

Value Added/Regional Food Systems Grant FAQ

June 28, 2012 (last update)

1. What is Value Added?
Value-added agriculture refers most generally to manufacturing processes (washing, chopping, packaging, etc.) that increase the value of primary agricultural commodities. Value-added agriculture may also refer to increasing the economic value of a commodity through particular production processes, e.g., organic produce, or through regionally-branded products that increase consumer appeal and willingness to pay a premium over similar but undifferentiated products
2. Do all the partners have to fit the eligibility list or just the applicant?
No. Only the primary applicant must be an eligible entity.
3. What is allowed for funding in regard to structural improvements (bricks and mortar)? Grant dollars cannot be used for land, buildings or basic structural improvements. Consideration will be given to those improvements that enhance the function of the facilities for aggregation, distribution, etc. For example, we may not fund the outside sewer and water hook up, but would consider funding expenses of additional sinks that would be essential to the value of potential products.
4. Will in-kind contributions be looked on more favorably during the review?
In-kind contributions are not required to be considered for funding and will not be looked upon more favorably. However, they do give an indication of community support and collaboration.
5. How will outcomes be measured? Self evaluation? MDARD?
Outcomes will be measured/evaluated by the applicant and reviewed/evaluated by MDARD.
6. Under proposal criteria, there is a 12-page limit. Does that include photos and supporting documents? Is there a limit on supporting documents?
The 12-page limit does not include photos or supporting documents. However, please be respectful and only submit pertinent, necessary information and documentation.
7. What is the turn-around time for evaluation?
Projects will be evaluated as quickly and thoroughly as possible. Applicants will be notified in October by MDARD if they are recipients of the grant funding.
8. Can you explain indirect costs?

Indirect costs are costs that are not directly accountable to a cost object (such as a particular function or product). Indirect costs may be either fixed or variable. Indirect costs include administration, personnel and security costs, and are also known as overhead. Indirect costs are those for activities or services that benefit more than one project. Their precise benefits to a specific project are often difficult or impossible to trace. For example, it may be difficult to determine precisely how the activities of the director of an organization benefit a specific project. Indirect costs do not vary substantially within certain production volumes or other indicators of activity, and so they may sometimes be considered to be fixed cost.

It is possible to justify the handling of almost any kind of cost as either direct or indirect. Labor costs, for example, can be indirect, as in the case of maintenance personnel and executive officers; or they can be direct, as in the case of project staff members. Similarly, materials such as miscellaneous supplies purchased in bulk—pencils, pens, paper—are typically handled as indirect costs, while materials required for specific projects are charged as direct costs.