# Connecticut Department of Agriculture

# Farm Transition Grant

For Connecticut Farmers and Agricultural Cooperatives

# 2025 Grant Application Guidelines and Forms

Application Deadline: January 10, 2025, at 4:00:00pm



Ned Lamont, Governor

Bryan P. Hurlburt, Commissioner



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Scan here to visit the FTG website!

## **Important Dates**

## Applications must be received by:

Friday, January 10, 2025, at 4:00:00 p.m.

Applications will not be accepted after 4:00:00 p.m. on January 10, 2025.

#### Anticipated Timeline for Application Review, Awards, and Project Start\*:

- Applications accepted through Friday, January 10, 2025, at 4:00:00 p.m.
- Notification of awards released by February 21, 2025.
- Anticipated Contract Start Date
  - o March 15, 2025, for awards of \$5,000 or less
  - o April 1, 2025, for contracts \$5,001 and up.

#### **Farm Transition Grant Overview Webinar**

A virtual workshop will be held on **Friday, November 22, 2024, from 10:00-11:30 a.m., via Zoom,** for those interested in applying for the Farm Transition Grant. This workshop will include an overview of the grant program, application components, and submission process.

Click here to register for the virtual workshop.

The Farm Transition Grant Overview webinar will be recorded and posted on the <u>Farm Transition</u> <u>Grant website</u> for those who cannot attend the live session. The <u>FAQs</u> available on the Farm Transition Grant website will be updated after the conclusion of each Open Office Hours.

#### **Open Office Hours**

Virtual office hours will be held on **Thursday, December 12, 2024, from 10:00-11:00am via Zoom,** to give applicants a chance to drop in and ask questions.

Click here to join the office hours.

Virtual office hours will be held on **Monday, January 6, 2025, from 10:00-11:00am., via Zoom,** to give applicants a chance to drop in and ask questions.

Click here to join the office hours.

Questions about the workshop or office hours can be directed to Alison Grabarz at Alison.Grabarz@ct.gov

<sup>\*</sup>The anticipated timeline for application review, award notification, and project start is subject to change. Please check the <u>grant webpage</u> for the latest information.

#### **Grant Description**

The Farm Transition Grant (FTG) is administered by the Connecticut Department of Agriculture (CT DOAG) and provides matching funds to Connecticut farmers and agricultural cooperatives for the diversification of existing farm operations, transitioning to value-added agricultural production and sales, and other venues in which a majority of products sold are grown in the state.

Successful grant proposals must positively impact farm production and operations; projects must successfully demonstrate moving the farm and business to a new level beyond the status quo of current operations. Quantifiable project outcomes are requested in the application and essential to present a competitive application.

Funding for the Farm Transition Grant is provided through <u>C.G.S. Sec. 22-26k</u>. The FTG Program and any awards are subject to limitations of state funding.

# **2025 Funding Priorities**

The FTG is a competitive grant. Only complete applications, submitted on time, will be evaluated. The evaluation will be weighted heavily on the Grant Narrative questions in the application.

Funding priorities for 2025 include:

- Projects increasing the availability of livestock processing facilities in Connecticut.
- Projects increasing the utilization of equipment specific to climate smart, sustainable agricultural practices.

Projects that expand, diversity, and transition farms shall be prioritized. Project which keep the farm at status quo will be less competitive than applications which demonstrate projects that expand, diversity, and transition the farm into a new farm product, value-added product, service, etc.

Awarding projects to farms owned by historically underserved farmers and veterans is a priority of the Connecticut Department of Agriculture.

To receive high scores from a review panel, the application should fully answer the questions asked clearly and directly. Applications should present how the project will be accomplished and undertaken within a reasonable timeline. The budget must be justified and supported with outside documentation, and provided project outcomes should be positive, measurable, and a direct result of completing the proposed project.

# **Grant Categories**

Four distinct grant categories are available. Applicants must select the category they feel best represents their project. **Each applicant may only submit one (1) project to be considered per grant cycle.** CT DOAG reserves the right to adjust the grant category selected by the applicant.

**New Farmer Micro Grants:** Supports new and beginning individuals or partnerships with *one full year to three years* of production history, seeking long-term careers in the CT agricultural industry.

Maximum award amount: \$5,000

Match requirement: 25% of total project costs

Examples of eligible expenses: Production or processing equipment directly related to agriculture, small buildings, irrigation, pasture fencing, other equipment purchases related to increasing production, and marketing expenses including establishing a website.

Projects looking to purchase/install a greenhouse or hoop house should contact your <u>local</u> USDA NRCS office for current funding opportunities.

**Infrastructure Investment Grant:** Supports farms with *a minimum of three years* of production experience, with infrastructure to expand, diversify, and/or transition.

Maximum award amount: NEW FOR 2025 \$25,000
Match requirement: 50% of project costs

Examples of eligible expenses: Livestock/pasture fencing to increase herd size or enable crop/grazing rotation; barn remodeling/expansion to increase capacity or enable the farm to offer a new product/service; irrigation systems for increased production; tractor attachments which implement climate smart ag practices or enable the farm to offer a new product/service; additional or expanded cold-storage equipment to extend shelf-life and harvest capabilities; wash-and-pack stations to incorporate <a href="FSMA">FSMA</a> or <a href="CGAP">CGAP</a> compliance; incorporation of point-of-sale systems; resources needed to support farm field trips or other on-farm education resources/infrastructure (parking lots and bathrooms are ineligible)

Projects looking to purchase/install a greenhouse or hoop house should contact your <u>local</u> <u>USDA NRCS office</u> for current funding opportunities.

Applicants interested in this category may also consider CT DOAG's <u>Resilient Food Systems</u> <u>Infrastructure Grant</u> which supports projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of

food products grown in Connecticut. The "Equipment Only" grants award up to \$100,000 and do not require cash match. Learn more <a href="here">here</a>.

**Research and Development Grant:** Supports farms with a *minimum of three years* of production history to conduct market research and evaluate the viability of developing a new product, offering a new service, or reaching a new market.

Maximum award amount: \$25,000

Match requirement: 40% of project costs

Examples of eligible expenses: Consultant fees, equipment to pilot a product or concept, expenses related to exploratory product development including fees associated with product, recipe, and market testing, or in-store testing events to determine consumer viability.

Applicants interested in this category may also consider CT DOAG's Resilient Food Systems Infrastructure Grant which supports projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of food products grown in Connecticut. The "Equipment Only" grants award up to \$100,000 and do not require cash match. Learn more here.

**Innovation and Diversification Grant:** Supports farms with a *minimum of three years* of production history with the production of a new product or service for market or business expansion. An applicant should have a business plan and provide evidence of previously conducted research to determine if implementing the project is a viable investment for the business.

Maximum award amount: \$49,999

Match requirement: **NEW FOR 2025** 25% of project costs

*Examples of eligible expenses:* Value-added processing equipment to diversify production, equipment or implements that will assist in producing a new product, construction of a new farm store or processing facility, innovative technology or software, or marketing and outreach campaigns to promote a new product, service, or market.

Applicants do not need to have completed a Research and Development Grant through the FTG to be eligible to apply for an Innovation and Diversification Grant.

Applicants interested in this category should also consider CT DOAG's <u>Resilient Food Systems</u> <u>Infrastructure Grant</u> which supports projects that expand capacity and infrastructure for the aggregation, processing, manufacturing, storing, transporting, wholesaling, or distribution of food products grown in Connecticut. The "Equipment Only" grants award up to \$100,000 and do not require cash match. Learn more <u>here</u>.

# **Eligible Applicants**

The following entities are eligible to apply for all Farm Transition Grant categories:

- 1. Agricultural producers, singularly or jointly, whether such producers are owners or tenants of existing agribusiness within the State of Connecticut.
- 2. Agricultural cooperatives.

The Farm Transition Grant Program is for for-profit farm businesses in the State of Connecticut. Non-profit organizations should pursue CT DOAG's <u>Agricultural Enhancement Grant</u> for financial assistance.

Previous awardees to the FTG can reapply. Open awards, past awards, project completion and outcomes of current awards will be considered in the evaluation of this award application.

Applicants who have received two years of consecutive funding will be ineligible for an award for one year. Applicants can reapply for funding in the next grant cycle.

#### For example:

2023: Project awarded 2024: Project awarded

2025: Ineligible for an award2026: Eligible for an award

# **Specific Requirements for Grant Categories**

To qualify for the **New Farmer Micro Grant**, eligible entities must meet the following criteria:

- Be the farm owner and have been in production for at least a full year.
  - For example: the applicant must have been in production in growing season
     2024 to qualify for the 2025 Transition Grant.
- Be registered with the Connecticut Secretary of State, if established as a business entity such as a limited liability company or corporation.
  - Sole proprietorships and DBA's (doing business as) are also eligible.
- Apply for <u>or</u> possess a Farmers' Tax Exemption Permit through the Connecticut Department of Revenue Services.
  - o Click here for more information on how to apply for your exemption permit.
  - Any questions on receiving your exemption permit, contact: DRS@ct.gov
- Businesses farming on land that is leased or rented must include a <u>Landlord Consent</u>
   <u>Form</u> between all necessary parties regarding the submitted project.

To qualify for the **Infrastructure Investment Grant, Research and Development Grant, or Innovation and Diversification Grant** eligible entities must meet the following criteria:

- Be the farm owner and have been in production for at least three full years.
  - For example: the applicant must have been in production since growing season
     2022 to qualify for the 2025 Transition Grant.
- Be registered with the Connecticut Secretary of State, if established as a business entity such as a limited liability company or corporation.
  - Sole proprietorships and DBA's (doing business as) are also eligible.
- Three years of Farmer's Tax Exemption Certificates are required to be provided <u>upon</u> request by the Department.
  - Any questions on receiving your exemption permit, contact: <u>DRS@ct.gov</u>
- Businesses farming on land that is leased or rented must include a <u>Landlord Consent</u>
   <u>Form</u> between all necessary parties regarding the submitted project.

All applicants should be in good standing with the Department of Agriculture, state, and federal requirements.

# Match Requirement, Expenses, & Payment

All eligible expenses funded by any Farm Transition Grant program must advance farming and agriculture as defined by <u>Connecticut General Statutes Section 1-1(q)</u>.

All grant categories have a unique specific **cash match requirement**. The cash match requirement for each program can be self-financed, bank-financed, or provided through another grant (federal, state, or otherwise). If a grant is providing the match, the applicant must disclose the grantor, the grant name, and amount awarded.

If you are unsure how to determine your required cash match, please reference the "Cash Match Charts" in Appendix A on page 11.

The Farm Transition Grant does not accept in-kind donations towards the match requirement. The match requirement must consist entirely of cash expenses.

The Farm Transition Grant award must be paid directly to the grant applicant.

The following expenses cannot be used as a match and will not be funded by any grant category:

- Any expense incurred prior to contract execution
- Land acquisition/mortgages

- Cost of borrowing (points and other fees)
- Expenses related to establishing a new organization or business
- Any portion of expense for which the applicant pays a contractor in merchandise or service in lieu of cash
- Tuition/tuition reimbursement or career-related/scholarship funds
- Routine business expenses (utilities, office supplies, etc.)
- Disposable supplies (office, farm, otherwise) unrelated to the project
- Legal expenses related to litigation or retainers
- Indirect or contingency costs of any percentage
- Purchasing one's own product or service

Grant funds cannot be requested for projects that have already been completed or items that have already been purchased. Expenses and match incurred prior to or after the Contract timeline are ineligible.

The following **expenses are an acceptable match** if they directly and meaningfully support the proposed project:

- Employee salaries and fringe benefits paid to execute the project
- State/local/federal permits associated with the project
- Attorneys' fees associated with project execution (not related to litigation or retainers)
- Consumable or disposable supplies directly related to the project

Examples of eligible expenses by grant category can be found on pages four (4) and five (5). The eligibility of general-purpose equipment will be reviewed based on grant category and project usage.

# **Payment Schedule**

A 50% advance of the grant award can be provided to **New Farmer Micro Grant** awardees. The remaining 50% of the award shall be reimbursed upon project completion and submission of the final reporting documents.

A 25% advance of the grant award for **Infrastructure Investment Grant, Research and Development Grant, or Innovation and Diversification Grant** may be provided. The remaining 75% of the award shall be reimbursed upon project completion and submission of the final reporting documents.

Incomplete projects will not be reimbursed and will be prorated accordingly. Funds advanced for incomplete projects must be returned. Grant funds cannot be requested for projects that have

already been completed or items that have already been purchased. Expenses and match incurred prior to or after the 18-24-month Contract timeline are not eligible for reimbursement.

#### **Project Duration & Post Award Requirements**

Projects must be **completed within 18-24 months** of contract execution. Awards of \$25,000 or more shall be allowed up to 24 months to complete the project, while awards less than \$25,000 shall be allowed 18 months. Contract and project extensions are not allowed.

Applicants of awarded projects will be responsible for the following:

- 1. Signing an agreement with the State of Connecticut.
- 2. Providing a Certificate of Insurance listing the state as an additional insured on the grantee's liability insurance policy.
- 3. Attending a Contract Training Workshop.
- 4. Completing the project within the 18-24-month contractual timeframe.
- 5. Submitting a final project report in the required format per the executed contract.
- 6. Submitting a final financial report itemizing actual expenses.
- 7. Agreeing to a site inspection once the project is complete and prior to final payment being released.
- 8. Other requirements as outlined in the State of Connecticut contract\*.

\*NEW for 2025: Applicants of awarded projects who do not possess a current business plan will be required to develop one with the <u>CT Small Business Development Center</u> (CT SBDC).

If awarded, failure to provide necessary information by the deadline provided or failure to sign and return a grant contract by the deadline provided, may result in rescinding of the award and the reallocation of funds to the Farm Transition Grant program. The awardee may reapply for future funding opportunities, but there is no guarantee of future awarding if an award is rescinded for any reason.

#### **Submission Process:**

The 2025 Farm Transition Grant application shall be submitted through the online platform, Cognito. No ID or password is required, and application progress can be saved and completed or submitted at a later time.

Links to the application are on the DOAG Farm Transition Grant website page here.

# **Application Requirements:**

- 1. Completion of the Grant Application Form.
- 2. Attachment of conceptual drawings, estimates/quotes, product information, letters of support, and other budget justification items.
- 3. Attachment of a landlord consent form, if applicable.
  - a. Required if the project is taking place on leased or rented land.
- 4. Attachment of a State Vendor Form and W9, if applicable.
  - a. Required for businesses who have not received a CT DOAG grant within the last 5 years.

Additional information, such as quotes, conceptual drawings, and other documentation justifying and supporting the proposed budget is required to present a complete application. All prospective purchases for the completion of the project should be accompanied by a quote or estimate.

## **Landlord Consent Form**

If your project will be taking place on land that is leased or rented, you need to submit a consent form from your landlord regarding the project. A template consent form is available for download here.

### **W9 and State Vendor Form**

If the applicant has not previously received funds from CT DOAG, or has not received a grant within the last 5 years, an updated W9 form and State Vendor form will be required with your application. The forms are available for download <a href="https://example.com/here/">here</a>.

# **Appendix A: Cash Match Charts**

**Cash Match:** Each category of the Farm Transition Grant has a unique maximum award and corresponding match requirement. These are listed below.

To find your required cash match, first determine which category of the Farm Transition Grant you are applying for.

Next, calculate the total cost for your project. The cash match required is found by multiplying your total project cost by the match requirement percentage.

#### **New Farmer Micro Grant:**

• Maximum award amount: \$5,000

• Match requirement: At least 25% of total project costs

Total Project Costs	Grant Funds Available	Cash Match Required
\$100	\$75	\$25
\$1,000	\$750	\$250
\$2,000	\$1,500	\$500
\$2,500	\$1,875	\$625
\$3,000	\$2,250	\$750
\$4,000	\$3,000	\$1,000
\$5,000	\$3,750	\$1,250
\$6,000	\$4,500	\$1,500
\$6,666.67*	\$5,000	\$1,666.67
\$8,000	\$5,000	\$3,000

<sup>\*</sup>The maximum grant amount is reached when the total project costs equal \$6,666.67.

#### **Infrastructure Investment Grant:**

Maximum award amount: \$25,000

• Match requirement: At least 50% of total project costs

Total Project Costs	Grant Funds Available	Cash Match Required
\$5,000	\$2,500	\$2,500
\$10,000	\$5,000	\$5,000
\$15,000	\$7,500	\$7,500
\$20,000	\$10,000	\$10,000
\$30,000	\$15,000	\$15,000
\$40,000	\$20,000	\$20,000
\$50,000*	\$25,000	\$25,000
\$100,000	\$25,000	\$75,000

<sup>\*</sup>The maximum grant amount is reached when the total project costs equal \$50,000.

# **Research and Development Grant:**

• Maximum award amount: \$25,000

• Match requirement: At least 40% of total project costs

Total Project Costs	Grant Funds Available	Cash Match Required
\$5,000	\$3,000	\$2,000
\$10,000	\$6,000	\$4,000
\$15,000	\$9,000	\$6,000
\$20,000	\$12,000	\$8,000
\$25,000	\$15,000	\$10,000
\$30,000	\$18,000	\$12,000
\$35,000	\$21,000	\$14,000
\$40,000	\$24,000	\$16,000
\$41,666.67*	\$25,000	\$16,666.67
\$50,000	\$25,000	\$25,000
\$75,000	\$25,000	\$50,000
\$100,000	\$25,000	\$75,000

<sup>\*</sup>The maximum grant amount is reached when the total project costs equal \$41,666.67.

#### **Innovation and Diversification Grant:**

• Maximum award amount: \$49,999

• Match requirement: At least 25% of total project costs

Total Project Costs	Grant Funds Available	Cash Match Required
\$5,000	\$3,750	\$1,250
\$10,000	\$7,500	\$2,500
\$20,000	\$15,000	\$5,000
\$30,000	\$22,500	\$7,500
\$40,000	\$30,000	\$10,000
\$50,000	\$37,500	\$12,500
\$60,000	\$45,000	\$15,000
\$66,665.33*	\$49,999	\$16,666.33
\$70,000	\$49,999	\$20,001
\$80,000	\$49,999	\$30,001
\$90,000	\$49,999	\$40,001
\$100,000	\$49,999	\$50,001
\$150,000	\$49,999	\$100,001

<sup>\*</sup>The maximum grant amount is reached when the total project costs equal \$66,665.33.