

Appendix F: Funding Resources

Local Food Systems Funding Programs – Federal/State

Cities and towns can strengthen their local food systems through a variety of federal projects and programs. The USDA and other federal agencies are committed to supporting local food systems – whether it's by working with producers, engaging with communities, financing local processing and distribution, or helping retailers develop local food connections. Below is a list of just some of the resources available. This information and more can be found on the **USDA's Know Your Farmer, Know Your Food** initiative website at www.usda.gov/knowyourfarmer.

USDA Agricultural Marketing Service

Farmers' Market and Local Food Promotion Program

This new program makes \$30 million available annually to farmers markets, other direct producer-to-consumer venues, and other businesses in the local food supply chain. Funding is evenly split between two components: Farmers Market Promotion Program (FMPP) for direct consumer-to-producer marketing opportunities, and Local Food Promotion Program (LFPP) for local and regional food business enterprises. Both FMPP and LFPP have a maximum grant of \$100,000, and the LFPP applicants must have 25% matching funds or in-kind donations. By supporting development and marketing activities for farmers markets, food hubs, roadside stands, agri-tourism activities and other producer to consumer markets, the program can help small and mid-sized farmers access markets. For more information, visit <http://www.ams.usda.gov/AMSV1.0/FMPP> (FMPP) or <http://www.ams.usda.gov/AMSV1.0/LFPP> (LFPP).

Specialty Crop Block Grant Program

The purpose of USDA's Specialty Crop Block Grant Program (SCBGP) is to enhance the competitiveness of specialty crops, including locally grown crops. These investments strengthen rural American communities by supporting local and regional markets and improving access to fresh, high quality fruits and vegetables for millions of Americans. These grants also help growers make food safety enhancements, solve research needs, and make better informed decisions to increase profitability and sustainability. Organizations or individuals interested in the SCBGP should contact their state departments of agriculture – which administer the grant program – for more information. The 2014 Farm Bill significantly increased funding for the program. More information is available here:

<http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateN&rightNav1=SpecialtyCropBlockGrant0Program&topNav=&leftNav=CommodityAreas&page=SCBGP&resultType>.

Organic Cost Share Programs

The 2014 Farm Bill also gave USDA new tools and resources to support the growing \$35 billion organic industry by more than doubling previous support through the organic cost-share programs, making certification more accessible than ever for even the smallest certified producers and handlers. Organic producers and handlers can now apply directly through their State contacts to get reimbursed for up to 75 percent of the costs of organic certification, up to an annual maximum of \$750 per certificate. More information is available at <http://www.ams.usda.gov/AMSV1.0/ams.fetchTemplateData.do?template=TemplateQ&leftNav=Na>

[tionalOrganicProgram&page=NOPCostSharing&description=Organic%20Cost%20Share%20Program&acct=nopgeninfo.](#)

Federal State Marketing Improvement Program (FSMIP)

This grant program provides matching funds to state departments of agriculture, state agricultural experiment stations, and other appropriate state agencies to assist in exploring new market opportunities for U.S. food and agricultural products, and to encourage research and innovation aimed at improving the efficiency and performance of the marketing system. FSMIP is designed to support research projects that improve the marketing, transportation, and distribution of U.S. agricultural products. FSMIP is a collaborative effort between Federal and State governments – matching funds go toward projects that bring new opportunities to farmers and ranchers. More information is available at www.ams.usda.gov/fsmip.

USDA Rural Development

Business and Industry Guarantee Loan Program

The purpose of USDA's Business and Industry (B&I) Guaranteed Loan Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities. Through this program, USDA provides guarantees on loans made by private lenders to help new and existing businesses gain access to affordable capital by lowering the lender's risk and allowing for more favorable interest rates and terms. A recent change to the program allows projects that are physically located in urban areas if the project benefits underserved communities. The Business and Industry Loan Guarantee program is available on a rolling basis throughout the year. More information is available here: <http://www.rd.usda.gov/programs-services/business-industry-loan-guarantees/>

Value-Added Producer Grants (VAPG)

The primary objective of USDA's Value-Added Producer Grant Program (VAPG) is to help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based value-added products. VAPG grants are available to producers or producer groups in urban and rural areas. Eligible projects include business plans to market value-added products, evaluating the feasibility of new marketing opportunities, expanding capacity for locally and regionally-grown products, or expanding processing capacity. More information is available here: <http://www.rd.usda.gov/programs-services/value-added-producer-grants>.

Community Facilities Direct Loan and Grant Program

USDA's Community Facilities Direct Loan and Grant program provides infrastructure support in rural communities under 20,000 people. Grants and loans have been used for commercial kitchens, farmers markets, food banks, cold storage facilities, food hubs and other local food infrastructure. Grants are available to public entities such as municipalities, counties, and special-purpose districts, as well as non-profits and tribal governments. Grant funds can be used to construct, enlarge, or improve community facilities and can include the purchase of equipment required for a facility's operation. More information is available here: <http://www.rd.usda.gov/programs-services/community-facilities-direct-loan-grant-program>.

Rural Business Development Grants

This new USDA-RD program essentially combines the former Rural Business Enterprise Grant program (RBEG) and the Rural Business Opportunity Grant program (RBOG). The competitive grant program supports targeted technical assistance, training and other activities leading to the development or expansion of small and emerging private businesses in rural areas. Programmatic activities are separated into enterprise or opportunity type grant activities. Towns, cities, state agencies, and non-profit organizations are among the eligible applicants.

Enterprise type grant funds must be used on projects to benefit small and emerging businesses in rural areas as specified in the grant application. Uses may include:

- Training and technical assistance, such as project planning, business counseling/training, market research, feasibility studies, professional/technical reports, or product/service improvements.
- Acquisition or development of land, easements, or rights of way; construction, conversion, renovation, of buildings, plants, machinery, equipment, access streets and roads, parking areas, utilities.
- Pollution control and abatement.
- Capitalization of revolving loan funds including funds that will make loans for start-ups and working capital.
- Distance adult learning for job training and advancement.
- Rural transportation improvement.
- Community economic development.
- Technology-based economic development.
- Feasibility studies and business plans.
- Leadership and entrepreneur training.
- Rural business incubators.
- Long-term business strategic planning.

Opportunity type grant funding must be used for projects in rural areas and they can be used for:

- Community economic development.
- Technology-based economic development.
- Feasibility studies and business plans.
- Leadership and entrepreneur training.
- Rural business incubators.
- Long-term business strategic planning.

For more information, visit: <http://www.rd.usda.gov/programs-services/rural-business-development-grants>.

USDA Natural Resource Conservation Service

Environmental Quality Incentives Program (EQIP)

EQIP provides cost-share and technical assistance to farmers and ranchers in planning and implementing conservation practices that improve the natural resources (e.g. soil, water, wildlife) on

their agricultural land and forestland. A practice supported through EQIP is the installation of seasonal high tunnels (also known as hoop houses), which are unheated greenhouses that can extend a producer's growing season while conserving resources. In addition, EQIP can help producers transition to organic production or help those growers already certified maintain their certification.

More information is available here: <http://www.nrcs.usda.gov/wps/portal/nrcs/main/national/programs/financial/eqip/>

USDA National Institute of Food and Agriculture

Community Food Projects

Community Food Projects are designed to increase food security in communities by bringing the whole food system together to assess strengths, establish linkages, and create systems that improve the self-reliance of community members over their food needs. Grants are intended to help eligible private nonprofit entities in need of a one-time infusion of federal assistance to establish and carryout multipurpose community food projects. More information is available here: http://www.nifa.usda.gov/funding/cfp/cfp_synopsis.html.

Food Insecurity Nutrition Incentive (FINI) Grant Program

The 2014 Farm Bill created this program, which supports projects to increase the purchase of fruits and vegetables among people participating in the Supplemental Nutrition Assistance Program. Applicants may propose small pilot projects (up to \$100,000 for 1 year), multi-year community-based projects (up to \$500,000 for up to 4 years), or larger-scale multi-year projects (more than \$500,000 for up to 4 years). USDA is looking to fund innovative projects that will test community based strategies for how to increase the purchase of fruits and vegetables by SNAP participants through incentives at the point of purchase. USDA will give priority to projects underserved communities and to projects that provide locally- or regionally-produced fruits and vegetables. Applications are due December 15, 2014. More information is available here: <http://nifa.usda.gov/program/food-insecurity-nutrition-incentive-fini-grant-program>.

Beginning Farmers and Ranchers Development Program

This program provides grants to organizations that train, educate, and provide outreach and technical assistance to new and beginning farmers on production, marketing, business management, legal strategies and other topics critical to running a successful operation. The Agriculture Act of 2014 provided an additional \$20 million per year for 2014 through 2018. The reasons for the renewed interest in beginning farmer and rancher programs are: the rising average age of U.S. farmers, the 8% projected decrease in the number of farmers and ranchers between 2008 and 2018, and the growing recognition that new programs are needed to address the needs of the next generation of beginning farmers and ranchers. More information is available here: <http://www.nifa.usda.gov/fo/beginningfarmersandranchers.cfm>.

Small Business Innovation Research (SBIR) program

SBIR grants help small businesses conduct high quality research related to important scientific problems and opportunities in agriculture. Research is intended to increase the commercialization of innovations and foster participation by women-owned and socially and economically

disadvantaged small businesses in technological innovation. Grants can be applied towards many areas or research, including projects that manage the movement of products throughout a supply chain, develop processes that save energy, and capture and relay real-time market data. More information is available here: <http://nifa.usda.gov/program/small-business-innovation-research-program>.

Sustainable Agriculture Research and Education (SARE)

The mission of the SARE program is to advance sustainable innovations in American agriculture. SARE is uniquely grassroots, administered by four regional offices guided by administrative councils of local experts. Non-profit organizations, researchers, and individuals producers are eligible to apply. More information is available here: <http://www.sare.org/>.

Agriculture and Food Research Initiative (AFRI)

AFRI is charged with funding research, education, and extension grants and integrated research, extension, and education grants that address key problems of National, regional, and multi-state importance in sustaining all components of agriculture, including farm efficiency and profitability, ranching, renewable energy, forestry (both urban and agroforestry), aquaculture, rural communities and entrepreneurship, human nutrition, food safety, biotechnology, and conventional breeding. Providing this support requires that AFRI advances fundamental sciences in support of agriculture and coordinates opportunities to build on these discoveries. This will necessitate efforts in education and extension that deliver science-based knowledge to people, allowing them to make informed practical decisions. For more information: <http://www.nifa.usda.gov/funding/afri/afri.html>.

USDA Farm Service Agency

Microloan Program

The Farm Service Agency's (FSA) microloan program is available to agricultural producers in rural and urban areas and provides loans of up to \$35,000 on a rolling basis. Streamlined paperwork and flexible eligibility requirements accommodate new farmers and small farm operations. Larger loans are also available through FSA. Contact your local FSA office and visit <http://www.fsa.usda.gov/programs-and-services/farm-loan-programs/microloans/index> for more information.

Farm Storage Facility Loans

These loans finance new construction or refurbishment of farm storage facilities. This includes cold storage and cooling, circulating, and monitoring equipment, which can be particularly important to those growing for local fresh markets. Interested producers should contact their local FSA office and visit

http://www.fsa.usda.gov/FSA/newsReleases?area=newsroom&subject=landing&topic=pfs&newstype=prfactsheet&type=detail&item=pf_20140310_frnl_n_en_prg.html.

USDA Food and Nutrition Service

Farm to School Grants

Farm to School Grants are available to help schools source more food locally, and to provide complementary educational activities to students that emphasize food, farming, and nutrition. Schools, state and local agencies, tribal organizations, producers and producer groups, and non-

profits are eligible to apply. Planning, implementation, and support service grants are available from \$20,000 to \$100, 000. More information and resources are available at www.fns.usda.gov/farmtoschool/farm-school.

Supplemental Nutrition Assistance Program (SNAP)

As of 2014, more than 2,500 farmers' markets nationwide are set up to accept SNAP's electric benefit transfer (EBT) cards. Benefits can be used to purchase many of the foods sold at farmers' markets, including fruits and vegetables, dairy products, breads and cereals, and meat and poultry. They can also purchase seeds and plants which produce food for the household to eat. More information about SNAP benefits at farmers' markets is available from USDA here: <http://www.fns.usda.gov/ebt/learn-about-snap-benefits-farmers-markets>.

WIC Farmers' Market Nutrition Program (FMNP)

This program provides coupons for local food purchases to women, infants, and children that are eligible for WIC benefits. The coupons can be used to purchase eligible foods from farmers, farmers' markets, and roadside stands. Only farmers, farmers' markets, and roadside stands authorized by the State agency may accept and redeem FMNP coupons. Individuals who exclusively sell produce grown by someone else such as wholesale distributors, cannot be authorized to participate in the FMNP. For more information, visit: <http://www.fns.usda.gov/fmnp/overview>.

Senior Farmers' Market Nutrition Program

This program, similar to FMNP, awards grants to States, United States Territories, and federally-recognized Indian tribal governments to provide low-income seniors with coupons that can be exchanged for eligible foods (fruits, vegetables, honey, and fresh-cut herbs) at farmers' markets, roadside stands, and community supported agriculture programs. For more information, visit: <http://www.fns.usda.gov/sfmnp/overview>.

Funding Programs in Support of Other Livable Community Projects

The programs listed below are popular resources that support a variety of livability projects. The publication "Federal Resources for Sustainable Rural Communities" is a useful guide from the HUD-DOT-EPA Partnerships for Sustainable Communities that describes several additional resources:

- <http://www.sustainablecommunities.gov/partnership-resources/federal-resources-sustainable-rural-communities-guide>

National Endowment for the Arts Our Town Grants

The National Endowment for the Arts' Our Town grant program is the agency's primary creative placemaking grants program. Projects may include arts engagement, cultural planning, and design activities. The grants range from \$25,000 to \$200,000. Our Town invests in creative and innovative projects in which communities, together with their arts and design organizations and artists, seek to:

- Improve their quality of life;
- Encourage greater creative activity;
- Foster stronger community identity and a sense of place; and
- Revitalize economic development.

More information: <http://arts.gov/grants/apply-grant/grants-organizations>

EPA Brownfields Programs

- **Area-wide Planning Pilot Program:** Brownfields Area-Wide Planning is an EPA grant program which provides funding to recipients to conduct research, technical assistance and training that will result in an area-wide plan and implementation strategy for key brownfield sites, which will help inform the assessment, cleanup and reuse of brownfields properties and promote area-wide revitalization. Funding is directed to specific areas, such as a neighborhood, downtown district, local commercial corridor, or city block, affected by a single large or multiple brownfield sites. More information: http://www.epa.gov/brownfields/areawide_grants.htm.
- **Assessment Grants:** Assessment grants provide funding for a grant recipient to inventory, characterize, assess, and conduct planning and community involvement related to brownfields sites. Eligible entities may apply for \$200,000 and up to \$350,000 with a waiver. More information: http://www.epa.gov/brownfields/assessment_grants.htm.
- **Revolving Loan Fund Grants:** Revolving Loan Fund (RLF) grants provide funding for a grant recipient to capitalize a revolving loan fund and to provide subgrants to carry out cleanup activities at brownfield sites. More information is available here: <http://www.epa.gov/brownfields/rlflst.htm>.
- **Cleanup Grants:** Cleanup grants provide funding for a grant recipient to carry out cleanup activities at brownfield sites. An eligible entity may apply for up to \$200,000 per site. More information is available here: http://www.epa.gov/brownfields/cleanup_grants.htm.

Transportation Alternatives Program (TAP)

The Federal Highway Administration's TAP provides funding for programs and projects defined as transportation alternatives, including on- and off-road pedestrian and bicycle facilities, infrastructure projects for improving non-driver access to public transportation and enhanced mobility, community improvement activities, and environmental mitigation; recreational trail program projects; safe routes to school projects; and projects for planning, designing, or constructing boulevards and other roadways largely in the right-of-way of former Interstate System routes or other divided highways. In rural areas, these funds are typically allocated by state departments of transportation. For more information, visit: <http://www.fhwa.dot.gov/map21/guidance/guidetap.cfm>. For more information on Safe Routes to School projects and programs (which are eligible for funding under TAP), visit: http://www.fhwa.dot.gov/environment/safe_routes_to_school/.