



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

Certified Local Farm Enterprise Food Aggregation Grant Fund Program
Small Scale Farmer Aggregation Entity Grant

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. For FY 2023, MARBIDCO has \$680,000 in total available to fund projects described in this application and its Local Food Aggregation Grant for Public Entity Led Aggregation Centers (a separate application).

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.

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. Funds will be used to provide financial support to up to five small-scale farmer-led projects. See below for more information:

Small-Scale Farmer Aggregation Entity Project – A grant of between \$25,000 and \$100,000 is available. Applicants for the small-scale farmer-led aggregation grant must include at least four Certified Local Farm Enterprise farmers and applicants must provide at least a 20% match of private funds in the project. An example of a small-scale aggregation entity could include an agricultural marketing group (an LLC), or legally organized farm cooperative using the grant funds to purchase cold storage equipment or construct an indoor processing facility in order to better handle products moving to wholesale and institutional buyers. The applicant must provide evidence that it will be selling some quantity of product to a specific

wholesale or institutional buyer. An example could be the public school system. This could be in the form of a contract or letter of commitment, which specifies it will purchase a certain amount of product.

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, 2023. 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 project will offer opportunities for small farmers to sell to Maryland institutional buyers and wholesale buyers. • Application clearly demonstrates how the Certified Local Farm Enterprise farmer will increase sales to institutional or wholesale buyers (small scale project only) • Application identifies the direct beneficiaries of the project. • Project will increase the amount of Maryland food purchased by institutional or wholesale buyers. 	
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 (max)
<ul style="list-style-type: none"> • 20% Matching Funds contribution – MINIMUM REQUIRED. (3 points) • 21% to 25% Matching Funds contribution. (5 points) • 26% to 30% Matching Funds contribution. (8 points) • More than 30% Matching Funds contribution. (10 points) 	
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"> • For small scale project, the project will be complete within a reasonable time. 	
8. Letters of Intent and Other Support	10 (max)
<ul style="list-style-type: none"> • At least one letter of commitment provided by institutional or wholesale buyer that plans to purchase from applicant (5 points). Additional points will be awarded based on additional letters of commitment or amount to be purchased. 	
TOTAL	

**FORM A: Local Farm Enterprise Food Aggregation Grant Fund Application
Small Scale Farmer Aggregation Grant**

Applicant Information

1) Legal Name of Entity Applying for Grant: _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

Email Address _____

2) Contact Name: _____

Address _____ City _____

State _____ Zip Code _____ Telephone _____

Email Address _____

3) Project Manager Name:

Address _____ City _____

State _____ Zip Code _____ Telephone _____

Email Address _____

Number of Years of Experience: _____

4) Applicant Entity Type:

Agricultural Marketing Association

Farm Cooperative

5) Business Structure:

Year & State Established/Incorporated: _____

Proprietorship _____ Corporation _____ Partnership _____ LLC _____

6) Current market sales: percentage of sales direct to consumers, to wholesalers, to institution.

Direct to Consumers: _____%

Wholesalers: _____%

Institutions: _____%

Other (please specify): _____% _____

Project Information

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) Sources and Uses of Funding:

Use of Funds	Amount (\$)

Source of Funds	Amount (\$)

11) Farmer Participation. As a separate attachment, for each farmer participating in the project, provide the following information.

- Name
- Business Address
- County
- Telephone and Email address
- Are they a Certified Local Farm Enterprise Farmer (as determined by MDA)
- GAP Certified: YES/NO
- Number of years farming
- Size of Farm
- Tillable Acres
- Forage Acres

- Agricultural Products Grown (i.e. Vegetables/Table Crops, Grain/row crops, Fruits/Orchard, Livestock)
- 2022 Production volume
- 2023 Projected volume

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

- 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.
- Identify the participants in the project and their roles
- How will the project help the applicant increase the volume of food product it sells to institutional and wholesale buyers?
- What do they currently produce/sell and how will their plans change as a result of implementation of the project in the 2023 and/or 2024 growing seasons.
- Do they sell value-added products?
- Institution or Wholesale buyer that farmers will be selling to
- Project timeline, including purchase/construction timeline and timeline of project implementation.
- Projected measurable outcomes including:
 - i. Current sales and projected sales as a result of implementation of project
 - ii. Change in production volume
 - iii. Other

13) Detailed Business Plan for the project. The Business Plan should include the following and be a separate attachment.

- Executive Summary
- Background and Experience of Farmers involved in the project
- Goals of the project (including reaching institutional or wholesale markets)
- Products and services the entity offers
- Marketing Strategy and Plan
- Management Plan including experience of Manager

14) Itemized Budget. Attach an itemized budget of what the grant funds will be used to purchase.

15) REQUIRED Letter of Commitment or purchase order or other evidence from Institution or Wholesale buyer to purchase agricultural product from applicant in the 2023 season. If the Institution or Wholesale buyer is a current customer, the letter should indicate if they intend to purchase additional volume.

16) Other Attachments. The following additional attachments are required for an application to be considered complete.

- a. Legal structure of entity operating the aggregation project, including Articles of Incorporation and Certificate of Good Standing.
- b. Applicant tax returns for the preceding year. Or, tax returns from each farm business that is participating (either business tax return or personal tax return if farm income is included in personal return)
- c. Business operation financials (including balance sheet, 2021 and 2022 income statement)
- d. Proof of availability of matching funds.

DECLARATIONS

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

Is the business currently involved in bankruptcy?	Yes _____	No _____
Does the business or any of the management personnel owe any taxes for prior years?	Yes _____	No _____
Have any managers or owners received a felony conviction?	Yes _____	No _____

Certain personal information requested by MARBIDCO is necessary in determining your eligibility. Failure to disclose this information may result in the denial of these benefits or services. Availability of this information for public inspection is governed by the Maryland Public Information Act, General Provisions Article, Sections 4-101 et seq. of the Annotated Code of Maryland (“PIA”)¹. This information will be disclosed to appropriate MARBIDCO staff and committees, public officials, and MARBIDCO’s auditors for purposes directly connected with approval of the proposed financing and administration of the program for which its use is intended. Such information can also be shared with State, federal, or local government agencies, and any financial assistance that you receive from MARBIDCO is subject to public disclosure. Proprietary business information is generally not disclosable to the General Public under the Maryland Public Information Act*.

You authorize MARBIDCO to obtain any additional information, including financial information, concerning the applicant from any source which MARBIDCO reasonably requires in order to determine whether to make the requested grant, including credit histories, credit reports, and credit scores.

Certifications:

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.

¹ The PIA protects certain confidential information from disclosure. Please note that information is not confidential if the information (1) was already known to MARBIDCO, (2) is or later comes into the public domain through no fault of MARBIDCO, (3) is independently developed by MARBIDCO, or (4) comes to MARBIDCO from a third-party which is not in violation of any obligation of confidentiality to Applicant or MARBIDCO.

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.

[Signatures Required on Following Page]

Signatures provided by facsimile or other electronic means, for example, and not by way of limitation, in Adobe .PDF sent by electronic mail, shall be deemed to be original signatures.

Signature _____

Signature _____

Printed Name _____

Printed Name _____

Date _____

Date _____

Signature _____

Signature _____

Printed Name _____

Printed Name _____

Date _____

Date _____