

AGRI Cooperative Development Grant Program Fiscal Year 2026 Request for Proposals

Applications due by 4 p.m. on January 5, 2026

11/6/2025

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Grant Summary

Overview

The Minnesota Department of Agriculture (MDA) is offering grants to help farmers finance new cooperatives that organize for the purpose of operating an agricultural product processing facility or marketing an agricultural product or agricultural service. The program is authorized under Minn. Stat. 41A.12 and funded through Laws of Minnesota, 2025, Regular Session, Chapter 34, Article 1, Section 2, Subdivision 3(f)(8). All information about the program is available on the <u>AGRI Cooperative Development Grant webpage</u>. Applications will be accepted until January 5, 2026, at 4 p.m. Central Time (CT).

Funding availability

We will award up to \$185,000 using a competitive review process. The minimum award will be \$2,500 and the maximum will be \$50,000. Cooperatives may submit applications for more than one project but will not receive more than \$50,000 in total and may be asked to prioritize their projects. We expect that we will award five to 10 grants, but the final number depends on the size of the awards.

Grants may last up to three years from the contract start date. We expect most grant contract agreements to start after they are signed in spring 2026. Applicants should anticipate that grant contracts will have an end date in spring 2029 and may not be extended.

If selected, grantees may only incur eligible expenditures when the grant contract agreement is fully executed (signed by all parties), the grant contract agreement has reached its effective date, and the grantee has been notified by the state's authorized representative that they may begin work.

Priorities

It is the policy of the State of Minnesota to ensure fairness, precision, equity, and consistency in competitive grant awards. This includes implementing diversity and inclusion in grant-making.

<u>Policy 08-02: Rating Criteria for Competitive Grant Review (PDF)</u> sets up the expectation that grant programs intentionally show how the grant serves diverse populations, especially populations experiencing inequities or disparities.

The scoring criteria prioritize:

- Start-up cooperatives that have been incorporated less than five years (after January 1, 2021).
- Projects that support beginning farmers (someone who has farmed for 10 years or less).
- Farmers who produce agricultural products with limited marketing resources or channels. Limited
 market resources or channels are barriers that prevent farmers from meaningfully or profitably
 marketing their products independently. These barriers may include, but are not limited to:
 - o Financial challenges, such as limited access to credit, capital, or land
 - Physical distance from markets
 - Suboptimal transportation/distribution infrastructure

- Logistical constraints (e.g., lack of storage capacity, processing infrastructure, on-farm/postharvest labor, or technology)
- Limited access to market and demand data and information
- Lack of connections or relationships to buyers and other supply chain actors
- Limitations due to size (e.g., low bargaining power or prohibitive input costs)
- Lack of education
- Language barriers

Cooperatives owned by, or serving, Native American Tribal communities are encouraged to apply.

How to apply

Applications are due by 4 p.m. CT on Monday, January 5, 2026. We will not consider late applications.

- Apply using our <u>online application system.</u>
 - o If you are a new user, you'll need to create an account first.
 - o Once you're logged in, select "Cooperative Development Grant FY26".
- Apply early so there is enough time to get technical assistance if needed.
 - o It's best practice to submit your application at least 24 hours in advance.
 - We are not responsible for any technical or logistical problems that result in a late submission.
 It's your responsibility to ensure we receive your application before the deadline.

Incomplete applications will be rejected and not evaluated. Applications must include all required application materials, including attachments. Do not provide any materials that are not requested in this Request for Proposals (RFP), as such materials will not be considered nor evaluated.

The MDA reserves the right to reject any application that does not meet these requirements.

By submitting an application, each applicant warrants that the information provided is true, correct, and reliable for purposes of evaluation for potential grant award. The submission of inaccurate or misleading information may be grounds for disqualification from the award, as well as subject the applicant to suspension or debarment proceedings and other remedies available by law.

All costs incurred in responding to this RFP will be borne by the applicant.

Application guidelines

Items to consider regarding this year's grant program:

- Use plain, easily understood language. Write for reviewers who have general knowledge but may not have a thorough or deep understanding of your organization, specific industry, or project.
- Answer all questions completely within the character limits specified in the grant application.
- Although some questions are labeled as optional, we strongly recommend responding to those questions or uploading the appropriate documents.
- Review the <u>Project Evaluation Profile</u> included in this document, as it is used to score and compare the grant applications.
- Review the Definitions section at the end of this document.

Timeline and deadlines

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December 29, 2025, 4 p.m. CT ______Deadline to ask grant program questions.

January 5, 2026, 4 p.m. CT _____Applications due.

January 2026 ______Phase one of the review process.

February 2026 _____Phase two of the review process.

Early March 2026 _____Applicants notified of decisions.

April 2026 _____Anticipated start date for projects awarded funding.
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Questions

For questions on the grant program or application:

- Submit your question in writing before 4 p.m. CT on December 29, 2025.
- Email MDA.AGRIGrants@state.mn.us with "Cooperative Development Grant" in the subject line.
- We will post responses to all questions on the Questions and Answers section of the Cooperative Development Grant webpage.

MDA employees are not authorized to give advice on any applications. Applicants who solicit or receive advice from unauthorized MDA employees may be disqualified from eligibility for a grant award.

For help with the online application system:

- Call 651-201-6500, or
- Email MDA.AGRIGrants@state.mn.us with "Cooperative Development Grant" in the subject line. We encourage reaching out for help early as we may not be able to assist with last-minute requests.

Grant Eligibility

Eligible applicants

Applicants must:

- Be a new cooperative organized under chapter 308A or 308B (incorporated on or after January 1, 2016).
- Certify that all control of the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations (as defined in section 500.24, subdivision 2) who are actively engaged in agricultural commodity production.
- Be operated primarily to process agricultural commodities or market agricultural products or services produced in Minnesota.
- Receive or intend to receive agricultural commodities produced primarily by shareholders or members of the cooperative.
- Not allow non-patron voting rights.
- Be in good standing with the State of Minnesota:
 - Registered with the Minnesota Secretary of State's Office.
 - No back taxes owed.
 - No defaults on Minnesota state-backed financing for the last seven years.
 - Acceptable performance on past grants with the MDA and other state agencies.
 - Not debarred or suspended from doing business with the State of Minnesota or the federal government.
 - No conviction of felony financial crimes in the past ten years.
 - Compliant with current state regulations or this project will support the business becoming compliant.
- Be appropriately licensed and authorized to conduct business in Minnesota.

Cooperatives that have principals who are MDA employees or spouses of employees are not eligible to apply.

Collaboration

Eligible applicants may seek feedback from stakeholders in developing proposals. Applicants are highly encouraged to get letters of support from business, financial, and community partners to demonstrate support for the project and their capacity complete the project. These are not required but generally improve the application.

Eligible projects and expenses

Projects must support the development of a new cooperative in the production, processing, or marketing of agricultural commodities, products, or services produced in Minnesota. Examples of eligible projects include:

- Feasibility studies
- Market analysis
- Assistance with organizational development
- Financing and managing new cooperatives (such as developing a capital plan for new cooperatives)
- Staff time for the purpose of carrying out the proposed project. Staff time for tasks related to
 development, management, and operations of the new cooperative may be allowable if it relates to a
 project objective. If staff time is included in your grant budget, you must explain in your proposal your
 plan for sustaining the staff necessary to manage the cooperative long term after the end of the
 contract period.
- Product development, formulation, or design (such as nutritional analysis, sensory evaluation, and packaging design to bring a food product to market)
- Development of business and marketing plans
- Predesign of facilities including site analysis, the development of bid specifications, preliminary blueprints and schematics, and the completion of purchase agreements and other necessary legal documents
- Co-op education (education to potential members about the business model and cooperative values and principles)
- Updating articles and bylaws

Projects involving the completion of feasibility studies, market research, development of legal documents, etc. must be conducted by reputable, third-party contractors. Final plans or documents may need to be submitted to the MDA as a deliverable of the grant. You may redact confidential information and trade secrets.

Ineligible expenses

Ineligible project expenses include, but are not limited to:

- Expenditures incurred prior to the full execution of the grant contract agreement or its start date, whichever occurs later, or those incurred after the expiration of the grant contract agreement.
- Expenses that have been or will be reimbursed under any federal, state, or local government funding or other grants (e.g., no "double dipping").
- Fundraising i.e. entertainment events, banquets, promo items, etc.
- Taxes, except sales tax on goods and services and payroll taxes
- Lobbyists, including costs of membership in organizations substantially engaged in lobbying, and political contributions
- Bad debts, late payment fees, finance charges, or contingency funds
- Parking violations and traffic violations
- Projects with non-agricultural cooperatives
- Infrastructure and equipment
- General operating costs unless they are included in the budget and contribute to an identified objective in the proposal
- Indirect costs

- Entertainment, amusement, diversion, social activities, gifts, or any costs associated with such purchases (such as tickets to shows or sports events, meals, lodging, rentals, transportation, alcohol, and gratuities)
- Capital improvements, such as construction of buildings, land purchases, and building or laboratory improvements
- Costs of goods or services for personal use of the employees regardless of whether the cost is reported as taxable income to the employees
- Out-of-state transportation and travel expenses. Minnesota will be considered the home state for deciding whether travel is out of state. Contact the grant administrator for exceptions.

Matching funds

You must provide matching funds to receive the Cooperative Development Grant. At least 50% of the total project cost must be paid for by the applicant, a partner, or a third party. The match can be in the form of cash, in-kind contributions, or both.

In the budget section of your application, you must identify how you plan to provide matching funds. The match cannot be committed to any other grant and must be an eligible and approved project expense during the project period. Ineligible expenses cannot be used as a matching contribution.

Cash match

Sources of cash matching funds for the project may include cash, loans, grant funding from non-state funds, federal funds, and liquid capital assets dedicated to the project. Other state grant funds cannot be used as matching funds, but non-forgivable loans from the state may be used as match.

In-kind match

In-kind contributions are defined as the value of goods or services that support the grant project, where no funds transferred hands. Typically, in-kind contributions are in the form of the value of direct personnel, goods, and services and may be contributed by the grantee, partners, or other third parties. Examples may include the donation of meeting space, printing, or a partner's time dedicated to working on the project (not paid for by the grant).

The cost for personnel/fringe may be used as a match if it is paid for with non-state funds, but only for the percentage of time the person is working on the project. For example, if one of your full-time employees is only spending 4 hours each week of their time working on the project, then only 10% of that person's salary, wages, and fringe may be counted as cash match to the project. If the person is not actually paid for their time working on the project, but instead is donating/volunteering their time, the value of their time must be counted as an in-kind contribution. Also, you must ensure that what you propose to pay that individual, or the value of their volunteered time, is reasonable according to standard personnel rates for similar positions in your area. A single individual may both request grant funds and match time to your grant project. For example, your project manager's salary could be 50% grant funds and 50% matching funds if they are spending 100% of their time on your project.

Application Review Policies and Processes

Review process

Funding will be allocated through a competitive process. During the first phase of the review process, MDA staff and external reviewers evaluate 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 recommendations and makes the award decisions. Reviewers, staff, and the commissioner may consider geographic distribution as well as the applicant's history as a state grantee, including performance on previous grants, compliance with state rules and regulations, and capacity to perform the work.

During the second phase of the review process, applicants that made it past the first phase will be contacted by MDA staff to submit additional documentation required for the organizational capacity assessment.

The MDA will notify applicants, both successful and unsuccessful, in writing. Applicants may request a summary of reviewer comments.

Organizational capacity assessment

State grant policy requires the MDA to complete a pre-award risk assessment of grantees selected to receive a grant award of \$50,000 or greater (MINN. STAT. 16B.981 and Policy 08-06: Pre-Award Risk Assessment of Potential Grantees (PDF)). Applicants will be asked to submit documents relevant to their entity.

If the MDA determines that the potential grantee has substantial risks that inhibit its ability to perform the required duties under the grant contract agreement, then the MDA may either request more information for the purpose of satisfying the concerns, develop a risk mitigation plan to protect the interests of the state, or not award the grant.

In addition, applicants who are recommended for funding must also complete an IRS W-9 form or register as a vendor in SWIFT, the state's accounting system, or confirm that the information in SWIFT is still correct.

For-profit businesses:

For-profit businesses will need to submit:

- A performance capacity summary to describe previous grants from the State of Minnesota, history of performing work related to the grant request, and current organizational capacity.
- A copy of the business' two most recent federal and state tax returns. If the business has not been in operation long enough to have a tax return, then they must submit documentation of internal controls.
- Financial statements for the two most recent years, including balance sheets, income statements, and statements of cashflows.
- Certification that it is not suspended or debarred by the State of Minnesota or the federal government.
- Certification that it is in good standing with the Office of the Secretary of State.
- Certification that it is not under bankruptcy proceedings and disclosure of any liens on assets.
- Certification that none of its current board members or staff with authority to access grant funds have been convicted of a felony financial crime in the last 10 years.

Nonprofit organizations

Nonprofit organizations will need to submit:

- A copy of the nonprofit's two most recent years of their Form 990 or Form 990-EZ with the Internal Revenue Service. If the nonprofit has not been in existence long enough or is not required to file Form 990 or Form 990-EZ, then they must submit the following information:
 - Proof of its tax-exempt status
 - Board-reviewed financial statements for the two most recent business years or pro forma financial projects for at least a two-year period
 - Documentation of internal controls
- The two most recent certified financial audits, if required. (MINN.STAT. 309.53, Subd. 3.)
- Certification that it is not suspended or debarred by the State of Minnesota or the federal government.
- Certification that it is in good standing with the Office of the Secretary of State.
- Certification that none of its current board members or staff with authority to access grant funds have been convicted of a felony financial crime in the last 10 years.

Conflicts of interest

State grant policy requires that steps and procedures are in place to prevent individual and organizational conflicts of interest, both in reference to applicants and reviewers (MINN. STAT.16B.98 and Policy 08-01: 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 give impartial assistance or advice to the MDA due to competing duties or loyalties, including when grantees or applicants are an employee or spouse of an MDA employee.
- A grantee's or applicant's objectivity in carrying out the grant is or might be otherwise impaired due to competing duties or loyalties.

An example of a conflict of interest would be an external party (such as a distributor or vendor) writing an application for the applicant when the vendor stands to profit from the grant award.

In cases where a conflict of interest is in question or disclosed, the applicants or grantees will be notified and actions may be pursued, including but not limited to, revising the grant work plan or grantee duties to mitigate the risk, requesting the grant applicant to submit an organizational conflict of interest mitigation plan, disqualification from eligibility for the grant award, amending the grant, or termination of the grant contract 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 this 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 Government 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 to those authorized by law, including but not necessarily limited 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 Minnesota's statute on grants (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 proposal responses (except trade secret data as defined and classified in MINN.
 STAT. 13.37) will be public data after the evaluation process is completed. For the purposes of this grant, data will be considered public when all the grant contract agreements have been fully executed.
- All data created or maintained by the MDA as part of the evaluation process (except trade secret data as
 defined and classified in MINN. STAT. 13.37) will be public data after the evaluation process is
 completed. For the purposes of this grant, data will be considered public when all the grant contract
 agreements have been fully executed.

Procedure for claiming protection of trade secrets:

• Trade secret information is classified as not public data. In order to qualify as trade secret information, the data in question must be provided to the MDA by the affected person (i.e., the data must be about the applicant) and otherwise meet the legal definition found in statute (MINN. STAT. 13.37, subd. 1(b)). In order for an applicant to assert trade secret protection for data submitted as part of this application: the applicant must: 1) clearly identify the specific formula, pattern, compilation, program, device, method, technique, or process that the applicant believes to be trade secret information; 2) describe what efforts the applicant takes to maintain the secrecy of the data; and 3) adequately explain how the data derive(s) independent economic value from not being generally known to, and not readily ascertainable by proper means by, other persons. Merely asserting trade secret protection does not, in and of itself, classify the data in question as not public; determining what data meet the definition of trade secret information is ultimately the legal responsibility of the MDA, and the MDA cannot guarantee that data identified as trade secret information by an applicant will be classified as such. If the MDA determines that data do not meet the definition of trade secret information, the data in question will be available to the public unless the applicant secures a court order saying otherwise.

All persons, businesses, and individuals applying for grants in the state of Minnesota must comply with applicable laws. Under the law titled Right of Setoff (MINN. STAT. 270C.65, subd. 3), a grantee consents to disclosure of its social security number, federal employer tax identification number, and/or Minnesota tax identification number, already provided to the State, to federal and state tax agencies, and to state personnel involved in the payment of state obligations. These identification numbers may be used in the enforcement of federal and state tax laws which could result in action requiring a grantee to file state tax returns and pay delinquent state tax liabilities, if any.

Requirements for Grant Recipients

Grant award agreement

Upon approval of an application, completion of the organizational capacity assessment, submission of required certifications and other documents, and before beginning work on the grant project and receiving reimbursements, the applicant must sign a grant contract agreement showing their intention to complete the proposed tasks. This agreement must be signed within 30 days of being sent to the grantee.

Grant contract agreement templates are available for review at Office of Grants Management Policies, Statutes, and Forms on the "Forms and FAQs" tab. We reserve the right to adjust these templates as we deem appropriate and necessary. The grant contract agreement will address the conditions of the award, including implementation for the project. Grantees should read the grant contract agreement, sign, and once signed, comply with all conditions of the grant contract agreement. No work on grant activities can begin until a fully executed grant contract agreement is in place and the State's Authorized Representative has notified the Grantee that work may start. The funded applicant will be legally responsible for assuring implementation of the work plan and compliance with all applicable state requirements including worker's compensation insurance, nondiscrimination, data privacy, budget compliance, and reporting.

Accountability and reporting

Grantees will be required to submit annual progress reports during the grant period, a final report at the completion of the project, and additional information about the long-term impact for up to three years after the grant period. Annual progress reports will be due each fall. Grant payments shall not be made on grants with past-due progress reports unless the MDA has given the grantee a written extension.

Information reported to the MDA may be classified as public data. Failure to regularly report, respond to surveys, and promptly respond to information requests may impact the grantee's ability to secure future funding from the MDA.

Authorized representatives

Grantees must clearly post on the grantee's website the names of, and contact information for, the grantee's leadership and the employee or other person who directly manages and oversees a grant contract agreement on behalf of the grantee (MINN. STAT. 16B.98, subd. 5(d)).

Payments

Eligible expenses may only be incurred after the grant contract agreement has been signed by all parties and it has reached its start date, whichever is later.

Grant funds are dispersed on a reimbursement basis. All requests for reimbursement must correspond to the approved grant budget and tied to documented progress working on the project. Requests must include two types of proof for each expense: proof of purchase (e.g., invoices, itemized receipts, etc.) and proof of payment (e.g., cleared checks, credit card statements, bank statements, etc.). Ineligible items and their cost must be

clearly delineated in the proof of purchase. Additional details can be found in the <u>MDA Reimbursement Guide</u> (<u>PDF</u>). The MDA will generally not reimburse expenses paid for in cash. Please contact the MDA for exceptions.

Matching funds will require the same documentation as other expenses being reimbursed by grant funds.

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.

Grantees must have the financial capacity to be able to document the receipt of revenue and expenditures on staff time, contractors, and other costs in the approved budget. Grantees must also know what is and is not an "allowable" cost to be charged to the grant and when unsure if a cost is allowable should contact the MDA for prior approval.

The MDA may, at its discretion, hold back the final 10% of each grant award until grantee demonstrates completion of their objectives described in their proposal unless otherwise approved by the State's representative.

Grant payments may be used to fulfill federal and state tax liabilities or may be withheld until the grantee has paid any tax liabilities (MINN. STAT. 270C.65, subd. 3, and other applicable laws).

Fiscal agent

This program is intended to serve new cooperatives, and the MDA recognizes applicants may not have yet established financial systems and accounts with financial institutions. Therefore, it is acceptable for applicants to use a fiscal agent to receive and distribute grant funds to vendors and support the financial management and administration of the grant award. A fiscal agent must be identified at the time of application and their role must be clearly established and communicated in the proposal. Compensation to fiscal agents for their role is an allowable expense. Applicants may request up to 5% of their requested grant award for fiscal agent fees. If the fiscal agent's fee is above the allowable 5% the applicant may allocate up to an additional 5% as a matching contribution.

If the proposal advances to phase two of the review process, fiscal agents must complete the same organizational capacity assessment as the applicant.

The fiscal agent will be listed as such in the grant contract agreement. While it will primarily be the grantee's responsibility to submit reimbursement requests and provide reports on grant project, the fiscal agent may also need to work with the grantee or directly with the MDA to submit supporting documentation for reimbursement requests and meet grant reporting requirements. Note that the fiscal agent may receive a 1099 from the State of Minnesota for income tax purposes.

Applicants must provide a letter of commitment from their fiscal agent if using one.

Monitoring visits

The grant contract 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.

Bidding requirements

Nongovernmental entities must comply with the following bidding requirements.

- 1. Any services and/or materials that are expected to cost \$100,000 or more must undergo a formal notice and bidding process.
- Services and/or materials that are expected to cost between \$25,000 and \$99,999 must be competitively awarded based on a minimum of three verbal quotes or bids or be awarded to a targeted vendor.
- 3. Services and/or materials that are expected to cost between \$10,000 and \$24,999 must be competitively awarded based on a minimum of two verbal quotes or bids or be awarded to a targeted vendor.
- 4. The grantee must take all necessary affirmative steps to assure that targeted vendors from businesses with active certifications through these entities are used when possible:
 - Office of State Procurement Targeted Group, Economically Disadvantaged, and Veteran-Owned Vendor List
 - o Metropolitan Council Underutilized Business (MCUB) Program Directory
 - o Central Certification (CERT) Directory
- 5. The grantee must maintain written standards of conduct covering conflicts of interest and governing the actions of its employees engaged in the selection, award, and administration of contracts.
- 6. The grantee must maintain support documentation of the purchasing or bidding process used to contract services in their financial records, including support documentation justifying a single source bid, if applicable.
- 7. Notwithstanding the above, the MDA may waive bidding process requirements when:
 - Vendors included in the response to a competitive grant request for proposal process were approved and incorporated as an approved work plan for the grant; or
 - It is determined there is only one reasonably able and available source for such materials or services and that the grantee has established a fair and reasonable price.
- 8. The grantee and any subrecipients must comply with prevailing wage rules, as applicable (MINN. STAT. 177.41 through MINN. STAT. 177.50).
- The grantee and any subrecipients must not contract with vendors who are suspended or debarred by the State of Minnesota or the federal government (see <u>Suspended and Debarred Vendors, Minnesota</u> <u>Office of State Procurement</u> and <u>System for Award Management (SAM.gov)</u>).

Publicity

All projects funded must publicly credit Minnesota Department of Agriculture AGRI funding, including on the grantee's website when practical.

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

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 Commissioner of Administration, the State granting agency, the State Auditor, the Attorney General, and the Legislative Auditor as appropriate (MINN. STAT. 16B.98 subd. 8). This requirement will last for a minimum of six years from the grant contract 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 provide voter registration services for its employees (MINN, STAT, 201.162).

Right of Cancellation

The State reserves the right to cancel this solicitation if it is considered to be in its best interest. The State reserves the right to negotiate modifications to the application or to reject any and all applications received as a result of this Request for Proposals. The State does not intend to award a grant contract agreement solely on the basis of any response made to this request or pay for information solicited or obtained.

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 in the development of agricultural products. The goal of the AGRI Cooperative Development Grant Program is to help farmers finance new cooperatives that organize for purposes of operating an agricultural product processing facility or marketing an agricultural product or agricultural service.

Definitions

Agricultural commodity: A material produced for use in or as food, feed, seed, or fiber. This includes crops for fiber, food, oilseeds, seeds, livestock, livestock products, dairy, dairy products, poultry, poultry products, and other products or by-products of the farm produced for the same or similar use, except ethanol.

Agricultural product processing facility: Land, buildings, structures, fixtures, and improvements used or operated primarily for the processing or production of marketable products from agricultural commodities. For the purposes of this grant, the facility must be in Minnesota.

Agricultural service: An action made under the direction of a farmer that provides value to another entity. Agricultural service includes grazing to manage vegetation.

Fiscal agent: Organization or institution that manages financial tasks on behalf of another party including managing and tracking grant funds, issuing payments to vendors, preparing requests for and receiving reimbursement, and maintaining financial records.

Project Evaluation Profile

Evaluation criteria	Maximum score
 Cooperative history and capacity Applicant clearly describes the cooperative and the process of their cooperative's development. Applicant demonstrates capacity to implement the proposed project. Applicant has sufficient people/partners committed to assisting with the project. If applicable, the applicant identifies their fiscal agent, describes their role in the project, and provides a letter of commitment from the fiscal agent organization. 	15
 Grant request and project outcomes Project description is clear and thorough and includes specific objectives that will advance the development of the cooperative. Applicant demonstrates the ability to measure project success with clear outcomes. Applicant clearly describes any third parties they plan to contract with and their qualifications to complete the work. 	20
 Work plan and timeline Workplan is thorough and timeframes for deliverables are realistic. A detailed description of each step of the grant project, including estimated dates, is provided. 	10
 Budget Budget tables and narrative are consistent and clearly details all project costs. Budget clearly explains source and amount of cash and in-kind match. Budget is cost effective and supported by estimates/quotes. 	20
 Minnesota agriculture Applicant demonstrates commitment to operating an agricultural product processing facility or marketing an agricultural product or agricultural service in Minnesota. Project shows strong potential to increase use of Minnesota agricultural products and increase economic viability for Minnesota producers. 	15
Applicant demonstrates stakeholder engagement in the project and support community support for the development of the cooperative. Applicant includes strong letter(s) of support.	10
 Priority Areas Cooperative prioritizes beginning farmers (3 points). Cooperative was established after January 1, 2021 (3 points). Cooperative prioritizes farmers who produce an agricultural product/s with limited marketing resources or channels (4 points). 	10
Total	100

Application Questions

We're providing this preview of the application questions for your convenience. You will answer these questions in our online application system. Please log in and review the online application before you begin preparing your answers. Additional instructions for the questions may be provided within the full online application.

Contact information

Applicant information

- Name of cooperative
- Project name
- Cooperative mailing address (Example: PO Box 1, St. Paul, MN 55101)
- Cooperative physical address (if applicable) (Example: 123 Smith Street, St. Paul, MN 55101)
- Cooperative website (if applicable)
- Contact person (first and last name)
- Contact person's telephone number
- Contact person's email address

Authorized representative

- If awarded a grant, is the person authorized to sign contracts on behalf of the business or organization the same as the contact person listed above? (Yes or No)
- If no, provide the following information for the authorized representative authorized to sign any resulting grant contract agreement:
 - o Name
 - o Title
 - o Telephone number
 - Email address
 - Mailing address

Fiscal agent

- If awarded a grant, will you be utilizing a fiscal agent?
- If yes, provide the following information of the authorized representative for the fiscal agent that will be responsible for signing any resulting grant contract agreements:
 - o Name
 - o Title
 - Agency
 - o Telephone number
 - o Email address
 - Mailing address

Eligibility

- Confirm that the following statements apply to your organization.
 - The applicant is a new cooperative organized under chapter 308A or 308B (incorporated on or after January 1, 2016). (True)
 - All control of the cooperative is from farmers, family farm partnerships, family farm limited liability companies, or family farm corporations as defined in section 500.24, subdivision 2, who are actively engaged in agricultural commodity production. (True)
 - The cooperative is operated, or will be operated, primarily to process agricultural commodities or market agricultural products or services produced in Minnesota. (True)
 - The cooperative receives, or will receive, agricultural commodities produced primarily by shareholders or members of the cooperative. (True)
 - The cooperative does not allow non-patron voting rights. (True)
 - The business does not owe the State of Minnesota any back taxes and has not defaulted on any
 State of Minnesota backed financing in the last seven years. (True)
 - The business is compliant with current state regulations, or this project will support the organization becoming compliant. (True)
- Is this organization suspended or debarred by the State of Minnesota or the federal government? If your project is recommended for phase two of the review process, you will need to sign a certification. (Yes or No)
- Is this organization in good standing with the Office of the Secretary of State? If your project is recommended for phase two of the review process, you will need to sign a certification. (Yes or No)
- Have any of your organization's current board members or staff with authority to access grant funds been convicted of a felony financial crime in the last 10 years? If your project is recommended for phase two of the review process, you will need to sign a certification. (Yes or No)
- Are any of the principals of the organization MDA employees or spouses of employees? (Yes or No)
- The MDA is unable to reimburse for any work that is performed prior to the start date of the contract.
 Has work started on your proposed project or will work start before the grant contract agreement is signed by all parties? (Yes or No)
- I attest that all information supplied in this application is true, correct, and reliable to the best of my knowledge. (Yes or No)
- I attest and understand that the submission of inaccurate or misleading information may be grounds for disqualification from the grant contract agreement award and may subject me and my organization to suspension or debarment proceedings, as well as other remedies available by law to the state. (Yes or No)
- I attest and understand that the supporting documentation for the claims and assertions made within this application is available to the Minnesota Department of Agriculture for its review. (Yes or No)

Summary of proposed project

- Provide a project summary suitable for dissemination to the public to help them understand the project scope. A project summary provides a very brief (two or three sentences maximum) description of your project. (1,000 characters, including spaces) The summary should include:
 - The name of the applicant organization that will lead and execute the project;
 - o The project's purpose, deliverables, and expected outcomes; and
 - A description of the general tasks/activities to be completed during the project period to fulfill this goal.
- Example: The ABC Economic Development Organization will work with small-scale producers in Central Minnesota to establish more robust market opportunities and explore options for collaborative distribution networks.

Cooperative history and capacity

- Date the cooperative was incorporated (must be on or after January 1, 2016).
- Describe the cooperative, including history of the cooperative from conception to its current state (steps taken to establish the cooperative, current stage of development, etc.); why the cooperative was originally formed and its purpose; its current or future membership; and its governance and management structure. (3,000 characters, including spaces)
- Describe the agricultural commodities the cooperative processes or plans to process and/or the
 agricultural products or services the cooperative markets or plans to market. (1,500 characters,
 including spaces)
- Describe the cooperative's capacity to complete the proposed project and the people/partners involved and their roles and responsibilities in the project. (1,500 characters, including spaces)
- Describe any third parties you plan to contract with or use to facilitate any of the work and their qualifications to do so. (2,000 characters, including spaces)
- Has the cooperative received previous grant funding from the state, federal agencies, or other organizations? (Yes or No)
 - o If yes, briefly describe your previous grant project(s), including date(s), amount(s) awarded, and the outcome(s). (1,000 characters, including spaces)
- If you are utilizing a fiscal agent:
 - Describe their role and functions they will perform in your project. (1,500 characters, including spaces)
 - Describe how their services will be phased out and how capacity will be built within the cooperative to carry on the fiscal duties of the cooperative after the project ends. (1,500 characters, including spaces)
 - Upload a letter of commitment from the fiscal agent that shows their willingness to acting as the fiscal agent for this project.

Grant request and project outcomes

- Total grant request. Minimum of \$2,500, maximum of \$50,000.
 - Grant amount requested (50%).
 - Matching contribution (50%).
 - Total project cost (100%).
- Date you plan to start your project.
 - Must be after both you and the State of Minnesota sign the contract (anticipated April 2026).
- Anticipated completion date of project.
 - All projects must be completed by approximately February 2029 (no more than three years following the start date of the grant contract agreement).
 - You will have up to 30 days after your grant contract agreement end date to submit for a reimbursement.
 - o All items and services must be paid for before the end date of the contract.
- Provide a detailed description of the project. Clearly identify one to five objectives (Objective 1, Objective 2, etc.) that this project aims to achieve that are both realistic and achievable during this grant. Under each objective, describe what you will accomplish, the general plan on what you will do to accomplish the objective within the time frame, and how you will evaluate or measure progress for/completion of each objective (how will you know that you've made progress toward completing or have completed each objective?). Items included in your budget should contribute to at least one of the objectives. (5,000 characters, including spaces)

For example, you may format your response like this:

- Summary of Project
- Objective #1 Title
 - Objective #1 description and how you will accomplish it
 - Objective #1 evaluation details
- Objective# 2 Title
 - Objective #2 description and how you will accomplish it
 - Objective #2 evaluation details
- Describe how your project objectives will advance the development of the cooperative. (1,500 characters, including spaces)

Workplan

Workplan table

Complete the following table. You should include the steps and the timeframe you will take to successfully complete each step in your project. For example, you might want to include target dates for requesting quotes, hiring contractors, decision deadlines, etc.

Time frame	Description of task or action item
Example: August 2026	Sign contract with third party to complete feasibility study.
Example: September 2026	Kick-off meeting for feasibility study.
Example: September 2026- January 2027	Assigned staff work with contractor to complete the study (interviews with potential members, market research, financial analysis, etc.)
Example: February 2027- March 2028	Presentation of feasibility study to cooperative leaders. "Go/no-go" decision made by board of directors.

Note: If there's not enough space provided, you may upload a workplan in the same format as above.

Additional workplan notes

• Describe anything about the workplan that may need more explanation. (1,500 characters, including spaces)

Budget

Complete the following tables. The budget table is an overview of how grant funds will be spent and how your cooperative plans to meet the match requirement. The Budget Summary table should match each individual table following it. The columns titled "MDA Grant Request" and "Match" added together, should equal the amount entered in the column titled "Total Cost" in each row.

MDA Grant Request: Grant funds being requested through this proposal (up to 50% of the total project cost).

Match: Applicants must commit at least 50% of the total project cost through matching funds paid for by the applicant, partner, or third party. Ensure that the total match is equivalent, or more, than the total funds being requested. Match may include cash match or in-kind contributions toward eligible project expenses during the project period.

NOTE: Purchases/payments/donations made prior to a fully executed contract are not eligible for this grant or for use as match, including any down payments or deposits on approved projects.

Budget summary

Expense category	Total cost	MDA grant request	Match
Personnel – salaries	\$	\$	\$
Personnel – fringe benefits	\$	\$	\$
Travel	\$	\$	\$
Equipment (over \$10,000)	\$	\$	\$
Supplies	\$	\$	\$
Contractual	\$	\$	\$
Other	\$	\$	\$
Total	\$	\$	\$

Optional: You may upload estimates/quotes provided by third parties or vendors. If you have multiple estimates/quotes to upload, merge them into a single file before uploading.

Budget narrative

In each budget table, you will be able to include up to 10 lines. You are not required to use every line.

Personnel expenses

Personnel expenses are salaries, wages, and fringe benefits for the number of hours or proportion of time an employee devotes to the grant-supported project or program. Under the formally established policies of the organization, salaries, wages, and fringe benefits must be consistently applied, reasonable for the services rendered, and supported with adequate documentation, such as timesheets or payroll reports.

Personnel – salaries and wages

List salary and wage costs for people employed by your organization whose time and effort can be specifically identified and easily and accurately traced to this project's activities.

Employee name and title	Level of effort (# of hours or % of full-time equivalents [FTE])	Total cost	MDA grant request	Match
-	-	\$	\$	\$
-	-	\$	\$	\$
-	-	\$	\$	\$
Personnel subtotal	-	\$	\$	\$

Personnel justification

By name/title, describe the activities each person will complete, which objectives they will be working towards and approximately when they will occur. Explain how the cooperative will sustain the staff necessary to manage the cooperative long-term after the end of the contract period. (2,000 characters, including spaces)

Personnel - fringe benefits

List fringe benefit rates (e.g., workers comp costs, insurance benefits, retirement benefits, etc.), in percentages, for each of the employees listed in the personnel budget and total grant funds requested for each employee's fringe costs.

			MDA grant	
Employee name and title	Fringe benefits rate (%)	Total cost	request	Match
-	%	\$	\$	\$
-	%	\$	\$	\$
-	%	\$	\$	\$
Fringe benefits subtotal	-	\$	\$	\$

Travel

List costs for trips or grouping of trips that will be needed to conduct this project.

Travel and subsistence expenses are limited to those allowed by formal organizational policy and may not exceed the amounts allowed in Chapter 15 of the current <u>Commissioner's Plan</u>, published by the Commissioner of Minnesota Management and Budget.

Trip destination and type of expense (e.g. airfare, car rental, hotel, etc.)	Unit of measure and number/cost per unit (e.g., 5 nights @\$120/night or 1 flight \$500/ticket)	Total cost	MDA grant request	Match
-	-	\$	-	-
-	-	\$	-	-
-	-	\$	-	-
Travel subtotal	-	\$	-	-

Travel justification

For each trip listed, describe the purpose of each trip and how it will achieve the objectives and outcomes of the project. Include approximate date(s) of travel for each trip. (1,000 characters, including spaces)

By checking this box, I confirm that my organization's travel policies will comply with the Commissioner's Plan when completing the above-mentioned trips.

Supplies

List costs for supplies that are necessary to the completion of your project.

Supplies are materials, supplies, and fabricated parts costing less than \$10,000 per unit. Computing devices (e.g., laptops, tablets, etc.) are allowable if the acquisition cost is less than \$10,000 and the item is essential to the performance of the grant project.

Supplies item description	Cost per unit/number of units	Total cost	MDA grant request	Match
-	\$	\$	\$	\$
-	\$	\$	\$	\$
-	\$	\$	\$	\$
Supplies subtotal	\$	\$	\$	\$

Supplies justification

Describe the purpose of the supplies listed in the table above and how it is necessary for the completion of the project's objective(s) and outcome(s). (1,000 characters, including spaces)

Contractual/consultant

List costs for work on the project that will be performed by individuals or organizations other than the applicant (e.g., consultants, contractors, partner organizations, etc.)

Contractual/consultant services are those performed by an individual or organization other than the applicant that is in a particular profession or with a special skill. These services are paid for through a subcontract.

- Compensation for contractor or consultant services should be reasonable and consistent with that paid for similar services in the marketplace. Note that we do not allow indirect costs for contractors and consultants.
- Any subcontract must be a written agreement between the grantee and the third party. The contract
 must, as appropriate, state the activities to be performed; the time schedule; the policies and
 requirements that apply to the contractor; the maximum amount of money for which the grantee may
 become liable to the third party under the agreement; and the cost principles to be used in determining
 allowable costs in the case of cost-type contracts.
- Note: Fiscal Agent Fees—If you are utilizing a fiscal agent, you may request up to 5% of your requested grant funds for fiscal agent fees. If the fiscal agent's fee is above the allowable 5%, you may allocate up to an additional 5% as a matching contribution. For example, if your project costs are \$10,000, you may request funds for 5% (\$500) and you may apply up to an additional 5% (\$500) as match.

Contractual name/organization	Hourly rate or flat rate	Total cost	MDA grant request	Match
-	-	\$	\$	\$
-	-	\$	\$	\$
-	-	\$	\$	\$
Contractual/consultant subtotal	-	\$	\$	\$

Contractual/consultant justification

Describe each contractual line item listed in your contractual budget and explain how it is necessary to your project and how it will be used to achieve the objectives and outcomes of the project. You must also include a justification for why contractual/consultant services are to be used to meet the anticipated outcomes and objectives. Include an estimated timeline for when the contractual work will be performed. (2,000 characters, including spaces)

Other

List any costs not covered in any of the previous budget categories.

Other costs may include meetings and conferences; communications; rental expenses; advertisements; publication costs, etc. Meeting meals cannot be associated with entertainment nor included in a per diem travel cost.

Other item description and number of units	Cost per unit	Total cost	MDA grant request	Match
-	\$	\$	\$	\$
-	\$	\$	\$	\$
-	\$	\$	\$	\$
Other subtotal	-	\$	\$	\$

Other justification

Describe the purpose of each item listed above and how it is necessary for the completion of the project's objective(s) and outcome(s). For meals, the costs must be reasonable, and a justification must be included to show that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants. (2,000 characters, including spaces).

Other funds

Are any portions of your project being paid for by another grant or other restricted funding? (Yes or No)

• If yes, explain the other source of funds and what parts of the project are being paid by that funding. (1,000 characters, including spaces).

Minnesota agriculture

- Describe how more Minnesota agricultural products will be used/processed/marketed because of your project. (1,500 characters, including spaces)
- Describe how your project will impact Minnesota agriculture and increase economic viability for Minnesota
 producers through the operation of an agricultural product processing facility or by marketing an
 agricultural product or agricultural service. (2,000 characters, including spaces)

Stakeholder support

- Describe the stakeholders engaged in your project and community support for the development of your cooperative. (1,500 characters, including spaces)
- Optional: You may further demonstrate your project's potential for success and community impact by submitting letters of support and commitment. If you have multiple letters to upload, merge them into a single file before uploading. Examples of people or organizations that may provide letters include:
 - Partners, collaborators, or contractors who will be participating in or contributing to your project.
 - Member-owners of your cooperative who will be participating in or benefitting from your project, particularly those that are beginning farmers.
 - Other agricultural producers, producer groups, sources of Minnesota-grown products, or other businesses or organizations—particularly those that are part of your cooperative's supply chain, that support the need for your project.
 - Community organizations or local leaders citing the potential impacts of your project.

Priority Areas

- If applicable, describe how your cooperative prioritizes beginning farmers (someone who has farmed for 10 years or less). (2,000 characters, including spaces)
- If applicable, describe how your cooperative prioritizes farmers producing an agricultural product or products with limited marketing resources or channels. (2,000 characters, including spaces) Limited marketing resources or channels are barriers that prevent farmers from meaningfully or profitably marketing their products independently. These barriers may include, but are not limited to:
 - o Financial challenges, such as limited access to credit, capital, or land
 - Physical distance from markets
 - o Suboptimal transportation/distribution infrastructure
 - Logistical constraints (e.g., lack of storage capacity, processing infrastructure, on-farm/postharvest labor, or technology)
 - o Limited access to market and demand data and information
 - Lack of connections or relationships to buyers and other supply chain actors
 - Limitations due to size (e.g., low bargaining power or prohibitive input costs)
 - Lack of education
 - Language barriers
- Was your cooperative incorporated after January 1, 2021? (Yes or No)