

VALUE-ADDED GRANT GUIDELINES

For 2027

Introduction

Choose Iowa is the state's signature brand for Iowa grown, Iowa raised and Iowa made food, beverages, and other agricultural products. A marketing initiative overseen by the Iowa Department of Agriculture and Land Stewardship, Choose Iowa builds on the growing demand for local foods. Choose Iowa creates new markets for Iowa farmers and provides consumers with more local choices. The Choose Iowa Value-Added cost-share grant was created to assist Iowa farmers with their efforts to increase or diversify their agricultural product offerings, add value to agricultural products, enable new technologies and support alternative marketing strategies.

Overview

- Available funding allocated for awarding to recipients in 2027: $500,000.
- Maximum amount awarded per grant awardee: up to $25,000.
- Applicants must provide a minimum of one-to-one (1:1) financial match from private sources such as cash, financing or other grant funds for total project costs. In-kind contributions are not accepted.
    - Example: An individual applying for a grant of $5,000 must provide at least $5,000 from other sources for a project total of $10,000.
- Grant funds are paid out as a reimbursement after grant project(s) are completed.
- Projects cannot be in progress before a grant is awarded and must be able to be completed in 12 months or less.
- Purchases for grant project can begin after the grant agreement is finalized with signatures from the grant recipient and an IDALS representative. Purchases made before this point are not eligible for reimbursement.

Highlights	FY25	FY26	FY27
Funds available to award	$463,000	$500,000	$500,000
Total funds requested	$1,741,704	$2,270,260	TBD
Projects awarded	33	30	TBD
Value of awarded projects	$1,325,710	$1,711,356	TBD

Grant Award Timeline

Grant program announced and application period opens	December 1, 2026
Virtual office hours	December 9, 2026, at 12 p.m.
Grant application deadline	Noon CST on January 15, 2027
Committee scores applications	January 19, 2027 - February 26, 2027
Awardees notified, and grant agreements issued	March 2027
Awardees announced	Late March 2027
Funds dispersed to awardees	By reimbursement during grant term (March 2027 – April 30, 2028)

Eligible Applicants

Applicants must satisfy the following criteria to be deemed eligible for funding under the Value-Added Grant program:

- Be an individual, business, agricultural cooperative, non-profit organization or local government.
- Be in good standing with the State of Iowa.
- The business must not be currently in bankruptcy.
- The business must not have been subject to any regulatory enforcement action related to federal, state, or local environmental, worker safety, food processing, or food safety laws, rules, or regulations within the last five years.
- Currently reside or conduct business in Iowa.
- Not be an IDALS employee or immediate family member of an IDALS employee.
- Applicant must be able to provide a one-to-one (1:1) financial match for the grant. In-kind contributions are not accepted.
- Membership in Choose Iowa brand program NOT required but encouraged.
- Preference will be given to small and medium-sized businesses. The Iowa Economic Development Authority defines small-sized businesses as having less than 50 full-time employees, medium-sized businesses with 51-250 employees, and large businesses as more than 250 employees.

Eligible Projects

Projects must:

- Increase sales of Iowa agricultural products by increasing production or processing capacity or expanding market access for value-added projects.
- Not be in progress until a grant is awarded.
- Be completed in 12 months or less.
- Be conducted in Iowa.

Examples of eligible projects include but are not limited to:

- Purchase and installation of equipment used in the production of value-added agricultural products.
- On-farm store or commercial kitchen.
- Food hub development or expansion.
- Cooler walls and refrigeration units.
- Grading, packing, labeling, packaging or sorting equipment.
- Refrigerated trucks to access new markets.
- Food processing short courses and workshops.

Ineligible Expenses

- Equipment and infrastructure for meat processing (funding available through Choose Iowa Butchery Innovation Grant).
- On-farm dairy processing and dairy labor-reducing technology (funding available through Choose Iowa Dairy Innovation Grant).
- Infrastructure for renewable fuels (funding available through IDALS-RFIP).
- Expenses incurred prior to grant award.
- Any costs incurred by any firm for work performed prior to the formal execution of a contract.
- Administrative or overhead costs not directly related to the grant project.
- Rent or contract payments for time periods extending beyond the term of the grant contract.
- Lobbying fundraising or other political activity.

See Appendix B: Allowable Costs for more detail

Application Materials

Applicants must apply for the Choose Iowa Value-Added Grant through the online application portal found at chooseiowa.com. Applicants may submit supporting documents including quotes and estimates to supplement budget details as well as letters of support with their applications.

IDALS may require additional information and/or a site visit to review the proposed project.

Agreements

IDALS will develop an agreement for each funded project. No funding commitment is final, and **no project may begin incurring expenses until the contract is signed by the grant recipient and an IDALS representative.**

Grant agreements must be signed and returned to Choose Iowa within 30 days of receipt via the grant portal. Failure to submit an executed copy of the agreement within 30 days of receipt may result in the loss of awarded grant funds, unless the delay is approved by IDALS.

Project Changes

Any project changes after a grant has been awarded must be within the scope of the original project proposal. If an awardee wishes to make changes to their approved project, please email a detailed explanation of the change request along with supporting documentation to chooseiowagrant@iowaagriculture.gov. The scoring committee will review change requests on a case-by-case basis for approval or denial.

Payments

This is a reimbursement grant. Consult your legal or financial advisor regarding financial or tax considerations for any funds received.

Prior to submitting reimbursement requests, grant recipients must submit a current and complete W-9 form via the Choose Iowa grant portal.

Requests for reimbursement must be submitted via the Choose Iowa grant portal. To receive reimbursement, grantees must provide assurance the work has been completed, including submitting receipts and invoices and clearly outline expenditures. Only eligible expenses identified in the project budget as budget line items shall be eligible for reimbursement. Choose Iowa will only reimburse eligible expenses up to the actual costs and not to exceed the costs included on the budget, without the prior written consent of the Choose Iowa. Project costs shall not be changed, modified, or reallocated between budget line items without the prior written consent of the Department or Choose Iowa staff.

Reporting Requirements

A summary and photos of the completed project, including a detailed update to the project outcomes originally described in the grant application is required when submitting the final reimbursement request.

Applicants who do not submit reports on-time, and/or submit incomplete reports, may be required to return all previously disbursed funds to Choose Iowa/IDALS and/or may be removed from future funding opportunities.

Record Requirement

Grant recipients will be responsible for setting up and maintaining a project file that contains all records of correspondence with Choose Iowa/IDALS, receipts, invoices, and copies of all reports and

documents associated with the project. Recipients shall retain all data and other records relating to the acquisition and performance of the Grant Award Agreement for a period of three years after the completion of the contract. All records shall be subject to inspection and audit by state personnel at reasonable times. Upon request, the grantee shall produce a legible copy of any or all such records.

Scoring Criteria

Choose Iowa Value-Added Grants are competitive and will be scored and awarded based on the following criteria as well as other criteria as specified in the administrative rules. Applicants must score at least a 70 to be considered for funding. Preference may be given to those not previously awarded funding. A concerted effort will be made to award grant funds across a variety of project types and also distribute grant funds geographically across the State.

CRITERIA	MAXIMUM SCORE
Describe your project in detail and how the project addresses the goals for the Choose Iowa Grant **Addresses goals of the Choose Iowa Value-Added Grant** - Increases sales of Iowa agricultural products. - Increases market access, diversifies markets and/or increases processing capacity.	**20 points**
Describe how this project will impact Iowa Agriculture and increase the sales of Iowa agricultural products **Impact on Iowa agriculture** - Plan to increase sales of Iowa agricultural products is achievable. - Amount of Iowa agricultural products to be increased is realistic. - Increase is appropriate for the size of the grant request. - Project has the potential to impact many farmers. - Project has both short-term and long-term impact, including jobs and investments in Iowa.	**20 points**
Describe your business, its history, and how it interacts with Iowa farmers and agriculture **Business readiness, financial sustainability and experience** - Applicant demonstrates sound business management, financial aptitude and stability. - Applicant describes the financial benefit of doing the grant project. - Applicant demonstrates a need for grant funding.	**15 points**

CRITERIA	MAXIMUM SCORE
Describe the budget for the project and how you plan to finance the private match requirement **Detailed budget and match** - Budget clearly details all project costs. - Budget clearly explains source and amount of applicant's funds for private match. - Budget is cost effective and planned purchases are backed by quotes or other sources. - Total project budget is more than double the grant request.	20 points
Describe in detail a timeline for which you plan to complete the project **Work plan and timeline** - Work plan is thorough and realistic. - A detailed description of each step of the project is provided with estimated dates.	15 points
Describe the outcomes that will be measured to evaluate the success of the project **Measurable objectives** - Describes how the project will achieve objectives of the grant program to benefit the business and agriculture community. - Objectives of project are measurable and clearly stated.	10 points
TOTAL	100 POINTS

Contact Information

Amy Gamble – Grants & Education Specialist
Choose Iowa, Iowa Department of Agriculture and Land Stewardship

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Des Moines, IA 50319

(515) 444-9011
Amy.Gamble@IowaAgriculture.gov or ChooseIowaGrant@IowaAgriculture.gov

Appendix A

List of questions in the grant application

1. Title (such as Mr., Ms., Dr., etc.)
2. Contact first name
3. Contact last name
4. Contact email address
5. Phone number
6. Business or individual applicant name
7. Position title
8. Address
9. County
10. Grant amount request
11. Number of employees
12. Have you applied for a Choose Iowa grant previously?
13. If yes, when?
14. Describe you project in detail and how the project addresses the goals for the Choose Iowa Grant (worth up to 20 points).
15. Describe how this project will impact Iowa Agriculture and increase the sales of Iowa agricultural products (worth up to 20 points).
16. Describe your business, its history, and how it interacts with Iowa farmers and agriculture (worth up to 15 points).
17. Describe the budget for the project and how you plan to finance the private match requirement (worth up to 20 points).
18. Upload a budget worksheet (template provided by Choose Iowa). Budget worksheet must be submitted in .xlx or .xlsx file format. If you do not have Microsoft Excel, you may use an alternate free spreadsheet program such as Google sheets, then save in .xlx or .xlsx file format.
19. Describe in detail a timeline for which you plan to complete the project (worth up to 15 points).
20. Describe the outcomes that will be measured to evaluate the success of the project (worth up to 10 points).
21. Which local media (digital and traditional) should be notified should you receive grant funding?
22. Upload supporting documents such as quotes estimates or letters of support.

Appendix B

Allowable Costs

Cost Category	Description, Guidance, and Exceptions
Buildings and Land - Construction	*Allowable* for the acquisition of buildings, new construction, additions; improvements, modifications, or alterations of an existing building. This includes the cost of construction related materials, which may include, but are not limited to, wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, wiring, plumbing. *Unallowable* for the purchase of land on which to build or place a structure, connecting electric or water lines from the municipality/rural to the project property, septic system costs, landscaping, mulch, paving or gravel of driveway or parking, heating and cooling, water heater, rest room facilities *Unallowable* for permit and inspection fees *Allowable* for the extension of existing utility lines to the project structure or upgrade for new project needs.
Consumable Items	*Unallowable* costs for materials that are for one use or part of a sellable item, including, but not limited to, labels, printer paper, office supplies, packaging and shipping supplies, jars/containers, pouches, floral arrangement items that are single use (wire wreath rings, clamp rings, vases, etc.)
Contractual	*Allowable* for services performed by an individual or organization/company other than the recipient or recipient's immediate family members during the term of the grant contract. *Unallowable* for studies, research, attorney/legal fees
Equipment	*Allowable* costs for specialty equipment, this includes rental of equipment during the contract term *Unallowable* for general use equipment including but not limited to hand trucks, power tools, hand tools, shovels

Equipment – Information Technology Systems	***Allowable*** for special purpose systems, food sales and traceability applications, systems and software that support specialized equipment by design, printers, labelers ***Unallowable*** for internet costs, Point of Sale (POS) systems, software subscriptions, Camera security system, hosting fees, domains
Fencing	***Unallowable*** mobile or permanent fencing
Insurance	***Unallowable***
Lobbying	***Unallowable*** for lobbying, fundraising, or other political activity
Selling and Marketing Costs	***Unallowable*** for costs designed to solely promote the image, logo, or brand or the recipient's business or product. This includes, but is not limited to, advertising, signs, promotional kits, graphics, labels, and vehicle stickers and/or wraps, public relations, entertainment
Shipping and Taxes	***Allowable***
Storage	***Allowable*** for cost of containers and shelving for storage of items ***Unallowable*** for bulk storage, including but not limited to grain storage and fuel tanks
Vehicles	***Allowable*** for the purchase of specialty vehicle or trailer, taxes, and shipping of vehicle, addition of specialty equipment such as cooling units and storage racks ***Unallowable*** for the registration and licensing of vehicle, fuel, tonneau covers for truck beds, semi-trucks, or tractors
Wages	***Unallowable*** for employee wages and benefits

The above table summarizes allowable and unallowable costs in common categories for the Choose Iowa Value-Added grant program. It is not a complete explanation of the allowability of costs. If applicants or awardees have questions concerning the allowability of costs after reviewing this section, they should contact Choose Iowa at ChooseIowaGrant@IowaAgriculture.gov