

# **AGRI Feasibility Studies**

## **2020 Call for Letters of Interest**

In accordance with the Americans with Disabilities Act, this information is available in alternative forms of communication upon request by calling 651-201-6000. TTY users can call the Minnesota Relay Service at 711. The MDA is an equal opportunity employer and provider.

# Grant Summary

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## Application and Award Details

The AGRI Value-Added Grant offers funding for value-added businesses (including bioenergy producers) to invest in equipment and feasibility studies. The aim of the program is to increase sales of Minnesota agricultural products by investing in production capacity, market diversification, and market access for value-added products. For the purposes of this grant, value-added is defined as the addition of value to an agricultural product through processing.

To apply for a feasibility study under the AGRI Value-Added Grant, you must be pre-approved by filling out a letter of interest. If approved, you will have approximately two months to work with the Agricultural Utilization and Research Institute to identify a third-party consultant, to develop the project's scope, to create a work plan, and to estimate a budget. The project will be submitted to the AGRI Value-Added Grant application.

Grant funds may cover up to 25% of the costs for a third-party consultant to conduct a feasibility study of agricultural value-added business ventures. The maximum feasibility study award is \$25,000, and the minimum award is \$1,000.

## Definition of a Feasibility Study

A feasibility study is an analysis of a proposed project to determine if it is technically feasible and profitable. It attempts to determine if a proposed project can generate adequate cash flow, 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.

A feasibility study can also analyze the risks, opportunities, and likelihood of success for various plans. Often, studies examine the economic environment, government regulations, possible markets, technical/operational strategies, organizational/management plans, and financial projections. The business owners determine the scope of the study, and what questions they would like answered.

## How to Submit Questions

Direct questions about the grant program, completing the application, or additional accommodations to:

Michael Greene  
[Michael.Greene@state.mn.us](mailto:Michael.Greene@state.mn.us)  
Minnesota Department of Agriculture  
625 Robert St N  
St. Paul, MN 55155-2538

All questions should be submitted through writing by mail or email by 4:00 p.m. CST on November 7, 2019. MDA employees are not authorized to provide advice on any applications. Applicants who solicit or receive advice from unauthorized MDA employees may be disqualified from eligibility for a grant award.

## Full Program Details

For complete details about the AGRI Value-Added Grant, including eligibility, application instructions, grantee requirements, application evaluation criteria, and application questions, refer to the [AGRI Value-Added Grant Request for Proposals](http://www.mda.state.mn.us/valueaddedgrant) (www.mda.state.mn.us/valueaddedgrant).

## Letters of Interest Instructions

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### Overview of Application Process

The application process is as follows:

1. You fill out a letter of interest no later than November 14, 2019.
2. Letters of Interest are reviewed by staff of the Minnesota Department of Agriculture and the Agriculture Utilization and Research Institute (AURI). The Commissioner of Agriculture will review recommendations and is responsible for determining which respondents will be approved. By December 3, 2019, all applicants will be notified if they are approved to apply for an [AGRI Value-Added Grant](#).
3. We connect you with AURI staff to identify a contractor, to define the scope of your project, and to develop a budget/workplan.
4. You use your plans for a feasibility study to fill out the AGRI Value-Added Grant application. Applications are due by January 23, 2019.

Feasibility studies compete with requests for equipment for grants from the AGRI Value-Added Grant Program. Feasibility studies and equipment requests use the same application. Read the [Request for Proposals](#) for the AGRI Value-Added Grant to learn more about the application.

5. All complete applications are evaluated by a panel of reviewers and the Commissioner. We expect to make grant award notifications by March 20, 2020.

### How to Apply

Grant applicants should submit letters of interest through the [online application system](#).

**All letters of interest must be received by 4:00 p.m. CST, on November 14, 2019.** Late letters of interest will not be considered. The MDA is not responsible for any technical or logistical problems resulting in the MDA not receiving letters of interest on time. It is the responsibility of the applicant to ensure that the letter of interest is received by the MDA before the deadline.

### Guidelines

- Write for reviewers who are generally knowledgeable but may not have a thorough or deep understanding of your business. Use plain, easily understood language.

- Answer all questions completely within the character or page limits specified in the grant application. Use 12-point font and single spacing.
- The Project Evaluation Profile at the end of this document will be used to score and compare the letters of interest.

## Privacy Notice and Data Classification

The information provided by an applicant will be used to assess the applicant’s eligibility to apply for a grant under the AGRI Program. The decision to apply for this grant is voluntary, and applicants are not legally required to provide any of the requested information. Applicants may decline to complete this letter of interest without any legal consequence. However, only completed letters of interest will be considered for being permitted to move forward with a complete AGRI Value-Added Grant application; incomplete letters of interest will not be considered.

Data provided in this application is initially classified by the Minnesota Data Practices Act as private or non public, although some or all of the data will generally become public at various points of the letter of interest process unless the data are otherwise classified by state or federal law. Access to private or non public data is limited by law to MDA staff and contractors with a valid work assignment to access the data, parties authorized by the applicant or by a valid court order, Minnesota Management and Budget, Minnesota Department of Administration, the state auditor, and the legislative auditor. If necessary, MDA may also share the data with law enforcement.

Per [Minn. Stat. 13.599](#):

- Names and addresses of letter of interest submitters will be public data once application responses to the AGRI Value-Added Grant are opened as defined by 13.599.
- All remaining data in letter of interest responses (except trade secret information, see below) becomes public data after the evaluation process is completed (for the purposes of this grant, when all grant agreements have been fully executed).
- All data created or maintained by the MDA as part of the evaluation process (except trade secret information, see below) will be public data after the evaluation process is completed.
- Trade secret information (as defined in [Minn. Stat. § 13.37](#)) is classified as private or nonpublic. In order for an applicant to protect data submitted as part of this application as trade secret information, the applicant must identify the specific formula, pattern, compilation, program, device, method, technique or process that the applicant wishes to protect, and provide an explanation of the economic value of keeping the data from being generally known to other persons. Determining what constitutes trade secret information is ultimately the responsibility of the MDA, and the MDA cannot guarantee that data marked by an applicant as trade secret information or marked “confidential” will be classified as such. If the MDA determines that data do not meet the definition of trade secret information, that data will be available to the public unless the applicant secures a court order saying otherwise.

## AGRI Background and Program Goals

The Agricultural Growth, Research, and Innovation Program (AGRI) was established to advance Minnesota’s agricultural and renewable energy industries ([Minn. Stat. 41A.12](#)). AGRI has made significant economic impacts by increasing productivity, improving efficiency, and assisting the development of agricultural products. The primary goal of the AGRI Value-Added Grant is to increase sales of Minnesota agricultural products by investing in production capacity, market diversification, and market access of value-added products.

# Project Evaluation Profile

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<b>Evaluation Criteria</b>	<b>Maximum Score</b>
Business idea clearly described, including how a Minnesota agricultural product will be processed into a value-added product.	20
Applicant has the experience, resources, and/or background to support the goals and outcomes of this project.	20
The desired outcomes from this study are achievable.	20
Outcomes will support the applicant's ability to accomplish their business goals.	20
Project has the potential to impact many farmers.	20
<b>Total</b>	<b>100</b>

## Letter of Interest Questions

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### Contact Information

#### Applicant Information

- Applicant Name
- Organization Name
- Applicant Mailing Address
- Applicant Telephone
- Applicant Email

### Eligibility

Confirm that the following statements apply to your organization.

- My organization is in good standing with the State of Minnesota. (No back taxes owed, no defaults on Minnesota State backed financing for the past 7 seven years, in compliance with current state regulations, and acceptable performance on past MDA grants.)
- My organization is in Minnesota or authorized to conduct business in Minnesota.
- No one involved in the project or the application for the grant is an employee or spouse of an employee of the MDA.
- No work has started on the proposed project nor will start until notified of the award.

# Letter of Interest

## Current or Proposed Business

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

## Business Idea

Write a description of your value-added business idea.

- What do you hope to sell?
- Who do you think your customers might be?
- What Minnesota agricultural products will you process to produce value-added products?

## Goals of Feasibility Study

Describe what you hope to learn from this feasibility study. For example, what is currently preventing you from moving forward with your idea, and how will this feasibility study help you overcome these barriers?

## Business Location

Where in Minnesota do you hope to produce your value-added product?

## Consultant Selection

Do you plan to use the free services of the Agriculture Utilization Research Institute (AURI) to help define your goals, develop the scope of work for your study, and identify third party consultants to conduct the study?

## Background of Consultant

If you will not be using AURI's services:

- Name who you plan to conduct the feasibility study.
- Describe the qualifications that make them a good choice to do the work.
- You may describe your plan to choose a consultant if one has not yet been selected.
- You will need to have a consultant chosen in order to develop a work plan and budget to apply for the AGRI Value-Added Grant.