

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Eligible Food and Beverage Product Type Questions

Q: Do products made with herbs fall into the specialty crop category?

A: Yes, herbs are specialty crops. Applications in the category of [specialty crops](#) will be inclusive of 51% or more Maine grown and harvested specialty crop ingredients.

Q: In a previous office hours you mentioned that eggs were an eligible product. Is egg washing considered a middle-of-the-supply chain activity?

A: Yes, egg-washing equipment is eligible. Post-harvest equipment is eligible the middle of the supply chain; in the example of eggs, anything after the collection (“harvest”) of the egg is eligible.

Q: I saw earlier that meat products are not eligible, but later, aquaculture products are. Would an oyster farm qualify?

A: Intentionally farmed oysters and mussels do qualify as farmed aquaculture. As does kelp and other sea vegetables that are farm cultivated.

Q: Meat and poultry are excluded. What if my business makes some products that only include fruits and vegetables and some products that include meat?

A: If the business meets all of the other eligibility requirements, it would be able to apply for equipment that would only be used for foods that do not contain any meat components, including meat or bone broth/stock. During the grant performance period, no meat, poultry, wild-caught, or foraged ingredient-related activities may be conducted with the RFSI-funded equipment. For example, a company that makes both vegetable soup (no meat ingredients) and chicken noodle soup can apply but any equipment related to the chicken noodle soup would be ineligible.

Q: Can the proposed equipment be utilized by both farmed, wild-caught, or foraged ingredients?

A: No, wild-caught and foraged ingredients must not be included in any products related to the RFSI-funded equipment during the grant performance period.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

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](#) and may qualify as the "one or more Maine grown and harvested ingredients" in an application in the specialty food and beverage product category.

Q: Regarding 51% Maine grown and harvested ingredients, should we look at that as a complete year percentage of what we sell or should we look at just during that period that we are buying Maine products? What if our ratio of Maine-grown products changes throughout the year?

A: Please provide details about the food and beverage products that will utilize the equipment during the grant performance period starting approximately March 1, 2025, and ending on May 24, 2026. If you are unable to purchase an ingredient year-round from Maine, please either share your estimated percentage for the annual processing cycle or during the grant performance period. You are permitted to end your performance period sooner if described in your application (e.g. you could submit a proposal that describes a shorter period when you know that you will be able to source > 51% Maine grown and harvested ingredients). Alternatively, if you are unable to meet the 51% threshold but still will have one Maine-grown and harvested ingredient in your product(s), you may apply in the specialty food and beverage product category. This is how one may make the distinction between applying in the specialty crop category vs the specialty food and beverage product category. Using the salsa example, tomatoes, onions, and peppers are specialty crops. If the applicant knows that 51% or more of these produce ingredients will be available during the entire performance period from Maine, they should apply in the specialty crop category. However, if the applicant may purchase these ingredients from another state in the winter months and will dip below the 51% ingredient threshold as an average weight or volume indicator across the grant performance period, they should apply in the specialty food and beverage product category.

Q: When you're doing the 51% Maine derived, do you have to show orders of that ingredient, or any evidence supporting that that that product is being derived from Maine, or is that something that's shown in the reporting after the equipment is purchased.

A: Applicants will not be required to show purchase or inventory slips for their application. They will be required to list the primary product ingredients and the percent by weight or volume in a way that informs the reviewers of the % of Maine-grown and harvested ingredients. Applicants in the specialty food and beverage product category will need to have at least one Maine-grown and harvested ingredient and will need to describe why they are unable to utilize 51% or more

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Maine-grown and harvested ingredients (e.g., tomatoes are not available year-round in Maine or cocoa is not grown and harvested in Maine). Later reporting may ask for further clarifying details regarding product ingredients but because ingredients are not a reimbursable expense, invoices and receipts will not likely be requested.

Eligible Entity Questions

Q: Is there a business revenue limit, will I be scored on the ratio of my equipment purchase to sales revenue?

A: No. Applicants will not be scored based on their revenue or the ratio of the equipment to the revenue. However, 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). Please visit SBA's Size Standards webpage for more information on these size standards. For a quick check on whether your business qualifies, please use the [SBA Size Standards Tool](#)

Q: Regarding distribution companies, is there a requirement for the percentage of foods grown and processed in Maine that the company distributes as part of its annual business to be eligible?

A: No, we are only looking at the food and beverages related to the equipment funded through this grant.

Q: Will applicants who were awarded AIP funds be eligible for this program?

A: Yes, as long as they are not requesting funds for equipment already purchased or already awarded funds for the same equipment. However, if an AIP recipient requested equipment funds in their original AIP application but, due to budget changes, no longer has access to AIP funds for the equipment, they are eligible to apply for RFSI equipment funds to build on their AIP project.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Q: If the equipment requested not only meets a pressing need for the applicant but can possibly be used on a contract basis with other entities, is that allowed?

A: No, not during the grant performance period. The applicant/awardee must be responsible for conducting the proposed equipment activities, maintaining the equipment, and reporting the outcomes of that equipment use. The equipment cannot be offered on a contract basis to other entities during the grant performance period.

Q: Are seasonal businesses eligible (grant performance period?)

A: If you are a seasonal business that will be able to implement the equipment between approximately March 1, 2025, when funds will be available, use that equipment, report back, and have the outcomes you're describing completed by May 24, 2026, then yes, that would be eligible.

Allowable Costs and Budget Questions

Q: Would a larger and more efficient cooler be eligible? We already have coolers and places to store products. What we don't have is a cold storage place that can store and move products efficiently in pallets.

A: Yes. Cold storage equipment is allowable. You would want to tell us how the equipment upgrade/addition would help you to solve your stated purpose/problem resolution and how the upgrade would help you to access more and better markets.

Q: Will administrative/indirect costs be allowable?

A: This is an Equipment-only grant, administrative and indirect costs are not allowable.

Q: Can we use this grant as a match for another grant? Say the other grant requires a 1:1 match, for example.

A: Typically, no, but this would be something for the other grant administration to decide. Nothing in our terms and conditions would prevent that as long as funds are not made available for the full purchase of the equipment from the other grant.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Q: Clarification related to previous special purpose equipment criteria, what does “equipment is necessary for the middle of the supply chain activities and is not otherwise reasonably available and accessible mean?

A: “Equipment is necessary for the middle of the supply chain activities and is not otherwise reasonably available and accessible” means that the equipment that you are requesting must not have another funding source or opportunity to purchase that is easily available to the applicant and the special purpose equipment requested must not simply replace another equipment item serving the exact same purpose.

However, let's use the example of a food processor and a salsa-making business. If you need a second food processor to increase your salsa production to access or expand your market reach, the second food processor would be allowable. Or, if your original food processor isn't as efficient/productive as the new model requested, and a new food processor would allow you to solve your stated purpose, then that would be allowable.

All special 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.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Q: Would the grant reimburse for equipment purchased before the award is official?

A: No, any purchase, order, or activity conducted before the grant contract start date will not be eligible for reimbursement. However, grant recipients will have the opportunity to receive a partial advance to make equipment purchases rather than waiting for 100% reimbursement; this will be detailed in the RFA.

Q: If you applied for two vehicles, one refrigerated and one not, to increase your ability to meet expanding market demand for your farm-grown produce, would this be considered multiple pieces of equipment? Are multiple pieces of equipment allowable?

A: Yes, and multiple pieces of equipment are allowable. You will want to justify the need and explain how investing in the two pieces of equipment will solve your unified stated purpose/problem to be solved.

Q: If we are in need of equipment for climate control from the field to delivery to a retail customer, can an in-house cooler AND a refrigerated truck qualify as multiple pieces of equipment?

A: Yes, and multiple pieces of equipment are allowable. You will want to justify the need and explain how investing in the two pieces of equipment will solve your unified stated purpose/problem to be solved.

Q: You mentioned that mobile food trucks are ineligible, what about if you need a delivery vehicle to bring food from your processing kitchen (run separately from the food truck) to supply your mobile food truck?

A: A delivery truck bringing food to a retailer, including a food truck, is eligible as a middle-of-the-supply chain special purpose equipment item. However, if the delivery truck may occasionally double as a food truck (selling directly to consumers), it would not be eligible.

Q: Does the mobility of the equipment have any effect on if it qualifies?

A: A delivery truck would be eligible as it's a middle-of-supply activity. A food truck would not be eligible as a consumer could go up to it and make a purchase. The mobility of the product, the fact that the equipment can move around and has wheels, does not exclude it from being eligible as equipment. Applicants must clearly describe how the equipment is only intended for middle of the supply chain activities.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Q: Does wrapping/packaging produce a substantial change in produce?

A: Yes, any [middle of the supply chain activities](#) qualify as “substantial change” including washing, packing, wrapping, storing, aggregating, and delivery.

Application Questions

Q: When is the grant performance period?

A: The grant performance period will be the selected recipients contract start date (no sooner than March 1, 2025) through May 24, 2026. It is possible for a recipient to request an accelerated timeline if they know they will be able to purchase and implement the equipment and report on final outcomes sooner. Extending the performance period may also be possible if challenges arise.

Q: The PDF attached to the invite for this office hours and the PDF shown today during the office hours are different. When will the new one be available?

A: All presentations can be found on the Maine [RFSI website](#). The only pages that differ between the two are pages 4-6, which explain changes to where the RFA will be posted.

Q: Does the amount of money you request affect the chance of being awarded funds?

A: No, the dollar amount of the application will not affect the chances of funds being awarded; that will not be a scorable criteria. However, if you are asking for multiple pieces of equipment, you will be asked to prioritize your budget. This will inform the budget process if applications are only partially funded and/or if the price of the equipment changes.

Q: Will there be scoring criteria pertaining to showing evidence of critical resources and infrastructure?

A: Yes, and all scoring criteria will be described in the RFA when published. Please use the submitted questions form provided in the RFA to ask clarifying questions about any portion of the RFA, including the scoring criteria.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Q: Does this equipment-only application need to include helping other farms through the middle of the supply chain issues, or can it be specifically just our business and just one versus the other, like acquiring more points?

A: Applicants will not be required to benefit multiple producers, like in specialty crop block grant (SCBGP) program awards, but applicants will be asked to describe how their equipment investment may impact other producers and stakeholders. Please review the RFA, including the scoring rubric, for further instructions. Please use the submitted questions form provided in the RFA to ask clarifying questions about any portion of the RFA, including the scoring criteria.

Q: Can you please clarify the difference between the Letters of Support and the Critical Resources and Infrastructure Letters?

A: Letters of Support will be recommended and can come from various sources demonstrating that they see value in the equipment investment for the applicant's business and/or for Maine's food and beverage supply chain. Letters of support may come from commodity groups, MOFGA, community groups, retailers, or other sources familiar with your proposal.

Evidence of Critical Resources and Infrastructure Letter(s) (EOCR)– At least one will be required from the applicant to demonstrate that they have resources infrastructure and resources in place to be successful in achieving the stated funding purposes and anticipated outcomes. An additional EOCR letter will be required if the equipment is going to be housed at a facility not owned by the applicant (e.g. a site that the applicant leases or is gifted by a landowner). If the equipment is going to be housed in a leased or shared space, there will need to be a letter from that landowner property owner saying that they agree and that the equipment can be used in their space.

Q: Do we get points taken off for already receiving other grant funding through DACF?

A: No. This will not be a scoring criteria as one intent of this program is to build on other resources. However, it would be unallowable to ask for funds if you received a grant or a loan with state or federal resources for the exact same piece of equipment.

Q: Can you explain what the fund disbursement process will be?

A: This will explained in the RFA. More than 50% of the awarded amount will be available to be issued as advance once a contract has been executed. Once the equipment has been purchased and implemented, another portion of the funds will be disbursed. The remaining funds will be issued once the final report has been received.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Q: What if the equipment doesn't work, or if markets change, the nature of the business changes?

A: Subrecipient awardees will be required to report on lessons learned. If things are not going well, reach out to the Department. We want recipients to succeed, but it is okay if activities don't go as planned. We will have a conversation and see what opportunities there may be to adjust your planned activities. Ultimately, your report will discuss the lessons learned, and you will explain what you tried, what happened, and what you would do differently.

Q: Once the grant is at an end with all reporting complete... could the equipment be repurposed? Could it be disposed of?

A: Yes that is possible but it must follow the USDA's disposition requirements. We can assist recipients in navigating this. The recipient must follow the requirements of [2 CFR §200.311](#) before disposing of the property. The real property will be used for the originally authorized purpose as long as needed for that purpose. If an applicant needs to get rid of equipment after the grant performance period is complete, the recipient must obtain disposition instructions from AMS. Special purpose equipment must be in compliance with the [USDA General Terms and Conditions](#), [RFSI Specific USDA Terms and Conditions](#), [RFSI Program Scope and Requirements](#), and further guidance from the USDA to States Departments of Agriculture.

Q: The gap between the application date and when we can use funds; if the equipment is no longer available, can we use funds to buy from a different brand?

A: We understand that the contract date will be several months after the application date and that equipment prices may fluctuate. Recipients will not be eligible to receive additional funds but may be able to purchase from a different vendor. Final budget adjustments will be made just before the contract execution. This is another reason why we will be asking applicants requesting multiple pieces of equipment to indicate how they would prioritize their purchases if awards were less than the total amount needed to purchase all of the equipment at the originally quoted prices.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Q: It's stated that the infrastructure has to be in place. Does that have to be constructed and permitted at the time of the RFP submission, or can it be under contract?

A: We will not request copies of permits with the initial application. However, the USDA may request further information as part of its review process. Applicants will be required to describe their timeline for purchasing and implementing the equipment.

We ask applicants to show what resources and infrastructure are in place, committed, and secured at the time of their application. Applicants should be prepared to document that they are ready to purchase the equipment and begin using it according to the RFA stated timeline and guidelines.

Q: We're currently constructing our commercial kitchen, but we don't expect to have it fully licensed until after March 1st, 2025. Do you know what the latest date that we could begin grant performance activities would be?

A: Applicants will be required to demonstrate that the critical resources and infrastructure necessary to purchase the equipment, begin stated activities, and move towards meeting proposed outcomes are committed and secured at the time of the application. Applicants will be asked questions about their anticipated equipment purchase date, and the date they will begin to utilize the equipment. Please check the RFA for instructions and further information on these details and utilize the Submitted Questions Form to ask any further clarifying questions.

Q: Depending on the proposed crop, it may not be harvested until the end of summer. It's possible that these freshly harvested crops won't be getting processed until August or later. Is that something that is customarily not allowed?

A: Applicants will be asked questions about their anticipated equipment purchase date, and the date they will begin to utilize the equipment. There is an opportunity for applicants to justify their proposed timeline, which may include not being able to start equipment activities until after next year's crop is harvested. Please check the RFA for instructions and further information on these details and utilize the Submitted Questions Form to ask any further clarifying questions.

Q: Can equipment purchased in 2024 be eligible for reimbursement?

A: No, equipment cannot be ordered or purchased prior to the first day of an executed contract.

Q: Is used equipment eligible?

A: Yes, if you can provide a vendor quote, used equipment is allowable. Note that funds will not be available until March 1, 2025 or later depending on USDA and DACF review.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

Q: How formal do the quotes need to be for equipment purchases?

A: Applicants must submit documentation to substantiate the current cost of each piece of equipment. Applicants are required to submit a current and valid quote (dated on or after August 1, 2024) for each equipment item that will be purchased with grant funds. 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. Please note that a quote cannot come from a building contractor who will purchase the equipment and conduct additional activities to prepare the site for installation.

Q: Quote- how recent does it need to be?

A: Applicants must submit documentation to substantiate the current cost of each piece of equipment. Applicants are required to submit a current and valid quote (dated on or after August 1, 2024) for each equipment item that will be purchased with grant funds. 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: Would costs associated directly with the installation of the equipment be allowable, i.e. electrical work?

A: No, costs associated with installing the equipment are NOT allowable. Costs such as delivery or freight are allowable if included in the vendor quote.

Q: Is there a way that we could use the grant to buy equipment at an auction. e.g. trucks or trailers for transporting produce?

A: Auction purchases would not likely be possible. You will need to submit a valid vendor quote at the time of your application. Applicants would likely only be able to receive an estimated value, not a quote for purchase price from an auction. However, if the vendor quote provided with your application is no longer valid at the time you receive an executed grant contract, please talk to us about your options. If the same equipment is available at auction at that time it may be allowable to purchase from the auction. In this case, if the equipment is purchased at an auction for less than the application quoted price, you would be eligible for reimbursement of the actual auction purchase cost, not the higher quote from the other vendor.

Maine RFSI Equipment-only Office Hours Q&A September 5, 2024 and September 9, 2024

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: If equipment costs more than 100K, how much specificity do you need for where the balance is coming from

A: Applicants will need to describe the critical resources and infrastructure committed or secured at the time of their application. The applicant will need to describe where the additional funds will come from. We will not be requesting bank statements.

Q: If the equipment is greater than \$100,000, can I use a loan to fund the rest of the equipment?

A: Yes. However, applicants intending to use a loan to fund the rest of the equipment costs must provide a pre-qualification or pre-approval letter from a financial institution.

Q: Do we know when the awardees will be notified? Is that different than the date the contracts will be executed?

A: Yes, these dates are different. Typically, conditional award letters are sent out 4-8 weeks after the closing date of the RFA. Once those announcements are made, we will give all the materials from all the applicants who were conditionally awarded to the USDA, and they will start their screening process. They indicate that their review process will hopefully be done within 60 days, but it may be longer.

Q: Is there a follow-up process after being awarded grant funding

A: Applications will be reviewed by a Maine Department of Agriculture, Conservation and Forestry evaluation team. The evaluation team will make recommendations for award to Department leadership, the Commissioner's Office, and the Maine Office of State Procurement. The next step will be to issue conditional award notification letters to applicants recommended for award. After applicants are notified, the application materials for all applicants conditionally selected for award will be sent to the USDA AMS RFSI review team. Their team will complete another level of review and may ask follow-up questions or request further edits. Once all USDA questions are answered, and they have approved of the subrecipient awards, the Department will work with subrecipients to update their budgets, if needed, and to execute a contract.