



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

**Instructions for the 2020 (FY 2021) Maryland Value Added Producer Grant (Capital Assets Option)**

Farms and other businesses wanting to expand or diversify their operations face major challenges in paying for the necessary capital equipment or improvements to real property. For many producers of Maryland grown food/feed/fiber products, the up-front costs are unaffordable. For many Maryland producers, a very small amount of matching equity capital could make a huge difference in their business success. MARBITCO’s 2020 Maryland Value Added Producer Grant (Capital Assets Option) Program is designed to meet this need. This program will help Maryland producers and qualifying food/feed/fiber processors to purchase new equipment or construct facilities so that they can engage in value added production, enhance revenue generation, and create new job opportunities.

**Program Description**

1) MARBITCO has a mission to assist Maryland’s farm, forestry, and seafood businesses with achieving profitability and sustainability, promoting rural entrepreneurship, and nurturing emerging food and fiber markets. **MARBITCO will offer grants of between \$2,500 and \$10,000, distributed on a competitive basis**, for capital asset projects designed to help farmers, forest product operators, and seafood and livestock processors to expand or diversify their business operations. (NOTE: For hemp processors who are not farmers, eligibility for a grant will be contingent on the evidentiary showing of 51% of the feedstock being Maryland-grown.) The match required from the farm or rural business must be equal to or greater than the amount requested from MARBITCO. A total of \$125,000 is available for distribution in this grant funding cycle within three distinct divisions (General Agricultural Production, up to \$55,000; Forestry/Livestock/Seafood Processing, up to \$35,000; and Hemp Processing up to \$35,000.)

**NOTE: The maximum cumulative amount of grant funding a single applicant or business ownership may receive from this program is \$30,000, and from all MARBITCO grant incentive programs (not including PAEGF), the cap is \$50,000. Additionally, a previous MARBITCO grant must be closed out (i.e., there are no funds remaining) before an applicant can be considered for a new grant award.**

2) The **application deadline is 4:00 p.m., on Thursday, September 24, 2020**. Applications received in the mail with a **Saturday, September 19, 2020** postmark will also be accepted. Late applications will not be accepted. Grant announcements should be made about late October 2020.

**Eligible applicants** must be a crop producer, agricultural cooperative, seafood or livestock processor, or primary or secondary timber products processor, and have been in business for a minimum of two years. Hemp fiber processors may be eligible under certain conditions, and must have been in business in Maryland on or before June 30, 2020. In addition, applicants must be making a product that is “value added”. A product that is value added has in incremental value realized by the producer or processor as a result of: 1) change in physical state; 2) differentiated production or marketing; 3) product segregation; and 4) economic benefit realized from the production of farm- or ranch-based, rural community-based biomass energy. MVAPG-CAO funds and matching funds must be used for projects that are defined as capital assets by MARBITCO, and that have a useful life of seven years or more.

**Matching funds are required.** Matching funds must be at least equal to the amount of grant funds requested and are subject to the same use restrictions as grant funds. Applicants must verify in their applications that eligible matching funds are available for the time period of the grant. Matching funds must be spent at a rate equal to or greater than the rate at which grant funds are expended. If matching funds are provided in an amount exceeding the minimum requirement, the applicant must spend their matching fund contribution at a proportional rate. Matching funds must be provided by either the applicant, or by a third party, in the form of cash or a commercial lender loan commitment. Applicants that are awarded grants may not change the source, type, or amount of matching funds proposed in their applications without prior written approval from MARBITCO.

**Applicant requirements**

- Applicant must submit a completed application form (please, no binders).
- Provide proof of matching funds.
- Applicant must submit tax returns, including all Schedules, for the most recent year (2019 in most cases).

- Applicant must agree to a site inspection prior to final approval of this application. If the application is approved and monies are awarded, the applicant must agree to site inspections during the construction phase of the project.
- **Applicant must provide a detailed business plan to demonstrate how the production facility or business operation will remain ongoing for at least seven years and show what impact the improvements will have on his or her business via projected increased sales, retained or additional jobs, etc. The business plan must also address the following:**
  - Applicant must provide detailed project information including the market(s) to be served and project costs.
  - Applicant must possess, or be actively seeking, the appropriate government permit(s).
  - Applicant is responsible for securing and complying with all necessary zoning, building and other permits as required prior to receiving grant.

**Eligible expenses are capital assets which will help farmers, forestry operations, and seafood and livestock processors to diversify their business operations. Examples include, but are not limited to, the following:**

- Production buildings and major fixtures
- Livestock or seafood processing facilities
- Fruit, vegetable or timber processing facilities
- Creamery production equipment
- Manure digesters
- Optimization systems for maximizing fiber yield recovery
- Dry kilns, shavings mills, sawdust dryers and in-woods chippers

**Ineligible expenses are those not specifically stated under eligible expenses, such as, but not limited to, the following:**

- *Any expense incurred prior to **Thursday, September 24, 2020.***
- Tractors, combines, sprayers or similar common farm implements and attachments thereto
- Any self-propelled vehicles (except certain vehicles used in timber harvesting and processing)
- Property acquisition costs
- Mortgage refinancing
- Cost of borrowing (e.g., points and other fees)
- Site plan and construction permits
- Wages paid to applicant or employees, or applicant or employee training costs
- Solar or wind energy projects
- Furnishings, fixtures or equipment considered personal (non-business) property
- Computer equipment
- Machine storage, ancillary workshops, housing, classrooms, etc.
- Any portion of expense for which the applicant pays a contractor in merchandise or service in lieu of cash
- Attorney's fees and consultants' fees
- Fees and/or costs not consistent with eligible costs

Please contact MARBIDCO if you have questions about eligible or ineligible expenses. A list of Frequently Asked Questions is also available for review on MARBIDCO's website at: [www.marbidco.org](http://www.marbidco.org).

**MVAPG Conditions**

Maximum Amount of Grant:	\$10,000. (Minimum Amount of Grant: \$2,500.)
Match Required:	Equal or greater than amount of grant. Must be cash match; no in-kind allowed.
Application Deadline:	4:00 p.m. on <b>Thursday, September 24, 2020</b> (or postmarked by Saturday, September 16, 2020).
Disbursement of Funds:	Funds will be disbursed to approved applicants on an incremental basis as eligible costs are incurred and documented by the grantee.
Previous MVAPG(CAO) Recipients:	Maximum amount of MVAPG-CAO grants awarded shall not exceed \$30,000.
Send Completed Applications to:	MARBIDCO Programs, 1410 Forest Drive, Suite 21, Annapolis, MD 21403

**Application for the 2020 (FY 2021)**  
**Maryland Value Added Producer Grant – Capital Assets Option Program**

**SECTION 1: APPLICANT INFORMATION**

Business/Farm Name \_\_\_\_\_

Business Address \_\_\_\_\_ County \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contact Person \_\_\_\_\_ Title \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

Home Telephone \_\_\_\_\_ Mobile Phone \_\_\_\_\_

Dollar Amount Requested: \_\_\_\_\_

**BRIEF DESCRIPTION AND HISTORY OF BUSINESS**

*(Include details and history of your operation and experience of principal business owner(s).)*

*Please include details regarding the past two years of operation, including business history, type of farm/ agriculture production, acreage, production volume and markets, organizational structure and management experience. Explain how this grant will enable you to access new markets and increase your production and sales volume?*

**SECTION 2: BUSINESS INFORMATION**

**BUSINESS STRUCTURE**

Year & State Established/Incorporated \_\_\_\_\_

Corporation  Partnership  Proprietorship  LLC (SIC/NAICS Code \_\_\_\_\_)

**EMPLOYMENT DATA**

# of full-time jobs current \_\_\_\_\_ # of NEW full-time jobs projected within 36 months \_\_\_\_\_

# of part-time jobs current \_\_\_\_\_ # of NEW part-time jobs projected within 36 months \_\_\_\_\_

**MANAGEMENT/OWNERSHIP**

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Last 4 digits of Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

2- Name \_\_\_\_\_ Title \_\_\_\_\_

Last 4 digits of Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

3- Name \_\_\_\_\_ Title \_\_\_\_\_

Last 4 digits of Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

4- Name \_\_\_\_\_ Title \_\_\_\_\_

Last 4 digits of Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

**DECLARATIONS**

*If answering "yes" to any of these questions, please provide an explanation on a separate sheet and attach.*

- 1. Is the business or any of the top management personnel a party to any claim or lawsuit?     Yes                       No
- 2. Has the business or any of the top management personnel ever declared bankruptcy?     Yes                       No
- 3. Does the business or any of the management personnel owe any taxes for prior years?     Yes                       No
- 4. Have any managers or owners received a felony conviction?                                       Yes                       No

**SECTION 3: PROJECT INFORMATION**

**PROJECT TYPE**

*(Check any that may apply.)*

- Value-Added Farm Processing
- Primary/Secondary Wood Processing

- Seafood/Livestock Processing
- Other: \_\_\_\_\_

**A) BRIEF DESCRIPTION OF THE VALUE ADDED PROJECT:**

1. What do you grow/process now?
2. What value-added product do plan to make in the future using these grant funds?
3. What will distinguish your product from others and how will you market your value-added product(s)?

**B) BRIEF DESCRIPTION OF HOW THE MVAPG-CAO GRANT FUNDS WOULD BE USED:**

As it relates to the specific value-added project to be funded, explain the deployment of the new assets that you plan to utilize and the time frame you plan to adhere to with the installation and beginning production.

**C) BRIEF DESCRIPTION OF THE EQUIPMENT OR FACILITIES TO BE ACQUIRED WITH AN ESTIMATE OF THE USEFUL LIFE OF THESE ASSET(S):**

Is this a new process? Or, how is this an improvement on your current process (if applicable)?

**OTHER PROJECT ADVISOR(S) (If Applicable)**

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Institution/Firm \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Institution/Firm \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

**SECTION 4: SIGNATURES**

**CERTIFICATION**

I/We certify all information in this application and the attachments is true and complete to the best of my/our knowledge.

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Printed Name \_\_\_\_\_ Printed Name \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Printed Name \_\_\_\_\_ Printed Name \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

**SECTION 5: ATTACHMENTS**

**ATTACHMENTS CHECKLIST ( required unless otherwise noted.)**

1.  Business plan must include the following:
  - a. History of the applicant enterprise or farm operation and experience of the principal operators.
  - b. What specific changes the business is making and how will grant funds be used to make these adjustments.
  - d. The existing business operation and the planned continuing, additional, or modified business production/harvesting/processing activities,
  - e. The existing and new labor needs anticipated to be needed for the enterprise,
  - f. Any currently required or new materials (inputs) and any special equipment that will be needed.
  - g. The plan should also briefly explain the sales and marketing activities of the business enterprise (current and going forward)
  - h. Please provide any expense and sales/revenues projections if they are available
  - i. Income statement for current year and projected income statement with new value added aspect. (Any financial projections that you might have available and wish to provide)
  
2.  Project budget – itemized list of equipment or facilities to be acquired with cost estimates/venor quotes and timeline for purchase or construction.

- 3.  Evidence of matching funds (e.g., copy of bank statement or bank loan commitment letter).
- 5.  One year of most recent complete tax return. (Full Federal return with all schedules (F,C, etc.)
- 6.  Feasibility study (if available).

**Note:** MARBIDCO agrees to hold Recipient's Application in confidence to the extent reasonably permitted by Title 10, Subtitle 6 of the State Government 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.