



Show-Me Entrepreneurial Grants for Agriculture (SEGA) *Innovation Grants* Program Guidelines

The Missouri Agricultural and Small Business Development Authority's (MASBDA) objective for this program is to provide partial funding in the form of grants to producers, businesses, non-profits, cooperatives and academic institutions for facilities, equipment, upgrades, services, coordinated efforts and cooperative marketing related directly to increasing value-added agriculture.

An agricultural product is defined as: An agricultural, horticultural, viticultural, or vegetable product; growing of grapes that will be processed into wine; bees; honey; fish or other aquacultural product; planting seed; livestock; livestock product; forestry product; or poultry or poultry product, in its natural state.

Value-added agriculture is defined as:

- A change in the physical state or form of the product.
- The production of a product in a manner that enhances its value, as demonstrated through a business plan.
- The physical segregation of an agricultural commodity or product in a manner that results in the enhancement of the value of that commodity or product.

As a result of the change in physical state or the manner in which the agricultural commodity or product is produced and segregated, the customer base for the commodity or product is expanded and a greater portion of revenue derived from the marketing, processing or physical segregation is made available to the producer of the commodity or product.

APPLICATION CYCLES

MASBDA will consider SEGA Innovation Grant applications to assist those interested in increasing value-added agriculture in the state.

To be considered for June 2023 funding, MASBDA must receive one original, one hard copy and an electronic copy no later than 5 p.m. on April 28, 2023.

APPLICANT ELIGIBILITY

1. Eligible applicants must be an individual(s) who is at least 18 years of age and a legal Missouri resident. Applicant may also be a group of individuals, cooperatives, non-profit, academic institution, business or organization related to agriculture whose proposed value-added

agricultural business or service concept is based in Missouri.

2. Eligibility will not be determined or otherwise affected by any consideration of race, religion, sex, creed, color or residence, other than the individual recipient must be a legal Missouri resident.
3. Grant recipients must be able to provide proof of citizenship; identity; residence; and enrollment in E-verify, the federal work authorization program. Please see www.everify.gov for more information about the program and the enrollment process.
4. Applications will be scored on a competitive basis principally on how they conform to the grant program's intent, objectives and criteria and the proposal's cost effectiveness.
5. The grant recipient will be responsible for any federal or state taxes applicable for funds received, if awarded, and it is recommended the applicant consult with a tax professional prior to submitting an application, and upon potential award.
6. Prior to final grant disbursement the grant recipient will be required to submit to MASBDA a final written report. The final grant disbursement will be withheld pending receipt of the final report. Interim reports will be required in accordance with the project's approved work plan.

PROJECT ELIGIBILITY

Applications will be considered to fund up to 75 percent of eligible project expenses including facilities, equipment, upgrades, and marketing, production, services, coordinated efforts and cooperative marketing related to value-added agriculture. Projects eligible for funding include but are not limited to:

- a. Expansion of existing facilities
- b. Construction of a new facility
- c. Equipment purchases for new or existing facilities
- d. Formation of a production/marketing cooperative
- e. Consulting services

RESTRICTIONS

The program does not provide funds for the following:

- a. Operational costs such as payroll, supplies, utilities, inventory, insurance and advertising
- b. Paying off existing debt
- c. Salary for owners/current employees
- d. Reimbursement for anything purchased prior to grant award
- e. Substituting existing efforts or research already underway
- f. Indirect expenses
- g. Buying land
- h. Payment of fines or penalties, bad debts, and lobbying or entertainment expenses

FUNDING LEVEL AND MATCH

The maximum cumulative *SEGA Innovation Grant(s)* award to any individual, groups of individuals, businesses, non-profits, cooperatives or organizations related to a value-added agricultural business or service is \$250,000. Requests for funds must be justified with respect to the project scope. Applicants must be able to produce bids for equipment/services to verify costs, if requested.

Applicants are required to meet a minimum 25% cash match for a funded project.

Cash Match is defined as cash that is contributed by the applicant specifically toward the cost of the project in categories funded by the *Innovation* Grant as detailed in Attachment B of the application. The Confirmation of Cash Contribution statement included on Attachment B must be completed.

MULTIPLE PROPOSALS

Multiple applications from the same applicant will be considered if each application covers distinctly different value-added agriculture businesses or services. Applications that have been submitted to other state or federal grant programs may also be considered, but there cannot be duplication of the same expense.

CHANGES

All changes to contracts and/or budgets as presented in the grant application must receive prior approval from MASBDA before payment of invoices will be approved.

FEES

There are no application fees for the Missouri SEGA *Innovation Grant Program*.

EVALUATION AND FUNDING CRITERIA

Proposals will be selected on a competitive basis. Each proposal will be evaluated and rated within a framework of 100 maximum points using the following criteria:

AGRICULTURE ECONOMIC DEVELOPMENT POTENTIAL (45 points possible)

The grant program's objective is to create a positive economic impact through the creation, development, and operation of businesses or services involved in adding value to agricultural products. Preference will be given to proposals which provide benefits to multiple Missouri agricultural producers or foster greater use of Missouri agricultural products. This category will be evaluated in terms of: 1) economic development potential and direct economic impact to Missouri's agricultural producers; 2) developing or expanding markets for a Missouri agricultural product; 3) potential for creating new jobs; and 4) capital investment.

CREDIBILITY AND NEAR TERM IMPACT (35 points possible)

The qualifications — abilities and technical skills — of the project's principals and subcontractors are critical to the success of each application, as is the economic, scientific or technical merit of any proposed project. MASBDA will judge each proposal for its perceived feasibility. An application with substantial market and near-term commercial potential, innovative product/process development, and commercial feasibility will be favored more than one with little perceived economic impact. Applications and anticipated project results should demonstrate a reasonable and feasible work plan and time frame for completion.

MERIT (20 points possible)

Each member of the MASBDA Board of Directors may award up to 20 additional points per proposal. These points are based largely on individual judgment of a proposal's likely success.

APPLICATION EVALUATION AND GRANT AWARD PROCESS

MASBDA will review, evaluate and award grants on a timetable to be set by MASBDA. No partial applications will be considered. All applications will be screened for completeness and eligibility upon receipt by MASBDA staff.

MASBDA will consider each application individually. Each application will compete for limited funds. All proposals must include sufficient information to allow funding criteria to be evaluated.

MASBDA reserves the right to decrease the amount of requested funding based on its findings and on its level of available funds. Should the process produce a funding level less than the amount requested in the application, MASBDA staff will confer with the applicant(s) to determine whether the amount recommended would alter the project's feasibility.

Each applicant will be notified of the MASBDA's decision. The decision is binding and not subject to review or appeal.

MASBDA reserves the right to audit the applicant's books and records relating to project performance during and up to three years following the project's completion. MASBDA also may recover grant funds not used per the contract or if a misrepresentation should occur.

Grant recipients must enter into a contract with MASBDA. Once the applicant and MASBDA staff agree to a contract, it will be considered for final approval by MASBDA's executive director. MASBDA program staff will monitor and evaluate each funded project. The contract will establish an approved project plan of work and budget and will list responsibilities of project personnel.

Principals of a project awarded a grant will be responsible for the approved project plan of work, project budget, and responsibilities of project personnel.

Grant recipients may be reimbursed for approved expenditures upon receipt of invoice and proof of payment such as a cancelled check and receipt of payment. Grant funds may be paid directly to the supplier of services upon receipt of an approved invoice.

Principals of an organized business (such as an LLC) awarded a grant will be responsible for the approved project plan of work, project budget, and responsibilities of project personnel.

The cash match commitment must be documented by proof of payment in each approved budget category as "Contributed Cash Match" as shown on Attachment C Project Budget Summary before the final grant funds can be disbursed.

Basic project information including the award amount and a brief project description may be used in media releases upon grant award.

CONDITIONS

MASBDA will not be held liable for any costs incurred by any firm for work performed in the preparation and production of a proposal or for any activities performed prior to the date of grant award.

MASBDA reserves the right to:

- Reject any or all applications received;
- Waive or modify minor irregularities in applications received after prior notification and applicant agreement;
- Clarify the scope of this program, within the application requirements and with appropriate

- notice to all applicants, to better serve the interests of the State of Missouri;
- Amend the program specifications after their release, with appropriate written notice to all potential applicants;
 - Approve the submitted budget on a line-by-line basis;
 - Request copies of bids;
 - Require a good faith effort on the part of the project sponsor to work with MASBDA subsequent to project completion to develop or implement the project results in Missouri; and
 - Withhold any payments if contract conditions are not met.

All proposals submitted in response to a call for applications will become the property of MASBDA.

APPLICATION SUBMISSION

One original, one copy and an electronic copy of the Missouri SEGA *Innovation* Grant Application should be received no later than 5 p.m. on April 28, 2023 by:

Missouri Agriculture and Small Business Development Authority
P.O. Box 630
1616 Missouri Boulevard
Jefferson City, MO 65102
Email: masbda@mda.mo.gov
Fax: (573) 522-2416

For additional information or to access the program application, call (573) 751-2129, or visit our website at masbda.com.

REPORTING REQUIREMENTS

Interim Written Update

Interim reporting requirements will be based on the project's duration, nature, cost and approved work plan. Interim reports will include detailed coverage of project activities and findings and include goals for work to be completed prior to the next scheduled report. MASBDA reserves the right to modify the reporting requirements during the course of the project.

Final Report

At a minimum, an original and two (2) copies of a written final report will be required within 60 days following project completion. The final report shall include program and fiscal summaries. The program summary shall include the following:

1. A brief description of the original intent of the project and a summary of how the project achieved one or more of the following:
 - a. Job creation
 - b. New capital investment
 - c. Enhanced opportunities for Missouri producers
 - d. Market development of new or expanded uses of Missouri's agricultural products
2. An evaluation of project results and benefits, including how they met original expectations
 - a. Future projections that may result from receiving grant funds
 - b. Other appropriate information related to the project

The final grant disbursement will be withheld pending receipt of the final report.

Failure of the principal to submit required reports in a timely manner will result in delay of invoice reimbursement and ineligibility for future awards under the SEGA Program.

In addition to the final project report, MASBDA reserves the right to conduct a follow-up survey of funded projects to determine long-term economic impacts.