



DEPARTMENT OF AGRICULTURE

Rural Business - Cooperative Service

[Docket # RBS-21-Business-0023]

Inviting Applications for Agriculture Innovation Demonstration Center Grants

AGENCY: Rural Business - Cooperative Service, USDA.

ACTION: Notice of Solicitation of Applications

SUMMARY: This Notice announces that the Rural Business-Cooperative Service (Agency) is accepting fiscal year (FY) 2021 applications for the Agriculture Innovation Demonstration Center (AIC) program. In FY 2021, the program has \$7,392,479 available for grant funding.

The purpose of this program is to establish and operate Agriculture Innovation Centers (Centers) that provide technical and business development assistance to agricultural producers seeking to engage in the marketing or the production of Value-Added products. Eligible applicants include nonprofit and for-profit corporations, public bodies, and institutions of higher education. Consortiums are also eligible to apply, but they must select a single organization to represent the consortium as the applicant. Only the applicant organization must meet the eligibility requirements. This program supports

Rural Development's (RD) mission of improving the quality of life for rural Americans and commitment to directing resources to those who most need them.

DATES: We will offer two training sessions for potential applicants approximately one month after this Notice is published. The training sessions will be similar and will be offered on different dates and at different times to accommodate applicants in different time zones. The training sessions will provide an overview of the requirements for the program and address questions posed by potential applicants. It is expected that the sessions will be offered via webinar and will have a duration of approximately two hours. Details regarding the specific dates, times, and access information will be posted at least two weeks prior to the sessions on the program's website at:

<https://www.rd.usda.gov/programs-services/agriculture-innovation-center-program>. A summary will be posted on the website after the sessions are completed.

Completed applications for grants must be submitted electronically by no later than 11:59 p.m. Eastern Time, [INSERT DATE 90 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER], through Grants.gov. Late applications are not eligible for funding under this Notice and will not be evaluated.

FOR FURTHER INFORMATION CONTACT: Gail Thuner, Grants Division, Cooperative Programs, Rural Business-Cooperative Service, United States Department of Agriculture, 1400 Independence Avenue, SW, MS 3201, Room 5803-South, Washington, D.C. 20250-3250, or call 202-720-1400, or email cpgrants@wdc.usda.gov.

SUPPLEMENTARY INFORMATION:

Overview

Federal Agency Name: USDA Rural Business-Cooperative Service.

Funding Opportunity Title: Agriculture Innovation Demonstration Center.

Announcement Type: Initial Notice.

Catalog of Federal Domestic Assistance Number: 10.377.

Dates: Application Deadline. Your application must be received by <https://www.grants.gov/> no later than 11:59 p.m. Eastern Time, [INSERT DATE 90 DAYS AFTER 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 0570–0045.

A. Program Description

The AIC program is authorized by section 7608 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 1632b) and is implemented by 7 CFR Part 4284 Subparts A and K, which are incorporated by reference into this Notice. The primary objective of the AIC program is to provide technical assistance to agricultural producers to market value-added agricultural products through Centers. Grants are available to public bodies, institutions of higher education, nonprofit corporations, and for-profit corporations. Consortiums are also eligible to apply, but they must select a single organization to represent the consortium as the applicant. Only the applicant organization must meet the eligibility requirements. It is expected that recipients will establish and operate independently-governed Centers whose boards of directors meet the representation requirements described in Section D.2(j) of this Notice.

Definitions

The terms you need to understand are defined and published at 7 CFR § 4284.3, 7 CFR § 4284.1004, and 7 CFR § 4284.902. The term “you” referenced throughout this Notice should be understood to mean “you” the applicant. Additional definitions are included below.

Agricultural Commodity Organization means an organization that exclusively represents a single Agricultural Commodity or group of similar commodities either on behalf of the commodity itself or on behalf of the agricultural producers who grow or raise it. The representation can be at a local, State, regional, or national level. Examples are Agricultural Commodity Marketing Boards established by States, a national association representing corn growers, and a regional association representing vegetable and berry growers.

Conflict of Interest means a situation in which a person or entity has competing personal, professional, or financial interests that make it difficult for the person or business to act impartially. 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 financial or other interest in the outcome of the project; or that restrict open and free competition for unrestrained trade. Specifically, neither grant nor matching funds may be used for services or goods going to, or coming from, a person or entity with a real or apparent conflict of interest, including, but not limited to, owner(s) and their immediate family members. Examples of conflicts of interest include using grant or matching funds to pay a member of the applicant’s board of directors to provide Producer Services and using grant or matching funds to pay an immediate family member of the applicant to provide Producer Services. Note that the Conflict of Interest does not include cases when the State’s Secretary of Agriculture or an

employee of the State's Department of Agriculture acts as a member of the Board of Directors.

General Agricultural Organization means an organization that represents agriculture in general, without restriction to any specific group, commodity, or sector. Representing agriculture through policy-making, education, and/or marketing must be the sole purpose of the organization. The organization must represent agricultural producers, although it may represent processors and other stakeholders as well. The representation can occur at the State, regional, or national level. Examples include organizations that represent farmers and ranchers and organizations that represent sustainable farming. Note that organizations representing organic agriculture and credit organizations are not considered part of this definition.

Product Development means idea generation, concept testing, feasibility and cost analysis, product taste-testing, demographic and other types of consumer analysis, production analysis, evaluation of packaging and labeling options, and brand development for a value-added product.

Qualified Board of Directors means a Board of Directors that includes, but is not limited to, representatives from each of the following groups: (1) two General Agricultural Organizations with the greatest number of members in the State in which the Center is located, (2) the department of agriculture, or similar State department or agency or a State legislator, of the State in which the Center is located, and (3) four Agricultural Commodity Organizations representing different commodities produced in the State in which the Center is located. Note that no representative may represent more than one group or organization. Board of Director representatives must not have any Conflicts of Interest. Note that this definition supersedes the existing definition in 7 CFR 4284.1004 based on the revision established by Pub. L. 115-334 (the 2018 Farm Bill).

B. Federal Award Information

Type of Award: Competitive Grant.

Fiscal Year Funds: FY 2021.

Total Funding: \$7,392,479.

Minimum Award: \$400,000.

Maximum Award: \$1,000,000.

Project Period: 2 years.

Anticipated Award Date: [INSERT DATE 240 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

C. Eligibility Information

You must meet all of the following eligibility requirements. Applicants and/or applications which fail to meet any of these requirements by the application deadline will not be evaluated further or considered for funding.

1. *Eligible Applicants.* Grants may be made to public bodies (including local governments, State governments, and Federally-Recognized Tribes), institutions of higher education, nonprofit corporations, and for-profit corporations. Consortia are also eligible to apply, but they must select a single organization to represent the consortium as the applicant. Only the applicant organization must meet the eligibility requirements. Note that applicant organizations must be prepared to act as Centers to provide Producer Services. Grant awards are not made directly to businesses or agricultural producers to market Value-Added products. Organizations that propose to use grant award funds to earn revenue processing and selling value-added products are not eligible.

(a) 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.” 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 the certification. (See also Section D.2.f of this Notice.)

(b) 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 the Consolidated Appropriations Act, 2021 (Pub. L. 116-260), 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. (See also Section D.2.e of this Notice.)

2. *Cost Sharing or Matching.* Matching funds are required for at least one-third of the total project budget. For example, if the total project budget is \$1,500,000, matching funds must be at least \$500,000. Matching funds may be provided in cash by the applicant or a third party or in-kind by a third party. They must be available for use during the period of performance, and they must be used for allowable expenses. Applicants may propose to use unrecovered indirect costs as matching funds, subject to the review and approval of the agency, if an award is approved. (See also Section D.2.j of this Notice.)

3. *Other Eligibility Requirements.*

Independent Governance: The Center must be independently governed, although it does not have to be a separate legal entity from the applicant organization. If the applicant is a parent organization or institution of higher education, you must demonstrate that there is a separate Board of Directors for the Center and that the Center has independent governance. We consider the Center to have independent governance if it has control over personnel decisions, including hiring and firing employees and contractors; setting policies and procedures, including personnel and procurement; developing and approving its budget; and selecting its own Board of Directors, which shall not include any members who are affiliated with the parent organization. (See also Section D.2.k of this Notice.)

Qualified Board of Directors: The Board of Directors for the Center must meet the definition for Qualified Board of Directors in Sec. A. Definitions of this Notice. (See also Section D.2.1 of this Notice.)

Existing Capability to Provide Services: You must be able to demonstrate that you have previously provided services similar to the Producer Services defined in 7 CFR 4284.1004 or that you have the capability to provide those services. In order to be considered qualified, you must either demonstrate at least three years of experience during the last five years providing the same type of Producer Services as those proposed in the application and show a record of at least three positive outcomes or you must demonstrate that you currently have at least two key personnel committed to the project who have the same level of experience and positive outcomes, even if they have not worked for you for at least three years. (See also Section D.2.m of this Notice.)

Support of Agricultural Community: You must demonstrate that at least three relevant agricultural organizations support your project. We will consider the support to be relevant if the supporting organization is based in the State or region in which the project will take place and if the organization serves the same group of producers (either

directly or through commodity/marketing efforts) targeted by the proposed project. (See also Section D.2.n of this Notice.)

Improving Value-Added Markets: Your project must focus on increasing and improving the ability of local agricultural producers to develop markets and processes for Value-Added agricultural commodities or products. (See also D.2.s of this Notice.)

Use of Funds: Grant Award funds may be used only to provide the following services directly to agricultural producers for the purpose of producing and marketing a value-added agricultural product:

- Financial advisory services related to the development, expansion, or operation of a business owned by an agricultural producer(s) that will produce a value-added agricultural product, as long as the assistance is not to support forming a joint marketing effort by a group of producers, such as a farmers market, roadside stand, community-supported agriculture, and online sales
- Process development services, including:
 - Engineering services, including scale-up of production systems (not to include cost of renovating or constructing a facility or system)
 - Scale production assessments, defined as studies that analyze facilities, including processing facilities, for potential value-added activities to determine the size that optimizes construction and other cost efficiencies
 - Systems development
 - Other technical assistance and applied research related to development, implementation, improvement and operations of

processes and systems to produce and market a value-added
agricultural product

- Organizational assistance, including legal and technical advisory services related to the development, expansion, or operation of a business owned by an agricultural producer(s) that will produce a value-added agricultural product, as long as this assistance is not provided to support forming a joint marketing effort of food and food products by a group of producers, such as a farmers market, roadside stand, community-supported agriculture, and online sales
- Outreach assistance, limited to assistance with connecting an agricultural producer to a distribution system, processing facility, or commercial kitchen
- Technical assistance for product development (excluding R&D), where product development has the following definition: stages involved in bringing a product from idea or concept through commercial-scale production, including concept testing, feasibility and cost analysis, product taste-testing, demographic and other types of consumer analysis, production analysis, and evaluation of packaging and labeling options
- Costs associated with establishing and operating a Center, such as legal services, accounting services, clerical assistance, technical services, hiring employees, monitoring contracts, and Board of Director travel
- Grants of \$5,000 or less to agricultural producers for the above services, where the aggregate amount of all such matching grants made by the Center

does not exceed \$50,000. Note that these “mini-grants” are considered pass-through awards. Therefore Centers and the subrecipients must comply with all Federal and programmatic requirements for pass-through entities and awards, including, but not limited to, Pre-Award Requirements, Award Requirements, Post-Award Requirements, Property Standards, Procurement Standards, Performance and Financial Monitoring and Reporting, Subrecipient Monitoring and Reporting, Record Retention and Access, Remedies for Noncompliance, Closeout, Post-Closeout Adjustments and Continuing Responsibilities. Pass-Through Entities are responsible for acting on behalf of the Federal Agency when determining eligibility for the mini-grants as well as compliance with Federal and program requirements. Subrecipients of the mini-grants must be eligible to receive a Federal award, use grant award and matching funds for allowable costs, provide at least one-third of the total project costs in matching funds, and meet all other Federal and program requirements for this program.

In addition to the above uses of Grant Award funds, your Matching Funds contribution can be used to provide the following services directly to agricultural producers for the purpose of producing and marketing a value-added agricultural product:

- Business development services, such as feasibility studies, business plans, and other types of technical assistance and applied research that support business development, including support to forming a joint marketing effort by a group of producers, such as a farmers market, roadside stand, community-supported agriculture, and online sales

- Market development and outreach services, such as marketing plans, branding, and customer identification including support to forming a joint marketing effort by a group of producers, such as a farmers market, roadside stand, community-supported agriculture, and online sales

For information on selected items that are not allowable for funding under this Notice, please review section D(6) of this Notice, “Funding Restrictions.”

Period of Performance. The proposed period of performance must be two years or less or the application will not be considered for funding. Note that in the future, any recipients that have already received funding through this program will be limited to one-year project periods while new recipients will be allowed up to two years. This difference in time is to allow new recipients additional time for start-up activities. The proposed start date must be no earlier than three months after the expected award date and no later than six months after the expected award date. Extensions may be approved on a case-by-case basis at our discretion if circumstances beyond the recipient’s control cause a significant delay in the performance of the award. However, in no case, will we approve a period of performance (including any extension period) for longer than two years.

Satisfactory Performance. We will check the Federal Awardee Performance and Integrity Information System as well as the Do Not Pay system prior to awarding funds. These systems track all Federal awards. If you have deficiencies identified in either system, we may either discontinue processing your application if the deficiencies are significant or indicate a lack of capability to accomplish the proposed project or we may impose special conditions to address the deficiencies. Special conditions may include, but are not limited to, more frequent reporting, more detailed reporting, and the addition of benchmarks or checkpoints to assess progress.

Financial Capability. We will assess the financial statements from your most recent audit to confirm that you possess sufficient financial capabilities for the proposed project. In particular, you must have a current ratio of at least 1:1 and the ability to provide sufficient cash flow to cover at least three months of total project costs to account for the lag between when expenses are incurred, and award funds are disbursed. If you do not meet these requirements, you are not eligible for funding. We will also review your audit and any notes and findings, and if we determine that your financial capability would preclude you from properly managing Federal funds, your organization will not be eligible for an award. We may also identify any concerns that might require special conditions if an award is made. (See also Section D.2.h.)

Application Completeness: Your application must provide all the information requested in Section D.2 of this Notice. Applications lacking sufficient information to determine eligibility and scoring will not be considered for funding.

No Duplication of Current Services. Your application must demonstrate that you are providing services to new customers or new services to current customers. (See also Section D.2.s of this Notice.)

Number of Applications. You may only submit one application in response to this Notice.

Number of Applicants. Only one organization can be listed as an applicant on an application, even if the project will be completed by a consortium or partnership. Collaboration and partnerships are encouraged, but one organization must be responsible for administering the award, if approved. Typically, we would expect collaborations to involve contributions of matching funds or procurement contracts.

Collaboration, Contracts, and Subawards. While we support collaboration between and among Centers, you must limit any contracts or subawards with other Centers to 10% or less of project costs. We consider collaboration to occur when two or

more Centers work jointly on an activity, but each Center controls its own budget for its involvement. Any collaboration with other Centers must be identified in the proposed Work Plan. The collaborators or contractors do not have to meet the eligibility requirements for the program. Only the applicant organization is required to meet the requirements.

D. Application and Submission Information

1. *Web Address to Access Application Package*

The application template for applying for this funding opportunity is located at <https://www.rd.usda.gov/programs-services/agriculture-innovation-center-program>. Use of the application template is strongly recommended to assist you with the application process.

2. *Content and Form of Application Submission*

Your application must be submitted electronically through Grants.gov. Your application must contain all required information. You must follow the instructions for this funding announcement at <https://www.grants.gov/>. Note that we cannot accept applications through mail or courier delivery, in-person delivery, email, or fax.

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 Number for this program.

When you enter the Grants.gov Web site, you will find information about applying electronically through the site, as well as the hours of operation. We have included additional information about how to register and use the Grants.gov website in our Application Guide.

To use Grants.gov, you must already have a Unique Entity Identifier 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 because it can take up to four weeks to complete the registration process.

You must submit all application documents electronically through Grants.gov. Applications must include electronic signatures. Original signatures may be required if funds are awarded.

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

Your application must contain the following required forms and other components:

(a) Standard Form SF-424, “Application for Federal Assistance,” to include your Unique Entity Identifier and SAM Commercial and Government Entity (CAGE) code and expiration date. If you do not include your DUNS number and your CAGE code or your DUNS number or Cage code is inactive or expired, we will not consider your application for funding.

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

(c) 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 must 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.

(d) Certification on Lobbying. Your authorized representative must sign a certification which contains the entire statement from 2 CFR Part 418, Appendix A.

(e) Financial Capability. You must include your most recent audit (including the Letter to the Managers).

(f) Applicant Eligibility. You must verify your legal status and demonstrate your eligibility for the program.

- Public bodies must provide the legal citation that authorizes their organization.
- Non-profit and for-profit corporations must submit the State's Certificate of Good Standing (or the equivalent tribal documentation if incorporated under tribal law) and your Articles of Incorporation.
- Institutions of Higher Education must demonstrate that you qualify as an Institution of Higher Education as defined at 20 U.S.C. 1001. The most common way to demonstrate this qualification is to provide the legal citation that authorizes the institution.

(g) Verification of Matching Funds. Matching funds must be provided for at least one-third of the total project cost. For example, if your total project cost is \$1,500,000, you must provide at least \$500,000 in matching funds. Matching funds can be provided in cash by the applicant organization or a third-party. They can also be provided in-kind by a third-party organization. You must verify the amount of funds to be contributed, the source of the funds, the availability of the funds, and the purpose for which the funds will be used. All verification must be done on an organization's letterhead and be signed by the organization's authorized representative.

(h) Governance Structure of the Center. The Center does not need to be an independent legal entity; however, it must be independently governed. You must provide an explanation of how the governance of the Center works (or will work if it hasn't been

established at the time of application). In particular, you must address how the Center carries out personnel decisions, including hiring and firing employees and contractors; sets its policies and procedures, including personnel and procurement; develops and approves its budget; and selects its own Board of Directors.

(i) Board of Directors. You must provide the following information:

For the representatives from the two General Agricultural Organizations with the greatest number of members in your State, you must identify the representatives, the organizations, their purposes, and the number of members they have in your State. You must also explain how you determined that the organizations have the most (or second most) members. Acceptable sources for this information can include the state Department of Agriculture, or its equivalent, or a third-party, reliable source, such as a trade journal or university agriculture department.

For the representative from the State Department of Agriculture (or equivalent) or State legislator, you must identify the representative and include the person's title and job responsibility if from the Department of Agriculture or identify the district the State legislator represents.

For representatives from four Agricultural Commodity Organizations, you must identify each representative and the organization they represent. You must use data from the State Department of Agriculture, or its equivalent, to demonstrate that the commodities are produced in your state and provide a copy of the information used.

You must also submit a signed statement from each representative stating that they either are currently on the Center's Board of Directors or that they commit to being on the Center's Board of Directors during the proposed period of performance.

If your application is selected for funding, we will confirm the Board of Directors still meets the requirements. If at any time, the Center's Board of Directors does not meet the requirements during the period of performance, the award will either be

suspended until the requirements can be met or it will be terminated if the requirements can no longer be met.

(j) Existing Capability to Provide Services. The applicant organization must be able to demonstrate that it has previously provided services similar to the Producer Services defined in 7 CFR 4284.1004 or that it has the capability to provide those services.

To demonstrate previously providing services, you must include a chart or narrative that describes the services provided during the last three to five years, as needed, to show that you can meet the requirement. The description must include the specific type of service provided, the role of the Center in providing the service, how many times it has been provided, and the outcomes of the services provided (preferably with quantitative measurements).

If the Center does not have at least three years of experience providing Producer Services during the last five years, you must provide a chart or narrative that describes the key personnel's experience with providing Producer Services during the last three to five years, as needed, to show that you can meet the requirement. The narrative must include a description of the services provided, the role of the key personnel in providing the service, how many times it has been provided, and the outcomes of the services provided (preferably with quantitative measurements).

We will assess the capability of each applicant organization based only on what is submitted with the application.

(k) Support of the Agricultural Community. You must include at least three letters of support from agricultural organizations, other than the applicant organization, that are relevant to the project. Evidence of support includes contributions of cash or in-kind matching funds. Other examples of support include referring clients and intent to collaborate. We will consider the support to be relevant if the organization is based in the

State or region in which the project will take place and if the organization serves the same group of producers (either directly or through commodity/marketing efforts) targeted by the proposed project. Note that support from organizations that are not agricultural in nature (such as local chambers of commerce) is not considered relevant for the purpose of meeting this requirement.

(l) Strategic Coordination and Alliances. Describe arrangements in place or planned with end users (for example, processing and distribution companies and regional grocers) as well as with entities that have technical research capabilities, broad support from the agricultural community in the State or region, significant coordination with end users, strategic alliances with entities having technical research capabilities and a focused delivery plan for reaching out to the producer community.

(m) Title Page. Your application must contain a Title Page. It is recommended that your Title Page include a short title for your proposed project as well as contact information or other application identifying information.

(n) Table of Contents. Your application must contain a detailed Table of Contents (TOC). The TOC must include page numbers for each part of the application, including each evaluation criterion. Page numbers should begin immediately following the TOC.

(o) Executive Summary. A summary of the proposal, not to exceed one page, must briefly describe the Project, tasks to be completed, and other relevant information that provides a general overview of the Project.

(p) Goals of the Project. You must include a listing of each Producer Service to be offered during the project. You must also identify one or more specific goals relating to increasing and improving the ability of identified local agricultural producers to develop a market or process for Value-Added agricultural commodities or products.

(q) Work Plan. You must include a description of your proposed work for the project, including how your project focuses on increasing and improving the ability of

local agricultural producers to develop markets and processes for Value-Added agricultural commodities or products. This description must include the actions that will be taken in order for the Producer Services to be available from the Center. Each action should include a target date for completion. General start-up tasks should be listed, followed by specific tasks listed for each Producer Service to be offered. Tasks associated with the start-up of the Center should include a focused marketing and delivery plan directed at the local agricultural producers that were identified in the Goals section of your application. The actions to be taken should include steps for identifying customers, hiring key personnel (if not already hired), contracting for services for the Center, and making arrangements for strategic alliances. Each defined task needs to have a description, assigned key personnel, and an expected time frame for accomplishment. You must also clearly demonstrate how your project will provide services to new customers or provide new services to existing customers.

Note that the work you propose to accomplish must be allowable based on Sec. C.3 of this Notice. Funding restrictions are described in Sec. D.6.

(r) Budget Justification. You must provide additional information regarding the budget you submit on the SF-424A, including your matching funds. This additional information must describe each category of expense and what specific costs are included in each category as well as how your Matching Funds will be used. For example, the Salaries justification must include the names of each staff member (not just key personnel) who will be paid and how much they will be paid. The Fringe Benefits category must include a description of how fringe benefits are calculated and what is included. The Contracts category must identify the contractors by name (if known) as well as the amounts expected for each contract and the purpose of each contract. The Other category must include the expected expenses (e.g., supplies) that will be included. The Travel category must identify specific trips that will be taken, who will be traveling,

and the reason for the travel. Additionally, if there are any unusual expenses, you should describe them and why they are appropriate for the award.

(s) Scoring Criteria. Each of the scoring criteria in this Notice must be addressed in narrative form, with a maximum of three pages for each individual scoring criterion, unless otherwise specified. Failure to address each scoring criteria will result in the application being determined ineligible.

3. *Unique Entity Identifier and SAM*

System for Awards Management. All program applicants must be registered in the System for Awards Management (SAM) prior to submitting an application, unless determined exempt under 2 CFR 25.110. Grant recipients must maintain an active SAM registration with current information at all times during which it has an active Federal award or an application under consideration by the Agency. The applicant must ensure that the information in the database is current, accurate, and complete. Applicants must ensure they complete the Financial Assistance General Certifications and Representations in SAM.

To be eligible, you are required to:

(a) Provide a valid Unique Entity Identifier (formerly known as the DUNS number) in your application, which can be obtained at no cost via a toll-free request line at (866) 705-5711 or at <http://fedgov.dnb.com/webform>.

(b) Register in SAM at no cost at <https://sam.gov/content/home> before submitting your application and provide your SAM CAGE Code and expiration date.

(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 Unique Entity Identifier 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 DATE 90 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER].

Explanation of Deadlines: Applications must be RECEIVED by <https://www.grants.gov/> by midnight Eastern Time [INSERT DATE 90 DAYS AFTER PUBLICATION IN THE FEDERAL REGISTER], to be eligible for funding. Please review the Grants.gov website at <https://www.grants.gov/web/grants/applicants.html> for instructions on the process of registering your organization as soon as possible to ensure you can 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 E.O. 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. For a list of States that maintain a SPOC, please see the White House Web site:

<https://www.whitehouse.gov/wp-content/uploads/2020/04/SPOC-4-13-20.pdf>.

If your State has a SPOC, you may submit a copy of the application directly for review. Any comments obtained through the SPOC must be provided to us for consideration as part of your application. If your State has not established a SPOC, or if you do not want to submit a copy of the application, we will submit your application to the SPOC or other appropriate agency or agencies.

6. *Funding Restrictions*

No funds made available under this solicitation shall be used to:

- (a) Plan, repair, rehabilitate, acquire, or construct a building or facility, including a processing facility;
- (b) Purchase, rent, or install fixed equipment, including processing equipment;
- (c) Purchase vehicles, including boats;
- (d) Pay for the preparation of the grant application;
- (e) Pay expenses not directly related to the funded Project;
- (f) Fund political or lobbying activities;
- (g) Fund any activities considered unallowable by the applicable grant cost principles, including 2 CFR part 200, subpart E and the Federal Acquisition Regulation;
- (h) Fund architectural work for a specific physical facility;
- (i) Fund any direct expenses for the production of any commodity or product to which value will be added, including seed, rootstock, labor for harvesting the crop, and delivery of the commodity to a processing facility;
- (j) Fund manufacturing or processing expenses;
- (k) Purchase land;
- (l) Duplicate current activities or activities paid for by another Federal grant program;
- (m) Pay costs of the Project incurred prior to the date of award approval;
- (n) Pay for assistance to any private business enterprise that does not have at least 51 percent ownership by those who are either citizens of the United States or reside in the United States after being legally admitted for permanent residence;
- (o) Pay any judgment or debt owed to the United States;
- (p) Pay for Research and Development; or

(q) Pay for any goods or services from a person who has a Conflict of Interest with the recipient.

In addition, your application will not be considered for funding if it does any of the following:

- Requests less than the minimum or more than the maximum grant amount;
- Focuses assistance on only one agriculture producer or business;
- Proposes ineligible costs that equal more than 10 percent of total grant funds requested;
- Earns revenue from processing or selling a product as part of the project.

Centers may charge fees for services provided, but they cannot earn revenue on actually processing a product or from sales associated with a product they helped develop; or

- Provides services to entities other than Agricultural Producers on behalf of and at the request of Agricultural Producers.

We will consider your application for funding if it includes ineligible costs of 10 percent or less of total grant funds requested, if it is determined eligible otherwise.

However, if your application is successful, those ineligible costs must be removed. If time permits, the Agency may allow those ineligible costs to be replaced with allowable costs. Otherwise, the amount of the grant award will be reduced accordingly. If we cannot determine the percentage of ineligible costs, your application will not be considered for funding.

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.” We have determined that an Environmental Impact Statement is not required in connection with the issuance of this Notice 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. 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 USDA (7 CFR part 15, subpart A) and Section 504 of the Rehabilitation Act of 1973.

E. Application Review Information

We will review applications to determine if they are eligible for assistance based on requirements in this Notice, and other applicable Federal laws and regulations. If we determine that your application is eligible for assistance, your application will be scored by a panel of USDA employees based on the Scoring Criteria specified in this Notice. The highest scoring application will be funded up to the maximum amount available. Additional applications that cannot be fully funded may be offered partial funding at the Agency's discretion.

1. Scoring Criteria

All eligible and complete applications will be evaluated based on the following criteria. Evaluators will base scores only on the information provided in the application. This is a competitive program, so you will receive scores based on the quality of the information provided. Simply addressing the criteria will not guarantee higher scores. The total points possible for the criteria are 80.

(a) Ability to Deliver (maximum score of 15 points). The application will be evaluated as to whether it evidences unique abilities to deliver Producer Services so as to create sustainable Value-Added ventures. Abilities that are transferable to a wide range of agricultural Value-Added commodities are preferred over highly specialized skills. Strong skills must be accompanied by a credible and thoughtful plan.

Points will be awarded as follows:

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

(ii) 1-4 points will be awarded for unique abilities, that is, abilities that are not available through other organizations in the Center's service area.

(iii) 1-4 points will be awarded for the expected sustainability of the Value-Added ventures supported by the project. For example, applications that propose to work with ventures where the expected sustainability has been assessed will receive more points than applications that do not address expected sustainability. By sustainability, we mean that the venture assisted will generate wealth (e.g., if the project adds retained earnings to the balance sheet, not just an increase in cash flow).

(iv) 1-4 points will be awarded for the transferability of the abilities identified. Abilities that are transferable to a wide range of commodities will receive more points.

(v) 1-3 points will be awarded for plans to accomplish work that are thoughtful and seem reasonable. For example, do the services the Center will provide match the stated goals (from Section D.2.q). Are the results measurable and attainable within the proposed project period?

(b) Successful Track Record (maximum score of 15 points). The applicant organization's track record in achieving Value-Added successes will be evaluated.

Points will be awarded as follows:

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

(ii) 1-3 points will be awarded if the applicant has more than three years of

experience in accomplishing Value-Added successes. More points will be given for more years of experience, based on the distribution of what all eligible applicants submit. No credit will be given for activities that did not directly result in a Value-Added success. Note that we consider a success to include working with an organization and providing coaching to indicate that the proposed venture is not feasible.

(iii) 1-4 points will be awarded based on the number of Value-Added successes. More points will be given for higher numbers, based on the distribution of what eligible applicants submit.

(iv) 1-4 points will be awarded based on the significance of Value-Added successes. More points will be given for more significant successes, based on the distribution of what eligible applicants submit.

(v) 1-4 points will be awarded based on the complexity of the role that the applicant organization played in the Value-Added successes.

(c) Work Plan/Budget (maximum of 15 points). We will review the work plan for detailed actions and an accompanying timetable for implementing the proposed work. We will review budgets for completeness and the strength of non-Federal funding commitments. Note that there is no additional information required for this criterion. We will use the Work Plan and Budget Justification for our evaluation.

Points will be awarded as follows:

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

(ii) 1-6 points will be awarded for work plans that describe each task, including objectives and potential outcomes, and how that task connects to the goal of the project. More points will be awarded for work plans that completely describe tasks and show measurable outcomes as well as for work plans that show a cohesive plan for the achievement of the goal(s) of the project.

(iii) 1-3 points will be awarded for work plans that show a reasonable and

differentiated timetable for the proposed tasks. For example, a work plan that shows a schedule for how a Center will begin operation, then market its services, and then provide its services would be awarded more points than a work plan that simply states all Producer Services will be offered for 12 months. We will also consider how you will identify customers. Applications with a specific description of customer identification will receive more points.

(iv) 1-3 points will be awarded for the budget justification. More points will be awarded for justifications that completely describe all categories of cost, including indirect costs. We consider that a complete description includes identification of key personnel (including any contractors) and the salaries and fringe benefits associated with their time on the project as well as identification of all travel events (including who will be traveling and what the purpose of the trip is), individual contract amounts and purposes, and items that are categorized, such as computers, printers, scanners, copiers, and other office items.

(v) 1-3 points will be awarded for higher quality matching funds. We consider cash match to be of higher quality than in-kind. Thus, we will award more points for applications that have a larger percentage of matching funds coming from cash, based on the distribution of what is submitted by applicants.

(d) Qualifications of Key Personnel (maximum of 15 points). Describe the qualifications of the key personnel for the project. Key personnel may include employees of the Center or consultants/contractors, but they do not include administrative or financial staff whose purpose is to support the administrative requirements of the award. Your description should include the number of years of experience that a person has doing the type of work that will be assigned during the project as well as metrics indicating the number of times the person has provided the assistance and the outcomes of that assistance. You must also include the total hours that will be contributed to the

project by each person. Points will be awarded as follows:

- (i) 0 points will be awarded if you do not adequately address this criterion.
- (ii) 1-5 points based on the percentage of work that will be carried out by Center employees. We will calculate the percentage by adding the hours of the key personnel and dividing the number of hours from Center employees by the total hours.
 - a. 1 point for 10-20% of the work carried out by Center employees;
 - b. 2 points for 21-40% of the work carried out by Center employees;
 - c. 3 points for 41-60% of the work carried out by Center employees;
 - d. 4 points for 61-80% of the work carried out by Center employees; and
 - e. 5 points for 81-100% of the work carried out by Center employees.
- (iii) 1-10 points based on the qualifications of the key personnel. More points will be awarded in cases where the key personnel are assigned to specific tasks that match their experience and skills.
- (e) Local support (maximum of 5 points). You must show that the Center has local support from and coordination with other developmental organizations in the proposed service area and with tribal, state, and local institutions. Support documentation should include recognition of rural values that balance employment opportunities with environmental stewardship and other rural amenities.

Points will be awarded as follows:

- (i) 0 points are awarded if you do not adequately address this criterion or if you do not provide at least three letters of support.
- (ii) 1 point will be awarded for a support letter from a developmental organization in the proposed service area that shows coordination with your project.
- (iii) 1 point will be awarded for a support letter from a state institution.
- (iv) 1 point will be awarded for a support letter from a tribal institution.

(v) 1 point will be awarded for a support letter from a local institution.

(vi) 1 point will be awarded for support that includes recognition of rural values that balance employment opportunities with environmental stewardship and other rural amenities.

You may submit a maximum of 3 letters of support for this criterion (or you may reference other letters submitted with the application). When awarding points for this criterion, we will only consider support letters from developmental organizations in the proposed service area, and state and local institutions. Additionally, identical form letters signed by multiple organizations will not be included in the count of support letters received. Support letters must be included as an attachment to the application.

(f) Future support (maximum of 15 points). Describe the vision for funding Center operations for future years, including diversification of funding sources and building in-house technical assistance capacity.

Points will be awarded as follows:

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

(ii) 1-5 points will be awarded for applications that describe a specific plan for obtaining future funding for the Center. More points will be awarded for plans that show concrete actions for at least 3 years into the future.

(iii) 1-5 points will be awarded for applications that show a diversification of funding sources. Possible funding sources include Federal awards, tribal, state and local awards, private donations, and pay-for-service plans. More points will be awarded for plans that include multiple, committed funding sources. You may summarize the funding sources/support in a chart or narrative and you must include the following information for each source: name of the organization, the amount of funds committed, the expected time period for commitment, and the purpose for which the funds can be used.

(iv) 1-5 points will be awarded for applications that show how in-house capacity for providing technical assistance will be improved. More points will be awarded for Centers that have a specific plan for training and hiring in-house technical assistance experts.

2. *Review and Selection Process*

We will review applications to determine if they are eligible for assistance based on requirements in this Notice, and other applicable Federal laws and regulations. If we determine that your application meets the requirements, it will be scored by a panel of USDA employees in accordance with the Scoring Criteria and point allocation specified in this Notice. The review panel will convene to reach a consensus on the scores for each of the eligible applications. Applications will be ranked solely based on the points awarded, and they will be funded in rank order until available funds are expended or a minimum score of 40 points is reached. If an application cannot be fully funded, we will offer partial funding to the extent funds are available. If the applicant offered partial funding does not accept, we will offer the funding to the next highest-ranked applicant until we find an applicant that accepts the funding or no additional eligible applicants exist.

If your application is ranked and 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 Letter of Conditions containing instructions on requirements necessary to proceed with execution and performance of the award. If you are able to meet the conditions of the award within the specified time frame (typically up to 90 calendar days), we will proceed with approving

an award. If you are not able to meet the conditions of the award, we may terminate consideration of your application at our discretion and choose to award the funds to the next highest-ranked applicant.

If you are not selected for funding, you will be notified in writing and informed of any review and appeal rights. Funding of successfully appealed applications will be limited to available FY 2021 funding.

2. *Administrative and National Policy Requirements*

Additional requirements that apply to grantees selected for this program can be found in 2 CFR parts 200, 400, 415, 417, 418, and 421. All recipients of Federal financial assistance are required to report information about first-tier subawards 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 reporting requirements (See 2 CFR 170.200(b), unless you are exempt under 2 CFR 170.110(b)). These regulations may be obtained at the following link: <https://ecfr.io/>.

Applicants selected for this program will be required to execute the following additional documentation::

- Agency-approved Grant Agreement.
- Form RD 1940-1, “Request for Obligation of Funds.”
- Form RD 1942-46, “Letter of Intent to Meet Conditions.”
- Form RD 400-4, “Assurance Agreement.” By signing Form 400-4,

Assurance Agreement, recipients affirm that they will operate the program free from discrimination. The recipient will maintain the race and ethnic data on the board members and beneficiaries of the program. The Recipient will provide alternative forms of communication to persons with limited English proficiency. The Agency will conduct Civil Rights Compliance Reviews on recipients to identify the collection of racial and

ethnic data on Program beneficiaries. In addition, the Compliance review will ensure that equal access to the Program benefits and activities are provided for persons with disabilities and language barriers.

- SF LLL, "Disclosure of Lobbying Activities," if applicable.
- Certification of Lobbying. Your authorized representative must sign a certification which contains the entire statement from 2 CFR Part 418, Appendix A.

3. *Reporting*

After award approval, you will be required to provide the following:

- a. A SF-425, "Federal Financial Report," and a project performance report will be required on a quarterly basis (due 30 calendar days after end of each quarter) for the first year of the project to ensure that all recipients are able to complete start-up activities and begin providing technical assistance. Recipients may submit financial and performance reports on a semi-annual basis for the second year of the project, provided they are on schedule for project completion. For the purposes of this program, quarters end on March 31, June 30, September 30, and December 31. The project performance reports shall include a comparison of actual accomplishments to the objectives established for that period.
- b. Reasons why established objectives were not met, if applicable.
- c. Reasons for any problems, delays, or adverse conditions, if any, which have affected or will affect attainment of overall project objectives, prevent meeting time schedules or objectives, or preclude the attainment of particular objectives during established time periods. This disclosure shall be accompanied by a statement of the action taken or planned to resolve the situation.
- d. Objectives and timetable established for the next reporting period.
- e. Provide a final project and financial status report within 90 calendar days after the expiration or termination of the award.

- f. Provide outcome project performance reports and final deliverables.

G. Agency Contacts

For general questions about this announcement and for program Technical Assistance, please contact National Office staff: Gail Thuner, Management and Program Analyst, cpgrants@wdc.usda.gov, or call 202-720-1400.

H. Other Information

Non-Discrimination 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

<https://www.usda.gov/oascr/how-to-file-a-program-discrimination-complaint> 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;

or

email: OAC@usda.gov

Mark Brodziski,
Acting Administrator,
Rural Business-Cooperative Service.

[FR Doc. 2021-13675 Filed: 6/25/2021 8:45 am; Publication Date: 6/28/2021]