

RESILIENT FOOD SYSTEMS INFRASTRUCTURE PROGRAM

Proposed Program Priorities

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About the Program

Purpose

The U.S. Department of Agriculture (USDA), Agricultural Marketing Service has awarded the California Department of Food and Agriculture (CDFA) a Resilient Food Systems Infrastructure (RFSI) cooperative agreement. The overall goal of RFSI is to create more and better processing options for local and regional producers across the specialty crops, dairy, grain (for food), and other sectors by targeting gaps and opportunities in the pandemic assistance, Food Systems Transformation programs, and existing USDA grant programs that support the agricultural supply chain. The RFSI will build resilience in the middle of the food supply chain, provide more and better markets to small farms and food businesses, support the development of value-added products for consumers, fair prices, fair wages, and create new and safe job opportunities.

CDFA, in partnership with USDA, will conduct a competitive solicitation to award RFSI funds to projects that maintain and improve food and agricultural supply chain resiliency. Projects should support infrastructure in the middle-of-the-supply-chain for California food and farm businesses and other eligible entities. Middle-of-the-supply-chain activities include processing, aggregation, and/or distribution of targeted agricultural products. This program is to support food system crops and products meant for human consumption (excluding meat and poultry products, which are funded through other USDA programs).

Funding and Duration

CDFA anticipates that up to \$34 million will be awarded to projects that expand middle-of-the-food-supply-chain capacity for locally and regionally produced foods and offer more and better market opportunities and new streams of revenue to small and mid-sized agricultural producers, including those who may not have access to value-added opportunities or processing to meet market demand for premium or value-added products, such as underserved producers.

Projects will begin fall 2024 and must end by February 2027.

Eligibility and Exclusions

Entities eligible for Infrastructure Grants are listed below:

- Agricultural producers or processors, or groups of agricultural producers and processors.
- Nonprofit organizations operating middle-of-the-supply-chain activities.
- Local government entities operating middle-of-the-supply-chain activities.
- Tribal governments operating middle-of-the-supply-chain activities.

- Institutions such as schools, universities, or hospitals bringing producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers middle-of-the-supply-chain activities.

All applicant businesses and organizations must be domestically owned, and applicants' facilities must be physically located within the State of California.

Award Limits

The minimum award amount for the Infrastructure Grants is \$100,000 and maximum award amount is \$3,000,000.

Matching Funds Requirements

Infrastructure Grant recipients are required to contribute 50% of the total proposed project cost as a match to federal funding. Match may consist of cash match, in-kind contributions, or any combination thereof. Funds from other state or federal grant programs may not be used as match for this cooperative agreement. This applies to all applicants except those who qualify for the reduced match described below.

For **historically underserved farmers and ranchers**, or for other businesses that qualify under **SBA categories** of small disadvantaged business, women-owned small business, or veteran-owned small business, the required match funding contribution or cost share is reduced to 25% of the project cost. Applicants must self-certify in their Infrastructure Grant applications to being eligible for this reduced match.

Please note that the award limits noted in the section above are inclusive of the match requirements. For example, a \$3,000,000 total project would consist of \$1,500,000 of Infrastructure Grant funds and \$1,500,000 of match to meet the 50% match requirement. For applicants eligible for reduced match, a \$3,000,000 total project would consist of \$2,250,000 of Infrastructure Grant funds and \$750,000 of match to meet the 25% match requirement.

Program Priorities

USDA has provided the following examples of project types that are eligible for RFSI Infrastructure Grant Funding:

- Expand capacity for processing, aggregation and distribution of agricultural products to create more and better markets for producers;
- Modernize manufacturing, tracking, storage, and information technology systems;
- Enhance worker safety through adoption of new technologies or investment in equipment or facility improvements;
- Improve the capacity of entities to comply with federal, state, and local food safety requirements;
- Improve operations through training opportunities;
- Support construction of a new facility;
- Modernize or expand an existing facility (including expansion and modifications to existing buildings and/or construction of new buildings at existing facilities);
- Construction of wastewater management structures, etc.;
- Modernize processing and manufacturing equipment; and
- Develop, customize, or install equipment that reduces greenhouse gas emissions, increases efficiency in water use, improves air and/or water quality, and/or meets one or more of USDA's climate action goals.

CDFA has drafted the following program priorities and strives to clearly define the current needs of California's agricultural supply chain and address areas that can lead to a more resilient food system:

- Project submitted directly by growers, producers, processors, shippers, etc. that support middle-of-the-supply-chain activities.
- Projects that benefit:
 - Historically underserved farmers as defined by **USDA**;
 - Socially disadvantaged farmers as defined by **AB 1348, the Farmer Equity Act of 2017**; and/or
 - Agricultural operations that qualify as a small disadvantaged businesses, women-owned businesses, or veteran-owned businesses as defined by the **US Small Business Administration**.
- Projects that enhance worker safety or facilitate compliance with the Produce Safety Rule of the Food Safety Modernization Act.
- “Shovel Ready” construction and infrastructure projects that can reasonably be completed within the grant duration.

- Projects that reduce greenhouse gas emissions and increase water savings.
- Projects that facilitate training opportunities, including trainings related to food safety, process modernization, and use of equipment or enhanced facilities funded through RFSI.

Public Comments

CDFA is seeking to ensure that the proposed program priorities best meet the current needs of California's agricultural supply chain and address areas that can lead to a more resilient food system. The priorities will be used to inform a state plan which will be submitted to USDA and will ultimately help guide prospective applicants to submit projects that address the most relevant issues affecting the industry. Comments from middle-of-the-supply-chain stakeholders are strongly encouraged. Interested parties may submit comments to grants@cdfa.ca.gov beginning July 14, 2023 until August 3, 2023 at 5:00 p.m. PT.