

THE SOUTH DAKOTA AGRICULTURE FOUNDATION

Investing in the Future of South Dakota



The South Dakota Department of Agriculture, with joint funding provided by the Governor's Office of Economic Development, has taken on the task **TO LEAD** the startup efforts for the South Dakota Agricultural Foundation.

This will be done through the creation of endowed funds and other ancillary dedicated investment funds that will be **INVESTED IN THE FUTURE** of our state's top industry and South Dakota as a whole.

OUR PURPOSE

Investing in the future of South Dakota Agriculture.



HUMAN CAPITAL DEVELOPMENT Supporting the creation of an educated and innovative agriculture workforce.



INDUSTRY DIVERSIFICATION AND GROWTH Supporting the industry through innovative projects that promote diversity, resiliency, and sustainability in the industry.



WORKING LANDS CONSERVATION Supporting continued stewardship of our working lands and natural resources.



PROMOTION AND SERVICE TO AGRICULTURE Supporting innovative communications, development, and quality of life initiatives that serve South Dakota agriculture.



OPERATIONAL VALUES

Independence • Focus on South Dakota • Focus on the future of agriculture

Work collaboratively • Support work not supported by others

Accountability and transparency • Honor donor intent • Permanent endowments

Unrestricted endowments



THE FUND

The basis of what the South Dakota Agriculture Foundation is all about.



Investing in the future of SD
with a focus on innovation, action,
opportunity and investment



Experienced leaders, advisors,
and board members guiding
the strategic investment decisions



Governance structure
based on philanthropy best practices



Independent non-profit



Raising the tide
for the agricultural industry



HUMAN CAPITAL DEVELOPMENT

- Leadership & Workforce Development Initiatives
- Technology & Innovation Programs
- Agriculture Camps



INDUSTRY DIVERSIFICATION

- Sponsorship of industry development and diversification projects to further expand the economic impact of the industry on the state



POTENTIAL PROJECTS

WORKING LANDS CONSERVATION

- Support and partner with existing organizations and initiatives



PROMOTION AND SERVICE TO AGRICULTURE

- Support fundraising and promotion of initiatives serving agriculture in South Dakota
- Promote philanthropy and a "Culture of Giving" in Agriculture



WE ARE ON THE FRONTLINES OF AN INNOVATION, TECHNOLOGY, WEALTH CREATION, AND TRANSFER BOOM LIKE WE HAVE NEVER SEEN BEFORE IN SOUTH DAKOTA.

\$101 billion will be transferred over the next 50 years from one generation to the next.

THAT'S \$2 BILLION PER YEAR!



*However, for development and investment purposes,
SOUTH DAKOTA AGRICULTURE HAS LIMITED TOOLS
with broad enough focus to harness this powerful force.*

OUR FUNDRAISING PLAN



State Government



Agribusiness



Farmers
and Ranchers



Co-ops and
Commodity Groups

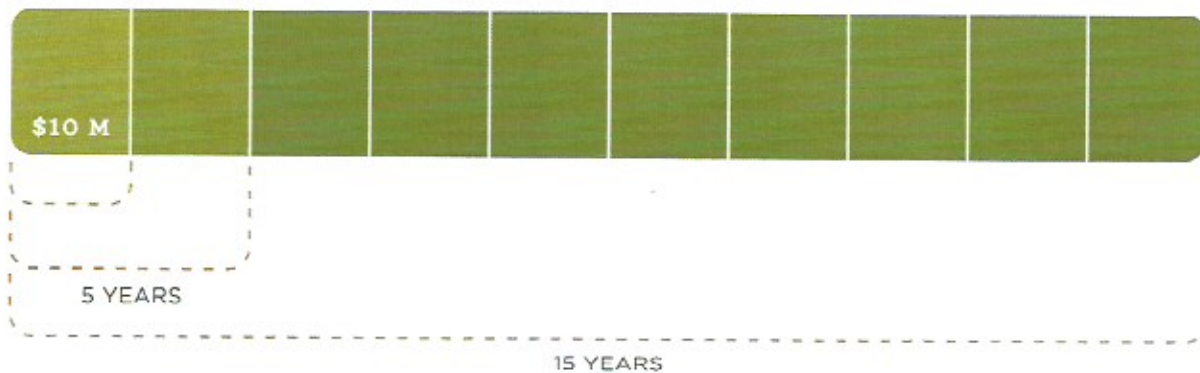


Other Agriculture
Stakeholders



\$20 MILLION GOAL
during the initial 5 year fundraising period

\$100 MILLION 15 YEAR FUNDRAISING GOAL



75%

OF INITIAL FUNDRAISING EFFORTS ARE ENDOWED FUNDS

Leaving only 25% unendowed to support start up efforts.



GOVERNANCE STRUCTURE

THE ESTABLISHMENT OF AN INITIAL GOVERNANCE STRUCTURE AND A STRONG BOARD IS PIVOTAL TO THE SUCCESS OF THE SOUTH DAKOTA AGRICULTURE FOUNDATION. AN INITIAL ADVISORY COUNCIL HAS BEEN FORMED TO HELP GUIDE OUR STARTUP EFFORTS AND IDENTIFY A VISIONARY, TRUSTED, ETHICAL, AND HIGHLY RESPECTED BOARD OF DIRECTORS TO GOVERN THIS ORGANIZATION. IN TURN, THE BOARD OF DIRECTORS WILL BE CHARGED WITH SETTING STRATEGIC DIRECTION FOR THE ORGANIZATION AND OPERATING WITH THE HIGHEST STANDARDS OF PRUDENCE, ACCOUNTABILITY, AND TRANSPARENCY FOR THE GOOD OF THE FUTURE OF AGRICULTURE IN THE STATE OF SOUTH DAKOTA.

OUR TEAM

Any effort like this needs the right set of resources and leaders with the right experiences and expertise around the table to guide and ensure success. We have put the following group together to help us do just that.

ADVISORY SERVICES, FUNDS MANAGEMENT, AND OPERATIONS SUPPORT
South Dakota Community Foundation

BOARD & ADVISORY COUNCIL

Bill Even
Nate Franzen
Nathan Jensen
Christine Hamilton
Bob Sutton
Bernie Christenson
Lucas Lentsch
Greg Von Wald
James Walti

STRATEGIC LEADERSHIP AND PROJECT SPONSORSHIP
The South Dakota Department of Agriculture

EXECUTIVE DIRECTOR
Chris Maxwell

FOUNDATION FEASIBILITY, MARKET RESEARCH AND START-UP SUPPORT
Don Macke - The Center for Rural Entrepreneurship
Brian Bonde



OPERATIONAL VALUES

INDEPENDENCE

The Foundation will be independent of any single issue, voice or interest, and is committed to being honest and neutral vehicle for advancing agriculture and South Dakota's rural communities.

FOCUS ON SOUTH DAKOTA

The Foundation will focus on the unique needs and opportunities in South Dakota.

FOCUS ON AGRICULTURE AND THE FUTURE OF THE INDUSTRY

The Foundation will center its work on advancing agriculture by increasing diversity, resilience, sustainability, and prosperity. A strategic edge of the Foundation will be to focus on the long-term future of South Dakota agriculture.

WORK COLLABORATIVELY

The Foundation is committed to working collaboratively with the many other South Dakota groups supporting agriculture such as South Dakota State University, 4-H, FFA, the South Dakota Community Foundation, commodity groups, etc.

SUPPORT WORK NOT SUPPORTED BY OTHERS

The Foundation is committed to doing additive work and to avoid duplication and competition. To do this, the Foundation will focus on supporting the work already being done by others or on those areas not being addressed by other foundations and groups.

ACCOUNTABILITY AND TRANSPARENCY

The advocates and organizers of the South Dakota Agriculture Foundation are committed to establishing a visionary, trusted, ethical, and highly respected board of directors. In turn, the board of directors is charged with the highest standards of prudence, accountability, and transparency.

HONOR DONOR INTENT

Consistent with national standards for foundations, this Foundation will commit to honoring donor intent through the management of gifts and the distribution of grants.

PERMANENT ENDOWMENTS

While the Foundation will support non-permanent short-term gifts and grant making, the primary focus of the Foundation will be to grow permanent endowments through legacy giving that will create long-term collection of funds that can support donor intent and the Foundation's mission into perpetuity.

UNRESTRICTED ENDOWMENTS

The Foundation will accept restricted endowed gifts, but a primary purpose of the Foundation will be to grow a permanent and unrestricted endowment that will ensure future generations a flexible resource that can address unforeseen challenges and opportunities related to agriculture and rural communities.

SD Ag Foundation Grant Program

Ag Ed Innovation & Leadership Grants

Supporting bringing Innovative Solutions to Agricultural Education

Today's changing Ag Education needs and complex challenges require new thinking and new approaches. That's why we've partnered with the SD Department of Agriculture, and their BOSDRC Grant Program, to offer a funding source for organizations leading the way in providing agriculture education, innovation and leadership programs. With \$35,000 to awarded in grant sizes ranging from \$500 to \$10,000 in 2016, the time to apply for an Ag Ed Innovation & Leadership Grant is now. Here's what you need to know.

What counts as "Ag Ed Innovation & Leadership"?

We know that there are many possible creative solutions to offering more agriculture related innovation and leadership programs for our Youth. Ag Ed Innovation & Leadership Grants focus on finding these new solutions that are inclusive, collaborative, and resourceful. Ag Ed Innovation & Leadership should address an educational need or opportunity in a more innovative, effective, equitable, or sustainable way than existing approaches.

We are not prioritizing any specific issues and projects can be at various stages of the problem-solving process. We do ask that they are focused on some combination of agriculture, innovation, technology and leadership in the area of youth education.

Basic Eligibility

- Applicants should be a public, nonprofit organization as defined by IRS Publication 78. You can also work with a verified fiscal sponsor who can receive funds on your behalf.
- The SDAF does not make grants in support of political campaigns, discriminatory practices, or for personal gain.
- Grants must be used for projects located in South Dakota.
- We will favor/prioritize proposals with project budget sizes that are of appropriate scale to this \$500 - \$10,000 grant opportunity and appropriate scale to the applicants capacity to execute the project.

Strategic Planning Meeting – Deliverables, Identified Key Strategic Intervention Points and Action Items

Through the intentional and focused Strategic Planning & Prioritization process that was undertaken, the following results were achieved either during, or soon after, the meetings:

- Agreement on the 4 high priority areas that the foundation has chosen; **Human Capital Development, Industry Diversification and Development, Conservation and Promotion and Service to the Industry**
- Alignment within the group on how we define these areas and have listed below where the identified key strategic intervention points lie within these areas:

People - Education and Leadership Development

- Youth, Mid and Late Career Ag Education
 - Technology Training and
 - Leadership Training Intervention Opportunities Leadership and Education...
- ...are all key drivers to all of the things we would like to see grow and develop.*

Industry Development and Diversification

- Producer and Value-Ad Ag related activities to support livestock development (Critters Create Capital)
- Beginning farmer type work
- Value-ad processing infrastructure related work, etc

Industry Promotion/Social License to Operate/Positive Pro-Active Communications

- Opportunities to put our support behind positive proactive messages engaging both the producer and consumer around the future of agriculture and food in our State.

Rural Life Viability and Support Systems

Projects and Activities focused on the infrastructure and resources needed to maintain a healthy and sustainable support system in rural SD for our agricultural industry.

- And then finally, below are the immediate action items we will be taking on based off of our meetings:

BOSDRC Grants SDDA/SDAF Partnership

As a result of the strategic planning that occurred during the sessions held in Mitchell, SD in August, 2016, the Foundation recognized an urgent need for the foundation to identify a couple of strategic opportunities to begin to support and implement projects in line with the vision, mission and strategic priorities of the foundation. In line with this thought, the Foundation also

identified two possible paths for implementing this early work – One, to partner with existing exempt organizations and governmental agencies to provide resources that will enhance and expand existing programs; and Two, to develop its own programs and activities that will expand and support current work, or fill in gaps where work is not currently being done, to promote the long term viability of agriculture and rural life in South Dakota. Inherently, the first of these two approaches listed will be the quickest and easiest way for us to kickoff our programmatic work as a foundation. That is why we are proposing the following programmatic partnership for the foundation.

The proposed initial plan for your approval is to engage in administering and supporting existing activities that the South Dakota Department of Agriculture has in place, while using the independence of the Foundation to explore opportunities and avenues that have the ability to enhance and expand their work and take them to a higher level of implementation.

The first of these activities is “Building Our South Dakota Rural Communities (BOSDRC).” Currently the South Dakota Department of Agriculture has a grant program for Local 4H Clubs and FFA/FHA Chapters. The purpose of the program is to get youth involved in local community improvement projects. The goal of our partnership will be to engage our private sector board members in the leadership and deployment of the current program, to identify and provide expanded opportunities to support these great local organizations throughout the state through a focus on innovation and leadership programs for our youth in agriculture and then finally to analyze and assess what is the best long-term plan for administering programs like this and supporting the great organizations that it lifts up in our local rural SD communities.

New SD Ag Education Innovation & Leadership Grants through SDDA/SDAF Partnership

In addition to the work on item #2 above, we are also proposing to enhance the work of the current BOSDRC program by creating our own grant program to supplement this program with a focus on innovation and leadership in youth ag education. Attached is a draft program overview document and draft proposed grant application. We will fund this through an allocation of committed funds to the foundation from current donors that are available for operational and programmatic spending, First Dakota has committed to a partial reallocation of their commitment to support this effort, a possible match from SDDA and future matching dollars to grow the program coming from other potential foundation donors.

We will announce this plan for your approval in conjunction with existing communications that the South Dakota Department of Agriculture has in place for the BOSDRC grants, and then will target implementing and deploying this program in late Q4 2016/early Q1 2017.

SDAF– Ag Economic Development Best Practices Study and Proposed Solutions Development/Implementation

We would like to propose that the foundation takes on the funding and leadership of an Ag Economic Development Best Practices Study, to include the development of proposed solutions and identification of needed partnerships and organizations to deploy the proposed solutions. The Foundation would utilize both internal and external resources to complete the study. These efforts would include an analysis of the current resources available for Ag Development in South Dakota (current GOED and SDDA programs and other private sector programs), an identification of best practices and bright spots that have existed for ag development from both within and outside of the state of South Dakota, the development of a set of proposed options for enhanced ag economic development support programs for the state and finally, the engagement, organization and leadership of the ag industry stakeholders (SDDA, GOED, USDA, FSA, SD Ag Banking Industry leaders, Ag Venture Capital, and key individual ag producer leaders) that would be most directly connected with funding, administering and leading any of our proposed enhanced economic development efforts. We will announce and deploy this program in late Q4 2016/early Q1 2017.

SDAF – Philanthropy in Agriculture Program Development/Implementation

We would also like to propose that the foundation takes on the funding and leadership of a Philanthropy in Agriculture Program, to include the development of an action and engagement plan to spread the message of philanthropy throughout agriculture in South Dakota. We will develop the right message, channels for communication, target industry connectors and target stakeholders/donors. And then finally, we will utilize internal resources to identify best practices and bright spots in promoting philanthropy and foundations in agriculture and will use that information to develop a SMART (specific, measurable, actionable, realistic and timely) action plan to deploy these efforts in agriculture in South Dakota.

We believe that these two projects, in conjunction with the BOSDRC/SDAEI&L Grant Programs Partnerships, will give us focus as an organization, relevancy and engagement with stakeholders from across the industry and an excellent platform for engaging with current and future donors and supporters as we continue to fundraise and build the resources to support the long-term vision of the foundation. We will announce and deploy this program in late Q4 2016/early Q1 2017.

SD Agricultural Foundation (SDAF) - Ag Ed Innovation & Leadership Grant Application

AG ED INNOVATION & LEADERHSIP: Finding creative new solutions that are inclusive, collaborative, and resourceful approaches to offering more agriculture related innovation and leadership programs for our Youth. Ag Ed Innovation & Leadership should address an educational need or opportunity in a more innovative, effective, equitable, or sustainable way than existing approaches.

Name of Organization _____

Tax ID # _____ OR Fiscal Sponsor Name & Tax ID # _____

(Organizations applying for funds from the SDCF must be verified by the Internal Revenue Service under Publication 78)

Organization Type: _____

Address _____ City _____ State _____ Zip _____

Contact Person _____ Title _____

Phone _____ Fax _____ Email _____

Dates of Program/Activity Beginning: _____ Ending: _____

Total Project Cost \$ _____

Grant Amount Requested \$ _____ (\$500 - \$10,000)

Organization contribution to project: \$ _____

Are you applying or have you applied/received other grants for this project?

If yes, who? _____ Amount Awarded? _____

Provide a brief description of the problem/issue you seek to address.

Describe the process you will use to address the issue.

How is this process different than past efforts to solve the issue?

How will you engage the agriculture and education communities at large in this effort?

What impact will addressing the need have on agriculture and youth education in South Dakota?

TIMETABLE/COSTS: Describe below the activities to be carried out to achieve objectives and to complete the project and include below a breakdown of expenses.

Funds Provided By EXPENSE LIST	SDAF Grant	Applicant	Other	TOTAL
Totals:				