

**Connecticut
Department of Agriculture
Farm Reinvestment
Program
2010 Grant**

**CONNECTICUT
GROWN**



Application Deadline is April 30, 2010

CONNECTICUT DEPARTMENT OF AGRICULTURE
FARM REINVESTMENT GRANT PROGRAM

Overview

Statement of Purpose

The intent of the Farm Reinvestment Grant Program(FRP) is to strengthen the economic viability of CT agricultural producers through a comprehensive capital fixed asset/diversification program. Grants for a farm reinvestment program will be available for the expansion of or improvements to working farms in accordance with a business plan to keep the farms ongoing for at least ten years.

The FRP provides incentive financing to stimulate **production related** capital fixed asset/diversification improvements to farms that are owned or rented throughout the State of Connecticut.

Program Priorities

The focus of the FRP is to provide seed money to enhance existing agricultural operations and to provide a stimulus to the local and state economies. This will be accomplished by increased building of agricultural production facilities, thus creating some construction-related jobs. Most important, the completed projects should dramatically improve the operation's cash flow which would further strengthen the economy, create new jobs, and even municipal grand list growth. This program is designed to help farmers diversify into other production areas and expand existing production facilities via capital improvements.

Financial Description

A \$500,000 bond authorization will be administered as a grant not to exceed a \$40,000 state match per applicant. The private matching funds can exceed 50 percent or more of the cost of the project. The private match can be either a bank loan or self-funded.

The state match will be in the form of a rebate for approved projects. The rebate applies to approved expansion or diversification of agricultural production facilities.

Generally speaking, the FRP rebate applies to the expense of materials and wages for capital fixed asset improvements and does not pertain to the cost of purchasing property or borrowing funds. The FRP can work in conjunction with projects that secure bank financing and projects that are self-financed.

Agricultural producers and property owners may work with their lenders of choice to arrange suitable financing; be it a commercial mortgage, signature loan, home equity loan, personal or business line of credit.

Alternatively, personal finances may be used to pay for the producer share of the match, which could exceed 50 percent.

The FRP rebate will be paid after the project is completed, in accordance with the approved application, contract terms have been complied with, and the project has been approved by the Commissioner of Agriculture. In the case where a financial institution is involved, the rebate may be paid directly to the lender and used to reduce loan principal. In the instances where a bank is not involved, the funds will be issued directly to the applicant upon completion and approval of the project.

Eligible Applicants

1. Agricultural **producers**, singularly or jointly, whether such producers are owners or tenants of existing agricultural production facilities located within the State of Connecticut;
2. A **Project Scope of Work** must be submitted. This is a one page action description of what exactly the project is and what exactly the grant money will be used for.
3. Applicant's operation must meet the **definition of agriculture** as codified in Connecticut General Statute Section 1-1(q);
4. Applicant must submit **Schedule F, Form 1120S or Schedule C** for three years prior to date of application;
5. Applicant must provide a **business plan**, demonstrating how the agricultural production facility will remain ongoing for at least ten years and show what impact the improvements will have on his or her business via projected increased sales, additional jobs, local taxes, etc. The **business plan should follow the format prescribed in Attachment A, including a Project Budget Page (you must use Attachment C for this)**;
6. Applicant must provide **conceptual construction drawings**;
7. Applicant must possess a current **farmers tax exempt permit**;
8. Applicant must be responsible for **securing and complying with all necessary zoning, inland wetland, building and other permits** as required prior to receiving grant;
9. Upon completion of project, applicant must **provide an audit** by a Certified Public

Accountant, a lending institution or a agricultural advisory institution.

10. Applicant must agree to **sign a contract** with the state which includes provisions for reimbursement of any funds obtained by fraud, Section 4a-60 of the General Statutes of Connecticut;
11. Applicant must agree to a site inspection prior to final approval or rejection of his or her application. If the application is approved and monies are awarded, the applicant must agree to site inspections during the construction phase of the project.
12. The Department of Agriculture reserves the right to reject any proposals not in the best interest of the State of Connecticut.

Eligible Capital fixed asset/Diversification Projects

FRP funds and matching funds must be used for projects that are defined as capital fixed assets and have a life of ten years or more. The funds may be used for the expansion of existing agricultural production facilities, or diversification -- expansion into new production areas and site improvements related to such expansion or diversification.

Ineligible Expenses

Ineligible expenses are those not specifically stated under eligible expenses such as, but not limited to, the following:

1. Any expense incurred prior to application submittal, review and approval, and contract execution and approval;
2. Property acquisition/mortgages;
3. Mortgage refinancing;
4. Cost of borrowing (points and other fees);
5. Site plan and construction permits;
6. Wages paid to applicant or employees;
7. Furnishings, fixtures, equipment or items considered personal property;
8. Machine storage, workshops, housing, classrooms, offices, etc.;
9. Any portion of expense for which the applicant pays a contractor in merchandise or service in lieu of cash;
9. Attorneys' fees, consultants' fees;
10. Fees or costs not consistent with eligible costs;

Funding Commitment

An applicant shall have up to one year from the date the contract is approved by the Attorney General's Office to complete the project. Failure to complete the project within one year will

result in withdrawal of grant rebate.

Within 60 days of the date of funding commitment, the applicant shall provide a written progress report that documents the status of the project or communicate directly with the grant manager as to the status.

The FRP state grant coordinator or any other agent of the Commissioner of Agriculture may make periodic visits to the project site during the construction period. Upon completion of the project, a final inspection of the project will be made. The Commissioner of Agriculture will review the project and then authorize the payment either to the applicant or the applicant's lender.

Information contained in the application and contract for the Farm Reinvestment Grant Program funds with certain exceptions, are available to the public upon request.

CONNECTICUT DEPARTMENT OF AGRICULTURE

2010 FARM REINVESTMENT PROGRAM GRANT APPLICATION

Please Type or Print in Ballpoint Pen

Amount Requested: \$ _____

Amount You Will Match: \$ _____

1. (A) Applicant(s)

Name _____ email _____

Mailing Address: _____

Town: _____ Zip: _____

(B) Home Phone: _____ Work Phone: _____ Fax: _____

Contact Person (if different from applicant): _____

Email _____

Contact Person's Phone: _____ Fax: _____

2. (A) Farm Property Location (if different from one above):

Address: _____

Town: _____ Zip: _____

(B) Owner of Record (if different from applicant):

Name: _____

Address: _____ Town _____ Zip _____

Phone: _____ Fax _____ email _____

(C) Farm Name: _____

(D) Farmers Tax Exempt Number _____

3. In one or two sentences, please describe the proposed project. _____

4. Describe the production agriculture carried out on the farm. Give acreage and quantities of the various crops grown, the number and kinds of livestock, forest products, specialty crops, greenhouse, etc.:

Total Acreage of Farm: _____ acres;

Description of production: _____

5.(A) Do you farm: full time - _____ part time - _____ (check one)

(B) Current employment provided by the farm operation:

(i) Owner operator(s)_____

(ii) Employees: full-time_____part-time_____seasonal_____

(iii) Family help:full-time_____part-time_____seasonal_____

(C) Expected increase in number of farm employees upon project completion:

Employees: full-time_____part-time_____seasonal_____

6. Is the land you propose to build on in the Farmland Preservation Program or under any other conservation restrictions? Yes_____ No_____

7. Will construction process be contracted out?_____ Self constructed?_____ Combination_____

Explain:_____

8. Will this project be financed by a secured loan? (Yes or No)_____ If yes, specify which lending institution:_____

Signature(s):_____date:_____

The following must be attached to application:

1. Business plan
2. Conceptual drawing of project
3. Project Scope of Work—(a one page action plan description of your project) You must use Attachment A for this.
4. Tax map identifying project location
5. Last three years of Schedule F, Form 1120S, or Schedule C
6. Copy of Farmers Tax Exempt Certificate
7. (if applicable) If land is under CT Farmland Preservation restrictions or any other conservation restrictions, a permission letter from Commissioner of Agriculture or appropriate authority will be necessary.
8. Project Budget Page (you must use Attachment C)

Please call Ron Olsen at (860) 713-2550 with any questions.

Attachment A

Project Scope of Work for Farm Reinvestment Grant 1 Page Maximum

The Scope will be a detailed Project Description that is to the point:

**DO NOT RAMBLE AND GENERALIZE OR THE CONTRACT WILL BE RETURNED
TO YOU**

**Do not use Acronyms; spell out the names of any groups or organizations since we may not
be familiar with them**

Use the Format Below

What...In several sentences, what exactly is your project and what will grant money be used to purchase.

Be specific, if purchasing equipment give model number and name of equipment if you will know ahead of time. If a project on a property, what exactly are you doing to the property and how much acreage involved. If a building, give dimensions and if have plans, include them. If permits needed for anything, tell us who will be obtaining permits.

Where...is the project being done? Please give exact name and address of farm or if is a municipality where in town, address, and property location.

Who...is specifically doing the contract work (a contractor, yourself). Give name, address. You must state names of specific contractors to be used. If unsure of who will be doing work, you can say "a certified, licensed contractor and electrician, etc. will be doing the work."

When...is the work being done and what is the completion date?

Always start with "Work will begin when contract is signed----" Say how long it will take to finish and when you will complete project as long as it will not be a later date than the contract length. You can say "will finish in approximately" if you choose.

Connecticut Department of Agriculture

Farm Reinvestment Program Grant

Farm Business Plan

Please try to use the following format when completing the **Farm Business Plan** required to be submitted with the application for a grant under the **Farm Reinvestment Program Grant**. The categories must be thoroughly explained and completed in order to qualify for the grant funds.

1. Introduction

Introduction of the plan and give contact information.

2. Mission, Strategies, etc.

What are the central purposes and activities of the planned business? What are its major objectives, key strategies and prime goals?

3. Present Status of Project

Summarize achievements and performance (sales, etc.) to date.

4. Product Description if a production entity

Describe product being produced or processed

5. Brief Profile of Target Markets

Size, trends, competition and user/customer profiles

6. Marketing Strategies and Sales Plans if applicable

How will the business market its products and sell to customers? What sales will be achieved in its main markets? How will it deal with competitors? Indicate costs.

7. Operational Plans

Cover distribution and production activities. Indicate organization, resources, costings, etc.

8. Financial Position and Projections

Use simple tables to present key financial projections, profit and loss, cashflow, etc.

9. Funding Requirements and Proposals

Summarize funding requirements, possible sources, terms, etc.

10. Implementation

Explain the major decision points, time scale and actions required.

11. Conclusion

Indicate why the project will succeed and why it should be supported, with projections.

Attachment C

Farm Reinvestment Grant Budget Page

Budget Titles (you must itemize)	State Agriculture Grant monies to be used	Producer Match
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EXAMPLES

Expenses

Equipment

Totals

Total Project Cost_____