





# About the Program

## Purpose

The U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS), 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. 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, and fair wages; and create new and safe job opportunities.

CDFA, in cooperation 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. The food supply chain involves the following stages: 1. Production, 2. Processing, 3. Aggregation and Distribution, and 4. Markets and Consumers. RFSI proposals must support the middle of the supply chain, which refers to stages 2. Processing and 3. Aggregation and Distribution. This program supports 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 approximately \$30 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 can begin on October 1, 2024, and must end by February 26, 2027.

## Eligibility

Entities eligible for RFSI Grants are listed below:

- Agricultural producers or processors, or groups of agricultural producers and processors.



## Project Types

The RFSI is comprised of two tracks composed of different project types: Infrastructure Grants and Simplified Equipment-Only Grants.

Track 1: Infrastructure Grants will fund projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products. This grant type is subject to the match requirements noted in the Matching Funds Requirements section. Approximately \$22.5 million will be available for Infrastructure Grants.

Track 2: The Simplified Equipment-Only option is a Fixed Price Grant, meaning it will fund only equipment purchases (and not associated facility upgrades, staffing, or other costs), and the amount awarded will be equal to the cost of the equipment up to \$100,000. No match is required for this grant type. Approximately \$7.5 million will be available for the Simplified Equipment-Only option.

Eligible entities must select **one** funding track and may submit **one** application, total.

## Award Limits

The minimum award amount for the Infrastructure Grants is \$100,000 and the maximum award amount is \$3,000,000. The \$3,000,000 award cap does not include the in-kind/matching funds from the Infrastructure Grant recipient. An Infrastructure Grant applicant can apply for up to \$3,000,000 of RFSI funding and will be required to provide the appropriate matching funds.

The minimum award amount for the Simplified Equipment-Only Grants is \$10,000 and the maximum award amount is \$100,000.

## Matching Funds Requirements

Infrastructure Grant recipients are required to contribute 50 percent of the total proposed project cost as a match to federal funding. This applies to all applicants except those who qualify for the reduced match described below. Match may consist of cash match, in-kind contributions, or any combination thereof. Funds from other federal grant programs may not be used as match for RFSI grants. Funds from state grants may be used as matching funds, so long as those funds do not originate from a federal pass-through grant and are not committed elsewhere as matching funds.

For historically underserved farmers and ranchers (<https://www.nrcs.usda.gov/getting-assistance/underserved-farmers-ranchers>), or for other businesses that qualify under U.S. Small Business Administration categories (<https://www.sba.gov/federal-contracting/contracting-assistance-programs>) of disadvantaged small business, women-

owned small business, or veteran-owned small business, the required match funding contribution or cost share is reduced to 25 percent of the project cost. Applicants must self-certify in their Infrastructure Grant applications as being eligible for this reduced match.

See below examples using 50 and 25 percent match requirements:

| <b>RFSI Match Calculator 50 Percent Match Requirement</b> |           |
|---|-----------|
| Total Project   | \$200,000 |
| Federal Funds Requested                                   | \$100,000 |
| Matching Funds/In-kind Amount Required                    | \$100,000 |

| <b>RFSI Match Calculator 25 Percent Match Requirement</b> |              |
|---|--------------|
| Total Project   | \$133,333.33 |
| Federal Funds Requested                                   | \$100,000    |
| Matching Funds/In-kind Amount Required                    | \$33,333.33  |

No match is required for the Simplified Equipment-Only Grants.

## Other Grant Programs

In addition to the Resilient Food Systems Infrastructure Program, CDFA offers several grant programs that address nutritional education, improve access to and consumption of healthy California foods, and provide direct assistance to California farmers and ranchers. For a comprehensive list of [CDFA's Grant Programs](https://www.cdfa.ca.gov/grants/), please visit <https://www.cdfa.ca.gov/grants/>.

A complete list of California grant and loan programs can also be found on the State Library's [California Grants Portal](https://www.grants.ca.gov/) (<https://www.grants.ca.gov/>).

# Timeline

## Estimated Program Timeline

| Activity                             | Tentative Date                       |
|--------------------------------------|--------------------------------------|
| Application Period Begins            | December 13, 2023                    |
| Webinars                             | December 20, 2023 – February 1, 2024 |
| Office Hours                         | January 4, 2024 – February 13, 2024  |
| Applications Due                     | February 26, 2024, 5:00 p.m. PT      |
| Grant Proposals to USDA for Approval | May 2024                             |
| Award Announcement                   | Fall 2024                            |

## How to Apply

Applicants are required to complete and submit their proposal online using the AmpliFund system, which can also be found through the [CDFA RFSI website](https://www.cdfa.ca.gov/rfsi/) (<https://www.cdfa.ca.gov/rfsi/>).

Applicants must create a user account in AmpliFund to submit their proposals. AmpliFund is organized into various forms and pages utilizing a question-and-answer format. Questions are answered in one or more of the following formats: a drop-down menu, a text box with predetermined character limitations, yes/no, single-choice, multiple-choice, or a document attachment. Responses to all questions must be submitted in the manner and format required by the proposal application questionnaire in AmpliFund, without exception.

The [CDFA RFSI website](https://www.cdfa.ca.gov/rfsi/) (<https://www.cdfa.ca.gov/rfsi/>) contains a [Frequently Asked Questions](https://www.cdfa.ca.gov/rfsi/docs/rfsi_frequently_asked_questions.pdf) ([www.cdfa.ca.gov/rfsi/docs/rfsi\\_frequently\\_asked\\_questions.pdf](https://www.cdfa.ca.gov/rfsi/docs/rfsi_frequently_asked_questions.pdf)) document and [AmpliFund User Guide](https://www.cdfa.ca.gov/Specialty_Crop_Competitiveness_Grants/docs/amplifund_user_guide_applicantportal.pdf) ([https://www.cdfa.ca.gov/Specialty\\_Crop\\_Competitiveness\\_Grants/docs/amplifund\\_user\\_guide\\_applicantportal.pdf](https://www.cdfa.ca.gov/Specialty_Crop_Competitiveness_Grants/docs/amplifund_user_guide_applicantportal.pdf)). For questions about the AmpliFund system, please contact CDFA by emailing [grants@cdfa.ca.gov](mailto:grants@cdfa.ca.gov) or leaving a voicemail at (916) 657-3231.

## Computer System Recommendations

To ensure proposals and attachments are submitted successfully, CDFA strongly encourages all applicants to comply with the computer system recommendations provided by AmpliFund. CDFA cannot guarantee that the AmpliFund system will be compatible with other browsers or operating systems. Use of other browsers or operating systems may limit the ability of CDFA staff to provide applicants with technical assistance, should any issues arise. AmpliFund recommends that applicants:

- Use Chrome, Firefox, Edge, or Safari.
- Avoid using an iPad, iPhone, or similar mobile device.
- Save work often; the system will time out after a period of time and any unsaved work will be lost.



## Funding Priorities

CDFA has identified the following priorities to meet the current needs of California's agricultural supply chain and address areas that can lead to a more resilient food system:

### Funding Priorities:

- Projects 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 small disadvantaged businesses, women-owned businesses, or veteran-owned businesses as defined by the [U.S. Small Business Administration](#).
- Projects that enhance worker safety or facilitate compliance with the Produce Safety Rule of the Food Safety Modernization Act.
- Projects that enhance traceability capacity to comply with the Food Traceability Rule.
- Construction and infrastructure projects that demonstrate feasibility that the projects 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.

# Application and Technical Assistance

## Application Assistance

CDFA RFSI staff will assist RFSI applicants in developing their proposals through weekly online office hours beginning January 4, 2024, and continuing through February 13, 2024. For the full office hours schedule and to register, visit the [CDFA RFSI website](https://www.cdfa.ca.gov/rfsi/) (<https://www.cdfa.ca.gov/rfsi/>).

## Technical Assistance

CDFA is currently securing local organizations to provide ongoing administrative support for projects selected for funding. Services are expected to include assistance with sam.gov registration and renewal, entering into the grant agreement, and executing the grant, including record-keeping requirements, preparing for an audit, reporting, etc.























**Duration of Project:**

Provide the start date and end date for the proposed project. The start and end dates must be between October 1, 2024, and February 26, 2027.

**Operations Identifier:**

Select from the options provided where within the Middle of the Supply Chain the requested equipment will be used.

**Type of Agricultural Food Products Processed with the Equipment:**

Indicate the product types that are to be processed with the equipment.

**Current Business Operations:**

Describe the current business operations, including services being offered in the geographic focus area.

**Provide the Specific Issue, Problem, or Need That the Project Will Address**

Describe the specific need that the requested equipment will address.

**Impact on Local and Regional Producers, Market Outlets, and More**

Describe the impact this equipment will have on local and regional producers, market outlets, and any others who will be impacted.

**Number of Local and Regional Producers Impacted**

Estimate the number of local and regional producers that will be impacted by this equipment.

**Project Beneficiaries**

- Estimate the number of project beneficiaries. The number cited should be a  reasonable estimate of the number of individuals that could realistically be  **directly impacted** by the results of the project. Applicants must be able to  demonstrate that the number of beneficiaries is trackable and reportable **within the project duration**.
- Using the checkboxes, select all applicable beneficiaries from those listed. Check all that apply.

**Performance Measures (located on the Application Forms page)**

Using the format provided within the application, provide expected numbers based on the project scope of work. Input zero (0) if not applicable to the specific project.

## Budget Page

The budget must show the total cost for the project and describe how equipment costs listed in the budget are derived. Please be sure to list and justify all expenses to be covered. If applicable, ensure that the proposal includes Critical Resources and Infrastructure letter(s) to support the application information.

### A. Special Purpose Equipment

Estimate the total cost to purchase any special purpose equipment necessary to achieve project objectives. Describe any special purpose equipment to be purchased under the grant. "Special purpose equipment" includes canners; hulling processors; reverse osmosis systems; egg packing machines; flotation tanks; roasters; other processing equipment; packing and labeling equipment; delivery vehicles; etc.

Describe how this equipment will be used to achieve the objectives and outcomes of the project. Applicants must submit documentation to substantiate the costs of each piece of equipment, which can include contracts, catalog pricing, or binding quotes provided by licensed commercial entities.

### Track 2 Scoring Criteria:

| Criteria  | Maximum Points |
|---|----------------|
| <b>Funding Priorities, Specific Issue, Problem or Need That the Project Will Address:</b> <ul style="list-style-type: none"><li>• Does the project demonstrate a clear link to the identified funding priority or priorities?</li><li>• Is the specific issue, problem, or need clearly explained, and are they relevant to the funding purpose?</li></ul>  | 15             |
| <b>Impact on Local and Regional Producers, Market Outlets, and More, Project Beneficiaries, and External Project Support:</b> <ul style="list-style-type: none"><li>• Does the project demonstrate a clear benefit to the proposed beneficiaries? Is the number of beneficiaries reasonable given the overall purpose of the project?</li><li>• Does the project demonstrate meaningful external support for the project?</li></ul> | 15             |
| <b>Performance Measures:</b> <ul style="list-style-type: none"><li>• Is the expected performance measure(s) relevant, reasonably achievable, and appropriate to the budget request?</li></ul>   | 10             |

| Criteria   | Maximum Points |
|--|----------------|
| <b>Budget:</b> <ul style="list-style-type: none"> <li>• Are costs clearly detailed?</li> <li>• Are costs reasonable?</li> </ul>  | 10             |
| <b>Additional Considerations:</b> <ul style="list-style-type: none"> <li>• Proposals that benefit at-risk communities based on the zip code and distressed communities index will receive an additional 1 point.</li> <li>• Proposals that benefit distressed communities based on the zip code and distressed communities index will receive an additional 3 points.</li> <li>• Proposals submitted by or that directly benefit one or more of the following will receive an additional 2 points: <ul style="list-style-type: none"> <li>• Historically underserved farmers</li> <li>• Socially disadvantaged farmers</li> <li>• Small disadvantaged businesses, women-owned businesses, or veteran-owned businesses</li> </ul> </li> </ul> | 5              |
| <b>Total maximum points (including all possible points from additional considerations):</b>  | <b>55</b>      |

## Requirements and Limitations

### Federal Cost Principles

Federal cost principles are regulations, based on organization type, used to determine allowable costs and ensure consistent treatment of costs. Applicants are responsible for identifying the federal cost principles appropriate to their organization, consistent application of cost principles to the SCBGP grant funds, and ensuring contractors or consultants comply with federal cost principles requirements.

- State, local, or Indian Tribal governments; non-profit organizations; and colleges and universities will be subject to 2 CFR 200 (<https://www.ecfr.gov/cgi-bin/text-idx?SID=898fdaa0b947dd0bf8c962a137d230dd&node=pt2.1.200&rgn=div5>).
- For-profit organizations will be subject to 48 CFR Subpart 31.2 (<https://www.ecfr.gov/current/title-48/chapter-1/subchapter-E/part-31/subpart-31.2>).

## Environmental Review, National Environmental Policy Act and Other Federal, State, and Local Laws and Regulations

Grant recipients must comply with the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Endangered Species Act (ESA), and all other federal environmental laws and regulations, as well as any state and local laws and regulations. Compliance with NEPA will be required prior to the award of grant funds.

## Build America, Buy America Act

Any public infrastructure project funded under this grant must ensure adherence to Build America, Buy America (BABA) guidance. For such projects, the recipient must comply with the Buy America Sourcing requirements outlined in the BABA provisions of the Infrastructure Investment and Jobs Act (<https://www.congress.gov/bill/117th-congress/house-bill/3684/text>).

## Unallowable Costs

USDA has identified the activities listed below as not eligible for funding. Proposals with unallowable costs may be subject to disqualification as described below.

The following activities are not eligible for funding:

- Acquiring real property (including land purchases), or any interest therein;
- Projects focused on meat and poultry processing or other ineligible agricultural products;
- Costs and activities funded by another federal, state, or local government grant program or funding opportunity. Note that RFSI funds can complement or build on the successes of prior funding, such as the USDA Regional Food Business Centers Business Builder subawards, to fund subsequent activities.

Please see Appendix C: Allowable and Unallowable Costs Table for Infrastructure Grants for more information on specific cost categories.

## Indirect Costs

Infrastructure Grant recipients with a federally Negotiated Indirect Cost Rate Agreement (NICRA) can request indirect costs up to the amount of their NICRA. A copy of the NICRA must be submitted with the Infrastructure Grant application via the Upload feature on the Budget page. Otherwise, applicants may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC).



All entities which elect to charge a de minimis rate of 10 percent must use the MTDC as the base. MTDC are defined in 2 C.F.R. § 200.1 (<https://www.ecfr.gov/current/title-2/subtitle-A/chapter-II/part-200/subpart-A/subject-group-ECFR2a6a0087862fd2c/section-200.1>) as all direct salaries and wages, applicable fringe benefits, materials and supplies, services, travel, and up to the first \$25,000 of each Infrastructure Grant (regardless of the period of performance of the Infrastructure Grants under the award). MTDCs exclude equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs, and the portion of each Infrastructure Grant in excess of \$25,000. Other items may be excluded only when necessary to avoid a serious inequity in the distribution of indirect costs, and with the approval of the cognizant agency for indirect costs.

Simplified Equipment-Only Grants are not eligible for indirect.

**Direct costs** are costs that can be identified specifically with a particular award, project, program, service, or other organizational activity or that can be directly assigned to such an activity relatively easily with a high degree of accuracy. Typically, direct costs include, but are not limited to, compensation of employees who work directly on the award, to include salaries and fringe benefits; travel that is necessary for the project; equipment and supplies used for the project; and the hiring of qualified contractors to achieve project objectives.

**Indirect costs** (also known as “facilities and administrative costs”) are costs incurred for common or joint objectives that cannot be identified specifically with a particular project, program, or organizational activity. Below are typical indirect costs. The salaries of administrative and clerical staff should normally be treated as indirect costs. Direct charging of these costs may be appropriate where all of the following conditions are met:

- Administrative or clerical services are integral and directly related to a project or activity;
- Individuals involved can be specifically identified with the project or activity;
- Such costs are explicitly included in the budget or have the prior written approval of the federal awarding agency; and
- The costs are not also recovered as indirect costs.

The following are typically considered indirect costs and should only be included in the Budget page as direct costs if consistent with the applicant’s NICRA:

- Information technology services.
- Rent.
- Utilities and internet service.

- Telephone service (mobile and landline).
- General office supplies.
- Insurance.
- Maintenance.

## Travel

The maximum travel rates allowable are the lesser of the rates in effect at the time of travel as established by the U.S. General Services Administration (GSA) available on the GSA website (<https://www.gsa.gov/travel/plan-book/per-diem-rates>), or the Recipient's established travel policy. Applicants should apply the current government mileage rate for personally owned vehicles used for travel related to the project; this rate is available on the Internal Revenue Service website (<https://www.irs.gov/Tax-Professionals/Standard-Mileage-Rates>).

*Note: International travel must comply with the Fly America Act, 49 U.S.C. 40118 (<https://www.govinfo.gov/content/pkg/USCODE-2011-title49/pdf/USCODE-2011-title49-subtitleVII-partA-subpartI-chap401-sec40118.pdf>) and Foreign Travel Per Diem allowances ([https://aoprals.state.gov/web920/per\\_diem.asp](https://aoprals.state.gov/web920/per_diem.asp)). Also, consideration should be given to the use of alternative technologies such as teleconferencing or videoconferencing if they are available, appropriate for the project, and less costly.*

# Review and Notification

## Review Criteria

Applicants' proposals will be evaluated on the criteria established within this RFP.

## Review Process

CDFA will conduct two levels of review during the proposal process. The first level is an administrative review to determine whether proposal requirements are met and, if applicable, assess an applicant's past CDFA grant performance. The second level is a technical review to evaluate the merits of the proposals.

The CDFA RFSI Technical Review Committee will perform the technical review. The Technical Review Committee is comprised of members with varied perspectives and expertise related to infrastructure, food safety, the needs of middle-of-the-supply-chain producers, and the critical issues facing California's historically underserved producers.

## Notification and Feedback

Proposals that are disqualified utilizing the criteria below will be notified within 21 days of the proposal due date. All other applicants will be notified regarding the status of their proposals in Fall 2024. Feedback will be available for applicants not selected for awards upon request. Feedback will be provided within 60 days of the request date.

To ensure all communications are received, points of contact listed in the application should add [grants@cdfa.ca.gov](mailto:grants@cdfa.ca.gov) to their email safe senders list, address book, or contact list.

## Disqualifications

The following may result in the disqualification of a project proposal:

- Incomplete proposals: proposals with one or more unanswered or insufficiently answered questions.
- Proposals that include activities outside the grant duration.
- Proposals for less than the minimum award amount or more than the maximum award amount.
- Proposals with unallowable costs or activities necessary to complete the project objectives, including but not limited to:
  - Indirect costs that exceed the limit set forth in this document.
  - Costs to support ineligible commodities.
  - Costs to support activities that are not middle-of-the-supply-chain (e.g., costs related to cultivation, harvest, wholesale/retail sale, etc.).

APPEAL RIGHTS: Any discretionary action taken by the Office of Grants Administration (OGA) may be appealed to the CDFA's Office of Hearings and Appeals within ten (10) calendar days of receiving a notice of disqualification from CDFA. Email notification shall serve as the date of service. The appeal must be in writing and signed by the responsible party named on the grant application or their authorized agent. It must state the grounds for the appeal and include any supporting documents and a copy of the OGA decision being challenged. The submission must be sent to the California Department of Food and Agriculture, Office of Hearings and Appeals, 1220 N Street, Sacramento, CA 95814 or emailed to [CDFA.LegalOffice@cdfa.ca.gov](mailto:CDFA.LegalOffice@cdfa.ca.gov). If submissions are not received within the time frame provided above, the appeal will be disqualified from consideration.

## **Grant Recipient Information**

### **Grant Agreement Execution**

Applicants selected for the awarding of funds will receive a Grant Agreement package with specific instructions regarding award requirements, including information on project implementation and the payment process. Once a Grant Agreement is executed, grant recipients can begin implementation of the project. Grant recipients are responsible for the overall management of their awarded project to ensure all project activities are completed no later than the end of the grant agreement term.

### **Payment Process**

CDFA will provide grant recipients with the necessary grant award and invoicing documents.

### **Reporting and Communication**

Recipients are expected to provide annual performance reports (every 12 months) throughout the period of performance. Performance reports must be formatted and submitted using the approved templates and/or guidance provided upon Grant Agreement Execution.

# Assistance and Questions

## Proposal Webinars

CDFA will conduct webinars on the RFSI solicitation process, the proposal application, and use of AmpliFund between December 20, 2023, and February 1, 2024. Please visit the [CDFA RFSI website](https://www.cdfa.ca.gov/rfsi/) (<https://www.cdfa.ca.gov/rfsi/>) for dates, times, and to register. All applicants are encouraged to participate in a webinar.

## Office Hours

CDFA will offer weekly office hours between January 4, 2024, and February 13, 2024. For the full office hours schedule and to register, visit the [CDFA RFSI website](https://www.cdfa.ca.gov/rfsi/) (<https://www.cdfa.ca.gov/rfsi/>).

## Frequently Asked Questions (FAQ)

The general RFSI FAQ can be found on the CDFA RFSI website [CDFA RFSI website](https://www.cdfa.ca.gov/rfsi/) (<https://www.cdfa.ca.gov/rfsi/>).

## Questions and Answers (Q&A)

CDFA will conduct five rounds of Q&A to address general questions about the proposal. Email all questions about the solicitation process to: [grants@cdfa.ca.gov](mailto:grants@cdfa.ca.gov).

Responses to questions received during the webinars, during office hours, or by email will be posted to the CDFA RFSI website according to the following schedule:

### Schedule for Q&A

| Questions Received by:             | Responses Posted by:               |
|------------------------------------|------------------------------------|
| December 27, 2023, at 8:00 a.m. PT | January 5, 2024, at 5:00 p.m. PT   |
| January 8, 2024, at 8:00 a.m. PT   | January 12, 2024, at 5:00 p.m. PT  |
| January 22, 2024, at 8:00 a.m. PT  | January 26, 2024, at 5:00 p.m. PT  |
| February 5, 2024, at 8:00 a.m. PT  | February 9, 2024, at 5:00 p.m. PT  |
| February 20, 2024, at 8:00 a.m. PT | February 22, 2024, at 5:00 p.m. PT |

February 20, 2024, at 8:00 a.m. PT is the final deadline to submit questions for the proposal Q&A.

To maintain the integrity of the competitive grant process, CDFA is unable to advise and/or provide individuals with any information regarding specific proposals during the solicitation process.

## Appendix A: Project Examples

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

- Expanding processing capacities, including adding product types, increasing production volumes, and supporting new wholesale/retail product lines;
- Modernizing equipment or facilities through upgrades, repairs, or retooling; (e.g., adapting product lines for institutional procurement or adding parallel processing capacity);
- Purchase and installation of specialized equipment, such as processing components, sorting equipment, packing and labeling equipment, or delivery vehicles;
- Modernizing manufacturing, tracking, storage, and information technology systems;
- Enhancing worker safety through adoption of new technologies or investment in equipment or facility improvements;
- Construction of a new facility;
- Increasing packaging and labeling capacities that meet compliance requirements under applicable laws (e.g., sealing, bagging, boxing, labeling, conveying, and product moving equipment);
- Increasing storage space, including cold storage;
- Developing, customizing, or installing climate-smart 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;
- Modernizing equipment or facilities to ensure food safety, including associated Hazard, Analysis, and Critical Control Points (HACCP) consultation, plan development, and employee training; and
- Training on the use of all equipment purchased under the grant and associated new processes.

Allowable activities or tasks that could be a part of such projects may include:

- Hiring term-limited personnel to assist with project implementation activities;
- Purchasing special purpose equipment as defined in section 8.2 of the AMS General Terms and Conditions. This includes the purchase of special purpose equipment for institutions or others that will benefit multiple producers through middle-of-the-supply-chain activities such as processing, aggregation, and/or distribution of targeted agricultural product;

- Analyzing potential facility upgrades and changes that meet regulatory requirements, obtaining design and/or architecture services, etc. (to the extent these costs are directly related to the project);
- Planning for Hazard Analysis Critical Control Points (HACCP), other food safety or worker safety measures, or equipment recommendations; and
- Upgrades or new facilities for processing specific agricultural products, such as:
  - On-farm post-harvest processing, preservation, and storage/cold storage;
  - Post-harvest cleaning and grading;
  - Aggregator warehouse and storage, including cooperatives;
  - Purchase of freezing equipment, freezer, or cold storage;
  - Processing, canning, preserving, and pasteurization;
  - Preparation and packing;
  - Drying, hulling, shelling, and milling; and
  - Cooking, baking, juicing, distilling, and fermenting.



## Appendix B: Performance Measures

RFSI projects must include at least one outcome and one indicator from the table below. All outcomes and indicators selected must be achieved within the grant duration.

### Infrastructure Grants:

| Outcomes   | Indicators   |
|--|--|
| <b>Capacity in the middle of the supply chain for local/regional food products</b> | Number of new facilities constructed   |
|  | Number of existing facilities improved or expanded   |
|  | Number of processing equipment units purchased and installed   |
|  | Number of processing equipment units modernized through upgrades, repairs, or retooling  |
|  | Number of aggregation, storage, distribution equipment units purchased and installed   |
|  | Number of aggregation, storage, distribution equipment units modernized through upgrades, repairs, or retooling                                |
|  | Number of employees trained on new equipment and processes   |
|  | Number of employees that received food safety training   |
|  | Number of employees that received worker safety training   |
|  | Number of new or improved wastewater management systems  |
|  | Number of new or improved information technology systems   |
| <b>Increasing economic viability of local/regional producers and processors</b>    | Number of new jobs created   |
|  | Number of local/regional agricultural producers who benefited from the new or improved processing/aggregation/storage or distribution capacity |

| Outcomes | Indicators  |
|----------|---|
|          | Number of new local/regional products processed, aggregated, stored, or distributed |
|          | Number of new value-added products developed  |
|          | Number of new market-outlets established  |

**Simplified Equipment Only Grants:**

| Outcomes   | Indicators   |
|--|--|
| <b>Capacity in the middle of the supply chain for local/regional food products</b> | Number of processing equipment units purchased and installed   |
|  | Number of aggregation, storage, distribution equipment units purchased and installed:  |
| <b>Increasing economic viability of local/regional producers and processors</b>    | Number of local/regional agricultural producers who benefited from the new or improved processing/aggregation/storage or distribution capacity |
|  | Number of new local/regional products processed, aggregated, stored, or distributed  |
|  | Number of new value-added products developed   |
|  | Number of new market-outlets established   |

## Appendix C: Allowable and Unallowable Costs Table

| Cost Category  | Description, Guidance, and Exceptions  |
|--|--|
| <p><b>Buildings and Land—<br/>Construction and/or<br/>Renovation</b></p> | <p><b>Allowable:</b></p> <ul style="list-style-type: none"> <li>• Additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, alterations, or construction on an existing building or facility.</li> <li>• The construction of new buildings at an existing facility and of wastewater management structures.</li> </ul> <p>This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, and/or plumbing.</p>  |
| <p><b>Equipment</b></p>  | <p><b>Special purpose equipment purchases are allowable when provided in the approved budget or with prior written approval for acquisitions costs and rental costs of special purpose equipment, provided the following criteria are met:</b></p> <p><b>Allowable:</b></p> <ul style="list-style-type: none"> <li>• Purchases of special purpose equipment (such as canners, hulling processors, reverse osmosis systems, egg packing machines, flotation tanks, roasters, or other processing equipment, packing and labeling equipment, and/or delivery vehicles) are allowable when approved in the agreement budget or with prior written approval. All equipment purchases must meet the following criteria: <ul style="list-style-type: none"> <li>○ Equipment is necessary for the technical activities of the agreement and is not</li> </ul> </li> </ul> |

| Cost Category                                       | Description, Guidance, and Exceptions  |
|---|--|
|   | <p>otherwise reasonably available and accessible.</p> <ul style="list-style-type: none"> <li>○ Equipment is normally charged as a direct cost by the organization and is acquired in accordance with organizational practices.</li> <li>○ Equipment must be used solely to meet the purpose of the program and objectives of the agreement.</li> <li>○ Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable.</li> </ul> <p><b>Unallowable:</b></p> <ul style="list-style-type: none"> <li>● Purchases of general-purpose equipment (e.g., general use motor vehicles, office furniture, office air conditioners, printers, and copiers) or lease agreements to own (i.e., lease-to-own or rent-to-own).</li> </ul> |
| <b>Compensation for Damage</b>                      | <p><b>Unallowable:</b></p> <ul style="list-style-type: none"> <li>● Compensation for injuries or damage to property arising from project activities.</li> </ul>  |
| <b>Purchases of Land, Buildings, and Facilities</b> | <p><b>Unallowable:</b></p> <ul style="list-style-type: none"> <li>● Purchase of land, new buildings, and new facilities</li> </ul>   |
| <b>Marketing Costs</b>                              | <p><b>Unallowable:</b></p> <ul style="list-style-type: none"> <li>● Recipients to use funds for marketing their product(s), services(s), brand(s), logo(s), or organization.</li> </ul>  |

Refer to the [USDA General Terms and Conditions](https://www.ams.usda.gov/sites/default/files/media/FY2020GDTermsandConditionsUpdates.pdf) (https://www.ams.usda.gov/sites/default/files/media/FY2020GDTermsandConditionsUpdates.pdf) for additional information.

## Appendix D: Proposal Tips

The Office of Grants Administration receives hundreds of grant applications every funding cycle. To help ensure that a proposal is accurately submitted and well-received by the Technical Review Committee, please consider the following advice when composing the proposal:

- Do not wait until the last minute to prepare or submit the proposal. Allow ample time for composition, research, review, and submittal.
- Compose answers to questions in a word processing document so they can be checked for grammar, spelling, syntax, and overall clarity before entering them into AmpliFund.
- Keep answers clear, concise, and in response to the question asked.
- Double-check the project budget against the Allowable and Unallowable Costs Table for Infrastructure Grants.
- Check that the total award requested in the Project Information section matches the total listed in the Total Overall Budget Costs listed in the Budget section.