

Farm to Community Food Hubs Grant Program Frequently Asked Questions

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General

What is a community food hub?

If an applicant's project aligns with the definition of "community food hub", as detailed in Section 1.2 Definitions in the Request for Application, the project would likely qualify as a community food hub for this program.

The definition from the Request for Application is: "an organization or business that serves as a supply chain intermediary by purchasing food products from and providing aggregation, distribution, and/or marketing services for multiple local or regional California food producers, especially those using sustainable or climate-smart agricultural practices and following state labor practices. The community food hub provides these services to strengthen the ability of its California food producer communities to reach sales markets with wholesale, retail, and/or institutional buyers and identifies the source (e.g. location where food was produced) of 100% of the food products sold. These organizations or businesses may use a centrally located facility, such as a warehouse, or aggregate more informally, such as virtually coordinating supply chain activities for multiple local or regional producers."

What is a food producer?

For this grant program, CDFA defines a food producer in Section 1.2 in the Request for Application as:

a person, group of individuals, nonprofit organization, or California Native American Tribe (federally-recognized and non-federally-recognized) that leases, rents, or owns land in California (whether the land is publicly owned, privately owned, or Tribal trust land) and cultivates crops, raises livestock, and/or is a California seafood harvester. Also a California Native American Tribe (federally-recognized and non-federally-recognized), Tribal member, or person that leases, rents, owns, or uses land in California (whether the land is publicly owned, privately owned, Tribal trust land, or Tribal ancestral lands) and uses Indigenous food production practices on this land or in waters for seafood harvesting.

Why does the grant program emphasize selling to institutions?

Due to the California statue authorizing the Farm to Community Food Hubs Program (California Food and Agricultural Code, Div. 1, Pt. 1, Ch. 3, Art. 10, Sec. 590-593). The statute establishes the purpose of the program as: "[...] established for the purpose of piloting investments in the capital aggregation and distribution infrastructure needed to increase purchasing of local, environmentally sustainable, climate-smart, and equitably produced food by schools and other institutions, build a better food system economy, support the local farming economy, accelerate climate adaptation and resilience, and employ food system workers with fair wages and working conditions."

Can Track 1 Planning grant recipients apply for Track 2 Infrastructure and Operations later?

No. As of now, the Farm to Community Food Hubs grant has one-time funding.

What are examples of previous grant recipients for this program?

There are no previous grant recipients. This is a new grant program.

Application Support

Who can I contact for questions?

Email <u>cafoodhubs@cdfa.ca.gov</u>. The email inbox is monitored Monday – Friday from 8:30am – 5:00pm.

How can my organization apply?

Applications are due 5 p.m. PDT on Monday, April 14, 2025. Applicants must submit all the required application materials for their funding track by emailing them as attachments to cafoodhubs@cdfa.ca.gov. All the application materials can be found on the Farm to Community Food Hubs Program website.

What does my organization need to include in the application?

CDFA provides an Application Submission Checklist for Track 1 and Track 2 applicants on the Farm to Community Food Hubs Program website. All the required forms/templates and optional templates are available for download on the website.

How is CDFA supporting applicants?

CDFA is supporting applicants by:

- Responding to questions sent to <u>cafoodhubs@cdfa.ca.gov</u>.
- Sharing information about the grant program and answering questions during public virtual Application Office Hours hosted every month. Register to upcoming sessions or watch the recordings found on the <u>Farm to Community Food Hubs Program</u> website.
- Between February 20 April 11, 2025, CDFA staff will provide feedback for draft application materials for up to 20 qualifying lead applicants that represent one of the following types of entities. This will be first-come, first-serve. These entities can request meetings with CDFA via the online form or by calling 916-539-6017. Find out more details on the Farm to Community Food Hubs Program website under "Application Assistance".
 - California Native American Tribes (both federally and non-federally recognized)
 - Tribal-led nonprofit organizations
 - Food producer businesses/organizations with 50% or more of owners identifying as at least one of the following:
 - Socially disadvantaged food producer
 - Beginning food producer
 - Limited resource food producer
 - Veteran food producer
 - Disabled food producer

Eligible Applicants

Who can apply to the grant program?

In Section 1.4 in the Request for Application, CDFA has detailed which entities are eligible to apply. <u>Note</u>: Individuals, other federal, state, and local government entities, private schools, and food hubs, aggregators, and distributors with an average annual gross income greater than \$5 million the past three-year period <u>are not</u> eligible to apply.

Track 1 Planning

The following entities based in and operating in California that will conduct planning for a new community food hub or developed community food hub:

- Food and agriculture-related business
- Nonprofit organization

- California public school district
- California County Office of Education
- Cooperative business
- Certified B Corporation
- California Native American Tribe (both federally-recognized and non-federally-recognized Tribes)
- Tribal school (such as those administered through the Bureau of Indian Education)
- Tribal colleges
- Tribal-led nonprofit organization
- Resource Conservation District
- University of California, California State University, and other public institutions of higher education

<u>Note:</u> If the project is conducting planning for a community food hub that is currently operating, the lead applicant should be the entity conducting day-to-day operations for the community food hub. If the project is conducting planning related to a community food hub that does not currently exist, lead applicants do not have to be the expected operator of the potential community food hub.

Track 2 Infrastructure and Operations

The following entities based in and operating in California that will (1) initiate operations or expand capacity for a new community food hub or (2) expand capacity for a developed community food hub:

- Food and agriculture-related business
- Nonprofit organization
- California public school district
- California County Office of Education
- Cooperative business
- Certified B Corporation
- California Native American Tribe (includes both federally-recognized and nonfederally-recognized Tribes)
- Tribal school (such as those administered through the Bureau of Indian Education)
- Tribal colleges
- Tribal-led nonprofit organization
- Resource Conservation District
- University of California, California State University, and other public institutions of higher education

Note: The lead applicant should be the entity conducting day-to-day operations for the community food hub.

Can my organization apply if we received another grant from CDFA, like the Farm to School Incubator grant?

Yes, if your organization is an eligible entity. Section 1.4 Eligibility and Exclusions in the Request for Application details eligibility requirements. Having another CDFA grant does not bar your organization from applying to this program. Please ensure proposed costs for the Farm to Community Food Hubs Grant do not duplicate costs covered by other grants.

Can my organization apply to multiple funding tracks?

No. Each entity can only be the lead applicant once and must choose one funding track. An entity can be a lead applicant for one application and a project team member (not a lead applicant) on other applications.

Can my organization be a lead applicant for one track and part of the project team (not lead applicant) for another application for the same or a different track?

Yes. Entities may be included as a project team member in multiple applications. An entity that is participating in multiple proposed projects as a project team member or that is a lead applicant in one application and a project team member in another, <u>must ensure that proposed projects are not duplicative and there is no duplication of project costs</u>. If an entity is participating in multiple projects that receive an award, those funds should be kept separate and be tracked and managed with proper accounting procedures.

Allowed Project Activities and Costs

Can a community food hub buy food from value-added food businesses or food processors?

No. Community food hubs should be purchasing food from California food producers. In short, CDFA defines food producers as farmers, ranchers, seafood harvesters, and California Native American Tribes, Tribal members, or people using Indigenous food production practices (see full definition in Section 1.2 in the Request for Application). Distribution of those food products may be contracted to a value-added intermediary, such as a produce, grain, meat, or seafood processor, if the food products are ultimately provided on a prioritized basis to public institutions or nonprofit organizations.

The definition of community food hub includes "...and identifies the source (e.g. location where food was produced) of 100% of the food products sold". How is a community food hub supposed to identify the source?

While grant funds must only be used to purchase California grown or produced foods, CDFA does not dictate exactly *how* a community food hub should identify and track the source of its food products. Identifying the source where the food was produced not only can distinguish the value of a community food hub's contribution to a local food system,

but also ensures California state dollars are invested in California communities and food producers.

Community food hubs could identify the source (e.g. California city or county; Indian reservation or ancestral lands in California; specific farm's name) via invoices to buyers, by maintaining the food producers' own marketing (e.g. labels), and/or on the community food hub's website. Please note: this is different than food safety-related traceability rules. Grant recipients should familiarize themselves with requirements of the federal Food Safety Modernization Act (FSMA), including the FSMA rule on Requirements for Additional Traceability Records for Certain Foods (Food Traceability Final Rule) going into effect January 20, 2026.

Can our community food hub source food products from one food producer? What if we source from multiple sites that a single food producer business/organization operates?

No. Per the "community food hub" definition in the Request for Application, community food hubs purchase food products from <u>multiple</u> California food producers. Sourcing food from multiple sites that a single food producer entity operates does not count as multiple food producers.

Our organization purchases food for our own meal/food program and we own/operate our own farm. Can our community food hub operation purchase/source food from our farm to contribute to our meal program?

It depends. First: only Track 2 projects would be allowed to use grant funds for operations. Second: if the community food hub is only sourcing food from its own farm, that would not meet the definition of "community food hub" per Section 1.2 in the Request for Application because community food hubs are meant to purchase from <u>multiple</u> food producers. Such a model would not align with the purposes of this grant program.

If the organization's farm is just one of many food producers the community food hub project is sourcing from, that is acceptable. Assuming the organization purchasing food and producing the food is the same legal entity, the applicant/grant recipient must remember grant funds cannot be used for agricultural production purposes (e.g. farming equipment), unless it is for the purpose of increasing the capacity of multiple food producers to participate as community food hub vendors and/or if purchased for the purpose of sharing, loaning to, selling, and/or providing discounted prices to the community food hub's food producer vendors. See Section 1.6 in the Request for Application for more details about allowable costs.

Can we use funds to cover food production (e.g. farming) costs?

It depends. Costs related to food production are not allowed for Track 1 Planning projects. For Track 2 Infrastructure and Operations projects, costs related to agricultural production

and/or certifications, such as purchasing farm production equipment or farm food safety/Group Good Agricultural Practices (GAP) certification, are allowed if these costs are for the purpose of increasing the capacity of multiple food producers to participate as community food hub vendors. Farm equipment, tools, materials, and/or supplies related to agricultural/food production are also allowed if purchased for the purpose of sharing, loaning to, selling, and/or providing discounted prices to the community food hub's food producer vendors. The purpose is not to use funds to support an individual food producer's agricultural costs, but to provide a benefit to multiple food producers the community food hub is working with.

Can community food hubs only handle or sell certain food products?

As part of the grant program, community food hubs should only purchase and sell foods, including Native foods, that are grown in California or harvested in its surface or coastal waters and, if processed, 100% processed in California. These food products could include produce, grains, legumes, culinary herbs, honey, meat, fish/seafood, poultry, dairy, and/or eggs.

Can the community food hub only sell to public institutions and nonprofit organizations?

No. While CDFA seeks projects that will prioritize selling to public institutions and nonprofit organizations, projects can also sell to private institutions, such as private universities or for-profit grocery retail. Generally, direct-to-consumer activities are not allowed for the entire program, except:

- Projects are allowed to use funds to deliver food directly to homes if a <u>public institution</u> or <u>nonprofit organization buyer</u> is paying the invoice. For example: health plans paying invoices related to California Advancing and Innovating Medi-Cal (CalAIM).
- If a community food hub owns and operates its own retail storefront, the project may use funds related to this activity.
- Hosting educational classes or trainings for food system partners to help meet project
 and program goals may be allowed, such as for staff at institutions (for example: chefs;
 procurement administrative staff) or members/constituents of institutions (for example:
 students at a public school; clients at a health clinic).

See more details in Section 1.6 in the Request for Application.

Can we donate food as part of the project?

No. Per CDFA grant rules, costs related to contributions and donations from grant recipients to other entities are not allowed, including donations of food. Any costs related to donations would also not be allowed – for example, if a paid staff person's time or a van rental was used to help with food donations, these would be unallowed costs.

Can we sell and/or distribute food directly to individuals and families (i.e. direct-to-consumer)?

It depends. Only certain types of direct-to-consumer activities are allowed for this grant program. Generally, direct-to-consumer activities are not allowed for the entire program, except:

- Projects are allowed to use funds to deliver food directly to homes if a <u>public institution</u> or <u>nonprofit organization buyer</u> is paying the invoice. For example: health plans paying invoices related to California Advancing and Innovating Medi-Cal (CalAIM).
- If a community food hub owns and operates its own retail storefront, the project may use funds related to this activity.
- Hosting educational classes or trainings for food system partners to help meet project
 and program goals may be allowed, such as for staff at institutions (for example: chefs;
 procurement administrative staff) or members/constituents of institutions (for example:
 students at a public school; clients at a health clinic).

See more details in Section 1.6 Allowable and Unallowable Costs in the Request for Application.

I understand we cannot use grant funds to cover costs associated with donations and many direct-to-consumer activities, but can we reinvest the revenue we generate from institutional sales into our donation and direct-to-consumer activities?

No. Per CDFA grant regulations, you cannot use revenue generated <u>as a result of the funded project</u> (known as "program income") on costs that are not allowable. Costs associated with donations, including donating food, are not allowed per CDFA grant regulations. Many direct-to-consumer activities are not allowed for this grant program, but there are certain exceptions (see Section 1.4 in the <u>Request for Application</u>). CDFA's grant regulations related to program income (Section 318), grant recipients can use program income in one or more ways and must be expended prior to project closeout, otherwise it will be reduced from the final invoice or remitted to CDFA. Learn more in Section 318 in CDFA's Grant Regulations: https://www.cdfa.ca.gov/Regulations/General/FinalGrantAdminRegs-Text.pdf

Can I purchase something that is used for the grant project AND other activities not funded by the grant? For example, we want to use our cooler to store food we sell to schools and to store food we donate.

If you use grant funds for something that benefits both the grant project AND benefits other non-grant activities, CDFA will not cover the entire cost. You will need to determine what amount is used for the grant project and what amount is used for non-grant-related activities, using reasonable and proper documentation methods. CDFA will only cover the amount that is used for the grant project. For example: your project will sell food to schools, but your organization also donates food (an unallowed activity for this grant

program). You determine, on average, you will use 80% of the cooler space to store food for schools and use 20% of the cooler space for food that will be donated. Eighty percent of the cost of the cooler can be covered by the grant.

Can we use grant funds for fundraising activities?

No. Costs associated with fundraising, including financial campaigns, endowment drives, solicitation of gifts, donations, and bequests, and similar endeavors to raise capital or obtain contributions, are unallowable.

Our organization is looking for funding to purchase local food for our meal or snack program. Can this program fund that work?

No. This funding is not intended for organizations to purchase food for their own meal programs. This program will invest in community food hubs, which are purchasing food from California food producers to then sell their products to institutional and nonprofit buyers.

Can community food hubs prepare meals to sell to buyers?

Yes, if the organizations are purchasing food from California food producers and selling the meals to buyers, especially public institutions and nonprofit organizations. Community food hubs are allowed to use funds for costs related to value-added food products, which could include meals. Grant recipients can only use funds to cover ingredients that are California grown or produced food products.

Special Considerations for Tribes and Tribal Communities

Are non-federally recognized Tribes eligible to apply?

Yes. Both non-federally recognized and federally recognized California Native American Tribes are eligible to apply.

What is a Tribal-led nonprofit organization?

In Section 1.2 in the Request for Application, CDFA defines a Tribal-led nonprofit organization as "California-based nonprofit organizations with at least 50% of the Board of Directors and/or Leadership Team identifying as American Indian, Alaska Native, or Native Hawaiian and whose organizational mission or strategic plan expresses a commitment to serving and/or empowering California Native American Tribes or people".

CDFA says 10% of funding is set aside for California Native American Tribes and Triballed nonprofit organizations. How does the set-aside work?

Up to 10% of the total program funding will initially be reserved for Tribes and Tribal-led nonprofits that submit competitive applications. The 10% is not a cap for how much Tribes and Tribal-led nonprofits can apply for or could receive. CDFA may award more than 10% of

the available grant funding to Tribes and Tribal-led nonprofits, depending on the number of competitive applications CDFA receives.

Are California Native American Tribes, Tribal members, and Native American people who use traditional food production practices considered "food producers"?

Yes. In Section 1.2 in the Request for Application, CDFA defines a "food producer" as "a person, group of individuals, nonprofit organization, or California Native American Tribe (federally-recognized and non-federally-recognized) that leases, rents, or owns land in California (whether the land is publicly owned, privately owned, or Tribal trust land) and cultivates crops, raises livestock, and/or is a California seafood harvester. Also a California Native American Tribe (federally-recognized and non-federally-recognized), Tribal member, or person that leases, rents, owns, or uses land in California (whether the land is publicly owned, privately owned, Tribal trust land, or Tribal ancestral lands) and uses Indigenous food production practices on this land or in waters for seafood harvesting."

What does "Indigenous food production practices" mean?

CDFA does not define "Indigenous food production practices" for this program. Applicants should rely on their relationships with California Native American Tribes, Tribal members, and/or Native American food producers to understand the practices they use and if they align with Indigenous practices.

Are traditional Indigenous food production practices considered sustainable, climate smart, or regenerative agricultural practices?

Yes. In Section 1.2 in the Request for Application, the definition for "sustainable agriculture production practices or methods; climate smart agriculture practices; or other regenerative strategies" notes California Native American Tribal place-based environmental knowledges and food production practices exemplify other regenerative strategies that increase resilience to climate change, improve the health of communities and soil, protect water and air quality, increase biodiversity, and help store carbon in the soil.

Do Tribes have to opt into a waiver of sovereign immunity?

No. CDFA does not require Tribes to opt in for a waiver of sovereign immunity to receive or use grant funds.

Can Tribes opt out of certain reporting requirements if it risks revealing sensitive cultural information, such as where Native foods are cultivated and harvested?

While all data collected as part of the Farm to Community Food Hubs program will be subject to public disclosure via the Public Records Act, CDFA Office of Farm to Fork will work with grantees to provide accurate and compliant reporting that does not disclose culturally sensitive information.

Application Scoring and Evaluation

How many projects will CDFA select for award? Is CDFA reserving a certain amount of funds for Track 1 and Track 2?

The number of awards offered depends on the number of competitive applications CDFA receives and how much funding is requested. CDFA does not reserve a certain amount for each funding track.

How will CDFA score applications?

Applications that pass administrative review (i.e. are not disqualified) will receive a technical review to evaluate the merits of the application. Visit the Farm to Community Food Hubs Program website to see the Track 1 Application Review Criteria and the Track 2 Application Review Criteria for details on how each application question will be evaluated and scored. During technical review, each application will be scored by at least two technical reviewers, with the final score being an average of the two. CDFA reserves the right to utilize both technical review scores, alignment with program goals, and geographic diversity to determine awards.

CDFA notes that all projects must demonstrate how the community food hub will cultivate financial sustainability via strategies that help cover long-term costs. What does this mean? How can an applicant demonstrate a project will be financially sustainable?

The application for each funding track has a "Financial Sustainability" section with questions for applicants to answer. For example, the Track 1 Planning application asks, "Describe what approach, strategies, tools, or partnerships the project includes to evaluate or include that ensures the community food hub's financial health?". The Track 2 Infrastructure and Operations application asks for both a financial analysis and "SWOT" analysis. For example, "Please describe the details of a financial analysis that includes: (1) quantification (numbers; statistics), and (2) showcases a financial outlook for the community food hub, and (3) clearly showcases thoughtful and reasonable planning".

Refer to the Track 1 Application Review Criteria and Track 2 Application Review Criteria on the <u>Farm to Community Food Hubs Program website</u> to see how technical reviewers will evaluate and score questions.

Do we need to have contracts or formal commitments in place with buyers?

No. The Track 2 Letter of Support Form asks if the public institution or nonprofit buyer intends to purchase food from the community food hub. It is not a binding commitment. No formal commitments are required for Track 1.

Is there a minimum number of food producers we need to have to qualify?

There is not a minimum to apply, but the applications for each funding track do request information about your relationships with food producers. The Track 1 Planning application asks applicants to submit three Letters of Support from California food producers. The Track 2 application requires applicants to submit a Food Producer Network List with food producers the project will serve/purchase from during the grant term and Food Producer Verification Forms signed by some of those food producers. These Track 2 application materials will be scored partially based on quantity - please see the Track 2 Application Review Criteria and Scoring document on the website for details.

Award Notification and Project Implementation

When will I know if I receive the grant? When can I start my project?

Once CDFA completes the technical review of all applications and selects projects for award, CDFA will email all applicants regarding whether the applicant is selected for an award or not. While dates are subject to change, CDFA estimates applicants will learn whether they are selected by June 2025. Applicants selected for award cannot start the project until a grant agreement has been signed by both CDFA and the grant recipient. It can take up to 90 days for CDFA to develop the grant agreement.

How long can Track 1 Planning projects last?

Projects can last up to 24 months. While dates are subject to change, CDFA expects Track 1 projects could start in October 2025. The start and close-out dates will be agreed upon and included in the grant agreement signed by both CDFA and the grant recipient. Grant recipients cannot start the project until a grant agreement has been signed by both CDFA and the grant recipient.

How long can Track 2 Infrastructure and Operations projects last?

Projects must last 60 months. Per California legislation authorizing the Farm to Community Food Hubs program, Track 2 grant recipients must report quarterly to CDFA for five years (60 months). While dates are subject to change, CDFA expects Track 1 projects could start in October 2025. The start and close-out dates will be agreed upon and included in the grant agreement signed by both CDFA and the grant recipient. If a grant recipient has used all their awarded funds, they will continue submitting quarterly reporting on activities benefitting from the award during the full 60 months, such as sales activities. Grant recipients cannot start the project until a grant agreement has been signed by both CDFA and the grant recipient.

If we're awarded the Track 2 grant, are we allowed to complete the program sooner than the required 5-year term as long as required reporting is met?

No. All Track 2 projects will last 60 months and grant recipients must submit reports throughout the entire term. For example, if a grant recipient is awarded funds to purchase

food processing equipment and a refrigerated truck - and they complete those purchases in year 1 - the grant agreement with CDFA is still active for the full 60-month term. The grant recipient will still be required to submit the reporting (e.g. quarterly surveys, annual report, final report) throughout the entire 60 months.