

# Maine RFSI OFFICE HOURS

March 13, 2024

## Questions and Answers

### Contents

1. Eligibility and General Application Questions .....	1
2. Eligible Agricultural Products Questions .....	6
3. Matching Funds Questions.....	6
4. Allowable Costs Questions.....	6
5. Questions Related to Equipment.....	11
6. Questions to be Submitted to the USDA for Clarification .....	12
7. Additional New Guidance Received from the USDA.....	12

### 1. Eligibility and General Application Questions

**Q: Can an organization apply to both the RFSI Infrastructure Project Grant and the RFSI Equipment-only grant?**

A: An RFSI Infrastructure Project Grant awarded subrecipient may NOT also apply for an RFSI Equipment-only grant. However, an RFSI Infrastructure Project Grant applicant that is not awarded a project grant is eligible to submit an equipment-only grant application. Only one RFSI award will be made per Unique Entity ID (UEI). RFSI Infrastructure Project Grant applicants should include the eligible equipment that is necessary for their proposed Project within their Project Grant application.

**Q: Do we know when the deadlines to apply for the RFSI Infrastructure Project Grant will be?**

A: We are targeting an RFSI Infrastructure Project Grant RFA opening between March 15-April 5, 2024. We hope to have the RFA open for approximately four weeks. The full application package, deadlines, and submission instructions will be posted at Maine Division of Procurement Services Grant RFP and RFA.

## **Maine RFSI OFFICE HOURS**

**March 13, 2024**

### **Questions and Answers**

**Q: Will this grant be available again for future cycles next year?**

A: No. The RFSI Infrastructure Project grants will have an open RFA period in spring 2024. The competitive application process will result in one-time three-year funding contracts to subrecipients to complete specific projects designed to build resilience across Maine's middle of the food supply chain. We do not anticipate further funding for another round.

The RFSI Equipment-only grants will be for a one-time funding contract to purchase equipment (\$10,000-\$100,000) necessary to build resilience across Maine's middle of the food supply chain. We do not anticipate additional future funding but may run more than one open application period. The first (and likely the only RFA) will open on/about October 2024.

**Q: Is the RFSI Infrastructure Project Grant program a national competition or regional?**

A: Each U.S. State and territory received USDA RFSI funds. Applicants that respond to the Maine RFSI Infrastructure Project Grant RFA will only be compared, reviewed, and scored amongst other Maine applicants responding to the Maine RFSI RFA.

**Q: Does Department staff have a sense of how competitive the RFSI Infrastructure Project Grant will be?**

A: The Department held several listening sessions and completed a stakeholder feedback survey. These documented challenges in food producers and processors having opportunities to acquire equipment through grant funding. After reviewing stakeholder feedback, Maine requested that more USDA RFSI funds be allocated towards the RFSI Equipment-only Grant category than the RFSI Infrastructure Project Grant category. The RFSI Equipment-only grants do not require a match, which may relieve some burden for some applicants who may have been challenged by securing matching funds. Further, the RFSI Equipment-only Grant award range is \$10,000- \$100,000 which provides a lot more flexibility for applicants that may want a smaller piece of equipment on the lower end of the funding range.

Given the funding parameters of \$1.2M reserved for RFSI Infrastructure Project grants (ranging from \$100,000-\$250,000) we anticipate 5-12 RFSI Infrastructure Project grants will be funded. Giving the funding parameters of \$2.3M for RFSI Equipment-only grants (ranging from \$10,000-\$100,000) we estimate that 23- 230 RFSI Equipment-only grant subawards will be funded.

## Maine RFSI OFFICE HOURS

March 13, 2024

### Questions and Answers

**Q: For the RFSI Infrastructure Project Grant RFA, will there be a letter of intent or concept paper phase or just a proposal?**

A: There will not be a letter of intent or concept paper requested. We anticipate the full Request for Applications (RFA) will be released soon. Some of the required application materials are already available on the [Maine RFSI program website](#) (the USDA Infrastructure Grant Proposal Template, Match Verification Letter Template, and the Evidence of Critical Resources and Infrastructure Letter Template). The RFA will provide additional guidance on how to use those templates and complete and submit a full application.

**Q: Will the evaluation criteria for the RFSI Infrastructure Project Grant RFA be posted prior to the grant submission?**

A: No, it will be posted within the RFA.

**Q: Are LGBTQ+ business considered underserved in RFSI programing?**

A: No LGBTQ+ is not one of the groups listed as underserved by USDA at this time.

Currently, the USDA defines some groups of people, that are identified in Farm Bill legislation and in USDA policy, as being Historically Underserved (HU). Members of these groups have been historically underserved by, or subject to discrimination in, Federal policies and programs. [Four groups are defined by USDA as “Historically Underserved,”](#) including farmers or ranchers who are: Beginning; Socially Disadvantaged; Veterans; and Limited Resource.

- A [“Beginning farmer or rancher”](#) means for this section a person or legal entity who for a program year both:
  - (i) Has never previously operated a farm or ranch, or who has not operated a farm or ranch in the previous 10 years, applicable to all members (shareholders, partners, beneficiaries, etc., as fits the circumstances) of an entity, and
  - (ii) Will have or has had for the relevant period materially and substantially participated in the operation of a farm or ranch. See also: [Beginning Farmer.](#)
- [Socially disadvantaged](#), for this program, a producer or processor who is a member of a socially disadvantaged group whose members have been subjected to racial or ethnic prejudice because of their identity as members of a group without regard to their individual qualities. Gender is not included as a covered group. RFSI socially disadvantaged groups include the following and no others:
  - (i) American Indians or Alaskan Natives,
  - (ii) Asians or Asian-Americans,

## Maine RFSI OFFICE HOURS

March 13, 2024

### Questions and Answers

- (iii) Blacks or African Americans,
  - (iv) Native Hawaiians or other Pacific Islanders, and
  - (v) Hispanics.
- For an entity, at least 50 percent ownership in the farm business must be held by socially disadvantaged individuals to meet the criteria for socially disadvantaged. The term entities reflect a broad interpretation to include partnerships, couples, legal entities, etc.
- A **Veteran Farmer or Rancher** is a person who served in the United States Army, Navy, Marine Corps, Air Force, and Coast Guard, including the reserve components thereof, and who was discharged or released therefrom under conditions other than dishonorable and who also meets the definition of beginning farmer or rancher (BFR).
  - The VFR must: a) not have operated a farm or ranch; or b) not have operated a farm or ranch for more than 10 consecutive years. For a legal entity or joint operation to be considered a VFR entity, all members must meet the definition of VFR. See [Veteran Farmer Program Definition](#)
- The term [Limited Resource Farmer or Rancher](#) means a participant:
  - With direct or indirect gross farm sales not more than the current indexed value in each of the previous two years, and
  - Who has a total household income at or below the national poverty level for a family of four, or less than 50 percent of county median household income in each of the previous two years.
  - A Self-Determination Tool is available to the public and may be completed online or printed and completed hardcopy at: <https://lrftool.sc.egov.usda.gov/>.

**Q: If an RFSI Infrastructure Project will benefit three to five farm businesses, does that need to be a legal cooperative or partnership.**

A: No. The lead applicant must have a UEI. Any eligible applicant type may apply. The RFA package will prompt the applicant on how to describe the project beneficiaries. Further, the letters of support should outline who the beneficiaries are.

## Maine RFSI OFFICE HOURS

March 13, 2024

### Questions and Answers

#### **Q: Is there any feeling about how aimed at farms the RFSI Infrastructure Project Grant fund is, as opposed to nonprofits, processors?**

A: There's no priority consideration given to applicant business type, beyond what will be listed in the RFA regarding USDA definitions for underserved/underrepresented businesses. The key is middle the supply chain activities. The applicant entity must be engaged in middle of the supply chain activities and expenditures. Projects must entirely be post-harvest and pre-retail/consumer activities. If processing the eligible product, and/or storing, aggregating, and distributing conducted on a farm, then a farm would be an eligible applicant. But if those activities are not conducted on your farm, then the farm would not be an eligible applicant.

#### **Entities eligible for RFSI Infrastructure Project Grants are:**

- Agricultural producers or processors, or groups of agricultural producers and processors.
- Nonprofit organizations operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
- For-profit entities operating middle of the supply chain activities such as processing, aggregation, or distribution of targeted agricultural products, whose activities are primarily focused for the benefit of local and regional producers, and that meet the eligibility requirements of the SBA small business size standards.
  - For-profit entities must meet the eligibility requirements of the SBA small business size standards matched to industries described in the North American Industry Classification System (NAICS). For more information on these size standards, please visit [SBA's Size Standards webpage](#). For a quick check on whether your business qualifies, please use the SBA [Size Standards Tool](#)
- Local government entities operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
- Tribal governments operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
- Institutions such as schools, universities, or hospitals bringing producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers middle of the supply chain activities such as processing, aggregation, distribution of targeted agricultural product.

# Maine RFSI OFFICE HOURS

March 13, 2024

## Questions and Answers

### 2. Eligible Agricultural Products Questions

***None at this time.***

### 3. Matching Funds Questions

**Q: Do you know the percentage of the match required for the RFSI Infrastructure Project Grants?**

A: \$250,000 is the maximum RFSI Infrastructure Project Grant subaward amount. Applicants are required to provide a 50% match (1:1 equivalent to the amount of grant award). In the example of an application requesting funding in the amount of \$250,000, the total Project Amount would need to be \$500,000.

RFSI Matching Funds		
50% Match Requirement Example		
Total Project Amount	Federal RFSI Funds Requested	Required Matching Funds
\$500,000	\$250,000	\$250,000
\$250,000	\$125,000	\$125,000
\$200,000	\$100,000	\$100,000

Please note that Applicants that are historically underserved farmers and ranchers, or for other applicant businesses that qualify under SBA categories of small disadvantaged business, women-owned small business, or veteran-owned small business, are permitted to request that the required match funding contribution or cost share is reduced to 25% of the proposed Project cost. States must require that applicants self certify in their Infrastructure Grant applications to being eligible for this reduced match.

## Maine RFSI OFFICE HOURS

March 13, 2024

### Questions and Answers

**Q: If an equipment donation is used for the RFSI Infrastructure Project grant match is that calculated by dollar value? It doesn't seem as straightforward as the labor as matching (contract/cert qualifications). E.g. our out-of-pocket costs would cover transportation of donated equipment from VA.**

A: Equipment may be eligible for matching requirements. If the equipment is purchased by (or donated to) the applicant **prior** to the subaward being awarded and is special purpose that's critical for the success of the project, it can be used as match. **All matching contributions must be committed or secured at the time an applicant is recommended for an award.** The applicant would calculate match value using the fair market value for the equipment. If this equipment is solely for RFSI project, they can use the entire value. If this equipment is used in a variety of projects, it would need to be prorated based on the amount of time with the RFSI Project.

**Q: If applying for the RFSI Infrastructure Project grant, would donations of equipment qualify for matching funds if the equipment is special purpose equipment by USDA terms and conditions definitions and is dedicated to your project?**

A: Yes, see response above.

**Q: If my RFSI Infrastructure Project Grant matching contribution is labor, do I just need to demonstrate that the labor is ready or contracted, rather than showing that money spent?**

A: Yes, in your application provide the Project labor plan including anticipated hours, rate of pay, and % worked on the Project. If you are considering including construction or renovation labor (as opposed to food processing or distribution labor) please note the following:

All construction, including electrical, plumbing, HVAC, etc., activities must be completed by licensed professionals with the appropriate qualifications for the state the Project will occur in. If the Applicant facility owner is also a licensed contractor they would be permitted to include construction expenses, including their own labor, that directly relate to the Project in their application.

All in kind contributions that include construction activities, need to be backed with a letter from a qualified business on the respective letterhead, outlining the activities and value of activities that are being committed to meet the matching requirements. Matching contributions cannot be inflated, the wage must be the company wage for that individual's position. For example, an applicant cannot charge a higher wage to DIY construction costs than the wage the individual is currently paid for their current position (e.g. you cannot charge a contractor wage for a processing laborer to conduct construction activities).

## Maine RFSI OFFICE HOURS

March 13, 2024

### Questions and Answers

**Q: Can an RFSI Infrastructure Project Grant applicant use federal grants as a match?**

A: No, state and federal grant funds may not be used as a match.

**Q: Are federal grant or loan funds eligible to be used as a match?**

A: Yes. All matching contributions must be committed or secured at the time an applicant is recommended for an award. If a business loan was secured at the time an applicant is recommended for award, it would qualify as eligible as a cash match.

USDA Update: Loans (not grants) issued by the USDA and other federal and state agencies are permitted to be used as matching funds if the loan is directly related to the RFSI eligible project.

A match may consist of a cash match, in-kind contributions, or any combination thereof. Note that all costs (and equivalent matching funds) must be allowable under the grant conditions; costs such as construction costs, salary costs, equipment costs, the cost of hiring a contractor/consultant, etc., are all allowable and thus qualify as matching costs.

The following are **NOT** be considered eligible to meet matching requirements:

- Any pre-harvest activities and expenses,
- On-going operating costs that do not directly support the completion of the proposed Project,
- Acquiring real property (including land purchases), or any interest therein,
- Expenses related to ineligible food products,
- Activities that will receive state or Federal funding for the same expense,
- Fees or issuance costs associated with the issuance of loans or debt,
- Expenses that have been or will be reimbursed by insurance,
- Illegal activity under federal or state law or regulation.



## Maine RFSI OFFICE HOURS

March 13, 2024

### Questions and Answers

#### 4. Allowable Costs Questions

**Q: If you grow and process 1,000 pounds of tomatoes and seek RFSI Infrastructure Project Grant funding to build a new processing facility to allow the applicant to increase processing to 2,000 pounds, is the project limited to the delta or can it be described and count the entire 2000 pounds?**

A: Yes, you may include all eligible middle of supply chain activities and expenses related to your project in your application and funding request. In this scenario, the applicant is seeking to improve their total capacity for tomato processing. All the processing of the eligible food product may be included because it helps the applicant access that increased market share and capacity for processing.

**Q: Will the RFSI Infrastructure Project Grant funds be disbursed ahead of spending or is this a reimbursement grant?**

A: The RFSI Infrastructure Project Grant fund is based on reimbursement, funds will not be disbursed prior to eligible expenditures. Further, prior expenditures, made outside of an awarded contract performance period are not eligible for reimbursement with RFSI funds.

**Q: Can you purchase from other farms and still qualify for RFSI Infrastructure Project Grant funds?**

A: Yes. RFSI Infrastructure Project Grants will fund projects that expand middle of the supply chain capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products. RFSI will not fund pre-harvest or harvesting activities. Eligible entities may source their produce from other farms and food systems producers and partners.

**Q: Would milking pipeline equipment be considered middle the supply chain as processing?**

A: Yes. Anything after the milk comes out of the cow after harvest after milking is eligible as middle of supply chain activity. Milking equipment is not eligible, but anything after the milk is no longer in the cow would be eligible.

## Maine RFSI OFFICE HOURS

March 13, 2024

### Questions and Answers

#### **Q: Does storage and handling qualify for RFSI Infrastructure Project Grant funds?**

A: Yes. RFSI Infrastructure Project Grants will fund projects that expand middle of the supply chain capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products.

Examples include:

- Expanding processing capacities, including adding product types, increasing production volumes, and supporting new wholesale/retail product lines;
- Modernizing equipment or facilities through upgrades, repairs, or retooling; (e.g., adapting product lines for institutional procurement or adding parallel processing capacity, construction of wastewater management structures, etc.);Purchase and installation of specialized equipment, such as processing components, sorting equipment, packing and labeling equipment, or delivery vehicles;
- Modernizing manufacturing, tracking, storage, and information technology systems;
- Enhancing worker safety through adoption of new technologies or investment in equipment or facility improvements;
- Construction of a new facility;
- Increasing packaging and labeling capacities that meet compliance requirements under applicable laws (e.g., sealing, bagging, boxing, labeling, conveying, and product moving equipment);
- Increasing storage space, including cold storage;
- Develop, customize, or install equipment that reduces greenhouse gas emissions, increases efficiency in water use, improves air and/or water quality, and/or meets one or more of USDA's climate action goals;
  - In all programs, the USDA promotes climate-resilient landscapes and rural economic systems, including tools to support agriculture, forests, grazing lands, and rural communities. AMS encourages applicants to consider including goals and activities related to mitigating and adapting to climate change in their Project's design and implementation.
- Modernize equipment or facilities to ensure food safety, including associated Hazard, Analysis, and Critical Control Points (HACCP) consultation, plan development and employee training.

## Maine RFSI OFFICE HOURS

March 13, 2024

### Questions and Answers

**Q: We anticipate growth in our retail market and will be significantly increasing purchases from other farms. Does storage needed for this expansion qualify for this RFSI Infrastructure Project grant?**

A: Yes. Food and produce storage is an allowable middle of the supply chain activity.

## 5. Questions Related to Equipment

**Q: Are refrigerated vehicles included as an eligible food distribution expense?**

A: Yes, depending on the purpose of the delivery truck. Delivery trucks not designed for direct-to-consumer sales are allowable as special equipment (e.g., a truck that distributes food to a restaurant or grocery store). A delivery truck used to gather harvested produce from other farms to aggregate and then process / value add at a farm or processing facility would be eligible as middle of the supply chain. However, delivery trucks that serve a dual purpose for direct-to-consumer retail sales are NOT eligible for RFSI funding (e.g., no food trucks, trucks that double as a farmers' market stand, or trucks that deliver online consumer orders).

**Q: When do you expect to have open office hours for the RFSI equipment-only grant?**

A: No later than September 2024. Please watch the [Maine RFSI program page](#) as we may begin to host equipment-only office hours in late August.

## Maine RFSI OFFICE HOURS

March 13, 2024

### Questions and Answers

#### 6. Questions to be Submitted to the USDA for Clarification

**Q: My understanding of the beginning farmer definition with USDA is that it goes back to tax filing as an entity as well, e.g. if the entity has filed with the IRS less than 10 years, they are considered beginning. Would be curious if there are other beginning farmer definitions out there for this grant.**

A: Clarification TBD

**Q: If a new farmer is taking over an established farm, do we need to have the transition completed before he would qualify as a beginning farmer, or would he need some sort of agreement? Would he be the applicant?**

A: Clarification TBD

**Q: If I am going to be growing 1000 pounds of tomatoes and purchasing 1000 pounds of tomatoes, all main, and we're going to be making a puree, is the value of the 2000 pounds of tomatoes, is that a match?**

A: Clarification TBD

**Q: Somebody purchasing produce from another farmer, is the value of the produce an eligible in kind or match?**

A: Clarification TBD

#### 7. Additional New Guidance Received from the USDA

***None at this time.***