



# DAIRY BUSINESS INNOVATION CENTER

## Request for Proposal

Page 1 of 5

Master Contract #: \_\_\_\_\_  
Vendor Contract #: \_\_\_\_\_  
VISION Vendor #: \_\_\_\_\_

**Release Date: 2/1/2022**

**Response Due: 2/25/2022**

### PROJECT DETAILS

#### Massachusetts Dairy Co-Packing Program

The Northeast Dairy Business Innovation Center (NE-DBIC) hosted at the Vermont Agency of Agriculture, Food and Markets (VAAFM), seeks a contractor to offer technical assistance for dairy farmers located in Massachusetts considering working with a co-packer to develop a farm-branded value-added product line.

#### Agency/Department

Name: Vermont Agency of Agriculture, Food, and Markets  
Contact: Laura Ginsburg, Agriculture Development Division Section Chief  
Address: 116 State Street  
Montpelier, VT 05620  
Contact Phone: (802) 522-2252  
Contact Email: laura.ginsburg@vermont.gov

Proposals must be submitted as a single PDF document via email to the contact above.

#### Notes

The contract will be with the Vermont Agency of Agriculture, Food and Markets, host of the Northeast Dairy Business Innovation Center. The Massachusetts Department of Agricultural Resources is the partner organization and will be the primary point of contact for the contractor regarding the scope of work, farmer/processor contacts, and deliverables.

Questions about the proposal should be directed to:

Rebecca Davidson, 857-202-7699, Rebecca.davidson@state.ma.us



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**TIMELINE\***

Release Date: 2/1/2022

Responses Due: 2/25/2022

Contract Start Date: 3/21/2022

Contract End Date: 9/1/2023

*\*To be finalized after proposals are received and negotiated*

**BUDGET**

Maximum budget for project: \$45,000

**PROJECT BACKGROUND**

In 2019, the Northeast Dairy Business Innovation Center (NE-DBIC), hosted by the Vermont Agency of Agriculture, Food and Markets (VAAFMM) was named one of three national USDA Dairy Business Innovation Initiative centers. The NE-DBIC supports a wide array of opportunities for dairy farmers of cows, goats, and sheep, and value-added processors across the Northeast region of the United States including New England, New England, Delaware, New Jersey, New York, and Pennsylvania. As a state represented within the target region of the NE-DBIC, this project will focus on diversification opportunities for Massachusetts dairy farmers.

In Massachusetts, and across the region, the dairy industry is facing substantial economic challenges. When costs of production exceed the price of milk received, dairy farms are unable to profit on their enterprise, and due to economies of scale, smaller dairy farms face greater stress. The low price of milk, coupled with changing consumer preferences and high costs of production, has led to a steady decline in the number of dairy farms in Massachusetts and across New England.

## Request for Proposal

Page 3 of 5

Master Contract #: \_\_\_\_\_

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VISION Vendor #: \_\_\_\_\_

However, with a strong consumer demand for locally-produced dairy, and awareness of the environmental and economic benefits of small farms, significant opportunities exist for Massachusetts dairy farmers to access marketing channels and increase their profits. Accessing consumer markets is a critical opportunity for many dairy farmers, yet one with significant barriers and challenges.

Research and interviews with dairy processors in Massachusetts, revealed that co-packing at existing facilities with excess capacity presented a unique opportunity for dairy farmers to pilot and develop a value-added product line. However, dairy farmers will inevitably require technical guidance to consider whether this opportunity will be feasible for them. Due to the narrow scope of the concept, and the innovative nature of dairy co-packing, this exploration lends itself to a cohort approach where farmers can debrief and learn as a group.

The contractor(s) selected for this project will propose a workplan which serves a group of 3-5 dairy farmers that are ready to partner with a co-packer and begin exploring the development of a value-added product line. Each farmer will receive one-on-one business and technical assistance over 12-16 months. Focus areas of technical assistance under this contract will cover aspects of enterprise analysis and feasibility, product planning, negotiating and contracting with a co-packer, and assessing capital or equipment needs. Once a farmer has developed a plan with the Contractor, they will be eligible to receive non-competitive grant funds to assist in making necessary improvements to increase the likelihood of a successful and contract with a co-packer.

### STATEMENT OF WORK

The NE-DBIC seeks a contractor, or potentially multiple contractors, to offer technical assistance for dairy farmers considering entering a contract with a co-packer. The opportunity will be available for 3-5 dairy farms and will only be available for enrollment to farms based in Massachusetts. Contractor expectations are as follows:

1. Getting up to speed with project concept: March 2022
  - a. Meet with MDAR and NE-DBIC to learn the program history and expected goals and objectives.
  - b. Become familiar with MDAR team research findings and the regulatory framework surrounding small-scale processing in Massachusetts.
2. Outreach and Selection of Dairy Farmers: March – April 2022
  - a. Using attendance lists from February learning session, and leads as identified by MDAR, reach out directly to participants to determine interest in the technical assistance opportunity.
  - b. Should further outreach be necessary, engage producer associations, buy local organizations, to market the opportunity to their members.

**Request for Proposal**

Page 4 of 5

Master Contract #: \_\_\_\_\_

Vendor Contract #: \_\_\_\_\_

VISION Vendor #: \_\_\_\_\_

- c. Work with MDAR to develop application to participate in the cohort group.
- d. Review applications with MDAR project partner and identify candidates for technical assistance, based on the strength of application and level of commitment to working with a co-packer.
- 3. Provide one-on-one technical assistance to dairy farmers: May 2022 – January 2023
  - a. Meet individually with dairy farmers. Option to meet virtually, on their farm or at co-packing facility. Expectation is to spend 30-40 hours per farmer, and to meet at least once at the farm, and at least once at the co-packing facility.
  - b. Be available for phone and email assistance as needed during contract period.
  - c. Address the following: enterprise analysis and/or feasibility study on development of value-added product line, provide guidance on regulatory considerations, assist with farmer-cooperative contract process, connect to subject matter experts, training opportunities, and other relevant topics.
  - d. Develop a plan with the individual farm for use of the grant funds, and assist the farmer to apply for NE-DBIC grant funds, as needed.
- 4. Ensure all interested dairy farmers submit a completed application to NE-DBIC for grant funds: *Funding applications submitted no later than February 2023, for project completion by August 2023.*
  - a. Grant language will be developed by NE-DBIC contract manager and supplied to Contractor no later than June 2022. Grant funds for farmers are available for farmers as needed, and based on completion of necessary enterprise analysis and/or feasibility study.
  - b. Meet individually with dairy farmers to oversee project implementation.

**TARGET AUDIENCE**

Active dairy farmers (cows) located within Massachusetts, that have attended MDAR-hosted learning session, or otherwise expressed interest in the proposed concept, with a goal of entering into an agreement with a co-packer to develop a value-added product line.

**PERFORMANCE MEASURES & DELIVERABLES**

1. The Contractor will submit to AAFM's contract manager all documentation outlined above, unless otherwise agreed upon during the contract drafting process.
2. The Contractor will independently lead events and will provide all facilitation and materials necessary for participating dairy farmers to reach indicated outcomes.

## Request for Proposal

Page 5 of 5

Master Contract #: \_\_\_\_\_

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3. The Contractor will provide consistent and engaging technical assistance to dairy farmers.
4. Based on findings of feasibility assessment, all dairy farmers who decide to pursue a co-packing agreement will submit timely, complete, and relevant applications for grant funds.
5. The Contractor will meet (in-person or via phone) quarterly with the Contract Manager and MDAR Partner to assess project status, next steps, and how to address any unforeseen challenges or opportunities.
6. Successful completion of the contract shall include the following follow-up activities:
  - a. A participant survey seeking feedback indicating usefulness of opportunity, ability to engage with dairy farmer and contractor, and an understanding of next steps needed to reach their goal with the results shared with contract manager no later than four (4) weeks post-event.
  - b. A report on recommended training and funding needs regarding dairy farms partnering with a co-packer to be shared with contract manager no later than five (5) weeks post event.

### SUBMISSION REQUIREMENTS

Please include the following with your response to this bid:

1. **Project approach, background, and experience:** Contractors should demonstrate their experience in developing dairy processing businesses, particularly farmstead production models. Contractor should explain their strategy to assess individual business needs, opportunities for collaboration, and past success in supporting start-up businesses.
2. **Resumes of project team leader and other team members.**
3. **Proposed work plan, activities, associated deliverables, reporting measures, and timeline**
4. **Project budget:** Please submit a budget, not to exceed \$45,000 that is both realistic and reasonable to complete the scope of services. Provide the expected number of farmers you could work with during the specified timeframe. Budget must tie specific activities to deliverables, with clear cost associated with each component of the proposal. Proposal shall include an hourly rate for services and any related expenses to be billed. All State of Vermont contracts are paid based on successful completion of deliverables and approval by the contract manager. Proposals should include all relevant costs to complete the work as detailed in PERFORMANCE MEASURES & DELIVERABLES, should note any travel requirements, and all proposals should include necessary costs to meet requirements of [Attachment C](#). All costs and activities should conform to Section 8.0 Allowable Costs and Activities of the [2020 AMS General Terms and Conditions](#).
5. **3 samples of similar research projects (links to download are appropriate)**
6. **Certificate of Insurance** which meets the criteria as outlined in Attachment C
7. A **W9** signed within the last 6 months
8. Unique Entity Identifier (UEI) number acquired via SAM.gov, the System for Award Management.