

Frequently Asked Questions

Resilient Food Systems Infrastructure (RFSI)

Q: How do I know which project type to apply for?

A: The Simplified Equipment-Only grant is strictly for the actual piece of equipment, the delivery and the installation of the piece of equipment. Nothing more. Equipment-Only grants are “Fixed Price” grants. *No match is required.*

The Infrastructure Grant will cover all other types of RFSI projects. Infrastructure Grants will fund projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products. This grant type is subject to match requirements.

Q: What activities are included in the middle-of-the-supply-chain?

A: USDA defines middle-of-the-supply-chain activities as activities that take place during the processing, aggregation and distribution portions of the food supply chain. As an example, processing activities may include washing, sorting, packaging and/or preserving crops or creating value-added products from crops. Aggregation and distribution activities may include storing, tracking, distributing and/or delivering crops.

Enhancing worker safety, modernizing, developing, or expanding equipment or facilities used for processing, aggregation, or distribution activities are also considered middle-of-the-supply-chain activities.

Q: Which activities are NOT included in the middle-of-the-supply-chain?

A: Activities related to production, or to markets and consumers, are NOT part of the middle-of-the-supply-chain. Costs and/or activities related to farm production may include farm equipment, tools, seeds or starts, or production-related labor. However, costs related to on-farm post-harvest processing, preservation, and/or storage would be applicable activities. Retail costs and activities related to markets and consumers, such as expanding sales staff for a farm store, renovating retail space, marketing and promotion are NOT eligible.

Q: Do I need to complete every section on the applications?

Yes, every section should be completed. If the section does not apply to your project, simply state Not Applicable (N/A).

Q: Does an outcome performance measure have to be selected? Does a project have to touch ALL outcome performance measures?

A: Projects DO NOT have to touch ALL outcome performance measures. However, every project MUST address at least ONE outcome performance measure.

Q: Do all outcome performance measures and/or indicators selected on the application have to be achieved within the grant duration?

A: All selected measures and/or indicators must be achievable and trackable with the duration of the grant.

Q: Are there limits to the amount of funding for projects?

Yes.

Infrastructure Grant projects must have a minimum federal funding request of \$100,000 and a maximum funding request of \$3,000,000.

Simplified Equipment-Only Grant projects must have a minimum federal funding request of \$10,000 and a maximum funding request of \$100,000.

Q: What do I do if I need help writing my application/help with the application process? Who do I contact for technical assistance?

A: MDA has partnered with MAFFIC to help provide free technical assistance to RFSI applicants. Please request assistance by signing up for technical assistance online at <https://missouriaginnovation.com/>

Business development assistance is available throughout the grant application period, and after to awarded businesses, as well as to other value-added agricultural producers who are working in the middle-of-the-supply-chain by processing, aggregating and/or distributing eligible food crops.

As always, applicants can contact MDA's Rachel Heimericks with any RFSI questions and to discuss potential projects. Rachel can be reached at Rachel.Heimericks@mda.mo.gov or by phone at 573-522-1955.

Q: What is a UEI, how do I get it and when do I have to have it?

UEI stands for Unique Entity Identifier. It is a 12-character alphanumeric ID that is assigned to entities by SAM.gov. This ID is required for entities to do business with the Federal Government. To obtain a UEI number, visit [SAM.gov](https://sam.gov) and register. Having your UEI at the time of application is preferred, however, recipients will be REQUIRED to obtain a UEI before a program agreement is executed.

Q: If funded, will I get my funds at the beginning of the project, once an agreement is signed?

No, this is a reimbursement-only grant. Funds will only be paid upon the receipt of a paid invoice and proof of payment for all expenses.

Q: Am I required to include any support letters?

A: Yes, our Advisory Committee expects one to two support letters for each application.

ELIGIBILITY

Q: Who is eligible to apply for RFSI Funding?

A: Agricultural producers and/or processors, groups of agricultural producers, and nonprofit organizations such as food banks, for-profit organizations such as food hubs and commercial kitchens, local government, and institutions such as hospitals and schools operating middle-of-the-supply-chain activities.

Q: What retail-related activities are eligible for funding?

A: Eligible retail-related activities can include creating distribution channels to new retail locations or expanding processing and packaging capacities, including adding product types, increasing production volumes, and supporting new retail product lines.

Q: Can a food hub that sells to individual consumers be considered eligible for an infrastructure grant?

A: Yes, they are eligible. If the entity is aggregating, processing, and/or distributing products from local and regional farms, they are conducting middle-of-the-supply-chain activities.

Q: Are wineries/distilleries/breweries eligible entities for infrastructure grants?

A: Yes, if the activities are primarily focused on the middle-of-the-supply-chain and will increase market opportunities for local and regional producers.

Q: What agricultural products are eligible for funding?

A: Eligible agricultural products include specialty crops, dairy, grain for human consumption such as peanuts and rice, aquaculture and other sectors, given that products are mean for human consumption. Specialty crops include fruit, vegetables, dried fruits, tree nuts, and horticultural products such as tea or honey.

Note that some specialty crops such as floriculture or ornamental trees are not intended for human consumption and therefore are not eligible for RFSI funding.

Q: Is shrimp an eligible agricultural product? For example, the shrimp grown in containers and not shrimp that is “wild caught.”

A: Yes, projects that expand capacity for the middle-of-the-supply-chain of aquaculture products are eligible for funding. USDA defines aquaculture as the production of aquatic organisms under controlled conditions throughout part or all their lifecycle. Wild-caught seafood is an ineligible product.

Q: Are projects that focus on cannabis products made for human consumption eligible for RFSI funding?

A: No, plants federally controlled as illegal drug plants (e.g. cannabis) are ineligible. This is in addition to the eligibility requirements outlined in RFSI Program Scope and Requirements.

INFRASTRUCTURE GRANTS

Q: Can infrastructure grant recipient funds be used to make subawards, e.g. mini grants?

A: It is unallowable for Infrastructure Grant recipients to issue subawards.

Q: Can a producer buy processing equipment that will primarily benefit their own business, or does it need to benefit more than one entity?

A: Yes, a producer can buy equipment that primarily benefits their own business. Projects that benefit an individual producer may be less competitive than a similar project that benefits multiple producers.

Q: Are for-profit entities, such as food hubs or distribution companies, eligible for infrastructure grant funds?

A: 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](#).

Q: Can an applicant apply for both an Infrastructure Grant and a Simplified Equipment-Only grant?

A: No, applicants can apply for either an Infrastructure Grant or an Equipment-Only Grant but cannot apply for both.

Q: On the Infrastructure Grant application, applicants are asked to estimate the number of project beneficiaries, how are project beneficiaries defined?

A: Project beneficiaries are the local and/or regional producers, markets, stakeholders and communities, including the applicant organization, that will directly benefit from the project. The number cited in the application template should be a reasonable estimate that can be documented and reported on during the duration of the grant, if selected for funding. For these reasons, stating that a project will benefit an entire industry or region is not an appropriate response.

ALLOWABLE/UNALLOWABLE COST

Q: Can funds be used for farm production related activities?

A: No, funds cannot be used for agricultural production activities/costs including farm equipment, tools, supplies, gardening, or production related labor/training.

Please note that in accordance with the [Program Scope and Requirements](#), on-farm post-harvest processing, preservation, and storage/cold storage are allowable activities.

Q: Can funds be used for construction?

A: RFSI funds may be used for improvements, rearrangements, or alterations of an existing building or facility to use a space more effectively and to accommodate new or upgraded equipment and processes. Funds may also be used for new construction of buildings or structural changes to an existing building/facility resulting in a square foot expansion or requiring changes to the building's floor, foundation, and exterior or load bearing walls.

Q: Can I use funds to purchase land or buildings?

A: No. It is unallowable to use grant funds for the acquisition of buildings, facilities or land.

Q: Can I claim travel and what rates should be used?

A: Travel costs can be eligible under the Infrastructure Grant. Travel must be project-related for entity personnel and must include the purpose of each trip. Allowable travel costs may not exceed those established by the Federal Travel Regulation, issued by the General Services Administration (available at www.GSA.gov).

Q: Can funds be used to purchase vehicles?

A: Special purpose vehicles relevant to the scope of work on an Infrastructure Grant project, such as delivery vehicles or refrigerated trucks, are allowable. However, the purchase of a general use vehicle is not allowable. Please see the [RFSI Program Specific Terms and Conditions](#) for more information on general use and special purpose equipment.

Q: Can funds be used to repair and/or upgrade existing equipment?

A: Yes, funds may be used to repair or update existing equipment. ONLY on Infrastructure Grants.

Q: Can RFSI funds be used for trade missions in other countries so business can expand to exporting?

A: No, RFSI does not fund trade missions in other countries. Marketing activities are not an eligible activity in this program.

Q: Can RFSI funds be used to create or maintain online websites?

A: No, an online store front would be allowable.

Q: What is the difference between indirect and direct cost?

A: Indirect costs are any costs that are incurred for common or joint objectives that cannot be readily identified with an individual project, program or organizational activity. They generally include facility operation and maintenance costs, depreciation and administrative expenses.

Direct costs are costs that can be identified specifically with a project that can directly be assigned to such an activity relatively easily with a high degree of accuracy. Typically, direct costs include, but are not limited to, compensation of employees who work directly on the award to include salaries and fringe benefits, travel, equipment, and supplies directly benefiting the project.

Refer to [2 CFR 200.413 and 414](#) for additional information on determining if costs charged to the project are direct or indirect.

Q: Is there a maximum rate for indirect funds?

A: If an Infrastructure Grant recipient has a NICRA, Federally Negotiated Indirect Cost Rate Agreement, MDA will honor that negotiated rate, therefore recipients can request indirect costs up to the amount in their NICRA. A copy of the recipients NICRA must be submitted with the Infrastructure Grant application.

Entities who do not have a NICRA may elect to charge a de minimis rate of 10% of modified total direct costs (MTDC). MTDC are defined as all direct salaries and wages, applicable fringe benefits, materials and supplies, services and travel. MTDCs exclude equipment and rental costs. No documentation is required to justify the 10% de minimis indirect cost rate.

Q: Can both grant types request indirect funds?

A: No, Simplified Equipment-Only grants are NOT eligible for indirect funding.

Q: What are fringe benefits and is there a formula for calculating them?

A: Fringe benefits are allowances and services provided by employees to their employees as compensation, in addition to regular salaries and wages. Fringe benefits should follow an organization's established policy and may include but are not limited to, the costs of leave (vacation, family-related, sick or military), employee insurance, pensions, and unemployment benefit plans. Refer to 2 CFR 200.431.

There is no maximum fringe benefit rate and applicants should follow their organization's established policies.

COST SHARING AND MATCH REQUIREMENT INFORMATION

Q: What is cost-sharing or matching?

A: Cost-sharing or matching is the portion of project costs not paid by the Federal funds, which could be cash and/or in-kind contributions. Cash can be a financial outlay or cash donations from non-Federal third parties. In-kind can be the value of non-cash contributions, typically in the form of value of personnel, goods, and services, including direct and indirect costs. Other Federal funds cannot be used as match. (See 2 CFR §§ 200.1 and 200.306.)

Q: Does the RFSI program require cost-sharing or matching?

A: Yes, Infrastructure Grant recipients are required to match. The program requires cost-sharing or matching of 50% of the project cost as a match to federal funding. For underserved farmers and ranchers, disadvantaged small businesses, women-owned small businesses, and/or veteran-owned small businesses are eligible for a reduced match contribution at 25% of the project costs. Applicants will self-certify on the Infrastructure Grant application as being eligible for this reduced match. Match calculating examples are shown in the [RFS RFA Guide](#).

Q: Can unallowable costs be brought as an in-kind or cost-share match?

A: No, only costs allowable under Subpart E of the Cost Principles can be brought as a match. The basis for determining the value of cash and in-kind contributions must be in accordance with 2 CFR § 200.306.

Q: Can donated labor/personnel time count as in-kind match?

A: Labor/personnel time may be used as a match for the percentage of time the person is working on the project. For example, if someone is only spending 15% of their time working on the project, then you can only bring 15% to the project as a match. Also, you must ensure that what you would normally pay that individual is reasonable according to standard personnel rates for similar positions in your geographic locality.

Q: Can unrecovered indirect cost be used as part of the cost-sharing or matching?

A: Yes, it is allowable to use unrecovered indirect costs as part of cost sharing or matching. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount that could have been charged to the Federal award under the potential recipients approved negotiated indirect cost rate.

Q: Can donated rental space or land be considered in-kind match? For example, a city donates land to an applicant to build a processing/aggregation cold storage facility.

A: Yes and No. Acquired real property, including land, is an unallowable cost and therefore cannot be used to meet the match requirement. Rental costs are an allowable cost and may be used to meet match requirements.

Q: What counts as in-kind match?

An in-kind match can be the value of non-cash contributions, typically in the form of value of personnel or goods and services directly related to the project scope of work, including direct and indirect costs. These contributions can be the value of the use of already existing equipment, property, services or third-party donations.