

AGRI Value-Added Grant 2021 Request for Proposals

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Grant Summary

Application and Award Details

The AGRI Value-Added Grant offers funding for value-added businesses (including bioenergy producers) to invest in equipment. The intent of the program is to increase sales of Minnesota agricultural products by investing in production capacity, market diversification, and market access for value-added products. For the purposes of this grant, value-added is defined as the addition of value to an agricultural product through processing.

Only requests for equipment will be considered. Due to funding and personnel constraints, we will not be accepting applications for feasibility studies this year. The maximum equipment award is \$150,000, and the minimum award is \$1,000. There will only be one round of funding this fiscal year.

The Minnesota Department of Agriculture (MDA) anticipates awarding approximately \$1 million using a competitive review process. We expect 10 to 30 grants will be awarded, but the final number depends on the size of awards.

Your AGRI Value-Added Grant application must be received by **4:00 p.m. Central Time on Thursday, October 29, 2020** in order to be considered for funding. We strongly encourage you to submit proposals through our [online application system](#). We will not consider late applications.

The MDA is not responsible for any technical or logistical problems resulting in the MDA not receiving the application on time. It is the responsibility of the applicant to ensure that submission is received by the MDA before the deadline.

How to Submit Questions

Direct questions about the grant program, completing the application, or additional accommodations to:

Jordyn Bucholtz
Jordyn.Bucholtz@state.mn.us
Minnesota Department of Agriculture
625 Robert St N
St. Paul, MN 55155-2538

All questions should be submitted through writing by mail or email by **4:00 p.m. Central Time on October 22, 2020**. MDA employees are not authorized to provide advice on any applications. Applicants who solicit or receive advice from unauthorized MDA employees may be disqualified from eligibility for a grant award.

Timeline and Deadlines for Grant Program

A review committee, composed of MDA staff and external reviewers, evaluates all eligible applications based on the criteria in the Project Evaluation Profile. Reviewers may recommend whole or partial funding of a project. The Commissioner of Agriculture reviews the committee recommendations and is responsible for award decisions. The review committee and Commissioner may use rural/urban and geographic diversity when making their decisions. The MDA will notify applicants, both successful and unsuccessful, in writing. Applicants may request a summary of reviewer comments.

Questions due no later than 4:00 pm Central Time.....October 22, 2020

Applications due no later than 4:00 pm Central Time.....October 29, 2020

Committee recommendations submitted to Commissioner for review.....December 11, 2020

Applicants notified of decisions; grant agreement negotiations begin.....December 18, 2020

Application Guidelines

- Write for reviewers who are generally knowledgeable but may not have a thorough or deep understanding of your business. Use plain, easily understood language.
- Answer all questions completely within the character limits specified in the grant application. Use 12-point font and single spacing.
- The Project Evaluation Profile included in this document will be used to score and compare the grant applications.

Grant Eligibility

Eligible Applicants

Applicants must:

- Be an individual (including farmers), business, agricultural cooperative, or a local unit of government.
- Be in good standing with the State of Minnesota.
 - No back taxes owed
 - No defaults on Minnesota State-backed financing for the last 7 years
 - Acceptable performance on past MDA grants
 - Compliant with current state regulations
- Currently reside in Minnesota or be authorized to conduct business in Minnesota.
- Not be an employee or spouse of an employee of the MDA.

Examples of applicants:

- Individuals (including farmers)
- For-profit businesses: individuals or companies (including LLCs and S and C corporations) whose primary function involves the production, processing, or marketing of Minnesota agricultural products
- Agricultural cooperatives: member-owned business entities that provide, offer, or sell agricultural products or services for the mutual benefit of the members
- Local government entities involved in the operation of a farmers' market, food hub, or other activity that involves the processing or marketing of Minnesota agriculture products

Economic development organizations, non-profit organizations, and academic entities are not eligible, but they may apply on behalf of and act as fiscal agents for eligible individuals or businesses. These organizations must:

- Provide letters from the eligible farmers or businesses they represent that clearly describe the benefit of the grant project to those businesses; and
- Clearly identify these eligible entities and focus the application on their businesses.

Eligible Projects

Projects must:

- Aim to increase sales of Minnesota agricultural products by increasing production capacity, diversifying markets, or increasing market access for value-added products.
- Not start until the grant contract is signed by all parties and has reached its start date.
- Be completed in three years or less. Contracts cannot be extended beyond three years.
- Be conducted in Minnesota.

Project examples include but are not limited to:

- Purchase and installation of equipment used in the production of value-added agricultural products
- Aquaponics systems
- Creamery or milk product processing and packaging equipment
- Livestock slaughter equipment
- Grading, packing, labeling, packaging, or sorting equipment
- Equipment that helps to maintain the identity and traceability of products
- Processing equipment or physical improvements to a value-added processing facility to reduce food safety risks
- Cooler walls and refrigeration units
- Contractor costs and materials for installation of approved equipment, including plumbing, drainage, venting, and electrical work
- Refrigerated trucks to access new markets (not routine replacement)
- Equipment that improves process efficiency at biofuel plants
- Renewable energy production equipment, particularly biothermal where the biomass is sustainably sourced from agricultural products (including biomass sourced from agroforestry)

Priority Projects

During this round of funding, priority is being given to projects that respond to one or more of the following needs:

- Creating additional meat/poultry processing capacity
- Increasing food safety to improve marketability
- Responding to changing market conditions as a result of COVID-19 (e.g., increasing capacity for household-sized packaging rather than wholesale packaging)
- Responding to civil unrest, primarily in the Twin Cities Metro Area, following the murder of George Floyd (e.g., rebuilding of facilities that were damaged or destroyed, increasing processing capacity in impacted areas)

Ineligible Expenses

- Feasibility studies
- Expenditures incurred prior to contract execution
- Equipment and facilities used for agriculture plant or livestock production. Examples include watering systems, harvesting equipment, and equipment or facilities used for livestock care and feeding.
- Advertising, public relations, entertainment and amusement costs
- Construction or expansion of a restaurant or grocery store and restaurant equipment or furniture. Grocery store equipment may be eligible for an AGRI [Good Food Access Program grant](#).
- Supplies, consumables, ingredients, and items that are not reusable

- Beginning inventory costs, start-up costs, beginning working capital costs, and license fees
- Bad debts, related collection costs, and legal costs
- Contingency expenses for events or set aside for possible overages
- Donated or volunteer (in-kind) services. While these may be furnished to an applicant by professional and technical personnel, consultants, and other skilled and unskilled labor, the value of these services is not an eligible cost.
- Donations and in-kind contributions, including property and services, made by the applicant (regardless of the recipient)
- Employees' wages and benefits. Please contact staff for exceptions.
- Fines, penalties, and other settlement expenses resulting from failure of the applicant to comply with Federal, State, local, or Indian tribal laws and regulations
- Land and building purchases
- Indirect costs (expenses of doing business that are not readily identified with the project)
- Lobbying and political activities
- Fundraising; including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions

Matching Funds

You must provide documentation for at least 75 percent of the total project cost as a cash match (no in-kind matches). Matching funds can be in the form of cash, loans, other grants, or liquid capital assets dedicated to the project. However, other state funds cannot be used for the matching funds. State funds are obtained through the budgeting process of the Minnesota Legislature or granted by a State agency.

Application Review Policies

Conflicts of Interest

The State will take steps to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers, per [Minn. Stat.16B.98](#) and [Conflict of Interest Policy for State Grant-Making \(PDF\)](#).

Organizational conflicts of interest occur when:

- A grantee or applicant is unable or potentially unable to render impartial assistance or advice to the MDA due to competing duties or loyalties.
- A grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties.

In cases where a conflict of interest is suspected, disclosed, or discovered, the applicants or grantees will be notified and actions may be pursued, including but not limited to disqualification from eligibility for the grant award or termination of the grant agreement.

Privacy Notice and Data Classification

The information provided by an applicant will be used to assess the applicant's eligibility to receive a grant under the AGRI Program. The decision to apply for this grant is voluntary, and applicants are not legally required to provide any of the requested information. Applicants may decline to complete this application without any legal consequence. However, only completed applications will be considered for a grant; incomplete applications will not be considered.

Data provided in this application is initially classified by the Minnesota Data Practices Act as private or nonpublic, although some or all of the data will generally become public at various points of the application process unless the data are otherwise classified by state or federal law. Access to private or nonpublic data is limited by law to MDA staff and contractors with a valid work assignment to access the data, parties authorized by the applicant, parties identified in a valid court order or federal subpoena, Minnesota Management and Budget, Minnesota Department of Administration, the state auditor, and the legislative auditor. If necessary, the MDA may also share the data with law enforcement or the Office of the Attorney General.

Per [Minn. Stat. 13.599](#):

- Names and addresses of grant applicants, and the grant amount requested, will be public data once application responses are opened.
- All remaining data in application responses (except trade secret information, see below) becomes public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).
- All data created or maintained by the MDA as part of the evaluation process (except trade secret information, see below) will be public data after the evaluation process is completed.

Procedure for Claiming Protection of Trade Secrets:

Trade secret information (as defined in [Minn. Stat. § 13.37](#)) is classified as not public data. In order for an applicant to protect data submitted as part of this application as trade secret information, the applicant must clearly identify the specific formula, pattern, compilation, program, device, method, technique or process that the applicant believes to be a valid trade secret (as defined by Minnesota law), and provide an explanation of the economic value of keeping the data from being generally known to other persons. Determining what constitutes trade secret information is ultimately the responsibility of the MDA, and the MDA cannot guarantee that data marked by an applicant as trade secret information, or otherwise marked "confidential," will be classified as such. If the MDA determines that data do not meet the definition of trade secret information, that data will be available to the public unless the applicant secures a court order saying otherwise.

Requirements for Grant Recipients

Grant Award Agreement and Payments

Upon approval of an application and prior to beginning work on the grant project(s) and receiving reimbursements, the applicant is required to do the following:

- Complete an IRS W-9 form or register as a vendor in SWIFT, the State's accounting system, and submit other required documentation within 30 days of award notification; and
- Sign a Grant Contract Agreement indicating their intention to complete the proposed tasks. The agreement also authorizes the MDA to monitor the progress of the project. The grant award document must be signed within 30 days of being sent to the grantee.

Eligible expenses may only be incurred after the contract has been signed by all parties. Applicants should anticipate that grant contracts will have an end date in early 2024. Grant contracts may not extend beyond three years from the effective date of the contract.

Grant funds are dispersed on a reimbursement basis. All grantee requests for reimbursement must correspond to the approved grant budget. To receive grant payments, grantees must provide proof that grant project work has been done by submitting details of each purchase on receipts or invoices, and proof that the vendors have been paid. Annual progress reports are required to be submitted during the duration of the project.

Site Visits, Financial Reconciliations, and Follow-ups

The grant agreement allows the MDA to monitor the progress of the project. The MDA will perform a monitoring visit for all grantees with awards of \$25,000 or more before a final payment is approved. Other grantees may receive monitoring visits at the discretion of the MDA.

The MDA will perform a financial reconciliation of at least one invoice on grants greater than or equal to \$50,000; financial reconciliation may be performed on additional payment requests at the discretion of the MDA. For this purpose, the grantee must provide expense receipts, employee timesheets, invoices, and any other supporting documents requested by the state.

Follow-up surveys are required to help us determine the long-term impacts of the grant. Grantees are required to respond to requests for follow-up information for three years beyond the term of the grant agreement. Failure to respond to these in a timely manner may impact your ability to secure future funding from the MDA.

Bidding Requirements

All funded applicants will be required to abide by the state's bidding requirements for larger purchases. See a detailed list of the state's [bidding requirements](#) for details.

Affirmative Action and Non-Discrimination Policy

The grantee agrees not to discriminate against any employee or applicant for employment because of race, color, creed, religion, national origin, sex, marital status, status in regard to public assistance, membership or activity in a local commission, disability, sexual orientation, or age in regard to any position for which the

employee or applicant for employment is qualified ([Minn. Stat. 363A.02](#)). The grantee agrees to take affirmative steps to employ, advance in employment, upgrade, train, and recruit minority persons, women, and persons with disabilities.

The grantee must not discriminate against any employee or applicant for employment because of physical or mental disability in regard to any position for which the employee or applicant for employment is qualified. The grantee agrees to take affirmative action to employ, advance in employment, and otherwise treat qualified disabled persons without discrimination based upon their physical or mental disability in all employment practices such as the following: employment, upgrading, demotion or transfer, recruitment, advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship ([Minnesota Rules, part 5000.3500](#)).

The grantee agrees to comply with the rules and relevant orders of the Minnesota Department of Human Rights issued pursuant to the [Minnesota Human Rights Act](#).

Audits of Project

Per [Minn. Stat. 16B.98, subdivision 8](#), the grantee's books, records, documents, and accounting procedures and practices of the grantee or other party that are relevant to the grant or transaction are subject to examination by the granting agency and either the legislative auditor or the state auditor, as appropriate. This requirement will last for a minimum of six years from the grant agreement end date, receipt, and approval of all final reports, or the required period of time to satisfy all state and program retention requirements, whichever is later.

Voter Registration Requirement

The grantee will comply with [Minn. Stat. 201.162](#) by providing voter registration services for its employees.

AGRI Background and Program Goals

The Agricultural Growth, Research, and Innovation Program (AGRI) was established to advance Minnesota's agricultural and renewable energy industries ([Minn. Stat. 41A.12](#)). AGRI has made significant economic impacts by increasing productivity, improving efficiency, and assisting the development of agricultural products. The primary goal of the AGRI Value-Added Grant is to increase sales of Minnesota agricultural products by investing in production capacity, market diversification, and market access of value-added products.

Project Evaluation Profile

Evaluation Criteria	Maximum Score
Project Addresses Goals of the AGRI Value-Added Grant <ul style="list-style-type: none"> Increases sales of Minnesota agricultural products Diversifies markets and/or increases market access 	10
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 	10
Impact on Minnesota Agriculture <ul style="list-style-type: none"> Plan to increase sales of Minnesota agricultural products is achievable Amount of Minnesota agricultural products to be increased is realistic Increase is appropriate for the size of the budget request Project has the potential to impact many farmers 	20
Measurable Objectives <ul style="list-style-type: none"> Objectives of project are measurable and clearly stated Describes how the project will achieve objectives of the grant program and benefit the business 	10
Work Plan and Timeline <ul style="list-style-type: none"> Work plan is thorough and realistic A detailed description of each step of the grant project is provided with estimated dates 	10
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 (cash match) Budget is cost effective and planned purchases are backed by quotes or other sources 	15
Diversity, Equity, and Inclusion <ul style="list-style-type: none"> Applicant is a woman-owned business (3 pts) Applicant is a minority- or veteran-owned business (3 pts) Applicant meaningfully serves communities of color or Native American Tribal Communities (3 pts) 	9
Meat Processing and Food Safety <ul style="list-style-type: none"> Project expands Minnesota's meat and poultry processing industry Project increases food safety 	6
Urgent Need Response <ul style="list-style-type: none"> Project supports reconstruction of businesses recently damaged by civil unrest Project specifically contributes to business' COVID-19 response 	10
Total	100

Application Questions

Contact Information

Applicant Information

- Applicant Name
- Organization Name
- Organization Mailing Address
- Organization Telephone
- Organization Email

Authorized Representative

If awarded a grant, the person that will sign the Value-Added Grant contract agreement for this organization.

- Name
- Telephone
- Email

Eligibility

Confirm that the following statements apply to your organization.

- The organization is in good standing with the State of Minnesota. (No back taxes owed, no defaults on Minnesota State backed financing for the past 7 seven years, in compliance with current state regulations, and acceptable performance on past MDA grants.)
- Your organization is in Minnesota or authorized to conduct business in Minnesota.
- No one involved in the project or the application for the grant is an employee or spouse of an employee of the MDA.

Has work started on your proposed project or will work start before the grant contract agreement is signed by all parties? The MDA is unable to reimburse for any work that is performed prior to the start date of the contract. Yes/No

Previous Value-Added Grants

Have you received a previous AGRI Value-Added Grant? Yes/No

If yes, briefly describe your previous grant project(s), including date(s) and amount(s) awarded.
(1,000 characters, including spaces)

Project Summary

Grant Request

- Project Name
- Total Project Cost
- Total Grant Request (up to 25 percent of the Total Project Cost). Maximum of \$150,000, minimum \$1,000.
- Expected Project Start Date
 - Must be after the contract is signed by you and the State of Minnesota.
 - Award notification is in December, and contracts may be signed as early as early January.
- Expected Project End Date
 - Contracts may last a full three years from start date.
 - You will have up to three months after your contract end date to submit for a reimbursement.
 - All items and services must be paid for by the end date of the contract.

Project Description

Provide a brief description of your project outlining what you plan to purchase and why. Try to limit your description to 1 – 3 sentences. *(500 characters, including spaces)*

Meat Processing and Food Safety

Does your project improve food safety? (Yes/No)

If yes, describe how it improves food safety. *(500 characters, including spaces)*

Does your project expand Minnesota's meat processing industry? (Yes/No)

If yes, describe how it expands the industry. *(500 characters, including spaces)*

Urgent Response

Does your project respond to needs created by civil unrest following the murder of George Floyd? (Yes/No)

If yes, describe how your project responds to these needs. *(500 characters, including spaces)*

Does your project specifically contribute to your business' COVID-19 response? (Yes/No)

If yes, describe how it will help your business respond to COVID-19. *(500 characters, including spaces)*

Diversity, Equity, and Inclusion

This grant program prioritizes woman-owned businesses, minority-owned businesses, veteran-owned businesses, and businesses that serve communities of color and Native American Tribal communities. Explain how these priorities are reflected in your business, if at all. *(500 characters, including spaces)*

Business Readiness and Financial Sustainability

Organization Summary

Provide a summary of your organization. *(2,000 characters, including spaces)*

The summary should stand alone to describe:

- The mission and goals of your organization
- The services and products provided by your organization
- The ownership and leadership of your organization

Business Plan Summary

Provide a summary of your business plan. *(2,000 characters, including spaces)*

- Describe the financial health/cash flow of your organization over the past year.
- How is your organization looking to grow or remain competitive?
- Explain how this project fits into your business plan including how this project will financially benefit your organization.

Business Plan Submission

- Business plans are required to be submitted with the application for all requests over \$100,000 and optional for all other requests.
- Redact confidential information and trade secrets included in your business plan.

(Optional) Business Readiness Letters

Submit Letters of Support written by:

- Financial or business contacts that can attest to your organization's sound business management, financial aptitude, and stability
- Contacts in your value-added profession or previous co-workers who can verify you have the experience or skills necessary to successfully complete the project

Impact on Minnesota Agriculture

Estimate Impact on Minnesota Agriculture

- Provide an estimate of the total dollar value of Minnesota agricultural products used by your organization between January 1, 2019 and December 31, 2019.
- Provide an estimate of the dollar value of Minnesota agricultural products to be used by your organization in the first full calendar year after your project is complete.

Increasing Sales

Describe how this project plans to increase the sales of Minnesota agricultural products. *(2,000 characters, including spaces)*

Sources

List your current or anticipated sources of Minnesota agricultural products. *(1,000 characters, including spaces)*

Example: Vista Acres Vineyards, New Ulm, MN (2018 - \$50,000 grapes); Happy Plants Inc., Thief River Falls, MN (2018 - \$3,000 hops and \$15,000 barley); Big Harvest Cooperative, Chaska, MN (2018 - \$10,000 corn).

Market Outlets

Estimate the number of market outlets currently used by your organization.

Market Outlet Type	Estimated Current Number of Outlets (Jan. 1, 2019 to Dec. 31, 2019)
Schools, hospitals, or institutions	
Farmers' markets	
Grocery stores	
Food hubs	
Mainline food distributors	
Municipalities	
Fuel distributors and retailers	
Direct-to-consumer channels <ul style="list-style-type: none">• Number of websites• Number of retail stores	
Other businesses – do not include any business already included above	

Market Expansion and Diversification

Describe how the project plans to diversify markets and/or increase market access. *(2,000 characters, including spaces)*

- If you expect to increase the number and/or types of market outlets from this project, estimate the increase(s) and explain how the project will achieve these goals.

Measuring Outcomes

Describe how you plan to measure the outcomes of your project including impact on your organization, increased sale of Minnesota agricultural products, and number of market outlets. *(1,000 characters, including spaces)*

(Optional) Agricultural Impact Letters

Submit Letters of Support written by:

- Current or potential sources of Minnesota grown products
- Current or potential buyers expressing support for the project
- Organizations citing the potential of your project to impact many farmers

Project Plan

Work Plan and Timeline

Complete the following table. You should include the steps that you will take to successfully complete your project. For example, you might include target dates for requesting quotes, installing and testing equipment, and full launch of the equipment. Not all areas will apply to all projects. You may add additional lines or pages as necessary.

Example:

Timeframe	Description of Task/Action Item	Responsible Party
June 2021	Request bids for cheesemaker	Project director
June 2021	Sign contract with Cheese Marketers Association	CEO

Timeframe	Description of Task/Action Item	Responsible Party

Budget

Complete the following table. You may add additional lines or pages as necessary.

If specific contractors are named in the application, grantees will not need to undergo a formal bidding process. This can save you time and effort later.

Example:

Item	Quantity	Cost Per Unit	Total Estimate	Source of Estimate
Pasteurizer	1	\$15,000	\$15,000	Cheesy Equipment Dealers
Contractor Hours	50	\$100	\$5,000	Cheese Marketers Association

Item	Quantity	Cost Per Unit	Total Estimate	Source of Estimate

Budget Narrative

Justify your budget and explain how you plan to pay for your project. *(2,000 characters, including spaces)*

- Explain how the equipment and services in the budget table will help you process more Minnesota agricultural products into value-added products or diversify/expand your market outlets.
- Explain how you plan to pay for your project (financing, other grants, private investment, personal investment, or organization funds, etc.). Other State funds cannot be used to provide the funding used to pay for this project.

(Optional) Documents showing project costs and ability to pay for project

Submit documents such as:

- Quotes or estimates from businesses for equipment or services.
- Letters of commitment written by financial institutions or other organization that will be providing funding through loans or credit.
- Bank statements showing enough cash reserves to fund project.