

REQUEST FOR APPLICATIONS

United States Department of Agriculture,
Agricultural Marketing Service

Resilient Food Systems Infrastructure (RFSI) Program
Infrastructure and Equipment Grants

Awarded by the North Carolina Department of
Agriculture and Consumer Services

Updated May 21, 2024

Funding Year: Fiscal Year (FY) 2024

Infrastructure and Equipment Only Application Opening: May 1, 2024

Infrastructure and Equipment Only Application Closes: June 15, 2024

State Award Range for Infrastructure Grants: \$100,000-2,000,000

State Award Range for Equipment Only Grants: \$10,000-\$100,000

EXECUTIVE SUMMARY

The U.S. Department of Agriculture (USDA), Agricultural Marketing Service (AMS), has entered into a cooperative agreement with the North Carolina Department of Agriculture and Consumer Services (NCDA&CS) to administer the [Resilient Food Systems Infrastructure \(RFSI\) Program](#). NCDA&CS is working in partnership with USDA-AMS to award competitive Infrastructure Grants to support middle-of-the- food-supply-chain infrastructure for domestic food and farm businesses and other eligible entities. Funds will support expanded capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of locally and regionally produced food products, including specialty crops, dairy, eggs grains and other row crops for human consumption, aquaculture, and other food products, excluding meat and poultry, and wild-caught seafood.

This program is funded by [Section 1001\(b\)\(4\) of the American Rescue Plan \(ARP\) Act of 2021 \(Pub. L. 117—2\)](#). Two types of awards are being offered with this funding, Infrastructure Grants and Simplified Equipment-Only Grants. While applicants may apply for both grants, they will only be awarded either the Infrastructure Grant or the Equipment-Only Grant, not both.

Infrastructure Grant applicants may apply for a minimum federal award of \$100,000 and a maximum award of \$2 million. Projects may start at the time of awardment notification, and must be completed by May 24, 2027. Grant applicants are required to contribute 50% of the total proposed project cost as a match to federal funding. For historically underserved farmers and ranchers and small businesses that qualify under the Small Business Administration (SBA) including small, disadvantaged businesses, women-owned small businesses, and veteran-owned small businesses, the required match is reduced to 25% of the total proposed project cost.

Simplified Equipment-Only Grant applicants may apply for a minimum federal award of \$10,000 and a maximum award of \$100,000. Projects may start on July 25, 2024, and must be completed by May 24, 2027. There is no match requirement for Simplified Equipment-Only Grant projects.

NCDA&CS solicits applications for projects that fall within the scope of the Resilient Food Systems Infrastructure Program. This notice identifies the RFSI Funding Priorities for North Carolina, eligibility criteria for projects and applicants, funding information, application form locations, and associated instructions.

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Please read all materials before preparing and submitting the application. Failure to follow the instructions and requirements described in this Request for Applications (RFA) may result in the disqualification of the application.

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GENERAL INFORMATION

A. Background

Section 1001(b)(4) of the American Rescue Plan (ARP) Act of 2021 (Pub. L. 117— 2), as amended, authorizes the United States Department of Agriculture (USDA), to make grants and agreements to maintain and improve food and agricultural supply chain resiliency.

Under the RFSI program, AMS is entering into cooperative agreements with each state department of agriculture. Cooperative agreements are a form of federal financial assistance that anticipate substantial involvement by the awarding federal agency (e.g., engaging with the recipient on overall project direction and implementation). Up to \$420 million in American Rescue Plan funding is available for this program nationally, and the allocated amount to each state was made through the following weighted sum formula: (A) State percent share of commodity by sales (20%), plus the weighted sum of (B) State percent share of commodity by small farm sales (60%), plus the (C) weighted State percent share of Rural populations living in distressed communities (20%). States will use the formula funds to make competitive Infrastructure Grants (i.e., subawards) for projects to expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted local and regional agricultural products, as well as Simplified Equipment-Only Grants.

B. Purpose

The purpose of the Resilient Food Systems Infrastructure (RFSI) program is to build resilience in the middle-of-the-food-supply-chain and strengthen local and regional food systems by creating new revenue streams for the state's producers. States will make competitive subawards in the form of grants to middle-of-the-supply-chain businesses to create more diverse local and regional market options and create more economic opportunities for communities, allowing them to retain more of the value chain dollar. These grants aim to create a food systems infrastructure to support competitive and profitable market access for domestic farm products. States may use a limited portion of funds to develop and/or strengthen supply chain coordination, in alignment with these program goals.

The overall goal of RFSI is to create more and better processing options for local and regional producers across the specialty crops, dairy, eggs, grain (for food), and other sectors by targeting gaps and opportunities in the pandemic assistance, Food Systems 2 Transformation (FST) programs, and existing USDA grant programs that support the agricultural supply chain.

The primary focus of RFSI is to support food system crops and products meant for human consumption (excluding meat and poultry products, which are funded through other USDA programs). Ineligible products include meat and poultry, wild-caught seafood, exclusively animal feed and forage products, fiber, landscaping products, tobacco, or dietary supplements.

The program also aims to:

- Support development of value-added products available to consumers;
- Support proposals that provide fair prices, fair wages and new and safe job opportunities

that keep profits in rural communities; and

- Increase diversity in processing options in terms of business model approaches, geography, and availability to underserved communities.

C. North Carolina RFSI Funding Opportunities

Funding priorities were identified from a priority identification survey, conversations with stakeholders, and in-person outreach meetings to identify funding priorities for the RFSI program in North Carolina. Based on the collected data from surveys and input from stakeholders and producers, funding priorities for North Carolina RFSI subawards will include:

- Projects that increase local producers' abilities to process, aggregate, and distribute product through the construction, expansion, or modernization of cold and dry storage facilities.
- Projects that increase local producers' abilities to process, aggregate, and distribute product through the creation of additional transportation to move product, and that increase distribution channels through the construction, expansion, or modernization of distribution facilities.
- Projects that increase processing capacity, creating new distribution channels and markets for value-added products.

D. Description of Potential Infrastructure Grant Activities

NCDA&CS will ensure that Infrastructure Grants are used for the purpose of expanding 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.

A project is a set of interrelated tasks with a cohesive, distinct, specified, and defined goal. It follows a planned, organized approach over a fixed period and within specific limitations (cost, performance/quality, etc.). Additionally, it uses resources that are specifically allocated to the work of the project and usually involves a team of people.

Projects are different from other ongoing operations in an organization because, unlike operations, projects have a limited duration with a definitive beginning and end. A project will also have an overarching goal that the applicant wants to accomplish through a series of individual activities or tasks. Infrastructure Grants will fund projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products.

Examples include:

- 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;
- Develop, customize or install 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;
- Modernize 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: 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, 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) or 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, fermenting.

All proposals must align with standards and protocols outlined in the [Resilient Food Infrastructure Program Scope and Requirements](#).

Build America, Buy America (BABA)

Overview: Any public infrastructure project funded under RFSI must coordinate with AMS to ensure adherence to BABA guidance. For such projects, the recipient must comply with the Buy America Sourcing requirements outlined in the Build America, Buy America (BABA) provisions of the [Infrastructure Investment and Jobs Act](#).

For-Profit Entities: BABA is *not applicable to for-profit entities* (either prime or subrecipient) particularly for infrastructure projects. AMS will review facilities owned by public entities to determine whether BABA requirements apply, following USDA guidance to exempt *de minimis* grant awards and other inapplicable activities. All other Infrastructure Grant entities that surpass the \$250,000 threshold of applicable procurement costs must adhere to BABA.

Small Grants Waiver: The small grants waiver will apply to awards with total federal funding below the Simplified Acquisition Threshold, which is currently set at \$250,000. BABA is not applicable to Equipment Only Grants as they do not surpass this threshold of \$250,000.

Resource: 2 CFR Part 184 - BUY AMERICA PREFERENCES FOR INFRASTRUCTURE PROJECTS: <https://www.ecfr.gov/current/title-2/part-184>

National Environmental Policy Act (NEPA)

Overview: All activities funded under this RFA must comply with the National Environmental Policy Act (NEPA) and related applicable agency regulations and instructions, Section 106 of the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), other laws and regulations as outlined therein, and any applicable state, local, or tribal laws. A review for NEPA compliance is required prior to the award of grant funds. If selected for an award, applicants must provide all requested information to support compliance with NEPA, NHPA, ESA, and all other federal environmental laws and regulations.

Resource: [A Citizen's Guide to NEPA \(doe.gov\)](#) is a relatively short guide that provides an overview of NEPA requirements.

E. Ineligible Projects

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 as noted in section B;
- Activities that have received a Federal award from another Federal award program;
- Claiming expenses that have been or will be reimbursed under any other Federal, State, or local government funding; and
- Projects which have already received funding from another federal grant or subaward program may not receive funding for the same activities through an Infrastructure Grant. However, Infrastructure Grants may build on the successes of prior funding, such as the [USDA Regional Food Business Centers Business Builder](#) subawards, to fund subsequent activities.

F. Description of Potential Simplified Equipment-Only Grant Activities

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. 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, distribution of targeted agricultural products. Section 8.2 of the [AMS General Terms and Conditions](#) defines eligible special purpose equipment.

G. Matching Funds Requirement

Matching Funds Requirement

Infrastructure grant recipients are required to contribute 50% 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 in the next section.

No match is required for Simplified Equipment Only Projects.

Reduced Matching Funds– Historically Underserved Groups

For historically underserved farmers and ranchers, or for other businesses that qualify under SBA categories of small disadvantaged business, women-owned small business, or veteran-owned small business, the required match funding contribution or cost share is reduced to 25% of the project cost. Applicants must self-certify in their Infrastructure Grant applications to be eligible for this reduced match.

Other Matching Fund Information

In-kind contributions are defined, when used as a cost share or match for a grant, as the value of goods or services provided for the benefit of the grant program, where no funds transferred hands. For example, a partner, such as a tribal community member, may volunteer their professional expertise as a match contribution to the project as described in [2 C.F.R. § 200.306\(e\)](#). These contributions cannot satisfy a cost sharing or matching requirement for this grant program if they are used toward satisfying a match requirement under any other Federal grant agreement to which the applicant is a party.

All matching contributions must be committed or secured at the time an applicant is recommended for an award.

Indirect costs may count toward the Infrastructure Grant applicant's match. Refer to section [4.2](#), Indirect for more information.

Program income (as defined in [2 C.F.R. § 200.1](#)) or any other Federal funds is an ineligible source of match or cost share.

Matching Funds and Letters of Verification

Each application must include the total amount of match and how it will specifically align with their requested funding. Additionally, applicants must submit one match verification letter for EACH cash or in-kind resource signed by the matching organization. AMS highly encourages States to require or encourage Infrastructure Grant applicants to use the Suggested Match Verification Template Letter on the grant program's website. If you choose not to use the provided template, the match verification documents must minimally include the following:

- Project Applicant
- Project Title
- Cash Commitment per year (if applicable) and Total Cash Match
- In-kind Contribution per year (if applicable) and Total In-kind Match. Break down items into categories as applicable:
 - o Salaries (employee name, title, duties, pay rate/hr., amount matched per year)
 - o Items/Activities (fair market value per unit, how value determined, and amount matched per year)
 - o Explanation of how each type of match will correspond to the budget or be used by the applicant.
- Signature of Matching Organization Representative with typed name and title.

Signed Match Verification Letters must accompany the Infrastructure Grant proposal at the time of application to the State.

H. Evidence of Critical Infrastructure

Evidence of Critical Infrastructure is required if critical resources and/or infrastructure are necessary for the completion of the proposed Infrastructure Grant project. States must require applicants to submit evidence (in MS Word or PDF) that critical resources and infrastructure necessary to support the initiation and completion of a project are in place. Land, structures, and other critical resources must be in place and in working condition at the time of application submission.

The letter must indicate the critical resources that are necessary for initiation and completion of the project and certify that they are in place and committed prior to the start date of the project. States may use the AMS Suggested Evidence of Critical Resources and Infrastructure Template Letter (forthcoming). If States do not require Infrastructure Grant applicants to use this template, Letters of Evidence of Critical Infrastructure must minimally include the following:

- Project Applicant
- Project Title
- A statement about committing/approving/granting permission, etc. of the critical resource or infrastructure to the project for the time period.
- A description of the approved use of the critical resource or infrastructure approved for the project, any costs associated with its use, and any qualifying circumstances for its use.

I. Available Funding

Infrastructure Grants will be funded at a minimum amount federal funding of \$100,000 and a maximum amount of federal funding of approximately \$3.0 million.. The minimum amount of federal funding for Simplified Equipment-Only Grant applications is \$10,000 and a maximum amount of \$100,000.

J. Implementation Timeline

Infrastructure Grant Application Period:
May 1, 2024 – June 15, 2024

Simplified Equipment-Only Grant Application Period:
May 1, 2024 – June 15, 2024

60-day USDA Review Period for Approval Begins August 1, 2024

RFSI Funding Period Begins:
October 6, 2024

RFSI Funding Period Closes:
May 24, 2027

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Additional Simplified Equipment Only application periods may open contingent on funding availability.

APPLICATION REQUIREMENTS

A. Eligible Entities

Entities eligible for Infrastructure Grants will be:

- Agricultural producers or processors, or groups of agricultural producers and processors
- Nonprofit organizations operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products
- For-profit entities operating 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.
- 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 [Size Standards Tool](#).
- Local government entities operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products
- Tribal governments operating middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural products.
- 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 middle-of-the-supply-chain activities such as processing, aggregation, distribution of targeted agricultural product.

All applicant businesses and organizations must be domestically owned, and applicants' facilities must be physically located within the 50 States of the United States, the Commonwealth of Puerto Rico, the District of Columbia, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands. Applicants for the North Carolina Department of Agriculture's RFSI program must be located in the state.

B. Required Documents

All documents can be found on the [RFSI website. \(http://www.ncagr.gov/division/small-farms/grants/rfsi \)](http://www.ncagr.gov/division/small-farms/grants/rfsi)

Infrastructure Grant Application: [Download the Infrastructure Application](#) Complete the form in its entirety.

Match Verification Letter: Download the Match Verification Letter from <https://www.ncagr.gov/divisions/small-farms/grants/rfsi>

Complete the template for each source of matching funds/resources. Ensure each letter is signed by an authorized organization representative from each matching fund source.

Evidence of Critical Resources and Infrastructure: Download the Infrastructure Application <https://www.ncagr.gov/divisions/small-farms/grants/rfsi>

Complete the template for each critical resource/piece of infrastructure. Ensure each letter is signed by an authorized organization representative from each matching fund source.

Simplified Equipment- Only Grant Application: Download the Infrastructure Application <https://www.ncagr.gov/divisions/small-farms/grants/rfsi>.

Complete the form in its entirety.

AWARD ADMINISTRATION INFORMATION

A. Submission Requirements

Applicants must use the provided application templates located <https://www.ncagr.gov/divisions/small-farms/grants/rfsi>. Applications will only be accepted via email to RFSIgrantprogram@ncagr.gov

B. Reporting Requirements

Funded projects will submit annual performance and financial reports 30 days after the end of each budget period using a template provided by NCDA&CS. The NCDA&CS will solicit performance measure data from each project via email, phone, teleconferencing, and/or site visits.

C. Award Notices

Upon completion of the competitive review process, recommended applications will be sent to USDA-AMS. Final determination of approved projects and award amounts will be facilitated by USDA-AMS. Successful applicants will be notified after final approval of applications by USDA-AMS. Successful applicants will be required to register as a vendor of the State of North Carolina prior to the awarding of Infrastructure Grants and Simplified Equipment-Only Grants. Each funded project will submit a Financial Capability Questionnaire as a risk assessment measure and will sign a subaward agreement acknowledging terms and conditions, statement of work, reporting deadlines, and invoicing guidelines.

D. Risk Assessment

Each organization applying for the RFSI Infrastructure of Simplifies Equipment-Only Grants will undergo a risk assessment evaluation. In accordance with [2 CFR 200.331](#), NCDA&CS must determine the ability of the subrecipient to comply with Federal statutes, regulations and the terms and conditions of the sub-award agreement. All grantees will complete a Financial Capability Questionnaire as part of this risk assessment. Other factors included:

- NCDA&CS prior experience with subrecipient (i.e., on-time reports, accurate invoicing, communication);
- Results of previous site visits or audits;
- New or frequently changing personnel and/or substantially changed internal control systems; and
- Extent and results of any prior Federal awarding agency monitoring, debarment, suspension, or delinquency on Federal debt.

Organizations deemed at-risk by NCDA&CS may still receive RFSI sub-awards. However, NCDA&CS is authorized to impose special conditions on high risk subrecipients as listed in [2 CFR 200.207](#).

Examples of special conditions may include additional measures for project monitoring, and/or more detailed or frequent financial reporting.

E. Unsuccessful Applicants

Unsuccessful applicants will be notified by NCDA&CS via email as soon as possible after awards are approved by USDA-AMS.

F. Agency Contacts

Applicants and other interested parties can contact NCDA&CS RFSI personnel by email with questions at RFSIgrantprogram@ncagr.gov For more information, please visit: <https://www.ncagr.gov/divisions/small-farms/grants/rfsi>.