

## **FUNDS FOR INFRASTRUCTURE DEVELOPMENT – PROCESSING & STORAGE**

**Funds Available: \$200,000 total; \$15,000-\$40,000 per project**

**Proposals Due: October 20, 2010**

The Vermont Agriculture Innovation Center (AIC) was created in 2009 when Senator Patrick Leahy secured \$469,000 in funding through the USDA's Agriculture Innovation Demonstration Center program. The goal of the Innovation Center program is to fund state-based Agriculture Innovation initiatives that provide technical, marketing and organizational development services to value-added agricultural businesses. Value-added businesses include farms that do some level of processing for raw products, alternative production (e.g. organic), diversified farming, or local foods marketing. The AIC is chaired by the VT Secretary of Agriculture Roger Allbee and directed by 13 board members, representing food system components and primary agriculture sectors of the state of Vermont. For FY 2010, Senator Leahy has secured one million dollars for the Vermont Agriculture Innovation Center to continue its work and disburse funds to strategically enhance value-added agriculture in the state of Vermont. FY 2010 funding will be available in five high-leverage project areas, including **Infrastructure Development – Processing & Storage**.

The last several years have witnessed a significant increase in planning processes for Vermont's agricultural development and a sentiment among service providers, producer groups, community organizations, and funders that more collaborative action is needed around strategic priorities. The Agriculture Innovation Center (AIC) Board has identified the following project area - Infrastructure Development – Processing and Storage - as being of key importance and also advancing the value-added agriculture goals of the USDA's Agriculture Innovation Demonstration Center program. **Activities pertaining to general agriculture production without a value-added strategy or focus are not eligible for funding.**

The Vermont Agriculture Innovation Center will make \$200,000 available from 2010 USDA-RD funding for organizations and/or individuals to assist in planning stages of projects that address gaps in value-added processing facilities and storage facilities in Vermont. Although Agriculture Innovation Center funds cannot be used to invest directly in infrastructure or equipment, the intent is to bring projects up to the point of that investment, through helping fund all necessary preparation. Funds will be used for business planning, consultant services, engineering studies, market and feasibility studies associated with processed value-added products, and access to creative capital for the following areas:

- Storage Facilities that Improve Farmer Access to Local & Regional Distribution Networks
  - Includes any light processing that may be combined with storage
- Processing Facilities for Emerging Sectors (see below for definition)
- Expansion of Capacity at Slaughterhouses
  - Cooler space, facility expansion, equipment upgrades
- Improvement in Quality of Service and Efficiency at Slaughterhouses
  - Includes energy efficiency
- Aggregation and Access to Local Markets for Meat
  - Includes business planning for aggregating and marketing current meat available as well planning for new facilities to match supply volumes with local demand.

Vermont can benefit from increasing market access through facilities to aggregate product, process raw products into forms most useful to consumers and create value-added premium products. Additional benefits to

Vermont include addressing physical components as part of a larger strategic plan to improve processing and storage impediments as well as addressing productivity in the meat industry.

**Eligible Applicants:**

Applications are encouraged from existing service provider organizations, businesses, consultants, engineering firms and anyone else with experience in providing business, engineering, facility design, marketing and/or feasibility analysis to Vermont farmers and or value-added businesses. Applicant group must include at least one producer, although a non-producer may be the lead organizer. Projects may address more than one of the topic areas listed above. **Strong preference will be given to proposals that demonstrate partnerships between multiple organizations, have a statewide reach, are innovative, and build on existing programs.**

**Projects must meet the following criteria:**

- Provide assistance in planning stages of projects that address gaps in processing facilities and storage facilities in Vermont that will address a defined need for more than one farm.
- Demonstrate strong business plans that demonstrate both a need and how the project will achieve financial sustainability, but which require assistance in start-up activities such as completing funding packages, navigating the permitting process, and attracting first clients in the following areas:
- Provide assistance to projects that will directly benefit producers who meet the USDA definition of “value added”, which includes products that are transformed from one state to another, produced using special practices (eg organic, IPM), marketed as local products, farm-based renewable energy, and /or produced on a diversified farm.
- Emerging sectors are defined as producer groups that 1. Require some level of processing before bringing their product to market and 2. Have not had significant commercial production in the last generation, but have recently started to develop commercial sales on more than one farm / production facility. Examples include:
  - Wine, beer and spirits made from local ingredients
  - Flour processed from local grains
  - Rolled oats
  - Cooking oils from local oil seeds
- **Be completed prior to September 30, 2011.**
- Present a budget that uses between \$15,000 - \$40,000 of Agriculture Innovation Center funds *and has a match of non-federal funds equal to at least 60% of the total budget*. In-kind contributions *can* count towards this match. For FY 2010, in recognition of time constraints, the AIC will review and consider *strong* proposals with an insufficient match, pending further match development. Meeting the 60% match requirement must be verified prior to contracting and release of AIC funds.
- Proposal does not exceed 4 pages for the proposal narrative; an additional page may be used for budget information, and an appendix may be used to list board members and/or to list personnel and their qualifications.
- All proposals are due: **October 20, 2010** and are to be **submitted electronically** to: [colleen.leonard@state.vt.us](mailto:colleen.leonard@state.vt.us)

## **Required Proposal Outline:**

1. Name of Organization(s) & Contact Information.
  - If there are multiple organizations presenting a collaborative proposal, please identify one primary contact.
  - Identify board of directors for applying organizations.
  - Number of years in business for each applying organization or business.
  - Current activities related to Infrastructure Development and any examples of relevant past experience at your organization(s).
2. Project area or areas addressed in the application & brief description of how you plan to address each.
3. Description of value-added business/businesses targeted in the proposal.
4. Project Goals
5. Performance Measures
  - Plans for measuring effectiveness of services provided (what will be measured, how it will be measured, when it will be measured).
6. Expected Outcomes
  - What will the expected outcomes of this project be and how will it enhance value-added agriculture.
7. Timeline
8. Target Audience
  - If the target audience is primarily service providers please describe the producer audience that these service providers reach. Producer audience must meet USDA definition of value-added.
9. Marketing & Outreach Plan
  - All marketing & outreach materials will need to recognize AIC as a funder
10. List the personnel who will work on the project, and their qualifications.
11. Detailed budget including non-federal match funds.
  - Contracted services or in-kind donated services require a per-hour or per-diem rate.
12. Include a budget narrative.
13. Include the page number, lead organization, and project title(s) on each page.