

Connecticut Department of Agriculture Farm Reinvestment Program 2014 Grant

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AN HOUR IN GOVERNOR
Application Deadline is April 30, 2014



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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



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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 Appendix A, including a Project Budget Page (you must use Appendix 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 with itemized statement of**

in 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



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c. Failure to complete the project within one year will

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.

- 1. Extensions/Amendments:** Formal written amendment of the Contract is required for extensions to the final date of the Contract period and changes to terms and conditions specifically stated in the original Contract and any prior amendments, including but not limited to:
 - a. revisions to the maximum Contract payment,
 - b. the total unit cost of service,
 - c. the Contract's objectives, services, or plan,
 - d. due dates for reports,
 - e. completion of objectives or services, and
 - f. any other Contract revisions determined material by DAG.

If it is anticipated that the Project can not be completed as scheduled, a no-cost extension must be requested in writing no later than 60 days prior to the expiration date of the Contract. Said extension request shall include a description of what work has been completed to date, shall document the reason for the extension request, and shall include a revised work schedule and project completion date. If deemed acceptable, approval will be received in the form of a Contract amendment.

- 2. Final Report:** Within 30 days of the expiration date of this Contract, the Contractor shall submit to the DAG a Final Report including documentation, satisfactory to the Commissioner, demonstrating that all the elements of Appendix A have been met including, but not limited to total grant dollars expended including match.
- 3. Final Financial Report** Within 30 days of the expiration date of this Contract, the Contractor shall submit a Final Financial Report to the DAG with supporting documentation sufficient to demonstrate expenditures identified in the project proposal. Payment will not be sent to Grantee



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Itemized statement of project bills are signed off on by an



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DEPARTMENT OF AGRICULTURE

MENT PROGRAM GRANT APPLICATION

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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 _____

(E) FEIN/SS# _____

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 Appendix 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 Appendix C)

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



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purposes of this Contract, all correspondence, summaries,
ests shall be submitted to:

Bureau of Agricultural Development & Resource Preservation
Ronald Olsen-Marketing/Inspection Representative
165 Capitol Ave., Rm 129
Hartford, CT 06106

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



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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.

APPENDIX C

PROJECT BUDGET

Contractor Name: _____

DESCRIPTION	Award Costs	Matching Costs	Total Costs
Salaries			
Contractual (specify)			
Equipment			
Printing			
Materials & Supplies			
Other (specify)			
Totals			



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APPENDIX A SCOPE OF WORK

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Description: The Contractor agrees to conduct a project entitled: _____

Insert Specific Paragraph Title(s): *[Insert paragraph(s) providing the following information: **Who**...is specifically doing the service? Include job titles of those involved and whether they are contractor staff, subcontractor or state agency staff. **What**...exactly is the contractor doing for the state? What steps are necessary and in what order? **When**...is each step to be conducted? What are due dates for deliverables and any reports? **Where**...is the service to be provided? dates, times, places? **How**...is each service to be provided? Include details as to how each step in the process is conducted. Take care to ensure that language is in contract format **NOT** proposal format (e.g. use Contractor shall vs. Contractor proposes to).]so use action words*

Budget: *[Describe all applicable unit rates – per hour, per day, per consultation, etc. and conditional terms such as credits or refunds or cancellation.] [If an itemized budget is required, include the following language.]* The contractor shall adhere to the budget which is attached to this Contract as Appendix C.