives could meet the requirement, or how it would affect subawards to dairy businesses? If so, please share that analysis.
3. If the requirement is not withdrawn, how will USDA ensure that FY2026 DBI funds are awarded and reach dairy businesses without delay?

Thank you for your attention to this matter and for your commitment to America's dairy farmers, processors, and rural communities. We look forward to working with you to preserve this proven program.

Sincerely,

Mark Pocan
Member of Congress

Chellie Pingree
Member of Congress

Gwen S. Moore
Member of Congress

Salud Carbajal
Member of Congress

Peter Welch
United States Senator

Becca Balint
Member of Congress

Bernard Sanders
United States Senator

John W. Mannion
Member of Congress

Adam B. Schiff
United States Senator

Tammy Baldwin
United States Senator

Kirsten Gillibrand
United States Senator

Alex Padilla
United States Senator

Gabe Vasquez
Member of Congress

Joe Courtney
Member of Congress

Jim Costa
Member of Congress

Maggie Goodlander
Member of Congress

CC: Director Russell Vought, Office of Management and Budget