NORTHEAST DAIRY BUSINESS INNOVATION CENTER

Dairy Co-packing Grant

2025 REQUEST FOR APPLICATIONS

The Northeast Dairy Business Innovation Center (NE-DBIC) announces the availability of funds through the Dairy Co-packing Grant program. This grant supports existing licensed dairy processors and dairy brands in the Northeast engaged in or planning to use co-packing arrangements. The program supports dairy processors who wish to initiate new co-packing arrangements as well as those with existing co-packing capabilities looking to scale up production, expand product lines, or establish new co-packing partnerships. Additionally, dairy brands currently using co-packing services or planning to initiate co-packing arrangements are eligible to apply, provided the project focuses on scaling or initiating production of existing products through co-packing.

Co-packing, for the purpose of this program, is a business arrangement in which a licensed dairy processor provides specialized production, processing, and/or specialty aging, cutting, and packing services for another business. In this arrangement, the business contracting with the co-packer retains ownership of the product rights, branding, and marketing.

Eligible applicants include licensed dairy processors and dairy brands currently using or starting to use co-packing services, provided they retain ownership of their product's recipe, branding, and revenue rights. Farmers are not eligible to apply for this grant directly; however, they may participate as project partners with an existing licensed dairy processor applicant.

Applicants are required to allocate at least 10% of their grant funds to obtain technical assistance or training relevant to value-added co-packing production. This may include business planning, one-on-one training, workshops or mentorship programs on dairy safety, business acceleration, food handling, and more. Grant funds can also be used to purchase specialized dairy processing equipment and supplies, hire professional marketing and branding services, improve food safety, and cover contract fees directly associated with establishing a new co-packing relationship as part of a start-up project. Routine operational expenses for the applicant or co-packing partner are not eligible.

Applicants are strongly encouraged to engage in technical assistance such as business planning, market research, or other relevant pre-work ahead of applying.

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.

KEY DATES

Request for Applications (RFA) Release Date: January 28, 2025

Application Release Date: February 11, 2025

Application Deadline: April 10, 2025 at 2:00 PM ET

CONTENTS

CONTACT 3

PROGRAM QUESTIONS 3

WEBGRANTS TECHNICAL ASSISTANCE 3

RESOURCES FOR APPLYING 3

REGISTERING IN WEBGRANTS 3

SUBMISSION POLICY 16

SUBMISSION CONFIRMATION 16

I. PROGRAM OVERVIEW 4

II. FULL APPLICATION 18

III. SCORING CRITERIA 29

IV. GRANT MANAGEMENT & REPORTING 30

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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.

I. PROGRAM OVERVIEW

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 $53 million to support projects in the Northeast region of the United States.

FUNDING OPPORTUNITY DESCRIPTION

The NE-DBIC's Dairy Co-packing Grant program supports the start-up or expansion of co-packed dairy processing in the Northeast. Co-packing, for the purpose of this program, is a business arrangement in which a licensed dairy processor provides specialized production, processing, and/or specialty aging, cutting, and packing services for another business. In this arrangement, the business contracting with the co-packer retains ownership of the product rights, branding, and marketing. Co-packers enable private dairy brands, farms, or other dairy businesses to help bring their products to market without requiring their own processing facilities. Services provided by co-packers may include manufacturing dairy products based on proprietary recipes, aging and packaging, and ensuring compliance with food safety and labeling requirements.

This grant provides funding for existing Northeast dairy processors and dairy brands engaged in or planning to use co-packing arrangements. The program supports dairy processors who wish to initiate new co-packing arrangements as well as those with existing co-packing capabilities looking to scale up production, expand product lines, or establish new co-packing partnerships. Additionally, dairy brands currently using co-packing services or starting to initiate co-packing arrangements are eligible to apply, provided the project focuses on scaling or initiating production of existing products through co-packing.

This grant program does not fund research and development of new products; the primary use of grant funds must be for technical assistance and to purchase specialized dairy processing equipment. Eligible projects must focus on scaling up or initiating production of an existing product through a co-packing arrangement.

Eligible applicants include licensed dairy processors and dairy brands currently using or planning to use co-packing services, provided they retain ownership of their product's recipe, branding, and revenue rights. Farmers are not eligible to apply for this grant directly; however, they may participate as project partners with an existing licensed dairy processor applicant.

SECTION I. PROGRAM OVERVIEW

Funded projects will fall into two categories:

- **Co-packing start-up:** These projects focus on existing dairy processors that will establish new co-packing services with contracting businesses to address gaps in regional dairy processing infrastructure. The goal is to provide small and medium-sized dairy businesses, such as farms or other value-added dairy brands, with access to co-packing services that help scale their product lines, enter new markets, or diversify offerings. Start-up projects may target underserved regions or producers, fostering innovation and supporting the growth of local dairy businesses.
- **Co-packing expansion:** These projects aim to enhance existing co-packing dairy processing facilities to increase production volume, support new product lines, establish new co-packing partnerships, or integrate advanced processing technologies. Expansion efforts should also prioritize operational efficiency and environmental sustainability, such as reducing energy consumption or adopting recyclable or biodegradable packaging. Expansion efforts are expected to strengthen partnerships with dairy farms and value-added businesses to meet growing demand while maintaining quality, consistency, and alignment with the Northeast dairy supply chain.

Applicants must allocate at least 10% of their funding towards technical assistance or training relevant to value-added co-packing production. This can include business planning, recipe formulation, one-on-one training, workshops or mentorship programs on dairy safety, business acceleration, food handling, and more.

Grant funds can also be used for purchasing specialized dairy processing equipment and supplies, enhancing food safety measures, funding professional marketing and branding efforts, market access strategies, and product development. Quotes are required in the application for any specialized equipment purchase and installation costs. For the purpose of this grant, contracted work will not exceed the GS-15 Step 10 pay rate for the locality in which the contractor operates according to the Office of Personnel Management's Locality Pay Tables. In the case where a grantee desires to work with a contractor that goes over this rate, they will need the approval of the grant manager.

Successful applications will demonstrate how the project aligns with their business strategy and goals, such as increasing production capacity, expanding market access, or launching new products. The application should describe how the project will benefit the business and broader dairy sector, showing how it will improve production efficiency, sustainability, and/or increase regional partnerships. Applicants must also show financial and operational readiness for the co-packing start-up or expansion, supported by evidence of market demand for their dairy products.

Projects that offer additional benefits for farmers, the workforce, consumers, or supply-chain resiliency will be more competitive.

AVAILABLE FUNDS

$1,100,000

MINIMUM & MAXIMUM AWARD

Minimum: $15,000
Maximum: $150,000
Match Requirement: A 25% (cash and/or in-kind) match commitment is required.

GRANT FUND DISBURSEMENT

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, the default payment structure of this grant is 40% of grant funds upfront, 40% of funds mid-project following an interim report, and 20% of funds once the grant is complete following a final report.

PROJECT LENGTH

Grant periods will be approximately 12 months. Projects must be completed by June 30, 2026. Pre-award costs may be available, with permission from the NE-DBIC Grant Program Manager.

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 awards, AM21DBIVT1011-00.

ELIGIBLE APPLICANTS

Applicants from any Northeast state can apply: Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont. The following applicants are eligible to apply:

1. **Licensed Dairy Processors that:**
    - Transform raw fluid milk, dairy components, or dairy mix into an edible product meant for human consumption.
    - Hold a license that permits the sale of their dairy products across state lines, even if they are not currently doing interstate sales.
    - Are headquartered or based in the Northeast.
    - Source or produces milk or dairy components from within the Northeast.
    - Manufacture products within the Northeast.

2. Dairy Brands Currently Utilizing Co-Packing Services: If the applicant is a private dairy brand seeking to expand co-packing services, they must:

- Provide **two Letters of Commitment (LOC):**
    - One LOC from a licensed farm or licensed dairy processor confirming the source of milk or dairy component needed to expand.
    - One LOC from the partnering co-packer confirming their commitment to process the product for the brand. See specific requirements for LOC's in Supporting Information.
        - The co-packing partner needs to meet the eligibility requirements of a licensed dairy processor above.
- **Provide proof of market readiness.** Acceptable forms of proof of market readiness may include:

    - Market research that shows consumer demand or trends for similar products in the target market.
    - Sales data or projections that demonstrate consumer interest.
    - Documentation of prior sales or established distribution channels.
    - Letters of Commitment or interest from potential distributors, retailers, or customers confirming their willingness to purchase the product.
- Demonstrate ownership of the product, which may include:
    - Trademark registration or intellectual property documentation.
    - An agreement or attestation confirming their exclusive right to the product's recipe, branding, and distribution.
    - Evidence of prior sales or established marketing for the product.

3. Dairy Brands Starting to Utilize Co-Packing Services: If the applicant is a private dairy brand initiating a new relationship with a co-packer, they must:

- Provide **two Letters of Commitment (LOC):**
    - One LOC from a licensed Northeast farm or licensed dairy processor confirming the source of milk or dairy component.
    - One LOC from the partnering co-packer confirming their commitment to start processing the product for the brand. See specific requirements for LOC's in Supporting Information.
        - The co-packing partner needs to meet the eligibility requirements of a licensed dairy processor above.
- **Provide proof of market readiness.** Acceptable forms of proof of market readiness may include:
    - Market research that shows consumer demand or trends for similar products in the target market.
    - Sales data or projections that demonstrate consumer interest.
    - Evidence of a successful pilot launch or test market.
    - Documentation of prior sales or established distribution channels.
    - Letters of Commitment or interest from potential distributors, retailers, or customers confirming their willingness to purchase the product.
- Demonstrate that the relationship will result in a new co-packing arrangement for the brand.

Definition of a Dairy Brand: A dairy brand is a private business that develops and markets dairy products but may not operate its own processing facilities. Dairy brands often contract with licensed dairy processors, such as co-packers, to produce their products. Unlike farmers, who primarily focus on producing raw milk, dairy brands own the rights to their products' recipes, branding, and distribution. Farmers can serve as project partners for dairy brands or licensed dairy processors but are not eligible applicants for this grant.

Definition of a Dairy Component: A dairy component refers to any ingredient derived from milk that is used in dairy product manufacturing. This includes raw fluid milk, cream, butterfat, milk powders, whey, or other milk-derived ingredients that contribute to the production of edible dairy products.

While the following are not required to apply, if applicant is awarded, they will need to provide the following information. See Grant Agreement and Payment section for more information.

1. Certificate of Insurance listing the VAAFM as an additional insured.
2. Current IRS Form W-9.
3. Unique Entity Identifier (UEI) acquired via SAM.gov. UEIs are federally issued business identifiers replacing the DUNS system and are free to acquire. Applicants who do not already have a UEI are strongly encouraged to start this process during the application period to ensure a timely start to their grant, if awarded.

Prior to award, we may confirm your compliance, and that of co-packing partners, with applicable licensing standards.

ELIGIBLE PROJECTS

Projects under this grant will assist processors at a variety of scales in expanding their ability to increase their processing capacity for regionally produced milk, improve production efficiencies, and/or enhance their ability to establish or strengthen co-packing partnerships to bring products to market more effectively. Applicants must show how the project aligns with at least one of the following goals:

- **Co-packing start-up:** Start-up projects focus on establishing new co-packing facilities or services to address gaps in regional dairy processing infrastructure. These projects aim to create opportunities for small and medium-sized dairy businesses, such as farms or other value-added dairy businesses, by providing access to co-packing services that help scale their product lines, enter new markets, and/or diversify offerings. Start-up projects may target underserved regions or producers, fostering innovation and supporting the growth of local dairy businesses.
- **Co-packing expansion:** Expansion projects aim to enhance the capabilities of existing co-packing facilities to handle increased production volume, support new product development, or integrate advanced processing technologies. Expansion efforts should also prioritize operational efficiency and environmental sustainability, such as adopting recyclable or biodegradable packaging. Additionally, these projects can strengthen partnerships with dairy farms and value-added business to meet growing demand while maintaining quality, consistency, and alignment with the broader Northeast dairy supply chain.

Projects funded through this grant must prioritize co-packing as the primary activity. While applicants may engage in related processing activities to support their own products, the majority of grant funds must directly support co-packing initiatives, as defined in the Request for Applications (RFA).

FUNDING PRIORITIES

You will need to explain how your project aligns with at least two (2) of the following funding priorities:

- Provides training, job creation, or upskilling opportunities within the co-packing workforce.
- Improves food safety and production quality to ensure consistent standards.
- Increases sales, revenue, and/or consumers reached.
- Develops innovative value-added dairy products, including those made with goat, sheep, or mixed milk.

- Project supports long-term growth and scalability for regional dairy businesses by increasing market reach or addressing emerging consumer demands.
- Creates new revenue streams, enhances profitability, or expands market reach for co-packing facilities and their clients.
- Project results in new partnerships across the dairy supply chain.

COMPETITIVE PROJECT CRITERIA

In addition to aligning with at least two Funding Priorities, your application will be stronger if you:

- Demonstrate market demand for production resulting from the project and that the applicant has a robust plan for moving raw and finished product through the supply chain.
- Demonstrate a project that benefits multiple stakeholders in the dairy supply chain, not solely the applicant's business operations.
- Explain how the project fits into your business plan, including information such as expected increased production volume, where additional milk will be sourced, and how increased production will be marketed.
- List all project partners that will assist with or benefit from grant activities (such as technical assistance providers, farmers, private label dairy brands) and include Letters of Commitment from them.
- Explain how the project will impact businesses upstream or downstream in the supply chain and/or the wider Northeast dairy processing sector.
- Include all required Letters of Commitment and/or Support, quotes for equipment and installation, supporting documentation, and other required components, as outlined in this document.

ALLOWABLE COSTS

Costs covered by grant funds must be related to execution of the grant project and align with the 2021 – 2022 AMS Terms and Conditions (see 8.0 Allowable Costs and Activities).

1. **REQUIRED**: At least 10% of grant funds for the project must be used to work with a technical service provider or to attend training courses relevant to starting up or expanding co-packing production. This may include but is not limited to:
    - One-on-one services for business planning, recipe formulation, processing best practices, and food safety plan development.
    - Trainings, workshops, mentorship programs, and certifications in areas such as:
        - Milk and dairy product quality and safety
        - Food business acceleration
        - Dairy product production
        - Recipe or process improvement
        - Food handling
        - Microbiology
    - Partnerships with academic institutions or research centers that offer access to specialized facilities and equipment.

2. **OPTIONAL:** Applicant may allocate funds toward processing-specific activities in the following budget categories:
    - **Specialized equipment** (purchases of $5,000 or more) or **supplies** in the following pre-approved list. *Quotes are required in the application for any specialized equipment purchase and installation costs.* Seek approval ahead of applying for something not on this list:
        - 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
            - Prefabricated, specialized units for aging or processing of dairy (no construction)
            - Ice cream making equipment
        - Industrial cooling and/or humidity control for specialized use:
            - Commercial freezers, refrigerators, and coolers
            - 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
    - **Supplies** (Purchases that cost less than $5,000 per unit):
        - E.g., hot water heater (tank style or on-demand), water filtration, milk pipeline, milk pump, sinks, refrigeration, dishwasher
    - **Training** on the use of new equipment
    - Professional marketing and branding **contractor/consultant**:
        - Development of a marketing plan which may include market research, strategy and tactics, message development, market positioning, media, and/or paid advertising plan.
        - Branding, Creative, and/or Design Services

        - Digital Marketing and Web Development
    - **Personnel** and **fringe** for activities directly related to this project
    - **Travel** to source or pick up equipment
    - **Other**: shipping costs, rental of general use equipment, contract fees if they are directly associated with establishing a new co-packing relationship as part of a start-up project, including small-batch testing of recipes, calibration of co-packers equipment, fees for implementing new packaging, food safety and certification costs (not for ongoing or routine operational expense of the applicant or co-packing partner)

Project costs that are not allowable for grant funds, including construction costs, should be included in Match funds.

EXAMPLES: ELIGIBLE PROJECTS

1. A licensed dairy processor seeks to add co-packing services to meet the demand for locally sourced yogurt. They apply for the purchase and installation of a second vat pasteurizer and fermentation tank to increase their co-packing production capacity. They also request funds to engage with a food safety consultant to refine their Hazard Analysis and Critical Control Points (HACCP) plan to accommodate multiple co-packing partners. They provide a LOC from the dairy cooperative confirming the availability of additional volumes of milk.
2. An established ice cream co-packer aims to expand their capacity to serve dairy processors developing premium ice cream lines. They apply to purchase pasteurization equipment and to upgrade their refrigeration to support a broader range of clients. They also apply for one-on-one business planning services and to attend a university microbiology course to better understand food safety.
3. A licensed cheese aging and packaging facility applies for grant funds to expand their aging capacity for soft cheeses. The expansion involves the purchase and installation of specialized temperature and humidity-controlled aging equipment, which will allow them to age soft cheeses from a cheesemaker who lacks aging expertise. They also apply to attend an advanced cheesemaking course that focuses on aging. In this co-packing arrangement, the cheesemaker retains ownership of their product's recipe, branding, and revenue rights while contracting with the facility to age and package their cheeses. The applicant submits a LOC from the cheesemaker confirming their partnership and commitment to supplying soft cheeses to the aging facility. A LOC from the farm supplying milk to the cheesemaker confirms the farm's role in providing raw milk for the project. This partnership allows the cheesemaker to scale their production, meet increasing marketing demand, and focus on cheesemaking without having to build their own aging space.
4. A cheese brand applies to expand their operations by partnering with an established co-packer. They want to work with a co-packer to scale their operations. The applicant provides a LOC from their milk supplier confirming a reliable and consistent source of raw milk and a LOC from the partnering co-packer, confirming their commitment to begin producing cheese under the private label brand. They apply for grant funds to cover business acceleration support, including professional marketing and branding efforts and co-packing fees.

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 primarily support the applicant's use of regionally sourced raw fluid milk, milk components, or dairy mix.
- Projects that are primarily focused on in-house processing without implementing co-packing services.
- Projects that do not seek to initiate, expand, or enhance co-packing capacity.
- 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.
    - Unallowable costs/activities as outlined in the 2021 – 2022 AMS Terms and Conditions (see 8.0 Allowable Costs and Activities).
- Costs incurred outside of the grant period cannot be covered by grant funds or count toward match. If a project is selected to be awarded, the recipient may request pre-award costs to be approved for expenditures that start no earlier than the date that an awarded applicant is notified of the award.

EXAMPLES: INELIGIBLE PROJECTS

1. A cheesemaker 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 eligible under 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. Additionally, this project focuses on expanding in-house processing capabilities, rather than establishing or enhancing co-packing services. To be eligible, the cheesemaker would need to be providing co-packing services for farm-branded products.
2. A processor faces a bottleneck in their distribution space and plans to expand the volume of co-packed products, 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 in order to expand co-packing services.
3. A farmer seeks to add to their income by bottling and marketing flavored milk under their farm brand. 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 only available to existing processors looking to start-up or expand co-

packing capacities and dairy brands currently using or planning to use co-packing services. Farmers are not eligible to apply for this grant; however, they may participate as project partners with an existing licensed dairy processor applicant. A processor could apply with a LOC from a farmer to begin producing farm-branded flavored milk.

APPLICATION REQUIREMENTS

PROJECT BUDGET

Please refer to the Allowable Costs 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 – 2022 AMS Terms and Conditions. Expenses incurred before the grant period are not eligible for grant funds or match funds.

Quotes for specialized equipment and installation services are required in this application. See Supporting Documentation for more information.

PRIMARY USE OF FUNDS

Projects funded through this grant must prioritize co-packing as the primary activity. While applicants may engage in related processing activities to support their own products, the majority of grant funds must directly support co-packing initiatives, as defined in the Request for Applications (RFA).

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. 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 that shows 25% matching funds for a $100,000 grant request and 10% for funding towards obtaining technical assistance or training relevant to value-added co-packing production:

Expense Category	Grant Funds Requested	Applicant Contribution - Cash Match	Applicant Contribution - In-kind Match	Project Total
Equipment	$80,000.00	$12,000.00	$0.00	$92,000.00
Personnel	$0.00	$1,500.00	$0.00	$1,500.00
Fringe	$0.00	$0.00	$0.00	$0.00
Training	$8,000.00	$0.00	$0.00	$8,000.00
Contractual/Consultant	$2,000.00	$3,000.00	$0.00	$5,000.00
Supplies	$10,000.00	$6,000.00	$0.00	$16,000.00
Travel	$0.00	$0.00	$0.00	$0.00
Other	$0.00	$1,500.00	$1,700.00	$3,200.00
TOTALS	**$100,000.00**	**$24,000.00**	**$1,700.00**	**$125,700.00**

SUPPORTING DOCUMENTATION

Applicants must include bids or quotes for all specialized equipment purchases and installation services that will be covered by grant funds. Bids or quotes should be dated less than six months ago, include the name of the business providing equipment or services, list equipment or services in English, and include costs of equipment, supplies, and/or labor with sufficient detail to confirm eligibility.

Additionally, if you are a dairy brand currently using or starting to use co-packing services through this grant, you must provide proof of market readiness. Acceptable forms of proof include:

- Market research that shows consumer demand or trends for similar products in the target market.
- Sales data or projections that demonstrate consumer interest.
- Evidence of a successful pilot launch or test market.
- Documentation of prior sales or established distribution channels.
- Letters of Commitment or Interest from potential distributors, retailers, or customers confirming their willingness to purchase the product.

To further strengthen your proposal, **all applicants** should provide additional information illustrating the impacts of this grant. This may include:

- Evidence of cost or energy savings.
- Information on the impact of business viability including return on investment (ROI) calculations or revenue growth projections.
- Business plans and SWOT analysis.
- Data showing operational impact on efficiency or capacity expansion.
- Any other relevant documentation that provides context for the proposed project.

LETTERS OF COMMITMENT AND SUPPORT

At least two Letters of Commitment or Support are required for this application. Additional letters may be required, as outlined below. Additional letters beyond what is required may increase the competitiveness of your application.

Letters of Commitment (LOC) should clearly outline the involvement of project partners and specify the contributions they will make to ensure the project's success. Match contributors, such as lenders, should also submit a letter that outlines their commitment and the value of their matching support, whether financial or in-kind.

- If your application includes project partners, a LOC from each partner is **required**.
- If you have match contributors from outside your business, a LOC from each contributor is **required.**
- LOCs are required from any milk or ingredients supplier, co-packer, or retailer/distributor named in the application. For example, if a processor plans to purchase increased volumes of milk from a cooperative, the cooperative must confirm that the additional milk is available for this project.

For Dairy Brands Utilizing Co-Packing Services, you must submit:

- One LOC from a licensed farm or licensed dairy processor confirming the source of milk or dairy components.
- One LOC from the partnering co-packer confirming their commitment to process the product for the brand. The LOC should confirm specific details such as:
    - Volume commitments.
    - Processing timelines.
    - Nature of the relationship (e.g., exclusive, non-exclusive).

For Dairy Brands Starting to Utilize Co-Packing Services, you must submit:

- One LOC from a licensed farm or licensed dairy processor confirming the source of milk or dairy components.
- One LOC from the partnering co-packer confirming their commitment to begin processing the product for the brand. The LOC should confirm specific details such as:
    - Volume commitments.
    - Processing timelines.
    - Nature of the relationship (e.g., exclusive, non-exclusive).

Letters of Support should explain the support from businesses or organizations indirectly involved in the project but not directly engaged in the project work**.** Examples include milk processors, farmers or producer associations who will benefit from the project, or retail outlets. These letters should highlight how the project benefits both the applicant business and the broader dairy sector, supply chain, or community.

Letters from equipment dealers and installers are not required and will not count towards the required two Letters of Commitment or Support.

It is strongly encouraged that all letters be written on the writer’s letterhead, include their signature, and be submitted as .pdf documents.

PROJECT PARTNERS

If your project includes project partners, they should be identified at the time of application and submit a Letter of Commitment. Partners include any entities outside the applicant's business that are key participants in the project. The following entities would be considered partners:

- A co-packing processor committed to processing dairy products for a private dairy brand applicant.
- A farm directly involved in the project who will begin selling a farm-branded value-added dairy product as a result of the grant.
- Technical assistance (TA) providers offering ongoing support through the life of the grant project. This can include TA providers such as business planners, agricultural extensions, and other business viability services.

Contractors or equipment dealers/installers do not need to be included as project partners if they are providing services included in their normal course of business.

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 February 11 to April 10, 2025, 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.

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.

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 (as applicable), 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.

GRANT PROGRAM TIMELINE

DATES MAY BE SUBJECT TO CHANGE

January 28, 2025	Request for Application (RFA) released
February 11, 2025	Application period opens
April 10, 2025 at 2 PM ET	Application closes
May 2025	Applicants notified of award status
June 2025	Estimated grant start date
December 2025, project depending	Interim report due
June 30, 2026	Project end date
July 30, 2026	Final report 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. Applications will only be accepted through WebGrants.

APPLICANT INFORMATION

Applicant Information

This section is a standard form for all grant applications submitted to the Vermont Agency of Agriculture, Food & Markets.

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

Applicant Eligibility

For the purposes of the following sections, "you" refers to the applicant for the grant.

- Are you a licensed dairy processor that transforms raw fluid milk, dairy components, or dairy mix) into an edible product meant for human consumption? *Processor applicants must be currently licensed and cannot solely market raw milk for human consumption to be eligible for this grant.* If yes:
    - Do you currently have a license that permits the sale of your dairy products across state lines? *Eligible applicants must be licensed this way, even if they are not currently selling across state lines. Prior to awarding a grant, we may confirm your compliance with applicable licensing standards.*
    - Are you headquartered or based in a Northeast state (Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, or Vermont)?
    - Do you source or produce milk or dairy components within the Northeast?
    - Do you manufacture dairy products within the Northeast?
    - Do you currently provide co-packing services? If no:
        - If no: Explain how your project will support the addition of co-packing services. [3000-character limit]
- Are you a dairy brand currently utilizing co-packing services? If yes:
    - Provide the name of the co-packer currently processing your products. [400-character limit]
    - Provide the town and state where they're located. [400-character limit]
    - Describe what products you currently have co-packed and how you plan to expand production with your co-packer. [1000-character limit]

    - Upload current proof demonstrating ownership of the dairy product. *Examples include trademark registration or intellectual property documentation, an agreement confirming your exclusive right to the product's recipe, branding, and distribution, or evidence of prior sales or established marketing for the product.*
    - Are the dairy products manufactured within the Northeast using milk or dairy components sourced from within the Northeast?
- Are you a dairy brand that will start utilizing co-packing services through this grant? If yes:
    - Provide the name of the co-packer who will process your products [500-character limit]
    - Provide the town and state where they're located. [400-character limit]
    - Describe what product(s) you will have co-packed. [2000-character limit]
    - Upload current proof demonstrating an existing product is ready for commercial-scale production. *Examples include product labels or packaging prototypes, product certification, documentations of the product's market-readiness such as test-market results or prior sales.*
    - Will the dairy product(s) be made from milk or dairy components sourced within the Northeast?
- Provide an overview of your business or organization, including your size (e.g., gross sales, number of employees, production volume), product types, milk sources (if applicable), years in business, and markets served. [4000-character limit]

Entity History

- Has your business/organization received any federal or state grant in the past 5 years? If yes:
    - List the grants received and briefly describe the topic areas of the grant(s). [1000-character limit]
- 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 and describe the work done under the grant(s). [1000-character limit]
    - How will the work in this grant differ from and/or build upon that work? [2000-character limit]
- Have you received, or do you plan to apply for, other grant(s) in conjunction with this grant? Leveraging other funds to complete this project is encouraged. If yes:
    - Please list the other grants you will apply for/have applied for in conjunction with this grant. [1000-character limit]
- Will you be using loans to supplement this application? If yes:
    - Please list the loans you will apply for/have applied for in conjunction with this grant. [1000-character limit]
- Has your business/organization 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). [2000-character limit]

- Describe why you and your staff are qualified to complete this project, as proposed. [1000-character limit]
- Rate your business's experience in implementing similar past work/projects related to this grant program. (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. [1000-character limit]
- Have you received technical assistance in the preparation of the project? *Technical assistance includes marketing professionals, business planners, agricultural extension, and other business viability services. TA is not equipment dealers.* If yes:
    - List name/organization providing relevant technical assistance. [2000-character limit]
    - Describe the role of the technical assistance provider(s) in the development and/or implementation of this project. [2000-character limit]

PROJECT DESCRIPTION

Project Overview

This section is meant to provide a comprehensive overview of your proposed project.

- Summarize your proposed project in a couple of sentences. [600-character limit]
- Give a full description of your project, including what you will do, what it will accomplish, and why you want to do it. Share any background that helps explain your project as needed. [5000-character limit]
- Is the goal of this project co-packing start-up? If yes:
    - How many product lines will be newly co-packed during this project?
    - What is the volume of product expected to be co-packed during the grant period? [400-character limit]
    - What is the long-term anticipated volume of product to be co-packed annually once the project is fully operational? [400-character limit]
    - What is the target market for these co-packed products? [2000-character limit]
- Is the goal of this project co-packing expansion? If yes:
    - How many current product lines will be expanded during this project?
    - What is the volume of product expected to be co-packed for expanded product lines during this project? [400-character limit]
    - How many new product lines will be added for existing partnerships during this project?
    - What is the volume of new product lines expected to be co-packed during this project? [400-character limit]
    - What is the target marketing for the new lines of co-packed products? [2000-character limit]
- How will your project benefit both your business and the broader Northeast dairy sector? [4000-character limit]

- Does the project include any efforts to improve environmental sustainability beyond production efficiency? For example, will it incorporate energy-efficient technologies, reduce waste, or employ eco-friendly packaging solutions?
- If yes:
    - Provide an overview of any efforts to improve environmental sustainability and detail all anticipated energy, waste, and cost savings. [5000-character limit]
- Identify at least 2 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.* [4000-character limit]
- What challenges do you anticipate during this project and how do you plan to adapt to them? [2000-character limit]
- How do you plan to sustain the activities implemented through this project beyond the grant period? [4000-character limit]
- Why is now a good time for your business to make these investments? What would be the impacts of not receiving this funding? [3000-character limit]

Project Impacts

- What will success look like for this project? [5000-character limit]
- How will this project impact your workforce? Describe both positive and negative impacts of this project on your workforce, including whether it will create new jobs or upskill current employees. If applicable, provide estimates and describe the types of roles that will be created or enhanced. [5000-character limit]
- What long-term impacts do you anticipate from this project, and how will it support the long-term viability of your business or the dairy businesses you serve? [5000-character limit]
- How will this project impact farm and processor businesses from which you source milk or dairy components? Include expected changes in number of sources, volume from existing sources, and/or price premiums [4000-character limit]
- How will this project foster partnerships between dairy businesses (farmers or processors) and supply chain businesses (processors, retailers, cooperatives, distributors, etc.)? [4000-character limit]
- Estimate the number of new partnerships between dairy businesses and supply chain businesses that will be established through this project.
- Estimate the number of dairy farmers that will benefit from this grant project.
- Estimate the number of dairy processors that will benefit from the grant project.
- Estimate the total number of project beneficiaries or stakeholders you expect to be reached through these grant activities.
- Estimate how many dairy businesses will implement new marketing approaches through this project
- As a result of this grant, how many dairy businesses are expected to increase their annual sales?
- Estimate the number of existing sales outlets that will expand their dairy product offerings either by volume or expanded product category, resulting from this project.

- Estimate the number of new sales outlets that will expand their dairy product offerings, resulting from this project.
- Estimate the number of dairy businesses that will increase sales by selling to new or expanded sales outlets, in order to meet market demand, resulting from this project.
- Do you expect to increase revenue with this grant project? If yes:
    - Estimate your increase in revenue by the end of the grant project (in $).
- How many jobs do you expect to create with this grant project?
- How many jobs do you expect to maintain with this grant project?
- What additional metrics for success do you anticipate for this project? Please describe what you will measure and how you will track these metrics. [3000-character limit]

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. For each activity, provide:

- Detailed description of the activity [2000-character limit]
- Description of the deliverables you will be able to show in your reporting to demonstrate this activity has been successful [2000-character limit]
- Estimated timeframe and/or date of completion of the key activity [2000-character limit]

Example Project Workplan

Description of key activity	Description of associated deliverables	Estimated timeframe
Purchase new 400-gallon vat-pasteurizer	• Proof of down payment on vat-pasteurizer	June 1 – June 30, 2025
Install new vat-pasteurizer	• Photos and/or documentation of installation of co-packing equipment • Evidence such as report from state inspector showing equipment is in compliance	July 1 – August 31, 2025
Development of FSMA-compliant Preventive Control Plan specific to co-packing	• Contract with food safety consultant to develop food safety plan • Evidence of complete food safety plan with co-packing procedures included	August 1 – December 31, 2025
3rd party GMP Food Safety Audit	• Documentation showing completion of GMP Food Safety Audit	January 1 – March 31, 2026
Production run of co-packed products	• Photos/documentation of new processing line producing product according to specified recipe	March 1 – April 30, 2026

Description of key activity	Description of associated deliverables	Estimated timeframe
Grant and match funds fully expended	• Proof of receipt for payment on specialized equipment and installation, food safety training, and co-packed production runs	April 30, 2026

BUDGET

Please complete the following budget table, listing all grant requests and match contributions. Totals will appear once the grid has been saved.

Allowable Costs: Grant funds requested must align with the allowable costs detailed in the 2021 – 2022 AMS Terms and Conditions (see 8.0 Allowable Costs and Activities).

Match contributions: All projects must demonstrate matching funds of at least 25% of the grant request to go toward the grant project. For instance, for a grant request of $40,000, the applicant must demonstrate at least $10,000 in match.

- 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 $7,000 in supplies and $30,000 in personnel could be matched with $10,000 of equipment.)
- Must take place during the grant period.

Refer to the Project Budget section above for more details, including match and budget examples.

Budget Table (example)

Expense Category	Grant Funds Requested	Applicant Contribution - Cash Match	Applicant Contribution - In-kind Match	Project Total
Equipment	$80,000.00	$12,000.00	$0.00	$92,000.00
Personnel	$0.00	$1,500.00	$0.00	$1,500.00
Fringe	$0.00	$0.00	$0.00	$0.00
Training	$8,000.00	$0.00	$0.00	$8,000.00
Contractual/Consultant	$2,000.00	$3,000.00	$0.00	$5,000.00
Supplies	$10,000.00	$6,000.00	$0.00	$16,000.00
Travel	$0.00	$0.00	$0.00	$0.00
Other	$0.00	$1,500.00	$1,700.00	$3,200.00
TOTALS	**$100,000.00**	**$24,000.00**	**$1,700.00**	**$125,700.00**

BUDGET NARRATIVE

The budget narrative should reflect what you have outlined in your budget table. Grant funds requested must align with the allowable costs/activities as outlined in the 2021 – 2022 AMS Terms and Conditions (8.0 Allowable Costs and Activities). Please ensure that values associated with the following questions align with your budget table.

- Total funds requested for this grant. Must be between $15,000 and $150,000.
- Amount of matching funds. Projects must demonstrate at least 25% cash/in-kind match.
- 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. [3000-character limit]
- Are all matching funds/contributions committed at this time? If not:
    - Provide the sources and timeline/plan for securing these commitments. [2000-character limit]

*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.*

- 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. *Includes rental equipment or purchase of specialized equipment needed for grant activities.* [3000-character limit]
- Are 'Personnel' expenses included in the 'Grant Request' column of your above budget? If yes:
    - 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. [3000-character limit]
- 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. [3000-character limit]
- 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. [3000-character limit]
- Are ‘Contractual/Consultant’ expenses included in the ‘Grant Funds Requested’ column of your above budget? *Note that multiple bids may be required. Refer to Allowable Costs in the AMS Terms and Conditions.* If yes:
    - Contractual/Consultant: List each anticipated contractor/consultant service. For each, provide: 1) grant funds requested, 2) detailed description of services, and 3) justification for why the services are necessary for the success of this project. [3000-character limit]
- 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. [3000-character limit]
- Are 'Travel' expenses included in the 'Grant Request' column of your above budget? Travel costs must not exceed Federal GSA rates. Refer to Allowable Costs in the RFA.
    - 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. [3000-character limit]
- Are 'Other' expenses included in the 'Grant Request' column of your budget*? E.g. rental expenses, shipping.* 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. [3000-character limit]

Anticipated Project 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? If yes:
    - List any anticipated sources of income generated by the activities covered by this grant. [1000-character limit]
    - 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. [2000-character limit]

SUPPORTING INFORMATION

Supporting Documentation

Applicants must include bids or quotes for all specialized equipment purchases and installation services that will be covered by grant funds. Bids or quotes should be dated less than six months ago, include the name of the business providing equipment or services, list equipment or services in English, and include costs of equipment, supplies, and/or labor with sufficient detail to confirm eligibility.

Additionally, if you are a dairy brand currently using or starting to use co-packing services through this grant, you must provide proof of market readiness. Acceptable forms of proof include:

- Market research that shows consumer demand or trends for similar products in the target market.

- Sales data or projections that demonstrate consumer interest.
- Evidence of a successful pilot launch or test market.
- Documentation of prior sales or established distribution channels.
- Letters of Commitment or Interest from potential distributors, retailers, or customers confirming their willingness to purchase the product.

To further strengthen your proposal, **all applicants** should provide additional information illustrating the impacts of this grant. This may include:

- Evidence of cost or energy savings.
- Information on the impact of business viability including return on investment (ROI) calculations or revenue growth projections.
- Business plans and SWOT analysis.
- Data showing operational impact on efficiency or capacity expansion.
- Any other relevant documentation that provides context for the proposed project.

Project Partners

If your project includes project partners, they should be identified at the time of application and submit a Letter of Commitment. Partners include any entities outside the applicant's business that are key participants in the project. The following entities would be considered partners:

- A co-packing processor committed to manufacturing dairy products for a private dairy brand.
- A farm directly involved in the project who will begin selling a farm-branded value-added dairy product as a result of the grant.
- Technical assistance (TA) providers offering ongoing support throughout the life of the grant project. This can include TA providers such as business planners, agricultural extensions, and other business viability services.

Contractors or equipment dealers/installers do not need to be included as project partners if they are providing services included in their normal course of business.

Enter project partners into the grid provided. For each partner, include:

- Partner name
- Title
- Business/Organization
- If a dairy processor, describe size and product type [500-character limit]
- Description of role [500-character limit]
- Have they committed to partnering?

Letters of Commitment and Support

SECTION II. FULL APPLICATION

At least two Letters of Commitment or Support are required for this application. Additional letters may be required, as outlined below. Additional letters beyond what is required may increase the competitiveness of your application.

Letters of Commitment (LOC) should clearly outline the involvement of project partners and specify the contributions they will make to ensure the project's success. Match contributors, such as lenders, should also submit a letter that outlines their commitment and the value of their matching support, whether financial or in-kind.

- If your application includes project partners, a LOC from each partner is **required**.
- If you have match contributors from outside your business, a LOC from each contributor is **required.**
- LOCs are required from any milk or ingredients supplier, co-packer, or retailer/distributor named in the application. For example, if a processor plans to purchase increased volumes of milk from a cooperative, the cooperative must confirm that the additional milk is available for this project.

For Dairy Brands Utilizing Co-packing Services, you must submit:

- One LOC from a licensed farm or licensed dairy processor confirming the source of milk or dairy components.
- One LOC from the partnering co-packer confirming their commitment to process the product for the brand. The LOC should confirm specific details such as:
    - Volume commitments.
    - Processing timelines.
    - Nature of the relationship (e.g., exclusive, non-exclusive).

For Dairy Brands Starting to Utilize Co-packing Services, you must submit:

- One LOC from a licensed farm or licensed dairy processor confirming the source of milk or dairy components.
- One LOC from the partnering co-packer confirming their commitment to begin processing the product for the brand. The LOC should confirm specific details such as:
    - Volume commitments.
    - Processing timelines.
    - Nature of the relationship (e.g., exclusive, non-exclusive).

Letters of Support should explain the support from businesses or organizations indirectly involved in the project but not directly engaged in the project work**.** Examples include milk processors, farmers or producer associations who will benefit from the project, or retail outlets. These letters should highlight how the project benefits both the applicant business and the broader dairy sector, supply chain, or community.

Letters from equipment dealers and installers are not required and will not count towards the required two Letters of Commitment or Support.

SECTION II. FULL APPLICATION

It is strongly encouraged that all letters be written on the writer's letterhead, include their signature, and be submitted as .pdf documents.

III. SCORING CRITERIA

REVIEWER SCORING CRITERIA

Project Proposal (80 points)

Project overview clearly outlines an impactful and achievable project that addresses gaps in regional dairy processing infrastructure. Applicant demonstrates how the project will increase production volume, support the development of new product lines, establish new co-packing partnerships, or expand existing partnerships. The need for funding is well-justified.	20 points
Applicant provides strong evidence that the project will result in new co-packing arrangements or expansion of existing co-packing capabilities. Project focuses on scaling up or initiating production of an existing product through a co-packing arrangement. Outcomes include a measurable increase in the volume of regionally sourced raw milk or dairy ingredients processed. Project includes efforts to improve environmental sustainability within the co-packing process.	15 points
Applicant demonstrates that their project is well-aligned with funding priorities and provides details to support that.	15 points
Applicant provides a well-conceived workplan to complete the project within the grant period. Project includes realistic expectations on expected successes, challenges, and a plan to sustain activities beyond the life of the grant.	15 points
Application includes all required Letters of Commitment and/or Support that show the project is impactful and has the support needed to achieve success. If application, application includes proof of market readiness.	10 points
Application effectively demonstrates project will provide significant additional benefits for farmers, workforce, consumers, or supply-chain resiliency.	5 points

Budget (20 points)

Budget and budget narrative are realistic and sufficient to accomplish the work proposed. Budget narrative aligns with the budget table and includes enough detail to support the funding request amount.	10 points
Application includes quotes for any equipment purchases and installation services included in the grant budget.	5 points
Applicant has leveraged the required percentage of match contribution and provides high-level details on match sources.	5 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 (12/07/2023 Revised).

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

1. 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.]
2. A current IRS Form W-9 (Request for Taxpayer Identification Number and Certification), signed within the past six months
3. A Unique Entity Identifier (UEI), acquired through SAM.gov
4. 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: 40%** 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: 40%** 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 that 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. The final report 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. Results of grantee's measures of success
        ii. Number of project beneficiaries reached
        iii. Number of project beneficiaries that are dairy businesses (buy, sell, aggregate, store, produce or distribute dairy products)
            1. Of these, how many project beneficiaries gained knowledge on how to access or produce dairy products?
        iv. Number of jobs maintained because of this grant project
        v. Number of jobs created because of this grant project
        vi. Number of dairy businesses (including Grantee's) that, due to this grant project:
            1. Gained knowledge about dairy product development or dairy business improvement methods
            2. Implemented new or modified dairy processes or production methods
            3. Expanded existing product lines
                a. If so, how many product lines were improved?
            4. Developed new dairy product lines
                a. If so, how many product categories were created?
            5. Improved existing dairy product lines
                a. If so, how many product categories were improved?
            6. Increased their annual sales?

a. If so, what was the annual value of sales before the project?
b. What were the annual sales after the project?

7. Implemented new marketing approaches through this project

vii. Number of existing sales outlets in each of the following categories that expanded their dairy product offerings either by volume or expanded product category, as a result of this project: farmers markets, grocery stores, wholesale markets/buyers, restaurants, retailers, distributors, food hubs, school food programs, other (specify)

viii. Number of new sales outlets in each of the following categories that expanded their dairy product offerings either by volume or expanded product category, as a result of this project: farmers markets, grocery stores, wholesale markets/buyers, restaurants, retailers, distributors, food hubs, school food programs, other (specify)

ix. Number of new partnerships established between dairy businesses and supply chain businesses as a result of this project

1. If so, how many of these new partnerships resulted in expanded or improved local/regional dairy infrastructure?
2. How many of these new partnerships resulted in purchasing contracts?
3. How many of these new partnerships resulted in higher profits?
4. How many of these new partnerships resulted in improved marketing channels?
5. How many of these new partnerships resulted in an increase in the volume of Northeast regional milk that entered the supply chain?
6. How many of these new partnerships included a dairy cooperative?
7. Of the new partnerships established through this project, how many businesses improved their dairy processing capacity or systems?

x. If Grantee is a dairy business, rate the level of satisfaction/outlook for the future of your dairy 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. Increased soil health

i. If Grantee purchased special purpose equipment with grant funds, that has a current market value of $5,000.00 or more, 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 and description of how income generated is rolled back into the purpose of the grant

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 Vermont State Insurance Specifications (11/01/2023 revised) to prospective insurers for accuracy.

A summary of the requirements is below:

1. General Liability and Property Damage: with respect to all operations performed under the Agreement, the Party shall carry general liability insurance having all major divisions of coverage including, but not limited to:
    a. Premises – Operations
    b. Products and Completed Operations
    c. Personal Injury Liability
    d. Contractual Liability
    e. The policy shall be on an occurrence form and limits shall not be less than:
        i. $1,000,000 Each Occurrence
        ii. $2,000,000 General Aggregate
        iii. $1,000,000 Products/Completed Operations Aggregate
        iv. $1,000,000 Personal & Advertising Injury
2. Automotive Liability: if motor vehicles will be or are used in connection with the Agreement, 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. For Contracts involving construction or when performance under the Contract would require a commercial or other specialized driver's license, limits shall not be less than $1,000,000. When performance includes interstate commerce or transport of hazardous products or materials regulated by the Federal Motor Carrier Administration and set forth in 49 C.F.R. § 387.9, the coverage shall include the MCS-90 endorsement.
3. Additional Insured:
    a. The General Liability, Property Damage, and Umbrella/Excess coverages required for performance of the Agreement shall include the State of Vermont and its agencies, departments, officers, and employees as Additional Insureds using ISO forms CG2010 and CG2037 or their equivalents.

b. If performance of the 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.
c. If third-party cyber liability coverage is required, such coverage shall include the State of Vermont and its agencies, departments, officers, and employees as Additional Insureds.
d. Additional Insured coverage shall be primary and non-contributory with any other insurance and self-insurance and shall include a waiver of subrogation in favor of the State of Vermont.

4. 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. The State 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. For work involving construction, workers compensation coverage shall include a waiver of subrogation in favor of the State of Vermont.
5. Notice of Cancellation or Change: with respect to all required coverage, there shall be no cancellation, change, potential exhaustion of aggregate limits, or non-renewal of insurance coverage(s) without thirty (30) days prior written notice to the State.