



Show-Me Entrepreneurial Grants for Agriculture (SEGA) 2024-2025 Innovation Grant Program Guidelines

The Missouri Agricultural and Small Business Development Authority's (MASBDA) objective for this program is to provide partial funding in the form of grants to producers, processors, organizations, and cooperatives for facilities, equipment, upgrades, services, coordinated efforts and cooperative marketing related directly to increasing value-added agriculture.

An agricultural product is defined as: An agricultural, horticultural, viticultural, or vegetable product; growing of grapes that will be processed into wine; bees; honey; fish or other aquacultural product; planting seed; livestock; livestock product; forestry product; or poultry or poultry product, in its natural state.

Value-added agriculture is defined as:

- A change in the physical state or form of the product which results in a direct near-term benefit to Missouri agricultural producers in the form of increased revenue and/or improved market conditions.
- The production of a product in a manner that enhances its value, as demonstrated through a business plan.
- The physical segregation of an agricultural commodity or product in a manner that results in the enhancement of the value of that commodity or product.

MINIMUM GRANT AMOUNT: \$50,000

MAXIMUM GRANT AMOUNT: \$250,000

MINIMUM CASH MATCH REQUIREMENT: 25%

APPLICATION DEADLINE

To be considered for January 2025 funding, MASBDA must receive two hard copies no later than 3:00 p.m. on October 4, 2024. Electronic submissions will not be accepted.

APPLICANT ELIGIBILITY

1. Eligible applicants must be an individual(s) at least 18 years of age and a legal Missouri resident. Applicant may also be a group of individuals, cooperative, business or organization related to agriculture whose proposed value-added agricultural business or service concept is based in Missouri.
2. Eligibility will not be determined or otherwise affected by any consideration of race, religion, sex, creed, color or residence, other than the individual recipient must be a legal Missouri resident, company, or project based in Missouri.
3. Grant recipients must be able to provide proof of citizenship; identity; residence; and enrollment in E-Verify, the federal work authorization program. Please see www.everify.gov for more information about the program and the enrollment process.
4. Applications will be scored on a competitive basis principally on how they conform to the grant program's intent, objectives and criteria and the proposal's cost effectiveness.
5. The grant recipient will be responsible for any federal or state taxes applicable for funds received, if awarded, and it is recommended the applicant consult with a tax professional prior to submitting an application and upon potential award.
6. Prior to final grant disbursement, the grant recipient will be required to submit to MASBDA a final written report. The final grant disbursement may be withheld pending receipt of the final report. Interim reports will be required in accordance with the project's approved work plan.

PROJECT ELIGIBILITY

Applications will be considered to fund up to 75 percent of eligible project expenses including:

- a. Expansion of existing facilities
- b. Construction of a new facility
- c. Equipment purchases for new or existing facilities
- d. Consulting services associated with the formation of a production/marketing cooperative,
- e. Marketing activities such as advertising campaigns and product promotions. This may include website creation, social media content, printing, direct marketing, broadcast advertising, billboards, etc.

Examples:

- 1) A farmer wants to diversify by raising a specialty crop such as sunflowers or pumpkins. Not eligible as there is no change in the physical shape of the product.
- 2) A group of farmers works together to purchase equipment to process Missouri pecans. Eligible.
- 3) A group of landowners wants to build a sawmill to process their logs. Eligible if the wood is sourced in Missouri.
- 4) A feed mill wants to add an extruder to produce fish food. Eligible if the ingredients are purchased in Missouri and if it can be shown that the customer base has expanded.
- 5) A non-producer wants to construct a brewery/winery/distillery. Eligible if the new business results in improved market opportunities and revenue for Missouri farmers.
- 6) A flour mill wants to expand its equipment line, allowing it to expand into new food markets. Eligible as long as it is buying grain from Missouri farmers.

- 7) A group of cattle farmers would like to implement a marketing plan which includes advertising buys for their beef. Eligible.
- 8) The purchase of farm equipment, such as tractors, balers, stock trailers, etc. Not eligible

RESTRICTIONS

The program does not provide funds for the following:

- a. Operational costs such as payroll, supplies, utilities, inventory, insurance, and travel
- b. Paying off existing debt
- c. Salary for owners/current employees
- d. Reimbursement for anything purchased prior to the date of grant award
- e. Substituting existing efforts already underway
- f. Indirect expenses
- g. Buying land
- h. Payment of fines or penalties, bad debts, and lobbying or entertainment expenses

FUNDING LEVEL AND MATCH

The minimum 2024-2025 Innovation Grant is \$50,000. Requests for funds must be justified with respect to the project scope. Applicants must be able to produce bids for equipment/services to verify costs, if requested.

Previous awardees are eligible to apply for additional funding, not to exceed a cumulative total of \$250,000. In order to apply, previous projects must be fully operational, with grant funds fully disbursed, and all final reporting requirements completed prior to October 4, 2024.

Applicants are required to meet a minimum 25% cash match for a funded project. Additional points will be awarded to applicants that offer a match higher than 25%. (See scoring criteria on page 4.)

Cash Match is defined as cash contributed by the applicant specifically toward the cost of the project in categories funded by the Innovation Grant as detailed in Attachment B of the application. The Confirmation of Cash Contribution statement included on Attachment A must be completed.

Equipment purchased and paid for after the application period opens but prior to grant award may qualify as cash match if the application is awarded funding.

Invoices will be paid or reimbursed on the approved MASBDA/applicant(s) match throughout the project, unless otherwise considered and approved by MASBDA staff.

MULTIPLE PROPOSALS

Multiple applications from the same applicant will be considered if each application covers distinctly different value-added agriculture businesses. Applications that have been submitted to other state or federal grant programs may also be considered, but must cover different expenses.

CHANGES

All changes to contracts and/or budgets as presented in the grant application must be received prior to approval from MASBDA before payment of invoices will be approved.

EVALUATION AND FUNDING CRITERIA

Proposals will be selected on a competitive basis. Each proposal will be scored by a minimum of three reviewers and rated within a framework of 100 maximum points using the following criteria. A project must score at least an average of 60 points to be considered for funding.

Agriculture Economic Development Potential (45 points possible):

- Is the need of the project clearly communicated and convincing? (9 pts)
- Is the near-term economic opportunity realistic? (5 pts)
- Are the project's objectives and deliverables obtainable within the stated timeline? (5 pts)
- Will the project have an impact of the local economy, including job creation and capital investment? (5 pts)
- Do the Expected Project Outcomes indicate realistic growth over the next 3 years? (5 pts)

- Applicant Match:
 - 26-30% (2 pts)
 - 31-35% (4 pts)
 - 36-50% (6 pts)
 - 51+% (8 pts)

- Number of agricultural producers who will directly benefit from the project:
 - 2-4 (2 pts)
 - 4-6 (4 pts)
 - 6-8 (6 pts)
 - 9+ (8 pts)

Credibility and Near-Term Impact (35 points possible):

Work Plan:

- Do the described tasks seem reasonable, well thought-out, and feasible given the timeline and budget? (5 pts)
- Do the key personnel have the experience and qualifications to implement the project? (5 pts)
- Does the Plan of Work relate to the Project Objectives and Expected Project Outcomes and is it worth the total investment? (5 pts)
- Does the project have support of the community and other external stakeholders? (5 pts)
- Budget:
 - Is the budget financially realistic and reasonable for the project? (10 pts)
 - Are the budget items clearly outlined and justified? (5 pts)

Merit (20 points possible): Up to 20 additional points per proposal may be awarded based on the scorer's individual judgement of a proposal's chance of success.

APPLICATION EVALUATION AND GRANT AWARD PROCESS

No partial or incomplete applications will be considered. All applications will be screened for completeness and eligibility upon receipt by MASBDA staff.

Each application will compete for limited funds. MASBDA reserves the right to decrease the amount of requested funding based on its findings and on its level of available funds. Should the

process produce a funding level less than the amount requested in the application, MASBDA staff will confer with the applicant(s) to determine whether the amount recommended would alter the project's feasibility.

Each applicant will be notified of MASBDA's determination. The determination is binding and not subject to review or appeal.

MASBDA reserves the right to audit the applicant's books and records relating to project performance during and up to three years following the project's completion. MASBDA may also recover grant funds not used per the contract or if a misrepresentation should occur.

Grant recipients must enter into a contract with MASBDA. The contract will establish an approved project plan of work and budget, and will list responsibilities of project personnel. MASBDA program staff will monitor and evaluate each funded project throughout the term of the project. Principals of a project awarded a grant will be responsible for the approved project plan of work, project budget, and responsibilities of project personnel. Principals of an organized business (such as an LLC) awarded a grant will be responsible for the approved project plan of work, project budget, and responsibilities of project personnel.

Grant recipients may be reimbursed for approved expenditures upon receipt of invoice and proof of payment such as a cancelled check and receipt of payment. Grant funds may also be paid directly to a vendor upon receipt of an approved invoice.

The cash match commitment must be documented by proof of payment in each approved budget category as "Contributed Cash Match" as shown on Attachment B (Project Budget Summary) before the final grant funds can be disbursed.

Basic project information including the award amount and a brief project description may be used in media releases upon grant award.

CONDITIONS

MASBDA will not be held liable for any costs incurred by any firm for work performed in the preparation and production of a grant proposal or for any activities performed prior to the date of grant award.

MASBDA reserves the right to:

- Reject any or all applications received prior to scoring;
- Waive or modify minor irregularities in applications received after prior notification and applicant agreement;
- Clarify the scope of this program, within the application requirements and with appropriate notice to all applicants, to better serve the interests of the State of Missouri;
- Amend the program specifications after their release, with appropriate written notice to all potential applicants;
- Approve the submitted budget on a line-by-line basis;
- Request copies of bids;
- Require a good faith effort on the part of the grant recipient to work with MASBDA subsequent to project completion to develop or implement the project results in Missouri;
- Withhold any payments if contract conditions are not met.

All proposals submitted in response to a call for applications will become the property of MASBDA.

APPLICATION SUBMISSION

Two hard copies of the Missouri SEGA 2024-2025 Innovation Grant Application must be received no later than **3:00 p.m. on October 4, 2024** by:

Missouri Agricultural and Small Business Development Authority (MASBDA)
P.O. Box 630 (mailing address)
1616 Missouri Boulevard (shipping and physical address)
Jefferson City, MO 65102
Email: masbda@mda.mo.gov
573-751-2129

Late or incomplete applications will not be accepted. Electronic submissions will not be accepted. For additional information or to access the program application, call (573) 751-2129, or visit our website at masbda.com.

REPORTING REQUIREMENTS

Interim Reports

Interim reporting requirements will be based on the project's duration, nature, cost and approved work plan. Interim reports will include detailed coverage of project activities and findings and include goals for work to be completed prior to the next scheduled report. MASBDA reserves the right to modify the reporting requirements during the course of the project.

Final Report

A written final report will be required within 60 days following project completion and full operation of the equipment/infrastructure funded by the grant. The final report shall include program and fiscal summaries. The program summary shall include a brief description of the original intent of the project and a summary of how the project achieved one or more of the following:

- a. Job creation
- b. New capital investment
- c. Increased throughput or increased efficiencies
- d. Increased purchase of raw agricultural commodities from Missouri producers.
- e. An evaluation of project results and benefits, including how they met original expectations
- f. Future projections that may result from receiving grant funds
- g. Other appropriate information related to the project

The final grant disbursement may be withheld pending receipt of the final report.

Failure of the principal to submit required reports in a timely manner will result in delay of invoice reimbursement and ineligibility for future awards under the SEGA Program.

In addition to the final project report, MASBDA reserves the right to conduct follow-up surveys of funded projects to determine long-term economic impacts and the cost/benefits of program funding.