February 28, 2024, RFSI Webinar Transcript

Resilient Food Systems Infrastructure (RFSI) Grant Program / Programa de Becas para Infraestructura de Sistemas Alimentarios Resistentes de Minnesota (RFSI)

[Slide 1, 0:00]

[Kaylee Thornley]

All right. So. welcome, everyone. I think we'll go ahead and get started here. We have a lot of material to move through today, so I want to go ahead and get started. Thank you for attending our webinar on the Resilient Food Systems Infrastructure Grant Program. I'll just start off by saying we are offering this in Spanish interpretation for this webinar. If you would like to use that interpretation, please indicate that you're planning to use that service by either raising your hand or putting a comment in the chat, just saying that you're going to be using that. And if you do plan to use that Spanish interpretation, you need to join the Spanish language channel. And you should have been given the option to do that when you joined the meeting, or there's an option in the menu in the upper right-hand corner of your screen.

Just a few housekeeping notes before we get started. Today's webinar is about an hour long. We're using Teams in webinar mode, so everyone has their cameras and microphones off automatically. The webinar is being recorded, so we'll post the link to that in our RFSI web page, in case you want to review anything we're covering today or share it with anyone else. We did take questions in advance for this webinar, so we're going to be answering as many of those submitted questions as we have time for today, and we won't be taking questions live. However, if you do think of additional questions, you know, as we're going through the material, feel free to type those in the chat. We will be taking note of those and we'll try to answer them on our RFSI Q&A web page after the webinar is done.

[Slide 2, 1:32]

So, I'll just start off by introducing myself. My name is Kaylee Thornley. I'm the grant administrator for the RFSI Program at the Minnesota Department of Agriculture. I also have a few other MDA staff here with me today who are also supporting the RFSI Program. Mike Zastoupil, who's the agricultural and food systems planner. Courtney VanderMey, who is our farm and business development coordinator, is also on the call. She's going to be help me monitor the chat. We also have Alondra Cano with us today, she's the owner of Aurelia Consulting. She'll be providing the Spanish interpretation for today's webinar, and then as well as providing outreach and technical assistance to Spanish-speaking applicants. Again, if you're just joining us and you want to use that Spanish interpretation, please drop a note in the chat that you'll be using that or use the "raise your hand" feature, just so we know you want to use that and join the Spanish language channel again.

So, quick overview of the webinar today. Mike's going to kick us off with a brief overview of the RFSI Program. Then I'm going to dive into specifically talking about the RFSI Infrastructure Grants and that application process. And then lastly, we'll answer some of those questions that were pre-submitted. So, now I'll hand it over to you, Mike.

[Slide 3, 2:45]

[Michael Zastoupil]

Thanks, Kaylee. All right. So, the overall purpose of the RFSI Program is to increase resiliency in our local and regional food systems by investing in the middle of the food supply chain. This came about kind of after COVID, where we had a lot of supply chain disruptions and bottlenecks where we want to expand capacity and make sure that we prevent those problems from occurring in the future.

So, what do I mean by the middle of the food supply chain? If you see the graphic below, there's four different icons llustrating the supply chain. And if you look at the two of the middle – processing and aggregation/ distribution – is what this program is focused on. This funding is not for production of food on the farm. So, we're not funding tractors or seed or fences, and it's also not for consumers at the end. So, this isn't for marketing or retail sales or things like that. It's just the middle of the food supply chain. And so, one other thing to note is that this funding is just for food and food meant for human consumption. So, not animal feed, not biofuels or other fiber products, just food. And it does exclude meat and poultry. And the reason for that is because there are several other USDA and state programs that are focused just on supporting the meat and poultry supply chains. Next slide, Kaylee.

[Slide 4, 4:08]

So, this is a cooperative agreement between the U.S. Department of Agriculture and the Minnesota Department of Agriculture. And so, because this is federal funding, there's going to be more rules and requirements than some of the usual MDA grants that you may be used to. We have $9.6 million available for the RFSI Grant, and there will also be funding available to provide technical assistance for a variety of supply chain-related activities. And so, a couple of those technical assistance providers are on our RFSI website already, which I believe Courtney or Kaylee will be putting in the chat if they haven't already. And then stay tuned, we will have more technical assistance providers available over the next few weeks, so please stay up to date on that website and looking for opportunities. Next slide, please.

[Slide 5-6, 4:57]

All right. So, let's talk more about the grant itself. Again, the purpose of the grant is to invest in infrastructure and expand capacity in the middle of the food supply chain, with some further description of that here. The minimum award is going to be $100,000, and the maximum award is $3 million. Of course, we only have $9.6 million total, so, there will be, you know, a mix of ranges between those amounts awarded.

[Slide 7, 5:25]

All right. So, some project examples. Just to give you an idea, the grant could be used to build a new facility that could be a warehouse or a food processing facility. It could be used to update or expand a facility that already exists. It could be used to invest in equipment or IT systems, and it could also be used to improve operations through employee training, helping you comply with food safety regulations, or enhancing worker safety, or improving energy efficiency at your operation.

[Slide 8, 5:57]

Thank you. So, there are a wide variety of eligible applicants-applicants that would be eligible. This is the list from the USDA. And some of these categories do overlap, so I do apologize. But farmers or agricultural producers would be eligible, or groups or cooperatives of farmers. For-profit businesses, nonprofit organizations, local governments, tribal governments, and they specifically call out institutions – such as schools, universities, or hospitals.

[Slide 9, 6:25]

Basically, any of these entities are eligible as long as they're doing that middle of the food supply chain work. So, for example, you might not think of a school or a hospital as someone doing food processing or aggregation. But if they have a facility where they are doing that, in addition to the food service that they provide, that middle of the food supply chain work of aggregation or storage of food would be eligible for this grant.

Additionally, you should note that all for-profit businesses must qualify as a small business, according to the Small Business Administration. So, there is a tool through the Small Business Administration that can help you figure out if you qualify based on your industry and the number of staff or employees you have. And that is available through our website and the request for proposals. So, I would recommend doing that before you apply just to make sure you're eligible. Next slide please – thank you.

[Slide 10, 7:17]

So, there are a number of funding priorities for this grant. The first would be that we are prioritizing projects that are submitted by these groups or benefit these groups of historically underserved farmers and ranchers; new and beginning farmers and ranchers; veteran farmers/producers; or other businesses owned by socially disadvantaged individuals, veterans, or women. And all of these are defined by the US Department of Agriculture and the Small Business Administration. And again, these definitions are linked or available in our request for proposals and on our website.

Additionally, another priority is for projects that will be located in or benefiting counties that meet these categories in the Distressed Communities Index. So that's something that will be a part of your application is indicating which counties would benefit, using that index. And again, that's available through the application and the request for proposals.

[Slide 11, 8:13]

Alright. And our final priority. So, we will also be prioritizing for this grant, proposals that are submitted by cooperatives or farmer- or worker-owned enterprises; proposals that focus on dairy, grains, fruits and vegetables, dry beans, and aquaculture; and proposals that demonstrate family-supporting job quality and/or safe treatment of workers. Next slide, please.

[Slide 12, 8:39]

So, to give you an overall picture of the timeline and how much time do you have to do this work and apply. So, we signed the cooperative agreement in May, we did some outreach after that – and thank you for participating and giving us some feedback on those priorities. We released the request for proposals for this RFSI Grant in the end of January 2024, and that application period ends on April 3 this year. I want to emphasize that you will need to have your application in by 4 p.m. Central Time on April 3, and we will not be accepting late applications. So, please give yourself advanced time and don't wait until the last minute.

During April, we will be reviewing the grant proposals with our review committee made up of MDA staff, as well as some external community reviewers with experience in this area. And then we send our list of proposed awardees to the USDA and they have the final review and the final say of who will be awarded the grants. The USDA will be doing that from about May to July, and during that time they may have additional questions about your application. So, be prepared to answer questions quickly if we need some additional information for you to make sure that we can get your grant to work to you on time. So, after that review, final approval by the USDA, we are hoping to award grants this fall of 2024. You will receive an award notice from us, and then you'll have to sign a contract, a grant contract.

Once you complete the grant contract, then you're ready to start your project. And projects must be completed by March 31, 2027. So, depending on when you get your award, you'll have about two and a half years to complete your project. So, when you're submitting your proposal, keep that in mind that you'll have not more than two and a half years to actually do your project. And with that, I think I'll pass back to Kaylee who will talk more about the finer details, including eligible costs.

[Slide 13, 10:30]

[Kaylee Thornley]

Yeah, Thanks, Mike. So, I'll talk a little bit more in-depth about the costs in the grant program. So, what can be paid for with RFSI? RFSI can cover a fairly wide range of costs. I have these expense categories listed on this slide, but I want to note that within each of these categories there are exceptions and limitations to what can and can't be included in your grant. So, it's very important that you review the RFP, especially the budget section that starts on page 30, where we have more guidance about eligible and ineligible expenses. So, I'll just quickly go through each of these categories to highlight a few things.

So, the first category is personnel and fringe costs. This would be your cost to cover the percentage of time you're working — you or your employees are working directly on the project. So, you have to make sure that you're limiting it just to your time working on the project and not your time spent on just your general business operations. So, if that's 10%, then that's how much you put into your grant budget, if that's 50% of your time on the project, that's what you'd put in, for example.

Travel costs. Again, travel costs must be tied o your specific project, not just part of general operations. So, maybe that's the cost to attend a food safety seminar or the cost to travel and go buy a piece of equipment that you need. Something along those lines.

Equipment. So, for equipment, you can cover the cost to either rent or purchase equipment for your project. For this grant, equipment does have a pretty specific definition. It's any item that's over $5,000 per unit and has a useful life of more than one year. And equipment must be special purpose. So, for example, you could purchase a refrigerated van or delivery truck, but you wouldn't be able to just purchase a general-use pickup truck that could be used around your farm or for personal transportation.

Supplies. Again, these are supplies tied to your project. If it's less than $5,000, one thing to know, even if you consider it to be a piece of equipment, it would go into your supply budget. So, supplies, again, they just need to be tied to your specific project. You wouldn't be able to buy all your general office supplies, for example.

Construction. This is kind of a unique cost category. There aren't a ton of USDA grant programs that allow construction, but this program does. And I want to specify that this grant can be used to construct a new facility or complete upgrades or expand an existing facility, but you cannot use it to purchase land and you cannot use it to buy an existing facility. Only construction and expansion are allowable costs.

Contractual costs. So that would be any cost to hire a third party to support your project. That could be a food safety consultant, that could be a collaborating organization that would be contracted to do a specific part of your scope of work.

Other direct cost categories. That's pretty self-explanatory. Any other thing that doesn't fit into one of these other categories is something that'll go into the other direct costs. It must be a direct cost and it must be necessary to your project, and it has to be an eligible cost as well. And indirect costs, I'm going to cover on the next slide.

[Slide 14, 13:32]

So, this grant is somewhat unique compared to some of other, the grants that MDA has. For most applicants, you are allowed to charge a 10% indirect rate on non-capital costs. So, you'll often see this referred to as the "de minimis" rate. You can include up to 10% for costs that are associated with your project but that you can't directly tie to your project. So, for example, because of the project, you might have to get some extra hours with your bookkeeper, or you have a bunch of invoices coming in that you need to process. Your electric bill could go up because of construction. All those costs are really hard to estimate and really hard to directly tie to your project, so indirect is intended to cover those costs. One of the things to note is that it's only on non-capital costs. So, when you calculate your 10% indirect rate, you need to be excluding your costs under the equipment and construction categories because those would be considered capital costs.

And lastly, this is fairly uncommon, but if your organization has a federal-negotiated indirect cost rate agreement, or a NICRA, you can use that higher negotiated rate and you must include the NICRA document with your application. If you don't know what a NICRA is, then your organization probably doesn't have one. So, you don't need to worry about including that in your application.

[Slide 15, 14:47]

For this grant, let's talk about matching requirements. The standard matching requirement is 50%. That means that 50% of the total project costs will be paid by you, 50% will be reimbursed by the grant. So that's a one-to-one match. For every $1 of grant funds, you need to provide $1 match. One of the neat things about this program is that there's also a reduced matching requirement for qualifying applicants. So, that includes historically underserved farmers and ranchers; other businesses and organizations that qualify under the SBA categories of small, disadvantaged business; women-owned small business; veteran-owned small business. And again, you can find the links to those specific definitions in the RFP.

So, for those of you that would qualify for the 25% match, 25% of your project costs will be paid for by you, and the remaining 75% of total project costs are reimbursed by the grant. So, that would be considered a one-to-three match because every $1 of your own matching funds, you would get $3 of grant funds. If your organization is a nonprofit or a cooperative, you can still qualify for the 25% reduced match. In order to qualify, your governing board must be made up of 51% or more individuals who would qualify for reduced match. So, if the majority of your board members are women, people of color, veterans, you would be eligible for a reduced match, for example. And it's important to note that it's based on the composition of your board, your governing body — not based on the populations that you are serving.

[Slide 16, 16:22]

So, here's an example of a $300,000 process, project. So, at that 50% match requirement, it's $150,000 from the grant, $150,000 for match. At the 25% reduced match requirement, it's $75,000 from the applicant, and $225,000 coming from the grant.

[Slide 17, 16:45]

So, there are two kinds of match that you can use for RFSI. So, cash match and in-kind match. I'm going to cover cash first. This is probably what you more typically think about when you think about matching funds. Cash funds are funds that you're actually spending on your project. Money is actually changing hands. Cash match can come from cash, loans, other grants — as long as they're non-federal grants —other liquid capital assets as well. And I want to reiterate that they must be non-federal funds and they must be spent during the project period.

[Slide 18, 17:18]

So, the other kind of match is in-kind match, and that's the value of goods or services that are provided to your project, but where no funds transferred hands. So, they're typically in the form of personnel, goods, services, or indirect costs All in-kind match must be valued at a fair market value. You must be able to document it and track it and you must provide it during the project period.

So, let's say one common example of in-kind contribution would be volunteer time. Let's say someone that you know, a family member or a friend, is a contractor. Maybe they volunteer to donate their services to you for your construction project. You would be able to include the normal value of their time, at their normal rate, that they would charge everyone else, and use that as in-kind match. But you're not able to inflate the value of their time to meet that match. You also need to be able to track their time in some way. So, you could provide a log of the hours that they worked or even better, provide an invoice that shows the services that they donated and the value and that it was provided in-kind. And of course, this, again, needs to happen during the project period.

[Slide 19, 18:27]

So, now let's dive into the application process. If you are planning to apply and have not already gotten started on your application, I would encourage you to get started as soon as you can. These are federal funds and the grants are a larger dollar amount, so it is a bit more in-depth application process than a lot of MDA's other grant programs.

[Slide 20, 18:47]

So, the best place to start your application process is by reviewing all the materials provided on the RFSI web page. On there we have general program information about RFSI. We do update this page regularly, so keep checking back as we share more resources. That's where we'll be linking to the webinar, if you want to come back and watch it again.

On the right-hand side of the page, you will see the link to apply – to go to the online aapplication. We'll go over that in a second. There's also the request for proposals, a link to download the letter templates and the budget worksheet that you'll need to use in order to complete your application, as well as another document that kind of gives step-by-step instructions for how to register for that online application system that can be helpful. Below that, we also have a link to the USDA program materials for the RFSI program. The RFP, the request for proposals that we put together, should provide you most of the information that you need to apply. But you might also want to review these materials because they do include some additional details.

Up in the top part of the screen you'll see the gray tabs. First is the RFSI Q&A web page, that's where we will link on the, all the answers to your questions, as well as a link to the technical assistance page and how you can contact the technical assistance providers for this program.

[Slide 21, 20:12]

So, I want to just quickly touch on this Q&A. So, we've already answered a lot of commonly asked questions on this page. So, if you have a question, I encourage you to take a look there, because that's the fastest way to get an answer if your question has already been answered. If you have something new that hasn't been answered yet, please email us at this email address listed here on the screen {RFSI.MDA@state.mn.us}. We'll be taking questions until 4 p.m. on March 26. And again, all answers to those questions will be posted on this page.

[Slide 22, 20:42]

So, I'll just provide a very quick overview of the RFP. It's important that you read through the RFP before you apply. A few highlights are on page two, there are instructions on how to apply. Page four through nine provides detailed information about grant eligibility and what costs you can and can't include in your grant. Pages 13 to 18 provide more information about what you can expect if you're awarded a grant. So, that's important to review so you kind of know what you're getting into if you are getting an award. On Pages 19 and 20 we have two of the most important parts of the RFP, in my view: the project evaluation profile and the application checklist, which I will go over in a second. On page 21 through 38, we have a preview of all the application questions. So, you can actually go in and take a look at those, what we'll be asking you before you actually go into the online application system. And then lastly, Appendix A and B, we've included a preview of those templates for the critical resource and infrastructure letters and the match verification letters. But you should download those from the website and use the Word version of those templates for your application.

[Slide 23, 21:49]

So, I do want to take a moment to touch on the Project Evaluation Profile. This page shows you how your application will be scored when the review committee evaluates it. I don't have time to go over each of these criteria unfortunately here today. But as you're working on your application, make sure you're referring back to this rubric and addressing the points that are listed here. And these are not necessarily — I just want to clarify, these are not eligibility criteria. You do not need to hit every single one of these points to be able to be eligible to apply. But if your project and your application clearly address each of the criteria on this list, that will help your chances of scoring more highly.

[Slide 24, 22:30]

The other page I want to highlight is the application checklist. So, we provided this because there's quite a number of documents that you need to include with your application, and these are listed in the order that they will be submitted in the online application. So, hopefully that makes it a little bit easier to go through and check off that and make sure that you have included all the documents. I'll just give a quick rundown of these documents now.

[Slide 25, 22:53]

So, the first one on the application is your application narrative and that's your online application. So obviously that's required. The rest of the items on the checklist are documents that you'll upload into various sections of the online application.

So, the second item on the checklist is your community letters of support or collaboration. These letters of support are optional, but they're a great way to show that you have wide support from your community, from various stakeholders. If you have partner organizations that will be collaborating with you, they can show their commitment to the project. But, it is optional.

The third on the checklist is the business plan. So, for most of our other grants here at MDA, grants over $100,000, we do require a business plan. And since all RFSI grants will be over $100,000, we are requiring a business plan for all applicants. Now, we do recognize that some of the applicants for this grant are not businesses. So, if that's you, if you're a nonprofit, if you're an institution, we just still need some type of equivalent plan or document that describes your organization's goals and how this project plays into those goals. In a lot of cases, that might be a strategic plan, but it will depend on the specifics of your project or organization. And for these documents, we do ask that you redact any confidential or trade secret information that you wouldn't want shared because your application could be subject to a public data request at some point.

The fourth item on the checklist is an optional one. We just wanted to provide an extra space for you to include any other relevant documents to your business or organizational plan. So that's just an extra space for you to upload supporting documentation.

The fifth item is the business readiness letter. So, this is also optional. This is a — you can include letters from financial or business contacts that show your business management or financial aptitude and the stability of your business or organization. Again, this is just another optional way to demonstrate your readiness to take on your proposed project.

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The sixth item on the checklist — this is only required if it applies to your application. So, this is the evidence of critical resources and infrastructure letters. And you are required to use the USDA template that's provided on our website. And you can download that as a Word document format so that you're able to edit it and update it. If your project requires some key resource or infrastructure, then you should get a letter from the person or organization who will be providing that resource. So, for example, if you're planning to use a — rent a commercial kitchen for your project, you could include a letter from that landlord of the commercial kitchen saying that the resource is available to rent. If you're planning to build a new facility on land that you own, you can include a letter from yourself saying that you own the land for the facility. So, that's a couple of examples how that letter might look, but it will depend on your specific project. So, there's what that format looks like.

Next, we have the match verification letter. Again, you need to use the template that has been provided on our website for download. You need to provide letters from all parties who are providing match to your application. If your organization is providing 100% of a match, then you would just include one letter from your own organization. If you have a third-party contributing match, maybe that friend who's contributing their time in-kind, then you should provide that letter. If your match is coming from multiple sources, then you need to provide a letter from each of those sources. And the point of these letters is to verify that you have your match either committed or secured at the time of award. So, you don't necessarily need to have the full amount of match sitting in the bank upfront. But you do need to show that either you or a third party has committed those funds to your project.

The eighth item on the worksheet is the budget worksheet. This is required for all applicants and you have to use the required template that I'm showing here on the slide. There are 11 tabs in that spreadsheet. Each tab is one, for one, of those different cost categories that we reviewed earlier in the presentation. So, personnel, equipment, contractual, etc. Make sure you fill out each of the budget category tabs that applies to your project. And we have provided examples of those tables within the RFP. Once you fill out each of the cost category tabs, your budget summary, which is shown here on the screen, will automatically calculate your totals off of those tabs. So, make sure you just check, double check that budget summary and make sure that everything that you want is getting rolled up in there and that it actually matches the amount, the total amount that you are requesting for your project.

The ninth item is estimates, quotes, and bids. Again, this is optional. It just helps you to show that your estimates that you're putting into your budget are well researched and if you select to name a vendor now as part of your application, it can help you avoid the process of a formal bidding process if you're awarded, so helping save you time down the road.

And then the last item is that federal negotiated indirect cost rate agreement, a NICRA. Again, if you have that, upload it in that section.

[Slide 27, 28:04]

So, let's get into the actual application. Now, again, applications have to be submitted through the online system. So, once you go into the website, you'll see the "Apply Here" tab. Click under there and you'll be able to log into the portal. And we do recommend that you log in sooner rather than later. It's just helpful to log in, not wait until the last minute to make sure that you can get in there without an issue and you're kind of familiar with that system.

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Once you've created your account and logged in, you'll be taken to the applicant dashboard where you'll hit the "Apply" button up at the top of the screen.

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Once you hit that "Apply" button, you'll see a list of all of the open grant opportunities that the MDA is currently offering. I think that RFSI is still second from the top. And once you find it, click "Apply" and that will actually take you into the online application for this program.

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Once you're in the online application, you're going to see a list of all the various sections of the application listed below your contact information.

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When you expand each of those sections you're going to either see one or more questions. I won't have time to go through each and every one of those, unfortunately, today. But I would just call out a few quick highlights that you want to be paying attention to. The questions that have asterisks are required. It won't let you submit it unless you have an answer on those questions. Each question has a character limit. So, those character limits do include spaces.

So, I know a lot of people like to work in a Word document to write their answers and then transfer them into the application. So, just make sure you're taking note of those character counts when you're doing that. And then for many of the questions, like shown here in this beneficiary description question, we have provided additional instructions and examples of the kind of information we're looking for in your answer. So, we hope that will help you as you are writing your applications.

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So, a few other sections… I want to call out the, as an applicant, you need to have a federal UEI number and if you do not have one already, please request one as soon as possible. It can take a little while for those to be processed. We have included a link to Sam.gov in the RFP, that's where you need to apply for this number. We also a link to step-by-step instructions and a video. It's completely free to request a UEI, but just please don't wait until the last minute to do that because it can take a little bit of awhile. And please contact us if you have any issues. We definitely don't want to have getting a UEI be the reason why you can't apply.

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So, for several questions within the application, you're going to notice they're yes-or-no answers. And if you select "yes," a follow up question will appear on your application. The option to answer that follow-up question's not going to appear unless you select "yes." So, make sure that you're doing that, if that question applies to you. If that question doesn't apply to you, then you can click "no," and then you'll just be able to move on.

[Slide 34, 31:00]

In the Performance Measures section of the application, these questions are fairly straightforward, but I wanted to just remind folks that this is what you'll be required to report on as you're moving through your project. So, make sure that your answers to these questions are reasonable, that you're thinking through what your estimates are and how you'll actually measure those and report on them during your project. And if a certain metric doesn't apply to your project, just leave it blank. That's totally acceptable.

[Slide 35, 31:30]

In the Project Work Plan, you'll list out the tasks that it will take to successfully complete your project. We do have an example of part of a workplan in the RFP. And on the application, we've given you 30 rows so you can include up to 30 tasks in your workplan, but it is completely okay if you don't include all 30 rows. I would expect that probably, only the most complex, biggest construction projects would probably require that many rows. But we just want to make sure that you had enough in that section.

[Slide 36, 32:00]

And then the final section of the application is the budget. So, the first thing that you would do in this section is upload your budget worksheet, which we talked about earlier.

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After you do that, you'll need to provide a budget justification for each of those cost categories. So, each of those tabs within the worksheet. In these justifications, you should clearly lay out how you came up with the amounts that you are requesting in your budget and how the proposed expenses are connected to and necessary for your project. We have provided an example of how you can format your budget justifications for each category. If you can, please try to follow that format, it will really help the reviewers.

And another helpful thing is if you can list things in your budget justification in the same order that you listed the items in your budget spreadsheet. So, for example, in this example, if your general manager is the first employee listed in your personnel budget, list her first in your budget justification. If your processing staff are listed next, list them next. That's just another helpful way to help sort of track between those various sections.

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And then in the Budget Justification Section, this is where you're also going to be given the option to upload cost documentation like quotes or bids for the various cost categories where that would be relevant. Again, this is optional, but it's just helpful to be able to attach – to kind of back up – your budget justifications.

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And then the very last section of the application is called the Application Review. There's no actual question in this section, but we just want to encourage you to go back through, take a look at that Evaluation Profile, make sure you addressed all the scoring criteria as best you could. Take a look at that application checklist. Just do a once-through of your application, make sure you included everything. And then when you're ready, don't forget to actually hit the "Submit application" button.

Again, the deadline is 4 p.m. on April 3, and I think it would be best practice to try to give yourself a bit of extra buffer time in case you run into any unexpected issues. Maybe submit a day early if you can. And then I also want to say, if you want to come back at any point, you can save your application here and come back to it later. The system will save your answers for you.

[Slide 40, 34:18]

So, now I'm going to be answering some of the questions you all submitted when you registered. We're not going to have time to answer every question that was submitted. So, we're going to try to focus on answering questions that are more broad and that might apply to more applicants. If you had a more specific question or you just don't hear your question answered here today, please keep checking back on the Q&A web page because we will post the answers there.

[Slide 41, 34:44]

So, if you have looked at all at this RFSI program in other states, you might have seen an option for an equipment-only track. So, that's for smaller projects that are under $100,000 and that are limited to just purchasing equipment. At this time, in Minnesota, we are only offering the Infrastructure Grants for projects between $100,000 to $3 million. We're not offering the simplified Equipment-Only Grant application at this time. If enough funding is available after the end of this round, we'll do a separate Equipment-Only Grant round in early 2025. So, at that time, the grants will be capped at $100,000 and that grant would also have the same matching requirements as the Infrastructure Grants.

[Slide 42, 35:31]

So, this is kind of a related question: "My project is not ready for investment right now, but it will be in a few years. Will infrastructure grants be offered again?" The RFSI program is a one-time federal program funded by ARPA. If funds remain after the 2024 Infrastructure Grants round, it's possible we may do that separate round of Equipment-Only Grants in early 2025. But aside from that, this program will not be offered again. It is a one-time program.

[Slide 43, 36:01]

Now on to some questions about eligibility. So, "Are startup organizations and businesses eligible to apply?" So, yes, startup businesses are eligible to apply, but you need to be far enough into your business or organization's development that you're able to complete the application, that you can describe how you're ready to take on a project at this scale. You must be able to demonstrate that you have the internal capacity to manage federal grant funds. The application also requires a business plan or organizational plan. So, if you're kind of still at the idea or brainstorming phase with your startup, then RFSI probably is not going to be a good fit for you.

[Slide 44, 36:45]

The next question is, "Are collaborative or joint applications allowed?" So, joint applications — applications that involve multiple organizations collaborating together — are allowed. But if you're going to do that, you must select one applicant who will be the main applicant that will submit the application. They will also hold the responsibility for making sure that the grant gets completed. So, they'll be the one to enter into the grant contract agreement with the MDA. They will also be the organization that will get a 1099 for income tax purposes, and they would also be the organization that will determine your eligibility for a reduced match. So, it has to be, if you want to qualify for that reduced match, it has to be based on your primary applicant, not one of the partner organizations that are included in your collaborative project.

So, I think this question was also asking about whether a project can be funded at multiple different sites. And you can fund equipment or infrastructure at multiple different sites, but for a project to be funded, it has to be one single, cohesive project that ties all those requests together. So, it can't kind of just be one organization wants this, another organization wants this, and you lump them all into one application. It has to be some type of cohesive project that's meeting a need that ties these various items and a collaborative project together to achieve an overarching goal.

[Slide 45, 38:14]

The next question is a pretty simple one: "Can alcohol producers apply?" And the answer is yes. Alcohol producers like wineries, breweries, distilleries are eligible to apply as long as they're doing middle of the supply chain activities, they're meeting the other eligibility requirements.

[Slide 46, 38:32]

The next question is a very common one, or at least we've been getting a lot of variations of this question. So the question is, "If your organization does multiple different types of activities or handles multiple different types of products, and some of those activities or some of those products are eligible for RFSI and some of them aren't, could you still apply for funding?" And the answer is yes, that you can apply for funds if that applies to you, but you can only apply for RFSI funds for the activities or products that are eligible for RFSI. So, you can only apply for funds that are relevant and proportional to those activities or products. And in your application, you must tell us how you're going to track and make sure that RFSI funds are only going to be used to support eligible activities or products.

So, I'll give a few examples of how this this might play out. So, let's say you're a restaurant, you have this great sauce product, and you want to move into packaging that product to sell at wholesale. You could apply for funds to sell your product wholesale, but you could not apply for funds to make your sauce and serve it directly to consumers in your restaurant because that would be a direct-to-consumer activity that would not be eligible.

Another example might be if you're a food distributor, maybe your company handles both meat and produce. Meat is not eligible for this program, but produce is. So, if your split between meat and produce is 20/80, you could apply for 80% of the funds for your new warehouse or your new delivery vehicle because that's the amount of eligible product it would handle. So that might be another way you could apply proportionally.

Another example might be within a single value-added product. Let's say you're a cheese producer and you have a cheese product that includes bacon as a flavoring. You could apply for funds for items that are relevant to cheese production like vats or molds, but you would not be able to apply for funds for a slicer for the bacon or a smoker for the bacon, for example. So, if this situation applies to you or your organization, just describe in your application how you plan to make sure that funds are only used for eligible activities and products and not for the non-eligible ones. And the way you do that, it's going to be very dependent on your specific project. But just make sure you describe that somewhere in the application.

[Slide 47, 40:52]

The next question is, "Do the agricultural products that are part of your project need to be sourced locally or grown here in Minnesota?" And the answer to this question is that there is not a specific sourcing requirement for RFSI. You know, there's not a specific radius in which the products need to be grown. They don't necessarily need to be sourced from Minnesota to be eligible. However, it's important to remember the goal of the RFSI Program, which is to invest in the middle-of-the-supply-chain infrastructure for locally and regionally produce foods for the benefit of local and regional producers. So, obviously we understand that if you're making a value-added product, it might involve some non-local products. You know, we can't grow olives or make olive oil here, so we understand there might be some ineligible products involved and that they might not be local. So, just make sure that, you know, in your application, you're describing, again, how you're going to focus primarily on locally and regionally produced food. And one of the scoring criteria is your potential impact for Minnesota ag and for Minnesota's agricultural producers. So, if you can demonstrate your project will have strong impact on the local and regional food system, even if it does involve some of those non-local products, that will be taken into consideration when they're scoring.

[Slide 48, 42:13]

Another really common question that we're getting, "What kind of limitations are there in how RFSI grant funds can be used?" So, this is a this is a very broad question, and there's no way that we could provide a list of every possible cost that would be ineligible. So, I really want to emphasize again, read the RFP. On page eight, there's a longer list of ineligible costs. And, also within the RFP, we've linked to the USDA AMS general terms and conditions and the RFSI Program specific terms and conditions. Those documents provide you with a lot more information about what is and is not allowed to be paid for with federal grant funds. And if you're kind of having trouble figuring out if you're allowed to include a specific cost, please feel free to reach out to us with your question, and we'll do our best to get an answer to you.

So, I'll just highlight a few common reasons we're seeing why a cost might not be allowed. So, first of all, we've talked about this quite a bit here. It's not part of the cost. It's not part of the middle of the supply chain, would not be allowable. Another reason a cost might not be allowable is that it's related to an ineligible ag product. So again, ineligible products include meat and poultry and non-food ag products like fiber or animal feed or a federally controlled drugs like cannabis. Wild caught fish would be another example of an ineligible product because it's harvested instead of farmed. And lastly, a reason why your cost would be ineligible is that it's the cost to purchase land or an existing building. New construction is allowed but purchasing land or purchasing existing buildings is not allowed.

[Slide 49, 43:53]

The next couple of questions are on match, and I think the easiest way to answer if something is allowable as match is to think about these three criteria. So, first you can ask yourself is, "Is this an eligible cost that I could pay for with grant funds?" So, if it's not a cost that you could pay for with grant funds, then it's not a cost that you can use as your match, whether that's an in-kind contribution or whether that's a cash-match contribution.

The second question is, "Will it happen during the grant period?" So, let's say that you just made a big investment in your facility this fall. Unfortunately, that would not be allowable as match, even though it's great that you invested in your business, because it doesn't happen during the grant period. So, your match has to happen within the grant period.

And the last criteria, "Is it nonfederal funds?" So, it's really awesome if you've received another federal grant for your organization. But those funds are not allowable as match because you can't match federal funds to federal funds.

[Slide 50, 45:00]

So, that's a related question, "Can you use another grant that is from a non-federal source of match?" So yes, this program is a little bit unique in that you can use other grant funds, even other state grants as match. But again, please circle back to those three criteria that I just listed. You need to make sure it also meets those criteria to be used as match.

And if you're using another grant as match you need to make sure that you're not double-dipping. So, what I mean by that is RFSI can't just fund the exact same things, the exact same cost that you were already funded to do with the other grant. It needs to be doing something new. You need to show how — maybe how RFSI is building on that project's funding, subsequent activities, you're taking it into the next phase. And that the work is complementary, not just duplicative of what you were already going to do with that other grant.

[Slide 51, 45:53]

Another question that was submitted was, "How much detail should we provide in our application?" So, we do expect this program to be quite competitive. You know, it's a large pool of funds and folks have been waiting for this grant to come up for a while. So, it's really important that you do your best to put together the most complete, most detailed application that you're able to do within the timeframe. Each answer has that specified character limit that I talked about. So that gives you a sense of how long your answer can be. You don't necessarily need to use every single last character, but you do want to provide enough detail for our reviewers to be able to understand the need for your project, what the key activities you will be doing to achieve your project, how you'll spend your grant funds — so, that will be provided in your budget — and they want to see what you'd expect the outcomes to be from your project. What will be the results?

And when you're thinking about the review committee, you want to keep in mind that these are going to be peer reviewers from across the food and ag industry, so they'll have general knowledge, but they might not know all the ins and outs and jargon of your specific industry. So as much as you're able, please try to use plain, easy-to-understand language and provide the details that they would need to be able to understand your project fully.

[Slide 52, 47:10]

So, this is another common question we've been getting. A lot of folks have been doing the math and kind of wondering how big they should be scaling their projects, considering that there is a limited pool of funds, but also that you're allowed to request up to $3 million. So, we can't really provide a specific answer of how the review committee is going to split it out between big and small projects.

What we're really encouraging everyone to do is scale your project based on the individual characteristics of what you're doing, your specific needs, rather than scaling your project to be that, you know, maximum $3 million award amount. So, take a look at what your organization can realistically take on in terms of your work plan. Are you ready for a project at that scale? And then on the other hand, we'd encourage you not to scale back your project or cut out costs that are totally reasonable and necessary to your work, just to try to be strategic about how much you're asking for. Again, please just scale the amount you're requesting based on the realities of your project.

[Slide 53, 48:12]

So, that brings up a very related question. Is there a possibility of partial awards? And it's really going to be determined again on the specific applications that are submitted and the review committee's decisions. So, the review committee will be trying to take a balanced approach. They recognize that when you make a grant request, typically it's based on the amount that's needed for that project to be successful. And that if a project's only partially funded, it may not be as successful. So, they will keep that in mind and try to provide full funding as much as possible. But there is a very real possibility that there will be partial awards.

If you were to be selected for a partial award, we would work with you when we're entering that grant contract to revise your scope of work and budget as necessary to reflect that new reduced amount. And it also would be allowable at that time to say, "Hey, we can't pull off our project with only partial funds." So, you would be allowed to turn down a partial funding, and I mean hopefully that's not the case, but it would be okay, too.

[Slide 54, 49:15]

So, maybe over the course of this presentation, you've unfortunately found out that your project's not going to be a fit for RFSI. If that's the case, I would encourage you to check out this other funding opportunities. I know that we have quite a few that are either open now or will be opening later this spring. So, check out that list there and see if there's something that would fit your project.

[Slide 55, 49:43]

So, that is all that we have for today. And hopefully we were able to address many of the questions either through our presentation or through the Q&A here at the end. Please do not hesitate again to reach out to these emails that are provided here on the screen [RFSI.MDA@state.mn.us and Kaylee.Thornley@state.mn.us]. We are happy to answer questions as you are getting started on your applications. Thank you so much, and that will be the end of the webinar.