



Request for Applications

United States Department of Agriculture, Agricultural Marketing Service

Resilient Food Systems Infrastructure (RFSI) Program Infrastructure Grants

Awarded by the Illinois Department of Agriculture

Funding Year: Fiscal Year 2024

Application Deadline: March 15, 2024, 11:59 PM CST

Anticipated Funding Awarded to Illinois: \$6,366,499.00

Federal Award Range: \$100,000-\$300,000

Funding Opportunity Number: USDA-AMS-TM-RFSI-C-23-0001

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Table of Contents

Executive Summary.....	3
Background	4
Purpose	4
Illinois Funding Priorities.....	4
Types of Grants	5
Simplified Equipment-Only Grants	5
Infrastructure Grants	5
Examples Of Eligible Infrastructure Projects.....	5
Ineligible Projects.....	7
Match and Evidence Requirement	7
Matching Funds Requirement	7
Evidence of Critical Infrastructure	9
Application Information.....	9
Implementation Period.....	9
Eligibility	9
Project Evaluation	10
Project Evaluation Criteria	10
Submission Requirements	11
Application Required Documents	12
Reporting Requirements.....	12
Award Notices.....	12
Unsuccessful Applications.....	12
Risk Assessment.....	12
Agency Contact Information	13

Executive Summary

The U.S. Department of Agriculture (USDA) Agricultural Marketing Service (AMS) has entered into a cooperative agreement with the Illinois Department of Agriculture (IDOA) to administer the Resilient Food Systems Infrastructure Program (RFSI). IDOA is working in partnership with USDA AMS to award competitive Infrastructure Grants to support middle of the food supply chain in Illinois. Funds will support expanded capacity for the aggregation, processing, manufacturing, storing, transporting, wholesaling, and distribution of locally and regionally produced food products, including specialty crops, dairy, grains for human consumption, aquaculture, and other food products, excluding meat and poultry. IDOA will work in partnership with USDA to make competitive subawards to support infrastructure in the middle of the food supply chain for domestic food and farm businesses and other eligible entities.

This program is funded by Section 1001(b)(4) of the American Rescue Plan (ARP) Act of 2021 (Pub. L. 117– 2). Two types of awards are being offered with this funding, Infrastructure Grants and Simplified Equipment-Only Grants. Applicants are eligible for one grant only.

Infrastructure Grant applicants may apply for a minimum federal award of \$100,000 and a maximum award of \$3,000,000. Projects must be completed by May 24, 2027. Grant applicants are required to contribute 50% of the total proposed project cost as a match to federal funding. For historically underserved farmers, ranchers, and small businesses that qualify under the Small Business Administration (SBA) including small, disadvantaged businesses, women owned businesses, and veteran-owned businesses, the required match is reduced to 25% of the total proposed project cost.

Simplified Equipment-Only Grants are offered to producers who grow eligible products as specified in the grant. Equipment-Only Grants provide approved equipment to support middle of the food supply chain activities to subgrantees. There is no match for the Equipment-Only Grant.

IDOA solicits applications for projects that fall within the scope of the Resilient Food Systems Infrastructure Program. This notice identifies the RFSI Funding Priorities for Illinois, funding information, application form locations, and associated instructions.

Background

Section 1001(b)(4) of the American Rescue Plan (ARP) Act of 2021 (Pub. L. 117— 2), as amended, authorizes the United States Department of Agriculture (USDA), to make grants and agreements to maintain and improve food and agricultural supply chain resiliency. Under the RFSI program, AMS is entering into cooperative agreements with each state department of agriculture. Cooperative agreements are a form of federal financial assistance that anticipate substantial involvement by the awarding federal agency (e.g., engaging with the recipient on overall project direction and implementation). Up to \$420 million in American Rescue Plan funding is available for this program, and the allocated amount to each state was made through the following weighted sum formula: (A) State percent share of commodity by sales (20%), plus the weighted sum of (B) State percent share of commodity by small farm sales (60%), plus the (C) weighted State percent share of Rural populations living in distressed communities (20%). States will use the formula funds to make competitive Infrastructure Grants (i.e., subawards) for projects to expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted local and regional agricultural products, as well as Simplified Equipment-Only Grants.

Purpose

The purpose of the Resilient Food Systems Infrastructure Program (RFSI) is to assist U.S. states and territories (States) to build resilience in the middle of the food supply chain and strengthen local and regional food systems by creating new revenue streams for their state’s producers. States will make subawards in the form of Infrastructure Grants to middle of the food supply chain businesses to create more diverse local and regional market options and create more economic opportunities for communities, allowing them to retain more of the value chain dollar. RFSI investments aim to create a food systems infrastructure to support competitive and profitable market access for domestic farm products. The primary goal of RFSI is to support food system crops and products meant for human consumption (excluding meat and poultry products, which are funded through other USDA programs). The program also aims to:

- Support development of value-added products available to consumers;
- Support proposals that provide fair prices, fair wages and new and safe job opportunities that keep profits in rural communities; and
- Increase diversity in processing options in terms of business model approaches, geography, and availability to underserved communities.

Illinois Funding Priorities

The University of Illinois Extension, in collaboration with the Illinois Department of Agriculture, conducted statewide listening sessions to gain in-depth understanding of experiences, barriers, and opportunities facing stakeholders in the Illinois food system, including those involved with the middle of the food supply chain. The listening sessions were part of a strategy to help improve the Illinois food system and bolster its food supply chain resiliency. IDOA will prioritize funding projects that pertain to the following gaps identified in the middle of the food supply chain in Illinois.

1. Enhance and establish capacities for processing, storage, aggregation, and distribution to scale up local food in Illinois;
2. Develop and enhance capacity for value-added products and cottage food entrepreneurship to meet demand for new markets and consumers;
3. Strengthen and develop organizational capacity to increase social networks and collaboration among farmers and local food supply chain actors to achieve operational efficiency and expand new market opportunities.
4. Enhance and establish on-farm sustainable/renewable energy systems for processing, storing, and value-add products while reducing food waste and ensuring food safety;
5. Historically underserved populations will be a funding priority in alignment with the goals of the RFSI program.

Types of Grants

Simplified Equipment-Only Grants

The Simplified Equipment-Only Grant is a Fixed Price Grant, meaning it will fund only equipment purchases (and not associated facility upgrades, staffing or other costs). The Equipment-Only Grant will be funded at a minimum amount of \$10,000 and a maximum amount of \$100,000. This includes the purchase of special purpose equipment for institutions or others that will benefit multiple producers through middle of the food supply chain activities such as processing, aggregation, distribution of targeted agricultural products. Section 8.2 of the [AMS General Terms and Conditions](#) defines eligible special purpose equipment. This grant type is not subject to a match requirement.

Infrastructure Grants

Infrastructure Grant projects will be funded at a minimum amount of \$100,000 and a maximum amount of \$3,000,000 per USDA guidelines stated in the RFSI Program Scope and Requirements. This grant type is subject to the match requirements noted in the Matching Funds Requirement section. For more information on the Program Scope and Requirements, click [here](#).

Projects must be completed by May 24, 2027.

Examples Of Eligible Infrastructure Projects

A project is a set of interrelated tasks with a cohesive, distinct, specified, and defined goal. It follows a planned, organized approach over a fixed period and within specific limitations (cost, performance/quality, etc.). Additionally, it uses resources that are specifically allocated to the work of the project and usually involves a team of people. Projects are different from other ongoing operations in an organization because, unlike operations, projects have a limited duration with a definitive beginning and end. A project will also have an overarching goal that the applicant wants to accomplish through a series of individual activities or tasks. Infrastructure Grants will fund projects that expand

capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of targeted agricultural products.

Examples include:

- Expanding processing capacities and facilities, including adding product types, increasing production volumes, and supporting new wholesale/retail product lines;
- Modernizing equipment or facilities through upgrades, repairs, or retooling; (e.g., adapting product lines for institutional procurement or adding parallel processing capacity);
- Purchasing and installing specialized equipment, such as processing components, sorting equipment, packing and labeling equipment, or delivery vehicles;
- Increasing storage space, including cold storage through purchase of energy efficient refrigerators and freezers;
- Increasing packaging and labeling capacities that meet compliance requirements under applicable laws (e.g., sealing, bagging, boxing, labeling, conveying, and product moving equipment);
- On-farm post-harvest processing;
- Supporting aggregator warehouse and storage, including cooperatives;
- Acquiring energy efficient/sustainable equipment and systems to address concerns raised about the high cost of electricity, particularly in some areas around the state.
- Purchasing and installing specialized equipment, such as processing components, sorting equipment, packing and labeling equipment, or delivery vehicles
- Increasing storage space, including cold storage through purchase of energy efficient refrigerators and freezers
- Increasing packaging and labeling capacities that meet compliance requirements under applicable laws (e.g., sealing, bagging, boxing, labeling, conveying, and product moving equipment)

All proposals must align with standards and protocols outlined in the [Resilient Food Infrastructure Program Scope and Requirements](#).

Build America, Buy America (BABA)

Overview: Any public infrastructure project funded under RFSI must coordinate with AMS to ensure adherence to BABA guidance. For such projects, the recipient must comply with the Buy America Sourcing requirements outlined in the Build America, Buy America (BABA) provisions of the [Infrastructure Investment and Jobs Act](#).

For-Profit Entities: BABA is not applicable to for-profit entities (either prime or subrecipient) particularly for infrastructure projects. AMS will review facilities owned by public entities to determine whether BABA requirements apply, following USDA guidance to exempt de minimis grant awards and other

inapplicable activities. All other Infrastructure Grant entities that surpass the \$250,000 threshold of applicable procurement costs must adhere to BABA.

Small Grants Waiver: The small grants waiver will apply to awards with total federal funding below the Simplified Acquisition Threshold, which is currently set at \$250,000. BABA is not applicable to Equipment Only Grants as they do not surpass this threshold of \$250,000.

Resource: 2 CFR Part 184 - BUY AMERICA PREFERENCES FOR INFRASTRUCTURE PROJECTS:
<https://www.ecfr.gov/current/title-2/part-184>

National Environmental Policy Act (NEPA)

Overview: All activities funded under this RFA must comply with the National Environmental Policy Act (NEPA) and related applicable agency regulations and instructions, Section 106 of the National Historic Preservation Act (NHPA), the Endangered Species Act (ESA), other laws and regulations as outlined therein, and any applicable state, local, or tribal laws. A review for NEPA compliance is required prior to the award of grant funds. If selected for an award, applicants must provide all requested information to support compliance with NEPA, NHPA, ESA, and all other federal environmental laws and regulations.

Resource: [A Citizen's Guide to NEPA \(doe.gov\)](#) is a relatively short guide that provides an overview of NEPA requirements.

Ineligible Projects

The following activities are not eligible for RFSI funding:

- Acquiring real property (including pre-existing buildings and land purchases), or any interest therein;
- Projects focused on meat and poultry processing or other ineligible agricultural products;
- Activities that have received a Federal award from another Federal award program;
- Claim expenses that have been or will be reimbursed under any Federal, State, or local government funding; and
- Projects which have already received funding from another federal grant or subaward programs may not receive funding for the same activities through an Infrastructure Grant. However, Infrastructure Grants may build on the successes of prior funding, such as the USDA Regional Food Business Centers Business Builder subawards, to fund subsequent activities.

Ineligible products include meat and poultry, wild-caught seafood, exclusively animal feed and forage products, fiber, landscaping products, tobacco, or dietary supplements.

Match and Evidence Requirement

Matching Funds Requirement

Infrastructure grant recipients are required to contribute 50% of the total proposed project cost as a match to federal funding. This applies to all applicants except those who qualify for the reduced match described in the next section.

No match is required for the Simplified Equipment Only Projects.

Reduced Matching Funds– Historically Underserved Groups

For historically underserved farmers and ranchers, or for other businesses that qualify under SBA categories of small disadvantaged business, women-owned small business, or veteran-owned small business, the required match funding contribution or cost share is reduced to 25% of the project cost. Applicants must self-certify in their Infrastructure Grant applications to be eligible for this reduced match.

Other Matching Fund Information

In-kind contributions are defined, when used as a cost share or match for a grant, as the value of goods or services provided for the benefit of the grant program, where no funds transferred hands. For example, a partner, such as a tribal community member, may volunteer their professional expertise as a match contribution to the project as described in [2 C.F.R. § 200.306\(e\)](#). These contributions cannot satisfy a cost sharing or matching requirement for this grant program if they are used toward satisfying a match requirement under any other Federal grant agreement to which the applicant is a party.

All matching contributions must be committed or secured at the time an applicant is recommended for an award.

Indirect costs may count toward the Infrastructure Grant applicant's match.

Program income (as defined in [2 C.F.R. § 200.1](#)) or any other Federal funds is an ineligible source of match or cost share.

Matching Funds and Letters of Verification

Each application must include the total amount of match and how it will specifically align with their requested funding. Additionally, applicants must submit one match verification letter for EACH cash or in-kind resource signed by the matching organization. IDOA highly encourages Infrastructure Grant applicants to use the Suggested Match Verification Template Letter on the IDOA's website. If an applicant chooses not to use the provided template, the match verification documents must minimally include the following:

- Project Applicant
- Project Title
- Cash Commitment per year (if applicable) and Total Cash Match
- In-kind Contribution per year (if applicable) and Total In-kind Match. Break down items into categories as applicable:
 - o Salaries (employee name, title, duties, pay rate/hr., amount matched per year)
 - o Items/Activities (fair market value per unit, how value determined, and amount matched per year)
 - o Explanation of how each type of match will correspond to the budget or be used by the applicant.
- Signature of Matching Organization Representative with typed name and title.

Signed Match Verification Letters must accompany the Infrastructure Grant proposal at the time of application to IDOA.

Evidence of Critical Infrastructure

Evidence of Critical Infrastructure is required if critical resources and/or infrastructure are necessary for the completion of the proposed Infrastructure Grant project. Applicants are required to submit evidence that critical resources and infrastructure necessary to support the initiation and completion of a project are in place. Land, structures, and other critical resources must be in place and in working condition at the time of application submission. The letter must indicate the critical resources that are necessary for initiation and completion of the project and certify that they are in place and committed prior to the start date of the project. IDOA highly encourages Infrastructure Grant applicants to use the Suggested Match Verification Template Letter on the IDOA's website. If Infrastructure Grant applicants choose not to use this template, Letters of Evidence of Critical Infrastructure must minimally include the following:

- Project Applicant
- Project Title
- A statement about committing/approving/granting permission, etc. of the critical resource or infrastructure to the project for the time period.
- A description of the approved use of the critical resource or infrastructure approved for the project, any costs associated with its use, and any qualifying circumstances for its use.

Application Information

Implementation Period

Infrastructure Grant Application Period: January 22, 2024- March 15, 2024

Simplified Equipment-Only Grant Application Period: January 22, 2024- March 15, 2024

60-day USDA Review Period for Approval Begins May 25, 2024

RFSI Funding Period Begins: September 30, 2024

RFSI Funding Period Closes: May 24, 2027

Eligibility

Entities eligible for grants under the RFSI program are:

- Agricultural producers or processors, or groups of agricultural producers and processors.
- Nonprofit organizations operating middle of the supply chain activities such as processing, aggregation, distribution of targeted agricultural products.
- 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. *
- Local government entities operating middle of the supply chain activities such as processing, aggregation, or distribution of targeted agricultural products.

- Tribal governments operating middle of the supply chain activities such as processing, aggregation, or distribution of targeted agricultural products.
- Institutions such as schools, universities, or hospitals bringing producers together to establish cooperative or shared infrastructure or invest in equipment that will benefit multiple producers middle of the supply chain activities such as processing, aggregation, or distribution of targeted agricultural product.

*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 website](#). For a quick check on whether your business qualifies, please use the [Size Standards Tool](#).

All applicant businesses and organizations must be domestically owned, and applicants' facilities must be physically located within Illinois. Applicants doing business along the state's border should only apply in one state to avoid duplication of federal funds.

The USDA defines the middle of the food supply chain as activities that take place after the production of the agricultural product but before the product is sold to consumers. These activities include the processing, aggregation, and distribution of agricultural products between leaving the field and entering the marketplace. Therefore, grant funds cannot be used for cultivation, harvest, or retail marketing of eligible food products.

Eligible entities must select one funding track and may submit one application, total.

Project Evaluation

Infrastructure Grant and Simplified Equipment-Only Grant projects will be scored by an independent external review panel comprised of agriculture, agribusiness development, and economic development experts. The review panel will use a scoring rubric to assign points to application content.

The competitive review process will:

- Follow all applicable state policies and procedures;
- Include the use of an independent review panel of experts or qualified individuals;
- Include the factors and reasons for selecting an applicant and any changes in project proposal ranks/scores that may occur during the review process; and,
- Maintain guidelines and procedures to prevent any conflict of interest or the appearance of a conflict of interest as required by [2 C.F.R. § 400.2\(b\)](#).

Project Evaluation Criteria

Each project that meets the minimum eligibility requirements according to Section A of Application Requirements, will be reviewed and scored by an external review panel using the criteria listed below.

Criteria 1: Alignment and Intent

- a. The application provides a clear and concise description of the need for the proposed project.

- b. The applicant identifies and engages the intended beneficiaries of the proposed project, including the number of beneficiaries and how they will benefit.
- c. The proposed project will support underserved communities in the State.

Criteria 2: Technical Merit

- a. Extent to which the application presents a clear, well-conceived plan of work that addresses at least one identified Illinois RFSI Funding Priority.
- b. The application complies with all written instructions and requirements described in the Program Scope and Requirements and Infrastructure Grant Application.

Criteria 3: Achievability

- a. The application presents a realistic schedule for implementing the proposed project.
- b. Performance measures are appropriate for the scale and scope of the proposed project.
- c. The application demonstrates local support for the proposed project.
- d. Project results in connecting product to end markets.

Criteria 4: Budget and Resources

- a. The budget for the proposed project is consistent with the size and scope of the project.
- b. The applicant provides evidence that critical resources and infrastructure that are necessary for the proposed project are in place.

Criteria 5: Historically Underserved Status

- a. The application is submitted by one of the following: historically underserved farmer or rancher, new and beginning farmer, veteran producer, and/ or processor/other middle of the food supply chain business owned by socially disadvantaged individuals as defined by the Small Business Administration

Submission Requirements

Applicants must:

1. Be registered and in good standing with SAM.gov.
2. Be registered and in good standing with GATA (grants.illinois.gov)
3. Use the provided application templates located on the IDOA [RFSI webpage](#).
4. Submit application and all required documents to AGR.RFSI@illinois.gov by 11:59 pm CST on March 15, 2024.
 - a. Please be sure that all documents are submitted together in one email. Do not submit multiple emails for one application.

Application Required Documents

Infrastructure Grant Application: Complete the form in its entirety.

Match Verification Letter: Complete the template for each source of matching funds/resources. Ensure each letter is signed by an authorized organization representative from each source of matching funds.

Evidence of Critical Resources and Infrastructure: Complete the template for each critical resource/piece of infrastructure. Ensure each letter is signed by an authorized organization representative from each source of matching funds.

Simplified Equipment Only Grant Application: Complete the form in its entirety.

Applications and supporting documentation are required to be submitted to AGR.RFSI@illinois.gov. Please submit the application and required documents together in one email. The deadline for applications is March 24, 2024 @ 11:59 pm.

Reporting Requirements

Projects that are funded are expected to align outcomes with the performance measures.

Performance and financial reports will be collected from awarded projects on regular quarterly intervals. Awarded projects will also be required to submit annual reports 45 days after the end of each budget period and a final report 45 days after the project end date. IDOA will solicit performance and financial reports from each awarded project via email, phone, teleconferencing, and/or site visits.

Award Notices

Upon completion of the competitive review process, selected applications will be sent to USDA AMS. Final determination of approved projects and award amounts will be facilitated by USDA AMS. Successful applicants will be notified after final approval of applications by IDOA. Successful applicants will be required to register as a vendor of the State of Illinois prior to the awarding of Infrastructure Grants and Simplified Equipment-Only Grants. Each funded project will submit a Financial Capability Questionnaire as a risk assessment measure and will sign a subaward agreement acknowledging terms and conditions, statement of work, reporting deadlines, and invoicing guidelines.

Unsuccessful Applications

Unsuccessful applicants will be notified by IDOA via email as soon as possible after awards are approved by USDA AMS.

Risk Assessment

Each organization applying for the RFSI Infrastructure of Simplified Equipment-Only Grants will undergo a risk assessment evaluation. In accordance with [2 CFR 200.331](#), IDOA must determine the ability of the subrecipient to comply with Federal statutes, regulations and the terms and conditions of the sub-award

agreement. All grantees will complete a Financial Capability Questionnaire as part of this risk assessment. Other factors included:

- IDOA prior experience with subrecipient (i.e., on-time reports, accurate invoicing, communication)
- Results of previous site visits or audits
- New or frequently changing personnel and/or substantially changed internal control systems.
- Extent and results of any prior Federal awarding agency monitoring, debarment, suspension, or delinquency on Federal debt

Organizations deemed at-risk by IDOA may still receive RFSI sub-awards. However, IDOA is authorized to impose special conditions on high risk subrecipients as listed in [2 CFR 200.207](#). Examples of special conditions may include additional measures for project monitoring, and/or more detailed or frequent financial reporting.

Agency Contact Information

Applicants and other interested parties can contact Illinois Department of Agriculture RFSI personnel by email with questions @ AGR.RFSI@illinois.gov. For more information, please visit <https://agr.illinois.gov/assistance/illinoisfarmprograms/resilient-food-systems-infrastructure-program.html>.