

ARKANSAS
AGRICULTURE
DEPARTMENT



Specialty Crop Block Grant Program

Request for Applications

FY2016

I. INTRODUCTION

It is the intent of the Arkansas Agriculture Department (AAD) to develop and submit a state proposal to the Specialty Crop Block Grant Program (SCBGP) in response to the ***FY2016 SCBGP Request for Applications*** released March 9, 2016 by the United States Department of Agriculture - Agriculture Marketing Service (USDA-AMS). AAD's proposal will consist of selected projects that will significantly and positively impact the competitiveness of Arkansas's specialty crops. This ***AAD Request for Applications*** provides all interested parties an opportunity to submit Project Proposals for inclusion in AAD's application to USDA-AMS.

II. PROGRAM DESCRIPTION

Authorization: The Specialty Crop Block Grant Program is authorized under section 101 of the Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note) and amended under section 10010 of the Agricultural Act of 2014, Public Law 113-79 (the Farm Bill). SCBGP is currently implemented under 7 CFR part 1291 (published March 27, 2009; 74 FR 13313).

Purpose: The Specialty Crop Block Grant Program (SCBGP) assists State departments of agriculture in the 50 States, the District of Columbia, American Samoa, Guam, the Commonwealth of Puerto Rico, the Commonwealth of the Northern Mariana Islands, and the U.S. Virgin Islands in solely enhancing the competitiveness of U.S. grown specialty crops. Specialty crops are fruits and vegetables, dried fruit, tree nuts, horticulture, and nursery crops (including floriculture).

State Authority: The Arkansas Agriculture Department is responsible for developing the State's proposal to SCBGP and overseeing approved funded projects. Proposals must be structured so that AAD maintains control of the project objectives, sets policy, and ensures that projects are carried out in accordance with all applicable Federal statutes and regulations as well as with the Grant Agreement and the Terms and Conditions of Award. AAD is also responsible for ensuring that subrecipients maintain appropriate records and follow all applicable Federal statutes and regulations as well as the Grant Agreement and the Terms and Conditions of Award.

In this ***AAD Request for Applications***, please note that "subrecipients" refers to those who have submitted project proposals that were subsequently selected by AAD and then approved by USDA-AMS for participation in the SCBGP.

It is AAD's obligation to ensure that its proposal and, therefore, all approved project proposals, are appropriate for the SCBGP.

III. WHO CAN SUBMIT PROJECT PROPOSALS?

Project proposals are encouraged from state and local organizations, academia, producer associations, industry or community-based groups, and other specialty crop

organizations. Applicants may submit more than one proposal. If more than one proposal is submitted, please indicate the priority level of each submission.

Single organizations, institutions, and individuals are encouraged to participate as project partners.

IV. WHAT IS A PROJECT?

A project is a set of interrelated tasks with a cohesive distinct, specified, and defined goal. It follows a planned, organized approach over a fixed period of time and within specific limitations (cost, performance/quality, etc.). Additionally, it uses resources that are specifically allocated to the work of the project and usually involves a team of people.

Projects are different from other ongoing operations in an organization because, unlike operations, projects have a definitive beginning and end - they have a limited duration. One way to think about this is that a project has an overarching goal that you want to accomplish through a series of individual activities or tasks. Examples of projects could include researching new cultivars or marketing apples through a targeted promotional campaign.

Activities or tasks that could be a part of such projects might include hiring personnel, purchasing special purpose equipment, holding a workshop, planting specialty crops, and/or distributing product promotional materials.

IV. WHAT TYPES OF PROJECTS CAN BE PROPOSED?

Each project must **solely** enhance the competitiveness of U.S. or U.S. territory-grown specialty crops in either domestic or foreign markets. See the SCBGP website (<https://www.ams.usda.gov/services/grants/scbgp>) for a definition of specialty crops and processed products, including examples of eligible specialty crops and ineligible commodities.

AAD encourages applicants to develop projects pertaining to the following issues affecting specialty crop competitiveness:

- Enhancing food safety;
- Improving the capacity of all entities in the specialty crop distribution chain to comply with the requirements of the Food Safety Modernization Act, for example, by developing “Good Agricultural Practices,” “Good Handling Practices,” “Good Manufacturing Practices,” and in cost-share arrangements for funding audits of such systems for small farmers, packers and processors;
- Investing in specialty crop research, including research to focus on conservation and environmental outcomes;
- Developing adaptation and mitigation strategies for farmers in drought-stricken regions of the country;
- Supporting the growth of organic specialty crops;
- Developing new and improved seed varieties and specialty crops;

- Pest and disease control;
- Increasing child and adult nutrition knowledge and consumption of specialty crops;
- Increasing opportunities for new and beginning farmers;
- Improving efficiency and reducing costs of distribution systems;
- Protecting and improving pollinator health;
- Developing local and regional food systems; and
- Improving food access in underserved communities and among veterans.

Grant funds will **not** be awarded for projects that solely benefit a particular commercial product or provide a profit to a **single** organization, institution, or individual. In addition, recipients and subrecipients cannot use grant funds to compete unfairly with private companies that provide equivalent products or services.

Projects where one organization specifically attempts to disparage the mission, goals, and/or actions of another organization are unallowable.

Applications for grant funds should describe how the project potentially affects and produces measurable outcomes for the specialty crop industry and/or the public rather than a single organization, institution, or individual.

Examples of Acceptable Projects:

- A State requests funding to contract with a university to conduct research on the feasibility of planting, cultivating, and growing a specialty crop in a particular area, the results of which will be shared with many growers throughout the State during the project.
- A single grower requests funds to demonstrate the viability of organic small fruit production and partners with Cooperative Extension to publicize the working model of diversification to other regional growers.
- A single company requests funds to provide a viable pollination alternative to specialty crop stakeholders in a region that currently does not have one.
- A non-profit organization requests funds to conduct an advertising campaign that will benefit their specialty crop members.
- A single farmer erects high tunnels on his/her property to extend the growing season of tomatoes and lettuce and conducts a field day and farm tour to encourage other small family farmers to adopt the production methods.

Examples of Unacceptable Projects:

- A company requests grant funds to purchase starter plants or equipment used to plant, cultivate, and grow a specialty crop to make a profit, or to expand production of a single business or organization.

- A State requests grant funds to make grants to individual specialty crop businesses or roadside stands to promote their individual business.
- A non-profit organization uses grant funds to purchase produce and then sells that produce to other entities at cost or a higher price than the purchase price while competing with other private companies who sell produce in the area.
- A sole proprietor requests grant funds to redesign her/his logo in order to make her/his specialty crop value-added product stand out at the local farmers' market.
- A single specialty crop organization requests grant funds to market its organization so that it can increase its membership.

IV. ALTERNATIVE GRANT OPPORTUNITIES

If your proposed project does not align with one of the above requested goals, please consider whether your proposal would better align with one of the below alternative grant opportunities:

Projects that support the increase of fruits and vegetables in the **Supplemental Nutrition Assistance Program (SNAP)** by providing incentives at the point of purchase and/or include technologies for benefit redemption systems should consider submitting those projects to the Food Insecurity Nutrition Incentive Grants Program at: <http://nifa.usda.gov/program/food-insecurity-nutrition-incentive-fini-grant-program>.

Projects that support domestic farmers' markets, roadside stands, community-supported agriculture programs, agritourism activities, other direct producer-to consumer market opportunities, local and regional food business enterprises that process, distribute, aggregate, or store locally or regionally produced food products should consider submitting those projects to the **Farmers' Market Promotion Program** at <https://www.ams.usda.gov/services/grants/fmpp> and **Local Food Promotion Program** at <https://www.ams.usda.gov/services/grants/lfpp>.

Projects that support biobased products and bioenergy and energy programs, including biofuels and other alternative uses for agricultural and forestry commodities (development of biobased products) should see the USDA energy website at <http://www.usda.gov/energy/matrix/home> for information on how to submit those projects for consideration to the energy programs supported by USDA.

VII. WHAT ARE THE REPORTING REQUIREMENTS?

Grant recipients will be required to submit progress reports to AAD on a regular basis, including Annual Performance Reports, a Final Report, and any other information requested by AAD. Additional information grant subrecipients may be obligated to provide includes, but is not limited to, Quarterly Performance Reports or other information at the discretion of AAD.

Please note that failure to provide any requested information may result in withholding project funds.

Also note that it is the obligation of subrecipients to keep accurate and complete records, particularly with regard to spending grant funds.

Annual Performance Reports:

The grant recipient will submit two annual reports, the first report being due by **November 01, 2017** and the second report by **November 01, 2018**. The annual reports will provide information regarding:

Expenditures

Program Income

Accomplishments

Challenges and Developments

Solely Enhancing the Competitiveness of Specialty Crop

(If the project has potential to benefit non-specialty crops, what steps were taken to ensure grants funds only benefited specialty crop?)

The annual performance report should provide all information requested in the *Interim Performance Report Template* located online at:

https://www.ams.usda.gov/sites/default/files/media/Performance%20Report_Annual_Template.docx as well as any additional information requested. Please use the same format used in the template.

Final Report:

Grant subrecipients will submit a final report by **November 1, 2019**. The final report will provide information regarding:

Project Impact and Findings

Beneficiaries

Activities Performed

Objectives

Accomplishments

Challenges

Lessons Learned

Continuation & Dissemination of Results

Outcomes and Indicators

Data Collection

Federal Expenditures

Program Income

Additional Information:

Provide additional information available (i.e., publications, websites, photographs) that is not applicable to any of the prior sections.

Final reports should include any documents, publications, or other attachments referenced throughout the report. If the attachments are large, the AAD will consider combining them as an appendix to the full report and submitting the appendix as a separate file.

The final performance report should provide all information requested in the *Final Performance Report Template* located online at: https://www.ams.usda.gov/sites/default/files/media/Performance%20Report_Final_Template.docx as well as any additional information requested.

IV. HOW TO APPLY: PROJECT PROPOSAL GUIDELINES

Project Proposal

Applicants are required to submit a Project Proposal that maintains the format and includes the content required in the ***Project Profile Template*** (visit <https://www.ams.usda.gov/services/grants/scbgp/apply> to download the template). Applicants will use the Project Profile Template for each project submitted to AAD.

Page size for the proposal must be 8.5 inches (21.59 cm) by 11 inches (27.94 cm). The acceptable font size is 12 pitch with all margins at 1 inch (2.5 cm). The project proposal should include a profile that details the necessary information to fulfill the goals and objectives of the project. For examples of acceptable formats, please see *Project Profile*, and the *Sample State Plan* at <https://www.ams.usda.gov/services/grants/scbgp/apply>.

Completed applications must include a signed Acknowledgement form and a work plan narrative explaining how grant funds will be utilized to enhance the competitiveness of specialty crops. The length may vary depending on the nature of the project, however please limit to 6 pages if possible. The acceptable font size for the narrative is 12 pitch.

In addition, each project proposal must be accompanied by a signed acknowledgement form, which is attached at the end of this ***AAD Request for Applications***.

Measurable Outcomes:

Each project **must identify at least one expected measurable outcome** that specifically demonstrates the project's impact in solely enhancing the competitiveness of eligible specialty crops.

To be included in the state proposal to SCBGP, each project submitted **must** include at least one of the eight outcomes listed in the ***SCBGP Evaluation Plan*** (available here: https://www.ams.usda.gov/sites/default/files/media/SCBGP_FY15_PerformanceFINAL_10272015.pdf).

In addition, at least one indicator from the selected outcome(s) must be chosen from the SCBGP Evaluation Plan. The progress of the one or more outcomes and indicators selected will be reported in the Annual Performance Reports, and the results will be reported in the Final Performance Report.

Minimum and Maximize Project Values:

AAD will not consider project proposals that have a value of less than \$5,000. While a maximum value is not set for the FY2016 application, projects with a value under \$70,000 are strongly encouraged. AAD will carefully review and evaluate each proposal based on the criteria listed in these guidelines, after all applications have been submitted to AAD. After the AAD plan has been submitted and approved by USDA-AMS, AAD will notify applicants of their status. No final awards to any sub-grantee will be made until a final grant award is made to AAD by USDA-AMS.

Three Year Project Limit:

Projects must be completed within three calendar years after the AAD/USDA-AMS grant agreement is signed between USDA-AMS and AAD. The FY2016 SCBGP project completion date for all proposals granted funding will be September 29, 2019.

Data Universal Number System (DUNS)

Each applicant, must have a Data Universal Number System (DUNS) number at the time of application. A DUNS number is a unique number established and assigned by Dun and Bradstreet, Inc. (D&B) to identify organizations.

Potential applicants and sub-applicants may acquire a DUNS number at no cost online at <http://fedgov.dnb.com/webform>. To acquire a DUNS number by phone, contact the D&B Government Customer Response Center:
U.S. and U.S. Virgin Islands: 1-866-705-5711
Monday – Friday 7 a.m. to 8 p.m., CST

System for Award Management (SAM)

Each applicant (unless the applicant is an individual or Federal awarding agency that is excepted from those requirements under 2 CFR § 25.110(b) or (c), or has an exception approved by the Federal awarding agency under 2 CFR § 25.110(d)) is required to be registered in the System for Award Management (SAM) before submitting its application; and continue to maintain an active SAM registration with current information at all times during which it has an active Federal award or an application or plan under consideration

Equal Opportunity Statement

AAD abides by the Equal Opportunity Statement contained in the FY2016 SCBGP Request for Applications released March 9, 2016 by the United States Department of Agriculture - Agriculture Marketing Service in administering grants funds.

Deadline & Address for Submission

Completed application packets must be postmarked or emailed by May

4th, 2016. No late applications will be accepted. An electronic version of the application in Microsoft Word format (.docx or .doc file extension), is required and is acceptable in lieu of a mailed copy.

Mail application to:

Christian Olson
Director of Marketing
Arkansas Agriculture Department
1 Natural Resource Drive
Little Rock, AR 72205
Email: Christian.olson@aad.ar.gov
Phone: (501) 219-6324

VI. APPLICATION EVALUATION AND SELECTION

Grant applications will be reviewed by an Advisory Committee, which will evaluate each project based on the merit of the submitted project proposal narrative and the criteria listed below. Relative weight for each criterion is indicated by percentage value.

1. 20% - To what extent will the proposed project increase consumption or enhance the competitiveness of the specialty crop benefiting from the project?
2. 10% - What is the economic value of the crop(s) benefiting from this project proportionate to the total value of Arkansas' specialty crop industry?
3. 20% - Does this project address a significant problem or important need and will a number of growers or operations be impacted?
4. 10% - Is the budget realistic and will the project yield a positive return on investment? Has the proposed project been accompanied with matching funds?
5. 10% - Are the goals realistic and obtainable?
6. 10% - Do the measurable outcomes appropriately track success in supporting the project's purpose and whether the goals will be attained?
7. 20% - Does the project have the support and include participation of producers, handlers or others in the industry?

The Advisory Committee may recommend adjustments to the monetary grant requests, proposed scope of work, and/or project budgets.

VIII. HOW ARE FUNDS OBTAINED?

Grant subrecipients must request payments of grant funds no more frequently than every 30 days; and, no less frequently than quarterly. Except under very rare circumstances, all payments will be on a reimbursement basis. All payments will be made in accordance with 2 CFR 200.305 and all statutes, rules, and policies governing the SCBGP as well as applicable Arkansas law.

Requests for payments should be scheduled so that all grant funds are obligated (encumbered) at the end of the grant agreement and disbursed within 30 days after the end date of the grant agreement. Any un-obligated (unencumbered) balance of cash at the end of this period must immediately be refunded back to AAD.

The obligation of funds may be terminated without further cause if the grantee does not conduct timely drawdown of funds; initial drawdown must be made within the first year of the grant period.

IX. RESTRICTIONS AND LIMITATIONS ON GRANT FUNDS USE

General Restrictions and Limitations

All SCBGP awards are subject to the most recent award terms and conditions (see <https://www.ams.usda.gov/services/grants/scbgrp/guidance> to view most recent terms and conditions), Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (2 CFR part 200), and other laws and regulations affecting Federal assistance.

All costs must be allowable in accordance with the Federal cost principles outlined in 2 CFR part 200 Subpart E.

An application funded with the release of Federal funds through a grant award does not constitute, or imply, compliance with Federal regulations. Grant recipients and subrecipients are responsible for ensuring that their activities comply with all applicable Federal regulations

Specific Restrictions and Limitations

The following list describes specific funding restrictions under the SCBGP. This section is not intended to be all inclusive.

Specialty Crop Block Grant Funds shall not be used to cover the following expenses:

- Alcoholic Beverages in most cases, but not all cases.
- Paying off existing debt
- Substituting existing efforts or research already funded
- Acquisition/Construction/Renovation of land or buildings.
- Purchase of general purpose equipment, buildings and land.
- Business entertainment or business gifts
- Fines, Penalties, Damages and Other Settlements
- Fundraising
- Lobbying or political efforts
- General Costs of Government
- Meals in most cases, but not all cases.

- Memberships, Subscriptions, Professional Activity Costs in some cases.
- Goods or Services for Personal Use
- Information Technology Systems
- Donations and contributions
- Selling and Marketing Costs- Promotion of an organization’s image, logo, or brand name, Promotion of Non-Specialty Crop Activities, Promotional Items, Sponsorships, Incentives, Trade Shows, and any others unallowable under Federal law and regulations.

Additional Examples and Guidance

For more examples of costs that are allowable and unallowable, please visit SCBGP’s website at <https://www.ams.usda.gov/services/grants/scbgp/guidance>.

Limit on Administration Costs

Administration costs are defined as indirect costs and are limited to 8 percent of the total Federal funds provided under the award per section 10010(4) of the Agricultural Act of 2014, Public Law 113-79.

AAD is required to notify applicants through this Request for Applications of the above limit on administration costs to ensure that total administration costs, for both AAD and the sub-applicants, do not exceed 8 percent of awarded Federal funds.

Presenting Direct and Indirect Costs Consistently

Applicants must present direct and indirect costs appropriately and consistently and must not include costs associated with their organization’s indirect cost rate agreement as direct costs. In addition, a cost may not be allocated as an indirect cost if it is also incurred as a direct cost for the same purpose and vice versa. For further information on how to determine if a cost is indirect or direct, please see the *Indirect Cost Decision Tree* at: [https://www.ams.usda.gov/sites/default/files/media/SCBGP IndirectCosts.pdf](https://www.ams.usda.gov/sites/default/files/media/SCBGP%20IndirectCosts.pdf).

Direct costs are costs that can be identified specifically with a particular award, project or program, service, or other organizational activity or that can be directly assigned to such an activity relatively easily with a high degree of accuracy. Typically direct costs include, but are not limited to, compensation of employees who work directly on the award to include salaries and fringe benefits, travel, equipment, and supplies directly benefiting the grant-supported project or program.

Indirect costs (also known as “facilities and administrative costs”) defined at 2 CFR §200.56 are costs incurred for a common or joint purpose benefitting more than one cost objective, and not readily assignable to the cost objectives specifically benefitted, without effort disproportionate to the results achieved. Refer to 2 CFR §200.413 and 414 for additional information on determining if costs charged to the award are direct or indirect.

The salaries of administrative and clerical staff should typically be treated as indirect costs. Direct charging of these costs may be appropriate where all of the following conditions are met:

- (1) Administrative or clerical services are integral to a project or activity;
- (2) Individuals involved can be specifically identified with the project or activity;
- (3) Such costs are explicitly included in the budget or have the prior written approval of the Federal awarding agency; and
- (4) The costs are not also recovered as indirect costs.

**Typical Indirect Costs by
Organization Type:**

Non-Profits

General administration and general expenses, such as the salaries and expenses of executive officers, personnel administration, and accounting, depreciation or use allowances on buildings and equipment, and the costs of operating and maintaining facilities.

Colleges and Universities

Equipment and capital improvements, operation and maintenance expenses, library expenses, general administration and general expenses, departmental administration, sponsored projects administration, student administration and services, depreciation and use allowances, and interest on debt associated with certain buildings.

State and Local Governments

State/local-wide central service costs, general administration of the applicant department or agency, accounting and personnel services performed within the applicant department or agency, depreciation or use allowances on buildings and equipment, and the costs of operating and maintaining facilities.

PROHIBITION ON USING FUNDS UNDER GRANTS AND COOPERATIVE AGREEMENTS WITH ENTITIES THAT REQUIRE CERTAIN INTERNAL CONFIDENTIALITY AGREEMENTS:

By submission of its proposal or application, the applicant represents that it does not require any of its employees, contractors, or subrecipients seeking to report fraud, waste, or abuse to sign or comply with internal confidentiality agreements or statements prohibiting or otherwise restricting those employees, contractors, or subrecipients from lawfully reporting that waste, fraud, or abuse to a designated investigative or law enforcement representative of a Federal department or agency authorized to receive such information. Note that: (1) the basis for this representation is a prohibition in sections 743, 744 of the Consolidated Appropriations Act, 2016, Pub. L. 114-113, (Division E, Title VII, General Provisions Government-wide) and any successor provisions of law on making funds available through grants and cooperative agreements to entities with certain internal confidentiality agreements or statements; and (2) section 744 states that it does not contravene requirements applicable to Standard Form 312, Form 4414, or any other form issued by a Federal department or agency governing the nondisclosure of classified information.

