



Hoophouses for Health

Frequently Asked Questions- Farmers

How are participating farmers markets selected?

Participating farmers markets are selected based on their acceptance of food assistance programs (e.g., Supplemental Nutrition Assistance Program via the Michigan Bridge Card, Double Up Food Bucks, Women Infants and Children (WIC) Farmers Market Nutrition Program (FMNP) referred to as WIC Project FRESH in Michigan, and Senior FMNP referred to as Market FRESH in Michigan), number of farmers selling Michigan grown fruits and vegetables at these markets, and proximity to Head Start programs. A list of participating farmers markets is available at www.hoophousesforhealth.org.

Will you be expanding to include farmers selling at any other farmers markets?

Yes, our goal is to expand Hoophouses for Health to other farmers markets throughout the state that accept food assistance benefits. The rate of expansion will depend on the number of farmers that apply for and are granted loans at the participating farmers markets as well as program funding.

Am I eligible to apply if I am not currently a vendor at a participating farmers market but plan to be in the future?

In order to be eligible to apply, you must be a seasonal vendor at one of the participating farmers markets. If you are not currently a seasonal vendor but intend to be in the future, you must obtain written confirmation from the market manager that states you have completed the requirements necessary to sell at that market and have made a seasonal commitment to do so. This information will need to be submitted to the Michigan Farmers Market Association (MIFMA).

Are farmers who already have a hoop house and/or have already participated in a different hoop house loan program eligible to participate in the Hoophouses for Health program?

Yes, farmers who already have hoop house(s) or who have participated in other loan programs are eligible to apply for funding for a hoop house through this program.

Is this program compatible with the Natural Resources Conservation Service EQIP Seasonal High Tunnel Initiative program?

Yes, however we need to know upfront about your cost-share award in order to plan the loan amount accordingly. Loan funds will NOT be granted for portions of the project that are being reimbursed through the NRCS program.

Can these funds be used to cover the costs of previously purchased hoopouses?

No, the loan must be used to purchase an additional hoopouse for your farm.

Do you have to purchase a NEW hoopouse?

Hoopouses purchased with loan funds do NOT have to be new. However, a written quote is required with your application that shows all of the costs that will be associated with purchasing and installing the structure. If you are considering installing a used hoopouse or building one from scratch, please contact Erin Caudell to discuss the project at 517-353-0408 or caudelle@msu.edu.

Can these funds be used to improve existing hoopouses?

The cost of improvements to current hoopouses may be included in the loan application as long as the application also covers the cost of installing an additional hoopouse for your farm.

Do you have to own the land where the hoopouse will be built?

The land where the hoopouse will be built does not need to be owned by the farm or business, however if the loan recipient does not own the land, written permission to build the hoopouse on that property must be obtained and shared with the program administrators. A lease agreement would be needed to grant you permission to install the hoopouse and keep the hoopouse on the land for a minimum of 5 years (the length of the loan).

Can a business that has received funding to build a hoopouse through this program apply again?

Yes, participating farmers can apply for additional funding after they have redeemed their target amount of vouchers on their current loan for one full market season. The program is a competitive application process and the decision of whether or not to grant an additional loan will be based on a multitude of factors including but not limited to: the number of other applications, available funding, and the capacity of the recipient to pay back multiple loans at participating farmers markets.

Are groups such as cooperatives and student groups eligible to receive loans?

One of the goals of this program is to build the Good Food infrastructure by contributing to the economic viability of farmers and small businesses. Non-profit organizations are not eligible to receive a loan from this program. If other groups such as student groups and cooperatives are organized in a business structure, then they would be eligible to apply for a loan.

Why do I have to indicate on the application the citizenship status of any/all business owners and/or members?

MIFMA has certain restrictions and requirements when owners of a business or members of a Limited Liability Company (LLC) are non-citizens. In order to be eligible for this program applicants must be a U.S. citizen, a permanent resident, or a non-resident alien.

Will the loan money be disbursed based on reimbursement or will the money be available before purchases are made?

Once a farmer signs the loan agreement, the entire loan amount will be disbursed. This is not a reimbursement program.

How long do I have to build my hoophouse from the date of the loan?

Hoophouses must be built within 6 months of the date of the loan. Please plan ahead to make sure this timeline will work for your business.

Can you give me more information about how the loan will be paid off?

Farmers will repay their hoophouse loans by distributing eligible food items to vulnerable families or through Farm to School/Daycare sales. The dollar amount of the food distributed is then taken off of the farmer's loan balance. Packets of vouchers will be given to local community partners who will then distribute vouchers to vulnerable families in their programs. Families will present these vouchers to participating farmers at the farmers market. If working with a school or daycare, the farmer will deliver ordered produce to the program, presenting an invoice to the receiving person to sign.

Farmers will then submit vouchers or signed invoices to MIFMA on a monthly basis and the value will be deducted from their loan amount as "repayment." Vouchers must be submitted with a Voucher Redemption Report provided by MIFMA. They can be mailed to "MIFMA, Attn: Hoophouses for Health, 480 Wilson Rd. Room 172, East Lansing, MI 48824".

What is the interest rate for this loan?

This is a zero-interest loan. The interest rate will not change for the life of the loan.

How long do I have to pay back the loan?

The loan must be repaid within 5 years.

Do loan repayments need to be evenly distributed across the life of the loan or can a small percentage be repaid the first year and a larger percentage repaid in later years?

Loan "repayment" does not need to be evenly distributed over the 5-year repayment period. The loan recipient will indicate on their application the desired amount of repayment for each year. The amount of repayment planned for the final year must not exceed 35% of the full loan amount. This repayment plan will be reviewed annually and can be adjusted if needed.

What if I'm having difficulty meeting my loan payback?

Voucher redemption and Farm to School sales will be monitored regularly by MIFMA. If MIFMA observes that you are not meeting your payback goals, then voucher distribution can be adjusted or additional outlets can be found to ensure that your goals are met in the future.

What will happen if the borrower is unable to pay back the loan principal in the 5-year period? Will that go on their credit report? Will the hoophouse be re-possessed?

All efforts will be made to ensure that loan recipients are able to pay back their loan principal by collecting vouchers equal to that amount within the five-year loan period. If a farm is unable to pay back the loan in vouchers or through Farm to School sales, alternative options will be considered on a case-by-case basis. Extensions can be granted if necessary. If the borrower is unable to pay off the loan, it will not go against their credit report. If the loan is not paid back in full, MIFMA will reclaim all equipment, supplies and materials outlined in the application and for which payment has been made in part or in full by monies obtained through this loan.

Can I pay back my loan in cash instead of vouchers?

In order to accomplish all of the goals of this program, it is important that loans be paid back through food distribution at farmers markets or to schools. Cash repayment will only be considered in cases where an unexpected circumstance prevents an applicant from completing his or her repayment through the voucher system. Requests to repay the loan in cash need to be approved in writing from MIFMA.

Can other farmers, vendors or volunteers accept vouchers on my behalf?

Other farmers, vendors or volunteers may not accept Hoophouses for Health vouchers on behalf of a participating farm. In order to maintain the integrity of the Hoophouses for Health program, vouchers must be accepted by a representative of the farm at their farmers market stall.

The application indicates that loan recipients could be subject to an audit. If audited, will the farmer have to share information about his or her entire farm operation or just the documentation of inputs and outputs from the hoophouse?

Program administrators and evaluators must have access to the records you will be required to keep to demonstrate how the hoophouse is contributing to your overall farm operation. However, you do not need to share records for other portions of your farm operation.

What happens if an unforeseen event occurs to the applicant (e.g., farmer decides to no longer sell at the participating market, the farm goes out of business, death, etc.)?

If an unforeseen circumstance arises, contact MIFMA immediately so that the situation can be resolved. MIFMA will work with participating farms to find a solution.

Do participating farmers have a say in which community organizations will distribute vouchers?

We work in partnership with the Michigan Head Start Association to identify local Head Start Agencies to distribute vouchers. As the program continues to evolve, farmers and farmers market managers will also be asked to suggest nearby community organizations that work with vulnerable families. Organizations interested in distributing vouchers can complete a Hoophouses for Health Community Partner Commitment form available at www.hoophousesforhealth.org.

When will customers start arriving at the market with vouchers to redeem?

MIFMA will work closely with the farms that have received loans to determine the schedule for distribution and redemption vouchers based on the product availability.

Can a voucher given out in one community be redeemed at a different market?

Yes, vouchers can be redeemed with any participating farmer selling at a participating farmers market. However, voucher recipients will be provided with outreach and educational materials specific to their community.

What food items can customers purchase with the vouchers?

Farmers can exchange vouchers for any food product (including fruit, vegetables, culinary herbs, popcorn, and dry beans) or food producing plants (transplants) grown on their farm. Products do not have to come from the hoophouse purchased with the loan. For the purposes of this program, hops are not considered an eligible food item. If a loan recipient sells value-added products, they may be purchased with vouchers if the majority of the ingredients (greater than 50% by weight) were produced on their farm. Farmers must comply with licensing and/or regulation in order to be able to produce and sell value added items. Vouchers cannot be used to purchase non-food items such as cut flowers, or items being re-sold by the loan recipient that were not grown on the loan recipient's farm.

Can farmers accept vouchers outside of the farmers market in order to pay back their loan?

One of the goals of this loan program is to strengthen the farmers markets that are involved. It is important to program funders and administrators that voucher redemption takes place at the participating farmers markets. Additionally, participating community organizations may use 25% of the value of their vouchers for their programming. Farmers can work directly with those organizations to identify if distribution will take place at the farmers market or if they will make special arrangements with the organization.

How should I mail vouchers and invoices back to MIFMA?

We recommend sending your vouchers back to MIFMA through the U.S. Postal Service using Priority Mail. Priority Mail includes tracking and insurance up to \$50. Additional insurance can be purchased for a relatively small fee, depending on the amount. If you are sending large batches of vouchers, we recommend insuring them for their full value. Otherwise, if they are lost in the mail, we will have no way to verify the amount to deduct from your loan

balance. If you can find insurance and tracking options through other delivery services such as FedEx or UPS, that is adequate as well. Please send vouchers to the following address:

Michigan Farmers Market Association
Attn: Hoophouses for Health
480 Wilson Rd, Room 172
East Lansing, MI 48824

I own a CSA. Is it possible to accept vouchers in exchange for a CSA share if I arrange for the CSA pick-up to be at the farmers market?

It is unlikely that voucher recipients will receive enough vouchers over the course of a season to pay for a full CSA share. If you make arrangements for shorter-term shares for participants of this program, an arrangement may work in your community.

What records will I be required to keep track of and submit as a part of this program?

You will be required to keep records of crop production inside your hoophouse including: crop selection, scheduling, yields, and revenue. Records are required to be submitted on a monthly basis for the life of the loan. Templates will be provided for your use and are available online at www.hoophousesforhealth.org.

Where do I direct my questions relating to technical assistance for the Hoophouses for Health program?

Hoophouse technical assistance is provided to Hoophouses for Health applicants and participants by the MSU Department of Horticulture. Please contact Erin Caudell at 517-353-0408 or caudelle@msu.edu for questions relating to this program.

Hoophouses for Health is a partnership of:



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