

By: Amanda Swanson
Grant and Marketing
Manager for the
State of Alaska,
Division of Agriculture

Email:
amanda.swanson@alaska.gov

Phone: (907) 761-3869

RESILIENT FOOD SYSTEMS INFRASTRUCTURE PROGRAM (RFSI)

FUNDING SOURCE

\$420 million from the American Rescue Plan will be awarded to all states and territories. Alaska will be receiving approximately \$2.2 million.

USDA AMS awards funds to U.S. State Departments of Agriculture (or Divisions) (grantee)

State Departments of Agriculture award funds through a competitive grant process for subgrant awards (subgrantees) and provides administration of the awards.

PURPOSE

Purpose of the RFSI grant program is to assist in building resiliency in the middle of the food supply chain by strengthening local and regional food systems, creating more diverse local and regional market options, increasing economic opportunities for communities, and opening new revenue streams for producers.

Targeted for Processing and Aggregation/ Distribution Stages of the Food Supply Chain

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- 2 types of Grant projects available:
- Simplified Equipment Only Projects
 - Infrastructure Grants.

QUALIFYING PRODUCT

Qualifies

- Specialty crops for human consumption
- Dairy
- Grains for human consumption
- Aquaculture
- Other food products (for human consumption)

Does NOT Qualify

- Meat
- Poultry
- Grain not for human consumption
- Floriculture



FUNDING PRIORITIES

The top 5 funding priorities were identified through the Division's industry survey based on ranked votes:

1. Expanding processing capacities, including adding product types, increasing production volumes, and supporting new wholesale/ retail product lines.
2. Purchase and installation of specialized equipment, such as processing components, sorting equipment, packing and labeling equipment, or delivery vehicles.
3. Modernizing equipment or facilities through upgrades, repairs, or retooling (e.g., adapting product lines for institutional procurement or adding parallel processing capacity).
4. Increasing storage space, including cold storage.
5. Construction of a new facility.

- Announcement of Request for Applications will be released on **January 15, 2024**.
- The application period will be open for 60 days with an application deadline of **March 15, 2024, at 5pm**. Announcement will be made via press release, social media sites, and Division of Agriculture's grant webpage:
https://dnr.alaska.gov/ag/ag_grants.htm
- Applications will undergo competitive review process by Review Committee.
- Subgrantees selected and submitted to USDA for approval by **March 29, 2024**.
- Selected and USDA approved subgrantees in contract by **May 2024** and receiving first advances.
- Subgrantees for Infrastructure Grants will have approx. 3 years to complete grant project **May 2024- May 2027**.

APPLICATION TIMELINE



SIMPLIFIED EQUIPMENT ONLY PROJECTS

Grant projects between the amounts of \$10,000- \$100,000 for equipment-only purchases.

Fixed Price Grant, awarded amount will be equal to the cost of the equipment up to \$100,000. (including freight!!)

No match required for this grant type.

INFRASTRUCTURE GRANT

Minimum: \$100,000

3-year grant performance period

Applicants must submit evidence that critical resources and infrastructure necessary to support the initiation and completion of a project are in place. (template will be provided)

Match Requirement: 50% of the total proposed project costs (more on this later)

Exception: those who qualify for the reduced match as historically underserved farmers and ranchers or for those businesses that qualify under the SBA categories, match is reduced to 25%



WHAT IS MATCH?

Matching is the portion of project costs not paid by the Federal funds, which could be cash and/or in-kind contributions.

- Cash can be a financial outlay, or cash donations from non-Federal third parties.
- In-kind can be the value of non-cash contributions typically in the form of value of personnel, goods, and services.

- **Other Federal funds cannot be used as match.**

- Example: Total Project Amount is: \$200,000.00
Federal Funds Requested: \$100,000.00
Cost Share/ Match Amt: \$100,000.00



ELIGIBLE APPLICANTS:

- Agricultural producers or processors, or groups of agricultural producers and processors
- Nonprofit organizations
- Local governments
- Tribal governments
- Institutions such as schools, universities, or hospitals bringing producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers.

All entities must be operating middle-of-the-supply-chain activities such as processing, aggregation, and/ or distribution of targeted agricultural product



INDIVIDUAL BUSINESSES CAN APPLY FOR THIS GRANT HOWEVER IT WILL BE CONSIDERED MORE COMPETITIVE IF IT:

- Benefits: underserved farmers and ranchers; new and beginning farmers or ranchers, veteran producers; processors and middle of the supply chain businesses owned by socially disadvantaged individuals as defined by SBA.
- Projects that: offer family supporting job quality and treatment/ safety of workers; focus on small and medium sized enterprises that add options and choices for consumers and producers (value added products), demonstrate local support, support underserved communities, are submitted by cooperatives, farmer- and worker owned enterprises.
- States may prioritize specific markets such as: institutions, retail, food hubs, aggregators, wholesales, and distributors, and/ or market channels that respond to food access challenges in the state.

ALLOWABLE USE EXAMPLES:

On-farm post-harvest processing, preservation, and storage/ cold storage.


Improvements, rearrangements, or alterations of an existing building or facility to use a space more effectively and to accommodate new or upgraded equipment and processes.

Construction of new buildings or structural changes to an existing building/ facility resulting in square footage expansion or requiring changes to the building's floor, foundation, and exterior or load bearing walls.

Special purpose vehicles relevant to the scope of work on an Infrastructure Grant project (Ex. Delivery vehicles or refrigerated trucks).

Repair or update existing equipment.

Retail related activities such as creating distribution channels to new retail opportunities, expanding processing and packaging capacities, adding product types, increasing production volume, and supporting new retail product lines.



MORE EXAMPLES OF ALLOWABLE ACTIVITIES:

- Training on the use of equipment purchased under the grant.
- Hiring term- limited personnel to assist with project implementation.
- Analyzing potential facility upgrades and changes that meet regulatory requirements, obtaining design, and/ or architecture services.
- Planning for Hazard Analysis Critical Control Points (HACCP) or other food safety or worker safety measures.



EVEN MORE EXAMPLES!

- Upgrades or new facilities for processing specific agricultural products such as:
 - 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
 - Cooking, baking, juicing, distilling, fermenting

UNALLOWABLE USE EXAMPLES:

- Production activities/ costs including farm equipment, tools, supplies, gardening, or production related labor/ training.
- Acquisition of buildings, facilities, or land.
- Purchase of general use vehicles.
- Projects focused on meat and poultry processing.
- Projects that have already received funding from another federal grant or subaward program.

However, infrastructure grants may build on the success of prior funding, such as USDA Regional Food Business Centers Business Builder Subawards, to fund subsequent activities.

QUESTIONS:



Follow up questions can be emailed to:
dnr.scbg@alaska.gov



USDA Resilient Food Systems Infrastructure Program Fact Sheet:
<https://www.ams.usda.gov/services/grants/rfsi>



USDA definition of a specialty crop:
<https://www.ams.usda.gov/services/grants/scbgp/specialty-crop>



USDA Grant Opportunities (including the Local Meat Capacity Grant, Meat and Poultry Processing Capacity- Technical Assistance, and Indigenous Animals Grant Program) visit:
<https://www.ams.usda.gov/services/grants>