

Alaska’s 2024 Specialty Crop Block Grant Program



Fiscal year 2024 Request for Applications

Alaska’s Division of Agriculture announces the availability of grant funds to enhance the competitiveness of Alaska’s specialty crops including fruits, vegetables, horticulture, and nursery crops. These funds are awarded through a competitive review process guided by industry, nonprofit, and government stakeholders.

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The following table summarizes allowable and unallowable costs in common categories for AMS grant programs. This section is not intended to be all-inclusive. The recipient should consult the Federal Cost Principles (Subpart E-Cost Principles of 2 CFR § 200) for the complete explanation of the allowability of costs.	13
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TIMELINE

The Alaska Division of Agriculture announces the availability of grant funds for the sole purpose of enhancing Alaska Grown specialty crops.

The timeline for this application cycle is:

January 15 th , 2024: Release Request for Applications
January 30 th , 2024: Specialty Crop Block Grant Program Overview Webinar 12pm- 1pm Register at: Webinar Registration The webinar will be recorded for those who cannot attend.
February 23rd, 2024: Letter of Intent (LOI) due by 5:00pm emailed to dnr.scbg@alaska.gov
March 1 st , 2024: LOI feedback returned to applicants. Qualifying projects will be invited to submit their Full Application.
April 1 st , 2024: Full applications due by 5:00pm emailed to dnr.scbg@alaska.gov
April 2 nd - 11 th , 2024: Full applications reviewed by Review Committee
April 12 th , 2024: Final decisions made. Applicants notified of results.
May 2 nd , 2024: State plan submitted to USDA (some adjustments to projects may be required by USDA at this point)
Fall, 2024: Funds disbursed from USDA (exact date TBA)
September 30, 2024: Project Period of Performance begins for most grantees.

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LOI and Full Applications are to be submitted to dnr.scbg@alaska.gov

PROGRAM OVERVIEW

Funding Source and Available Funds

USDA Agricultural Marketing Service (AMS) distributes block grant funds annually provided by the Agriculture Improvement Act of 2018 (2018 Farm Act), which are administered by State and Territory Departments/Divisions of Agriculture to enhance the competitiveness of specialty crops. The 2018 Farm Bill Act is currently under a one-year extension and AMS will soon announce the 2024 Specialty Crop Block Grant Program (SCBGP) funding availability. The Division intends to grant multiple projects.

Specialty crops are defined as fruits and vegetables, dried fruit, tree nuts, and nursery crops (including floriculture and turf production). The USDA maintains a list of eligible specialty crops on its website: www.ams.usda.gov/scbgp. AMS encourages projects that enhance the competitiveness of specialty crops, sustain the livelihoods of American farmers, and strengthen local economies.

Projects that demonstrate innovative partnerships are encouraged. Applications that build on a previously funded SCBGP project may be submitted; in such cases, the application should clearly indicate how the project complements previous work. Applications for grant funds should show how the project impacts multiple businesses in the specialty crop supply chain and/or produces measurable outcomes for the specialty crop industry, rather than a single organization, institution, or individual.

Alaska SCBGP funds will be distributed to the specialty crop industry through a competitive review process. Grants must follow USDA guidelines for eligible spending. Guidelines are available at: www.ams.usda.gov/scbgp and are briefly covered in Appendix A.

Funding is contingent upon the passage of a Farm Bill and available funding from the United States Department of Agriculture, Agricultural Marketing Service (USDA, AMS).

NEW FOR SCBGP 2024

Minor modifications may be coming per language in the new farm bill, we will be sure to update everyone as soon as we know more.

Matching Funds

This funding opportunity does not have a Federal cost-sharing or matching requirement. Applicants should not include this topic in their submitted application nor in performance or financial reports.

Indirect Costs

As of 2019 Indirect Costs are no longer allowed.

Reimbursement Grant

This funding opportunity is on a reimbursable basis. Projects will receive 25% of the total project award amount up front to begin the grant project.

Then expenditures are on a reimbursement basis with appropriate backup documentation submitted.

PROJECT ORGANIZATION

For 2024, project proposals will be funded with an award up to \$60,000. We recommend the following parameters: smaller awards are designed for small exploratory projects and may be shorter than a three-year project period, and more substantial awards are designed for industry wide impact using evidence-based research or building on previous projects with strong industry support.

Budget Guidance

Investigative projects are expected to be entry level in concept, such as feasibility studies or small variety trial plots. Such projects that are completed successfully and considered to be in good standing with the granting agency will be considered competitive applications for future projects that expand upon the initial concept. We recommend that they be close to one to two years in duration. The annual performance period is from September 30, through September 29, of the following year. You must list individual specialty crop producers as well as all organizations that formally support your project and include a letter of support from at least one entity.

Investigative project example:

A group of producers submit a proposal to conduct research on the feasibility of planting, cultivating, and growing a specialty crop in a particular area, the results of which can be shared with growers throughout the State.

Projects requesting more funds are expected to be professional level in concept, drawing from evidence-based research and expertise. Research-based projects will likely build upon a previously tested concept and will show strong industry support. They can be for up to three years in duration. If the project requires the full three years, the end of the grant performance period would be September 29, 2027.

The annual performance reporting period is from September 30, through September 29, of the following year.

Research-based project example:

An organization requests grant funds to help improve and expand new markets which benefit a wide array of specialty crop producers.

Funding maximum:	\$60,000
Minimum number of producers impacted	5
Maximum duration of project	3 years
Industry Professional Partner	Required, with a letter of support
Industry Support	At least one letter of support (in addition to industry professional partner)

Examples of Unacceptable Projects

- *A company requests grant funds to purchase starter plants or equipment used to plant, cultivate, and grow a specialty crop for the purpose of making a profit, or to expand production of a single business.*
- *Requests by individual specialty crop businesses or roadside stands to promote their individual business.*

Eligibility

Any entity may apply, but projects must benefit more than one individual, business or organization.

- Proposed project benefits must benefit the specialty crop industry and align with program requirements, including funding restrictions.
- Projects must enhance the competitiveness of U.S. or U.S. territory-grown specialty crops in either domestic or foreign markets. Visit <https://www.ams.usda.gov/services/grants/scbgp/specialty-crop> for a list of eligible specialty crops and ineligible commodities.
- Each project must identify at least one expected measurable outcome and outcome indicator that specifically demonstrates the project’s impact in enhancing the competitiveness of eligible specialty crops. Guidance on outcomes and indicators can be found at [SCBG Performance Measures](#) and [SCBG Performance Measures Quick Guide](#).
- Applications should describe how the project potentially affects and produces measurable outcomes for the specialty crop industry and/or the public rather than a single business, organization, or individual. AMS will not fund projects that benefit a particular commercial product or provide a profit to a single business, organization, or individual. Single businesses, organizations, or individuals are encouraged to participate as project partners.
- Applicants with previous participation that have incomplete or unsatisfactory performance may be ruled ineligible for participation at the sole discretion of the Division of Agriculture.
- The Division of Agriculture strongly encourages projects proposing innovative

partnerships that will develop new knowledge to strengthen specialty crop producers' operations.

- Multi-state projects that address challenges and opportunities that cross state boundaries are eligible.

STATE FUNDING PRIORITIES

The Alaska Division of Agriculture, in partnership with statewide specialty crop stakeholders, will identify the following program funding priorities for 2024. **Funding priorities are listed in no particular order of importance and are not ranked.**

- 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 (21 U.S.C. Chapter 27), for example, developing “Good Agricultural Practices,” “Good Handling Practices,” “Good Manufacturing Practices,” and in cost-share arrangements for funding audits of such systems (including USDA GroupGAP) for small farmers, packers, and processors;
- Investing in specialty crop research, including research to focus on conservation and environmental outcomes;
- Developing new and improved seed varieties and specialty crops;
- Pest and disease control;
- Increasing child and adult nutrition knowledge and consumption of specialty crops;
- Improving efficiency and reducing costs of distribution systems; and
- Sustainability

Specialty Crop Stakeholders can provide input on this year's top funding priorities by competing the following survey by March 1st: [2024 SCBG Funding Priorities Survey](#).

Alaska Division of Agriculture strongly encourages projects proposing **innovative partnerships between researchers and producers** that will address one of these funding priorities.

LETTER OF INTENT

Your Letter of Intent (LOI) must be submitted by 5pm Friday, February 9th, 2024. The LOI should be submitted to the Division of Agriculture at dnr.scbg@alaska.gov.

The Letter of Intent template can be found at the Division of Agriculture Grants Page website at:

Applicant Information

- Applicants will need to provide their Name, Business or Organization, Mailing Address, Phone Number, and Email Address. You will be asked to self-certify that you are in compliance with State regulations and in good standing with the State of Alaska.
- The LOI must identify the specialty crop industry need your project will address and will need to provide a concise project summary.
- The LOI must include a project summary, duration and purpose including the specific issue, problem, or need your project will address, and the objectives the project hopes to achieve.
- A complete estimated project budget must be included.
- For all projects, an industry professional as a partner on the project is required. Please include contact information for this person, as well as a letter of recommendation for the project.
- In addition to the industry professional component explained above, it is expected that projects will also have the support of other industry organizations, groups of farmers, and individual specialty crop producers. Please list all partner organizations that are formally participating with you on this project. If you are the only formally participating organization, please make that clear. Please list individual specialty crop producers as well as all organizations that formally support your project and include a letter of support from at least one entity.

Review Process

All potential applicants are required to submit a letter of intent (LOI) to the Division by 5pm on February 23rd, 2024. Please read the scoring criteria below to ensure that your LOI addresses the areas that will be evaluated by the review committee. Projects will be reviewed and ranked based on the information provided in the LOI. The Division will select which projects will submit a full application. **Applicants who have previously participated in the SCBGP and have an incomplete or unsatisfactory performance record may be ruled ineligible for participation at the sole discretion of the Division of Agriculture.**

SCORING CRITERIA FOR LETTER OF INTENT

Total Points available: 100 points

Proposal Summary: 20 points

The Letter of Intent is complete and thorough, addressing all format criteria. The project proposal is clear, the need is demonstrated, and the methodology stated.

Industry Need/Project Impact: 30 points

The proposed project responds to a specialty crop industry need and demonstrates the ability to impact that need. The project includes a strong monitoring and evaluation plan and explains clearly how outcomes will be measured. USDA Outcomes and project objectives are selected and clearly relate to project proposal. Expected project impacts are realistic and clearly stated.

Budget: 30 points

Budget aligns well with project, with no abnormal outlying costs. Work plan and budget are realistic. Please review eligible cost section (Appendix A, page 25).

Project Support: 20 points

The proposed project demonstrates that there is broad industry support for the project. Letters of support and/or formal commitments from all project partners are included. Applicant has sufficient organizational support to see project to completion.

APPLICATION INSTRUCTIONS

Only applicants that have submitted a letter of intent and have been invited to apply may submit a full application. The Division of Agriculture will notify those applicants eligible to submit a full application by March 1st, 2024.

Successful applicants should submit their full application to the Division of Agriculture using the provided [Project Profile Template](#) by **5pm Monday, April 1st, 2024**. Files should be submitted to the Division of Agriculture at dnr.scbg@alaska.gov.

The acceptable font size for the narrative is 11 or 12, with all margins at 1 inch. This is a dynamic PDF form which will be submitted to USDA for review and final approval. Please do not convert this form to Word, print to PDF, or convert to any other format.

The full application can be found here: [Project Profile Template](#)

Refer to following page for Application Scoring Criteria

APPLICATION SCORING CRITERIA

Total Points Available: 100

Application: 5 points

The application is complete and thorough, addressing all format criteria.

Project Purpose: 20 points

The proposed project responds to a specialty crop industry need and demonstrates the ability to impact that need.

External Project Support: 20 points

The proposed project demonstrates that there is broad industry support for the project. Letters of support and/or formal commitments from all project partners are included. Applicant has sufficient organizational support to forward the project.

Impact and Outcomes/Evaluation: 28 points

The proposed project demonstrates that it will increase the competitiveness of specialty crop producers and will impact a significant number of beneficiaries. The project includes a strong outreach/information dissemination component to ensure a broad impact. Outcome measures are thoughtfully developed and realistic. The project includes a strong monitoring and evaluation plan and explains clearly how outcomes will be measured.

Budget: 20 points

Budget aligns well with project, with no abnormal or outlying costs.

Work Plan: 2 points

Work plan clearly identifies activities, the personnel that will work on them, and when each activity will be completed.

Past Project Performance: 5 points

If applicant has never been funded, they will automatically receive 5 points. Return applicants will be scored based on previous project management and reporting performance.

Grant Award Agreement and Payment

Prior to beginning work on the proposed project or receiving funding, successful applicants will be required to sign a Grant Award Agreement (Agreement) with the Division indicating their intention to complete the proposed tasks and authorizing the Division to monitor the progress of the proposed project. In addition to obtaining a UEI¹ number (required prior to application submission), successful applicants will be required to register with the federally run System for Award Management, sam.gov. As a potential sub recipient of federal money, you must have an active and clear profile that matches your UEI number and provide this information with your application. Registration is free.

Agreements must be signed and returned to the Division within 30 days of receipt. Failure to submit an executed copy of the Agreement within 30 days of receipt will result in the loss of awarded grant funds, unless the delay was caused by circumstances outside the control of the grantee.

Reporting Requirements

The Division reserves the right to modify reporting requirements during the course of the project. Information submitted in any report to the Division will be a public record.

Annual Reports: Annual Reports must be submitted on the USDA Annual reporting templates. The Division of Agriculture will provide the applicable annual reporting templates to the subgrantees as these are frequently updated by USDA.

You must detail the project status and how grant monies were used to achieve project outcomes outlined in the project proposal submitted with the grant application packet. Reports must also include a detailed financial report that tracks all expenditures against the project budget submitted with the grant proposal.

You'll be expected to report on the following:

- **Activities Performed:** Briefly summarize activities performed, targets, and/or performance outcomes achieved during the reporting period for each project. Include favorable or unusual developments. It is encouraged to clearly convey progress toward achieving outcomes by graphing baseline data and showing the progress toward achieving set targets. If targets have already been achieved, amend the outcome measure to go beyond what was originally proposed. Identify the amended measurable outcome in the performance report.

¹ Obtaining a UEI number: <https://sam.gov/content/entity-registration>
<http://www.grants.gov/web/grants/applicants/organization-registration.html>

- **Problems and Delays:** Note unexpected delays or impediments for each project. Make sure to review measurable outcomes to determine if targets are realistic and attainable. An objective that is too stringent should be scaled back and identified in the performance report. Keep in mind that targets may slip due to all kinds of factors, such as employee turn-over and bad weather. Include revised work plan timelines.
- **Future Project Plans:** Summarize activities performed, targets, and/or performance goals to be achieved during the next reporting period for each project. Describe the work accomplished in both quantitative and qualitative terms. Describe any changes that are anticipated in the project.
- **Funding Expended to Date:** Provide information regarding the level of grant funds expended to date. If a project gained income as a result of planned activities, provide the amount of this supplemental funding and how it will be reinvested into the project.

Final Reports - A final performance report will be required within 30 days following the end date of the grant agreement. The final report will be posted on the USDA-AMS web site and represents an important vehicle for sharing project findings with Federal and State agencies and the public. The Division of Agriculture will provide the applicable final reporting template to the subgrantees as these are frequently updated by USDA.

The final report will include:

- **Project Summary:** An outline of the issue, problem, interest, or need for each project.
- **Project Approach:** How the issue or problem was approached via the project.
- **Goals and Outcomes Achieved:** How the performance goals and measurable outcomes were achieved for each project(s). If outcome measures were long term, summarize the progress that has been made towards achievement. It is encouraged to clearly convey progress toward achieving outcome measures by graphing baseline data and showing the progress toward achieving set targets.
- **Beneficiaries:** Provide a description and quantitative data for the number of people or operations that have benefited from the project's accomplishments, and/or the potential economic impact of each project. Include information about your public presentation and the number of specialty crop producers in the audience.
- **Lessons Learned:** Lessons learned, results, conclusions, for each project. If goals or outcome measures were not achieved, identify and share the lessons learned to help others expedite problem-solving.

- **Contact Person:** Contact person for the project with telephone number and email address.
- **Additional Information:** We encourage submission of any supplemental publications, web sites, photographs, etc.
- **Budget Summary:** In addition to the final project report, the Division reserves the right to conduct a follow-up survey of funded projects in order to determine long-term impacts of the project.
- **Reporting Compliance** – Applicants who do not submit the semi-annual reports or who submit reports that do not meet all of the above reporting requirements will be required to return all previously disbursed funds to the Division.
- **Budget Adjustments** - If a material change (10% or greater) in the budget is needed during the project period, a written request may be made to the Division to reallocate budget funds between budget categories. However, the total budget amount as dictated by the approved grant award cannot be adjusted.

APPENDIX A

ALLOWABLE COSTS AND FUNDING RESTRICTIONS

THE FOLLOWING TABLE SUMMARIZES ALLOWABLE AND UNALLOWABLE COSTS IN COMMON CATEGORIES FOR AMS GRANT PROGRAMS. THIS SECTION IS NOT INTENDED TO BE ALL-INCLUSIVE. THE RECIPIENT SHOULD CONSULT THE FEDERAL COST PRINCIPLES ([SUBPART E-COST PRINCIPLES OF 2 CFR § 200](#)) FOR THE COMPLETE EXPLANATION OF THE ALLOWABILITY OF COSTS.

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Advisory Councils	ALL	Unallowable for costs incurred by advisory councils or committees.
Alcoholic Beverages	ALL with exceptions	Unallowable for alcoholic beverages unless the cost is associated with fulfilling the purpose of the grant program and either approved in the application or with prior written approval.
Buildings and Land – Construction	ALL	<p>Unallowable for the acquisition of buildings, facilities, or land or to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations of an existing building or facility (including site grading and improvement, and architecture fees). This also includes construction and construction-related materials, which may include, but are not limited to, the purchase of building materials such as wood, nails, concrete, asphalt, roofing, gravel, sand, paint, insulation, drywall, or plumbing.</p> <p>Allowable for rental costs of land and building space. However, lease agreements to own (i.e., lease-to-own or rent-to-own) are not allowable. The lease or rental agreement must terminate at the end of the grant cycle.</p> <p>A building is any permanent structure designed or intended for support, enclosure, shelter, or protection of people, animals, or property, and having a permanent roof supported by columns or walls.</p>

<p style="text-align: center;">Conferences</p>	<p style="text-align: center;"><i>ALL with exceptions</i></p>	<p><u>Allowable</u> if the conference fulfills the purpose of a grant program’s legislated purpose. Allowable conference costs paid by the non-Federal recipient as a sponsor or host of the conference may include rental of facilities, speakers’ fees, costs of meals (see Meals for restrictions), and refreshments, local transportation, and other items incidental to such conferences with the exception of entertainment costs that are unallowable. If registration fees are collected, the recipient must report fees as program income (see Program Income).</p> <p><u>Allowable</u> to rent a building or room for training; however, where appropriate, AMS encourages the use of technologies such as webinars, teleconferencing, or videoconferencing as an alternative to renting a building or a room. The recipient should use the most cost-effective facilities, such as State government conference rooms if renting a building or a room is necessary.</p>
<p style="text-align: center;">Contingency Provisions</p>	<p style="text-align: center;"><i>ALL</i></p>	<p><u>Unallowable</u> for miscellaneous and similar rainy-day funds for events the occurrence of which cannot be foretold with certainty as to the time or intensity, or with an assurance of their happening. Unallowable for working capital for activities/items not already in place.</p>
<p style="text-align: center;">Contractual/Consultant Costs (Professional Services)</p>	<p style="text-align: center;"><i>ALL</i></p>	<p><u>Allowable subject to limitations</u> Contractual/consultant costs are expenses associated with purchasing goods and/or procuring services performed by an individual or organization other than the recipient in the form of a procurement relationship.</p> <p><u>Allowable</u> for contractor/consultant employee rates that do not exceed the salary of a GS-15 step 10 Federal employee in the area (for more information, visit the OPM website) and travel that is reasonable and necessary. This does not include fringe benefits, indirect costs, or other expenses. If rates exceed this amount, the recipient is required to justify the allowability of the cost aligning with 2 CFR §§ 200.317-327.</p>
<p style="text-align: center;">Contributions or Donations</p>	<p style="text-align: center;"><i>ALL</i></p>	<p><u>Unallowable</u> for contributions or donations, including cash, property, and services, made by the recipient to other entities. An NFE using grant funds to purchase food or services to donate to other entities and/or individuals is unallowable.</p>
<p style="text-align: center;">Electronic Benefit Transfer (EBT) Machines</p>	<p style="text-align: center;"><i>ALL</i></p>	<p><u>Unallowable</u> for the purchase/lease of Supplemental Nutrition Assistance Program (SNAP) EBT equipment.</p>

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Entertainment Costs	<i>ALL with exceptions</i>	<p><u>Unallowable</u> for entertainment costs including amusement, diversion, and social activities and any costs directly associated with such costs (such as bands, orchestras, dance groups, tickets to shows, meals, lodging, rentals, transportation, and gratuities). Entertainment costs are defined in 2 CFR § 200.438.</p> <p><u>Allowable</u> where the specific cost is considered to meet the requirements of the sponsored program and are authorized in the approved budget or with prior written approval.</p>

<p>Equipment</p>	<p>ALL</p>	<p><u>Unallowable</u> for acquisition costs of general-purpose equipment or lease agreements to own (i.e., lease-to-own or rent-to-own). <u>Allowable</u> for rental costs of general-purpose equipment when provided in the approved budget or with prior written approval. Vehicles may be leased but not purchased. The lease or rental agreement must terminate at the end of the grant cycle. For vehicle and equipment leases or rentals with an acquisition cost that equals or exceeds \$5,000, rates should be in light of factors such as: rental costs of comparable vehicles and equipment, if any; market conditions in the area; alternatives available; and the type, life expectancy, condition, and value of the vehicle or equipment leased. <u>Allowable</u> when provided in the approved budget or with prior written approval for acquisition costs and rental costs of special purpose equipment provided the following criteria are met: Necessary for the research, scientific, or other technical activities of the grant agreement; Not otherwise reasonably available and accessible; The type of equipment is normally charged as a direct cost by the organization; Acquired in accordance with organizational practices; Must be used solely to meet the legislative purpose of the grant program and objectives of the grant agreement; More than one single commercial organization, commercial product, or individual must benefit from the use of the equipment; Must not use special purpose equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services; and Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable. <u>Definitions</u> <u>Equipment</u> is defined as tangible personal property (including information technology systems) having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established by the NFE for financial statement purposes, or \$5,000. <u>Acquisition cost</u> means the cost of the asset including the cost to prepare the asset for its intended use. Acquisition cost for equipment is the net invoice price of the equipment, including the cost of any modifications, attachments, accessories, or auxiliary apparatus necessary to make it usable for its acquired purpose. <u>General Purpose Equipment</u> means equipment that is not limited to technical activities. Examples include office equipment and furnishings, modular offices, telephone networks, information technology equipment and systems, air conditioning equipment, reproduction and printing equipment, and motor vehicles. <u>Special Purpose Equipment</u> is equipment used only for research, scientific, or technical activities.</p>
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Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Equipment – Information Technology Systems and Telecommunications	<i>ALL</i>	<p>Unallowable for information technology systems having a useful life of more than one year and a per-unit acquisition cost that equals or exceeds the lesser of the capitalization level established in accordance with GAAP by the recipient for financial statement purposes or \$5,000. Acquisition costs for software include those development costs capitalized in accordance with GAAP.</p> <p>Information technology systems include computing devices, ancillary equipment, software, firmware, and similar procedures, services (including support services), and related resources. Computing devices means machines used to acquire, store, analyze, process, and publish data and other information electronically, including accessories (or “peripherals”) for printing, transmitting and receiving, or storing electronic information. Examples of unallowable information technology systems include service contracts, operating systems, printers, and computers that have an acquisition cost of \$5,000 or more. See also special prohibition on the purchase of certain telecommunications and video surveillance described in 2 CFR § 200.216.</p> <p>Allowable for website development, mobile apps, etc., that are not considered to be information technology systems but rather social media applications.</p>
Farm, Gardening, and Production Activities and Supplies	<i>ALL with exceptions</i>	<p>Unallowable for farm, gardening, and production activities, materials, supplies, and other related costs including but not limited to soil, seeds, shovels, gardening tools, greenhouses, and hoop houses.</p> <p>Allowable where the specific cost is considered to meet the requirements of the sponsored program and is authorized in the approved budget or with prior written approval.</p>
Fines, Penalties, Damages and Other Settlements	<i>ALL</i>	<p>Unallowable for costs resulting from violations of, alleged violations of, or failure to comply with, Federal, State, tribal, local, or foreign laws and regulations.</p>
Fixed Amount Subawards	<i>ALL with exceptions</i>	<p>Unallowable for cost related to fixed amounts subawards.</p> <p>Allowable to meet the requirements of the sponsored program (noncompetitive) and with prior written approval. A pass-through entity may provide subawards based on fixed amounts up to the simplified acquisition threshold, provided that the subawards meet the requirements for fixed amount awards in 2 CFR § 200.201.</p>

Fundraising and Investment Management Costs	ALL	Unallowable for organized fundraising, including financial campaigns, solicitation of gifts and bequests, and similar expenses incurred to raise capital or obtain contributions, regardless of the purpose for which the funds will be used. This includes salaries of personnel involved in activities to raise capital.
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Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
General Costs of Government	ALL	Unallowable for: <ol style="list-style-type: none"> Salaries and expenses of the Office of the Governor of a State or the chief executive of a local government or the chief executive of an Indian tribe; Salaries and other expenses of a State legislature, tribal council, or similar local governmental body, such as a county supervisor, city council, school board, etc., whether incurred for purposes of legislation or executive direction; Costs of the judicial branch of a government; Costs of prosecutorial activities unless treated as a direct cost to a specific program if authorized by statute or regulation (however, this does not preclude the allowability of other legal activities of the Attorney General as described in 2 CFR § 200.435 Defense and prosecution of criminal and civil proceedings, claims, appeals and patent infringements); and Costs of other general types of government services normally provided to the general public, such as fire and police, unless provided for as a direct cost under a program statute or regulation.
Goods or Services for Personal Use	ALL	Unallowable for costs of goods or services for personal use of the recipient’s employees regardless of whether the cost is reported as taxable income to the employees.
Indirect Costs – Unrecovered	ALL with exceptions	Unallowable for unrecovered indirect costs. Allowable for projects with match requirements to use unrecovered indirect costs as part of cost sharing or matching.
Insurance and Indemnification	ALL	Allowable when provided in the approved budget or with prior written approval as indirect costs for insurance and indemnification.
Lobbying	ALL	Unallowable as defined in 2 CFR § 200.450 .

Meals	ALL	<p>Unallowable for business meals when individuals go to lunch or dine together although no need exists for continuity of a meeting. Such activity is considered an entertainment cost.</p> <p>Unallowable for conference attendee breakfasts. It is expected attendees will have adequate time to obtain this meal on their own before a conference begins.</p> <p>Unallowable for meal costs that duplicate a meeting participant’s per diem or subsistence allowances.</p> <p>Allowable for lunch or dinner meals if the costs are reasonable, and a justification is provided that such activity maintains the continuity of the meeting and to do otherwise will impose arduous conditions on the meeting participants.</p> <p>Allowable for meals consumed while in official travel status. They are considered per diem expenses and should be reimbursed in accordance with the organization’s established written travel policies.</p>
Memberships, Subscriptions, and Professional Activity Costs	ALL	<p>Unallowable for costs of membership in any civic or community organization.</p> <p>Allowable for costs of membership in business, technical, and professional organizations when provided in the approved budget or with prior written approval.</p>

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Organization Costs	ALL	<p>Unallowable for costs of investment counsel and staff and similar expenses incurred to enhance income from investments.</p> <p>Allowable with prior approval for organization costs per 2 CFR § 200.455.</p>
Participant Support Costs	ALL	<p>Allowable when provided in the approved budget or with prior written approval for such items as stipends or subsistence allowances, and registration fees paid to or on behalf of participants or trainees (but not employees) in connection with approved conferences, training projects, surveys, and focus groups.</p>
Political Activities	ALL	<p>Unallowable for development or participation in political activities, in accordance with provisions of the Hatch Act (5 U.S.C. §§ 1501-1508 and §§ 7324-7326).</p>

<p>Pre-Award Costs</p>	<p>ALL</p>	<p>Allowable when provided in the approved budget or with prior written approval of such costs are necessary for efficient and timely performance of the project’s scope of work. Such costs are allowable only to the extent that they would have been allowable if incurred after the date of the Federal award. If charged to the award, these costs must be charged to the initial budget period of the award, unless otherwise specified by AMS.</p> <p>A recipient may incur pre-award costs 90 calendar days before the award. Expenses more than 90 calendar days pre-award require prior approval. These costs and associated activities must be included in the recipient’s project narrative and budget justification. All costs incurred before the award are at the potential recipient’s risk. The incurrence of pre-award costs in anticipation of an award imposes no obligation on AMS to award funds for such costs.</p>
<p>Printing and Publications</p>	<p>ALL</p>	<p>Allowable to pay the cost of preparing informational leaflets, reports, manuals, and publications relating to the project; however, the printing of hard copies is discouraged given the prevalence of electronic/virtual publication means. If charged to the award, these costs must be charged to the final budget period of the award, unless otherwise specified by AMS.</p>
<p>Rearrangement and Reconversion Costs</p>	<p>ALL</p>	<p>Allowable as indirect costs with prior approval for cost incurred for ordinary and normal rearrangement and alteration of facilities.</p> <p>Allowable as direct costs with prior approval for special arrangements and alterations costs incurred specifically for the award.</p> <p>Rearrangement and reconversion costs are those incurred in restoring or rehabilitating the non-Federal entity’s facilities to approximately the same condition existing immediately before the start of the grant agreement, less costs related to normal wear and tear.</p>
<p>Salaries and Wages</p>	<p>ALL</p>	<p>Allowable as part of employee compensation for personnel services in proportion to the amount of time or effort an employee devotes to the grant-supported project or program during the period of performance under the Federal award, including salaries, wages, and fringe benefits. Such costs must be incurred under formally established policies of the organization, be consistently applied, be reasonable for the services rendered, and be supported with adequate documentation.</p> <p>Salary and wage amounts charged to grant-supported projects or pro- grams for personal services must be based on an adequate payroll distribution system that documents such distribution in accordance with generally accepted practices of like organizations. Standards for payroll distribution systems are contained in the applicable cost principles (other than those for for-profit organizations).</p>

		<u>Unallowable</u> for salaries, wages, and fringe benefits for project staff who devote time and effort to activities that do not meet the legislated purpose of the grant program.
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Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Selling and Marketing Costs – Promotion of an Organization’s Image, Logo, or Brand Name	ALL	<u>Unallowable</u> for costs designed solely to promote the image of an organization, a general logo, or a general brand. <ul style="list-style-type: none"> Promotional items could say “Buy STATE/COUNTY Grown Apples” but not “XYZ Grown”, which promotes XYZ generically. A promotional campaign to increase producer sales of “STATE/ COUNTY Grown fruits and vegetables” is acceptable while in- creasing membership in “STATE/COUNTY Grown” generally is not.
Selling and Marketing Costs – Promotion of Venues that do not Align with Grant Program Purpose	ALL	<u>Unallowable</u> for costs for promotion of specific venues, tradeshow, events, meetings, programs, conventions, symposia, seminars, etc. that do not align with the legislated purpose of the grant program.
Selling and Marketing Costs – Promotional Items, Gifts, Prizes, etc.	ALL with exceptions	<u>Unallowable</u> for promotional items, swag, gifts, prizes, memorabilia, and souvenirs. <u>Allowable with conditions</u> to meet the requirements of the sponsored agreement, in the approved application or with prior approval for marketing activities directly related to the funded project. Promotional items include point-of-sale materials, promotional kits, signs or streamers, automobile stickers, table tents, and placemats, or promotional items of a personal nature (e.g., t-shirt, hats, etc.).

<p>Selling and Marketing Costs – Coupons, Incentives or Other Price Discounts</p>	<p>ALL</p>	<p>Unallowable for costs of the value of coupon/incentive redemptions or price discounts (e.g., the \$5.00 value for a \$5.00 clip-out coupon). Allowable for costs associated with printing, distribution, or promotion of coupons/tokens or price discounts (e.g., a print advertisement that contains a clip-out coupon) as long as they benefit more than a single program or organization.</p>
<p>Selling and Marketing Costs – Food for Displays, Tastings, Cooking Demonstrations</p>	<p>ALL with exceptions</p>	<p>Unallowable for purchasing food for displays, tastings, and cooking demonstrations. Allowable where the specific cost is considered to meet the programmatic purpose of the sponsored program and is authorized in the approved budget or with prior written approval.</p>
<p>Selling and Marketing Costs – General Marketing Costs</p>	<p>ALL with exceptions</p>	<p>Unallowable for costs designed solely to promote the image of an organization, general logo, or general brand. Allowable for costs designed to promote products that align with the purpose of the grant program.</p>
<p>Selling and Marketing Costs – Sponsorships</p>	<p>ALL</p>	<p>Unallowable for costs associated with sponsorships. A sponsorship is a form of advertising in which an organization uses grant funds to have its name and/or logo associated with certain events and where the organization does not necessarily know how the funds associated with sponsorship costs will be used. These costs also benefit only the organization offering funding, limiting the beneficiaries to the sponsor organization.</p>
<p>Selling and Marketing Costs – Use of Meeting Rooms, Space, exhibits that do not Align with Grant Program Purpose</p>	<p>ALL</p>	<p>Unallowable for costs associated with trade show attendance/displays, meeting room reservations, and/or any other displays, demonstrations, exhibits, or rental of space where activities do not specifically align with the purpose of the grant program. See Conferences for more information.</p>

Cost Category	Affected AMS Grant Program(s)	Description, Guidance and Exceptions
Supplies and Materials, Including Costs of Computing Devices	<i>ALL</i>	<p><u>Allowable</u> for costs incurred for materials, supplies, and fabricated parts necessary to carry out a Federal award. Purchased materials and supplies must be charged at their actual prices, net of applicable credits. Withdrawals from general stores or stockrooms should be charged at their actual net cost under any recognized method of pricing inventory withdrawals, consistently applied. Incoming transportation charges are a proper part of materials and supplies costs. Only materials and supplies used for the performance of a Federal award may be charged as direct costs.</p> <p>A computing device is a supply if the acquisition cost is less than the lesser of the capitalization level established by the recipient for financial statement purposes or \$5,000, regardless of the length of its useful life. In the specific case of computing devices, charging as a direct cost is allowable for devices that are essential and allocable, but not solely dedicated, to the performance of a Federal award. Where Federally donated or furnished materials are used in performing the Federal award, such materials will be used without charge.</p>
Training	<i>ALL</i>	<p><u>Allowable</u> when the training is required to meet the objectives of the project or program, including training that is related to Federal grants management.</p>
Travel – Domestic and Foreign	<i>ALL</i>	<p><u>Allowable</u> for travel, when provided in the approved budget or with prior written approval when costs are limited to those allowed by formal organizational policy and the purpose aligns with the legislated purpose of the program.</p> <p>The allowable travel cost of recipients that do not have formal travel policies and for-profit entities may not exceed those established by the Federal Travel Regulation, issued by General Services Administration (GSA), including the maximum per diem and subsistence rates prescribed in those regulations. If a recipient does not have a formal travel policy, those regulations will be used to determine the amount that may be charged for travel costs.</p>

Specialty Crop Block Grant Program Background

The Specialty Crops Competitiveness Act of 2004 (7 U.S.C. 1621 note) authorized the U.S. Department of Agriculture to make grants to be used by State departments of agriculture to enhance the competitiveness of specialty crops under the Specialty Crop Block Grant Program (SCBGP). All 50 States, the District of Columbia, the Commonwealth of Puerto Rico, Guam, American Samoa, the United States Virgin Islands, and the Commonwealth of the Northern Mariana Islands are eligible to participate. Specialty crops are becoming an increasingly important commodity area within the United States agricultural arena. This is especially true since there is an increasing demand by the public for year-round, healthy, nutritious and sustainable food. Specialty crops are defined as fruits and vegetables, tree nuts, dried fruits, horticulture and nursery crops (including floriculture). The Agricultural Marketing Service administers the SCBGP.

The 2018 Farm Bill, Section 10107, authorized funding for 2018 through 2023 at \$85 million each fiscal year thereafter. Each State department of agriculture is eligible to receive an estimated base grant and an additional amount based on the average of the most recent available value and acreage of specialty crop production for that State. Awards are made for a grant period of up to three years in length.

State departments of agriculture are encouraged by AMS to conduct outreach to specialty crop stakeholders, including socially disadvantaged and beginning farmers, to disseminate information about the program and identify funding priorities. AMS also encourages State departments of agriculture to develop their State Plans through a competitive review process to ensure maximum public input and benefit.

A Beginning Farmer is defined as an individual or entity that has not operated a farm or ranch for more than 10 years and substantially participates in the operation.

A Socially Disadvantaged Farmer is a farmer who is a member of a socially disadvantaged group. A Socially Disadvantaged Group is a group whose members have been subject to discrimination on the basis of race, color, national origin, age disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or a part of an individual's income is derived from any public assistance program.

AMS provides guidance and assistance to States in developing and submitting State Plans, meeting the administrative, reporting, and audit requirements involved in managing a funded project, and participates in workshops, conferences, and other forums to facilitate

interaction among States, USDA representatives, and industry organizations. AMS also performs site visits with State departments of agriculture to assess program performance and provide technical assistance. The site visits identify effective practices, initiate corrective actions, and improve public accountability.

FISCAL YEAR 2024 SPECIALTY CROP BLOCK GRANT PERFORMANCE EVALUATION

AMS is required to report on the outcomes of the SCBGP at a national scale to demonstrate the performance of this program. By collecting, aggregating, and reporting performance data across all states and territories, AMS can share the impact of the SCBGP with all stakeholders, including the Office of Management and Budget (OMB), Congress, the agricultural community, and the general public.

- Each project submitted in the State Plan must include at least one of the seven outcomes listed below, and at least one of the indicators listed underneath the selected outcome(s). If there are multiple sub-indicators under the selected indicator, select at least one.
- If the indicator(s) below the selected outcome(s) are not relevant to a project, a project-specific indicator(s) may be developed which will be subject to approval by AMS.
- The progress of each indicator must be reported in the Annual Performance Report and the result in the Final Performance Report.
- AMS will aggregate the data collected to assess the overall impact of the program and report to OMB and Congress on these national outcome measures.
- AMS will review the quality of the information we receive in subsequent performance reports and modify the outcomes and indicators as needed over time to lead to better results in showing the impact of the SCBGP.