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DEPARTMENT OF AGRICULTURE

Rural Business-Cooperative Service

[Docket No. RBS-20-BUSINESS-0045]

Inviting Applications for Value-Added Producer Grants and Solicitation of Grant Reviewers

AGENCY: Rural Business-Cooperative Service, USDA.

ACTION: Notice.

SUMMARY: This Notice announces that the Rural Business-Cooperative Service (Agency) is accepting applications for the Value-Added Producer Grant (VAPG) program. Approximately \$19 million is currently available. The Agency may also utilize any funding that becomes available through enactment of FY 21 appropriations. The Agency will publish the program funding level on the Rural Development website (<https://www.rd.usda.gov/programs-services/value-added-producer-grants>). Section VII also announces solicitation of non-Federal independent grant reviewers to evaluate and score applications submitted under this Notice.

DATES: You must submit your application by **[INSERT DATE 90 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]** or it will not be considered for funding. Paper applications must be postmarked and mailed, shipped or sent overnight by this date. You may also hand carry your application to one of our field offices, but it must be received by close of business on the deadline date. Electronic applications are permitted via <http://www.grants.gov> only and must be received before Midnight Eastern time on **[INSERT DATE 85 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]**. Late applications are not eligible for grant funding under this Notice.

ADDRESSES: You should contact your USDA Rural Development State Office if you have questions about eligibility or submission requirements. You are encouraged to contact your State Office well in advance of the application deadline to discuss your project and to ask any questions about the application process. Application materials are available at <http://www.rd.usda.gov/programs-services/value-added-producer-grants>.

If you want to submit an electronic application, follow the instructions for the VAPG funding announcement on <http://www.grants.gov>. Please review the Grants.gov website at <https://www.grants.gov/web/grants/applicants/registration.html> for instructions on the process of registering your organization as soon as possible to ensure you are able to meet the electronic application deadline. If you want to submit a paper application, send it to the State Office located in the state where your project will primarily take place. You can find State Office Contact information at <http://www.rd.usda.gov/contact-us/state-offices>.

FOR FURTHER INFORMATION CONTACT: Greg York at (202) 281-5289, gregory.york@usda.gov or Mike Daniels at (715) 345-7637, mike.daniels@usda.gov, Program Management Division, Rural Business-Cooperative Service, United States Department of Agriculture, 1400 Independence Avenue, S.W., Mail Stop 3226, Room 5801-S, Washington, D.C. 20250-3226, Phone (202) 720-1400 or email CPgrants@usda.gov.

SUPPLEMENTARY INFORMATION:

Preface

The Agency encourages applications that will support recommendations made in the Rural Prosperity Task Force report to help improve life in rural America. The report can be found at <https://www.usda.gov/topics/rural/rural-prosperity>. Applicants are encouraged to consider projects that provide measurable results in helping rural communities build robust and sustainable economies through strategic investments in

infrastructure, partnerships and innovation.

Key strategies include:

- Achieving e-Connectivity for rural America
- Developing the Rural Economy
- Harnessing Technological Innovation
- Supporting a Rural Workforce
- Improving Quality of Life

Please note the following:

Hemp projects: The Agriculture Improvement Act of 2018, Public Law 115-334, (the 2018 Farm Bill) required USDA to promulgate regulations and guidelines to establish and administer a program for the production of hemp in the United States. Prior to the 2018 Farm Bill, state departments of agriculture and institutions of higher learning were permitted to produce hemp as part of a pilot program for research purposes pursuant to the Agricultural Act of 2014, Public Law 113-79, (the 2014 Farm Bill). The Continuing Appropriations Act, 2021 and Other Extensions Act, Public Law 116-159, extends the program until September 30, 2021.

In determining eligibility for the applicant, project or use of funds, any project applying for funding under the VAPG program and proposing to produce, procure, supply or market any component of the hemp plant or hemp related by-products, must have a valid license from an approved state, tribal or federal plan pursuant to Section 10113 of the 2018 Farm Bill, be in compliance with regulations published by the Agricultural Marketing Service at 7 CFR Part 990, and meet any applicable FDA and DEA regulatory requirements. Verification of valid hemp licenses will occur at the time of award. In addition, all projects proposing to use biomass feedstock from any part of the hemp plant must demonstrate assurance of an adequate supply of the feedstock.

In the absence of Federal oversight or regulations governing the 2014 Farm Bill pilot program, Rural Development will not award funds to any project proposing to produce, procure, supply or market any component of the hemp plant or hemp related by-products, or provide technical assistance related to such products, produced under the 2014 Farm Bill authority.

Local Agriculture Marketing Program (LAMP) Food Safety Implementation:

Until Farm Bill implementation is finalized via the Agency rulemaking process, there will not be food safety reserve funding. Food safety training, certifications, and supplies that are eligible under the current program regulation may continue to be included in the work plan/budget.

Overview

Federal Agency Name: USDA Rural Business-Cooperative Service.

Funding Opportunity Title: Value-Added Producer Grant.

Announcement Type: Notice of Solicitation of Applications and Solicitation of Grant Reviewers

Catalog of Federal Domestic Assistance Number: 10.352.

Dates: Application Deadline. You must submit your complete paper application by **[INSERT DATE 90 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, or it will not be considered for funding. Electronic applications must be received by <http://www.grants.gov> no later than midnight Eastern time on **[INSERT DATE 85 DAYS FROM DATE OF PUBLICATION IN THE FEDERAL REGISTER]**, or it will not be considered for funding.

Paperwork Reduction Act

In accordance with the Paperwork Reduction Act, the paperwork burden

associated with this Notice has been approved by the Office of Management and Budget (OMB) under OMB Control Number 0570–0039.

A. Program Description

The VAPG program is authorized under section 231 of the Agriculture Risk Protection Act of 2000 (Pub. L. 106-224), as amended by section 10102 of the Agriculture Improvement Act of 2018 (Pub. L. 115-334) (see 7 U.S.C. 1627c). Applicants must adhere to the requirements contained in the program regulation, 7 CFR 4284, subpart J, which is incorporated by reference in this Notice.

The objective of this grant program is to assist viable Independent Producers, Agricultural Producer Groups, Farmer and Rancher Cooperatives, and Majority-Controlled Producer-Based Businesses in starting or expanding value-added activities related to the processing and/or marketing of Value-Added Agricultural Products. Grants will be awarded competitively for either planning projects or working capital projects directly related to the processing and/or marketing of value-added products. Generating new products, creating and expanding marketing opportunities, and increasing producer income are the end goals of the program. All proposals must demonstrate economic viability and sustainability to compete for funding.

Funding priority will be made available to Beginning Farmers and Ranchers, Veteran Farmers and Ranchers, Socially-Disadvantaged Farmers and Ranchers, Operators of Small and Medium-Sized Farms and Ranches structured as Family Farms or Ranches, Farmer or Rancher Cooperatives, and projects proposing to develop a Mid-Tier Value Chain. See 7 CFR 4284.923 for Reserved Funds eligibility and 7 CFR 4284.924 for Priority Scoring eligibility.

Definitions

The following term is incorporated from Section 10102 of the Agriculture

Improvement Act of 2018. Majority Controlled Producer-Based Business venture means a venture greater than 50 percent of the ownership and control of which is held by—

“(i) 1 or more producers; or

“(ii) 1 or more entities, 100 percent of the ownership and control of which is held by 1 or more producers. The term ‘entity’ means—

“(i) a partnership;

“(ii) a limited liability corporation;

“(iii) a limited liability partnership; and

“(iv) a corporation

Also, Market Expansion Project means a project in which the Independent Producer applicant seeks to expand the market for an existing value-added product (produced and marketed by the applicant for at least 2 years at the time of application) through sales to demonstrably new markets or to new customers in existing markets.

Additional terms you need to understand are defined in 7 CFR 4284.902.

B. Federal Award Information

Type of Instrument: Grant.

Approximate Number of Awards: To be determined

Available Total Funding: \$25 million

Maximum Award Amount: Planning--\$75,000; Working Capital--\$250,000.

Project Period: Up to 36 months depending on the complexity of the project.

Anticipated Award Date: September 30, 2021

Reservation of Funds: Ten percent of available funds for applications will be reserved for applicants qualifying as Beginning, Veteran, and Socially-Disadvantaged Farmers or Ranchers. An additional ten percent of available funds for applications from farmers or ranchers proposing development of Mid-Tier Value Chains will be reserved.

Funds not obligated from these reserves prior to September 30, 2021, will be used for the VAPG general competition. If this is the case, Beginning, Veteran, and Socially-Disadvantaged Farmers or Ranchers and applicants proposing Mid-Tier Value Chains will compete with other eligible VAPG applications. In addition, any funds that become available for persistent poverty counties through enactment of FY 21 appropriations will be allocated for assistance in persistent poverty counties.

C. Eligibility Information

Applicants must comply with the program regulation 7 CFR part 4284 subpart J to meet all the following eligibility requirements. Required documentation is included in the application package. Applications which fail to meet any of these requirements by the application deadline will be deemed ineligible and will not be evaluated further.

1. Eligible Applicants

You must demonstrate within the application narrative that you meet all the applicant eligibility requirements of 7 CFR 4284.920 and 4284.921. This includes meeting the definition requirements at 7 CFR 4284.902 by demonstrating how you meet the definition for Agricultural Producer (i.e., how you participate in the “day to day labor, management, and field operations” of your agricultural enterprise); how you qualify for one of the following applicant types: Independent Producer, Agricultural Producer Group, Farmer or Rancher Cooperative or Majority-Controlled Producer-Based Business; and whether you meet the Emerging Market, Citizenship, Legal Authority and Responsibility, Multiple Grants and Active Grants requirements of the section. Required documentation to support eligibility is contained at 7 CFR 4284.931 and in the application package.

Federally-recognized tribes and tribal entities must demonstrate that they meet the definition requirements for one of the four eligible applicant types. Rural Development

State Offices and posted application toolkits will provide additional information on tribal eligibility.

Per 7 CFR 4284.921, an applicant is ineligible if they have been debarred or suspended or otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, “Debarment and Suspension.” The Agency will check the System for Award Management (SAM) to determine if the applicant has been debarred or suspended. In addition, an applicant will be considered ineligible for a grant due to an outstanding judgment obtained by the U.S. in a Federal Court (other than U.S. Tax Court), is delinquent on the payment of Federal income taxes, or is delinquent on Federal debt. The applicant must certify as part of the application that they do not have an outstanding judgment against them. The Agency will check the Do Not Pay System to verify this information.

Per the Consolidated Appropriations Act, 2018 (Pub. L. 116-93) or successor appropriations act, any corporation (i) that has been convicted of a felony criminal violation under any Federal law within the past 24 months or (ii) that has any unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner pursuant to an agreement with the authority responsible for collecting the tax liability, is not eligible for financial assistance provided with funds appropriated by, unless a Federal agency has considered suspension or debarment of the corporation and has made a determination that this further action is not necessary to protect the interests of the Government.

Per 7 CFR 4284.905(a), Applicants must comply with other applicable Federal laws. Applicants who are proposing working capital grants to produce and market value-added products in the industries of wine, beer, distilled spirits or other alcoholic merchandise must comply with Alcohol and Tobacco Tax and Trade Bureau (TTB)

regulations, including but not limited to permitting, filing of taxes and operational reports. Please visit TTB's website at <https://www.ttb.gov/> for more information. If you are not in compliance with TTB's requirements, the Agency may determine that you are not qualified to receive a Federal award and use that determination as a basis for making an award to another applicant. If, at any time after you have already received a VAPG award, you are found to be in noncompliance with TTB's operational reporting or tax requirements, the Agency may determine that you are not in compliance with your grant terms and conditions.

An Applicant may submit only one application in response to a solicitation and must explicitly direct that it competes in either the general funds competition or in one of the named reserved funds competitions. Multiple applications from separate entities with identical or greater than 75 percent common ownership, or from a parent, subsidiary or affiliated organization (with "affiliation" defined by Small Business Administration regulation 13 CFR 121.103, or successor regulation) are not permitted. Further, Applicants who have already received a Planning Grant for the proposed project cannot receive another Planning Grant for the same project. Applicants who have already received a Working Capital Grant for the proposed project cannot receive any additional grants for that project (Proposals from previous award recipients should be substantially different in terms of products and/or markets and should not merely be extensions of previously funded projects).

2. Cost-Sharing or Matching

There is a matching fund (cost-sharing) requirement of at least \$1 for every \$1 in grant funds provided by the Agency (matching funds plus grant funds must equal proposed Total Project Cost). Matching funds may be in the form of cash or eligible in-kind contributions. Matching contributions and grant funds may be used only for eligible project purposes, including any contributions exceeding the minimum amount required.

Applicant matching contributions in the form of raw commodity, time contributed to the project, or goods or services for which no out-of-pocket expenditures are made during the grant period, must be characterized as in-kind contributions. Donations of goods and services from third-parties must be characterized as in-kind contributions. Tribal applicants may utilize grants made available under Public Law 93-638, the Indian Self-Determination and Education Assistance Act of 1975, as their matching contribution, and should check with appropriate tribal authorities regarding the availability of such funding.

Matching funds must be available at the time of application and must be certified and verified as described in 7 CFR 4284.931(b)(3) and (4). Do not include *projected* income as a matching contribution because it cannot be verified as available. Note that matching funds must also be discussed as part of the scoring criterion Commitments and Support as described in section. E.1.(c)

3. Project Eligibility

You must demonstrate within the application narrative that you meet all the project eligibility requirements of 7 CFR 4284.922.

(a) Product eligibility. Applicants for both planning and working capital grants must meet all requirements at 7 CFR 4284.922(a), including that your value-added product must result from one of the five methodologies identified in the definition of Value-Added Agricultural Product at 7 CFR 4284.902. In addition, you must demonstrate that, as a result of the project, the customer base for the agricultural commodity or value-added product will be expanded, by including a baseline of current customers for the commodity, and an estimated target number of customers that will result from the project; and that, a greater portion of the revenue derived from the marketing or processing of the value-added product is available to the applicant producer(s) of the agricultural commodity, by including a baseline of current revenues from the sale of the agricultural commodity and an estimate of increased revenues that

will result from the project. Note that working capital grants for market expansion projects per 7 CFR 4284.922(b) must demonstrate expanded customer base and increased revenue resulting only from sales of existing products to new customers. VAPG recognizes that market expansion projects may involve marketing and promotion activities such as trade shows, farmers markets, and various media advertising which also result in increased sales to existing customers. However, market expansion award recipients must use grant and matching funds only on activities that demonstrably focus on marketing products they have produced and sold for at least two years, to new markets and/or to new customers in existing markets, such that the producer's customer base (number of customers) is expanded, per program requirements. Grant and matching funds cannot be deliberately expended on sales of existing products to existing customers.

In addition, per the Agriculture Improvement Act of 2018, working capital applications must include a statement describing the direct or indirect producer benefits intended to result from the proposed project within a reasonable period of time after the receipt of a grant.

(b) Purpose eligibility. Applicants for both planning and working capital grants must meet all requirements at 7 CFR 4284.922(b) regarding maximum grant amounts, verification of matching funds, eligible and ineligible uses of grant and matching funds, and a substantive, detailed work plan and budget.

(1) Planning Grants. A planning grant is used to fund development of a defined program of economic planning activities to determine the viability of a potential value-added venture, specifically for paying a qualified consultant to conduct and develop a feasibility study, business plan, and/or marketing plan associated with the processing and/or marketing of a value-added agricultural product. Planning grant funds may not be used to fund working capital activities.

(2) Working Capital Grants. This type of grant provides funds to operate a value-added project, specifically to pay the eligible project expenses directly related to the processing and/or marketing of the value-added products that are eligible uses of grant funds. Working capital funds may not be used for planning purposes.

(c) Reserved Funds Eligibility. To qualify for Reserved Funds as a Beginning, Veteran, or Socially-Disadvantaged Farmer or Rancher or if you propose to develop a Mid-Tier Value Chain, you must meet the requirements found at 7 CFR 4284.923. If your application is eligible, but is not awarded under the Reserved Funds, it will automatically be considered for general funds in that same fiscal year, as funding levels permit.

(d) Priority Points. To qualify for Priority Points for projects that contribute to increasing opportunities for Beginning Farmers or Ranchers, Socially-Disadvantaged Farmers or Ranchers, or if you are an Operator of a Small or Medium-sized Farm or Ranch structured as a Family Farm, a Veteran Farmer or Rancher, propose a Mid-Tier Value Chain project, or are a Farmer or Rancher Cooperative, you must meet the applicable eligibility requirements at 7 CFR 4284.923 and 4284.924 and must address the relevant proposal evaluation criterion.

Priority points will also be awarded during the scoring process to eligible Agricultural Producer Groups, Farmer or Rancher Cooperatives, and Majority-Controlled Producer-Based Business Ventures that best contribute to creating or increasing marketing opportunities for Beginning Farmers or Ranchers, Socially-Disadvantaged Farmers or Ranchers, and/or Veteran Farmers or Ranchers. You must meet the eligibility requirements at 7 CFR 4284.923 and 4284.924 and must address the relevant proposal evaluation criterion.

4. Eligible Uses of Grant and Matching Funds

Eligible uses of grant and matching funds are discussed, along with examples, in 7 CFR 4284.925. In general, grant and cost-share matching funds have the same use restrictions and must be used to fund only the costs for eligible purposes as defined at 7 CFR 4284.925 (a) and (b).

5. Ineligible Uses of Grant and Matching Funds

Federal procurement standards prohibit transactions that involve a real or apparent conflict of interest for owners, employees, officers, agents, or their immediate family members having a personal, professional, financial or other interest in the outcome of the project; including organizational conflicts, and conflicts that restrict open and free competition for unrestrained trade. A list (not all-inclusive) of ineligible uses of grant and matching funds is found in 7 CFR 4284.926.

D. Application and Submission Information

1. Address to Request Applications

The application toolkit, regulation, and official program notification for this funding opportunity can be obtained online at <http://www.rd.usda.gov/programs-services/value-added-producer-grants>. You may also contact your USDA Rural Development State Office by visiting <http://www.rd.usda.gov/contact-us/state-offices>. The toolkit contains an application checklist, templates, required grant forms, and instructions. Although the Agency highly recommends the use of the templates in the toolkit, is not mandatory.

2. Content and Form of Application Submission

You may submit your application in paper form or electronically through Grants.gov. Your application must contain all required information.

To apply electronically, you must follow the instructions for this funding announcement at <http://www.grants.gov>. Please note that we cannot accept emailed or faxed applications.

You can locate the Grants.gov downloadable application package for this program by using a keyword, the program name, or the Catalog of Federal Domestic Assistance (CFDA) Number for this program.

When you enter the Grants.gov website, you will find information about applying electronically through the site, as well as the hours of operation.

To use Grants.gov, you must already have a DUNS number and you must also be registered and maintain registration in SAM. We strongly recommend that you do not wait until the application deadline date to begin the application process through Grants.gov.

You must submit all your application documents electronically through Grants.gov.

After electronically applying through Grants.gov, you will receive an automatic acknowledgement from Grants.gov that contains a Grants.gov tracking number.

If you want to submit a paper application, send it to the State Office located in the state where your project will primarily take place. You can find State Office contact information at <http://www.rd.usda.gov/contact-us/state-offices>. An optional-use Agency application template is available online at <http://www.rd.usda.gov/programs-services/value-added-producer-grants>.

Your application must contain all the required forms and proposal elements described in 7 CFR 4284.931, unless otherwise clarified in this Notice. You are encouraged, but not required to utilize the Application Toolkits found at <http://www.rd.usda.gov/programs-services/value-added-producer-grants>, however, you must provide all of the information requested by the template. You must become familiar

with the program regulation at 7 CFR part 4284, subpart J in order to submit a successful application. Basic application contents are outlined below:

- Standard Form (SF)-424, “Application for Federal Assistance,” to include your DUNS number and SAM (CAGE) code and expiration date (or evidence that you have begun the SAM registration process). Because there are no specific fields for a CAGE code and expiration date, you may identify them anywhere on the form. You must include your DUNS number in the application for it to be considered for funding.

- SF-424A, “Budget Information-Non-Construction Programs.” This form must be completed and submitted as part of the application package.

- You must certify that there are no current outstanding Federal judgments against your property and that you will not use grant funds to pay for any judgment obtained by the United States. You must also certify that you are not delinquent on the payment of Federal income taxes, or any Federal debt. To satisfy the Certification requirement, you should include this statement in your application: “[INSERT NAME OF APPLICANT] certifies that the United States has not obtained an unsatisfied judgment against its property, is not delinquent on the payment of Federal income taxes, or any Federal debt, and will not use grant funds to pay any judgments obtained by the United States.” A separate signature is not required.

You must provide a valid permit or evidence of having begun the permitting process if you are proposing a working capital grant to produce and market value-added products in the industries of wine, beer, distilled spirits or other alcoholic merchandise.

You must provide a valid producer license issued by a state, tribe, or USDA, as applicable in accordance with 7 CFR part 990 if you are proposing to market value-added hemp products.

- Executive Summary and Abstract. A one-page Executive Summary containing the following information: legal name of applicant entity, application type

(planning or working capital), applicant type, amount of grant request, a summary of your project, and whether you are submitting a simplified application, and whether you are requesting Reserved Funds. Also include a separate abstract of up to 100 words briefly describing your project.

- Eligibility discussion.
- Work plan and budget.
- Performance evaluation criteria.
- Proposal evaluation criteria.
- Certification and verification of matching funds.
- Reserved Funds and Priority Point documentation (as applicable).
- Feasibility studies, business plans, and/or marketing plans, as applicable.

Appendices containing required supporting documentation.

3. Dun and Bradstreet Data Universal Numbering System (DUNS) and System for Awards Management (SAM)

To be eligible (unless you are excepted under 2 CFR 25.110(b), (c) or (d), you are required to:

(a) Provide a valid DUNS number in your application, which can be obtained at no cost via a toll-free request line at (866) 705-5711;

(b) Register in SAM before submitting your application. You may register in SAM at no cost at <https://www.sam.gov/SAM/> . You must provide your SAM Cage Code and expiration date or evidence that you have begun the SAM registration process at time of application; and

(c) Continue to maintain an active SAM registration with current information at all times during which you have an active Federal award or an application or plan under consideration by a Federal awarding agency.

If you have not fully complied with all applicable DUNS and SAM requirements, the Agency may determine that the applicant is not qualified to receive a Federal award and the Agency may use that determination as a basis for making an award to another applicant. Please refer to Section F. 2 for additional submission requirements that apply to grantees selected for this program.

4. Submission Dates and Times

Application Deadline Date: [INSERT 90 DAYS FROM DATE OF PUBLICATION IN THE **FEDERAL REGISTER**].

Explanation of Deadlines: Paper applications must be postmarked and mailed, shipped, or sent overnight by [INSERT 90 DAYS FROM DATE OF PUBLICATION IN THE **FEDERAL REGISTER**]. The Agency will determine whether your application is late based on the date shown on the postmark or shipping invoice. You may also hand deliver your application to one of our field offices, but it must be received by close of business on the deadline date. If the due date falls on a Saturday, Sunday, or Federal holiday, the application is due the next business day. Late applications will automatically be considered ineligible and will not be evaluated further.

Electronic applications must be received at <http://www.grants.gov> no later than Midnight Eastern time, [INSERT 85 DAYS FROM DATE OF PUBLICATION IN THE **FEDERAL REGISTER**] to be eligible for funding. Please review the Grants.gov website at <https://www.grants.gov/web/grants/applicants/registration.html> for instructions on the process of registering your organization as soon as possible to ensure you are able to meet the electronic application deadline. Grants.gov will not accept applications submitted after the deadline.

5. Intergovernmental Review

Executive Order (EO) 12372, Intergovernmental Review of Federal Programs, applies to this program. This EO requires that Federal agencies provide opportunities for

consultation on proposed assistance with State and local governments. Many states have established a Single Point of Contact (SPOC) to facilitate this consultation. A list of states that maintain a SPOC may be obtained at <https://www.whitehouse.gov/wp-content/uploads/2020/04/SPOC-4-13-20.pdf>. If your state has a SPOC, you must submit your application directly for review. Any comments obtained through the SPOC must be provided to RD for consideration as part of your application. If your state has not established a SPOC or you do not want to submit your application to the SPOC, RD will submit your application to the SPOC or other appropriate agency or agencies. Applications from federally recognized Indian tribes are not subject to Intergovernmental Review.

6. Funding Restrictions

Funding limitations and reservations found in the program regulation at 7 CFR 4284.927 will apply, including:

(a) Use of Funds. Grant funds may be used to pay up to 50 percent of the total eligible project costs, subject to the limitations established for the maximum total grant amount. Grant funds may not be used to pay any costs of the project incurred prior to the date of grant approval. Grant and matching funds may only be used for eligible purposes. (See examples of eligible and ineligible uses in 7 CFR 4284.925 and 4284.926, respectively).

(b) Grant Period (project period). Your project timeframe or grant period can be a maximum of 36 months in length from the date of award, depending on the complexity of your project. Your proposed grant period should begin no earlier than the anticipated award announcement date in this Notice and should end no later than 36 months following that date. If you receive an award, your grant period will be revised to begin on the actual date of award—the date the grant agreement is executed by the Agency—and your grant period end date will be adjusted accordingly. Your project

activities should begin within 90 days of that date of award. The length of your grant period should be based on your project's complexity, as indicated in your application work plan. For example, it is expected that most planning grants can be completed within 12 months.

(c) Program Income. If income (Program Income) is earned during the grant period as a result of the project activities, it is subject to the requirements in 2 CFR 200.80, and must be managed and reported accordingly.

(d) Majority Controlled Producer-Based Business. The total amount of funds awarded to Majority Controlled Producer-Based Businesses in response to this announcement shall not exceed 10 percent of the total funds obligated for the program during the fiscal year.

(e) Reserved Funds. Ten percent of all funds available will be reserved to fund projects that benefit Beginning Farmers or Ranchers, Veteran Farmers or Ranchers or Socially-Disadvantaged Farmers or Ranchers. In addition, 10 percent of total funding available will be used to fund projects that propose development of Mid-Tier Value Chains as part of a Local or Regional Supply Chain Network. See related definitions in 7 CFR 4284.902. In addition, any funds that become available for persistent poverty counties through enactment of FY 21 appropriations will be allocated for assistance in persistent poverty counties.

(f) Disposition of Reserved Funds Not Obligated. For this announcement, any reserved funds that have not been obligated by September 30, 2021, will be available to the Secretary to make VAPG grants in accordance with Section 210A(i)(3(ii) of the Agriculture Improvement Act of 2018.

7. Other Submission Requirements

(a) National Environmental Policy Act.

This Notice has been reviewed in accordance with 7 CFR part 1970, “Environmental Policies and Procedures,” and it has been determined that an Environmental Impact Statement is not required because the issuance of regulations and instructions, as well as amendments to them, describing administrative and financial procedures for processing, approving, and implementing the Agency’s financial programs is categorically excluded in the Agency’s National Environmental Policy Act (NEPA) regulation found at 7 CFR 1970.53(f). We have determined that this Notice does not constitute a major Federal action significantly affecting the quality of the human environment.

The Agency will review each grant application to determine its compliance with 7 CFR part 1970 and whether proposed financial assistance by the Agency would have a disproportionately high and adverse human health or environmental effect on minority or low-income populations. The applicant may be asked to provide additional information or documentation to assist the Agency with this determination.

(b) Civil Rights Compliance Requirements.

All grants made under this Notice are subject to Title VI of the Civil Rights Act of 1964 as required by the USDA (7 CFR part 15, subpart A) and Section 504 of the Rehabilitation Act of 1973.

E. Application Review Information

Applications will be reviewed and processed as described at 7 CFR 4284.940. The Agency will review your application to determine if it is complete and eligible. If at any time, the Agency determines that your application is ineligible, you will be notified in writing as to the reasons it was determined ineligible and you will be informed of your review and appeal rights. Funding of successfully appealed applications will be limited to available funds.

The Agency will only score applications in which the applicant and project are eligible, which are complete and sufficiently responsive to program requirements, and in which the Agency agrees on the likelihood of financial feasibility for working capital requests. We will score your application according to the procedures and criteria specified in 7 CFR 4284.942, and with tiered scoring thresholds as specified below.

1. Scoring Criteria

For each criterion, you must show how the project has merit and why it is likely to be successful. Your complete response to each criterion must be included in the body of the application, including summarizations of any feasibility studies, business and marketing plans. If you do not address all parts of the criterion, or do not sufficiently communicate relevant project information, you will receive lower scores. VAPG is a competitive program, so you will receive scores based on the quality of your responses. Simply addressing the criteria will not guarantee higher scores. The maximum number of points that can be awarded to your application is 100. For this announcement, the minimum score requirement for funding is 50 points.

The Agency application toolkit provides additional instructions to help you to respond to the criteria below.

(a) Nature of the Proposed Venture (graduated score 0 - 30 points).

For both planning and working capital grants, you must discuss the technological feasibility of the project, as well as operational efficiency, profitability, and overall economic sustainability resulting from the project. You must also demonstrate the potential for expanding the customer base for the agricultural commodity or value-added product, and the expected increase in revenue returns to the producer-owners providing the majority of the raw agricultural commodity to the project. Working capital applicants must also provide the potential number of jobs that will result from the project, along with a justifiable basis for these projections. Please see the application template for more

information. All applicants must reference and summarize third-party data and other information that specifically supports your value-added project; discuss the value-added process you are proposing; describe the potential markets and distribution channels; the value to be added to the raw commodity through the value-added process; cost and availability of inputs, your experience in marketing the proposed or similar product; business financial statements; and any other relevant information that supports the viability of your project. Working capital applicants should demonstrate that these outcomes will result from the project and include supportable projections of increase in customer base, revenue returned to producers and jobs resulting from the project in order to receive up to the maximum number of points. Planning grant applicants should describe the expected results, and the reasons supporting those expectations.

Points will be awarded as follows:

- (1) 0 points will be awarded if you do not address the criterion.
 - (2) 1-5 points will be awarded if you do not address each of the following: technological feasibility, operational efficiency, profitability, and overall economic sustainability.
 - (3) 6-13 points will be awarded if you address technological feasibility, operational efficiency, profitability, and overall economic sustainability, but do not reference third-party information that supports the success of your project.
 - (4) 14-22 points will be awarded if you address technological feasibility, operational efficiency, profitability, and overall economic, supported by third-party information demonstrating a reasonable likelihood of success.
 - (5) 23-30 points will be awarded if all criterion components are well addressed, supported by third-party information, and demonstrate a high likelihood of success.
- (b) Qualifications of Project Personnel (graduated score 0 - 20 points).

You must identify all individuals who will be responsible for managing and completing the proposed tasks in the work plan, including the roles and activities that owners, staff, contractors, consultants or new hires may perform; and show that these individuals have the necessary qualifications and expertise, including those hired to do market or feasibility analyses, or to develop a business operations plan for the value-added venture. You must include the qualifications of those individuals responsible for leading or managing the total project (applicant owners or project managers), as well as those individuals responsible for conducting the various individual tasks in the work plan (such as consultants, contractors, staff or new hires). You must discuss the commitment and the availability of any consultants or other professionals to be hired for the project; especially those who may be consulting on multiple VAPG projects. If staff or consultants have not been selected at the time of application, you must provide specific descriptions of the qualifications required for the positions to be filled. Applications that demonstrate the strong credentials, education, capabilities, experience and availability of project personnel that will contribute to a high likelihood of project success will receive more points than those that demonstrate less potential for success in these areas.

Points will be awarded as follows:

- (1) 0 points will be awarded if you do not address the criterion.
- (2) 1-4 points will be awarded if qualifications and experience of all staff is not addressed and/or if necessary, qualifications of unfilled positions are not provided.
- (3) 5-9 points will be awarded if all project personnel are identified but do not demonstrate qualifications or experience relevant to the project.
- (4) 10-14 points will be awarded if most key personnel demonstrate strong credentials and/or experience, and availability indicating a reasonable likelihood of success.

(5) 15-20 points will be awarded if all personnel demonstrate strong, relevant credentials or experience, and availability indicating a high likelihood of project success.

(c) Commitments and Support (graduated score 0 - 10 points).

Producer, end-user, and third-party commitments will be evaluated under this criterion. Sole proprietors can receive a maximum of 9 points. Multiple producer applications can receive a maximum of 10 points.

(1) Producer commitments to the project will be evaluated based on the number of named and documented independent producers currently involved in the project; and the nature, level and quality of their contributions.

(2) End-user commitments will be evaluated based on potential or identified markets and the potential amount of output to be purchased, as indicated by letters of intent or contracts (purchase orders) from potential buyers referenced within the application. Applications that demonstrate documented intent to purchase the value-added product will receive more points. Note: for planning grants, this criterion can be addressed by evidence of interest or support from identified or potential customers.

(3) Third-party commitments to the project will be evaluated based on the critical and tangible nature of their contribution to the project, such as technical assistance, storage, processing, marketing, or distribution arrangements that are necessary for the project to proceed; and the level and quality of these contributions. Applications that demonstrate strong technical and logistical support to successfully complete the project will receive more points.

Letters of commitment by producers, end-users, and third-parties should be summarized as part of your response to this criterion, and the letters must be included in Appendix B. Please note that VAPG does not require Congressional letters of support, nor do they carry any extra weight during the evaluation process. Also, note that because applications with cash matching contributions are awarded more points than those

pledging only in-kind contributions, applicants will not be able to substitute an in-kind match for cash after awards are made.

Points will be awarded as follows:

(i) 0 points will be awarded if you do not address the criterion.

(ii) Independent Producer Commitment

(A) Sole Proprietor (one owner/producer): 1 point

(B) Multiple Independent Producers (note: in cases where family members, such as husband and wife, are eligible Independent Producers, each family member will count as one Independent Producer): 2 points

(iii) Level of Commitment

(A) All matching contributions are in-kind: 1 point

(B) Matching contribution consists of both cash and in-kind: 2 points

(C) All matching contributions are cash: 4 points

(iv) End-user commitment:

(A) No, or insufficiently documented, commitment from end-users: 0 points

(B) Well-documented commitment from one end-user: 1 point

(C) Well-documented commitment from more than one end-user: 2 points

(v) Third-party commitment:

(A) No, or insufficiently documented, commitment from third-parties: 0

points

(B) Well-documented commitment from one third-party: 1 point

(C) Well-documented commitment from more than one third-party: 2 points

(d) Work Plan and Budget (graduated score 0 - 20 points).

You must submit a comprehensive work plan and budget (for full details, see 7 CFR 4284.922(b)(5)). Your work plan must provide specific and detailed descriptions of the tasks and the key project personnel that will accomplish the project's goals. The

budget must present a detailed breakdown and description of all estimated costs of project activities (including source and basis for their valuation) and allocate those costs among the listed tasks, as instructed in the application package. You must show the source and use of both grant and matching funds for all tasks. Matching funds must be spent at a rate equal to, or in advance of, grant funds. An eligible start and end date for the entire project, as well as for each individual project task must be clearly shown. The project timeframe must not exceed 36 months and should be scaled to the complexity of the project. Working capital applications must include an estimate of program income expected to be earned during the grant period (see 2 CFR 200.307).

Points will be awarded as follows:

- (1) 0 points will be awarded if you do not address the criterion.
- (2) 1-7 points will be awarded if the work plan and budget do not account for all project goals, tasks, costs, timelines, and responsible personnel.
- (3) 8-14 points will be awarded if you provide a clear, comprehensive work plan detailing all project goals, tasks, timelines, costs, and responsible personnel in a logical and realistic manner that demonstrates a reasonable likelihood of success.
- (4) 15-20 points will be awarded if you provide a clear, comprehensive work plan detailing all project goals, tasks, timelines, costs, and responsible personnel in a logical and realistic manner that demonstrates a high likelihood of success.
- (e) Priority Points up to 10 points (lump sum 0 or 5 points plus, graduated score 0 - 5 points).

It is recommended that you use the Agency application package when applying for priority points and refer to the requirements specified in 7 CFR 4284.924. Priority points may be awarded in both the General Funds and Reserved Funds competitions.

- (1) 5 points will be awarded if you meet the requirements for one of the following categories and provide the documentation described in 7 CFR 4284.923 and

4284.924 as applicable: Beginning Farmer or Rancher, Socially-Disadvantaged Farmer or Rancher, Veteran Farmer or Rancher, or Operator of a Small or Medium-sized Farm or Ranch that is structured as a Family Farm, Farmer or Rancher Cooperative, or are proposing a Mid-Tier Value Chain project.

(2) Up to 5 priority points will be awarded if you are an Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer-Based Business Venture (referred to below as “applicant group”) whose project “best contributes to creating or increasing marketing opportunities” for Operators of Small and Medium-sized Farms and Ranches that are structured as Family Farms, Beginning Farmers and Ranchers, Socially-Disadvantaged Farmers and Ranchers, and Veteran Farmers and Ranchers (referred to below as “priority groups”). For each of the priority point levels below, applications must demonstrate how the proposed project will contribute to new or increased marketing opportunities for respective priority groups. Guidance on relevant information required to adequately demonstrate this requirement can be found in the program application package.

(i) 2 priority points will be awarded if the existing membership of the applicant group is comprised of either more than 50 percent of any one of the four priority groups or more than 50 percent of any combination of the four priority groups.

(ii) 1 priority point will be awarded if the existing membership of the applicant group is comprised of two or more of the priority groups. One point is awarded regardless of whether a group’s membership is comprised of two, three, or all four of the priority groups.

(iii) 2 priority points will be awarded if the applicant’s proposed project will increase the number of priority groups that comprise applicant membership by one or more priority groups. However, if an applicant group’s membership is already comprised of all four priority groups, such an applicant would not be eligible for points under this

criterion because there is no opportunity to increase the number of priority groups. Note also that this criterion does not consider either the percentage of the existing membership that is comprised of the four priority groups or the number of priority groups currently comprising the applicant group's membership.

(f) Administrator Priority Categories (graduated score 0 - 10 points).

The Administrator of the Agency may choose to award up to 10 points to an application to improve the geographic diversity of awardees and/or foster persistent poverty counties and/or help reduce unemployment through job creation in a fiscal year. To ensure that funds are more broadly utilized in support of recommendations made in the Rural Prosperity Task Force report to help improve life in rural America, the Administrator may also choose to award points to eligible applicants who have never previously been awarded a VAPG grant. Eligible applicants who have never previously received VAPG funds and who want to be considered for discretionary points must specifically request consideration for these points and certify that neither the applicant entity or any of its owner or members have ever received a VAPG grant. To be considered for these points, you must discuss how your workplan and budget supports one or more of the five following key strategies:

Achieving e-Connectivity for Rural America;

Improving Quality of Life;

Supporting a Rural Workforce;

Harnessing Technological Innovation; and

Economic Development

2. Review and Selection Process

The Agency will select applications for award under this Notice in accordance with the provisions specified in 7 CFR 4284.950(a).

If your application is eligible and complete, it will be qualitatively scored by at

least two reviewers based on criteria specified in section E.1. of this Notice. One of these reviewers will be an experienced RD employee from your servicing State Office and at least one additional reviewer will be a non-Federal, independent reviewer, who must meet the following qualifications. Independent reviewers must have at least a bachelor's degree in one or more of the following fields: agri-business, agricultural economics, agriculture, animal science, business, marketing, economics or finance; and a minimum of 8 years of experience in an agriculture-related field (e.g. farming, marketing, consulting, or research; or as university faculty, trade association official or non-Federal government official in an agriculturally-related field). Each reviewer will score evaluation criteria (a) through (d) and the totals for each reviewer will be added together and averaged. The RD State Office reviewer will also assign priority points based on criterion (e) in section E.1. of this Notice. These will be added to the average score. The sum of these scores will be ranked highest to lowest and this will comprise the initial ranking.

The Administrator of the Agency may choose to award up to 10 Administrator priority points based on criterion (f) in section E.1. of this Notice. These points will be added to the cumulative score for a total possible score of 100.

A final ranking will be obtained based solely on the scores received for criteria (a) through (e). A minimum score of 50 points is required for funding. Applications for Reserved Funds will be funded in rank order until funds are depleted. Unfunded reserve applications will be returned to the general funds where applications will be funded in rank order until the funds are expended. Funding for Majority Controlled Producer-Based Business Ventures is limited to 10 percent of total grant funds expected to be obligated as a result of this Notice. These applications will be funded in rank order until the funding limitation has been reached. Grants to these applicants from Reserved Funds will count against this funding limitation. In the event of tied scores, the Administrator

shall have discretion in breaking ties.

If your application is ranked, but not funded, it will not be carried forward into the next competition.

F. Federal Award Administration Information

1. Federal Award Notices

If you are selected for funding, you will receive a signed notice of Federal award by postal mail, containing instructions on requirements necessary to proceed with execution and performance of the award.

If you are not selected for funding, you will be notified in writing via postal mail and informed of any review and appeal rights. Funding of successfully appealed applications will be limited to available funding.

2. Administrative and National Policy Requirements

Additional requirements that apply to grantees selected for this program can be found in 7 CFR part 4284, subpart J; the Grants and Agreements regulations of the Department of Agriculture codified in 2 CFR parts 180, 400, 415, 417, 418, 421; 2 CFR parts 25 and 170; and 48 CFR 31.2, and successor regulations to these parts.

In addition, all recipients of Federal financial assistance are required to report information about first-tier sub-awards and executive compensation (see 2 CFR part 170). You will be required to have the necessary processes and systems in place to comply with the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282) reporting requirements (see 2 CFR 170.200(b), unless you are exempt under 2 CFR 170.110(b)). More information on these requirements can be found at <http://www.rd.usda.gov/programs-services/value-added-producer-grants>.

The following additional requirements apply to grantees selected for this program:

- (a) Agency approved Grant Agreement.

- (b) Letter of Conditions.
- (c) Form RD 1940-1, "Request for Obligation of Funds."
- (d) Form RD 1942-46, "Letter of Intent to Meet Conditions."
- (e) Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions."
- (f) SF LLL, "Disclosure of Lobbying Activities," if applicable.
- (g) Use Form SF 270, "Request for Advance or Reimbursement."

3. Reporting

After grant approval and through grant completion, you will be required to provide the following, as indicated in the Grant Agreement:

- (a) An SF-425, "Federal Financial Report," and a project performance report will be required on a semiannual basis (due 30 working days after end of the semiannual period). For the purposes of this grant, semiannual periods end on March 31st and September 30th. The project performance reports shall include the elements prescribed in the grant agreement.
- (b) A final project and financial status report within 90 days after the expiration or termination of the grant.
- (c) Provide outcome project performance reports and final deliverables.

G. Solicitation of Non-Federal Independent Grant Reviewers

Rural Development is seeking non-Federal independent grant reviewers under this Notice. Reviewers must be able to use their professional knowledge and experience to evaluate and score VAPG program applications against the evaluation criteria published in this Notice, and effectively communicate their findings in writing.

1. Qualifications.

All reviewers must meet the following qualifications.

(a) Have at least a bachelor's degree in one or more of the following fields: agri-business, agricultural economics, business, marketing, economics or finance, and

(b) A minimum of 8 years of experience in an agriculture-related field (e.g. farming, marketing, consulting, or research; or as university faculty, trade association official or non-Federal government official in an agriculturally-related field).

2. Ethical Standards.

Prospective reviewers must be able to exercise the highest level of ethical standards in avoiding conflict of interests and maintaining confidentiality.

(a) Conflict of Interest

Individuals selected as non-Federal independent grant reviewers will be required to certify that they do not have a conflict of interest or an appearance thereof with any VAPG application they are assigned to review. This may include but is not limited to certification that they did not apply for a VAPG grant and are not affiliated with persons or organizations applying for VAPG funds.

(b) Confidentiality

Reviewers will also be required to sign a certification statement regarding the safeguarding of information contained in assigned applications.

Failure to identify a conflict-of-interest or the unauthorized disclosure of information may subject reviewers to administrative sanction, i.e., removal from the current review and/or disqualification from involvement in future reviews of grant applications.

3. Training.

All reviewers must review and understand program requirements and must attend a mandatory training webinar.

4. System Requirements.

(a) Reviewers must have reliable internet access using Internet Explorer and must be able to reliably access applications and submit scores electronically and.

(b) All reviewers must be able to complete requirements for, obtain, and maintain USDA Level 2 e-Authorization credentialing.

To apply, please send a resume addressing relevant qualifications and experience to CPGrants@wdc.usda.gov by **[INSERT DATE 60 DAYS FROM DATE OF PUBLICATION IN FEDERAL REGISTER]**.

H. Agency Contacts

If you have questions about this Notice, please contact the State Office as identified in the ADDRESSES section of this Notice. You are also encouraged to visit the application website for application tools, including an application guide and templates. The website address is: <http://www.rd.usda.gov/programs-services/value-added-producer-grants>. You may also contact National Office staff at CPGrants@wdc.usda.gov or call the main line at (202) 720-1400.

I. Nondiscrimination Statement

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for

program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) Mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW.,
Washington, D.C. 20250-9410;
- (2) Fax: (202) 690-7442; or
- (3) Email: program.intake@usda.gov.

Rebeckah Freeman Adcock,

Administrator,

Rural Business - Cooperative Service.