

# Existing Processor Expansion Grant - Tiers 1 & Tier 2 - REVISED

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## 2023 REQUEST FOR PRE-APPLICATIONS - UPDATED

The [Northeast Dairy Business Innovation Center](#) (NE-DBIC) announces the availability of funds through the Existing Dairy Processor Expansion Grant program to address the significant need for investment in processing infrastructure in the Northeast. This grant will only fund **existing** dairy processing facilities located in the Northeast region with a focus on expanding utilization of regionally sourced milk, dairy components, and/or dairy mix, and diversifying the supply chain.

Projects funded through this grant will focus primarily on acquiring specialized equipment needed to increase processing capacity through volume expansion and existing product line expansion. Additional activities related to training, marketing, or supply chain logistics that directly support increased production capacity may be included.

Grants are available to applicants in all Northeast states: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont.

Multiple tiers of grant funding ranges will be available to processors at a variety of sizes. Processors may apply in one of three grant tiers based on their scale. Tier 3 Request for Application will be available in March 2023.

**In response to dairy stakeholder feedback, the tiers and eligibility have been clarified and adjusted to address to dairy processor circumstances more accurately.**

## KEY DATES

REVISED RFA Release Date: February 16, 2023

Pre-Application Opens: March 16, 2023

Pre-Application Deadline: May 11, 2023 at 2:00 PM ET

Full Application Period: June - August 2023

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## CONTACT

### PROGRAM QUESTIONS

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### WEBGRANTS TECHNICAL ASSISTANCE

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Support is generally available during business hours: Monday–Friday, 7:45 AM to 4:30 PM ET. Assistance may not be available shortly before deadlines.

### RESOURCES FOR APPLYING

WebGrants Guides and resources for registering and applying can be found on our [Resources for Applicants and Recipients webpage](#).

### REGISTERING IN WEBGRANTS

Applicants that have not previously registered in WebGrants will need to allow 1 – 2 business days for their registration to be processed. During that time, applicants will not be able to login to start an application. Please plan your application process accordingly.

### SUBMISSION POLICY

It is the applicant’s responsibility to adhere to all application instructions including the submission dates and times included in this request for applications (RFA). The Northeast Dairy Business Innovation Center via the Vermont Agency of Agriculture, Food & Markets (VAAFAM) will accept the last validated

electronic submission through the grants management system, [WebGrants](#), prior to the posted deadline as the final and sole acceptable submission of an application.

Submission or re-submission of incomplete or delayed applications after the posted deadline, barring exceptional circumstances will not be accepted.

**WebGrants will prevent applications from being submitted after the cut-off time.**

#### **SUBMISSION CONFIRMATION**

When an application has successfully been submitted, the applicant will receive a confirmation email from < [agriculturegrants.vermont@mail.webgrantscloud.com](mailto:agriculturegrants.vermont@mail.webgrantscloud.com) >. Please add this email address to your “safe senders” list. If you do not receive this confirmation, please check your junk or spam folder.

# I. PROGRAM OVERVIEW

## QUICK FACTS

### THE NORTHEAST DAIRY BUSINESS INNOVATION CENTER

The Northeast Dairy Business Innovation Center (NE-DBIC), hosted by the Vermont Agency of Agriculture, Food and Markets (VAAF), is one of four USDA-AMS Dairy Business Innovation Initiatives (DBII) in the nation. The NE-DBIC serves the 11-state Northeast region which includes Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont by supporting dairy businesses through projects that promote the development, production, marketing, and distribution of dairy products. Projects target dairy farms and processors while providing additional support through market research and technical assistance. Since its inception in 2019, the Northeast Dairy Business Innovation Center has received \$38.7 million to support projects in the Northeast region of the U.S.

### ELIGIBILITY SUMMARY

Licensed dairy processors located in the Northeast region of the United States may apply for this grant if they both 1) process regionally sourced milk within the Northeast and 2) are compliant with all required state and federal standards. If the business is not headquartered in the Northeast but has processing facilities in the region, they may apply for grant funds to support regionally located plants. Funds may be used to support the renewal of operations at a dairy processing plant that is currently not producing product. The plant must be currently or previously licensed.

**For purposes of this grant, milk means fluid milk, dairy components, and/or dairy mix.**

Applicants will qualify into tiers outlined below based on milk utilized on an average production day, regardless of the number of days per week they process. Volume may differ based on the product made and processors should reference the volume measurement for their specific product. Volume is a measurement of inputs and not finished products.

If an applicant qualifies into a higher tier but the award range is higher than their project costs, they may apply into a lower tier.

Tier	Volume of Milk Utilized on an Average Production Day	Award Range	Total Funds Available
Tier 1	100,001+	\$500,000 – 1,000,000	Approximately \$6,000,000
Tier 2	1,001 – 100,000	\$100,000 – 650,000	Approximately \$4,000,000
Tier 3*	1 – 1,000	\$25,000 – 250,000	Approximately \$2,000,000

\*Tier 3 will be released as a single-stage application. The RFA for this tier will be available in March 2023.

## SECTION I: PROGRAM OVERVIEW

### AVAILABLE FUNDS

Tier 1 awards: approximately \$6,000,000  
Tier 2 awards: approximately \$4,000,000  
Tier 3 awards: approximately \$2,000,000  
Total program (Tiers 1, 2, &3): \$12,000,000

### MINIMUM & MAXIMUM AWARD

Tier 1 Minimum: \$500,000  
Tier 1 Maximum: \$1,000,000

Tier 2 Minimum: \$100,000  
Tier 2: Maximum: \$650,000

Tier 3 Minimum: \$25,000  
Tier 3 Maximum: \$250,000

Match: A 25% (cash and/or in-kind) match commitment is required for all tiers.

*Grant funds will be distributed to grantees over three payments throughout the course of the grant project. Unless otherwise arranged with the grant program manager, default payment structure of this grant is 60% of grant funds upfront, 20% of funds mid-project, and 20% of funds once the grant is complete.*

### PROJECT LENGTH

Grant periods will range from 9 – 15 months, depending on the project.

### FUNDING SOURCE

Funds are available through the Northeast Dairy Business Innovation Center which is made possible by funding through the U.S. Department of Agriculture's (USDA) Agricultural Marketing Service (AMS) through award, AM21DBIVT1011-00.

## FUNDING OPPORTUNITY DESCRIPTION

The NE-DBIC's Existing Processor Expansion Grant program aims to support the expansion and long-term sustainability of dairy processing in the Northeast. Grants will be available for processors to purchase specialized processing equipment and supplies, and fund other activities that allow them to expand their existing processing.

Successful applications will show that in addition to increasing processing capacity for regional milk, the project will increase labor efficiency, reduce energy inputs and/or climate impacts, add value to underutilized products, and/or otherwise address the expansion needs of dairy processors. Projects should demonstrate long-term impacts for the processors.

## **ELIGIBILITY**

### **ELIGIBLE APPLICANTS**

Applicants eligible for these funds must be dairy processors that transform milk (for purposes of this grant, milk means fluid milk, dairy components, or dairy mix) sourced from the Northeast region into an edible product and be:

1. licensed dairy processor in compliance with all required state and/or federal standards, as required for the sales outlets reached during the timeframe of this project; and
2. headquartered or based in the Northeast.

Funds may be used to support the renewal of operations at a dairy processing plant that is currently not producing product. The plant must be currently or previously licensed. In this case, the applicant must be an experienced dairy processor (either a company or individual) and must demonstrate this experience in the application narrative.

**For purposes of this grant, “milk” means fluid milk, dairy components, and/or dairy mix.**

Applicants will qualify into tiers outlined below based on milk utilized on an average production day, regardless of the number of days per week they process. Volume may differ based on the product made and processors should reference the volume measurement for their specific product. For example, cheese producers measure pounds of milk while an ice cream manufacturer would likely purchase gallons of mix. Volume is a measurement of inputs and not finished products.

If an applicant qualifies into a higher tier but the award range is higher than their project costs, they may apply into a lower tier.

Tier	Volume of Milk Utilized on an Average Production Day	Award Range	Total Funds Available
Tier 1	100,001+	\$500,000 – 1,000,000	Approximately \$6,000,000
Tier 2	1,001 – 100,000	\$100,000 – 650,000	Approximately \$4,000,000
Tier 3	1 – 1,000	\$25,000 – 250,000	Approximately \$2,000,000

Examples of tier qualification:

- A butter processor buys in 50 pounds of cream for an average production day. This processor would qualify for Tier 3.
- An ice cream manufacturer purchases 750 gallons of ice cream mix for their average production day. This processor would qualify for Tier 3.

## SECTION I: PROGRAM OVERVIEW

- A cheese processor buys in 1,250 pounds of milk for an average production day. This processor would qualify for Tier 2. However, the piece of equipment they would like to source is \$50,000 so they may apply into the lower Tier 3 to access lower amounts of grant funds.
- A producer-processor bottles only milk from their farm with an average daily volume of 25,000 pounds. This processor would qualify for Tier 2.
- A yogurt manufacturer buys in 125,000 pounds of skim milk and 10,000 pounds of cream for an average production day. This processor would qualify for Tier 1.

While the following are not required to apply, if applicant is awarded, they will need to provide:

1. Certificate of Insurance listing the VAAFM as an additional insured
2. Current IRS Form W-9
3. Unique Entity Identifier (UEI) number acquired via SAM.gov. *Applicants who do not already have a UEI number are strongly encouraged to start this process during the application period to ensure a timely start to their grant, if awarded. **There are currently significant delays.***

### ELIGIBLE PROJECTS

Projects under this grant will assist processors at a variety of scales in expanding their ability to process regionally produced milk, increase value of processed products, and reduce energy and climate impacts of production.

Projects should be scaled appropriately to meet the long-term expansion needs of the business. Applicants should explain how the project fits into their business plan, including information such as expected increased production volume, where additional milk will be sourced, and how increased production will be marketed.

### FUNDING PRIORITIES

In addition to increasing processing capacity for regionally produced milk, project approaches should address at least two (2) of the following funding priority areas:

- Project increases labor efficiency and/or worker safety
- Project increases value or marketability of products
- Project reduces energy inputs and/or climate impacts
- Project improves food safety measures
- Project increases value of milk for farmers
- Project increases sales, revenue, and/or consumers reached
- Project increases consumer access to goat, sheep, and/or mixed milk products
- Project responds to current market demand or existing market gaps

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### REQUIRED PROJECT CRITERIA

Effective applications will demonstrate:

1. How the project will increase the volume of regionally sourced raw milk, milk components, or dairy mix that they process.
2. Why it is necessary for the applicant's business to purchase the equipment and any additional costs.
3. Significant impacts on their business including, but not limited to, increased revenue, cost savings, energy savings, and efficiencies in processing milk.
4. How the project will have long-term impacts on their business and/or the wider Northeast dairy processing sector.
5. That there is market demand for expanded production and that the applicant has a robust plan for moving raw and finished product through the supply chain.

Projects must meet the following criteria to receive funds:

1. **REQUIRED:** At least 75% of grant funds for the project must be used to purchase (and install) new or used specialized equipment and supplies that will expand processing of milk produced in the Northeast region. Applicant must select at least one of the allowable purchases and installation of specialized equipment (purchases \$5,000 or more) or supplies in the following pre-approved list, or seek approval ahead of applying for something not on this list:
  - a. Milk storage tanks, including bulk tanks and milk silos
  - b. Milk pipelines
  - c. Fluid milk bottling equipment
  - d. Pasteurizers and/or homogenizers
  - e. Separators
  - f. Packaging equipment:
    - i. Fillers
    - ii. Vacuum sealers
    - iii. Label machines
  - g. Specialty manufacturing equipment:
    - i. Cheese vats, drain tables, wax tanks, brine tanks, molds, presses
    - ii. Curd mills
    - iii. Shredders, slicers, or cutters
    - iv. Ice cream making equipment
  - h. Industrial cooling and/or humidity control for specialized use:
    - i. Commercial freezers, refrigerators, and coolers
    - ii. Cheese aging environmental controls
    - iii. Upgraded glycol chillers
  - i. Plant modernization:
    - i. Electric yard horses
    - ii. Clean in place (CIP) wash systems
    - iii. Foam floor sprays for transition areas



## SECTION I: PROGRAM OVERVIEW

- iv. Systems for water reclamation
      - v. Clean out of place (COP) wash tanks
2. **OPTIONAL:** Up to 25% of requested funds can be used for other costs that would complement the installation and purchase of equipment selected or additional activities related to training, marketing, or supply chain logistics that directly support increased production capacity. This can include, but is not limited to:
  - a. Supplies (any purchases that cost less than \$5,000 per unit)
    - i. E.g., hot water heater (tank style or on-demand), water filtration, milk pipeline, milk pump, sinks, refrigeration
  - b. Training on the use of new equipment
  - c. Professional services
  - d. Personnel & Fringe
  - e. Travel to source or pick up equipment
  - f. Other: shipping costs, rental of general use equipment (not for construction)

### EXAMPLES: ELIGIBLE PROJECTS

1. *A cheese maker adds a second vat to their processing space in order to be able to run multiple batches of product concurrently, increasing production and efficiency. Production growth will allow them to purchase more milk from their farmer sources at a higher price than the farmers earn otherwise. Applicant shows that they have a plan in place to age and market their increased production.*
2. *A producer-processor wishes to replace their batch pasteurizer with a high temperature short time (HTST) pasteurizer and add a cream separator. This will allow them to save labor and energy on pasteurization and allow them to expand their offerings and increase their revenue.*
3. *A processor has outgrown their current facility and plans to build an addition with more processing space. They will use grant funds to purchase a new processing line with energy efficient chillers as part of the expansion. Construction will be paid for with matching funds.*
4. *A processor will expand their operation by purchasing a defunct processing plant. Grant funds will be used to purchase missing equipment to make the plant functional again, such as an updated pasteurizer and energy efficient chillers.*

### INELIGIBLE PROJECTS

- Projects not primarily located within the Northeast
- Projects that solely support the production/sales of raw fluid milk meant for human consumption without pasteurization
- Projects that do not increase the applicant's use of regionally sourced raw milk, milk components, or dairy mix
- Projects that use grant funds for:
  - Construction
  - Purchase or lease-to-own of land/building/facilities
  - Purchase of general equipment (approved specialized equipment is allowable)
  - Purchase of vehicles

## SECTION I: PROGRAM OVERVIEW

- Costs incurred outside the grant period
- Unallowable costs/activities as outlined in the [2021 AMS Terms and Conditions](#) (8.0 Allowable Costs and Activities).

### EXAMPLES: INELIGIBLE PROJECTS

- 1. A processor faces a bottleneck in their distribution space and plans to expand, using grant funds for a forklift, pallet jack, and other supplies for distributing their products.
  - a. Why is this ineligible? A forklift and pallet jack are general purpose equipment and therefore ineligible for this grant. The applicant could apply for other specialized equipment specific to dairy processing that is needed for the expansion.**
- 2. A cheese maker needs more aging space and applies to build a cheese aging cave that will allow them to purchase more milk from local farmers.
  - a. Why is this ineligible? Construction costs are not covered by this grant. The cheese maker could apply to use grant funds for specialized equipment such as temperature control to make the space usable for aging but must find another source for construction costs.**
- 3. A processor wishes to conduct research into market gaps to help them develop a new cultured dairy product.
  - a. Why is this ineligible? Other grants are a better fit for research and development activities. If the processor had already developed and tested the product and were at the stage of scaling up its production, they could apply for grant funds for specialized equipment they need for production or packaging.**
- 4. A farmer seeks to add to their income by bottling and marketing their milk. They wish to purchase a bottling line and pasteurizer.
  - a. Why is this ineligible? While a bottling line and pasteurizer are allowable equipment, this grant is focused on expansion of existing processors. Other grants are a better fit for new and start-up processors.**

## BUDGET

At least 75% of all requested grant funds must be used for the purchase and installation of pre-approved specialized equipment and supplies. Please refer to the Eligibility section above for a full list of pre-approved equipment and supplies. Grant funds requested must align with the allowable costs detailed in the [2021 AMS Terms and Conditions](#). The budget table and narrative should include educated estimates of grant and match amounts. For those applicants invited to submit full applications, total grant budget amounts will be permitted to be adjusted up to 25% from the pre-application to full application. Line items may be changed without restriction. Quotes for specialized equipment and installation services will be required at that time.

## MATCHING FUNDS

All proposals must show matching funds which represent at least 25% of the grant request to go toward the grant project. For instance, for a grant request of \$100,000, the applicant must demonstrate at least \$25,000 in match. Matching funds may be contributed by the applicant or by another organization.

## SECTION I: PROGRAM OVERVIEW

Applicants can use other funds (state or loan, other non-Federal money) as a match to this project as long as there is not any such restriction in the agreements for those funds. The 25% required match may be any combination of cash and in-kind funds in any expense category, and may cover costs ineligible for grant funds, such as construction. Match funds must be expended within the grant period.

**Examples of cash match** include funds in the bank, funds contributed by another organization, bank loans, other non-Federal grant funds, applicant labor, and compensation of employees. Labor rates should be in line with current market rates.

**Examples of in-kind match** include goods or services provided during the grant period for which no expenditure is made (e.g., contractors, consultants, supplies, or equipment provided pro bono for the project; volunteer labor; and/or donated supplies that are not part of the normal cost of doing business). In-kind contributions must be made during the grant agreement period and be directly related to the project.

### Example of an eligible budget:

Expense Category	Grant Funds Requested	Applicant Contribution - Cash Match	Applicant Contribution - In-kind Match	Project Total
Specialized Equipment	\$80,000.00	\$12,000.00	\$0.00	\$92,000.00
Supplies	\$13,000.00	\$6,000.00	\$0.00	\$19,000.00
Contractual/Consultant	\$0.00	\$3,000.00	\$0.00	\$3,000.00
Training	\$2,000.00	\$0.00	\$0.00	\$2,000.00
Travel	\$0.00	\$0.00	\$0.00	\$0.00
Personnel	\$0.00	\$1,500.00	\$0.00	\$1,500.00
Fringe	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$5,000.00	\$1,500.00	\$1,700.00	\$8,200.00
<b>TOTALS</b>	<b>\$100,000.00</b>	<b>\$24,000.00</b>	<b>\$1,700.00</b>	<b>\$125,700.00</b>

## HOW TO APPLY

All pre-applications must be submitted via the WebGrants system at [agriculturegrants.vermont.gov](https://agriculturegrants.vermont.gov). No paper applications will be accepted. Applications will be accepted from March 16 – May 11, 2023 at 2:00 PM ET. Applicants that have not previously registered in WebGrants will need to allow 1 – 2 business days for their registration to be processed. During that time, applicants will not be able to login to start an application. Please plan your application process accordingly.

We strongly advise that you submit your application ahead of the deadline. Be advised that technical assistance with WebGrants may not be available shortly before deadlines; please plan accordingly.

## SECTION I: PROGRAM OVERVIEW

### APPLICATION REVIEW

Applications will each be reviewed by a multi-state NE-DBIC advisory committee comprised of representatives from Northeast state agriculture agencies/departments, agriculture extension agencies, and dairy sector stakeholders. Three reviewers will be assigned to score each application. Funding decisions are made according to scoring, reviewer comments, past grant performance, and with consideration to diversity across geography, herd/milk type, size of operation, and impacts beyond the grantee.

See Section III: Scoring Criteria.

### AWARD INFORMATION

All applicants will be notified of the NE-DBIC decision of whether to award funds to their project. Awards will be approximately 9 – 15 months in length.

### KEY DATES

#### DATES MAY BE SUBJECT TO CHANGE

<b>February 16, 2023</b>	<b>REVISED</b> Request for Application (RFA) released
<b>March 16, 2023 – May 11, 2023 at 2:00 PM ET</b>	Pre-application period
<b>June 2023</b>	Applicants notified of pre-application decision; invitations to submit full application
<b>August 2023</b>	Full application closes
<b>September 2023</b>	Applicants notified of award decisions
<b>November 2023</b>	Expected start of grant
<b>Depends on grant project</b>	Interim report due
<b>Depends on grant project (estimated to be between Aug 2024 – Feb 2025)</b>	Project end date
<b>30 days after end of project</b>	Final report and survey due

## II. FULL PRE-APPLICATION

The application content is listed below but may be subject to change. Please reference the [WebGrants Application Guide](#) for guidance on completing your application in the WebGrants system.

### APPLICANT INFORMATION

#### Applicant Information

- Business/organization name, legal entity (e.g., LLC, sole proprietor, etc.), primary contact information

#### Applicant Eligibility

- Is the applicant a licensed dairy processor that processes milk (for purposes of this grant, milk means fluid milk, dairy components, or dairy mix) and is in compliance with all required state and/or federal standards? If yes:
  - Is the applicant headquartered or based in a Northeast state (CT, DE, MA, ME, NH, NJ, NY, PA, RH, or VT)?
  - Does the applicant source or produce milk that originates within the Northeast?
  - Does the applicant's business manufacture dairy products within the Northeast?
  - Is the applicant a licensed dairy operation in compliance with all required state and federal standards?
- Is the applicant a milk cooperative? If yes:
  - How many farmer-members does your cooperative have?
  - Of your total farmer-owners, provide the percentage that will directly benefit from this project
- Does the applicant source raw fluid milk directly from farms? If yes:
  - Number of farms from which you currently source fluid milk
  - Describe any premiums you currently offer to the farms from which you source fluid milk
  - List and describe each farm from which you source (location, size of herd, herd type, volume purchased annually)
- Does the applicant source raw fluid milk from a milk cooperative? If yes:
  - List the milk cooperative(s) from which you source and their location.
  - How many farmer-members does this cooperative have?
- Does the applicant source dairy components or dairy mixes? If yes:
  - List the processor(s) from which you source and their location.
- What is your average daily processing volume? Provide the unit of volume?
- Estimate the percentage of milk (which includes fluid milk, dairy components, and/or dairy mix) by volume that you use in your processing facility that is originally sourced from farmers located in the Northeast region
- Do you have a current business plan?

## SECTION III: PRE-APPLICATION SCORING CRITERIA

- Describe your business in terms of size (gross sales, number of employees, production type and volume), scope, markets, and number of years in business

### Entity History

- Has your business/organization received any federal or state grant in the past 5 years?
- Have you or your project partners received any (federal, state, or other) grants **for this specific project** in the past 5 years? If yes:
  - List the grants received.
  - Describe the work done under these grants.
  - How will the work in this grant differ from and/or build upon that work?
- Have you applied for, or do you plan to apply for, other grant(s) in conjunction with this grant? If yes:
  - Please list the other grants you will apply for/have applied for in conjunction with this grant.
- Has your business ever been unable to complete or adhere to granting requirements for a grant you were awarded? If yes:
  - Describe the circumstances that prevented you from completing/adhering to the requirements of your grant(s).
- Will you be using loans to supplement this application?
- Describe why you and your staff are qualified to complete this project, as proposed.
- Rate your business's experience in implementing similar past work/projects related to milk storage or handling improvements. (*Select from dropdown: significant experience, some experience, no experience*)
- Do you currently work with a business planner to support the financial health and future planning of your business? If so, enter their name and organization.
- Have you received technical assistance related to food safety in preparation of the project, or do you plan to receive related technical assistance during this grant project? If so, list name and organization.

## PROJECT DESCRIPTION

For the pre-application, this section is meant to provide an abbreviated -- yet comprehensive -- overview of your proposed project. If invited to submit a full application, you will have the opportunity to edit this form in order to more fully detail your project, and to incorporate any reviewer feedback resulting from your pre-application.

### Project Details

- Summarize your project in a couple of sentences.
- Provide a detailed project description which comprehensively describes your vision of this project. Describe the 1) issues you plan to address and why they are relevant and important, 2) goals for the project, 3) outline of activities you would like to include, 4) opportunities that you see for partnership, and 5) desired outcomes. Include any background or context, as needed

## SECTION III: PRE-APPLICATION SCORING CRITERIA

- Identify 2 or more funding priorities, as defined in the RFA, that your project addresses and provide an explanation of how your project aligns. Please list the funding priority (as written in the RFA) that you are addressing, followed by your explanation.
- Why is it necessary for your business to make these investments? What would be the impacts of not receiving this funding?
- Why is it necessary for your business to make these investments? What would be the impacts of not receiving this funding?
- Will this project increase the volume of regionally sourced fluid milk, dairy components, or dairy mix that your business processes?
- Estimate the percent increase of fluid milk, dairy components, or dairy mix volume you expect to source.
- Provide the number of farmers that are expected to directly benefit from this project
- How will this project impact farms and processor businesses from which you source milk? Include expected changes in number of sources, volume from existing sources, and/or price premiums
- Describe any other expected supply chain or regional impacts of this project
- How do you know that the market can absorb an increase in your production? Describe your sales strategy and how you will market the additional volume of product that results from this grant project
- Describe both the positive and negative impacts of this project on your workforce, labor efficiencies, and safety impacts to employees
- Describe your plan to appropriately install and train staff on any new equipment or machinery
- Do you expect to see cost or energy savings as a result of this project? If so, provide information about your anticipated cost savings or energy savings.
- What long-term impacts do you anticipate on your business and the wider Northeast dairy processing sector due to this project?
- What will success look like for this project?
- What challenges do you anticipate and how do you plan to adapt to them?
- How do you plan to sustain the activities implemented through this project beyond the grant period?

## BUDGET

*Please complete the following budget table with estimates of grant and match amounts. For those applicants invited to submit full applications, total grant budget amounts will be permitted to be adjusted up to 25% from the pre-application to full application. Line items may be changed without restriction.*

## SECTION III: PRE-APPLICATION SCORING CRITERIA

- *Grant funds: At least 75% of all requested grant funds must be used for the purchase and installation of pre-approved specialized equipment and supplies. Please refer to the RFA for a full list of pre-approved equipment. Grant funds requested must align with the allowable costs detailed in the 2021 AMS Terms and Conditions (right click on the hyperlink and select “open link in new tab” to avoid closing this page).*
- *Match contributions: Projects must demonstrate matching funds of at least 25% as cash and/or in-kind sources. (e.g. \$100,000 of requested funds requires at least \$25,000 in match contributions.)*
  - *Do not need to adhere to AMS allowable costs.*
  - *Match contributions are not required to reflect 25% per expense line, but they must make up 25% of the total grant ask. (For example, a grant request for \$70,000 in supplies and \$50,000 in personnel could be matched with \$60,000 of equipment.)*

### Budget Table (example)

Expense Category	Grant Funds Requested	Applicant Contribution - Cash Match	Applicant Contribution - In-kind Match	Project Total
Specialized Equipment	\$80,000.00	\$12,000.00	\$0.00	\$92,000.00
Supplies	\$13,000.00	\$6,000.00	\$0.00	\$19,000.00
Contractual/Consultant	\$0.00	\$3,000.00	\$0.00	\$3,000.00
Training	\$2,000.00	\$0.00	\$0.00	\$2,000.00
Travel	\$0.00	\$0.00	\$0.00	\$0.00
Personnel	\$0.00	\$1,500.00	\$0.00	\$1,500.00
Fringe	\$0.00	\$0.00	\$0.00	\$0.00
Other	\$5,000.00	\$1,500.00	\$1,700.00	\$8,200.00
<b>TOTALS</b>	<b>\$100,000.00</b>	<b>\$24,000.00</b>	<b>\$1,700.00</b>	<b>\$125,700.00</b>

## BUDGET NARRATIVE

For the pre-application, this section is meant to provide an abbreviated -- yet comprehensive -- overview of your proposed project. If invited to submit a full application, you will have the opportunity to edit this form in order to more fully detail your project, and to incorporate any reviewer feedback resulting from your pre-application.

- Total funds requested and amount of matching funds.
- List each 1) match source, 2) each contribution amount (and specify if it is cash or in-kind), and 3) describe how the contribution will be used to accomplish your project activities.
- Are all matching funds/contributions committed at this time?
  - If not, provide the sources and timeline/plan for securing these commitments

*Complete the following questions **only for expenses that are covered by grant funds** (not matching funds, which should be detailed in questions above). Please thoroughly describe each category for which you are requesting grant funds, answering all parts of each question.*



### SECTION III: PRE-APPLICATION SCORING CRITERIA

- Specialized equipment: List each piece of equipment (with description if needed) and for each, indicate: 1) grant funds requested per piece, and 2) justification for how this equipment is necessary for the success of this project. **At least 75% of total grant request must be used for the purchase of specialized equipment. Equipment is for costs over \$5,000, otherwise it should be categorized as supplies.**
- Are 'Supply' expenses included in the 'Grant Request' column of your above budget? *Supplies include materials, supplies, and fabricated parts costing less than \$5,000 per unit.* If yes:
  - Supplies: List each supply (with a description if needed). For each, provide: 1) per unit cost, 2) # units purchased, 3) grant funds requested, and 4) justification for how this supply is necessary for the success of this project
- Contractual/Consultant: List each anticipated contractor/consultant. For each, provide: 1) hourly/flat rate, 2) grant funds requested, 3) detailed description of services, and 4) justification for why the services are necessary for the success of this project.
- Are 'Training' expenses included in the 'Grant Request' column of your above budget? If yes:
  - Training: for each training, provide 1) description, 2) estimated cost, and 3) justification for how the expense is necessary for the success of this project
- Are 'Travel' expenses included in the 'Grant Request' column of your above budget? *Such as travel to source and/or pick up equipment.*
  - Travel: For each trip: 1) list expense types (airfare, car rental, hotel, meals, mileage, etc.) and associated grant funds requested, 2) number of travelers, and 3) justification for how this travel is necessary for the success of this project.
- Are 'Personnel' expenses included in the 'Grant Request' column of your above budget? *Personnel costs are for owners or staff time directly related to the grant project.*
  - Personnel: for each individual whose time can be directly attributed to grant activities, provide 1) individual's title and role, 2) hourly rate, 3) expected number of hours, 4) grant funds requested
- Are 'Fringe Benefit' expenses included in the 'Grant Request' column of your budget? If yes:
  - Fringe Benefits: for each of the project's salaried employees, provide the 1) fringe benefit rate and 2) grant funds requested.
- Are 'Other' expenses included in the 'Grant Request' column of your budget? *Such as shipping costs.* If yes:
  - Other: Include any expenses not covered in any of the previous budget categories. Be sure to break down costs into cost/unit and provide justification for how the expense is necessary for the success of this project. *(E.g. meetings/conferences, communications, rental expenses, ads, publication costs, data collection.)*

### III. PRE-APPLICATION SCORING CRITERIA

#### REVIEWER SCORING CRITERIA

##### Project Proposal (80 points)

Project overview illustrates an impactful and realistic project that will have long term benefits for increasing processing capacity for regional milk. The project is designed in a way that will have positive impacts to the regional milk supply chain and will directly benefit regional dairy farmers.	20 points
Applicant effectively shows that the project will result in an increase in the volume of regionally sourced raw milk, milk components, or dairy mix that they process.	10 points
Applicant justifies a production expansion through an informed description of the current market, market opportunity, and sales strategy.	10 points
Applicant provides clear and relevant reasoning for timely need for funding.	10 points
Applicant demonstrates the impacts on their business including workforce, safety, cost and/or energy savings, and climate impacts.	10 points
Project is well-conceived with realistic expectations on expected successes, challenges, and a plan to sustain activities beyond the life of the grant.	10 points
Applicant demonstrates that their project is well-aligned with funding priorities and provides details to support that.	10 points

##### Budget and Expected Outcomes (20 points)

Budget and budget narrative are realistic and sufficient to accomplish the work proposed. Budget and budget narrative include enough detail to support the funding request amount.	15 points
Applicant has leveraged the required percentage of match contribution and provides high-level details on match sources.	5 points

## **IV. FULL APPLICATION**

Applicants whose pre-application is approved for advancement will be able to begin editing their full application at any point after receiving their approval notification by email. Invitations to submit a full application will include a supplement to this RFA with an outline of all required full application content. In addition to any needed edits to the information required in the pre-application, the full application will require additional information to be submitted.

Additional details regarding the full application will not be shared publicly and will be sent only to applicants whose pre-application has been approved for advancement. Application content will include:

- Applicant entity history, including a business plan
- Project details about project team and partnerships
- Project workplan, activities, and key dates
- Expected outcomes
- Additional letters of support/commitment
- Additional documentation to increase the competitiveness and context for the project
- Budget and detailed budget narrative
- Anticipated program income generated by grant activities

All projects requesting \$150,000 or more in grant funds will be required to present a brief virtual video pitch to a subset of the review committee. It is optional for applicants with projects requesting less than \$150,000 to provide a project pitch. Each pitch will be 10 minutes in length and should include a project overview, explanation of project feasibility, and anticipated project impacts on the dairy supply chain and/or market sector.

## IV. GRANT MANAGEMENT & REPORTING

### GRANT AGREEMENT & PAYMENT

Prior to receiving funding, successful applicants must sign a grant agreement with the Northeast Dairy Business Innovation Center via Vermont Agency of Agriculture, Food & Markets (VAAFAM) indicating their intent to complete the proposed project and authorizing NE-DBIC/VAAFAM to monitor the project's progress. The grant agreement will include provisions (terms and conditions) set by the State of Vermont as well as any program-specific requirements. Review [Attachment C - Standard State Provisions and Contracts and Grants](#) (12/15/2017 Revised).

Prior to commencement of work and release of any payments, grantee will be required to submit:

- A. A certificate of insurance consistent with the requirements set forth in Attachment C of the grant agreement. [Not required if grantee has a current certificate of insurance on file with the Agency of Agriculture.]
- B. A current [IRS Form W-9](#) (Request for Taxpayer Identification Number and Certification), signed within the past six months
- C. A Unique Entity Identifier (UEI) number, acquired through SAM.gov
- D. Documentation verifying pledged matching funds, as applicable.

### GRANTEE PAYMENT SCHEDULE

Unless other arrangements are made with the grant manager, payments will be made on the following schedule:

- **Initial payment: 60%** of the total grant will be paid to the grantee upon receipt of certificate of insurance and Form W-9, confirmation of Unique Entity Identifier (UEI) via SAM.gov, and a claim submission in WebGrants. Failure to submit all required documents and an executed copy of the grant agreement within 30 days of receipt may result in the loss of awarded funds.
- **Second payment: 20%** of the total grant will be issued upon approval of grantee's interim performance report by the grant manager and receipt of a claim in WebGrants.
- **Final payment: 20%** of the total grant will be issued upon approval of grantee's final performance report, the completion and submission of a survey provided by the grant manager, and receipt of a claim in WebGrants.

The final performance report is due no later than 30 days after the grant end date. Final invoices must be submitted to the State within 45 days of the grant expiration date. Invoices submitted before the completion of an interim or final report will not be paid until the report has been received, reviewed, and accepted by the grant manager. The State cannot reimburse the grantee for work performed after the expiration date of the grant.

### REPORTING REQUIREMENTS

The following reporting is required under this grant program:

1. Grantees will submit an Interim Performance Report mid-project which may include but is not limited to:
  - a. Summary of status of grant activities
  - b. Description of successes and challenges
  - c. Discussion of any modifications deemed necessary and justification for changes
  - d. Documentation of any marketing/promotion of project
  - e. Photos/documentation that demonstrates grant activities.
  - f. Expenditures to date
2. Grantees will submit a Final Performance Report and complete a survey no later than thirty (30) days from the grant end date. Final reports may include but is not limited to:
  - a. Summary of achievements from this project including impacts on the community, public, and other businesses/organizations
  - b. Description of any challenges or changes to the project
  - c. Lessons learned from this project
  - d. Opportunities that arose from the completion of this project
  - e. Plans to build on the work completed under this grant
  - f. Representative documentation and photos representative of the full breadth of activities under this grant
  - g. Final grant and match expenditures
  - h. Project outcomes:
    - i. Number of project beneficiaries reached
    - ii. Number of project beneficiaries that buy, sell, aggregate, store, produce or distribute dairy products
    - iii. Number of project beneficiaries that gained knowledge on how to access, or produce dairy products
    - iv. Increases in sales
    - v. Increases in revenue
    - vi. Increases in dairy activities
    - vii. Increases in dairy production and/or innovative marketing strategies
    - viii. Number of jobs maintained/created
    - ix. Whether there were any new or beginning farmers that began producing dairy products due to this grant, and how many
    - x. Level of satisfaction/outlook for the future of your business before and after the grant
    - xi. If grantee is a farmer, which of the following did they experience?
      1. Reduced cost of production
      2. Increased lifestyle satisfaction
      3. Improved water quality
      4. Increase soil health

## SECTION IV: GRANT MANAGEMENT & REPORTING

- xii. Number of the following outlets that were used to increase the public consumption of, and access to, dairy products because of this grant project: farmers markets, roadside stands, agritourism activities, grocery stores, wholesale markets, other markets.
- xiii. Results of grantees-provided measurements of success
- i. If grantee purchased special purpose equipment with grant funds, they must complete the following Federal forms with their final report:
  - i. Tangible Personal Property Report
  - ii. Supplemental Sheet
- j. Reporting on any program income generated by the grant activities.

The NE-DBIC/VAAFM reserves the right to utilize and/or summarize information and photos provided through these reports to use on publications/promotions.

NE-DBIC via VAAFM reserves the right to modify reporting requirements during the project. Information submitted in any report under this program will be a public record. Failure to adhere to reporting requirements and deadlines may disqualify the grantee from future grant opportunities through the NE-DBIC or State of Vermont.

### CERTIFICATE OF INSURANCE

A certificate of insurance (COI) is a common requirement for businesses and organizations; most agents are familiar with it. The State of Vermont must be listed as an additional insured on the grantee's policy. We recommend forwarding the insurance requirements below to prospective insurers for accuracy:

*Insurance: Before commencing work on this Agreement the Party must provide certificates of insurance to show that the following minimum coverages are in effect. It is the responsibility of the Party to maintain current certificates of insurance on file with the State through the term of this Agreement. No warranty is made that the coverages and limits listed herein are adequate to cover and protect the interests of the Party for the Party's operations. These are solely minimums that have been established to protect the interests of the State.*

*Workers Compensation: With respect to all operations performed, the Party shall carry workers' compensation insurance in accordance with the laws of the State of Vermont. Vermont will accept an out-of-state employer's workers' compensation coverage while operating in Vermont provided that the insurance carrier is licensed to write insurance in Vermont and an amendatory endorsement is added to the policy adding Vermont for coverage purposes. Otherwise, the party shall secure a Vermont workers' compensation policy, if necessary, to comply with Vermont law.*

*General Liability and Property Damage: With respect to all operations performed under this Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:*

*Premises - Operations*

*Products and Completed Operations*

*Personal Injury Liability*

*Contractual Liability*

*The policy shall be on an occurrence form and limits shall not be less than:*

*\$1,000,000 Each Occurrence*

## SECTION IV: GRANT MANAGEMENT & REPORTING

*\$2,000,000 General Aggregate*

*\$1,000,000 Products/Completed Operations Aggregate*

*\$1,000,000 Personal & Advertising Injury*

*Automotive Liability: The Party shall carry automotive liability insurance covering all motor vehicles, including hired and non-owned coverage, used in connection with the Agreement. Limits of coverage shall not be less than \$500,000 combined single limit. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, limits of coverage shall not be less than \$1,000,000 combined single limit.*

*Additional Insured. The General Liability and Property Damage coverages required for performance of this Agreement shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. If performance of this Agreement involves construction, or the transport of persons or hazardous materials, then the required Automotive Liability coverage shall include the State of Vermont and its agencies, departments, officers and employees as Additional Insureds. Coverage shall be primary and non-contributory with any other insurance and self-insurance.*

*Notice of Cancellation or Change. There shall be no cancellation, change, potential exhaustion of aggregate limits or non-renewal of insurance coverage(s) without thirty (30) days written prior written notice to the State.*