



Arkansas Department of Agriculture
Resilient Food Systems Infrastructure Program

Request for Applications

Application Due Date: 11:59 p.m. February 16, 2024

Funding Year: Fiscal Year (FY) 2024

Total Funding Awarded to Arkansas: \$5,613,423.25

Award Range for Infrastructure Grants: \$100,000 - \$3,000,000

Equipment-Only Grants: Approved Equipment

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EXECUTIVE SUMMARY

The U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) has entered into a cooperative agreement with the Arkansas Department of Agriculture (Department) to administer the Resilient Food Systems Infrastructure Program Cooperative Agreements (RFSI). The Department 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, grains for human consumption, aquaculture, and other food products, excluding meat and poultry.

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. Applicants are eligible for one grant only.

Infrastructure Grant applicants may apply for a minimum federal award of \$100,000 and a maximum award of \$3,000,000. Projects 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, ranchers, and small businesses that qualify under the Small Business Administration (SBA) including small, disadvantaged businesses, women-owned businesses, and veteran-owned businesses, the required match is reduced to 25% of the total proposed project cost.

Simplified Equipment-Only Grants are offered to producers who grow eligible products as specified in the grant. Equipment-Only Grants provide approved equipment to support middle-of-the-supply-chain activities to subgrantees. There is no match for the Equipment-Only Grant.

The Department solicits applications for projects that fall within the scope of the Resilient Food Systems Infrastructure Program. This notice identifies the RFSI Funding Priorities for Arkansas, funding information, application form locations, and associated instructions.

INTRODUCTION

The Arkansas Department of Agriculture (Department) is now accepting applications for projects under the Resilient Food Systems Infrastructure (RFSI) grant program. Arkansas received \$5,613,423.25 for this program from the United States Department of Agriculture (USDA) Agricultural Marketing Service (AMS). The purpose of this grant program is to strengthen local and regional food systems and build resilience in the middle of the food supply chain, the process of getting locally grown food from the farm to the consumer.

The RFSI program is intended to support food systems crops and products meant for human consumption, excluding meat and poultry products which are funded through other USDA programs. The Department will work in partnership with USDA to make competitive subawards to support infrastructure in the middle of the supply chain for domestic food and farm businesses and other eligible entities, focusing on small to mid-sized businesses and organizations.

The USDA defines the middle of the food supply chain as activities that take place after harvest but before the product is sold to the consumer. RFSI grant funds cannot be used for cultivation, harvest, or retail marketing.

FUNDING PRIORITIES

Funding priorities for Arkansas were established based on feedback from surveys, outreach, public comment, data collected from previous reports, and meetings. The top three priorities established are:

- Projects that construct, expand, or modernize processing or value-added facilities;
- Projects that construct, expand, or modernize aggregation and/or storage facilities;
- Projects that construct, expand, or modernize distribution facilities and services.

Examples of projects meeting these funding priorities include, but are not limited to:

- Expand capacity for processing, aggregation, and distribution of agricultural products to create more and better markets for producers;
- Modernize manufacturing, tracking, storage, and information technology systems;
- Support construction of a new facility;
- Modernize or expand an existing facility (including expansion and modifications to existing buildings and/or construction of new buildings at existing facilities);
- Modernize processing and manufacturing equipment.

APPLICATION PROCESS

The process for the Arkansas RFSI State Plan is a competitive two-phase Request for Application (RFA). The first phase is a request for concept, a simplified form that provides the review selection committee basic concept information. Concepts that are selected by the review committee are then invited to the second stage to submit an application with more detail.

Applicants must complete all information requested to be considered for funding. Projects will be evaluated and scored by an independent review committee.

SIMPLIFIED EQUIPMENT-ONLY GRANTS

The Simplified Equipment-Only Grant is dedicated to benefitting producers directly for on-farm middle-of-the-supply-chain equipment. The Equipment-Only Grant will provide a walk-in cooler to awardee producers for on-farm use as part of the RFSI program. More information on this grant is coming soon.

For the Equipment-Only Grant application, [click here](#).

INFRASTRUCTURE GRANTS

Infrastructure Grant projects will be funded at a minimum amount of \$100,000 and a maximum amount of \$3,000,000 per USDA guidelines stated in the RFSI Program Scope and Requirements. For more information on the Program Scope and Requirements, [click here](#).

Projects must be completed by May 24, 2027.

ELIGIBLE ENTITIES

Entities eligible for Infrastructure Grants are:

- 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 products.

All organizations must be domestically owned and located within the state of Arkansas.

EXAMPLES OF ELIGIBLE INFRASTRUCTURE PROJECTS

- Expand capacity for processing, aggregation, and distribution of agricultural products to create more and better markets for producers;
- Modernize manufacturing, tracking, storage, and information technology systems;
- Enhance worker safety through adoption of new technologies or investment in equipment or facility improvements;
- Improve the capacity of entities to comply with federal, state, and local food safety requirements;
- Improve operations through training opportunities;
- Support construction of a new facility;
- Modernize or expand an existing facility (including expansion and modifications to existing buildings and/or construction of new buildings at existing facilities);
- Construction of wastewater management structures, etc.;
- Modernize processing and manufacturing equipment;
- Develop, customize, or install 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.

EXAMPLES OF INELIGIBLE PROJECTS

The following projects are not eligible for RFSI funding:

- Acquiring real property, including existing buildings and land purchases, or any interest therein;
- Projects focused on meat and poultry processing or other ineligible agricultural products;
- Projects that have received funding from another Federal award program;
- Claim expenses that have been or will be reimbursed under any Federal, State, or local government funding;
- Projects which have already received funding from another federal grant or subaward programs 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.

GUIDELINES

The Department and USDA encourage projects that benefit historically underserved and socially disadvantaged producers and middle of the supply chain businesses and organizations, as defined by the Small Business Administration (SBA).

- To learn more about the USDA definition of historically underserved and socially disadvantaged producers, please [click here](#).
- To learn more about the historically underserved and socially disadvantaged middle of the supply chain businesses and organizations as defined by the Small Business Administration (SBA), please [click here](#).

Proposals must align with requirements in the Resilient Food System Infrastructure Program Scope and Requirements, which can be found [here](#).

EVIDENCE OF CRITICAL INFRASTRUCTURE

Evidence of Critical Infrastructure is required for Infrastructure Grants if critical resources and/or infrastructure are necessary for the completion of the proposed grant project. Applicants are required to submit a letter indicating the critical resources that are necessary for initiation and completion of the project are in place and committed prior to the start date of the project. For more information on Critical Infrastructure requirements, refer to the RFSI Program Scope and Requirements document, [here](#). For the Evidence of Critical Infrastructure template letter, [click here](#).

FEDERAL LAWS, REGULATIONS, AND REQUIREMENTS

Projects for new construction must comply with the National Environmental Policy Act (NEPA), National Historic Preservation Act (NHPA), Endangered Species Act (ESA), and all other federal environmental laws and regulations. Each application will be reviewed for NEPA compliance in the review process.

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.

MATCHING FUNDS

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. 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. The Department will require that applicants self-certify eligibility for reduced match in their Infrastructure Grant applications.

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.

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. For a Match Verification Letter template, [click here](#).

Indirect costs may count toward the Infrastructure Grant applicant's match. Program income or any other Federal funds is an ineligible source of match or cost share.

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

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

APPLICATION CHECKLIST

- Unique Entity Identifier Requirement, [click here](#)
- Project Concept Proposal Application, [click here.](#)
- Evidence of Critical Resources and Infrastructure, if applicable, [click here](#)
- Match Verification Letter, [click here](#)
- Letter(s) of Support

For the Infrastructure Grant Project Concept Proposal Application, [click here.](#)

RFSI PROGRAM REQUIREMENTS

- Subgrantees must agree to on-site visits from the RFSI team.
 - Subgrantees must respond to communication from the RFSI team.
 - Subgrantees are required to provide periodic updates when requested by the RFSI team.
 - Subgrantees are required to submit annual reports using a template provided by the RFSI team.
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TIMELINE

Announce Request for Applications:	January 9, 2024
Deadline for Applications:	February 16, 2024
Invitation to Approved State Plan Applications:	March 25, 2024
Deadline for State Plan Applications:	April 22, 2024
The Department to Submit State Plan:	by May 24, 2024
Program launch upon USDA approval	
Program close:	May 24, 2027

EVALUATION CRITERIA

Project Need

- Does the project address a need in Arkansas's local food supply chain?
- Does the project increase processing capacity in Arkansas?
- Does the project contribute to more and better markets for Arkansas producers?
- Does the project create new economic opportunities in its community?
- Does the project benefit more than one producer or entity?
- Does the project benefit historically underserved individuals?

Outcomes

- Are the project's outcomes realistic?
- Are the project's outcomes measurable?
- Do the project's outcomes justify the investment?

Feasibility

- Is this project thoroughly developed and clearly presented?
- Does the project meet one of the funding priorities established in the Arkansas RFSI State Plan?
- Does the project proposal include relevant documents to meet regulations as stated in the RFSI Program Scope and Requirements?
- Is this project sustainable?
- Will this project be established and successful by May 24, 2027?

Budget

- Is the requested budget realistic for the project?
- Is the budget clearly presented?
- Is the match adequate and acceptable?
- Do all match documents accompany the application?

External Project Support

- Is there demonstrated support for this project in the community?
- Is there demonstrated support for this project from local producers?
- Letters of support are not required but are highly recommended.

Historically Underserved Status

- Is the application submitted by one of the following: historically underserved farmer or rancher, new and beginning farmer, military veteran producer, and/or processor or other middle-of-the-supply-chain business owned by socially disadvantaged individuals as defined by the Small Business Administration?
- What is the Distressed Communities Index score for project location and impact?