



VERMONT AGENCY OF AGRICULTURE, FOOD & MARKETS

SMALL FARM DIVERSIFICATION & TRANSITION GRANT

FISCAL YEAR 2024 REQUEST FOR APPLICATIONS (RFA)

KEY DATES

Publication Date: January 12, 2024

Application Opens: January 12, 2024

Optional Grant Applicant Webinar: January 17, 2024 10-11AM. [Register for the webinar](#) (open link in incognito window or new browser if it doesn't load). Recording and slides will be posted [online](#) after the event.

Application Closes: March 4, 2024 at 11:59 PM

Award Notification: April 2024

Estimated Project Start: May 2024

CONTENTS

Contact Information	2
Section 1: Overview & Eligibility	3
Section 2: Application Process & Content	5
Section 3: Application Review & Scoring.....	12
Section 4: Grant Management & Reporting.....	13
Appendix A: Program Provisions.....	15

CONTACT INFORMATION

PROGRAM QUESTIONS

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WEBGRANTS TECHNICAL ASSISTANCE

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Agency of Agriculture, Food & Markets staff can assist applicants during State of Vermont business hours, Monday–Friday, 7:45 AM to 4:30 PM. Please note that immediate assistance may not be available shortly before deadlines.

WEBGRANTS

Applications for this program must be submitted through the grants management system, WebGrants, at agriculturegrants.vermont.gov.

REGISTRATION

If you're new to WebGrants, submit the [WebGrants Registration Form](#). It usually takes about two business days to process registrations. Make sure to register for an account well before the application deadline.

SUBMISSION POLICY

Applicants must follow all instructions in this request for applications (RFA), including the dates and times for submitting applications. The Agency of Agriculture, Food & Markets will only consider the last complete submission through WebGrants before the deadline as the official application. We cannot accept incomplete or late applications after the deadline, barring exceptional circumstances. The WebGrants system will not allow application submission after the deadline.

SUBMISSION CONFIRMATION

After you've submitted your application successfully, you'll be taken to a page confirming your submission. This page will have an Application ID number. You'll also get an email confirming your submission.

SECTION 1: OVERVIEW & ELIGIBILITY

PROGRAM PURPOSE

Approximately 20% of Vermont's working landscape is used for agricultural purposes, and 80% is forested. Vermont prospers and its unique sense of place thrives because of intelligent investments in the people and enterprises that comprise its farm, food, and forest-based systems. Strong community engagement and support for the farm and forest sectors leads to enhanced quality of life for Vermont citizens and working lands business owners.

The Fiscal Year 2024 State budget includes \$150,000 in funds for one-time grants to small farms to support diversification and/or transition activities on the farm.

ELIGIBLE APPLICANTS

To qualify as a small farm operation (SFO) for this grant:

- The farm must meet a minimum of ONE of the following criteria:
 - Operate 4 or more acres for farming; OR
 - Have filed a 1040(F) Tax Form once in the last 2 years; OR
 - Earn an annual gross income of more than \$2,000 from the sale of agricultural products
- The farm must NOT be registered as a [Permitted Medium Farm Operation \(MFO\)](#) or [Permitted Large Farm Operation \(LFO\)](#)

Farms within any agricultural sector (livestock for dairy, meat, and/or fiber; produce; viticulture; herbs; cannabis; mushrooms grown outdoors; flowers; tree fruit; berries; equine; maple; honey; hay and forage crops) are eligible. Processing-only operations that do not farm are not eligible.

- All organizational structures are eligible (e.g., Partnerships, Limited Liability Corporations, Sole Proprietorships, Cooperatives, Corporations, S Corporations, L3Cs, B Corporations, and/or non-profits that are involved in the support of production of agriculture and/or forest products).
- All legally incorporated enterprises must be based in Vermont and registered with the Secretary of State. Sole proprietors using a business name other than their own name must have their assumed business name (formerly known as a trade name) registered with the Secretary of State.
- Applicants must be in compliance with all state regulations (including but not limited to water quality, taxes, and child support) and in good standing with the State of Vermont at the time of applying and must remain so during the entire grant period.
- Farms that have not received Working Lands Enterprise Initiative grants in the last 5 years will be prioritized.

ELIGIBLE PROJECTS

Equipment, supplies, infrastructure, marketing, research, and/or workforce development costs that relate to the following project categories are eligible:

A. Diversifying farm products

- May include continuing with a diversification project that began in the last five years
- Investments might include equipment rental or purchase to prepare land for new crops or livestock; purchasing seeds, rootstock, or genetics; retrofitting or building storage space for new products; etc.

B. Transitioning from one form of farming to another

- May include continuing with a transition that began in the last five years
- Investments might include retrofitting barn space to shift from livestock for dairy to livestock for meat, building new infrastructure for raising animals, purchasing equipment to transition to new or different crop farming; farmer training to transition to a different type of farming; marketing costs to transition farm brand; marketing study to prepare for possible transition, etc.

C. New processing or scaling of current processing of farm products

- Investments might include purchasing processing equipment; building or expanding kitchen or workshop space; etc.

D. Developing an [accessory on-farm business](#)

- Investments might include building a new farm store, building or expanding recreational or agritourism activities or programs at the farm, permitting or engineering fees associated with developing an accessory on-farm business; etc.

Projects in any category should demonstrate a proposed plan for diversification or transition that includes potential markets identified for the proposed product. Applicants should also demonstrate that there is potential from the proposed diversification or transition to create additional income for the farm.

Purchases of land or animals are not eligible under this grant.

Grant funds cannot cover any expenses incurred prior to grant awards being made, which will occur in April 2024.

AVAILABLE FUNDS & SOURCE

Up to \$150,000 from a Fiscal Year 2024 State of Vermont legislative appropriation

MINIMUM & MAXIMUM AWARD

\$5,000–\$15,000 per award

MATCHING FUNDS

There is **no match requirement** for the Small Farm Diversification & Transition Grant. Applicants will be required to demonstrate how they will fund project costs that exceed the amount of requested grant funds. Therefore, a total project budget must be included in the application. When necessary to complete the project, matching funds can come from any source, including but not limited to cash on hand, loans, additional grants, etc.

PROJECT LENGTH

12 months

RELATED FISCAL YEAR 2024 (FY24) FUNDING OPPORTUNITIES

FY24 Working Lands Enterprise Initiative Grant Opportunities

To learn more about and decide which of the Fiscal Year 2024 WLEI funding opportunities is most appropriate for your business or organization, please visit the [funding opportunities overview and calendar](#). A business or organization can only receive one WLEI grant during FY24.

FY24 Agriculture Development Grants (ADG) for Meat & Produce

The Agriculture Development Grant program will award up to \$1,600,000 in funds to meat and produce operations. The award range will be \$35,000 - \$300,000. Matching funds are not required.

The Meat and Produce ADG application is open from January 19 - February 26, 2024. We anticipate award decisions to be made by the first week of April 2024. For more information about the Meat and Produce ADG grant, please contact Sarah McIlvennie at Sarah.Mcilvenine@vermont.gov or 802-261-5866.

Water Quality Projects

In efforts to reduce duplicative programming within VAAF, the WLEB will not fund water quality or soil health equipment and infrastructure projects that are eligible for funding under existing programs of the Vermont Agency of Agriculture, Food and Markets. For example, the Best Management Practices program funds manure management structures such as manure pits and bedded packs, the Pasture and Surface Water Funding program funds fencing, water systems and laneways for rotational grazing, and the Capital Equipment Assistance Program funds innovative conservation equipment such as manure injection toolbars, grain drills, and no-till planters. For more information on Water Quality grants and eligibility, please see [Water Quality Assistance Programs](#) or contact Sonia Howlett at Sonia.Howlett@vermont.gov

SECTION 2: APPLICATION PROCESS & CONTENT

HOW TO APPLY

Applications must be submitted via the online grants management system, [WebGrants](#), at agriculturegrants.vermont.gov between Friday, January 12, 2024 and **Monday, March 4, at 11:59 PM**. Paper applications will not be accepted. Application components are outlined below as they will appear in WebGrants.

For technical instructions on the application submission process, please see the [WebGrants Application Guide](#) at agriculture.vermont.gov/grants/howtoapply.

STANDARD APPLICATION QUESTIONS

Questions in the following four sections are asked of everyone who applies for a grant offered by VAAFM's Agriculture Development Division. Some questions in these sections are optional and may not apply to all applicants. Questions marked with an asterisk (*) are required.

Applicant Information

- Which of the following categories best describes the person/people completing this application? Please select all that apply*
- Name*
- Email address*
- Phone number*
- Preferred method of communication*
- Job title*
- How did you hear about this funding opportunity?*

Applicant's Business/Organization Information

Some questions in this section are optional and may not apply to all applicants.

- Legal name of the organization*
- Business or organization type*
- Street address*
- Town/City*
- County*
- Number of full-time employees, including owner(s)*
- Number of part-time and seasonal employees
- Total number of volunteer hours that benefit your organizations in a typical year
- Years in operation*
- Provide the organization's website if one exists
- Share any social media handles the organization uses
- Is the organization a farm, forestry or other land-based operation?*
- If yes, how many acres are currently in production?

- How many acres, if any, are currently in conservation?
- How many acres of leased or rented land does the organization use for production and/or processing?
- Have you applied for or received a grant through the Vermont Agency of Agriculture, Food & Markets in the past five years?*

Optional Business/Organization Information

- What is the applicant business/organization's most recent annual operating budget?
- What is the median hourly wage for all employees?
- Which of the following benefits does your organization provide to its employees and/or volunteers?
- Does the organization hire H-2A farmworkers?

Voluntary Demographic Information

The Vermont Agency of Agriculture, Food and Markets is collecting voluntary demographic information to better serve our constituents and inform the development of future grant programs. Please click the link to be taken to complete this anonymous survey: <https://forms.office.com/g/dp8zqWrgxL>

The demographic survey is hosted through a separate online platform to ensure that any information collected through the survey cannot be linked in any way to your WebGrants application. Funding decisions are based solely on the information provided in your WebGrants application. Any information collected through the demographic survey is anonymous and will only be used to help improve the programming and services offered by the Development Division of the Vermont Agency of Agriculture, Food & Markets.

WORKING LANDS ENTERPRISE INITIATIVE APPLICATION QUESTIONS

Project & Business Information

- Project title that briefly summarizes proposal (150-character limit)
- Confirm that your farm meets at least ONE of the following criteria. Select all that apply.
 - Operate 4 or more acres for farming; OR
 - Have filed a 1040(F) Tax Form once in the last 2 years; OR
 - Earn an annual gross income of more than \$2,000 from the sale of agricultural products
- Confirm that your farm is NOT registered as a [Permitted Medium Farm Operation \(MFO\) or Permitted Large Farm Operation \(LFO\)](#).
- Primary product category (dropdown menu)
- Secondary product category (dropdown menu)
- Amount of Working Lands grant funds requested (\$)

- **Business Description** (3000-character limit): Describe your business in terms of activities and products. Describe your efforts to build viability (such as diverse and/or reliable markets, partnerships, internal management systems, etc.) and promote overall business sustainability beyond the grant period.
- **Stage of Business Development:** Review the [definitions for the different stages of business development](#) and select the one that applies to your business.
- **Project Summary** (2000-character limit): Provide a brief overview of your project, including how requested funds will be used. Explain why your project is being proposed and reference key anticipated outcomes.
- **Diversification & Transition** (2000 character limit): Please describe how your project relates to one or more of the following categories.
 - Diversifying farm products
 - Transitioning from one form of farming to another
 - Processing farm products
 - Developing an accessory on-farm business
- Describe potential markets identified for the proposed diversified product(s) or farm transition and any other pertinent market research.
- Describe the potential for additional income from the proposed diversification or transition.
- If applicable, what permits will you need for this project? What is your estimated timeline for receiving each permit?
 - While having permits in hand isn't required to receive WLEI grants, applicants are encouraged to consider permitting needs at this time to ensure potential permitting costs and timelines are included in the Project Budget and Work Plan, if applicable.
 - Please visit [Act 250 Resources for Working Lands Enterprise Fund Projects](#) for guidance around common permitting questions.
 - Please visit [Accessory On Farm Business](#) (AOFB) for resources defining an AFOB, the determination process, and the roles and responsibilities of farms and municipalities.
- **Projected Impact on Equity, Engagement, and Equality:** If applicable, describe how this project will reach or impact historically underserved and/or marginalized communities. Examples of historically underserved and/or marginalized communities are people living below the poverty threshold and/or facing food insecurity or homelessness, immigrants, LGBTQ+ people, people of color, people with disabilities, veterans, and women.
- List additional grants received for this project (not for your business as a whole) in the past five years, if any.

Goals and Expected Measurable Outcomes

Enter your project goals into the appropriate field. Enter at least two and no more than five goals. For each goal, enter an indicator of your organization's performance toward that goal (e.g., number of units sold per month). Finally, create a measurable outcome

by adding anticipated numbers to your performance measure (e.g., sell 100 pounds per month by February 2025).

Expected measurable outcomes must be discrete and attainable within the 12-month grant period.

For additional reference, view WLEI's [Goals and Expected Measurable Outcomes](#) page.

Goal	Performance Measure	Expected Measurable Outcome
<i>Example: Begin early season production of tomatoes to help satisfy local demand</i>	<i>Example: Pounds of tomatoes harvested and sold in June and July</i>	<i>Example: 200 lbs of "early" tomatoes harvested in June and July</i>
<i>Example: Install 1/2 acre of pick-your-own blueberries, including early and late season varieties.</i>	<i>Example: Number of blueberry plants successfully established per variety.</i>	<i>Example: 350 early season and 300 late season blueberry plants established.</i>

Project Work Plan

Enter at least three project activities into the Project Work Plan table (1000-character limit per field):

- **Project Activity** – List the activities (i.e., milestone tasks) that are necessary to accomplish your project objectives. Include your performance monitoring/data collection activities. If you request funds for travel, these activities must also be included.
- **Personnel/Responsible Parties** – Indicate the project participants who will do the work involved in each activity, including yourself, employees, and/or contractors. Any personnel or contractors referenced in your budget must be included to demonstrate their role and justify associated funds.
- **Estimated Timeline/Completion Date** – Identify your project timeline, including the activity start date and projected completion date. Project activities must be completed within the 12-month grant period ending in May 2025.

Project Activity	Personnel/Responsible Parties	Estimated Timeline/Completion
<i>Example: Construct addition on storage building.</i>	<i>Example: Contractor</i>	<i>Example: March 2024 – June 2024</i>

<i>Example: Purchase and install canning line.</i>	<i>Example: Owner</i>	<i>Example: July 2024</i>
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Budget Template: Enter the dollar amount for each line item of your budget into the appropriate field. Up to 10% of requested grant funds may be used for indirect costs (i.e., facilities/administrative costs).

If your project costs more than the requested grant funds will cover, identify the remaining costs and how they will be covered (for example, funds currently the bank, projected business cash flow, another grant or loan, etc.).

Expense Category	Grant Request (\$)	Remaining Project Costs (\$) – if applicable	Funding Source for Remaining Project Costs – if applicable	Details/Purpose	Total
Salaries/Wages (Personnel)					
Benefits					
Travel					
Supplies					
Contractual					
Permitting					
Other Direct Costs					
Indirect Costs					
TOTAL					

Budget Narrative (1000-character limit for each question):

- Describe your intended use of Working Lands funds. Provide further detail on proposed amounts for all line items, as needed. Costs incurred prior to the signing of the grant agreement are not eligible.
- Matching funds are not required to be eligible for this program, but if your project costs more than the requested grant funds will cover, please indicate whether these funds are committed (at the time of application submission). If not, provide your timeline for securing such commitments prior to grant agreement signing.
- Describe your intended methods of tracking expenses associated with the grant.

- If Working Lands funds are not received, explain how this will impact your project, e.g., scope adjusted, lower probability of success, would not happen, and/or an urgent window of opportunity would be missed.
- Describe efforts to fund this project with other sources. Identify other grants/loans you are currently applying for or plan to apply for in conjunction with this one, if any.
- If applicable, upload any quotes for equipment, supplies, or contractors for items or work valued at more than \$5,000.

Additional Attachments – space provided to upload up to five documents (must be in PDF format)

- Letter(s) of support are optional to justify the current need for and importance of this project. Support letters identify an external entity's relationship with your business and explain how grant funding will help address a need and/or benefit your community.

Signature of Compliance

- Demonstration of applicant compliance with State regulations and overall good standing with the State of Vermont – e-signature and date
- Completed [Water Quality Compliance Form](#) upload

SECTION 3: APPLICATION REVIEW & SCORING

APPLICATION REVIEW

Working Lands grant funds will be awarded to applicants through a competitive review process. A committee of State agency staff and industry stakeholders will review submitted applications and make final awarding decisions. Applicants will be notified by email of application approval or denial, with specific feedback, in April 2024.

APPLICATION SCORING

An application can be strong without scoring highly in all scoring categories. Criteria that will inform scoring of application quality are as follows:

Business Viability and Financial Management: The applicant possesses characteristics of a viable business, including diverse markets, partnerships, and systems for internal management. (20 points)

Project Impact: The applicant clearly demonstrates how the proposed diversification or transition project will enhance the farm's long-term viability. (20 points)

Demonstrated Project Need: The proposal demonstrates that there is a credible need for the specified project. (15 points)

Quality of Concept: The proposed activities in the workplan are clear and can be conducted within the 12-month grant period. The proposed activities are a reasonable approach to addressing identified business needs. (15 points)

Budget: The proposed budget is clear and reflects realistic well-planned components. Budget narrative supports and further details items in budget table. If applicable, quotes for equipment or contractor work are provided to support the proposed budget. (10 points)

Engagement, Equity, and Equality: The applicant demonstrates how this project will reach or impact one or more historically underserved and/or marginalized communities. (10 points)

Goals and Expected Measurable Outcomes: Proposed goals and outcomes are relevant to the project, are explained clearly in the proposal, are significant according to scale of the business, and are realistically achievable within the project period of 12 months. (10 points)

SECTION 4: GRANT MANAGEMENT & REPORTING

GRANT AGREEMENT & PAYMENT

Prior to receiving funding, successful applicants must sign a grant agreement with the Vermont Agency of Agriculture, Food & Markets (VAAFAM) indicating their intent to complete the proposed project and authorizing VAAFAM to monitor progress. The grant agreement will include provisions (terms and conditions) set by the State of Vermont as well as any program-specific requirements. Review [Attachment C - Standard State Provisions for Contracts and Grants](#) (revised 12/7/2023) for the most recent State provisions.

Prior to commencement of work and release of grant payment, grantees must submit:

1. A current [IRS Form W-9](#) (Request for Taxpayer Identification Number and Certification), signed within the past six months;
2. A certificate of insurance consistent with the requirements set forth in Attachment C of the grant agreement (not required if grantee already has a current certificate of insurance on file with VAAFAM);
3. Documentation that verifies pledged matching funds, as applicable.

GRANTEE PAYMENT SCHEDULE

Except for the first payment following grant agreement signing, grant payments are based upon project performance and completion of project activities. Progress will be communicated via status reports, which must be approved by the State grant program manager before claims (payment requests) are approved. All claims will be submitted and approved via WebGrants at agriculturegrants.vermont.gov.

Working Lands Enterprise Initiative grant funds are typically distributed according to the following schedule:

1. Up to 40% of the grant award following signing of the grant agreement, plus submission and approval of an initial claim;
2. Up to an additional 40% of the grant award (80% total) at the mid-point of the project, following completion and approval of the Interim Report demonstrating project progress, and a second claim;
3. Final 20% (or other remaining amount) of the grant award, following submission and approval of the Final Report demonstrating project completion and satisfactory achievement of expected measurable outcomes, and a final claim.

Grantees must maintain documentation of project costs, both those paid with grant funds and with matching funds, throughout the grant period. Accurate expense totals are a required component of status reporting.

REPORTING REQUIREMENTS

Prior to receipt of the second and third grant payments, respectively, grant recipients must complete an Interim Report and Final Report in [WebGrants](#). Reports will include a narrative of project accomplishments to date, progress toward meeting expected goals and outcomes, a budget table showing amounts of expended grant and matching funds, and high-resolution digital photos in .jpg format that demonstrate project work. Grantees will be expected to collaborate with VAAFAM staff to measure the impact of their project.

Grantees must be willing to share project details, including successes and challenges, with the public and the media, which illustrate the impact of the grant within Vermont's working lands economies. This may occur through media inquiries, press events on location, and/or site visits from VAAFAM staff.

APPENDIX A: PROGRAM PROVISIONS

Working Lands Grant agreements are held between the State of Vermont and the business or, where applicable, the business entity. Should the business entity cease to exist, or if the business entity to which this grant is issued becomes inactive, the State may suspend or cancel this Grant immediately, and the State shall be under no obligation to pay or further pay grantee.

Ready to begin work: Grantee must be ready to begin project work immediately following execution of this grant agreement. If grantee anticipates a delay or experiences a delay of more than two months, grantee shall submit to the grant manager via email an explanation for the delay and note the extent to which the delay will/will not impact project completion. Similarly, grantees should submit their initial claim for funds reimbursement within two months of receipt of the grant agreement. An explanation must be sent to the grant administrator if no request for reimbursement is anticipated within the first two months of the grant.

Publicly known and open to inspection: Except for grantee proprietary and personal identifying data, as noted per 1V.S.A. § 317(c), grantee names, projects, the amount of grant awards, and all other information regarding Working Lands grant projects are considered public information and are open to inspection. Grantee can also anticipate communication from other Working Lands partners and stakeholders regarding project successes and accomplishments.

Grantee Confidential and/or Proprietary Information: Grantee is responsible for noting all information, data, project results and narrative text which it considers confidential and/or proprietary in its reports and communications with the state. Grantee financials are automatically classified as confidential by the state.

Working Lands Enterprise Initiative, as a public instrumentality, is subject to the Vermont Public Records Law, 1 VSA § 315 - 320. The statute contains specific exemptions for tax-related information of persons, financial information of an individual or business, and trade secrets. This information will be held in confidential files by the Working Lands Enterprise Board and will not be available for public inspection under the Public Records Law.

The Working Lands Enterprise Board and the state of Vermont consider the following information about applicants to be subject to public record: contact information of applicants; names, description, and contact information of applying enterprise or organization; the purpose and amount of any Working Lands Enterprise Funds received; and grantee communications. Other information may be shared in aggregate form (without identifying individual business info).

Acknowledgement: All meetings and gatherings held because of this grant will recognize the Vermont Agency of Agriculture, Food and Markets and the Working Lands Enterprise Board as a funder. Written and electronic materials produced shall

include text acknowledging the same and shall also feature a Vermont Agency of Agriculture, Food and Markets graphic. Grantee may be required to reprint event flyers, posters, and/or brochures or repost meeting announcements if the State learns of grantee's failure to acknowledge the Working Lands Enterprise Board as a funder.

Tax Implications: We recommend that all entities consult with a tax accountant as needed regarding how to report grant awards for tax purposes, including advising on your tax return. State of Vermont staff and Working Lands partners are not authorized to advise or provide input on tax-related information, including the completion of federal forms.