



*“Promoting Innovation in Maryland Agricultural and  
Resource-Based Business”*

**Instructions for the 2019 (FY 2020) Maryland Value Added Producer Grant  
(Capital Assets Option)**

Farms and other businesses wanting to expand or diversify their operations face major challenges in paying for the necessary capital equipment or improvements to real property. The up-front costs are just too much for many small producers, and few grant programs are available to help meet the need. For many producers, a very small amount of matching equity capital could make a huge difference in their business success. MARBIDCO’s 2019 Maryland Value Added Producer Grant (Capital Assets Option) Program is designed to meet this need. It will help food/fiber producers and certain processors purchase new equipment or construct facilities so that they can increase product sales and create job opportunities for Maryland citizens.

**Program Description**

- 1) MARBIDCO has a mission to assist Maryland’s farm, forestry, and seafood businesses with achieving profitability and sustainability, promoting rural entrepreneurship, and nurturing emerging food and fiber markets. **MARBIDCO will offer grants of between \$2,500 and \$10,000, distributed on a competitive basis**, for capital asset projects designed to help farmers, forest product operators and seafood processors to expand or diversify their business operations. (Note: forest and seafood processors must be using Maryland grown or harvested plants or animals.) The match required from the rural business must be equal to or greater than the amount requested from MARBIDCO. A total of \$120,000 is available for distribution in this grant funding cycle within two distinct divisions (Agricultural Production, up to \$85,000; and Forestry/Seafood Processing, up to \$35,000).

**NOTE: The maximum cumulative amount of grant funding a single applicant may receive from this program is \$30,000, and from all MARBIDCO grant incentive programs, the cap is \$50,000. Additionally, a previous MARBIDCO grant incentive fund account must be closed out (i.e., there are no funds remaining) before an applicant can be considered for a new grant incentive award.**

- 2) The **application deadline is 4:00 p.m., on Thursday, September 26, 2019**. Applications received in the mail with a **Saturday, September 21, 2019** postmark will also be accepted. Late applications will not be accepted. Grant announcements should be made by about mid-November 2019.

**Eligible applicants** must be a crop or livestock producer or processor, agricultural cooperative, seafood processor, or primary or secondary timber products processor, and have been in business for a minimum of two years. In addition, applicants must be making a product that is “value added”. A product that is value added has in incremental value realized by the producer or processor as a result of: 1) change in physical state; 2) differentiated production or marketing; 3) product segregation; and 4) economic benefit realized from the production of farm- or ranch-based, rural community-based biomass energy. MVAPG funds and matching funds must be used for projects that are defined as capital assets by MARBIDCO, and that have a useful life of seven years or more.

**Matching funds are required.** Matching funds must be at least equal to the amount of grant funds requested and are subject to the same use restrictions as grant funds. Applicants must verify in their applications that eligible matching funds are available for the time period of the grant. Matching funds must be spent at a rate equal to or greater than the rate at which grant funds are expended. If matching funds are provided in an amount exceeding the minimum requirement, the applicant must spend their matching funds contribution at a proportional rate. Matching funds must be provided by either the applicant, or by a third party, in the form of cash or a commercial lender loan commitment. Applicants that are awarded grants may not change the source, type, or amount of matching funds proposed in their applications without prior written approval from MARBIDCO.

**Applicant requirements**

- Applicant must submit a completed application form (please no binders).
- Provide proof of matching funds.
- Applicant must submit tax returns, including all Schedules, for the most recent past year.
- Applicant must agree to a site inspection prior to final approval of this application. If the application is approved and monies are awarded, the applicant must agree to site inspections during the construction phase of the project.

- **Applicant must provide a detailed business plan to demonstrate how the production facility or business operation** will remain ongoing for at least seven years and show what impact the improvements will have on his or her business via projected increased sales, retained or additional jobs, etc. The business plan must also address the following:
  - Applicant must provide detailed project information including the market(s) to be served and project cost estimates.
  - Applicant must possess, or be actively seeking, the appropriate government permit(s).
  - Applicant is responsible for securing and complying with all necessary zoning, building and other permits as required prior to receiving grant.

**Eligible expenses are capital assets which will help farmers, forest product operations and seafood processors to expand or diversify their business operations. Examples include, but are not limited to, the following:**

- Production buildings and major fixtures
- Livestock or seafood processing facilities
- Fruit, vegetable or timber processing facilities
- Creamery production equipment
- Manure digesters
- Optimization systems for maximizing fiber yield recovery
- Dry kilns, shavings mills, sawdust dryers and in-woods chippers

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

- *Any expense incurred prior to **Thursday, September 26, 2019.***
- Tractors, combines, sprayers or similar common farm implements and attachments thereto
- Any self-propelled vehicles (except certain vehicles used in timber processing)
- Property acquisition costs
- Mortgage refinancing
- Cost of borrowing (e.g., points and other fees)
- Site plan and construction permits
- Wages paid to applicant or employees, or applicant or employee training costs
- Solar or wind energy projects
- Furnishings, fixtures or equipment considered personal (non-business) property
- Machine storage, ancillary workshops, housing, classrooms, etc.
- Any portion of expense for which the applicant pays a contractor in merchandise or service in lieu of cash
- Attorney's fees and consultants' fees
- Fees and/or costs not consistent with eligible costs

Please contact MARBIDCO if you have questions about eligible or ineligible expenses. A list of Frequently Asked Questions is also available for review on MARBIDCO's website at: [www.marbidco.org](http://www.marbidco.org).

**MVAPG Conditions**

Maximum Amount of Grant:	\$10,000.
Minimum Amount of Grant:	\$2,500.
Match Required:	Equal or greater than amount of grant. Must be cash match; no in-kind allowed.
Application Deadline:	4:00 p.m. on <b>Thursday, September 26, 2019</b> (or postmarked by Saturday, September 21, 2019).
Disbursement of Funds:	Funds will be disbursed to approved applicants on an incremental basis as eligible costs are incurred and documented by the grantee.
Previous MVAPG(CAO) Recipients:	Maximum amount of MVAPG (CAO) grants awarded shall not exceed \$30,000.
Send Completed Applications to:	MARBIDCO Programs, 1410 Forest Drive, Suite 21, Annapolis, MD 21403

**Application for the 2019 (FY2020)**  
**Maryland Value Added Producer Grant**

**SECTION 1: APPLICANT INFORMATION**

Business/Farm Name \_\_\_\_\_

Business Address \_\_\_\_\_ County \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip Code \_\_\_\_\_

Contact Person \_\_\_\_\_ Title \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

Home Telephone \_\_\_\_\_ Mobile Phone \_\_\_\_\_

Dollar Amount Requested: \_\_\_\_\_

**BRIEF DESCRIPTION AND HISTORY OF BUSINESS**

*(Include details and history of your operation and experience of principal business owner(s).)*

**SECTION 2: BUSINESS INFORMATION**

**BUSINESS STRUCTURE**

Year & State Established/Incorporated \_\_\_\_\_

Corporation  Partnership  Proprietorship  LLC (SIC/NAICS Code \_\_\_\_\_)

**EMPLOYMENT DATA**

# of full-time jobs current \_\_\_\_\_ # of NEW full-time jobs projected within 36 months \_\_\_\_\_

# of part-time jobs current \_\_\_\_\_ # of NEW part-time jobs projected within 36 months \_\_\_\_\_

**MANAGEMENT/OWNERSHIP**

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

2- Name \_\_\_\_\_ Title \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

3- Name \_\_\_\_\_ Title \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

4- Name \_\_\_\_\_ Title \_\_\_\_\_

Social Security # \_\_\_\_\_ Date of Birth \_\_\_\_\_ % Ownership \_\_\_\_\_

Address \_\_\_\_\_ City \_\_\_\_\_

State \_\_\_\_\_ Zip Code \_\_\_\_\_ Telephone \_\_\_\_\_

**DECLARATIONS**

*If answering "yes" to any of these questions, please provide an explanation on a separate sheet and attach.*

- 1. Is the business or any of the top management personnel a party to any claim or lawsuit?     Yes                       No
- 2. Has the business or any of the top management personnel ever declared bankruptcy?     Yes                       No
- 3. Does the business or any of the management personnel owe any taxes for prior years?     Yes                       No
- 4. Have any managers or owners received a felony conviction?                                       Yes                       No

**SECTION 3: PROJECT INFORMATION**

**PROJECT TYPE**

*(Check any that may apply.)*

- Value-Added Farm Processing
- Primary/Secondary Wood Processing

- Seafood Processing
- Other: \_\_\_\_\_

**A) BRIEF DESCRIPTION OF THE VALUE ADDED PROJECT:**

**B) BRIEF DESCRIPTION OF HOW THE MVAPG GRANT FUNDS WOULD BE USED:**

**C) BRIEF DESCRIPTION OF THE EQUIPMENT OR FACILITIES TO BE ACQUIRED WITH AN ESTIMATE OF THE USEFUL LIFE OF THESE ASSET(S):**

**OTHER PROJECT ADVISOR(S) (If Applicable)**

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Institution/Firm \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

1-Name \_\_\_\_\_ Title \_\_\_\_\_

Institution/Firm \_\_\_\_\_

Work Telephone \_\_\_\_\_ E-mail \_\_\_\_\_

**SECTION 4: SIGNATURES**

**CERTIFICATION**

I/We certify all information in this application and the attachments is true and complete to the best of my/our knowledge.

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Printed Name \_\_\_\_\_ Printed Name \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

Signature \_\_\_\_\_ Signature \_\_\_\_\_

Printed Name \_\_\_\_\_ Printed Name \_\_\_\_\_

Date \_\_\_\_\_ Date \_\_\_\_\_

**SECTION 5: ATTACHMENTS**

**ATTACHMENTS CHECKLIST**

- 1.  Business plan.
- 2.  Project budget - list of equipment or facilities to be acquired with cost estimates.
- 3.  Feasibility study (if available).
- 4.  One year of most recent tax return.
- 5.  Evidence of matching funds (e.g., copy of bank statement or bank loan commitment letter).

**Note:** MARBIDCO agrees to hold Recipient's Application in confidence to the extent reasonably permitted by Title 10, Subtitle 6 of the State Government Article of the *Annotated Code of Maryland*. Notwithstanding the foregoing, MARBIDCO shall not be obligated to maintain in confidence any information: 1) which was already known to MARBIDCO; or, 2) which is or comes into the public domain through no fault of MARBIDCO; or, 3) which is independently developed by MARBIDCO; or, 4) which comes to MARBIDCO from a third party which is not in violation of any obligation of confidentiality to Applicant or MARBIDCO.