

## Maine RFSI Equipment-Only OFFICE HOURS

August 8, 2024

### Question and Answers

## Eligible Food and Beverage Product Type Questions

**Q: Are eggs eligible?**

A: Yes, middle of the supply chain equipment investments for eggs are eligible.

**Q: If your final product is derived from an agricultural resource but is not itself an agricultural product, would you still be eligible to apply?**

A: Middle of the supply chain equipment activities for specialty food and beverage products are eligible. The Maine grown and harvested ingredient(s) in specialty food products will need to be disclosed on the application.

**Q: Do the products being made have to go to commercial market in Maine or can they go to private market in state?**

A: Applicants will need to describe how the equipment investment will allow them to achieve access to more and better markets, there isn't a requirement related to what market type the food products will be sold through. However, direct to consumer equipment is ineligible (food trucks, coolers and shelves that consumers can reach to select products, etc.).

**Q: Regarding the statement no food intentionally produced or processed for donations to food banks or pantries, so as long as that product isn't being transformed into something else that is specifically for the pantry system, would this be eligible?**

A: No, farm to pantry intended food products are not eligible. If you submit a application indicating that your entity makes tomato sauce for a food bank or pantry, that would be unallowable and ineligible. But if you indicate that the applicant is making tomato sauce with a plan to access a new market to get into a new store or a new distribution channel or increase volume for an expanded market that's totally OK. If something happens and you end up not being able to achieve that market success and you donate that tomato sauce, that wasn't your

original intention, that is ok. You will need to report on the outcomes you achieved, even if less than or different than predicted.

**Q: Follow up question, if a food pantry needed additional storage for products that were not intentionally made for them but ended up in the charitable food system, would that storage equipment be eligible?**

A: No. that would not be eligible for the RFSI grant. Please ask us about the Reach and Resiliency program for food banks, there may be funds/eligibility available.

**Q: On the 51% Maine grown and harvested ingredient qualifier, is there a specific exception for specialty food and beverage products? For example, 5% or 10% rather than 51%?**

A: The specialty food and beverage category allows applicants to be eligible to apply even if their product will not contain 51% Maine grown and harvested ingredients. We know that specialty products are often primarily made from ingredients that cannot be sourced in Maine such as avocado, sugar, cocoa, peanuts, almonds, etc. Applicants will be required to state their primary ingredients, list those that are Maine grown and harvested, and justify why they cannot meet the 51% content.

## Eligible Entity Questions

**Q: To be eligible for an application, does the business need to be an established business, or could funding be used to create a newly formed entity?**

A: The entity must have a UEI number, which can be obtained at [sam.gov](https://sam.gov). Business financial reports will not be required but the UEI number will be verified to establish your business name or a DBA confirmation. Funds cannot be used to establish a new entity.

**Q: Can two separate entities (different EIN's) apply if they have shared ownership of a facility?**

A: Yes, applications are based on the distinct UEI number. One application is allowed per UEI.

**Q: If a processor that we work with submits an application for a piece of equipment that will benefit multiple farms, is that looked at as double dipping?**

A: No, multiple entities may apply for different equipment even if those pieces of equipment will benefit the same/multiple farms and producers. Note the applicant will be responsible for operating, maintaining, and reporting outcomes for the equipment. An entity may apply only once. Entities that coordinate efforts but have distinct UEIs can apply separately but may be competing against each other in the application process. Applications need to be able to stand alone and not contingent on if another applicant is approved.

**Q: The applicant is headquartered in Maine produces raw agricultural ingredients (carrots, tomatoes, potatoes) and conducts on-farm middle of the supply chain activities in Maine. However, the produce is intended for processing at another facility and the headquarters of the processing companies are not located in Maine, but they have processing facilities in Maine. Are products eligible that may be sold to a processing or distribution company with headquarters outside of Maine but have facilities in Maine?**

A: 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, maintenance and reporting 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: Is our public school considered a local government entity or does it come under the school's bullet?**

A: A public school or school district would fall into the eligible entity category of "Institution." An institution such as schools, universities, or hospitals is eligible if the equipment investment will bring producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers' middle-of-the-supply-chain activities such as processing, aggregation, and distribution of the targeted agricultural products. Institutions are the only entity type that must benefit multiple producers.

## **Allowable Costs and Budget Questions**

**Q: Is packaging equipment, ok?**

A: Yes

Special purpose equipment purchases are allowable when provided in the approved budget provided the following criteria are met:

Allowable Purchases of special purpose equipment include but may not be limited to:

- Canners,
- hulling processors,
- reverse osmosis systems,
- egg packing machines,
- flotation tanks,
- roasters, or other processing equipment,
- packing and labeling equipment,
- delivery vehicle
- On-farm post-harvest processing, preservation, and storage/cold storage;
- Post-harvest cleaning and grading equipment;
- Freezing equipment, freezer, or cold storage;
- Processing, canning, preserving and pasteurization equipment;

- Preparation and packing equipment
- Drying, hulling, shelling, and milling equipment;
- Cooking, baking, juicing, distilling, fermenting equipment

All equipment purchases must meet the following criteria:

- Equipment is necessary for the technical activities of the agreement and is not otherwise reasonably available and accessible.
- Equipment is normally charged as a direct cost by the organization and is acquired in accordance with organizational practices.
- Equipment must be used solely to meet the RFSI purpose and objectives.
- Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable.

Unallowable equipment include but may not be limited the purchases of general-purpose and business operating 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 equipment).

**Q: In the tomato example, it specifically said "freezing" but did not include "refrigeration" was this intentional?**

A: No, this was just an example. Middle of the supply chain refrigeration equipment is allowable.

**Q: What if the equipment is more than \$100,000? Can we still apply?**

A: Yes. Grant funds can go towards pieces of equipment that are more than \$100,000. However, the applicant must demonstrate the capacity to pay for the remainder of the equipment cost.

**Q: Do you require verification source of additional funding for projects over 100K?**

A: This is an equipment-only grant, projects are ineligible. You will need to share the purpose of the equipment and how it will help solve barriers in Maine's middle supply chain and improve the ability of the applicant to reach more and better markets.

**Q: Are there any elements that can also be considered part of equipment, such as a slab?**

A: Yes. Shipping, handling, delivery, and freight charges that are required to acquire the equipment and are included on the quote you submit with your application are eligible. However, construction, training, electrical upgrades, construction, loading bays, and other contractual charges are ineligible for this equipment-only grant.

**Q: Will we partially fund applications?**

A: There may be an opportunity for applicants to indicate how they would prioritize their budget if a partially award was made. This will be addressed on the RFA and application.

**Q: Is a heat pump eligible?**

A: No, business operating equipment is ineligible for RFSI funding. Only the specialized equipment you are conducting middle of the supply chain activities on the stated food and beverage the products with are eligible. No business operating expenses are allowed for RFSI funding. [Efficiency Maine](#) is a good resource for heat pumps as well as the USDA REAP program.

*Heat pump follow up:* Are air source (air to air) heat pumps eligible under the USDA REAP? Yes, they are eligible for the USDA REAP program (NOT RFSI) as an energy efficiency improvement project as long as they show energy savings per an energy audit. USDA REAP program information:

<https://www.rd.usda.gov/media/file/download/reap-renewable-energy-systems-faqs.pdf>

<https://www.rd.usda.gov/programs-services/energy-programs/rural-energy-america-program-renewable-energy-systems-energy-efficiency-improvement-guaranteed-loans/me>

<https://safgrantservices.com/blog/what-renewable-energy-systems-qualify-for-reap-funding>

## Application Questions

**Q: What does the scoring metric look like?**

A: We cannot share components of the RFA ahead of the opening date. Please always refer to the posted RFA for application instructions and scoring metrics.

**Q: The documents don't seem to open on Mac computers...is there a Mac-friendly version?**

A: The USDA has begun using Adobe Dynamic templates. There will be instructions for how to open Adobe Dynamic templates without a cost to the applicant in any RFA that uses these templates.

Due to the challenges associated with this file type, we are hopeful we have permission from the USDA to avoid using Adobe Dynamic templates for this RFA.

Please note that you may ask questions about opening the files after the RFA is open. You should never pay for software to open a grant application file. It is important to contact the RFA Coordinator early if you are unable to open a file.

If you are using a MAC and need to open an Adobe Dynamic file, you must change the settings in your computer to set Adobe as your default .pdf and Adobe Dynamic PDF reader: <https://www.adobe.com/acrobat/hub/how-to-change-your-default-pdf-viewer.html>

**Q: Will additional funding be available?**

A: Currently, no. We are advocating for the RFSI program to be adopted into the farm bill.

**Q: With 15 applicants declined in the RFSI Project round or deemed ineligible. Did these applicants not read the directions carefully, or is the bar just very high?**

A: Most RFSI Project applicants that applied in the spring RFSI Project application period who did not meet the pass/fail criteria had deviated from the instructions provided in the RFA. They used forms that were not found within the posted RFA, or they submitted applications for equipment only rather than a project. Some failed to submit all the required forms provided in the RFA which left reviewers unable to verify if the request was related to an eligible project.

It's important that you carefully review the RFA section that links to the required forms.

**Q: Is there a way to ensure we have all the correct documents?**

A: Please review the required forms listed in RFA. Please be sure that you can open every file linked in the RFA. Please contact the RFA coordinator if you are unable to open a file. Only use and submit the documents provided in the RFA, do not seek forms from the USDA or state websites.

**Q: How closely related do the equipment items need to be? Example: walk-in cooler, electric pallet jack, pallet scale. All used for the same purpose, but does that just need to be explained in narrative?**

A: Yes, you can buy multiple pieces of equipment. Guidance is that there must be a narrative that explains the connections between all equipment. Why do you need the equipment? What impact will the investment in equipment have on your business? What problem are you solving in Maine's middle of the supply chain with the equipment investment?



**Q: How do you define "expansion" versus "upgrade"? Example: the walk-in cooler is a brand-new additional cooler, not replacing an existing one, and it will expand business in volume, dollars, and sales channel**

A: It doesn't really matter if you're expanding or upgrading as long as you are seeking to solve a middle of the supply chain purpose and will be able to access more and better markets for your business.

**Q: Are letters of recommendation required?**

A: Letters of Support will either be required or highly recommended. The RFA will provide the specific requirements. The USDA will require the state to review based on demonstrated stakeholder support.

**Q: Can you give an example of a good letter of support source?**

- Commodity groups, organizations, alliances related to one of the product ingredients
- MOFGA if your using organic certified ingredients or your product is MOFGA certified
- If you're making tomato sauce and purchasing tomatoes from multiple sources – letters from those farmers.

**Q: If you received other pandemic money, would that impact scoring?**

A: No, this will not impact scoring. if you received pandemic or federal funds or state funds to buy the same piece of equipment and you didn't buy it, but it was named in that grant proposal, talk to us. If you've been approved with a contract amendment, you might be in good shape, but you can't double dip on that same piece of equipment that you purchased with other sources of funding. If you received a conditional award letter for an RFSI Project, you are not eligible for the RFSI Equipment-only Grant.

**Q: Will minority owned businesses have more “points”?**

A: This has yet to be determined at this time. The scoring rubric has not been developed yet. Please review the RFA when it is posted. You may ask clarifying questions via the submitted questions form that will be provided in the RFA.