

### **Guidelines**

We appreciate your interest in N.C. MarketReady, a program that brings together a multi-disciplinary team to address the needs, challenges and opportunities for North Carolina farmers in the areas of entrepreneurship and innovation in agriculture. The N.C. Value-Added Cost Share Equipment for Processors program (NCVACS-Processor) is funded by the N.C. Tobacco Trust Fund Commission and the N.C. Rural Economic Development Center through the Family Farm Innovation Fund. NCVACS-Processor is designed to provide cost share funding for equipment to value-added processors of agricultural products in N.C. that utilize at least 50% of agricultural inputs that are grown and/or raised in the state. Awards for NCVACS-Processor are made through a competitive application process for the purchase of eligible, value-added processing equipment.

#### **Where do I find the NCVACS-Processor application?**

- Download an application from [www.ncmarketready.org](http://www.ncmarketready.org). Select “Value-Added Cost Share” from the left menu bar and choose the tab Cost Share Applicants.
- Email [brittany\\_whitmire@ncsu.edu](mailto:brittany_whitmire@ncsu.edu) or call 919-830-9557 to request a paper application by mail.
- NOTE: Value-added producers may also apply for NCVACS-Equipment funding; however there are producer-specific guidelines and application, which can be found at [www.ncmarketready.org](http://www.ncmarketready.org).

#### **How do I format the NCVACS-Processor application?**

- Make your application easy to read. Applications should be typed in a standard, 12-point font; if completing the application by hand, please print legibly in black ink. Please complete the worksheets and limit your responses to the narrative questions to the space provided.
- Use standard, letter-sized paper (8.5” X 11”) that will easily photocopy. Please use white paper without background patterns or designs.
- Please do not exceed the space allowed for each response; maintain at least a 1-inch margin around each page.

#### **When is the NCVACS-Processor application due?**

- Completed NCVACS-Processor Applications are now being accepted. Eligible producers are encouraged to apply at **any time before December 31, 2010**. Contact Brittany Whitmire, program coordinator, to verify eligibility and funding availability prior to submitting an application.
- Completed application packets must include an original application with supporting documents and three (3) additional copies of the entire application. Mail applications to NCSU Value-Added Cost Share Program, 1065 Whitmire Road, Brevard, NC 28712.

**Eligibility Requirements and Priority:**

**Applicants must meet all of the following stipulations for NCVACS-Processor funding.**

1. ***A North Carolina-based business, registered and/or licensed in the state***
  - Includes sole proprietorships, partnerships, corporations, limited liability corporations and cooperatives. Also includes nonprofit organizations and public bodies.
2. ***Processor of value-added agricultural products of which at least 50% of the raw agricultural inputs are grown/raised in N.C.***

**Applicants must meet at least one of the following stipulations for NCVACS-Processor funding.**

1. ***Processing results in a change in the physical state of an agricultural commodity (an unprocessed product from a farm) such that the original commodity cannot be returned to its original state.***
  - Examples of value-added products in this category include sliced apples, diced tomatoes and packaged meats. Common production methods are *not* considered a change in physical state. For example, dehydrated corn, bottled milk, raw fiber, Christmas trees and cut flowers are *not* eligible in this category.
2. ***Physical product segregation.***
  - An example of a value-added product in this category is a one made with organic sweet potatoes produced in the same facility as a product with non-organic sweet potatoes, but physically separated so that no crossover occurs.
3. ***Farm-based renewable energy generation.***
  - An example of a value-added product in this category is the use of a N.C. farm-based commodity or waste product to generate energy in an anaerobic digester. Fuels such as ethanol, bio-diesel or switchgrass pellets that are not produced on a farm in N.C. are *not* eligible under this category.

***Priority will be given to the following:***

- ***Rural businesses*** (According to [http://www.ncruralcenter.org/databank/rural\\_county\\_map.php](http://www.ncruralcenter.org/databank/rural_county_map.php))
- ***Small businesses*** (According to standards set by the Small Business Administration. Visit <http://www.sba.gov/size/index.html> for more information.)
- ***Applicants that are not currently receiving financial assistance from any other project funded by the N.C. Tobacco Trust Fund Commission or the N.C. Rural Economic Development Center.***

**Eligible Equipment for Cost Share Awards**

General business equipment is not eligible for NCVACS-Processor funding. However, particular packaging and processing equipment, and other equipment that is integral to the processing of a value-added agricultural product for which a clear need is demonstrated, are eligible for NCVACS-Processor cost share funding.

NCVACS-Processor awards may be applied toward both new and used equipment, provided that the equipment is fully functioning and can be utilized immediately upon receipt. If NCVACS funds are to be

applied to new equipment, at least two (2) estimates or quotes, including specification sheets and photo(s) and/or diagram(s) are required. If NCVACS funds are to be applied to used equipment, an independent, third-party appraisal, including photo(s) and/or diagram(s), and proof of clear ownership, such as a receipt, are required. **The professional appraiser must be approved by N.C. MarketReady. Submit credentials by completing Section V, “Appraiser Certification,” in the NCVACS-Processor application.**

Ownership of the equipment purchased with the assistance of an NCVACS-Processor award must be maintained for a minimum of two years from the date of purchase. Records of the project must be maintained for a five-year period, beginning at the NCVACS-Processor award date. NCVACS, the N.C. Tobacco Trust Fund Commission and the N.C. Rural Economic Development Center reserve the right to review any records related to the NCVACS project during the stated period of time.

**Multiple Grant Eligibility**

Eligible applicants may only receive one NCVACS-Processor award.

**Certification of Matching Funds**

NCVACS-Processor awards are designed to offset the cost of value-added equipment for eligible North Carolina businesses that process value-added agricultural products. Expenses incurred beyond the NCVACS-Processor award will be the responsibility of the eligible party submitting the application. Applicants must certify that matching funds will be available at the same time cost share funds are anticipated to be spent.

<b>Table 1</b>	
<b>Total Equipment Budget</b>	<b>NCVACS-Processor Award</b>
Up to \$50,000	Up to 50% cost share
\$50,001 - \$100,000	Up to 40% cost share
\$100,001 - \$150,000	Up to 30% cost share
\$150,001 and above	Up to 25% cost share; \$50,000 maximum

Recipient matching funds equal to the cost share amount must be spent in advance of cost share funding. NCVACS-Processor funding will be issued on a reimbursement basis to the recipient. Recipients will verify their expenditures by completing the Matching Funds Report (available at <http://www.ncmarketready.org>, under “Value-Added Cost Share”) and submitting copies of receipts, canceled checks or paid invoices. *For example: An award recipient purchases an eligible piece of value-added equipment costing \$140,000 during the NCVACS-Processor period. The recipient is eligible for cost share funding up to 30% of the total expenditure of \$140,000 (\$42,000). The recipient must submit proof of payment and other required documentation to NCVACS. NCVACS will then issue a cost share payment of \$42,000 to the NCVACS-Processor recipient.*

### **Requirements**

The NCVACS program will base funding decisions on information supplied by the applicant. Applicants are expected to respond to requests for clarification or additional information in a timely fashion. Any application that does not contain information sufficient to permit review after the request for additional information has been made will be disqualified from further consideration. An application may be withdrawn by request of the applicant.

Applicants must assure N.C. MarketReady that they will permit audits and site visits for the enterprise described in their applications for a period of up to five years from the date of the award. Applicants must also agree to provide information to N.C. MarketReady that may be used to create case studies for educational and reporting purposes for the same period of up to five years from the date of the award.

### **Public Documents Notice**

All applications, attachments to applications and written materials received by the NCVACS program are public record, unless determined otherwise by court order or other applicable law. Cost share recipients may be asked to provide feedback and information to NCVACS that may be incorporated into case studies, educational materials, etc.

### **Reporting Policy**

Successful applicants will be expected to submit the following written documentation:

- Contractual Agreement between cost share recipient and North Carolina Agricultural Foundation must be signed **before** requested equipment can be purchased, no later than March 1, 2011.
- Matching Funds Report (available at <http://www.ncmarketready.org>) – Due on or before April 1, 2011. All equipment funded with NCVACS-Processor awards must be purchased by April 1, 2011 and final paperwork must be completed by May 1, 2011.

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For more information on NCVACS-Processor, visit <http://www.ncmarketready.org> or contact Brittany Whitmire at [brittany\\_whitmire@ncsu.edu](mailto:brittany_whitmire@ncsu.edu) or 919-830-9557.