NORTHEAST DAIRY BUSINESS INNOVATION CENTER

Massachusetts Co-Packing Start-Up Grant

2023 REQUEST FOR APPLICATIONS

The Northeast Dairy Business Innovation Center (NE-DBIC) announces the availability of funds through the Massachusetts Co-Packing Start-Up Grant program. This 6-month grant program will provide funds for either (1) dairy farmers located in Massachusetts forming a new partnership with a processor co-packer or (2) for a licensed Northeast dairy processor forming a new partnership with at least one Massachusetts dairy farmer to launch a farm-branded value-added product line.

Projects funded through this program will support dairy farmers or dairy processors who have sought assistance from a Technical Service Provider to develop a co-packing business plan or complete this workbook prior to submitting an application. Having a business plan or completed planning workbook in place is essential for securing this funding. This plan should be ready for immediate implementation and outline the vision, goals, and strategies for value-added production, along with details of the farmer-processor relationship. As this grant program is focused on the development of value-added dairy products via co-packing, the applicant will be required to demonstrate a partnership with a farmer (for processor applicants) or with a processor (for farmer applicants).

Funds are intended to support start-up[1] operations, focusing on tangible implementation rather than research and development, concept development, or initial planning. Therefore, projects should be at a stage where they are ready for implementation.

Funded projects will be centered on continued technical assistance for value-added processing and production, professional marketing and branding services for the co-packed products, and/or equipment specific to value-added processing. For a project to be eligible, it must include a viable co-packing business plan or completed business planning workbook. This plan should articulate a clear vision for

[1] The **start-up stage** of a business is a company that is in the initial stages of its operations. Often initially funded by entrepreneurial founders, as they attempt to capitalize on developing a product or services for which they believe there is demand.

value-added production, establish concrete goals, and outline any prior effort to initiate processor start-up, including formalizing the farmer-processor relationship.

Dairy farmers in Massachusetts and licensed Northeast dairy processors are invited to apply.

KEY DATES

RFA Release Date: September 21, 2023

Application Opens: October 5, 2023

Application Deadline: November 16, 2023 at 2:00 PM ET

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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 (VAAFM) 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>. 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 (VAAFM), 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 $38.77 million to support projects in the Northeast region of the United States.

ELIGIBILITY SUMMARY

This grant program is only open to Massachusetts dairy farmers and licensed Northeast dairy processors. Processor applicants must currently be co-packing or ready to provide those services. Applicants must engage a Technical Service Provider to aid in the development of a co-packing business plan or completed planning workbook. As this grant program is focused on the launch of value-added dairy products via co-packing, the applicant will be required to demonstrate a partnership with a farmer (for processor applicants) or with a processor (for farmer applicants).

MINIMUM & MAXIMUM AWARD

Minimum: $15,000

Maximum: $35,000

Match: A 25% (cash or in-kind) match commitment is required.

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. Please see page 20 for additional payment details.

TOTAL AVAILABLE FUNDS

$130,000

PROJECT LENGTH

Approximately 6 months.

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, AM200100XXXXG003.

FUNDING OPPORTUNITY DESCRIPTION

BACKGROUND

In Massachusetts, and across the region, the dairy industry is facing substantial economic challenges. When costs of production exceed the price of milk received, dairy farms are unable to profit from their enterprise, and due to economies of scale, smaller dairy farms face greater financial stress. The low price of milk, coupled with changing consumer preferences and high costs of production, has led to a steady decline in the number of dairy farms in Massachusetts and across New England.

However, with a strong consumer demand for locally produced dairy, and awareness of the environmental and economic benefits of small farms, significant opportunities exist for Massachusetts dairy farmers to access marketing channels and increase their profits. Accessing consumer markets is a critical opportunity for many dairy farmers, yet one with significant barriers and challenges.

Research and interviews with dairy processors in Massachusetts revealed that co-packing at existing facilities with excess capacity presented a unique opportunity for dairy farmers to pilot and develop a value-added product line.

This grant is intended to support the development necessary to position Massachusetts dairy processors to make long term, impactful shifts in their businesses as it relates to value-added production in a co-packing capacity.

ELIGIBILITY

ELIGIBLE APPLICANTS

Applicants eligible for these funds must fall into at least one of the following categories:

1. Dairy farmers located in Massachusetts that currently produce milk and have:
    a. sought technical assistance for a co-packing business plan or for completing this workbook.
2. Dairy processors in the Northeast region that currently transform raw milk sourced from Massachusetts or are implementing a plan to process raw milk from Massachusetts into an edible product and:
    a. are licensed dairy processors in compliance with all required state and/or federal standards, as required for the sales outlets reached during the timeframe of this project;
    b. able to commit to processing Massachusetts produced milk and;
    c. have sought technical assistance for a co-packing business plan or for completing this workbook.

Specialized equipment purchased with grant funding is considered property of the grant recipient, who assumes responsibility for all reporting obligations. If you have inquiries or uncertainties regarding the appropriate applicant for your proposed project, please contact the grant program manager.

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

- Certificate of Insurance listing VAAFM as an additional insured
- Current IRS Form W-9
- 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 may be significant delays****.*

FUNDING PRIORITIES

Project approaches should address 1-3 of the following funding priority areas:

1. Development and launch of new dairy products that increase the value of milk
2. Projects which include technical assistance that builds on or complements previously received support
3. Projects which have advanced beyond the ideation stage and are ready for launch
4. Project builds on or enhances existing marketing and branding efforts
5. Application demonstrates a strategic and sustainable approach to business growth and positioning with a clear long-term vision
6. Projects will elevate Massachusetts farms

ELIGIBLE PROJECTS

Projects funded through this program will support Massachusetts dairy farmers and licensed Northeast dairy processors in establishing co-packing relationships that result in lasting and significant enhancements to their businesses, particularly with regards to launching value-added production through co-packing endeavors. Competitive projects for this grant program are those that proactively engage technical service providers to assist with business planning and partnership building. For example, a farmer has used technical assistance to identify feta cheese as a realistic and viable product for their markets. The farmer has found a co-packer to produce the feta cheese for them but needs funding to support packaging and labeling. The project will be deemed competitive if the applicant explains why they have chosen to make feta, establishes a formalized partnership with a co-packer, and outlines their marketing and sales strategy.

Applicants are expected to present projects that have progressed beyond the ideation stage and are near completion of the seed stage[2] where the business is poised for initial operations but has not yet begun production. It is required that applicants have utilized technical assistance to refine their strategies and create an initial plan or completed planning workbook for processing/co-packing their

[2] The **seed stage** of a business lifecycle is when a business is just a thought or an idea. Most seed stage companies will have to overcome the challenge of market acceptance. At this stage of the business the focus is on matching the business opportunity with one's skills, experience, and passions. Other focal points include deciding on a business ownership structure, finding professional advisors, and business planning. Early in the business life cycle, with no proven market or customers, the business will rely on cash from owners, friends, and family. Other potential sources include suppliers, customers, and government grants.

products. This initial plan will serve as a launching point, which can be built upon using the funds provided.

Funds are intended to support start-up operations, focusing on tangible implementation rather than research and development, concept development, or initial planning. Therefore, projects should be at a stage where they are ready for implementation.

Funded projects will be dedicated to launching value-added products resulting from co-packing collaborations into the market. Grant funds may be used to seek additional technical support, access professional marketing and branding services, or purchase specialized equipment for value-added production.

Eligible activities and costs may include, but are not limited to:

- Technical Assistance for value-added production
    - Includes one-on-one services, trainings, workshops, and certifications
    - Includes but is not limited to agricultural extension services, business planners, small business development centers, research and academic institutions, and agricultural consultants.
- Professional marketing and branding services for the newly co-packed product(s)
    - Regional or cooperative marketing programs focused specifically on increasing sales of Massachusetts produced dairy products
    - Clear impact of increasing consumption of regional dairy products
    - Regional marketing appeal
- Specialized equipment and/or supplies at the processing facility specific to launching co-packing
    - Milk storage tanks, including bulk tanks and milk silos
    - Milk pipelines
    - Fluid milk bottling equipment
    - Pasteurizers and/or homogenizers
    - Separators
    - Packaging equipment:
        - Fillers
        - Vacuum sealers
        - Label machines
    - Specialty manufacturing equipment:
        - Cheese vats, drain tables, wax tanks, brine tanks, molds, presses
        - Curd mills
        - Shredders, slicers, or cutters
        - Ice cream making equipment
    - Industrial cooling and/or humidity control for specialized use:
        - Commercial freezers, refrigerators, and coolers for storing or aging dairy products (not in a retail capacity)
        - Cheese aging environmental controls
        - Upgraded glycol chillers
    - Plant modernization:

        - Electric yard horses
        - Clean in place (CIP) wash systems
        - Foam floor sprays for transition areas
        - Systems for water reclamation
        - Clean out of place (COP) wash tanks
- Costs of production
    - Product testing, scaling, and pilot run costs
- Costs associated with:
    - Professional services/contractors including assessments/feasibility studies/market studies
    - Salaries/wages to perform grant activities
    - Conferences, rental spaces
    - Website, mobile app development
    - Travel

The overarching aim is to drive the dairy industry forward by facilitating the transition from ideation to tangible, market-ready products through well-planned co-packing initiatives.

REQUIRED PROJECT CRITERIA

Competitive applications will address the following:

- Applicant clearly outlines their plan to start co-packing including a formalized relationship between farmer and processor and the types of value-added products.
- Applicant in an early phase of marketing and branding development, demonstrating progress in the creation of a brand, logo, and/or website.
- Applications from processors must include at least one dairy farm as partner to demonstrate the real-world applicability of the project. All listed partners must provide letters of commitment.

EXAMPLES: ELIGIBLE PROJECTS

- A farmer has already received technical assistance for a business plan to produce three new cheeses. The farmer partners with an existing co-packer to produce these three cheeses and seeks funding for continued technical assistance for processing.
- A farmer who has sought technical assistance partners with an existing co-packer to produce cottage cheese. The farmer works with a marketing professional to develop packaging for the farm's new products.
- A processor who has sought technical assistance partners with a dairy farm to co-pack their yogurt and other products. The processor purchases specialized equipment to produce the products and works with a marketing professional on a social media campaign.
- A processor who has sought technical assistance partners with a dairy farm to co-pack their milk into ice cream. The processor purchases specialized equipment to produce ice cream.

INELIGIBLE PROJECTS

- Projects that do not directly benefit Massachusetts dairy businesses
- Projects that have not already sought technical assistance

- Projects that are not at least at the mature seed stage and ready for implementation
- Projects that solely support the production/sales of raw fluid milk meant for human consumption
- Projects that seek to benefit only one entity
- Development of solely proprietary materials
- Projects that do not integrate at least one dairy processor or producer
- Projects that request reimbursements for costs already incurred
- Projects that use grant funds for:
    - Construction
    - Purchase or lease-to-own of land/building/facilities
    - Purchase of general equipment (specialized equipment is allowable, with restrictions)
    - Purchase of vehicles (rental vehicles for the duration of the project are allowable)

EXAMPLES: INELIGIBLE PROJECTS

- *A cheesemaker wants to increase their production capacity by adding a second vat-pasteurizer to their production space.*
    - *How could this project be eligible? If the cheesemaker received technical assistance and were adding a vat-pasteurizer to handle more milk coming from a newly partnering farm who has a co-packing agreement with the cheesemaker.*
- *A dairy farmer wants to purchase specialized equipment to start processing their own milk to make yogurt.*
    - *How could this project be eligible? If the dairy farmer sought technical assistance and partners with a co-packer to produce their farm's yogurt and purchases the specialized equipment for the processor.*

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 $30,000, the applicant must demonstrate at least $7,500 in match. Matching funds may be contributed by the applicant or by another organization and must take place during the grant period. The 25% required match may be any combination of cash and in-kind funds in any expense category. The applicant can use other funds (state or loan, other non-Federal money) as a match to their DBI project as long as there is not any such restriction in the agreements for those funds. Other federal funds may not be used as match. 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, applicant labor, and compensation of employees. Labor rates should be in line with current market rates. Applicants using cash match from other grant sources must ensure there is not a restriction in the agreement for using those funds to match federal dollars.

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	$25,000.00	$5,000.00	$0.00	$30,000.00
Supplies	$0.00	$0.00	$0.00	$0.00
Contractual/Consultant	$4,500.00	$1,000.00	$0.00	$5,500.00
Training	$500.00	$0.00	$0.00	$500.00
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	$0.00	$0.00	$0.00	$0.00
TOTALS	**$30,000.00**	**$7,500.00**	**$0.00**	**$37,500.00**

LETTERS OF SUPPORT/COMMITMENT

Letters of commitment are required from the partnering farmer or processor, a technical service provider familiar with the project, or any match contributors. Letter(s) of Commitment should articulate project partners' involvement and identify the contributions they will make to ensure the project's success. Letters of Commitment are required from:

1) The partnering dairy farmer to the existing processor or the partnering co-packing processor to the dairy farm.
2) A technical service provider supporting the project
3) Any match contributors outside of the applicant's business that are secured at the time of the application. Match contributors should describe and assign value to their match commitment (including financial or in-kind support).

Additional Letters of Commitment and/or Support from businesses or individuals who will benefit from this grant will increase the competitiveness of the application.

SUPPORTING DOCUMENTATION

The applicant should include any additional information that shows the impacts of this grant such as evidence of cost or energy savings, impact on business viability, quotes for work included in the proposed activities, or other relevant information about the business/organization or the project.

- Quotes or bids are **required** for all specialized equipment purchases and installation services covered by grant funds.

To further increase the competitiveness of your application, upload any documentation that shows the development of the project idea, partnerships, funding received, and/or the viability of your business. Examples can include but are not limited to: previous work that this project will build upon, a business plan, this completed workbook, evidence of marketplace demand, bids, or other documentation that provides further context for your proposed project.

HOW TO APPLY

All applications must be submitted via the WebGrants system at agriculturegrants.vermont.gov. No paper applications will be accepted. Applications will be accepted from October 5, 2023 – November 16, 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.

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 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.

KEY DATES

DATES MAY BE SUBJECT TO CHANGE

September 21, 2023	Request for Application (RFA) released
October 5, 2023	Application period opens
November 16, 2023 at 2:00 PM ET	Application closes
December 2023	Applicants notified of award status
January 2024	Estimated grant start date
March 2024, date may depend on project	Interim report due
June 30, 2024	Project end date

July 30, 2024	Final report and survey due

II. FULL 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 dairy farmer in Massachusetts?
- Is the applicant a licensed Northeast dairy processor that transforms raw milk into an edible product and is in compliance with all required state and/or federal standards? If yes:
    1. Does the applicant's business source milk that originates within Massachusetts?
    2. Does the applicant's business manufacture dairy products within the Northeast?
- Describe your business/organization operation in terms of size (gross sales, number of employees, production volume), markets, and number of years in business.

ENTITY BACKGROUND

- 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:
    1. List the grants received.
    2. Describe the work done under these grants.
    3. 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:
    1. Please list the other grants you will apply for/have applied for in conjunction with this grant.
- Has your business/organization ever been unable to complete or adhere to granting requirements for a grant you were awarded? If so:
    1. 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/organization's experience in implementing similar past work/projects related to value-added processing *(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 for your business? If so, enter their name and organization.

PROJECT DESCRIPTION

Project Details

- Summarize your project in a couple of sentences.
- Provide a detailed project description which comprehensively describes your vision of this project. Including any background or context as needed, describe:
    1. The issues you plan to address and why they are relevant and important
    2. goals for the project
    3. an outline of activities you would like to include
    4. opportunities that you see for partnership
    5. desired outcomes
    6. why these grant funds are needed and how the project would or would not move forward without these funds
- Describe the steps you have taken to establish a partnership with your farmer (for processors applicants) or processor (for farmers applicants) co-packing partner.
- What product or products have you chosen to begin co-packing? Explain why these products are suitable for your business.
- What marketing strategies will you use to expand sales of this/these product(s)?
- For this grant, applicants should have engaged a Technical Service Provider to aid in the development of a co-packing business plan or completed planning workbook. Please describe the type of technical assistance sought and any key results.
    - Technical Service Providers include but are not limited to agricultural extension services, business planners, small business development centers, research and academic institutions, and agricultural consultants.
- Identify 1-3 funding priorities, as defined in the RFA, that your project addresses and provide an explanation of how your project aligns.
- What will success look like for this project?
- Describe who will benefit from this project and how they will benefit.
- 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?

PROJECT PARTNERS

List all the anticipated partners for this project in the provided grid, including the following information for each:

- Partner name
- Title
- Business/Organization
- Description of role
- Have they committed to partnering?

PROJECT WORKPLAN

Provide a detailed list of all major activities that will take place during this project and their associated deliverables and timeframes. Include at least 5 key project activities in the provided grid.

Example:

Detailed Description of Activity	**Description of the deliverables you will be able to show in your reporting to demonstrate this has been activity has been successful**	**Estimated timeframe and/or date of completion of the key activity**
Purchase and install specialized equipment X	1. Proof of full payment made on Equipment X 2. Photo documentation which shows the installation of the equipment 3. An analysis which shows reduction in labor due to automation	May 1, 2023-August 1, 2023

LETTERS & SUPPORTING DOCUMENTATION

Letters of Support/Commitment

At least two letters of commitment are required for this application: one from either the partnering farmer or processor and one from a technical service provider familiar with the project.

- Letters of Commitment should articulate project partners' involvement and identify the contributions they will make to ensure the project's success. Letters of Commitment are required for:
    1. The partnering dairy farmer to the existing processor or the partnering co-packing processor to the dairy farm.
    2. A technical service provider supporting the project.
- Letters of Support should articulate general support from other organizations/businesses and should describe the benefits of the project both for the applicant business and the greater dairy sector.
    1. Any match contributors outside of the applicant's business that are secured at the time of the application should submit a letter of support. Match contributors should describe and assign value to their match commitment (including financial or in-kind support)
- Additional letters will increase the competitiveness of the application.

Supporting Documentation

The applicant should include any additional information that shows the impacts of this grant such as notes and communications from a technical service provider, impact on business viability, quotes for

work included in the proposed activities, or other relevant information about the business/organization or the project. **Quotes or bids are required for all specialized equipment purchases and installation services covered by grant funds. A co-packing business plan or a completed business planning workbook is required for this funding opportunity.**

To further increase the competitiveness of your application, upload any documentation that shows the development of the project idea, partnerships, funding received, and/or the viability of your business.

Examples can include but are not limited to: previous work that this project will build upon, evidence of marketplace demand, bids, or other documentation that provides further context for your proposed project.

EXPECTED OUTCOMES

- Describe the current stage of this project
- Describe the stage you intend to reach by the end of this grant
- Estimate the number of dairy farmers/processors that will benefit from this project
- Estimate the number of non-dairy businesses/organizations that will benefit from this project
- Describe the intended supply chain/market level impact
- What is the percent increase in sales that you anticipate from these grant activities for your business?
- How many new or existing outlets do you expect consumers to use to buy your business's dairy products for each of the categories below? If not applicable to your business/organization, enter zero (0).
    - Farmers markets
    - Grocery stores
    - Wholesale markets
    - Other outlets
- As a result of this grant, do you expect an increase in revenue for your business/organization? If so, estimate the increase in revenue (in $)
- How many jobs are expected to be maintained due to this grant?
- How many jobs will be created because of this grant project?
- Describe how you will evaluate the success of your project, including metrics you will track to show your progress.

BUDGET

Please complete the following budget table with estimates of grant and match amounts.

Grant funds requested must align with the allowable costs detailed in the 2020 AMS Terms and Conditions (8.0 Allowable Costs and Activities).

Match contributions: Projects must demonstrate matching funds of at least 25% as cash and/or in-kind sources. (e.g. $30,000 of requested funds requires at least $7,500 in match contributions.)

- 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 $30,000 in supplies and $5,000 in personnel could be matched with $8,750 of equipment.)

Budget Table (example)

Expense Category	Grant Funds Requested	Applicant Contribution - Cash Match	Applicant Contribution - In-kind Match	Project Total
Personnel	$0.00	$1,500.00	$0.00	$1,500.00
Fringe Benefits	$0.00	$0.00	$0.00	$0.00
Training	$500.00	$0.00	$0.00	$500.00
Contractual/Consultant	$4,500.00	$1,000.00	$0.00	$5,500.00
Supplies	$0.00	$0.00	$0.00	$0.00
Specialized Equipment	$25,000.00	$5,000.00	$0.00	$30,000.00
Travel	$0.00	$0.00	$0.00	$0.00
Other	$0.00	$0.00	$0.00	$0.00
TOTALS	**$30,000.00**	**$7,500.00**	**$0.00**	**$37,500.00**

BUDGET NARRATIVE

- Total funds requested.
  - *Must be between $15,000 and $35,000*
- List 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. Note that all outside match contributors must provide a letter of support for their match.
- 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.*

- 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 '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
- 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 '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
- 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. ***Equipment is considered any one item which costs over $5,000, otherwise it should be categorized as supplies.***
- 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 '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.)*

ANTICIPATED PROGRAM INCOME

Any program income generated during the grant period must be used to further the objectives of the grant project. Program income includes, but is not limited to: income from fees for services performed; 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 partially with grant funds); and registration fees for conferences, workshops, events, etc.

Recipients are not required to report program income earned after the grant period.

- Do you anticipate having any program income?
  - List any anticipated sources of incomes generated by the activities covered by this grant
  - How much income is expected to be earned by those activities (in $)?
  - Describe how you will reinvest the program income into the project to enhance the education, promotion, or consumption of Northeast-regionally produced dairy products

III. APPLICATION SCORING CRITERIA

REVIEWER SCORING CRITERIA

Project Proposal (65 points)

Project overview and workplan illustrate an impactful and realistic project that will support the development necessary to position Massachusetts dairy processors to make long term, impactful shifts in their businesses as it relates to value-added production in a co-packing capacity. Applicant shows that 1) they have worked with a Technical Service Provider to develop their project concept and 2) have formalized a partnership with a farmer (for processor applicants) or a processor (for farmer applicants)	15 points
Applicant demonstrates a thorough and realistic workplan for achieving the goals of the project. They show that they have a reasonable plan for sustaining the activities implemented in this project past the grant period.	10 points
Applicant presents a carefully deliberated rationale for the selection of value-added products and offers a viable strategy for how to market and sell them.	15 points
All required letters of commitment from processors or farmers and supporting documentation meet the requirements outlined in the RFA and clearly illustrate that the grant funds will be a sound investment.	15 points
Applicant demonstrates that their project is well-aligned with funding priorities and provides details to support that.	10 points

Budget and Expected Outcomes (35 points)

Budget and budget narrative are realistic and sufficient to accomplish the work proposed. Applicant has leveraged the required percentage of match contribution.	15 points
Applicant has provided sufficient detail for budget categories: 1. Match sources and details are clear, and 2. Fund requests are detailed thoroughly in the budget narrative.	10 points
Applicant provides reasonable expected outcomes via: 1. A useful plan for evaluating the success of their project including appropriate metrics to track. 2. Proposal includes at least one (1) of the following: • Increase in sales • Increase in revenue • Job creation and/or retention • Increase in volume of milk moving into the supply chain	10 points

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 (VAAFM) indicating their intent to complete the proposed project and authorizing NE-DBIC/VAAFM 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 curent 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.

For a grantee whose project is awarded $30,000.00, the initial payment would be $18,000.00, the second payment halfway through the grant period and upon approval of the interim report would be $6,000.00, and the final payment, upon completion of the project, would be the remaining $6,000.00. Grant funds cannot be used to pay for activities or equipment prior to the grant award notification.

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

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

$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.