

Request for Letter of Interest in the Agriculture Value-added Feasibility Study Grant (VAFSG)

The Minnesota Department of Agriculture (MDA) will reimburse up to 50% of the costs, with a maximum award of \$35,000, for an independent third party consultant to conduct a feasibility study of your agricultural value-added business venture. The first step in this competitive grant process is submission of a “letter of interest” that will be reviewed for funding. Information about this program can be found below and by visiting www.mda.state.mn.us/vafeasibilitystudy.

Letters of Interest need to be submitted to Minnesota Department of Agriculture, Attn: David Weinand, 625 North Robert St., St. Paul, MN 55155, David.Weinand@state.mn.us, 651-201-6646

Goal of the Grant

VAFSG grants assist the development of profitable agricultural businesses in Minnesota to benefit the state’s economy by adding value to Minnesota agricultural commodities or products.

Eligible and Ineligible Applicants

Any Minnesota resident or business can apply to receive funding to do a feasibility study for a new business or expansion/diversification of an existing business that will add value to a Minnesota agricultural commodity or product. This includes but is not limited to farmers/farmer networks, agricultural cooperatives, and agricultural businesses. Applicants and their subcontractors must be in compliance with Minnesota tax and environmental regulatory requirements to be eligible for funding.

The proposed value-added business must be located in MN. Applicants who do not reside in Minnesota and MDA employees are not eligible for this grant.

VAFSG Award Process

1. Submit a Letter of Interest. The Letter of Interest is a brief summary of your ideas for a new value-added business or for an expansion or diversification of an existing business. The submission deadline is on a first come first serve basis. A Letter of Interest must be submitted at the following website [Apply on-line](#).
2. Your Letter of Interest will be evaluated by a review committee. We will inform you of the results. If your Letter of Interest is approved, you will receive further information about next steps. Please note that you are not guaranteed to receive funding until final review of your feasibility scope of work and funding request (See Step 3 below). If your application is not approved, we will provide reviewers’ comments and suggestions for improvement upon request.
3. If you are approved to move ahead, you will be offered free consulting services from the Agricultural Utilization Research Institute (AURI). AURI will help you to further define what you want from the feasibility study and develop the scope of work for the study. They will also help you identify a qualified third party consultant to conduct the study. If you choose not to work with AURI, you must identify a qualified third party consultant to generate a quote for the study that includes the scope of work, determine the economics that would allow your project to be viable, marketing plans, infrastructure needs, risk assessment, permitting requirement assessment, financing options, feedstock availability, etc.

4. Once you have chosen a third party consultant through AURI or independently, you submit the scope of work, the quote for completion of the study, a statement of the qualifications of your consultant, and any other relevant documentation to the MDA.
5. Your submission will be reviewed again. Upon final approval, a Value-added Feasibility Study Grant contract will be drawn up with the amount of the grant award (50% with a maximum award of \$35,000) of the cost of the quote you submitted. The scope of work will be included in the contract.

Definitions

Feasibility Study: A feasibility study is an analysis of a proposed project to determine if it is technically feasible, is feasible within the estimated cost, and will be profitable. A feasibility study is conducted to determine if there is at least one way a proposed project can be accomplished to generate adequate cash flow, profits, withstand risks, and allow the business to grow in the long-term. Feasibility studies are usually conducted where large investments will be needed for the proposed business venture or when a lender or investor requires one. The venture can be anything from starting a business to expansion of current operations or a new initiative for a business.

A feasibility study can also examine the implications, strengths, and weaknesses of each of the chosen scenarios in one or more areas of study. These areas of study can include: economic, market, technical/operational, organizational/management, and financial. The analysis is carried out considering the type of business, type of project, location etc. The business owner(s) determines beforehand which scenarios are to be studied, the scope of the study, and what questions they would like to be answered.

Value-added Agricultural Products: A value-added agricultural product, as defined by USDA Rural Development, is any agricultural commodity or product that has undergone a change in physical state or form that increases its value.

Value-added Feasibility Study Grant Evaluation Profile

Value-added (35 points)

- Clearly describes their business concept and how value will be added to an agricultural product/commodity.

Utilization of a Commodity Source (20 points)

- Amount of Minnesota agricultural commodities or agricultural products will be utilized.

Innovation and Market Potential (20 points)

- Opportunity for the value-added product in the marketplace.
- The value-added process is innovative or the product is unique.
- New markets can be accessed because of the project.

Economic Impact (10 points)

- Potential economic impact for applicant.
- Potential benefit to Minnesota's agricultural economy.
- Potential impact on other producers or rural communities.

Implementation (15 points)

- If the project is feasible, the business entity will be capable of carrying out the proposed business venture.

Application to Participate Value Added Feasibility Study 2016

Minnesota Department of Agriculture

Eligibility

Eligibility 1*

I am in good standing with the State of Minnesota (no back taxes).

Choices Yes No

Eligibility 2*

I am a current Minnesota resident or an entity authorized to conduct business in Minnesota.

Choices Yes No

Eligibility 3*

I certify that no project expenses will be incurred until after the grant agreement has been signed by all parties.

Choices Yes No

Letter of Interest

Project Name*

Name of Project.

Character Limit: 100

Current or Proposed Business*

Write a brief description of your current business or, if you plan to start a new business, your previous experience and qualifications to start an agricultural value-added business.

Character Limit: 800

Description*

Write a description of your value-added business idea, the opportunity you've identified for starting or expanding the business, and the anticipated timeline for starting the business or beginning an expansion/diversification.

Character Limit: 800

Learning Outcomes*

Describe what you hope to learn from this feasibility study.

Character Limit: 300

Location*

Where is the project located?

Character Limit: 300

Markets*

Describe the market opportunity and list the proposed market outlets for your value-added product(s).

Character Limit: 800

Commodities Used*

List and describe the Minnesota agricultural commodities/products you will use in your value-added business. Estimate the amount of agricultural commodities/product you will use.

Character Limit: 800

Matching Funds*

List the anticipated source of matching funds for your feasibility study.

Character Limit: 400

Certification

This Applicant Certifies That*

1. To the best of my knowledge and belief, the data in this application is true and correct and supporting documentation for the claims and assertions made within this application is available to the Minnesota Department of Agriculture for its review.

Choices Yes No

Further*

2. I understand that submitting false or misleading information in connection with this application may result in the applicant being found ineligible for financial assistance under the Value Added Feasibility Study Grant Program. I further understand that receiving public funds as a consequence of false representations constitutes an act of fraud.

Choices Yes No

Further*

3. I understand that MDA may conduct audits, check references, and conduct site inspections after grants are awarded and prior to dollars being disbursed.

Choices Yes No

Further*

4. I understand application data is private or nonpublic data until grant applications are awarded. Names, addresses and requested amounts then become public information. An entire application becomes public when an agency has completed negotiating the grant agreement with a grantee. Individual grant applicants do not have to provide the information requested on the application form. However, if you do not, we will not be able to consider your grant request. The only persons who will have access to your data during the time that it is protected are those permitted access by law, by your written consent, by a court order, or by those department employees whose job duties require access.

Choices Yes No

Further*

5. I verify all information supplied in this application is correct to the best of my knowledge.

Choices Yes No

Applicant's Signature*

Character Limit: 250

Today's Date*

Character Limit: 10