

Maine RFSI Equipment-Only OFFICE HOURS
August 20, 2024
Question and Answers

Eligible Food and Beverage Product Type Questions

Q: What are specialty food products? Is this different than USDA specialty crops?

A: Yes, specialty food and beverage products are different from USDA specialty crops. Applications in the category of specialty crops will be inclusive of 51% or more Maine-grown and harvested [specialty crop](#) ingredients.

Applications in the specialty food and beverage products category are produced with 51% or more Maine-grown and harvested ingredients **OR** specialty foods and beverage products that include one or more Maine-grown and harvested ingredients but are unable to be manufactured with 51% or more Maine-grown and harvested ingredients. Examples include candy, pastries, salsa that is produced year-round but only meets the 51% ingredient inclusion when tomatoes and onions are in-season in Maine, and value-added products that include ingredients that have a limited ability to be acquired from Maine farms and producers. Applicants in this category will be required to name and estimate the % of primary ingredients that are unable to be sourced from Maine and provide a concise description of why these primary ingredients are not able to be sourced from Maine grown and harvested ingredients.

Q: Are Maine wild blueberries that are cultivated and harvested by farmers considered an agricultural product and not a "foraged" product?

A: Yes, Maine wild blueberries that are intentionally cultivated for human consumption are eligible as a [specialty crop](#) or may be qualify as the "one or more Maine grown and harvested ingredients" in an application in the specialty food and beverage product category.

Q: Are organic soybeans considered specialty food?

A: Soybeans are not defined by the USDA as a [specialty crop](#), so by default, food and beverage products produced primarily with soy ingredients would fall into the specialty food and beverage products category.

Q: For example, say we purchase 150,000 lbs. of soybeans per year, and 51,000 lbs. of those are from Maine. So, less than 51%. Does that mean we could still apply?

A: Yes. Applicants in the specialty food and beverage products category will be required to name and estimate the % of primary ingredients that are unable to be sourced from Maine and provide a concise description of why these primary ingredients are not able to be sourced from Maine grown and harvested ingredients. Business and financial feasibility statements may be included in the description of why Maine grown and harvested ingredients do not comprise 51% or more of the product's content.

Q: Equipment for processing and/or canning poultry is not applicable; is that correct?

A: Correct, no meat or poultry related equipment items are eligible, with the exception of eggs and farmed aquaculture.

Q: What about other organic dry beans? Such as heirloom varieties

A: Yes. Snap beans, green beans, lima beans, and dry edible beans are eligible as a specialty crop or may be qualify as the "one or more Maine grown and harvested ingredients" in an application in the specialty food and beverage product category.

Eligible Entity Questions

Q: Can we apply for a piece of equipment that we then provide to another company? And if not, can the other company apply for two separate grants?

A: No, the applicant must be the entity conducting the middle of the supply chain equipment activities. The applicant must be the entity responsible for equipment operation and reporting on outcomes. The applicant may not apply for equipment that another entity will operate. Only one application will be permitted per applicant entity (UEI).

Q: If the applicant is requesting funds for post-harvest equipment on their farm that they will manage the operations of, and they are headquartered in Maine, would they be eligible to apply if the next step in processing the product was conducted by an entity not headquartered in Maine, provided the second level processor was not operating the equipment funded by this grant?

A: If the applicant is growing produce and needs post-harvest equipment, you would be eligible if headquartered in Maine.

The applicant entity must be headquartered in Maine. The applicant must be the entity conducting the middle of the supply chain equipment activities. The applicant will be responsible for equipment operation and reporting on outcomes. The applicant may not apply for equipment that will be operated by another entity.

If the applicant is requesting funds for equipment that they will manage the operations of, and they are headquartered in Maine, they would meet this particular eligibility requirement even if the next step in processing the product was conducted by an entity not headquartered in Maine, provided the second level processor was not operating the equipment funded by this grant.

Q: Does the business entity have to be licensed by the Dept of Ag? We are a restaurant wanting to produce a product for wholesale/retail.

A: Applicant entities do need a federal UEI and the correct Maine license or permit for your business classification (if required based on the applicant entity type and product type). Applicants do not need to be licensed through the Maine Department of Agriculture, Conservation and Forestry.

Q: Are maple producers eligible for equipment upgrades? Evaporators, canners, storage, etc.

A: Yes, Maine maple syrup and maple products are eligible as a [specialty crop](#) or may be qualify as the “one or more Maine grown and harvested ingredients” in an application in the specialty food and beverage product category. The USDA has approved post-harvest (post tapping and extraction) and pre retail/ market activities as eligible for maple producers.

Allowable Costs and Budget Questions

Q: What is meant by facility upgrades that are not covered?

A: This grant will only fund middle of the supply chain equipment needed for food and beverage products. Construction, electrical upgrades, contractor installation, and loading bays are not eligible for this funding opportunity.

Q: Would costs associated directly with the installation of the equipment be allowable? i.e. gas pipe for a steam kettle?

A: No, any cost associated with installing the equipment is unallowable. Costs such as delivery or freight are allowable if included in the vendor quote.

Q: We need a pneumatic forklift in this building to support storing and packing for the farmstand and bulk delivery, would that be considered eligible?

A: A forklift may be eligible as a special-purpose equipment item. However, eligible special-purpose equipment must be used for a specific middle-of-the-supply food and beverage activity and may not be used for general business operating needs during the grant performance period.

All equipment purchases must meet the following criteria:

- Equipment is necessary for the middle of the supply chain activities and is not otherwise reasonably available and accessible.
- There must be a specific need making it necessary for the applicant to purchase this specific equipment at this particular time.
- Equipment must be used solely to meet the purpose of the program and objectives of the RFSI equipment-only program.
- Equipment is subject to the full range of acquisition, use, management, and distribution requirements under 2 CFR § 200.313 as applicable.
- The equipment investment must increase the applicant's production capacity, allow the business to reach new markets, or create new products.
- The equipment investment must create greater resiliency in Maine's middle of the supply chain.
- The equipment investment must be a primary component of a robust plan for moving raw and/or finished product through the food and beverage supply chain.
- The equipment must improve the applicant's organizational capacity to successfully integrate more or diversified product(s) into their business model
- Items under \$2,500 per unit are considered supplies and not eligible for this grant.

Q: Would a propane generator specific to backing up a storage freezer of specialty crops (which we already have), in case of power outages, be eligible?

A: No, the USDA has defined generators as a business operating expense and not eligible as a middle of the supply chain special purpose equipment item. Generators, heat pumps, copiers, faxes, and HVAC systems are all considered business operating expenses.

Q: What if the product that you're producing needs to be somehow climate controlled?

A: Generators and HVAC systems are not eligible, but walk-in coolers and other cold storage equipment items are eligible.

Q: Is commercial refrigeration considered equipment?

A: Yes, walk-in coolers and freezer chests are eligible if they meet the RFA definition of special purpose equipment. Please note that equipment used for marketing and direct to consumer sales and distribution are not considered to be middle of the supply chain and are ineligible (for example food trucks and reach-in coolers are both ineligible if available for marketing and consumer sales purposes).

Q: I also want to confirm that freezer bags for packing and packing labels would NOT qualify. Because they are considered "supplies" and do not meet the \$2,500 equipment requirements? Is this correct?

A: Correct. Anything under \$2,500 per unit is considered supplies and is not eligible.

Q: Our application would be to install a controlled atmosphere ventilation system in one of our potato storage facilities. These systems are necessary to keep the potatoes at the proper temperature and humidity to preserve their shelf life and keep them from breaking down. I know you mentioned HVAC is not permissible, but would this be considered different?

A: Ventilation systems are not eligible for this funding opportunity. The USDA considers HVAC to be general-purpose equipment. Equipment funded through this program must be used for the special purpose of directly conducting middle of the supply chain activities for specific eligible food and beverage products.

Q: If we're looking to buy a delivery vehicle that's for refrigeration, but we also need freezer space in the truck for blueberries specifically, does that freezer need to be at least \$2,500?

A: Yes. Eligible special purpose equipment must be of a cost of \$2,500 or greater. If a van could be purchased that meets your needs for both refrigeration and freezer space, the van package would be considered a special purpose equipment item. The freezer would not be eligible if purchased separately at a cost of less than \$2,500.

Eligible costs may include:

- Special purpose equipment;
- Implements, attachments, and equipment components necessary and reasonable to make each special purpose equipment item operational for the activities described, as long as it is included in the equipment quote;
 - Note: non-durable items such as plastic bags, covers, ties, freezer packs, storage containers, and single-use items are considered supplies rather than an equipment component and would not be eligible;
- Shipping and handling or delivery charges for the equipment, as long as it is included in the equipment quote and reasonable compared to the price of the equipment;
- Sales tax for the equipment, as long as it is included in the equipment quote.

Q: I know that these products can't be sold direct to consumer, but if we're a restaurant, can we sell the product at our restaurant?

A: Commercial kitchen equipment is allowable. For example, if you were buying a reach-in cooler where somebody could select or view their own slice of pie, that would not be allowable. But if you have a cooler that's storing those pies in your commercial kitchen for staff use only that cooler would be allowable.

Q: As a non-profit that produces fresh vegetables and serves them onsite but is bottlenecking during cold storage, would we be eligible?

A: Yes, cold storage equipment, that meets the RFA special purpose equipment definitions, are eligible as long as the consumers are not able to reach in to view the vegetables or make selections on their own (no market or direct to consumer equipment is allowed).

Q: In our current processing procedures, we have bottlenecks that can be corrected with the purchase of specific pieces of equipment. The equipment purchased would become an integral part of the processing line but not directly connected to each other. Are these separate pieces of equipment eligible?

A: Yes, multiple pieces of equipment are allowable. Applicants must describe the specific middle of the supply chain problem the special purpose equipment will solve, if funded. If you have a specific problem, gap, or need that you've identified and a collection of equipment will help you resolve that problem, that would be eligible even if they're not physically attached to each other.

Q: If we're an agricultural producer but are in the process of adding the infrastructure for a new aspect to our business that also requires a new piece of equipment, does that piece of equipment qualify? We are currently building a commercial kitchen that would be finished this winter to produce the product, and this equipment would be used in that production. Would that piece of equipment be eligible.

A: RFSI Equipment-only funds can build upon other infrastructure and funding sources that you might already have. Applicants must tell the story of why the requested equipment is needed and what middle of the supply purpose the equipment will have. This applicant should include a description of the new commercial kitchen and describe how the equipment will help the applicant to fulfil the purpose and help the applicant access more and better markets.

Q: Can you explain more about the building / expanding a commercial kitchen aspect that what would qualify?

A: Special purpose equipment that meets the definition described in the RFA is allowable. Equipment can be new to the applicant, can be purchased used or new, and/or can be an equipment item that represents an upgrade or replacement of an item that is currently in use but is not effective for the applicant's intended goals.

Middle of the supply chain processing, canning, preserving, fermenting, freeing, packaging, drying, juicing, distilling, and baking equipment would be eligible if used for middle of the supply chain activities and is above the \$2,500 threshold.

Q: I saw that delivery vehicles needed special approval. Is this correct? What do I need to do to get approval to request a delivery vehicle?

A: A funded application is the special approval needed. No additional or external approval is needed. Applicants must justify the cost of the equipment and describe how the equipment will meet the stated application purpose. Food trucks are ineligible because they fall into the market end of the supply chain. Delivery trucks are eligible as middle of the supply chain equipment.

Q: Follow up - with the delivery vehicle, there's nothing else we need to do but list on the application. Do we need the delivery truck mentioned in our references?

A: Correct, applicants must follow the RFA instructions to list and justify each equipment item and provide a price quote. Letters of support will be recommended and those writing letters of support should be familiar with your equipment needs and goals.

Q: Are you saying that we need to have a recommendation for a delivery vehicle, or all equipment items.

A: Letters of support are recommended for all applications, not just for delivery vehicles.

Application Questions

Q: Is there an effort to make the RFA documents clearer and easier to access in order to assist applicants in the process? It was difficult for multiple staff members to download the documents from the RFA.

A: We have received feedback on the difficulty of opening the USDA dynamic pdf templates. We are hopeful that the equipment-only RFA will avoid the dynamic pdf template for applicants. Please make sure that your first step after opening the RFA is to ensure that you can open all of the embedded files and understand what is required and what recommended for application submission. If you are unable to open anything, or are unsure what files are required to be submitted, please reach out to the RFA coordinator listed in the RFA. Staff can provide technical assistance related to opening files. Other questions regarding the RFA, including confirming what is required for application submission or understanding certain components of the RFA can also be asked but must be sent to the RFA coordinator using the Submitted Questions Form that will be provided as an appendix to the RFA.

Q: Can we submit multiple proposals?

A: No. If you are an entity that partners with another, you can submit only one application per UEI—one from each entity. If partners submit separate applications, they must describe distinct activities and proposed outcomes. Limited funding is available, and partners will be competing for the resources we have available.

Q: Is there a limit on net worth of a business, is this grant for small businesses only?

A: For profit entities currently conducting middle of the supply chain activities such as processing, aggregation, or distribution of targeted agricultural products, whose activities are primarily focused for the benefit of local and regional producers, and that meet the eligibility requirements of the SBA small business size standards are eligible to apply.

For-profit entities must meet the eligibility requirements of the SBA small business size standards matched to industries described in the North American Industry Classification System (NAICS). For more information on these size standards, please visit [SBA's Size Standards webpage](#). For a quick check on whether your business qualifies, please use the SBA [Size Standards Tool](#)

Q: Can you speak more about the UEI?

A: A UEI (unique entity identification) number is free through [SAM.gov](#). This is how the federal government is now documenting entity status and eligibility for federal awards and subrecipient awards passed through nonfederal entities. The UEI system replaced the DUNS number system.

Q: Follow-up – UEI is required?

A: Yes, a UEI is required. If you do not have one already, you need to have at least applied for a UEI before the application is submitted. The date of UEI application will need to be listed on the RFSI equipment-only application.

Q: Will partial awards be provided?

A: Applicants will be asked to prioritize their budget. Partial awards may be offered if the total funding requested exceeds the total funding available.

Q: Will we be penalized for asking for multiple pieces of equipment?

A: No, as long as all of the equipment requested meets the RFA definition for special purpose equipment and the application demonstrates how the collection of equipment will help the applicant meet the stated purpose and proposed outcomes provided in the application.

Q: I understand that vendor quotes are needed. If we intend to buy used, would an estimate by a certified vendor be accepted?

A: Yes. Equipment price quotes may be in the form of a written sales estimate from a vendor/used equipment seller, a catalog or online vendor pricing sheet, or a binding quote provided by a commercial vendor. Used equipment is allowable.

Q: Follow up, what if the equipment price changes before funding is awarded?

A: Applicants may be asked to purchase based on the total amount awarded and the prioritization of their budget included in their original application. Funding awards will be based on the budget and related quotes submitted at the time of application and will not be increased due to price increases. Awarded applicants may not be able to fully fund everything listed in their budget and will be asked to remove items ranked lower in priority if the amount awarded is less than what is needed to purchase all items at the time funding is made available.