

Maine RFSI OFFICE HOURS
February 20, 2024 and February 26, 2024
Questions and Answers

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1. Eligibility and General Application Questions

Q: Do I have to collaborate with other partners to apply for a RFSI Infrastructure Project Grant?

A: No. However, Applicants that seek to solve a state or regional middle of the food supply chain gap or barrier and contribute to more and better markets for the agricultural products of farmers in the state will be scored more competitively than those that are seeking to improve capacity for a single entity.

States must ensure that RFSI Infrastructure Project grants are used for the purpose of expanding the middle of the supply chain capacity for locally and regionally produced foods and offer more and better market opportunities and new streams of revenue to small and mid-sized agricultural producers.

Applicants should be prepared to clearly demonstrate stakeholder support for the Project. Applicants must describe the stakeholders that support the need for the Project and why (other than the Applicant and organizations involved in the project). Letters of support are encouraged and may be assigned points. Applicants should also be prepared to clearly demonstrate community impact including labor and workforce considerations. The review team may consider the degree to which the Project directly addresses a specific gap or barrier within Maine’s local and regional food supply chain.

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Q: If an entity has received other state funding (such as AIP) are they eligible for RFSI?

A: Yes. Applicants that have received prior state or federal funding are eligible to apply for RFSI funding for a specific RFSI Project that will distinct and measurable outcomes, activities, and expenditures that will not be funded through state or federal funds. RFSI Infrastructure Project grants may build on the successes of prior funding, such as the Maine AIP and/or the USDA Regional Food Business Centers Business Builder subawards, to fund subsequent activities

RFSI will not fund Projects that have received a state or Federal award for the same activity or expense. RFSI subrecipients will not be permitted to claim expenses that have been or will be reimbursed under any Federal, State, or local government funding.

AIP awardees are eligible to apply for RFSI funds. However, Projects that have already received funding from another state or federal grant or subaward may not receive funding for the same activities through RFSI. However, RFSI Infrastructure Project grants may build on the successes of prior funding, such as AIP, by establishing a NEW Project to fund subsequent activities.

Q: Can I submit an application for both an RFSI Infrastructure Project Grants and an RFSI Equipment-only Grant?

A: An RFSI Infrastructure Project Grant awarded subrecipient may NOT also apply for an RFSI Equipment-only grant. However, an RFSI Infrastructure Project Grant applicant that is not awarded a project grant is eligible to submit an equipment-only grant application. Only one RFSI award will be made per Unique Entity ID (UEI).

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Q: When do you anticipate that the RFSI Infrastructure Project Grant RFA will open?

A: We are targeting an RFA opening between March 15-March 31, 2024. We hope to have the RFA open for approximately four weeks. The full application package, deadlines, and submission instructions will be posted at [Maine Division of Procurement Services Grant RFP and RFA](#)

Q: If RFSI Infrastructure Project Grant start times are delayed, is the 2027 project deadline still the same?

A: Currently, USDA has issued guidance that no-cost extensions will not be available for RFSI projects. Projects must be completed by May 24, 2027.

Q: What grant writing support or assistance will be available to applicants?

A: We encourage potential applicants to seek technical support in grant writing through external organizations and agencies. The Department is unable to offer grant writing assistance. Further, once the RFA is open we are not permitted to answer grant questions outside of the official Submitted Questions Form which will be an appendix within the RFA package.

The Maine Department of Agriculture, Conservation and Forestry is working to support Maine food producers and other food supply chain entities be able to apply for upcoming state and federal grant opportunities. Since some food producers may require assistance from grant writers, we have compiled a [list of grant writers who are able to write state or federal grants on behalf of farms or food system businesses \(PDF\)](#). *The Department does not endorse or otherwise recommend a grant writer and will encourage individuals to screen the qualifications of grant writers before entering an agreement.*

Q: Would a group of producers be able to apply to establish a cooperative

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A: No. Only one entity may apply (serve as the lead applicant). However, the lead applicant may propose an eligible Project designed to bring producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers middle of the supply chain activities such as processing, aggregation, distribution of targeted agricultural product. The applicant entity must have a UEI established in order to apply.

Q. What is a UEI?

A: A UEI is the 12-digit number that replaces the 9-digit DUNS number provided by Dun & Bradstreet which were previously used by the agency to uniquely identify organizations receiving federal funds. All subrecipients of RFSI funds must have a Unique Entity Identifier number (UEI) in SAM.Gov prior to being issued a subrecipient contract. There is NO cost to register in SAM.gov.

Q: When you say RFSI Infrastructure Projects cannot begin any earlier than the start of a contract, which will not occur sooner than July 1, 2024, are we still able to start a Project if the total cost is over the contract amount (the maximum award amount will be \$250,000)? I know the USDA is particular about grants not being eligible if you've "broken ground" on a project.

A: The RFSI Project will be approved for a specific set of activities and expenditures to occur within the timeframe stated on the contract. Any expenses that occur before the start of the contract would be considered ineligible for reimbursement for the RFSI Infrastructure Project Grant. However, expenses are incurred prior to the contract performance period may be eligible to be used as matching funds.

Example: a piece of special equipment is purchased by the applicant prior to the subaward being awarded and serves a special purpose that is critical for the success of the RFSI Infrastructure Project, it can be documented to be eligible for the matching funds. The subrecipient would calculate the match value using the fair market value for the special purpose equipment. If this equipment is solely for RFSI Project, the subrecipient may document the entire value. If this equipment is used in a variety of projects and purposes, including those outside the approved RFSI Infrastructure

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Project, the value would need to be prorated based on the amount of time used within the RFSI Infrastructure Grant Project.

Work that leads up to an RFSI Infrastructure Project is permissible, but not reimbursable (e.g. permitting, ground breaking with other funds, etc.).

Q: Loaded question, but how competitive do you think the RFSI Grants will be? I see more money allocated to the RFSI Equipment-only category (\$2.3M) opposed to the Infrastructure Projects (\$1.2M). Do you know why this is the case? I would have assumed the one that requires the match would have more money allocated towards it.

A: The Department held several listening sessions and completed a stakeholder feedback survey. These documented challenges in food producers and processors having opportunities to acquire equipment through grant funding. After reviewing stakeholder feedback, Maine requested that more USDA RFSI funds be allocated towards the RFSI Equipment-only Grant category than the RFSI Infrastructure Project Grant category. The RFSI Equipment-only grants do not require a match, which may relieve some burden for some applicants who may have been challenged by securing matching funds. Further, the RFSI Equipment-only Grant award range is \$10,000-\$100,000 which provides a lot more flexibility for applicants that may want a smaller piece of equipment on the lower end of the funding range. Given the funding parameters, we anticipate 5-12 RFSI Infrastructure Project grants will be funded and 23-230 RFSI Equipment-only Grant subawards will be funded.

Q: What will reporting requirements be?

A: The RFSI Infrastructure Project Grants will require annual performance reports and a final report submitted within 30 days of Project completion. Any additional reporting requirements will be outlined in the awarded contract and/or conveyed by the USDA or the Department.

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The RFSI Equipment-only Grants will require no less than one annual performance report. Any additional reporting requirements will be outlined in the awarded contract and/or conveyed by the USDA or the Department.

Q: If applying for and RFSI Infrastructure Project Grant for the expansion of a commercial kitchen, should we include architectural drawings and contract bids in the application, and are they required?

A: The USDA is providing states with a training on this in March. The RFA will include some content on this area and will provide a list of all of the items allowable to submit with an application. We can share that anything that an applicant is able to provide to support the Project readiness and viability will be helpful to the scoring process.

Q: Did I understand you correctly, that you are encouraging estimates from contractors for the work be included in an RFSI Infrastructure Project Grant application?

A: The USDA is providing states with a training on this in March. The RFA will include some content on this area and will provide a list of all of the items allowable to submit with an application. We can share that anything that an applicant is able to provide to support the Project readiness and viability will be helpful to the scoring process.

Q: Do you think a scoring rubric will be released at some point?

A: The full application package, deadlines, scoring rubric, and submission instructions will be posted at [Maine Division of Procurement Services Grant RFP and RFA](#) when the RFA opens.

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Q: Is there an applicant preference for nonprofits, cooperatives, or for-profit businesses?

A: No priority scoring will be given for applicant entity type. However, the full application package, deadlines, scoring rubric, and submission instructions will be posted at [Maine Division of Procurement Services Grant RFP and RFA](#) when the RFA opens.

Q: Will there be any weighting of who the ultimate recipients are of the food? Preference for low-income, etc.?

A: The scoring rubric has not yet been finalized. The full application package, deadlines, scoring rubric, and submission instructions will be posted at [Maine Division of Procurement Services Grant RFP and RFA](#) when the RFA opens.

2. Eligible Agricultural Products Questions

Q: Are beverages considered eligible food products?

A: Yes. Projects that propose eligible beverage activities and expenditures are considered eligible to apply.

Q: It sounds like farmed aquaculture and thus kelp should be eligible for RFSI, would processing, aggregation, storage, and/or distribution of kelp food products be eligible for RFSI? Additional details: Kelp farming involves cultivating and harvesting certain species of seaweed in the ocean under a lease that the marine regulators grant. The farmed kelp market in the US is growing rapidly as both consumers and food manufacturers include it in a multitude of products. The most common kelp farming method used is a rope system (referred to as long lines) to suspend kelp spores or young plants in the water column. These structures provide support for the growing kelp, allowing it to access sunlight and nutrients. The lines are kept in place by anchors and buoys. In this question, the kelp seaweed is grown on long

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lines in the ocean, which is much less expensive and energy efficient compared to land-based production. This question does not pertain to wild harvested seaweed.

A: Yes, middle of the supply chain activities for aquaculture based foods for human consumption are eligible for RFSI funding.

Q: Please clarify, no foraged aquaculture and no foraged food at all will be funded?

A: RFSI funds **WILL** support expanded capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of Maine-produced food and beverage products, including specialty crops (farm cultivated and processed for human food consumption), dairy, grains for human consumption, aquaculture, and other food products, excluding meat and poultry.

The USDA defines grown and harvested to mean farm cultivated and harvested and not wild-caught. RFSI **WILL NOT** fund meat, poultry, foraged, or wild-caught ingredients. These ingredients must not be included in food products funded in any manner through the RFSI program, including foraged mushrooms and wild-caught lobster. Projects that include meat and poultry processing, wild-caught seafood, foraged or non-farmed ingredients, animal feed and forage products, fiber, soaps, herbs not intended for human consumption, floriculture, horticulture, landscaping products, tobacco, medicine, or dietary supplements are **INELIGIBLE** for RFSI funding.

Q: Are items processed with foraged spruce tips eligible for RFSI Funding?

A: The purpose of the Maine Resilient Food Systems Infrastructure (RFSI) program is to build resilience across Maine's middle of the food supply chain. Funds will support expanded capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of Maine-produced food and beverage products, including specialty crops, dairy, grains for human consumption, aquaculture, and other food products, excluding meat and poultry.

For the purposes of RFSI, eligible specialty crops will only include those that are farm-cultivated and processed for human food consumption and approved by the USDA as a crop "cultivated by people for food." Spruce is currently in USDA approved specialty crop category of "Christmas Tree" and "Landscape Conifers" and is not listed as a food crop. See: <https://www.ams.usda.gov/services/grants/scbqg/specialty-crop>

Further activities and expenses that include meat and poultry processing, wild-caught seafood, foraged or non-farmed ingredients, animal feed and forage products, fiber,

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soaps, herbs not intended for human consumption, floriculture, horticulture, landscaping products, tobacco, medicine, or dietary supplements are ineligible for RFSI funding.

Q: If we're building out a facility for food processing to handle a large variety of Maine-produced products, some of which include meat and/or lobster, will we qualify for an RFSI Infrastructure Project Grant?

A: An Applicant that processes meat is eligible to apply for an RFSI Infrastructure Project Grant. However, their RFSI application must request funding for a specific Project that proposes to conduct eligible middle-of-the-supply chain activities which only include RFSI eligible food and beverage products and ingredients. Any activities that include ineligible activities and foods (e.g. meat and poultry) are ineligible for RFSI funding and must be separated from the Applicant's RFSI Project activities. If the Applicant can adequately and accurately differentiate between an RFSI Project and other ineligible processing activities they are permitted to apply for RFSI funds.

If the product being processed, aggregated, stored, or transported with RFSI funds comes from, or includes, a harvested animal (meat and poultry) then it is an **unallowable** food product for RFSI. Please note eggs, dairy, and farmed aquaculture, are exceptions to the meat and poultry rules as they are considered allowable for RFSI funds, by the USDA. Bacon products (such as flavored bacon bits and bacon jam), canned flavored meats, and bone broth, vegetable stew with chicken broth, are examples of ineligible meat products.

3. Matching Funds Questions

Q: When are the matching funds due, is there any priority consideration given to the source of matching funds?

A: All matching contributions must be committed or secured at the time an applicant is recommended for an award. However, the matching funds may be attributed to the grant during the subrecipients' contracted performance period. Each application must include the total amount of match and how it will specifically align with their requested funding. Additionally, applicants must submit one match verification letter for EACH cash or in-kind resource signed by the matching organization.

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Applicants must have submitted an error-free signed Matching Funds Verification Letter and Budget Match Worksheet that is complete and adheres to the format outlined in the RFA. The matching funds documentation must demonstrate that all matching contributions will be committed or secured at the time the Applicant is recommended for an award.

All eligible entities must provide a 50% match OR a 25% graduated match of the total project cost. Applicants must submit written and signed verification of match commitment from any party, including the eligible entity, who will contribute a match of non-Federal resources to this project.

4. Allowable Costs Questions

None submitted during February 20 or 26 office hours.

5. Questions Related to Equipment

Q: If an application for the RFSI Equipment-only Grant includes multiple pieces of equipment, is it possible to awarded funds for some, but not all?

A: You can purchase multiple pieces of equipment under the Equipment-Only Grants. However, they must be special purpose equipment that is directly related to the activities of the proposed funding outcomes. The special purpose equipment under these grants could also potentially be less than the typical USDA \$5,000 special equipment threshold per unit. Please note that these grants must total a minimum of \$10,000 and not exceed \$100,000.

We have received clarification that RFSI equipment-only grants have to be focused on one primary outcome (e.g., increasing value-added processing capacity; improving transportation to a food aggregator (food banks and pantries are excluded); accessing new and better markets by increasing cold storage capacity). Again, a RFSI equipment-only applicant may use one application to apply for more than one piece of specialty equipment that falls within the applicant's primary outcome.

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It is possible that the Maine RFSI Equipment-only grant RFA will allow Applicants to prioritize their equipment needs in the case that partial funding is awarded. The RFA will become available in the fall, RFSI Equipment-only office hours will be held prior to the RFA opening.

The Maine RFSI Equipment-only grant RFA will provide equipment disposition requirements and guidance related to the purchasing terms of funded equipment, including a provision regarding the timeframe in which funds will need to be exhausted through the equipment purchasing.

Q: For a food security non-profit, can the RFSI Equipment-only funds be used to purchase equipment for processing food that will be donated and not sold?

A: No, the USDA has informed the Department that foods intended for the charitable food system are ineligible for RFSI funding.

For a Project to be eligible, it must be designed to meet both of these expected outcomes:

- Expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of locally and regionally produced food products through specific and measurable projects designed to build resilience across the state and/or region's middle of the food supply chain.
- Offer more and better market opportunities and new streams of revenue to small and mid-sized agricultural producers, including those who may not have access to value-added opportunities or processing to meet market demand for premium or value-added products, such as underserved producers

Institutions are eligible RFSI applicant entities: These include organizations such as schools (K-12; colleges/universities), hospitals, food banks, gleaners, food rescue, workplace cafeterias, prisons, and care centers (senior, preschools). Per the USDA, for

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the purpose of RFSI, “institutions” must be conducting middle of the supply chain activities and must be “bringing producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural product.”

If you are considering submitting an application that involves a food bank as an applicant or a food market, please consider submitting specific questions PRIOR to the RFSI Infrastructure Project Grant RFA opening date as early USDA guidance suggested that food banks and pantries were ineligible for RFSI funding and the Department will forward your specific questions to the USDA for clarifying guidance.

Q: Will the RFSI Equipment-only Grant fund delivery vehicles?

A: Yes, depending on the purpose of the delivery truck. Delivery trucks not designed for direct-to-consumer sales are allowable as special equipment (e.g., a truck that distributes food to a restaurant or grocery store). A delivery truck used to gather harvested produce from other farms to aggregate and then process / value add at a farm or processing facility would be eligible as middle of the supply chain. However, delivery trucks that serve a dual purpose for direct-to-consumer retail sales are NOT eligible for RFSI funding (e.g., no food trucks, trucks that double as a farmers’ market stand, or trucks that deliver online consumer orders).

Q: Will I need to provide a bid, quote, or catalog pricing with my RFSI Equipment-Only grant application?

Yes. The specifics will be outlined in the RFSI Equipment-Only Grant RFA.

Q: Will there be another meeting for RFSI Equipment-only Grant in the fall?

A: Yes. The Department anticipates hosting at least two RFSI Equipment-only office hours in August or September. Additional RFSI Equipment-only grant guidance and FAQs will be published over the summer.

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6. Questions Submitted to the USDA for Clarification

Q: Are reverse osmosis systems and evaporators used to process maple sap into maple syrup eligible for RFSI special equipment?

A: 2/12/24 Maine DACF response: Our current understanding is that only post-syrup processing equipment would be eligible. However, I feel like this warrants a clarifying question to make sure that the correct response is “post syrup processing” rather than “post sap harvesting”. Currently, my understanding is that the reverse osmosis and evaporator equipment to make sap into syrup would be ineligible. **Will ask USDA to clarify.**

USDA Clarification: Thank you for your inquiries. We recommend reviewing Section 2.0 of the [Program Specific Terms and Conditions](#) on the Special Purpose Equipment:

Reverse osmosis systems are an allowable purchase. All equipment purchases 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.

A question to ask the potential applicant, are they using the osmosis systems for processing activities or extraction activities. Please note, extraction would be considered production activities making it beginning of the supply chain.

A question to ask the potential applicant, are they using the osmosis systems for processing activities or extraction activities. Please note, extraction would be considered production activities making it beginning of the supply chain.

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Q: Can the final market value of the processed agricultural product(s) count towards the matching requirement in RFSI Infrastructure Project grants? I believe that it is permissible in USDA Value-Added Producer Grants.

A: 2/12/24 Maine DACF response: In-kind contributions are defined, when used as a cost share or match for a grant, as the value of goods or services provided for the benefit of the grant program, where no funds transferred hands. For example, a partner, such as a tribal community member, may volunteer their professional expertise as a match contribution to the project as described in [2 C.F.R. § 200.306\(e\)](#). **Will ask USDA to provide clarification** on the value of agricultural products processed with RFSI funds to count towards the matching funds requirement.

2/20/24 USDA Clarification: Per the [Program Scope and Requirements](#) section 1.5.3 and the 2CFR 200.306(e): All matching contributions must be **committed or secured** at the time an applicant is recommended for an award. Program income (as defined in 2 C.F.R. § 200.1) or any other Federal funds is an ineligible source of match or cost share.

The value of the agricultural product(s) of products processed through an RFSI project would not be concretely committed or secured at the time the applications are reviewed, scored, and recommended for an award. Therefore, the value of products processed through an RFSI project will not be considered eligible to satisfy the matching funds requirements.

7. Additional New Guidance Received from the USDA

None at this time