

Maine RFSI OFFICE HOURS

February 12, 2024

Questions and Answers

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1. Eligibility and General Application Questions

Q: Do applicants need a partner, or can a partnership application be submitted for an RFSI Infrastructure Project grant?

A: Partnerships are not required. An applicant must be a single entity with a unique entity ID (UEI). Letters of support are encouraged. Project applications must demonstrate the capacity to build resilience across Maine’s middle of the food supply chain.

Q: Do you have a goal as to how many RFSI Infrastructure Project grant awards will be made?

A: There is a total of \$1.2M available for RFSI Infrastructure Project grant awards. If each subrecipient is awarded the maximum amount of \$250,000, approximately 4-5 awards will be made. If each subrecipient is awarded the minimum amount of \$100,000, approximately 12 awards will be made. The Department anticipates the total number of RFSI Infrastructure Project grant awards will be between 5-10.

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Q: Will an RFSI Infrastructure Project grant application receive more points for an application with multiple partners/collaborators?

A: The scoring rubric will be published with the RFA. Project applications must demonstrate the capacity to build resilience across Maine's middle of the food supply chain. Also, keep in mind that these projects should be focused on creating more and better market opportunities for local and regional producers within the middle of the supply chain activities.

States must ensure that Infrastructure Project grants are used for the purpose of expanding middle of the food 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, 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.

Q: Do you have an estimate of how many days there may be from when the RFA is released to when it is due? The applications will be submitted to the DACF?

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: I noticed there was prioritization for distressed communities, do we include the score for our mailing zip code?

A: RFSI Infrastructure Project grant applicants must provide the community distress score for the county(ies) benefiting from your project (Using the Distressed Communities Index Map). The community distress score for the zip code in which the applicant entity is headquartered must be included in the application.

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

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Q: Are recipients of prior ARPA-related funding, such as the Agricultural Infrastructure Investment Program (AIIP) eligible to apply? Will they be scored differently than other applicants?

A: AIIP awardees are eligible to apply for RFSI funds. 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 AIIP to fund subsequent activities.

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

Q: What are the Maine RFSI Priorities that will be factored into the competitive score review?

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 conducting their competitive review of subaward applications for Infrastructure Grants, States should consider the extent to which each:
 - Is being submitted by an eligible entity;
 - Is for a project with eligible activities;
 - Is responsive to USDA and Maine RFSI priorities;
 - Demonstrates financial viability, technical feasibility, and readiness;
 - Describes market impact and opportunities; and
 - Demonstrates community impact and support, including labor and workforce considerations.
- The USDA requires that states must include criteria in their RFSI Infrastructure Project grant solicitation that prioritize Infrastructure Grant applications that benefit the following:
 - Underserved farmers and ranchers;
 - New and beginning farmers or ranchers;

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- Veteran producers;
- Processors and other middle-of-the-supply businesses owned by socially disadvantaged individuals, as defined by the Small Business Administration (SBA).
- States must include criteria in their Infrastructure Grant solicitation that focuses funding to projects that:
 - Offer family-supporting job quality and treatment/safety of workers;
 - Focus on small and medium-sized enterprises that add options and choices for consumers and producers (emphasis on value-added);
 - Demonstrate local support for the project;
 - Support underserved communities; and
 - Are submitted by cooperatives, farmer- and worker-owned enterprises.
- States may prioritize investments based on specific state middle of the supply chain challenges and needs. Maine RFSI Infrastructure Project grant awards must align with one or more of the following Maine RFSI Infrastructure Project Grant Priorities:
 - Projects that will achieve on-farm facility infrastructure improvements (including expansion and modifications to existing buildings and/or construction of new buildings at existing facilities) to resolve middle-of-the-food-supply chain challenges.
 - The on-farm facilities to receive upgrades, repairs, or reconfigurations must be facilities that enhance middle-of-the-food-supply chain activities and not production related activities.
 - Projects that support processing and packaging improvements (including value-added processing, hiring term-limited personnel to assist with project implementation, co-packing and packaging investments, and processing, canning, and preserving as an area most in need of investment, drying, hulling, shelling, milling, cooking, baking, juicing, distilling, and fermenting).
 - Projects that support storage and distribution improvements (including cold storage, aggregator warehouse and storage space, and delivery and distribution investments).
 - Projects that directly benefit underserved or underrepresented food producers.

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- Applicants must indicate if their project will directly benefit underserved farmers and ranchers, new and beginning farmers and ranchers, veteran producers, or processors, or other middle-of-the-supply chain businesses owned by socially disadvantaged individuals including Local Food Purchase Assistance (LFPA) Producer Partners.
- Projects that demonstrate stakeholder support.
 - Applicants will be encouraged to describe the stakeholders that support the need for their project and why (other than the applicant and organizations involved in the project). Letters of support are encouraged.
- Projects that improve middle-of-the-supply-chain challenges within Maine's targeted agricultural products (specialty crops, dairy, grains for human consumption, aquaculture, value-added products)
- States may prioritize investments based on specific markets that align with program goals and are important in the State. Some potential markets for prioritization include:
 - Institutions;
 - Retail;
 - Intermediaries, such as food hubs, aggregators, wholesalers, and distributors;
 - Market channels or mechanisms intended to respond to food access challenges in the state, including district cultural markets, corner stores, etc.

Q: What is the long-term funding horizon for this grant? i.e. Do you have a sense for how many more years this grant will be funded? Also, if we apply and receive a grant either equipment or standard, would we be eligible to apply for this grant in the future? i.e. After receiving an equipment grant, is there a delay in eligibility for the standard grant, could we apply again next year?

A: The RFSI Infrastructure Project grants will have an open RFA period in spring 2024. The competitive application process will result in one-time three-year funding contracts to subrecipients to complete specific projects designed to build resilience across

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Maine's middle of the food supply chain. We do not anticipate further funding for another round.

The RFSI Equipment-only grants will be for a one-time funding contract to purchase equipment (\$10,000-\$100,000) necessary to build resilience across Maine's middle of the food supply chain. We do not anticipate additional future funding but may run more than one open application period. The first (and likely the only RFA) will open on/about October 2024.

RFSI Infrastructure Project grant applicants who are not awarded a three-year project contract will be eligible to submit an RFSI Equipment-only grant application. However, RFSI Infrastructure Project grant sub-recipients that are awarded a contract will not be eligible to submit an RFSI Equipment-only grant application.

Q: Are RFSI Infrastructure Project grant applicants allowed to include estimated program income in their proposal?

A: Unless otherwise stated in the Notice of Award provisions section, AMS authorizes the use of program income through the additive method (2 CFR § 200.307(e)(2)). Any program income generated during the grant period must be used to further the objectives of the project and under the conditions of the award.

Subrecipients are not accountable for program income earned after the grant period.

Program income includes, but is not limited to:

- Income from fees for services performed during the period of performance;
- The use or rental of real or personal property acquired under a federal award;
- The sale of commodities or items fabricated under an award (this includes items sold at cost if the cost of producing the item was funded in whole or part with grant funds); and
- Registration fees for conferences, workshops, etc.
- License fees and royalties or equivalent income earned from patents, inventions, trademarks, and copyrighted works are not subject to this section.

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2. Eligible Agricultural Products Questions

Q: Do we have to grow all of the ingredients/produce/products that we will process for this program? Our example is that we process and value add to grains but we don't farm grains.

A: No. RFSI Infrastructure Project grant awards do not require that the processor/aggregator grow all of the ingredients in value-added products.

The purpose of the Maine Resilient Food Systems Infrastructure (RFSI) program is to expand capacity and 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 products, including specialty crops, dairy, grains for human consumption, aquaculture, and other food products, excluding meat and poultry. Successful applicants will effectively describe market impact and opportunities and demonstrate community impact and support, including labor and workforce considerations.

Q: Are companies that engage in agricultural production support eligible an RFSI Infrastructure Project (e.g., seed producers and compost makers)?

A: No. Planting, soil amendments, harvesting, and other production activities are not considered middle of the supply chain.

3. Matching Funds Questions

Q: What is an in-kind contribution related to the matching requirement?

A: 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,

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may volunteer their professional expertise as a match contribution to the project as described in 2 C.F.R. § 200.306(e). These contributions cannot satisfy a cost sharing or matching requirement for this grant program if they are used toward satisfying a match requirement under any other Federal grant agreement to which the applicant is a party.

Q: How do I know if I qualify for a reduced match/ cost share?

A: For historically underserved farmers and ranchers, or for other businesses that qualify under SBA categories of small disadvantaged business, women-owned small business, or veteran-owned small business, the required match funding contribution or cost share is reduced to 25% of the project cost. *See Section 1.5.3 of the Program Scope and Requirements for more information.*

- States must require that applicants self-certify in their Infrastructure Grant applications to being eligible for this reduced match. Reduced match certification must be based on the applicant entity (UEI) and not the community in which the funds will benefit.
- Nonprofits that have a majority (51% or higher) of ownership (or board of directors) that qualify for the reduced match as outlined within section 1.5.3 of the Program Scope and Requirements could potentially qualify for the reduced match. Please note that this must represent the makeup of the organization itself, not the communities the organization serves.
- Please note that we are looking at the ownership of the applicant entity, not the population served. Just because an entity has a nonprofit status does not automatically qualify them for the reduced match. The applicant entity must meet the criteria within the Program Scope and Requirements.

Q: If we have other non-federal grant funding can the other funding be considered as a match to an RFSI Infrastructure Project Grant?

A: The subrecipient may use funds or other resources contributed by other non-Federal entities to satisfy the cost sharing or matching requirement. Cost sharing or matching in the form of cash and/or in-kind non-Federal resources must be directly related to the project's objectives and may not be included as contributions for any other Federal award. If a subrecipient volunteers cost sharing above the program's required amount, the total becomes a binding requirement of Federal award outlined in [2 CFR § 200.1](#).

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- Recipients must maintain documentation identifying:
 - The specific costs or contributions that constitute the cost sharing or matching;
 - The funding source or contribution; and
 - How the appropriate amount of the contribution was determined for reporting purposes.

Q: Would funding from the Maine Agricultural Infrastructure Investment Program (AIIP) be considered federal funds? I believe it was funded through ARPA, but wanted to confirm.

A: Yes, AIIP grant funds are considered federal funds. For the purpose of the RFSI Infrastructure Project Grants, other Federal funds cannot be used as match. (See 2 CFR §§ 200.1 and 200.306).

Q: Can an in-kind contribution qualify for a match in multiple funding sources?

A: No. These contributions cannot satisfy a cost sharing or matching requirement for this grant program if they are used toward satisfying a match requirement under any other Federal grant agreement to which the applicant is a party.

Q: Can program income be used to satisfy matching funds requirements?

A: No. 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.

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Q: Can the value of labor expenses for eligible food processing be used to meet the matching requirement?

A: Yes. Labor for RFSI eligible activities (middle of the supply chain, that is, processing, aggregation, and/or distribution) is allowable to meet the matching requirement. Labor/personnel time may be used as a match for the percentage of time the person is working on the project. For example, if someone is only spending 15% of their time working on the project, you can only bring that 15% to the project as a match. Also, you must ensure that what you would normally pay that individual is reasonable according to standard personnel rates for similar positions in your geographic locality.

Q: If we have other funding, including other grant funding, to build a structure, can the other funding be considered as a match to an RFSI Infrastructure Project Grant?

A: It depends.

No, if the prior funding was to construct a new facility. Funding for a construction match to build a new facility is not allowable as a match as the other funding was specifically for the construction of a new facility. The construction of a new facility is not an allowable RFSI expense and therefore would not be allowable as a matching contribution.

Yes, if the prior funding was to build a new building at an existing facility. Funding for additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, alterations, or construction on an **existing building** or facility and the construction of new buildings at an **existing facility** are allowable for RFSI funding and matching contributions. Allowable activities and expenses are permitted to be used as in-kind.

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Q: What is the definition of *new and beginning farmers and ranchers*? If an applicant is going through farm transition and the primary farmer operator has been in the role for less than 10 years, are they considered a new and beginning farmers and rancher?

A: Maine will use the USDA Natural Resources Conservation Service (NRCS) to define *New and Beginning Farmer and Rancher*.

According to the NRCS, a Beginning Farmer or Rancher is an individual or entity who has not operated a farm or ranch, or who has operated a farm or ranch for not more than 10 consecutive years. This requirement applies to all members of an entity that will materially and substantially participate in the operation of the farm or ranch.

- In the case of a contract with an individual, individually or with the immediate family, material and substantial participation requires that the individual provide substantial day-to-day labor and management of the farm or ranch, consistent with the practices in the county or State where the farm is located.
- **In the case of a contract with an entity**, all members must materially and substantially participate in the operation of the farm or ranch. Material and substantial participation requires that each of the members provide some amount of the management, or labor and management necessary for day-to-day activities, such that if each of the members did not provide these inputs, operation of the farm or ranch would be seriously impaired. **Entity members that do NOT materially and substantially participate in the operation of the farm or ranch are not considered in the qualification of a *New and Beginning Farmer and Rancher*.**

Q: What time frame does the match have to occur within?

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.

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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. Signed Match Verification Letters must accompany the Infrastructure Grant proposal at the time of application to the State.

4. Allowable Costs Questions

Q: Would the expansion of a milking facility for a dairy farm/cheese producer be considered an eligible RFSI Infrastructure Project?

A: Milking equipment would not be considered middle of the supply chain. However, any activities related to the processing of the milk into value-added milk products would be eligible as a middle of the supply chain activity.

Q: Can an RFSI Infrastructure Project grant be used to fund a new septic system needed for a commercial kitchen to be used in post-harvest processing as well as preparing and packaging value-added goods?

A: Yes. Wastewater systems are eligible under the category of [Buildings and Land-Construction and/or Renovation](#).

Allowable: Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, alterations, or construction on an existing building or facility. The construction of new buildings at an existing facility and of wastewater management structures. This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing.

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Q: If an RFSI Infrastructure Project grant can fund a new septic or other buildings and land construction and/or renovation, what level of detail would you want to see for such a proposal (architectural plans, septic plans, appliance lists, contractor bids, etc.). Would our project be more fundable with a more detailed and researched proposal that included professional plans etc.?

A: States will be required to ensure that recommended projects demonstrate an ability to be in compliance with Environmental Laws and Regulations AMS is responsible for ensuring that projects comply with all relevant authorities. Compliance with these authorities would result in few, if any, negative environmental, social, and/or economic impacts. Consultation, permits, authorities, and actions relative to water quality, endangered, threatened, and protected species, historic and cultural resources, environmental justice, and wetland protections are described in [Chapter 5](#) and would be required as applicable.

The final version of Appendix A of the [USDA Programmatic Environmental Assessment Guide](#) will be required with the Maine RFSI Infrastructure Project application.

The final version of Appendix B of the [USDA Programmatic Environmental Assessment Guide](#) will be required with the Maine RFSI Infrastructure Project recommendations forwarded to the USDA prior to USDA review and contract execution.

The USDA is encouraging states to consider if competitive points will be assigned to a demonstration of a project's ability to be shovel-ready if/when awarded. Secured permits may be an indicator in this screening. Further, USDA guidance is still in development on this topic and may include a requirement that permits are secured and/or comprehensive environmental evaluations are completed prior to contract execution.

Applicants should provide as much detail to demonstrate project-readiness as possible within the scope and requirements of the Maine RFA when it is published.

Please see the USDA [RFSI Program Specific Terms and Conditions](#) for more details on allowable/unallowable costs and activities including those in the buildings and land category.

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Q: If planting, growing, and harvesting are not eligible for an RFSI Infrastructure Project, would renovations to an existing storage structure be eligible?

A: Yes, storage is considered a middle of the supply chain (post-harvest) activity. Note that project applications must demonstrate the capacity to build resilience across Maine's middle of the food supply chain.

Renovations are allowable within the [Buildings and Land- Construction and/or Renovation](#) cost category. Allowable: Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, alterations, or construction on an existing building or facility. The construction of new buildings at an existing facility and of wastewater management structures. This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing.

However, RFSI Funds may not be used to pay costs or allow for current market value of property and equipment as eligible total project costs that only support existing process capacity for a facility. Applications must demonstrate how the project will increase processing capacity in the state or region and contribute to more and better markets for the targeted agricultural products of farmers and ranchers in the state or geographic area, including whether and how it benefits underserved producers.

Q: Can RFSI Infrastructure Project Grant funds be used to turn a facility into a farm store?

A: No. RFSI funds cannot be used to for any direct to consumers facilities, activities, or expenditures, as these are not considered to be the middle of the supply chain. A farm store is primarily a retail market and not a middle of the supply chain processing, storage, or aggregation facility.

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Q: Can RFSI Infrastructure Project Grant funds be used to turn a facility into a processing center for produced grown on our farm?

A: Yes. Funding for additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, alterations, or construction on an **existing building** or facility and the construction of new buildings at an **existing facility** are allowable for RFSI funding. Note that project applications must demonstrate the capacity to build resilience across Maine's middle of the food supply chain.

5. Questions Related to Equipment

Q: Are the RFSI equipment-only grants intended for only one piece of equipment, or could the applicant apply for multiple pieces of equipment? ([Applicable to Equipment-only Grants](#))

A: You can purchase multiple pieces of equipment under the Equipment-Only Grants, if they are purchased at the same time. 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, and which will be purchased at the same time.

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Q: Are all types of special purpose equipment allowable? (Applicable to RFSI Infrastructure Project Grants and Equipment-only Grants)

A: [Special purpose equipment purchases are allowable](#) when provided in the approved budget or with prior written approval for acquisitions costs and rental costs of special purpose equipment provided the following criteria are met:

- Allowable:
 - Purchases of special purpose equipment (such as, canners, hulling processors, reverse osmosis systems, egg packing machines, flotation tanks, roasters, or other processing equipment, packing and labeling equipment, or delivery vehicles) are allowable when approved in the agreement budget or with prior written approval.

- 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.

- Unallowable:
 - 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).

Q: Can equipment be part of an RFSI Infrastructure Project grant? (Applicable to RFSI Infrastructure Project Grants)

A: Yes. However, the equipment must be special purpose equipment that is directly related to the activities of the proposed project. The special purpose equipment under these grants could also potentially be less than the typical USDA \$5,000 special equipment threshold per unit.

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Q: If an applicant is awarded an RFSI Infrastructure Project Grant, can they participate (or partner) in an equipment-only grant (not as the applicant)?
(Applicable to RFSI Infrastructure Project Grants and Equipment-only Grants)

A: Yes, a partner (not applicant/sub recipient) may support/partner/collaborate with an RFSI Infrastructure Project Grant subrecipient in an RFSI equipment-only grant. However, only one RFSI award will be made per Unique Entity ID (UEI).

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

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).

Q: Can you spend more time clarifying the "middle of the supply chain" with regards to the equipment only Grant? (Applicable to Equipment-only Grants)

A: Equipment-only grants may fund special purpose equipment to build resilience across Maine's middle of the food supply chain. Equipment must be used solely to meet the purpose of the program and objectives of the agreement.

Tomato example: Planting, growing, and harvesting are ineligible. Once the tomato is off the vine, the middle of the supply chain starts. Middle of the supply chain eligible equipment include those designed to for washing and packing the tomato, cold storage, canning and preserving, value-added processing, building/expanding a commercial kitchen for value-added salsa/sauce processing, freezing, and cold/frozen shipping to a restaurant or grocery store. Activities related to retail markets or consumers, such as marketing and promotion, renovation of retail space, or other activities associated with selling tomato products, would be ineligible.

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Q: Are delivery trucks eligible for RFSI funding? (Applicable to RFSI Infrastructure Project Grants and Equipment-only Grants)

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: Are vehicle lease agreements allowable RFSI Infrastructure Project grant expenditures? (Applicable to RFSI Infrastructure Project Grants and Equipment-only Grants)

A: Yes. Special equipment rentals are allowed, but the lease or rental agreement must terminate at the end of the grant cycle. Lease agreements to own (i.e., lease-to-own or rent-to-own) are ineligible.

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6. Questions to be 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: 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.

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: 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.

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7. Additional New Guidance Received from the USDA

USDA update 2/8/2024: Eligible Entity Types are:

- Agricultural producers or processors, or groups of agricultural producers and processors.
- Nonprofit organizations operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
 - “nonprofit organization” includes only those that are “operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.”
- For-profit entities operating middle-of-the-supply-chain activities such as processing, aggregation, or distribution of targeted agricultural products, whose activities are primarily focused for the benefit of local and regional producers, and that meet the eligibility requirements of the SBA small business size standards are eligible.
- Local government entities operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
- Tribal governments operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
- Institutions such as schools, universities, or hospitals 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. These include organizations such schools (K-12; colleges/universities), hospitals, food banks, gleaners, food rescue, workplace cafeterias, prisons, and care centers (senior, preschools).
 - “institutions” 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.”

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Note to projects related to food banks:

- 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.

USDA update 2/8/2024: For a **project** to be eligible for funding, it must:

- 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.