

Grant Programs and Tips for Producers

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Grant Programs and Tips



- ▶ What is a Grant
- ▶ Popular Grant Programs
- ▶ Common Grant Requirements
- ▶ How to Approach a Grant Application or Proposal (TIPS)
 - ▶ Narrative
 - ▶ Budget

What is a Grant?

- ▶ A **financial assistance** support mechanism providing money, property or other direct assistance in lieu of money, or both, to an **eligible entity** to carry out an **approved project or activity** in support of a **public purpose** and not the direct benefit of the grantor.
- ▶ Grants are not “free” money.
- ▶ Grant awards are conditional, the grantee must comply with grant terms
- ▶ Grants typically require a match of cash or valued in-kind goods/services
- ▶ Grant awards may be subject to state/federal income taxes
- ▶ Once a grant is awarded, the recipient is responsible for **managing the grant funds** and ensuring that the project or initiative is carried out according to the **grant agreement**. This may involve submitting **progress reports**, **tracking expenses**, and **meeting specific project milestones**.



Popular Grant Programs

- ▶ USDA Rural Development - Rural Business Enterprise Grant (RBEG)
 - ▶ **Rural public entities** use grants on projects to benefit small and emerging rural businesses; technical assistance, building/equipment acquisition, etc.
 - ▶ Up to \$500,000, 3:1 Match (25%)
 - ▶ <https://www.rd.usda.gov/programs-services/business-programs/rural-business-development-grants>
- ▶ USDA Rural Development - Value Added Producer Grant (VAPG)
 - ▶ Feasibility/business planning and processing, marketing, inventory and salary expense for new or expanding rural businesses (**Producers apply**)
 - ▶ Up to \$75,000, planning; up to \$250,000, working capital; 1:1 Match
 - ▶ <https://www.rd.usda.gov/programs-services/business-programs/value-added-producer-grants>

Popular Grant Programs

- ▶ USDA Agricultural Marketing Service - Local Food Promotion Program (LFPP)
 - ▶ Funds projects that expand **local/regional food business enterprises** that engage as intermediaries in indirect producer to consumer (must benefit multiple entities)
 - ▶ \$25,000 - \$250,000, planning; \$100,000 - \$750,000 up to \$250,000, implementation; \$50,000 - \$100,000, turnkey marketing; 3:1 Match
 - ▶ <https://www.ams.usda.gov/services/grants/lfpp>
- ▶ USDA Small Business Innovation Research and Technology Transfer Programs (SBIR/STTR)
 - ▶ **Small business**, research-based ideas benefitting agriculture and the general public (operations, food safety, economics, environmental, etc.)
 - ▶ **Aquaculture is a specific program area**
 - ▶ Award range \$125,000 - \$175,000
 - ▶ <https://www.nifa.usda.gov/grants/programs/sbir-sttr>

Popular Grant Programs

- ▶ **USDA Natural Resource Conservation Service - Conservation Innovation Grants (CIG)**
 - ▶ Supports the development of new tools, approaches, practices, and technologies to address our nation's water quality, air quality, soil health and wildlife habitat challenges while improving agricultural operations.
 - ▶ Up to \$2 million, 1:1 Match
 - ▶ <https://www.nrcs.usda.gov/programs-initiatives/cig-conservation-innovation-grants>
- ▶ **VIMS Virginia Fishery Resource Grant Program**
 - ▶ Supports commercial fishers who have ideas to conserve the resource and improve fishing efficiency by funding small-scale tests of industry ideas
 - ▶ Average award - \$40,000
 - ▶ <https://www.vims.edu/research/units/centerspartners/map/frg/>

Popular Grant Programs

- ▶ Nature Conservancy and The Pew Charitable Trust SOAR Shellfish Growers Resiliency Fund
 - ▶ Supports shellfish growers engaged in restoration, efficient farming operations, DEI in aquaculture, [Shellfish Growers](#)
 - ▶ Up to \$20,000
 - ▶ <https://www.nature.org/en-us/what-we-do/our-priorities/provide-food-and-water-sustainably/food-and-water-stories/oyster-covid-relief-restoration/>
- ▶ Governor's Agriculture Forestry Industries Development Grant
 - ▶ [Rural public entities](#) use grants on projects to benefit the planning, creation or expansion of ag/forestry value-added businesses that utilize 30% or more Virginia grown commodities
 - ▶ Up to \$25,000 (\$35,000) Planning, up to \$25,000 Blue Catfish, up to \$500,000 Facility; 1:1 Match
 - ▶ <https://www.vdacs.virginia.gov/marketing-agriculture-and-forestry-development.shtml>

Popular Grant Programs

- ▶ Many other grant programs are available to aquaculture producers
- ▶ How to locate other grant programs
 - ▶ Determine your project need (marketing, processing, disease management, etc.)
 - ▶ Search the Internet
 - ▶ Keyword search on www.Grants.gov for federal and some state grant programs
 - ▶ Ask fellow industry members, lenders, SBDCs, etc.
 - ▶ Virginia FAIRS at www.vafairs.com



Common Grant Requirements

- ▶ Proof of Eligibility
 - ▶ Taxpayer ID (EIN, SSN, etc.)
 - ▶ IRS Determination Letter or State Corporation Commission Cert. of Good Standing
 - ▶ Dun & Bradstreet Data-Universal-Numbering-System Identifier (DUNS Number)
 - ▶ <https://www.dnb.com/duns/get-a-duns.html> (Free)
 - ▶ SAM.GOV UEI, System for Award Management Unique Entity Identifier
 - ▶ www.sam.gov (Free, but may take 6 weeks or more to obtain)
 - ▶ UEI is required for Federal grants and registering on www.grants.gov
 - ▶ Articles of Incorporation or By-laws or Self-Certification
- ▶ Application Procedure
 - ▶ Request for Application (website or Federal Register)
 - ▶ Application Form (paper or digital)
 - ▶ Application Deadline(s)

Grant Application Tips - Narrative

- ▶ Contact Grantor prior to RFA with general/program questions re: your project
- ▶ Research the grant thoroughly to see if it fits your needs
- ▶ **Be sure both You and your Project are eligible for the specific grant**
- ▶ **Follow Directions**
 - ▶ Word and page limits, font size, and margin widths
 - ▶ Place attachments in proper appendix and in proper sequence
 - ▶ EX. Multiple Federal agencies require Form SF-424, but the requirements for completing SF-424 will vary by agency and grant program
- ▶ Independent Third-party Feasibility Study
- ▶ Answer all applicable questions in a concise but thorough manner with as much detail as possible in the space provided
- ▶ Cite third-party data and reports to validate your claims
- ▶ Include both letters of support and commitment
- ▶ First impressions count, check spelling and grammar

Grant Application Tips - Narrative

- ▶ **Answer the questions**
- ▶ **EXAMPLE:** *Describe the current business operations including services being offered, geographic focus area, business relationships with local producers, market outlets, and more.*

We have been in the trout business for over 45 years. We raise and sell trout on our family farm in the mountains of Virginia. Our customers include neighbors, restaurants and a wholesale buyer. *(Fictitious response)*



Grant Application Tips - Narrative

- ▶ Answer the questions continued
- ▶ EXAMPLE: Describe the current business operations including services being offered, geographic focus area, business relationships with local producers, market outlets, and more.

Monterey Trout Company is a third-generation family-owned producer and processor of rainbow and golden trout. We produce over 15,000 fish each year and process over 18,000 fish annually. We process whole fish with and without heads, fillets, and pâté. We sell fresh, frozen and smoked product variations. We sell trout and trout products in western and northern Virginia as well as Washington DC for over 45 years. We started selling frozen and canned trout products over the Internet and have enjoyed retail sales as far away as Texas and Maine. We purchase additional fish from four local growers to fulfill our market demand. These growers raise high quality fish for which we pay a premium. Our local and online customers are primarily individuals and families. We sell direct to restaurants in Monterey, Staunton, Harrisonburg and Washington. We sell wholesale to a firm that delivers our product into northern Virginia, Baltimore and Philadelphia. We are exploring new value-added ready-to-eat trout products that highlight the wonderful flavor of our trout and provide both retail and institutional customers with convenience. *(Fictitious data & response)*

Grant Application Tips - Narrative

- ▶ Answer the questions continued
- ▶ EXAMPLE: *Discuss your expectations for an expanded customer base as a result of your proposed value-added activity. Cite relevant sources to support the response statements and data below.*

We plan to increase our customer base 50% by adding salad mixes to our hydroponic lettuce offerings. Families want more convenient food products and are willing to pay a premium at the grocery store. We have already been approached by two wholesale buyers wanting salad mixes.



Grant Application Tips - Narrative

- ▶ Answer the questions continued
- ▶ EXAMPLE: *Discuss your expectations for an expanded customer base as a result of your proposed value-added activity. Cite relevant sources to support the response statements and data below.*

We offer 4 types of precut hydroponic lettuce in specified containers to our wholesale customers. Two of our largest customers representing 75% of our sales have requested lettuce mixes and salad mixes for wholesale and consumer purchase. UC-Davis reported that leaf lettuce mixes and mixed leafy green mixes constituted 67% of the US wholesale precut volume in 2022, up from 42% in 2017. UC-Davis reported 85% of wholesale buyers either purchase or want to purchase mixes when supply is available. The Food Network reports 55% of consumers who eat salads at home purchase ready-to-eat salad mixes at least once a month in 2022. A recent Food Navigator survey of wholesale buyers found 72% of buyers are willing to pay a 15% premium for mixes. Based on this data and personal contacts with local buyers, we plan to increase our customer base 50% by adding salad mixes to our product line. We estimate our revenue will increase \$221,000 (11.5%) in Year 1.

Grant Application Tips - Budget

- ▶ Avoid modifying your business/project to “chase” grant funds
- ▶ Be certain that requested expenses are eligible
 - ▶ Sometimes limits are imposed on expense types, indirect expenses and match
- ▶ What type of Match is required or allowable?
- ▶ Federal grants, know the difference between Supply and Equipment
- ▶ Describe the budget item as required by grant which may include:
 - ▶ Description of the item and its project role
 - ▶ Brand and capacity, if applicable
 - ▶ Per unit cost, number of units to be purchased
- ▶ Check your math, be sure all numbers match across ALL submitted documents

Grant Application Tips - Budget

▶ Tony's *PETER and PAUL PRINCIPLE*

- ▶ Practice of “shifting” funding sources among different expenses to free-up money for grant ineligible expenses...*Take money from Peter to pay Paul, replace Peter's money with grant funds.*
- ▶ *EXAMPLE: Grant applicant wants to expand oyster packing capacity and really needs a new truck to make additional deliveries. The truck is an ineligible grant expense. Applicant will need more labor, utilities and supplies to expand capacity which are all grant eligible.*

Question: *How does the applicant pay for a new truck?*

Solution: *Applicant requests grant funds to pay for additional labor, utilities, packing and processing supplies and mileage or fuel to needed for deliveries. Using existing cash/credit line to purchase truck.*

Alternative Solution: *Rent the truck and use grant funds to pay the rent provided rental or lease agreement does not apply rental payments towards the truck purchase by the applicant.*

Grant Application Tips - Budget

- ▶ Answer the questions continued

- ▶ EXAMPLE: **SUPPLIES JUSTIFICATION** Describe each line item in the table and how it will help you achieve the objectives and outcomes of the project.

- ▶ **Supply 1:** We are expanding our clam sales and need \$8,250 in additional bags for packaging.
- ▶ **Supply 2:** We will need \$5,000 for a new label printer and additional labels to increase clam sales.
- ▶ **Supply 3:** We cannot ship on ice to our new customers, so we need \$27,000 for cold packs.

Budget questions typically include a budget table with a title, unit cost, total cost and allocation (Grant Funds vs Grant Match) for each budget item.



Grant Application Tips - Budget

▶ Answer the questions continued

▶ EXAMPLE: **SUPPLIES JUSTIFICATION** Describe each line item in the table and how it will help you achieve the objectives and outcomes of the project.

- ▶ **Supply 1:** We are expanding our clam sales by 35% and need \$8,250 for 100,000 additional 24 in. mesh bags for packaging. King Seafood Supply – Model MB24 - \$82.50 per 1,000 bag case
- ▶ **Supply 2:** We will need \$2,000 for a MP-EX50 specialized label printer to facilitate the timely printing of the additional labels needed for increase clam sales. Aqua Packaging Equip Inc. Separate cost of printer from single-use disposable supplies in this example.
- ▶ **Supply 3:** Additional cold/wet service labels are required for the 100,000 additional mesh bags for the expanded sales. \$3,000 (\$750/25,000 label case) - King Seafood Supply
- ▶ **Supply 4:** Our expanded sales area requires us to ship via single use foam containers using chemically activated cold packs which will maintain desired temperatures longer than loose ice. We estimate we will need 25,000 cold packs at a cost of \$27,000 (\$1.08/pack for orders over 10,000 – New Gen Ice).

Fictitious prices and companies are cited in this example for illustrations purposes only.

Summary

- ▶ Multiple private and government grants available
- ▶ Determine your financial need and research grant availability
- ▶ Research grant program requirements and previous awards
- ▶ Contact the Grantor prior to RFA announcement
- ▶ Identify a third-party Grant Applicant, if necessary
- ▶ Engage a grant writer if necessary (consultant, SBDC, lender, etc.)
- ▶ Begin working on grant application as early as possible
- ▶ Don't change your business to "chase" grant dollars
- ▶ Answer all applicable questions
- ▶ Answer all applicable *Optional* questions
- ▶ Answer all applicable questions thoroughly
- ▶ Check spelling, grammar and math

Questions?

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