# **01-001 DEPARTMENT OF AGRICULTURE, CONSERVATION AND FORESTRY**

 **DIVISION OF MARKET AND PRODUCTION DEVELOPMENT**

**Chapter 33: RULES GOVERNING THE AGRICULTURAL DEVELOPMENT GRANT FUND**

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**II. LEGISLATIVE MANDATE**

The 119th Legislature authorized an Agricultural Development Fund (7 M.R.S.A., Chapter 10 §306A - 309). The Legislature identified the agricultural industry need for accelerating new market development, adoption of improved technology and promotion of agricultural products produced in Maine. These rules establish the procedures for administering the Agricultural Development Fund and Grant Program, including: application procedures, criteria for granting awards within the guidelines specified in the legislation, an outline of the responsibilities of the applicants, the role of the committees overseeing program management, and other administrative procedures not specified in the legislation.

**III. DEFINITIONS**

A. **Market Research** - means activities to test and determine the likelihood of success in selling new or existing agricultural products produced in Maine in one or more markets.

B. **Market Promotion** - means activities to further the awareness, popularity, and sustain or increase sales of existing State agricultural products using such methods as, but not limited to, print, broadcast and social media, and trade shows.

C. **Agricultural Product** - means a Maine-grown fresh, or Maine-processed, agricultural food, fiber, or horticultural product derived from plants, animals, plant or animal byproducts, freshwater farmed fish, or aquaculture, as defined in Title 12, section 6001, subsection 1, with the intent that the product be sold or otherwise marketed to generate income. "Agricultural Product" does not include the product of a business engaged primarily in the growing, harvesting or processing of trees for the purpose of producing pulp or other materials used in paper manufacturing or wood manufacturing.

D. **New Technology** - means agricultural production, processing, and storage practices that are not currently used by Maine agricultural enterprises.

E. **Nonpublic Sources** - means any source of funds other than moneys provided directly or indirectly by federal, state, or local government. Nonpublic sources includes commodity group dedicated revenues generated by commodity check-off programs, even if collected by the Department of Administrative and Financial Services, Maine Revenue Services.

F. **Department** - means the Department of Agriculture, Conservation and Forestry.

**IV. PROGRAM FUNDING**

A. The Agricultural Development Grant Fund is funded by appropriations from State general funds, from the interest from the Agricultural Marketing Loan Fund established in 10 M.R.S.A., Section 1023-J subject to limitations under 7 M.R.S.A. Section 436, and from any other contributions to the Fund.

B. Contributions to the Agricultural Development Fund may be earmarked for projects affecting specific commodities.

**V. AGRICUL TURAL DEVELOPMENT COMPETITIVE GRANT PROJECTS**

A. **ELIGIBILITY REQUIREMENTS**

1. **New Projects**

Individuals, firms or organizations are eligible to apply for an Agricultural Development Grant.

2. **Continuing Projects**

Grantees of ongoing projects from previously approved grants may reapply in a separate application for additional funding during future requests for grant proposals but must justify the extended commitment sought. Funding will be contingent upon satisfactory progress and accountability of all funds awarded at the time of re-application, continued congruence with program needs, and continued availability of moneys.

B. **CRITERIA FOR ALLOCATION OF GRANT FUNDS BETWEEN PROGRAM AREAS**

1. The Commissioner may allocate the grant funds among projects involving market research, market promotion, or a combination of those activities for the purpose of expanding existing markets and developing new markets for agricultural products produced in Maine; or for testing and demonstrating new technologies related to the production, storage or processing of State agricultural products. At the time of the request for proposals the Commissioner will determine if any priority program areas need to be solicited and the amount of funds available for those priority areas.

C. **PROJECT FUNDING**

1. The grantee of an award shall contribute in cash or in kind, as determined by the Commissioner, an amount equal to at least 25% of the cost of the project except that the Commissioner or the Director of the Bureau of Agriculture, Food and Rural Resources may, at their discretion, allow for a lower contribution match for special or emergency projects. At least 10% of the total cost must be funded from nonpublic sources, as determined by the Commissioner.

2. The grantee of an award shall contribute in cash or in kind an amount equal to at least 50% of the cost of the project for projects that are for market promotion.

3. A project grant may not exceed 50% of the total funds available to be granted in a given year..

4. The grantee may not, in whole or in part, assign, delegate or transfer to another person, institution, or organization the responsibility for use or expenditure of grant funds other than as stated in the proposal and approved by the Commissioner.

5. At the time that a grant is awarded, the Commissioner may impose conditions and requirements that are designed to provide for accountability and achievement of program objectives.

D. **SOLICITATION PROCEDURES AND NOTIFICATION OF GRANT AWARDS FOR COMPETITIVE GRANT REQUEST FOR PROPOSALS**

1. The Department may solicit proposals multiple times during the fiscal year, with at least a 30 day period between the announcement and close of the request for proposals. The request for grant proposals will include the following information:

a. Name and address where application forms can be obtained.

b. Description of priority program areas, if designated by the Commissioner, for consideration of grants and anticipated funds to be awarded.

c. Dates for receipt of applications, and for anticipated grant awards.

d. Any other special requirements as determined by the Commissioner.

2. The Agricultural Development Advisory Committee may make recommendations to the Commissioner on applications within three weeks following submission of applications. The Commissioner will endeavor to render the final decision on the grant awards within two weeks following the submission of the committee's recommendations.

3. A notification of grant will include an agreement to be signed by the applicant and returned to the Department within two weeks of receipt or at such other time as the Commissioner may require.

4. In the case of projects not funded, the notification will include a brief explanation of why the projects were rejected. Revised applications will be accepted for consideration in future funding cycles. Grant decisions are determined in the exercise of the judgment and discretion of the Commissioner based upon the criteria set forth in section F, the recommendations of the Advisory Committee and any other appropriate information. Selection of an application is not a guarantee of funding. Grant decisions by the Commissioner are final.

E. **APPLICATION PROCEDURES FOR COMPETITIVE GRANT PROPOSALS**

1. **Grant Proposal** - The project proposal should be no more than ten pages in length (excluding the cover sheet, budget forms and resumes), and provide the information described below:

a. **Cover sheet**

1) Title and type of proposed project.

2) Brief (1 00 words or less) description of project objectives and results expected.

4) Name and title of applicant.

5) Address and telephone, fax and e-mail (if applicable) of applicant(s).

6) Amount of funding requested, amount of match including in-kind services and source of matching funds.

7) Duration of project (including beginning and ending dates).

8) Name, address and telephone, fax and e-mail address of contact person if other than applicant.

b. **Identification of Need/Opportunity and Justification**

Clear statement of the specific need, problem or opportunity to be addressed, indicating its importance to the Maine agricultural community. For market research projects, the economic or other value of the research must be described. For new technology projects, the number of producers who may adopt or benefit from the technology and the usefulness to specific regions within the State must be described. Market promotion projects must describe increased sales potential.

c. **Project Goals and Objectives**. Clear statement of the goals of the project, expressing goals numerically, if possible. Relate objectives to goals and identify specific needs to be addressed by the proposed project.

d. **Deliverables**. A clear statement of the anticipated end products of the project, including how these results will be made available to the Department and used by the food and agriculture industry. Some possible deliverables include: A new or prototype product, machine or process that enhances the business; an economic, scientific, or production feasibility study; a plan, publication, or audiovisual presentation; a promotional event with reports documenting the promotion, along with results tabulated.

e. **Innovation**. A clear description of what is new about the project's concept, approach, or process.

f. **Degree of Risk**. A clear description of the risks that may impact the project's success, and methods to overcome the potential risks. The proposed project must be able to demonstrate a likelihood of success.

g. **Project Methodology and Schedule**. List the project plan methods, and timetables for completion of the plan.

1) For testing new technologies, the methodology should follow a standard research proposal format, including a description of proposed investigations and/or experiments in the sequence and timetable in which it is planned to carry them out. The techniques to be employed, kinds of results expected, means by which the data will be analyzed or interpreted, and pitfalls and limitations that might be encountered should be detailed.

2) For market research projects, the methodology and procedures should be outlined, including a description provided on how the project will be implemented and a detailed work plan including a timetable for the project.

3) For promotional projects, the project must include an explanation of how results of the promotion will be evaluated for return on investment.

h. **Key Personnel and Project Management**. The project proposal should include a list and responsibilities of all persons/groups involved and methods to provide good communication and coordination of efforts with the Department and any other interested parties in the project. For market research and new technology projects, coordination is encouraged with research and development committees of specific commodity groups.

I. **Budget**. An itemized budget for the project is required, identifying sources of current and pending support, including in-kind and matching funds and which itemized items will be paid for from the grant.

J. **Supporting Documentation**. Required documents and any additional information necessary or useful to the description of the project. The applicant should present any information that would emphasize the value of the project in terms of the significance of the problems addressed. Information presented in this section should be clearly referenced in the project description, where appropriate.

2. Application for a Competitive Development Grant shall follow prescribed Division of Purchases procedures for Requests for Proposals.

3. Projects submitted after established deadline dates will be processed at the discretion of the department only if uncommitted funds exist.

F. **EVALUATION CRITERIA FOR SELECTING A PROPOSAL**

1. The Agricultural Development Advisory Committee will use the following selection criteria to judge the merits of the project applications. The point system outlined is a guide to the importance of each section to be evaluated in the application.

a. **Priority Area** 10 points

If a geographic or research priority area has been designated by the Commissioner and the project relates directly, the project will score higher.

b. **Identification of Need, Opportunity, Justification** 35 points

Projects must have potential importance and perceived benefits, including economic, for the Maine agricultural community and/or for specific Maine agricultural products. Projects will score higher if they meet statewide industry needs or have statewide perceived benefits. For promotion projects the ability for the entire industry to benefit from the promotion will score higher.

c. **Project Goals and Objectives, and Deliverables** 20 points

Goals and objectives of the project should address a specific market research, market development or new technology need.

d. **Deliverables** 15 points

The deliverables of the project should be clearly stated. A plan to distribute information developed from the activity to other growers or processors must be specified.

e. **Degree of Risk** 5 points

The risk factors to the success of the project must be adequately identified and addressed.

f. **Project Methodology and Schedule** 5 points

The methodology must be clear and project timetable realistic.

g. **Project Management** 5 points

Projects must be based on the degree to which the qualifications and ability of the persons involved match the needs of the project.

h. **Budget** 5 points

Projects must be able to show clear and realistic descriptions of how the funds will be allocated.

G. **PROJECT MANAGEMENT AND REPORTING REQUIREMENTS**

1. The grantee will be responsible for implementation of the project and preparation of progress and final reports on project results according to reporting requirements and timetables set by the Commissioner.

2. Any changes in the project work, methodology or timetables may occur only with the prior approval of the Commissioner.

3. A project report will also be required 12 months after the end of the grant detailing the economic impact the grant had on the business, industry, or other entity involved in the project. The report will also need to address the difference between the planned and actual outcome of the project, if there was a difference.

H. **ADVISORY COMMITTEE**

1. The Commissioner shall annually appoint a five member Agricultural Development Advisory Committee, which shall include the Bureau Director, or designee: a representative of the University of Maine Agricultural Center, a representative of the Agricultural Council of Maine, a person representing the food processing industry and a person representing agricultural producers.

2. The Agricultural Development Advisory Committee shall periodically evaluate grant applications according to the criteria in section F and recommend acceptance or rejection of grant applications to the Commissioner. In addition, the committee shall periodically review and evaluate the progress and final reports of each project and assist in preparing a report describing the results of each project funded, including any special projects.

I. **CONFIDENTIALITY**

1. To the extent provided by statute, information relative to market research or development activities provided to the Commissioner prior to formal application, included in grant applications or provided to the Commissioner to fulfill reporting requirements, is confidential information and may not be publicly disclosed by the Commissioner as long as;

a. The person to whom the information belongs or pertains has requested that certain information be designated as confidential; and

b. The Commissioner has determined that the information gives the person making the request the opportunity to obtain business or competitive advantage over another person who does not have access to the information or will result in loss of business or other significant detriment to the person making the request if access is provided to others.

c. In the case that the Commissioner determines that certain information qualifies as confidential, the Advisory Committee will maintain confidentiality of the information.

**VI. SPECIAL PROJECTS**

A. **PROJECT OBJECTIVES**

The objectives of special projects are to implement short-term applied research to effectively resolve unexpected technical problems and/or to test new marketing or production technologies that may immediately affect the production, storage, processing and/or distribution of State agricultural products. Special projects may be submitted by qualified individuals, firms or organizations for market research, for testing new technologies and for research on technical problems related to the production, marketing, storage and processing of agricultural commodities.

B. **PROJECT FUNDING**·

1. Commodity groups, associations or individuals may specify that funds contributed for special projects may be used to initiate projects affecting specific commodities.

C. **APPLICATION REQUESTS**

1. Applications for assistance as special projects must include:

a. A description and justification of the problem needing funding.

b. A proposed solution to the problem.

c. Estimated project costs.

2. Project costs may include the following as appropriate: salaries, wages, supplies, travel, equipment and services.

3. If the project is submitted by the University of Maine or other higher institution of learning, employee benefits, overhead and indirect costs shall not be included as part of the grant funds awarded.

STATUTORY AUTHORITY: 7 M.R.S.A., Chapter 10 §§ 306-A - 309

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