



**MISSOURI AGRICULTURAL AND
SMALL BUSINESS DEVELOPMENT AUTHORITY**
Missouri Value-Added Agriculture Grant
Program Guidelines

The Missouri Agricultural and Small Business Development Authority's (MASBDA's) objective for this program is to provide partial funding in the form of grants for the creation and development of rural agricultural businesses that add value to Missouri agricultural products and aid the economies of rural communities.

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, either in its natural or processed state, that has been produced, processed, or otherwise had value added to it in Missouri."

APPLICATION CYCLES

MASBDA will consider grant applications for value-added agricultural business concepts that:

- result in the development, processing and marketing of new or expanded uses of agricultural products; and
- foster agricultural economic development in Missouri's rural communities.

Applications are accepted on a continual basis and funded twice a year, in January and July.*

***To be considered for January 2021 funding, MASBDA must receive applications no later than 5 p.m. on Oct. 1, 2020.**

***To be considered for July 2021 funding, MASBDA must receive applications no later than 5 p.m. on April 1, 2021.**

*If this funding schedule should change, applicants will be notified.

INTERVIEWS

Applicants will be notified by telephone if their applications score high enough (at least an average of 60 points on the 100-point evaluation criteria) for them to interview before the Missouri Agricultural and Small Business Development Authority board. Interviews will be in January and July of each year. This timeline is tentative and may be adjusted.

CONDITIONS

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

MASBDA reserves the right to:

- Reject any or all applications received;
- 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;
- Require a good faith effort on the part of the project sponsor to work with MASBDA subsequent to project completion to develop or implement the project results in Missouri; and
- 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

Completed Missouri Value-Added Agriculture Grant Applications should be forwarded to the following:

Fax: (573) 522-2416

Email: masbda@mda.mo.gov

1616 Missouri Boulevard

P.O. Box 630

Jefferson City, MO 65102

For additional information or to access the program application, call (573) 751-2129, or visit our website at Agriculture.Mo.Gov/ABD/Financial

APPLICANT ELIGIBILITY

1. Eligible applicants must be an individual(s) who is at least 18 years of age and a legal Missouri resident. Applicant may also be a group of individuals, business or organization related to agriculture whose proposed value-added agricultural business 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 that the individual recipient must be a legal Missouri resident.
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.e-verify.gov for more information about the program and the enrollment process.
4. Applications will be judged principally on how they conform to the grant program's intent, objectives and criteria and the proposal's cost effectiveness. As part of the evaluation, a meeting with applicants and/or a visit to the applicant's operation may be necessary.

PROJECT ELIGIBILITY

Applications will be considered to fund up to 90% of eligible project expenses related to the creation, development and operation of a value-added agricultural business. Projects eligible to receive funding are as follows:

1. Feasibility study
 - a. Technical feasibility
 - b. Economic feasibility
 - c. Market feasibility
 - d. Financial feasibility
 - e. Management feasibility
2. Marketing study
 - a. Targeted market niche
 - b. Product or services description
 - c. Product demand
 - d. Customer
 - e. Product pricing
 - f. Competition
 - g. Market trends
 - h. Marketing strategies
 - i. Product distribution
 - j. Comparison of potential revenue from the identified market with the costs of goods sold to compute the gross profit potential for the business
3. Creation and development of a value-added agricultural business concept
 - a. Legal consultation for business structure
 - b. Development of a business plan or prospectus
 - c. Pre-construction and pre-operational consultation

PRIORITY CONSIDERATIONS

Preference will be given to grant requests initiated by a group (more than one) of Missouri producers who have clear knowledge and oversight of the plan of work. Preference will also be given to innovative projects that do not duplicate projects or efforts already underway. Preference will be given to projects demonstrating the potential for near-term development of a value-added agricultural business concept that will impact multiple producers and the local rural economy.

RESTRICTIONS:

Grant funds are NOT intended to pay for production expenses, operational expenses or capital expenditures. The program does not provide funds for the following:

- a) Business start-up, except as detailed above
- b) Business expansion, unless qualified on the basis of program criteria
- c) Paying off existing debt
- d) Substituting existing efforts or research already underway
- e) Covering institutional overhead costs
- f) Production costs
- g) Operational costs such as payroll, utilities, inventory, insurance and advertising
- h) Implementing feasibility studies, marketing studies, marketing plans or business plans except as detailed above
- i) Marketing or advertising expenses
- j) Salaries/fringe benefits of those involved in the grant project
- k) Buying land, buildings or equipment; construction work; or hiring a general contractor
- l) Product research and development
- m) Application fee or grant writing expenses (May be included as an in-kind match)

FUNDING LEVEL

The maximum cumulative grant award to any individual, groups of individuals, businesses or organizations related to a value-added rural agricultural business concept is \$200,000. Requests for funds must be justified with respect to the project scope. Multiyear projects will be considered and, if funded, are subject to an annual review for funding renewal.

Applicants are required to meet a minimum 10% cash match for a funded project. The cash match requirement may be fulfilled either by paying, in full, the 10% grant administration fee due at contract signing, or by payments made to subcontractors for eligible project costs.

MULTIPLE PROPOSALS

Multiple applications from the same applicant will be considered if each application covers distinctly different value-added agriculture business concepts. Applications that have been submitted to other state or federal grant programs may also be considered, but the same activities may not be funded by multiple sources.

REQUEST FOR PROPOSAL

A written Request for Proposal (RFP) must be included in the grant proposal along with subcontractor's response to the RFP. The response must include a detailed budget breakdown of the bid (travel, full description and objectives of each phase of work, named individual contractors and subcontractors, etc.). Grant recipients must submit copies of signed contracts, including a detailed budget, with all subcontractors working on the project.

FEES

The Missouri Value-Added Agriculture Grant Program assesses two fees: one at the time of application and a second at the time of Grant Contract signing:

1. A nonrefundable application fee will be due with each application. The fee will be \$150 for grant application requests totaling \$25,000 or less and \$300 for requests totaling over \$25,000 as shown on Attachment C, Project Budget Total.
2. For funded grants, a MASBDA ten (10) percent grant administration fee is due as shown on Attachment C, Project Budget. The fee is due when the Grant Contract is signed. The MASBDA grant administration fee may be included as part of the applicant's grant request, or if paid by the applicant, it may be shown as part of the applicant's internal cash match.

EVALUATION AND FUNDING CRITERIA

Proposals will be selected on a competitive basis. Each proposal will be evaluated and rated within a framework of 100 maximum points using the following criteria:

AGRICULTURE ECONOMIC DEVELOPMENT POTENTIAL (45 points possible)

The grant program's objective is to create a positive economic impact in rural communities through the creation, development, and operation of businesses involved in adding value to agricultural products. Preference will be given to proposals which provide benefits to multiple Missouri agricultural producers or foster greater use of Missouri agricultural products. This category will be evaluated in terms of: 1) economic development potential for a Missouri rural community and direct economic impact to Missouri's agricultural producers; 2) developing or expanding markets for a Missouri agricultural product; 3) potential for creating new jobs; and 4) capital investment.

When the proposal requires specific validation that cannot possibly be carried out in rural Missouri, consideration will be given to the development and commercialization of the results of the proposal, with the same rural emphasis.

CREDIBILITY AND MERIT (25 points possible)

The qualifications — abilities and technical skills — of the project’s principals and subcontractors are critical to the success of each application, as is the scientific and technical merit of any proposed project. MASBDA will judge each proposal for its perceived feasibility, both technical and commercial. An application with substantial market and near-term commercial potential, innovative product/process development, and commercial feasibility will be favored more than one with little perceived economic impact. Additionally, for projects related to validation of the near-term use of an agricultural product in a value-added processed product, applicants must submit a summary of a literature search relevant to the project and include sources. Applications and anticipated project results should demonstrate a reasonable and feasible work plan and time frame for completion.

MATCHING FUNDS (10 points possible)

A minimum of 10% cash match is required. Applicants will be awarded points for any matching funds. Both cash and in-kind matches will be considered; more value will be placed on cash matches than on in-kind, above the 10% required cash match.

Cash Match: “Cash that is contributed by the applicant specifically toward the cost of the project in categories funded by the Value-Added Grant as detailed in Attachment B of the application.” The Confirmation of Cash Contribution statement included on Attachment B must be completed. The expense of project management by an unrelated third party paid for by the grant recipient can be accepted toward the cash match requirement.

In-Kind Match: “Non-cash contributions such as services, property, equipment, etc. toward the cost of the entire project.”

MERIT (20 points possible)

Each authority commissioner may award up to 20 additional points per proposal. These points are based largely on individual judgment of a proposal’s likely success.

APPLICATION EVALUATION AND GRANT AWARD PROCESS

The authority will review, evaluate and award grants on a timetable to be set by the authority. The application deadlines will be announced by MASBDA each year. All applications that have been received since the previous review will be considered. No partial applications will be considered. All applications will be screened for completeness and eligibility upon receipt by MASBDA staff.

The authority will consider each application individually. Each application will compete for limited funds. All proposals must include sufficient information to allow the funding criteria to be evaluated.

The authority 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 to determine whether the amount recommended would alter the project’s feasibility.

Each applicant will be notified of the authority’s decision. **The decision is binding and not subject to review or appeal.** At the applicant’s request, grant applications which receive at least the minimum written and interview average of 60 points but are not awarded funding may be

reconsidered during the next immediate evaluation period without an additional application fee. Updates to the original application will be accepted prior to the deadline date.

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 also may recover grant funds not used per the contract or if a misrepresentation should occur.

REPORTING REQUIREMENTS

Grant recipients must enter into a contract with the authority. The contract will establish an approved project plan of work and budget and will list responsibilities of project personnel. Principals of an organized business (such as an LLC) awarded a grant will be personally responsible for the approved project plan of work, project budget, and responsibilities of project personnel. Project with multiple phases will be funded one phase at a time. Each phase is contingent upon successful completion of the previous phase and approval by MASBDA.

ALL CHANGES TO CONTRACTS AND/OR BUDGETS AS PRESENTED IN THE GRANT APPLICATION MUST RECEIVE PRIOR APPROVAL FROM MASBDA BEFORE PAYMENT OF INVOICES WILL BE APPROVED.

A minimum 10% CASH match is required and must be documented by proof of payment in each approved budget category as "Contributed Cash Match" as shown on Attachment C Project Budget Summary before the final grant funds can be disbursed. Grant funds can be disbursed upon receiving documentation of expenditures and a summary of completed activities for which funds are requested. Some monies for start-up costs of the grant project may be provided on a case-by-case basis. Once the applicant and MASBDA staff agree to a contract, it will be considered for final approval by MASBDA's executive director. MASBDA program staff will monitor and evaluate each funded project.

Interim Report

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

At a minimum, an original and two (2) copies of a comprehensive final report will be required within 60 days following project completion. The final report shall include program and fiscal summaries. The program summary shall include the following:

1. A brief description of the original intent of the project
 - a. The perceived economic impact to Missouri's agricultural producers
 - b. The perceived economic impact on the Missouri rural community
 - c. A summary of how the project achieved one or more of the following:
 1. Job creation
 2. New capital investment
 - d. Market development of new or expanded uses of Missouri's agricultural products or
2. The near-term commercial application and practical application of the project results
3. An evaluation of project results and benefits, including how they met original expectations
 - a. Future projections that may result from receiving grant funds
 - b. Other appropriate information related to the project

Failure to submit required reports in a timely manner will result in delay of invoice reimbursement and possible grant termination.

In addition to the final project report, MASBDA reserves the right to conduct a follow-up survey of funded projects to determine long-term economic impacts.