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QUESTIONS & ANSWERS FOR APPLICANTS

Southern Tier Agricultural Industry Enhancement Program On-Farm Enhancement Grant Program

I) General Program Information

- The first round of funding applications are due March 7, 2016 at 4:00pm.
- Applications must be submitted to local Soil and Water Conservation Districts in these eligible counties: Allegany, Broome, Cattaraugus, Chautauqua, Chemung, Chenango, Delaware, Steuben, Schuyler, Tompkins, and Tioga.
- Applications must implement a component of a business or environmental plan.

II) Questions on Eligible Farms

- 1) Is there a list of pre-approved farms?

No, each farm must submit an application, including eligibility information and associated documents.

- 2) Are CAFO farms under an Order on Consent eligible?

Yes, if the farm has agreed to an Order of Consent, it is deemed to be in compliance with State Law.

- 3) If a farm files out of state taxes, but owns property and farms the property in New York State, is that farm eligible for STAEIP?

The operation must have received the NYS Farmers' School Property Tax Credit in 3 of the last 5 years. In addition, the entity that owns the property must be a resident of NYS.

- 4) Can a farmer apply for the Farmers' School Property Tax Credit if he doesn't file NYS income tax?

Farms should consult with their tax professional. Eligible applicants must be residents of New York State.

- 5) If a farmer owns, or partially owns, more than one farm, and each of the farms are a separate business entities. Do both business entities qualify for funding?

Yes, if each business entity meets all the eligibility requirements independently.

- 6) If a farm is owned by multiple farmers, can each farmer apply separately?

No. Each farm operation may submit only one application.

- 7) If the farmer does not own the farmland, but does not pay a rental fee (e.g., the farmer rents from their parents), is the farm eligible?

No. The applicant must: a) own the farmland; b) own and operate the farm operation; and c) file for the Farmers' School Property Tax Credit to be eligible.

- 7) If the farm is legally registered as a corporation, how does that impact this application?

Corporations are eligible applicants and must meet all eligibility criteria.

- 8) If a farmer is currently in the process of purchasing the farm, and the tax credit was previously filed on the other landowner's taxes, do they still qualify or do they have to wait to show the 3 year credit on their tax return?

They will have to wait. Eligible applicants must own the farm, and have filed for the Farmers' School Property Tax Credit in three of the five years preceding submission of the application.

- 9) Are potential applicants eligible if they have a current contract with the state (e.g., Ag NPS grant)? Can STAEIP funds be used as cost share/match for the other NYS grants?

Existing contracts with the state do not impact an applicant's eligibility. However, the proposed projects must be new, and state funds may NOT be used as match for other state funding sources.

- 10) My farm is located in more than one county. In which county should I apply?

The application should be submitted to the county in which the farm operation is physically located. Farm operations must be physically located and the project implemented in an eligible county.

III) Questions on Eligible Projects

- 1) What specifications are required for construction projects?

Environmental projects must meet NYS NRCS Standards and Specifications, which will require certification by an engineer and/or an individual with State, or Federal Job approval authority.

Other structural projects, must meet all applicable local and state regulations, codes, and/or permit requirements. In these cases, a Certificate of Occupancy shall serve as documentation of compliance. In the event a structure is not subject to local and state regulations, codes, and/or permit requirements, the applicant must document that the structure has been deemed exempt (e.g. letter from the applicable state or municipal entity indicating that the awarded structural project is exempt).

- 2) Is land clearing an eligible project?

No.

- 3) If a vineyard operation wants to reclaim land that used to be a vineyard but is now trees and brush, can they apply for the cost of taking down the trees and brush, leveling, adding lime, and adding drainage without planting the vineyard within in the one year contract period?

Elements of this project (drainage, for example) may be eligible, but land clearing is not an eligible expense.

- 4) Would a drag line system be eligible?

No. A drag line system is considered rolling stock, and therefore not eligible. .

- 5) Would a bedding recovery unit be allowed?

Yes, if permanently installed and part of a Best Management Practice system(s).

- 6) Are Christmas trees considered a permanent planting? What about nursery stock?

Neither is considered a permanent planting.

- 7) Are engineering costs an eligible expense?

Yes.

- 8) Can Non-Eligible costs be used as cash match?

No.

- 9) Can a farm pool STAEIP funds with another grant fund to get a larger-than-planned project done, while still meeting all match requirements? For example, there is a farm that has AgNPS funding for a manure storage. The project costs in the grant were substantially under estimated and the farm is not in the position to fund the difference. This would NOT be their cost share amount. The farm would still meet the required match of each project independent of the other.

No. The AgNPS program requires the farmer to meet all cost overruns.

IV) Funding

- 1) Is this a reimbursement program? Who fronts the money, and who pays whom when?

Yes. See section II.G. of the RFA for reimbursement requirements. Awarded applicants will be subject to the specific terms of the executed contract with the Soil and Water Conservation District.

- 2) What procurement policies are required? Are three sealed bids required?

Successful applicants will follow the procurement policies identified in the specific terms of the executed contract with the Soil and Water Conservation District.

- 3) If a farm applies for only a portion of the possible \$100,000, can they apply at a later time for the remainder?

No, there is a limit of one application per farm operation.

- 4) Can match funding include expenses paid in-kind (time, labor, equipment, etc.)?

No.

- 5) If a farm has a grant for drainage, and the farm is the most capable to install the drainage, would a paid payroll bill for the laborers, a bill for the equipment time, and a bill for the purchased drainage be deemed acceptable for the match?

Based upon the information provided, the payroll for the farm labor required to complete the project and the value of equipment used would be considered in-kind funds. In-kind funds are not an eligible match under this program. The drainage tile would be an eligible cost.

- 6) If a farm was eligible for the farmer's school property tax credit and did not take it. Can they file an amended return and still qualify?

The applicant would need to consult a tax professional.

- 7) What is the application cutoff date for the first round, and when will the producers know whether or not their application will be funded?

Awards will be made on a semi-annual basis. The first round of applications will be due March 7, 2016 at 4:30pm. Decisions on the first round will be released in advance of the open period for the second round.

V) Environmental Requirements

- 1) Do environmental projects have to complete a full Best Management Practice system (similar to other state grant programs), or are discrete BMP components eligible?

All eligible environmental projects must result in a complete system(s).

VI) Planning Requirements

- 1) Who would be considered 'certified' to write a business plan and review the business plan? Farm Credit? Co-Operative Extension? Corning Community College?

All the entities mentioned here would qualify to write business plans. See the RFA for more information.

- 2) What are the planning requirements for production (non-environmental) practices? Can the plan simply be a one pager with existing condition, planned practice, cost estimate, planned condition, and exactly how that has an economic gain on the farm? Or is it more complicated than that? Can we do them or does it have to be someone different, if so who?

Specific requirements can be found in Section II B. Project Eligibility. Additional instructions can also be found in the application.

- 3) Would a one page letter from a lending institution saying they would lend the match sum and they see this project as an economic benefit to the farm suffice or not?

No. The letter would qualify as a commitment of cash match, but would not meet the requirements for the business plan or the profitability analysis.

4) Are planning costs an eligible expense?

No. Planning costs related to the development of a farm business or environmental plan are not eligible as they are incurred prior to the award of a project.