

Resilient Food Systems Infrastructure (RFSI) Grant Opportunity FAQs **Updated 04/30/2024*

Middle of the Supply Chain Activities

Q: What activities are NOT considered “middle-of-the-supply-chain” and therefore not eligible for RFSI funding?

A: Activities related to farm production, growing, or harvesting; farming costs including farm equipment, tools, seeds, production labor or training. Costs related to retail, markets and consumers including expanding staff for the front-of-house of a farm store, renovation or expansion of retail space, display coolers, marketing, promotion, signage, or IT costs related to sales platforms.

Q: I understand that farm production isn't allowable but what about post-harvest storage, processing, or value-add?

A: Once the product is harvested, it then enters the middle of the supply chain.

Ineligible activities: Any activities that are related to farming, growing, production, or harvesting are not eligible.

Eligible activities: Once the product is harvested, activities such as washing, packing, storing, processing, or value-add would be eligible, as long as they are enhancing the supply chain and leading you to new markets, creating new products, or bettering work conditions. For example, a farm that grows tomatoes and then processes them into pasta sauce would be eligible for practices of storing the tomatoes once picked, equipment used to can or label the pasta sauce, or workforce training on food safety around canning. Construction of an on-farm processing facility or commercial kitchen to increase the amount of pasta sauce made would be eligible.

Ineligible: This business would not be eligible to pay for growing the tomatoes, such as an irrigation system, hoopouses or worker training on harvest practices, as that is used for the production stage of the food supply chain.

Q: I understand a retail project isn't an allowable cost but what about value-add or processing that happens in the “back of house” of a small store or farmstand?

A: Projects are meant to enhance the supply chain and would create access to new markets. If these products will then be sent to new markets, that is allowable, but if products are only being sold on-site at the same business' retail side, that would not meet RFSI goals.

Eligible: For example, renovating the “back of house” of your retail operation or processing space where you are aggregating or creating value-add or processed products to then be sent to other markets besides your own retail operation.

Ineligible: A project that is solely for a retail space and is supporting the consumer experience, such as a new produce cooler display case, signage, or a new retail building, it would not be eligible. Renovating the "front of house" retailing operation with new produce stands, signage, and a freezer

case. A processing or value-add space that will create products for that same retail outlet.

Q: I'm looking to expand my farmstand. Is this eligible?

A: Since RFSI is focused on expanding market access and not retail operations, expanding the "front of house" aspect of your farmstand or the aggregation/storage space for your business' retail operation is not a good match.

Q: My business is a retail outlet or restaurant and we are looking to increase our ability to aggregate ingredients to create products to be sold on our shelves or to serve to patrons, such as products for a cold grab-and-go, dishes at a restaurant, or meals at community sites. Is this eligible?

A: A restaurant or retail space buying ingredients to create their own products or serve hot or cold meals would likely fall under the end of supply chain (sales to consumers) and therefore likely not eligible for RFSI.

Eligible Applicant and Product Types

Q: My business is in the start-up or early phases. Is this eligible?

A: Yes, new and start-up entities are eligible to apply. They must be located in Vermont, be registered with the State, and have a UEI (or pending UEI). The entity must be able to clearly describe business readiness, implementation capacity, and staff ability to effectively manage federal grant funds and reporting. Project outcomes must be demonstrated within the grant period, ie before February 2027.

Q: My business needs to expand its production but isn't looking to add on markets or product types. Is that eligible?

A: While technically eligible, this project would not be competitive. RFSI goals include creating resiliency in the food supply chain, increased access to new markets, diverse product lines, new value-added products, or increase in fair working conditions. If your project is just looking to increase production without addressing other aspects of RFSI goals, it will not be competitive. However, if your business is making the case that increasing production will increase jobs and working conditions, that may be more competitive.

Q: My business is in conversation with other organizations, and we are interested in submitting a collaborative proposal. Is this allowable?

A: Yes, a joint application is allowable, although one organization must be the formal applicant and be the one to sign the grant agreement. They will be responsible for all project compliance and reporting. We encourage applicants to be extremely clear on the benefit to both businesses and which entity is responsible for which aspects of the project. Likewise, if the project is happening in two locations, we encourage applicants to be very specific about which set of outcomes, timelines, goals, needs, etc is applicable for each project location. Subawards to other entities are not eligible, so if a collaborative of multiple businesses is interested in applying and sharing funds, please reach out to the Program Manager to discuss how to do so in alignment with grant agreement stipulations.

Q: Are beverages, such as beer or apple cider, eligible?

A: Yes, these would be eligible products, as long as they can be counted as local or regional.

Beverages may be considered less competitive than food products.

Eligible: A wine business that grows all their grapes in Vermont or buys in grapes from regional producers.

Ineligible: A cider company buys in their apples from other parts of the country.

A wine business that sources half of their grapes from regional producers and half of their grapes from non-regional producers would technically be eligible but may be less competitive.

Q: Is maple syrup eligible for RFSI?

A: Yes, maple syrup would be considered a value-added product and eligible for RFSI funding.

***Q: Are agricultural products that are from Canada and within 400 miles considered regional and therefore eligible? Or do products need to be domestic and within 400 miles?**

A: Projects are meant to increase market opportunities for local and regional producers within the USA. Importing products from across the border, even if they are within 400 miles, are not allowable.

Allowable Costs and Activities

Q: I need to replace some old equipment but will replace it with something very similar. Is RFSI the right match?

A: An equipment project would be a fit for the equipment-only grant track that will be announced in August 2024. However, if the new equipment will bring no value other than being updated, i.e. it is not climate-smart, allow you to create new products, have a large impact on efficiency, etc., it likely won't be competitive. More details on the equipment eligibility will be outlined in August 2024.

Q: If my business is creating a value-added food product, does it matter where the ingredients come from?

A: Yes, the purpose of RFSI is to enhance opportunities for local and regional products, meaning that the ingredients should also be local and regional, which is defined as where the distance between product origin and point of sale is at most 400 miles, or both the final market and the product origin are within Vermont. Exceptions can be made for minor ingredients such as oils and spices. For products where the main ingredients are a mixture of regional and non-regional products, this project is still allowable but will be less competitive.

Q: My business is a food hub that aggregates many agricultural products and has a need for expanded capacity. Some products we distribute are eligible for RFSI, such as dairy and produce, and others are ineligible, such as meat and seafood. Can I still apply?

A: This project would still be eligible, but you can only request funding for the percentage of the project that would house RFSI eligible products.

If a project includes a mixed-use space, such as storage for vegetables, dairy, and meat, the grant funds requested can only be for the percentage of the project used for allowable items. For example, if a storage space will house approximately 70% allowable products and 30% unallowable products, the

request can only be for 70% of cost. The match will be based off of the 70% of total cost, which is the RFSI project cost. Please note that the match requirement for RFSI is a minimum and you must account for all RFSI project costs. You are not able to utilize match for the 30% of unallowable costs.

***Q: I am looking to make renovations or purchase equipment for a leased space or do a project on leased farmland. Is this eligible?**

A: This will be eligible for RFSI, as long as the landlord or landowner allows for improvements or modifications. We encourage you to submit an additional letter of support from your landlord or property owner indicating approval for the specific renovations you are proposing.

Q: Is software, such as new inventory tracking software, considered equipment and an option for the Equipment-Only track this summer?

A: Software is computer based and therefore not considered equipment and therefore an unallowable cost for the Equipment-Only Track. However, this is an allowable cost for the Infrastructure Grant, as long as it aligns with the other RFSI priorities.

***Q: Is rent an eligible expense?**

A: Yes, rent is an eligible expense. Please note that we encourage applicants to make a clear argument that the rent is applicable to RFSI goals. If only a portion of the rental space is for allowable products, you must prorate for the portion of allowable products. IE if your rent is for a space that stores 75% produce (eligible expense) and 25% meat (ineligible expense), you can only consider 75% of the rental cost as RFSI-eligible and base your match upon that 75% rental cost.

***Q: Is bone broth made from meat bones an eligible expense?**

A: No, since it is a meat/poultry product/byproduct, it is unallowable.

***Q: Can you clarify the ineligibility of meat products. What about a processed food that contains meat, such as a chicken pot pie? What about a potsticker business that makes both meat and vegetarian product lines?**

A: Projects focused on meat, poultry, or seafood are not eligible. For items that are a majority meat product or for which meat is a critical component, such as a chicken pot pie, this funding would not be a good fit. For businesses that have products with both meat and vegetarian product lines, that project could be eligible but may not be as competitive as a project that is solely for non-meat products. For those projects, you would be allowed to prorate and request a percentage of a project that is aligned with the vegetarian product line. We encourage applicants to be extremely clear about how they are approaching the prorated amount and ensuring clarity for which aspect of the project would be allowable.

***Q: Is equipment an eligible expense with the infrastructure grants or can you only ask for equipment in the equipment-only grant?**

A: Yes, equipment can be included as part of your costs for an infrastructure grant project.

***Q: Are kosher and halal foods eligible agricultural products?**

A: Yes, kosher or halal products are eligible expenses. Both certified products or products that could

be considered kosher or halal without needing certification and are eligible under RFSI are allowable. Please visit the following pages for a list of products that can be considered kosher and halal without needing certification: <https://www.fns.usda.gov/tefap/kosher> and <https://www.fns.usda.gov/tefap/halal>

***Q: My company sells agricultural equipment. Do I qualify for RFSI?**

A: No, RFSI is specifically for disseminating food products for humans, not providing agricultural supplies.

***Q: Is a vehicle considered equipment?**

A: Yes, a vehicle is considered equipment and eligible for RFSI, as long as it is considered “special purpose” and not “general use.” The following are considerations from USDA:

- The purchase qualifies as Special Purpose Equipment as specified in section 2.0 of the [RFSI Specific Terms and Conditions](#).
- Per the [RFSI Program Scope and Requirements](#), section 1.5.1, the Simplified Equipment-Only option is a Fixed Price Grant, meaning it will fund only the equipment purchase and no other costs. A vehicle may be allowable, but purchasing a vehicle then retrofitting it would not.
- Purchases of special purpose equipment must meet the following criteria:
- Equipment is necessary for the technical activities of the agreement and is not otherwise reasonably available and accessible.
- Equipment is normally charged as a direct cost by the organization and is acquired in accordance with organizational practices.
- Equipment must be used solely to meet the purpose of the program and objectives of the agreement.
- Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable.
- Purchases of general-purpose equipment (e.g., general use motor vehicles, office furniture, office air conditioners, printers, and copiers) or lease agreements to own (i.e., lease-to-own, or rent-to-own) are unallowable.

Competitiveness and Review Process

Q: How should I determine what dollar amount to request? Will I be more competitive if I ask for a smaller amount?

A: You should ask for the amount that is needed to successfully complete your project. Requesting a lower dollar amount will not inherently increase your competitiveness. We will strive for diversity and equity in the size grants we administer, meaning that we anticipate awarding a mix of small, medium, and large grant awards that support small, medium, and large projects and businesses. Your project and budget should align with the scale of your project and the scale of your business. We encourage you to be very clear about your project, budget details, and why this scale is appropriate for your business needs and meets the objectives of RFSI.

Q: I have recently received large grants from the Vermont Agency of Agriculture, Food and Markets (VAAFMM). How will this impact my competitiveness? Is this the same for the Equipment-Only Track?

A: During the review process, we will take into consideration if an entity has received recent grants

from the Agricultural Development Division of the Agency of Agriculture, including but not limited to grants from the Dairy Business Innovation Center, Working Lands, Agriculture Development Grants, Local Food Purchase Assistance, and Specialty Crop Block Grant. We strive for equity in our grant-making and balancing diversity in our awards. We aim to support businesses who have not received a lot of grant funding from the Agricultural Development Division in the past. However, we also appreciate that larger projects in our state can benefit from multiple grants to help ensure process success. If you have received a grant within the current State fiscal year (since July 1, 2023), you will likely be less competitive. We will factor in past grant awards on a case-by-case basis. This consideration will be the same for the Equipment-Only Track.

Q: I have multiple project needs that are related to RFSI goals. Can I include them all or should I pick one?

A: It is up to you to decide if you want to apply for one distinct project or more than one related project. However, we encourage you to be very clear on what each project element, budget, and outcomes will be. It can be confusing to reviewers to read an application that includes different projects, goals, and timelines that are interwoven within one answer. Therefore, we encourage you to either pick the project that is most clear and aligns with RFSI goals or ensure that your narrative is explicitly clear on how the project components align.

Q: Will you award partial funding?

A: We strive to award quality projects in full, as long as all costs and activities are allowable. However, partial funding may be utilized if needed. If you are awarded partial funding, we will reach out to confirm that the partial funding would still be feasible to meet your operation's goals.

Q: If I am partway through implementation of a project, can I apply to RFSI funds to support it?

A: A project that has already started could still be eligible. However, it is helpful to reviewers to explicitly explain what the RFSI funds will be used for. It is more competitive if the RFSI project is a discrete aspect of a larger project. Filling a funding gap for a project that is already started may not be as competitive. You cannot be reimbursed for any costs already incurred or funds already expended; this may include a deposit.

Q: Will this grant be available in the future?

A: No, there will be one round of infrastructure and one round of equipment-only grants in 2024. At this point in time, we do not anticipate future funding for RFSI.

***Q: I see a scoring criteria around business viability and financial management but there is not a question that specifically addresses this.**

A: The team appreciates this flag and has added a few application questions to more clearly align with the scoring criteria around business viability and financial management. We will publish an updated RFA with the additional application questions shortly.

***Q: The RFA notes that funding will be focused on projects that are "submitted by cooperatives, farmers, and worker-owned enterprises." How does this impact businesses applying that do not fall into this category and will they be competitive?**

A: Businesses not in these categories are still competitive. USDA is interested in supporting cooperatives and worker-owned enterprises and we will aim for a variety of models of viable projects.

***Q: If a business is focusing on local and regional products and is based on maximizing local sourcing for institutional food service or other high-volume channels, would that project be applicable and prioritized? What about if our product is serving an institution that is committed to sustainable sourcing or has values around ESG (environmental, social, and governance) or other procurement standards/**

A: If your project supports you in gaining new markets, including institutional or high-volume markets, or introducing new product lines to these markets, that is in alignment with RFSI goals. Scoring and outcomes in RFSI do not specifically align with sustainable procurement methods; however, if that is a key rationale for why your product is the right fit for accessing the institution, we welcome you to include that in your narrative of why this project makes sense for your business model.

Supply Chain Coordination Efforts

***Q: I'm interested in the aspect of RFSI that is for supply chain coordination efforts that will be administered by VAAF. Is this funding my business can apply for? How can I learn more about what is happening or offer my input?**

A: The supply chain coordination efforts are a separate pot of funding (about \$1,000,000) that is administered by VAAF to supply chain coordination across Vermont. This will be available for projects that include but are not limited to RFSI grant recipients. This funding will not be granted out nor is available to businesses. VAAF will administer work, including hiring a Navigator position, as well as collaborate with partners who will oversee some projects, such as potentially asset mapping.

VAAF will be organizing our process, priorities, and timeline and will keep the public informed of this work. If you are interested in learning more about what is happening or to offer input, please reach out to Trevor Lowell at Trevor.Lowell@vermont.gov.

Miscellaneous

***Q: How does Act 250 come into play?**

A: All projects must adhere to local, regional, and state permits. We encourage applicants to reach out to local and state partners to understand what permits will be needed for each project. Please note that Act 250 has different applications to farming activities versus non-farming activities.

***Q: I'm looking for business planning support, either for grant-writing specific to this RFSI grant or for related technical assistance needs. Is there any support available?**

A: [The Vermont Sustainable Jobs Fund](#) (VSJF) and [Larklea](#) are offering to RFSI applicants and grantees various forms of support and technical services including RFSI application support, infrastructure capital and financial planning technical assistance, and ongoing [business coaching services](#).

For those who are interested in any of these support services, please fill out the very short survey so VSJF and Larklea can understand your project and service needs:

<https://forms.office.com/r/Q7tG3vdSqb>.

If you have questions about these services or the form, please contact Jake Claro (jake@vsjf.org) and Tad Cooke (tad@larklea.com).