



“Promoting Innovation in Maryland Agricultural and Resource-Based Business”

Certified Local Farm Enterprise Food Aggregation Grant Fund Program
Public Sector Aggregation Project

Many farmers wanting to access more diverse markets for their agricultural products often face challenges in producing the volume of food items required to meet the demand of large buyers like wholesale food distributors and institutional buyers such as schools and hospitals. Table crop producers may also produce a significant quantity of raw agricultural products (e.g., “seconds”) that are not suitable for immediate sale to fresh retail consumer markets but would have value if processed and preserved for later sale to wholesale and institutional markets.

In 2020, Senate Bill 985/ House Bill 1488 was passed that establishes the Certified Local Farm Enterprise Program and Certified Local Farm Enterprise Food Aggregation Grant Fund. The bill was the result of a year-long study by the Maryland Food for Maryland Institutions Study Group, established by the General Assembly in 2019. Based on the Group’s recommendations, the bill establishes a 20% procurement goal for Maryland State agencies and institutions to purchase locally grown food from certified local farm enterprises. (as determined by MDA). Many institutional and wholesale buyers that want to purchase locally sourced food find it difficult in contracting with small farmers to meet their supply sourcing needs. For this reason, the bill and related legislation also established a pool of funding for MARBIDCO to be able to offer the Local Farm Enterprise Food Aggregation grants to help support the development of a local food aggregation infrastructure in Maryland to help meet current and future wholesale and institutional market demand for locally produced food products.

The establishment or expansion of farm food aggregators in Maryland can help provide a link between the small farmer and the large-scale buyer that is looking to purchase locally grown food. MARBIDCO’s grant is designed to stimulate increased market access for small Maryland farmers to the wholesale and institutional buyers. This program has been established to provide funding to farm aggregators to help with the construction of processing and storage facilities and the purchase of capital equipment. A modest amount of start-up working capital is also potentially available through this program. For FY 2023, MARBIDCO has \$680,000 in total available to fund projects described in this application and its Local Food Aggregation Grant for Small Farmer Organization Aggregation (a separate application).

Program Description

The purpose of the Certified Local Farm Enterprise Food Aggregation Grant Program is to demonstrate how the investment of funds can help to grow and strengthen Maryland’s local food system and to create opportunities for small farmers to sell products to wholesale and institutional markets. The grant funds will be used to fund projects that help small farmers aggregate their product to sell to institutional or wholesale buyer and for projects that will help institutional buyers to increase their capacity to purchase locally grown food. **Funds will be used to provide financial support to one or two public entity-led aggregation centers serving institutional or wholesale markets.** See below for more information:

Public Sector Aggregation Project – A grant of between \$150,000 and \$400,000 is available. Applicants for the larger scale aggregation grant will be a public entity (such as a county government, municipality, community college, university, county school system or rural regional council). The grant is for public projects that plan to be primarily aggregation centers for wholesale and institutional buyers. If the applicant is the buyer, it would need to provide a commitment to purchase from at least four Certified Local Farm Enterprise farmers and include what it plans to purchase and the amount of each product. If the applicant is facilitating the aggregation, it would need to provide evidence of that it will aggregate produce from at least four Certified Local Farm Enterprise farmers and provide a commitment from a wholesaler or institution to

purchase from the aggregation center. The grant requires at least a 20% match of funds in the project. A project of this size might also require a partnership of multiple entities and funding sources.

Institutional and Wholesale Buyers

An institutional buyer could include a state or local government agency (including a correctional institution), school system, hospital, or chain of grocery stores. A wholesale buyer is a food distributor that has an established track record of selling food products to the institutions generally described above. The Maryland Department of Agriculture provides a list of some institutional buyers in its publication, **Maryland's Best Expo Directory**. Information can be found at https://marylandsbest.maryland.gov/wp-content/uploads/MBestExpoDirectory_web3-20.pdf. Some examples include:

- Public schools
- University system
- State agencies
- Hospitals
- Prisons
- Wholesale distributors that sell to an institutional buyer

Program Timeline

Applications are due to be submitted to MARBIDCO by January 13, 2023. All project funds should be disbursed by no later than 9 months after the approval of the grant.

Eligible Expenses May Include:

- Refrigeration and related food storage equipment and facilities
- Handling equipment (forklift, dollies, carts)
- Fruit or vegetable processing equipment and facilities
- Produce washing stations and wash-pack sheds
- Constructing and equipping a commercial kitchen
- Equipment related to light processing including: cutting, slicing, peeling, coring, pulping, shucking, commercial canning, freezing, and dehydrating
- Livestock processing equipment and facilities, including mobile slaughter units
- Packing and handling equipment including pallet jacks, forklifts, hand trucks, shelving, bins
- Refrigerated truck
- Working capital (limited to no more than 20% of overall grant award).

In-eligible Expenses Shall Include:

- Planting and harvesting equipment (i.e., tractors, farm implements, etc.) and farm supplies.
- Eligible equipment or other assets purchased prior to January 1, 2023.
- Attorney's fees.

Application Submission

A complete application must be submitted and received by MARBIDCO by January 13, 2022. Send completed applications and all attachments to MARBIDCO Local Farm Enterprise Food Aggregation Grant Program, 1410 Forest Drive, Suite 21, Annapolis, MD 21403 or skubofcik@marbidco.org. For more information contact Stacy Kubofcik, Senior Programs Officer, at skubofcik@marbidco.org or 410-267-6807.

Application Evaluation Criteria

All applications must be complete and will be reviewed based on the following criteria.

Evaluation Criteria	No. of Points
1. Project Narrative	20 (max)
<ul style="list-style-type: none"> • Application clearly demonstrates that the project will grow and strengthen Maryland’s local food system. • Application clearly demonstrates how the aggregation center will serve wholesale or institutional markets and small Maryland farmers. • Application identifies the direct beneficiaries of the project. • Project will increase the amount of Maryland food purchased by institutional or wholesale buyers. • Description of the other project benefits, including job creation, job training, and student/community activities (if applicable). 	
2. Business Plan	20 (max)
<ul style="list-style-type: none"> • Business Plan shows that applicant(s) have the skills and the experience to make the project a success. • Business Plan lays out a clear, well-conceived, workable strategy for implementing the food aggregation project. • Business Plan identifies how the project will increase the amount of locally grown food purchased by the institutional or wholesale buyers. 	
3. Farmer Participation	10 (max)
<ul style="list-style-type: none"> • At least 4 Farmers (from different farm operations) are part of the project. (5 points) • One additional point awarded for each additional separate farm operation. 	
4. Matching Funds Availability	10 - 12 (max)
<ul style="list-style-type: none"> • 20% Matching Funds contribution – MINIMUM REQUIRED. (1 point) • 21% to 35% Matching Funds contribution. (3 points) • 36% to 40% Matching Funds contribution. (3 points) • More than 41% Matching Funds contribution. (3 points) • For large scale project, the funds are included in the FY 2023 or FY 2024 Local Government Budget. (2 pts) 	
5. Applicant Experience	10 (max)
<ul style="list-style-type: none"> • Applicant team has the experience to implement the entirety of the project. • Project Manager 1 has at least one year of relevant experience. • Project Manager 2 has at least one year of relevant experience. • Other project team members have appropriate training and experience. 	
6. Project Budget	10 (max)
<ul style="list-style-type: none"> • Project budget is reasonable to cover the costs of the project • Budget clearly shows what costs will be covered by grant funds 	
7. Project Timeline	10 (max)
<ul style="list-style-type: none"> • Applicant identifies project milestones. 	
8. Letters of Commitment and Other Support	5 (max)
<ul style="list-style-type: none"> • If the aggregation center is the buyer, Letters of Commitment to purchase from at least 4 Certified Local Farm Enterprises (3 points). Additional points awarded for additional farmer participation. • If the aggregation center is facilitating the purchase of a wholesale or institutional buyer from the farmer, Letters of Commitment to purchase from at least 4 Certified Local Farm Enterprises. (3 Points) Additional points awarded for additional farmer participation. 	
TOTAL	

**FORM B: Local Farm Enterprise Food Aggregation Grant Application
Large Scale Public Institution Aggregation Grant**

Applicant Information

1) Legal Name of Entity Applying for Grant: _____

Business Address _____ City _____

State _____ Zip Code _____ Telephone _____

Email Address _____

2) Contact Name: _____

Business Address _____ City _____

State _____ Zip Code _____ Telephone _____

Email Address _____

3) Project Manager Name: _____

Business Address _____ City _____

State _____ Zip Code _____ Telephone _____

Email Address _____

Number of Years of Experience: _____

4) Applicant Entity Type:

- County Government
- Municipality
- Regional Council
- Community College
- University
- County School System

- 5) Do you currently purchase food from Maryland Farmers? ____ YES ____ NO
- If yes, how many farmers do you work with? _____
 - What percent of food do you purchase from Maryland farmers? _____%
 - How do you anticipate this changing if your project is awarded grants funds?

Project Information

6) Project Activity Category. Check all that apply.

<input type="checkbox"/> Aggregation of Local Farm Products	<input type="checkbox"/> Sales to Another Maryland Institutional Buyer
<input type="checkbox"/> Refrigerated Food Storage	<input type="checkbox"/> Sales to Retail Buyers (Restaurants, etc.)
<input type="checkbox"/> Frozen Food Storage	<input type="checkbox"/> Sales Directly to Consumers
<input type="checkbox"/> Worker Training	<input type="checkbox"/> Other (Specify):
<input type="checkbox"/> Value Added Processing / Preservation	<input type="checkbox"/> Other (Specify):
<input type="checkbox"/> Active Product Marketing / Promotion	<input type="checkbox"/> Other (Specify):

7) Physical Location of the Food Aggregation Project:

Address _____ City _____

State _____ Zip Code _____ County _____

8) Requested Grant Funds: \$ _____

9) Matching Funds (at least 10% match is required): \$ _____

10) Have matching funds been included in applicant's official FY 2022 or FY 2023 Budget?

____ YES If yes, please indicate what the budgeted amount is _____ ____ NO

11) Sources and Uses of Funding:

Use of Funds	Amount (\$)

Source of Funds (include other public or private funding sources)	Amount (\$)

12)Farmer Participation. As a separate attachment, for each farmer you plan to engage in the project provide the following information. (NOTE: More farmers can be added later.)

- a. Name of Farmer or Farm Business
- b. Are they a Certified Local Farm Enterprise farmer (as determined by MDA)
- c. County farm is located in
- d. What do they produce
- e. Are they GAP Certified (Yes or No)
- f. How many acres of production do they have
- g. Have you purchased from farmer in the past?
- h. Do you plan to purchase from the farmer in the 2023 and or 2024?
- i. What do you plan to purchase?

13)Project Narrative. Provide as a separate attachment a narrative description of the project. The narrative must address each bullet point below.

- a. Description of the project, including its purpose and how it will improve the local food system and how it will create opportunities for small farmers to sell their product.
- b. How will the project increase the amount of food purchased from Maryland farmers from the applicant?
- c. Identify the beneficiaries of the project. This could be farmers that will be able to sell their produce to a new market, the consumer that will receive fresh locally grown food (students for example), the institution that will meet its 20% procurement target of purchasing locally grown food.
- d. Identify all the participants in the project and their role.
- e. Specify the role of the applicant. Will the applicant be the purchaser of products from small farmers or will the applicant facilitate the sales between small farmers and wholesale or institutional buyers?
- f. What activities/services will the project offer? Examples could include training, processing, value-added processing, transportation or distribution of products.
- g. Goals and Objectives of the project
- h. Project timeline, including purchase/construction timeline and timeline of project implementation. Please note that all funds must be disbursed within approximately eight months of the approval of the grant.
- i. Projected measurable outcomes. Outcomes could include the following:
 - i. No. of farmers participating
 - ii. No. of participants offered training
 - iii. Pounds of Maryland grown food to purchase
 - iv. Percentage of locally grown food purchased of total food purchased.
 - v. Other

14)Detailed Business Plan for the project to receive financing. At a minimum the business plan should include:

- a. Executive Summary
- b. Mission Statement & Goals
- c. Background Information and experience of entity
- d. Strategy for increasing the purchase of Maryland grown food
- e. Management Plan. Include the experience of the person(s) identified to manage the project.

15) Budget. Provide a detailed project construction budget and operating budget for the first year. Identify how grant funds will be used.

16) REQUIRED Letter of Commitment to purchase directly from Certified Local Farm Enterprises or Letter of Commitment from Wholesaler or Institutional Buyer to purchase.

17) List of Additional Required Attachments. The following attachments are required for an application to be considered complete.

- a. Legal and organizational structure of entity operating the aggregation project.
- b. Resumes or working history of each of the persons participating and what their role in the project will be.
- c. Description and timing of the availability of matching funds.

DECLARATION/CERTIFICATION

1. I/we have the right to submit this application.

2. All information in this application and any attachments and addendums is true and complete to the best of my/our knowledge, information, and belief and is submitted so that MARBIDCO and its committee can decide whether to offer financial assistance.

3. I/we agree not to engage in employment practices which deny equal employment rights to persons by reason of (i) political or religious opinion or affiliation, marital status, race, color, creed or national origin; (ii) sex or age, except when sex or age constitutes a bona fide occupational qualification; or (iii) physical or mental disability of a qualified individual with a disability. I/we also agree to comply with the State's policy on maintaining a drug and alcohol-free workplace.

4. I/we hereby authorize all involved in the financing of this project to exchange freely without further authorization and consent, any and all information, including financial information, and reports provided in connection with this application.

Signature of Project Manager _____

Printed Name _____

Title _____

Department _____

Date _____

Signature of Authorized Official _____

Printed Name _____

Title _____

Department _____

Date _____

Note: MARBIDCO agrees to hold Recipient's Application and Financial Reports in confidence to the extent reasonably permitted by Title 4 of the General Provisions Article of the Annotated Code of Maryland. Notwithstanding the foregoing, MARBIDCO shall not be obligated to maintain in confidence any information: 1) which was already known to MARBIDCO; or, 2) which is or comes into the public domain through no fault of MARBIDCO; or, 3) which is independently developed by MARBIDCO; or, 4) which comes to MARBIDCO from a third party which is not in violation of any obligation of confidentiality to Applicant or MARBIDCO._