

(Authority: 40 CFR 1501.7 and 1508.22;  
Forest Service Handbook 1909.15, section 21)

Dated: June 7, 2004.

**Edward C. Cole,**

*Forest Supervisor, Sierra National Forest.*

Dated: June 7, 2004.

**Jeffrey E. Bailey,**

*Forest Supervisor, Inyo National Forest.*

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## DEPARTMENT OF AGRICULTURE

### Forest Service

#### Ravalli County Resource Advisory Committee

**AGENCY:** Forest Service, USDA.

**ACTION:** Notice of meeting.

**SUMMARY:** The Ravalli County Resource Advisory Committee will be meeting to discuss 2004 projects and hold a short public forum (question and answer session). The meeting is being held pursuant to the authorities in the Federal Advisory Committee Act (Pub. L. 92-463) and under the Secure Rural Schools and Community Self-Determination Act of 2000 (Pub. L. 106-393). The meeting is open to the public.

**DATES:** The meeting will be held on June 22, 2004, 6:30 p.m.

**ADDRESSES:** The meeting will be held at the Ravalli County Administration Building, 215 S. 4th Street, Hamilton, Montana. Send written comments to Jeanne Higgins, District Ranger, Stevensville Ranger District, 88 Main Street, Stevensville, MT 59870, by facsimile (406) 777-7423, or electronically to [jmhiggins@fs.fed.us](mailto:jmhiggins@fs.fed.us).

**FOR FURTHER INFORMATION CONTACT:** Jeanne Higgins, Stevensville District Ranger and Designated Federal Officer, Phone: (406) 777-5461.

Dated: June 7, 2004.

**David T. Bull,**

*Forest Supervisor.*

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## DEPARTMENT OF AGRICULTURE

### Rural Business—Cooperative Service

#### Announcement of Value-Added Producer Grant Application Deadlines and Funding Levels

**AGENCY:** Rural Business-Cooperative Service, USDA.

**ACTION:** Notice of solicitation of applications.

**SUMMARY:** The Rural Business-Cooperative Service (RBS) announces the availability of \$13.2 million in competitive grant funds for fiscal year (FY) 2004 to help independent agricultural producers enter into value-added activities. RBS hereby requests proposals from eligible independent producers, agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business ventures interested in a competitively-awarded grant to fund one of the following two activities: (1) Planning activities needed to establish a viable value-added marketing opportunity for an agricultural product (e.g. conduct a feasibility study, develop a business plan, develop a marketing plan); or (2) acquire working capital to operate a value-added business venture that will allow producers to better compete in domestic and international markets. In order to provide program benefits to as many eligible applicants as possible, applications can only be for one or the other of these two activities, but not both. The maximum award per grant is \$500,000 and matching funds are required.

**DATES:** You may submit completed applications for grants on paper or electronically by 4 p.m. Eastern time on July 30, 2004.

**ADDRESSES:** You may obtain application guides and materials for a Value-Added Producer Grant via the Internet at the following web address: <http://www.rurdev.usda.gov/rbs/coops/vadg.htm> or by contacting the Agency Contact for your state listed in Section VII of this notice.

Submit completed paper applications for a grant to DynAccSys, Attention: Bitsy Keko, 101 Donner Drive, Oak Ridge, TN 37830.

Submit electronic grant applications to the following e-mail address: [VAPG@duncanltd.com](mailto:VAPG@duncanltd.com).

**FOR FURTHER INFORMATION CONTACT:** The Agency Contact for your state listed in Section VII of this notice.

#### SUPPLEMENTARY INFORMATION:

##### Overview

*Federal Agency:* Rural Business-Cooperative Service (RBS).

*Funding Opportunity Title:* Value-Added Producer Grants.

*Announcement Type:* Initial announcement.

*Catalog of Federal Domestic Assistance Number:* 10.352.

##### Dates:

- *Application Deadline:* Applications must be received on or before 4 p.m. Eastern time on July 30, 2004.

#### I. Funding Opportunity Description

This solicitation is issued pursuant to section 231 of the Agriculture Risk Protection Act of 2000 (Pub. L. 106-224) as amended by section 6401 of the Farm Security and Rural Investment Act of 2002 (Pub. L. 107-171) authorizing the establishment of the Value-Added Agricultural Product Market Development grants, also known as Value-Added Producer Grants (VAPG). The Secretary of Agriculture has delegated the program's administration to USDA's Rural Business-Cooperative Service.

The primary objective of this grant program is to help eligible independent producers of agricultural commodities, agricultural producer groups, farmer and rancher cooperatives, and majority-controlled producer-based business ventures develop strategies to create marketing opportunities and to help develop business plans for viable marketing opportunities. Eligible agricultural producer groups, farmer and rancher cooperatives, and majority-controlled producer-based business ventures must limit their proposals to emerging markets. These grants will facilitate greater participation in emerging markets and new markets for value-added products. Grants will only be awarded if projects or ventures are determined to be economically viable and sustainable. No more than 10 percent of program funds can go to applicants that are majority-controlled producer-based business ventures.

#### Definitions

*Agency*—Rural Business-Cooperative Service (RBS), an agency of the United States Department of Agriculture (USDA), or a successor agency.

*Agricultural Producer*—Persons or entities, including farmers, ranchers, loggers, agricultural harvesters and fishermen, that engage in the production or harvesting of an agricultural product. Producers may or may not own the land or other production resources, but must have majority ownership interest in the agricultural product to which Value-Added is to accrue as a result of the project. Examples of agricultural producers include: a logger who has a majority interest in the logs harvested that are then converted to boards, a fisherman that has a majority interest in the fish caught that are then smoked, a wild herb gatherer that has a majority interest in the gathered herbs that are then converted into essential oils, a cattle feeder that has a majority interest in the cattle that are fed, slaughtered and sold as boxed beef, and a corn grower that has a majority interest in the

corn produced that is then converted into corn meal.

**Agriculture Producer Group**—An organization that represents Independent Producers, whose mission includes working on behalf of Independent Producers and the majority of whose membership and board of directors is comprised of Independent Producers.

**Agricultural Product**—Plant and animal products and their by-products to include forestry products, fish and other seafood products.

**Applicant**—An entity or individual applying for a VAPG that has a unique Employer Identification Number (EIN).

**Cooperative Services**—The office within RBS, and its successor organization, that administers programs authorized by the Cooperative Marketing Act of 1926 (7 U.S.C. 451 *et seq.*) and such other programs so identified in USDA regulations.

**Economic development**—The economic growth of an area as evidenced by increase in total income, employment opportunities, decreased out-migration of population, increased value of production, increased diversification of industry, higher labor force participation rates, increased duration of employment, higher wage levels, or gains in other measurements of economic activity, such as land values.

**Emerging Market**—A new or developing market for the applicant, which the applicant has not traditionally supplied.

**Farm**—Any place from which \$1,000 or more of agricultural products (crops and livestock) were sold or normally would have been sold during the year under consideration.

**Farmer or Rancher Cooperative**—A farmer or rancher-owned and controlled business from which benefits are derived and distributed equitably on the basis of use by each of the farmer or rancher owners.

**Fixed equipment**—Tangible personal property used in trade or business that would ordinarily be subject to depreciation under the Internal Revenue Code, including processing equipment, but not including property for equipping and furnishing offices such as computers, office equipment, desks or file cabinets.

**Independent Producers**—Agricultural producers, individuals or entities (including for profit and not for profit corporations, LLCs, partnerships or LLPs), where the entities are solely owned or controlled by Agricultural Producers who own a majority ownership interest in the agricultural product that is produced. An

independent producer can also be a steering committee composed of independent producers in the process of organizing an association to operate a Value-Added venture that will be owned and controlled by the independent producers supplying the agricultural product to the market. Independent Producers must produce and own the agricultural product to which value is being added. Producers who produce the agricultural product under contract for another entity but do not own the product produced are not independent producers.

**Majority-Controlled Producer-Based Business Venture**—A venture where more than 50% of the ownership and control is held by Independent Producers, or, partnerships, LLCs, LLPs, corporations or cooperatives that are themselves 100 percent owned and controlled by Independent Producers.

**Matching Funds**—Cash or confirmed funding commitments from non-Federal sources unless otherwise provided by law. Matching funds must be at least equal to the grant amount. In-kind contributions that conform to the provisions of 7 CFR 3015.50 and 7 CFR 3019.23, as applicable, can be used as matching funds. Examples of in-kind contributions include volunteer services furnished by professional and technical personnel, donated supplies and equipment, and donated office space. Matching funds must be provided in advance of grant funding, such that for every dollar of grant that is advanced, not less than an equal amount of matching funds shall have been funded prior to submitting the request for reimbursement. Matching funds are subject to the same use restrictions as grant funds. Funds used for an ineligible purpose will not be considered matching funds.

**National Office**—USDA RBS headquarters in Washington, DC.

**Nonprofit institution**—Any organization or institution, including an accredited institution of higher education, where no part of the net earnings of which may inure, to the benefit of any private shareholder or individual.

**Planning Grants**—Grants to facilitate the development of a defined program of economic activities to determine the viability of a potential Value-Added venture, including feasibility studies, marketing strategies, business plans and legal evaluations.

**Product segregation**—Physical separation of a product or commodity from similar products. Physical separation requires a barrier to prevent mixing with the similar product.

**Public body**—Any state, county, city, township, incorporated town or village, borough, authority, district, economic development authority, or Indian tribe on federal or state reservations or other federally recognized Indian tribe in rural areas.

**Rural and rural area**—includes all the territory of a state that is not within the outer boundary of any city or town having a population of 50,000 or more and the urbanized area contiguous and adjacent to such city or town, as defined by the U.S. Bureau of the Census using the latest decennial census of the United States.

**Rural Development**—A mission area within the USDA consisting of the Office of Under Secretary for Rural Development, Office of Community Development, Rural Business-Cooperative Service, Rural Housing Service and Rural Utilities Service and their successors.

**State**—includes each of the several States, the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, and, as may be determined by the Secretary to be feasible, appropriate and lawful, the Freely Associated States and the Federated States of Micronesia.

**State Office**—USDA Rural Development offices located in most states.

**Small Farm**—A farm that has an average annual gross sales of \$250,000 or less over the last three fiscal years.

**Total Project Cost**—The sum of the amount of requested VAPG funds and the proposed matching funds.

**Value-Added**—The incremental value that is realized by the producer from an agricultural commodity or product as the result of:

- (1) A change in its physical state,
- (2) Differentiated production or marketing, as demonstrated in a business plan, or
- (3) Product segregation. Also,
- (4) The economic benefit realized from the production of farm or ranch-based renewable energy.

Incremental value may be realized by the producer as a result of either an increase in value to buyers or the expansion of the overall market for the product. Examples include milling wheat into flour, slaughtering livestock or poultry, making strawberries into jam, the marketing of organic products, an identity-preserved marketing system, wind or hydro power produced on land that is farmed and collecting and converting methane from animal waste to generate energy. Identity-preserved marketing systems include labeling that

identifies how the product was produced and by whom.

*Working Capital Grants*—Grants to provide funds to operate ventures and pay the normal expenses of the venture that are eligible uses of grant funds.

## II. Award Information

*Type of Award:* Grant.

*Fiscal Year Funds:* FY 2004.

*Approximate Total Funding:* \$13.2 million.

*Approximate Number of Awards:* 78.

*Approximate Average Award:* \$170,000.

*Floor of Award Range:* None.

*Ceiling of Award Range:* \$500,000.

*Anticipated Award Date:* 1 October 2004.

*Budget Period Length:* 12 months.

*Project Period Length:* 12 months.

## III. Eligibility Information

1. *Eligible Applicants:* Applicants must be an independent producer, agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture as defined in the "Definitions" section of this notice. If the applicant is an unincorporated group (steering committee), it must form a legal entity before the grant period can begin.

2. *Cost Sharing or Matching:* Matching funds are required. Applicants must verify in their applications that matching funds are available for the time period of the grant. Matching funds must be at least equal to the amount of grant funds requested. Unless provided by other authorizing legislation, other Federal grant funds cannot be used as matching funds. Matching funds must be spent at a rate equal to or greater than the rate at which grant funds are expended. Matching funds must be provided by either the applicant or by a third party in the form of cash or in-kind contributions. Matching funds must be spent on eligible expenses and must be from eligible sources if they are in-kind contributions.

3. *Other Eligibility Requirements:*

- *Product Eligibility:* The project proposed must involve a Value-Added product as defined in the "Definitions" section of this notice. Applicants should note that a project falling under the second definition of Value-Added must already have a business plan in place at the time of application. The applicant must reference this business plan in the application. Because of this requirement, it is unlikely that projects falling under the second definition of Value-Added will be eligible to apply for a planning grant. In order to be eligible under the farm or ranch-based renewable energy category, the project

must include energy generated on-farm through the use of agricultural commodities, wind power, or solar power.

- *Activity Eligibility:* The project proposed must specify whether grant funds are requested for planning activities or for working capital. Applicants may not request funds for both types of activities in one application. Applications requesting funds for both planning activities and for working capital will not be considered for funding. Applicants other than independent producers applying for a working capital grant must demonstrate that the venture is in its first or second year of operation at the time of application.

- *Grant Period Eligibility:*

Applications that have a timeframe of more than 365 days will be considered ineligible and will not be considered for funding. Applications that request funds for a time period beginning more than 90 days after the anticipated award date will not be considered for funding.

- Applications without sufficient information to determine eligibility will not be considered for funding.

- Applications that are non-responsive to the submission requirements detailed in Section IV of this notice will not be considered for funding.

- Applications that are missing any required elements (in whole or in part) will not be considered for funding.

- Applicants may submit more than one application, but in the event that more than one application for any applicant scores high enough to be funded, only the highest ranking application will be funded.

- Applicants who have already received a planning grant for the proposed project shall not receive another planning grant for the same project. Applicants who have already received a working capital grant for a project shall not receive any additional grants for that project. Applicants may receive a planning grant for a project in one funding cycle and receive a working capital grant for the same project in a subsequent funding cycle.

- Applicants may also receive one grant in any given funding year and be eligible to receive another grant in a subsequent funding year, subject to the above restrictions.

- If an applicant currently has a VAPG, the grant period for that grant must be scheduled to expire within 90 days of the expected award announcement date.

## IV. Application and Submission Information

1. *Address to Request Application Package:* You can obtain the application package for this funding opportunity at the following internet address: <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>. If you do not have access to the Internet, or if you have difficulty accessing the forms online, you may contact the representative listed for your state from the list in the "Agency Contacts" section. Application forms can be mailed to you.

2. *Content and Form of Submission:* You may submit your application in paper or in an electronic format. If you submit your application in paper form, you must submit a signed original and one copy of your complete application. The application must be in the following format:

- Font size: 12 point unreduced.
- Paper size: 8.5 by 11 inches.
- Page margin size: 1 inch on the top, bottom, left, and right.
- Printed on only one side of each page.

- Held together only by rubber bands or metal or plastic clips; not bound in any other way.

- Language: English, avoid jargon.
- The submission must include all pages of the application.

- It is recommended that the application is in black and white, and not color. All paper applications will be scanned electronically for further review upon receipt by the Agency and the scanned images will all be in black and white. Those evaluating the application will only receive black and white images.

If you submit your application electronically, you only need to submit one copy. The application must be in the following format:

- File format: pdf format, using Adobe Acrobat version 5.0 or higher.
- Font size: 12 point unreduced.
- Paper size: 8.5 by 11 inches.
- Page margin size: 1 inch on the top, bottom, left, and right.

- Language: English, avoid jargon.
- The submission must contain all application pages (including the signed forms) in one file.

- It is recommended that the application is in black and white, and not color. Those evaluating the application will only receive black and white images.

Multiple submissions or electronic files for the same application will be accepted at the discretion of the Agency. All applicants will receive a notice, either electronically or by mail that their application has been received. This

notice will only indicate that the application has been received; it does not convey any determination on the part of the Agency that the application is eligible or has been evaluated.

Applicants will not be notified of their eligibility or ranking until all applications have been completely evaluated and the Agency has announced the award determinations.

An application must contain all of the following elements. Any application that is missing any element or contains an incomplete element will not be considered for funding:

1. Form SF-424, "Application for Federal Assistance." In order for this form to be considered complete, it must contain the legal name of the applicant, the applicant's DUNS number, the applicant's complete mailing address, the name and telephone number of a contact person, the employer identification number, the start and end dates of the project, the federal funds requested, other funds that will be used as matching funds, an answer to the question, "Is applicant delinquent on any federal debt?", the name and signature of an authorized representative (if the signature is of anyone other than a stated owner of the proposed venture, the application should include a signed statement by either the owner(s) of the entity or the governing board stating that the signature is made by an authorized person), the telephone number of the authorized representative, and the date the form was signed. Other information requested on the form may be applicable, but the above-listed information is required for an application to be considered complete. Failure to submit any of the above information by the application deadline will result in a determination of incomplete and the application will not be considered for funding.

You are required to have a Dun and Bradstreet Data Universal Numbering System (DUNS) number to apply for a grant from RBS. The DUNS number is a nine-digit identification number, which uniquely identifies business entities. Obtaining a DUNS number is easy and there is no charge. To obtain a DUNS number, access <http://www.dunandbradstreet.com> or call (866) 705-5711. For more information, see the VAPG website at: <http://www.rurdev.usda.gov/rbs/coops/vadg.htm> or contact the program representative in your state from the list in Section IV.1.

2. Form SF-424A, "Budget Information—Non-Construction Programs." In order for this form to be considered complete, the applicant

must fill out Sections A, B, C, and D. The applicant must include both federal and matching funds. Applications lacking information in any of the above-listed sections or applications failing to include both federal and matching funds by the application deadline will be determined to be incomplete and will not be considered for funding.

3. Form SF-424B, "Assurances—Non-Construction Programs." In order for this form to be considered complete, the form must be signed by an authorized official (if the signature is of anyone other than a stated owner of the proposed venture, the application should include a signed statement by either the owner(s) of the entity or the governing body stating that the signature is made by an authorized person) and include the title, name of applicant, and date submitted. Applications lacking the above-listed information by the application deadline will be determined to be incomplete and will not be considered for funding.

4. Survey on Ensuring Equal Opportunity for Applicants. This form must be submitted by all non-profit applicants. Completion of the form is voluntary, but those applicants choosing not to complete the form should submit a blank form with a statement that they choose not to complete the form.

5. Title Page. The Title Page should include the title of the project as well as any other relevant identifying information. The length should not exceed one page.

6. Table of Contents. For ease of locating information, each proposal must contain a detailed Table of Contents (TOC) immediately following the required SF-424 forms. The TOC should include page numbers for each component of the proposal. Pagination should begin immediately following the TOC. In order for this element to be considered complete, the TOC should include page numbers for the Proposal Summary, an Eligibility Discussion, the Proposal Narrative and its subcomponents (Project Title, Information Sheet, Goals of the Project, Work Plan, Performance Evaluation Criteria and Proposal Evaluation Criteria), Verification of Matching Funds and Certification of Matching Funds. Failure to include a listing for any of these elements by the application deadline will result in a determination of incomplete and the application will not be considered for funding.

7. Executive Summary. A summary of the proposal, not to exceed one page, should briefly describe the project, including goals, tasks to be completed and other relevant information that provides a general overview of the

project. In this section the applicant must clearly state whether the proposal is for a planning grant or a working capital grant and the amount requested. Failure to include any of the requested information by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding. In the event an applicant submits more than one page for this element, only the first page submitted will be considered.

8. Eligibility Discussion. A detailed discussion, not to exceed four (4) pages, describing how the applicant, project, and purpose meet the eligibility requirements. In the event that more than four (4) pages are submitted, only the first four (4) pages will be considered.

The applicant must first describe how it meets the definition of an independent producer, agricultural producer group, farmer or rancher cooperative, or a majority-controlled producer-based business venture as defined in the "Definitions" section of this funding announcement. The applicant must apply as only one type of applicant.

If the applicant is an independent producer, the proposal must demonstrate that the owners of the business applying own and produce more than 50 percent of the raw commodity that will be used for the value-added product. The applicant must also demonstrate that the product is owned by the producers from its raw commodity state through the production of the value-added product. Failure to demonstrate either or both of these requirements will result in a determination of ineligible and the proposal will not be considered for funding.

If the applicant is an agricultural producer group, it must specifically identify the independent producers on whose behalf the work will be done. These producers must own and produce the commodity to which value will be added. Failure to identify by name these independent producers will result in a determination of ineligible and the proposal will not be considered for funding.

If the applicant is a farmer or rancher cooperative, the applicant must reference the business' standing as a cooperative in its state of incorporation. The applicant must also explain how the cooperative is 100 percent owned and controlled by producers who produce the commodity to which value will be added. Failure to demonstrate standing as a cooperative and/or 100 percent producer ownership and control by the application deadline will result

in the determination of ineligible and the proposal will not be considered for funding.

If the applicant is a majority-controlled producer-based business venture, the proposal must state the percentage of the venture owned by independent producers, or partnerships, LLCs, LLPs, corporations or cooperatives that are themselves 100 percent owned and controlled by Independent Producers (eligible producers). The percentage must be calculated by dividing the ownership interest of the eligible producers by the ownership interest of all owners. These eligible producers must own and produce the commodity to which value will be added. The applicant must also demonstrate that eligible producers have majority control over the business. Majority control must be demonstrated through voting rights on the governing body of the business venture. The majority of voting rights must belong to eligible producers who own and produce the commodity to which value will be added. Failure to demonstrate both majority-ownership and majority-control by eligible producers by the application deadline will result in the determination of ineligible and the proposal will not be considered for funding.

In addition, the applicant must describe all organizations that are involved in the project.

The applicant must next describe how the value-added product to be produced meets the definition of "Value-Added Product" as defined in the "Definitions" section of this funding announcement.

If the product meets the first definition, the application must explain the change in physical state or form of the product.

If the product meets the second definition, the proposal must explain how the production or marketing of the commodity enhances the value-added product's value. The enhancement of value should be quantified by using a comparison with value-added products produced or marketed in the standard manner. Also, a business plan that has been developed for the applicant for the project must be referenced. Failure to demonstrate that a business plan has been developed and/or failure to quantify the enhancement of value by the application deadline will result in the determination of ineligible and the proposal will not be considered for funding.

If the product meets the third definition, the proposal must explain how the physical segregation of a commodity or product enhances its value. The enhancement of value should

be quantified, if possible, by using a comparison with commodities marketed without segregation.

If the product meets the fourth definition, the proposal must explain how the renewable energy will be generated and used on a farm or ranch. If the proposal fails to demonstrate these requirements by the application deadline, it will be determined to be incomplete and the proposal will not be considered for funding.

Finally, the applicant must describe how the project purpose is eligible for funding. The project purpose is comprised of two components. First, the project activities must be planning activities or working capital activities, but not both. Second, the activities must be directly related to the processing and/or marketing of a value-added product. Agricultural production activities are not eligible for funding.

If the grant request is for planning activities, working capital expenses are not eligible for funding. If more than 20 percent of the total project cost (both grant and matching funds) for a planning activities application is for working capital expenses, the entire application will be determined to be ineligible and will not be considered for funding. If 20 percent or less of the total project cost for a planning activities application is for working capital expenses, the application may still be considered for funding, but any subsequent award will only be for eligible project expenses.

If the grant request is for working capital, planning activities are not eligible for funding. If more than 20 percent of the total project cost (both grant and matching funds) for a working capital application is for planning activities, the entire application will be determined to be ineligible and will not be considered for funding. If 20 percent or less of the total project cost for a working capital application is for planning activities, the application may still be considered for funding, but any subsequent award will only be for eligible project expenses.

If the applicant has already received a planning grant for a project, it is only eligible to apply for a working capital grant. If an applicant has already received a working capital grant for a project, it is not eligible to apply for any further grants for that project.

An applicant may not receive more than one grant in any one funding cycle. An applicant may submit multiple applications, but if more than one application scores high enough to be funded, only the highest ranked application will be funded.

9. Proposal Narrative. The narrative, not to exceed 35 pages (Times New Roman, 12 point font, 1 inch margins) must include the following information. In the event that more than 35 pages are submitted, only the first 35 pages submitted will be considered.

i. Project Title. The title of the proposed project must be brief, not to exceed 75 characters, yet describe the essentials of the project. It should match the project title submitted on the SF-424. Failure to submit a project title by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding.

ii. Information Sheet. A separate one page information sheet listing each of the evaluation criteria referenced in this funding announcement followed by the page numbers of all relevant material contained in the proposal that address or support each criterion. Failure to submit an information sheet referencing all evaluation criteria by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding.

iii. Goals of the Project. A clear statement of the ultimate goals of the project. There must be an explanation of how a market will be expanded and the degree to which incremental revenue will accrue to the benefit of the agricultural producer(s). Failure to submit a statement of the goals of the project by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding.

iv. Work Plan. The narrative must contain a description of the project and set forth the tasks involved in reasonable detail. The description should specify the activity, who will perform the activity, during what time frame the activity will take place, and the cost of the activity. Failure to submit a work plan by the application deadline will result in a determination of incomplete, and the proposal will not be considered for funding.

v. Working capital applications must also include three (3) years of pro forma financial statements, including an explanation of all assumptions, such as input prices, finished product prices, and other economic factors used to generate the financial statements. The financial statements must include cash flow statements, income statements, and balance sheets. Income statements and cash flow statements must be monthly for the first year, then annual for the next two years. The balance sheet should be annual for all three years. The financial statements will not count as part of the 35 page limit for the narrative

section of the proposal. Applications that are missing any of the required financial statements and/or the assumptions by the application deadline will be determined to be incomplete and will not be considered for funding.

vi. Performance Evaluation Criteria. The applicant must suggest criteria by which the project should be evaluated in the event that a grant is awarded. These suggested criteria are not binding on USDA. Failure to submit at least one performance criterion by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding.

vii. Proposal Evaluation Criteria. Each of the proposal evaluation criteria referenced in this funding announcement must be addressed, specifically and individually, in narrative form. Failure to address all evaluation criteria by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding. Failure to address the appropriate evaluation criteria (planning grant proposals must address planning grant evaluation criteria and working capital grant proposals must address working capital grant evaluation criteria) by the application deadline will result in a determination of incomplete and the proposal will not be considered for funding.

10. Verification of Matching Funds. Applicants must provide a budget to support the work plan showing all sources and uses of funds during the project period. Applicants will be required to verify matching funds, both cash and in-kind. All proposed matching funds must be specifically documented in the application. If matching funds are to be provided by the applicant in cash, a copy of a bank statement with an ending date within 30 days of the application deadline is required. The bank statement must show an ending balance equal to or greater than the amount of cash matching funds proposed. If the matching funds are to be provided by an in-kind contribution from the applicant, the application must include a signed letter from an authorized representative of the applicant verifying the goods or services to be donated, when the goods and services will be donated, and the value of the goods or services. Applicants should note that only goods or services for which no expenditure is made can be considered in-kind. If the applicant is paying for goods and services as part of the matching funds contribution, the expenditure is considered a cash match, and should be verified as such. If matching funds are

inappropriately verified by the application deadline, the application will be considered to be incomplete, and the application will not be considered for funding. If the matching funds are to be provided by a third party in cash, the application must include a signed letter from that third party verifying how much cash will be donated and when it will be donated. Verification for funds donated outside the proposed time period of the grant will not be accepted. If the matching funds are to be provided by a third party in-kind donation, the application must include a signed letter from the third party verifying the goods or services to be donated, when the goods and services will be donated, and the value of the goods or services. Verification for in-kind contributions donated outside the proposed time period of the grant will not be accepted. Verification for in-kind contributions that are over-valued will not be accepted. The valuation process for the in-kind funds does not need to be included in the application, especially if it is lengthy, but the applicant must be able to demonstrate how the valuation was achieved at the time of notification of tentative selection for the grant award. If the applicant cannot satisfactorily demonstrate how the valuation was determined, the grant award may be withdrawn or the amount of the grant may be reduced.

If matching funds are in cash, they must be spent on goods and services that are eligible expenditures for this grant program. If matching funds are in-kind contributions, the donated goods or services must be considered eligible expenditures for this grant program. The matching funds must be spent or donated during the grant period and the funds must be expended at a rate equal to or greater than the rate grant funds are expended. Some examples of acceptable uses for matching funds are: skilled labor performing work required for the proposed project, office supplies, and purchasing inventory. Some examples of unacceptable uses of matching funds are: land, fixed equipment, buildings, and vehicles.

Expected program income may not be used to fulfill the matching funds requirement at the time of application. If program income is earned during the time period of the grant, it may be used to replace other sources of matching funds if prior approval is received from the Agency. Any program income earned during the grant period is subject to the requirements of 7 CFR 3019.24.

If acceptable verification for all proposed matching funds is missing from the application by the application deadline, the application will be

determined to be incomplete and will not be considered for funding.

11. Certification of Matching Funds. Applicants must certify that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement. If this certification is missing from the application by the application deadline, the application will be determined to be incomplete and will not be considered for funding.

3. *Submission Dates and Times:*  
*Application Deadline Date:* July 30, 2004.

*Explanation of Deadlines:*  
Applications must be received by 4 p.m. Eastern Time on the deadline date (see section IV.6. for the address). If you send your application by the United States Postal Service or commercial delivery service, you must ensure that the carrier will be able to guarantee delivery of the application by the closing date and time. If your application does not meet the deadline above, it will not be considered for funding. You will be notified that your application did not meet the submission deadline. You will also be notified by mail or by e-mail if your application is received on time. If you e-mail your application, you may call the following number for technical assistance: (800) 991-4911.

4. *Intergovernmental Review of Applications:* Executive Order 12372 does apply to this program.

5. *Funding Restrictions:* Funding restrictions apply to both grant funds and matching funds. They include, but are not limited to, the following:

- Funds may only be used for planning activities or working capital for projects focusing on marketing a value-added product. Examples of acceptable planning activities include to:

1. Obtain legal advice and assistance related to the proposed venture;

2. Conduct a feasibility analysis of a proposed value-added venture to help determine the potential marketing success of the venture;

3. Develop a business plan that provides comprehensive details on the management, planning, and other operational aspects of a proposed venture; and

4. Develop a marketing plan for the proposed value-added product, including the identification of a market window, the identification of potential

buyers, a description of the distribution system, and possible promotional campaigns.

• Examples of acceptable working capital uses include to:

1. Design or purchase an accounting system for the proposed venture;
2. Pay for salaries, utilities, and rental of office space;
3. Purchase inventory, office equipment (e.g. computers, printers, copiers, scanners), and office supplies (e.g. paper, pens, file folders); and
4. Conduct a marketing campaign for the proposed value-added product.
  - No funds made available under this solicitation shall be used to:
    1. Plan, repair, rehabilitate, acquire, or construct a building or facility, including a processing facility;
    2. Purchase, rent, or install fixed equipment, including processing equipment;
    3. Purchase vehicles, including boats;
    4. Pay for the preparation of the grant application;
    5. Pay expenses not directly related to the funded venture;
    6. Fund political or lobbying activities;
    7. Fund any activities prohibited by 7 CFR parts 3015 and 3019;
    8. Fund architectural or engineering design work for a specific physical facility;
    9. Fund any expenses related to the production of any commodity or product to which value will be added, including seed, rootstock, labor for harvesting the crop, and delivery of the commodity to a processing facility; or
    10. Purchase land.

6. *Other Submission Requirements:* You may submit your application by mail or express delivery service to: DynAccSys, Attention: Bitsy Keko, 101 Donner Drive, Oak Ridge, TN 37830. Or you may submit your application by e-mail to: [VAPC@duncanltd.com](mailto:VAPC@duncanltd.com). Applications may not be submitted by facsimile or by hand-delivery. Each application submission must contain all required documents in one envelope, if by mail or express delivery service, or all required documents must be in one electronic pdf file if the submission is by e-mail.

## V. Application Review Information

1. *Criteria:* All eligible and complete applications will be evaluated based on the following criteria. Failure to address any one of the following criteria (even if you believe the criteria is not applicable) by the application deadline will result in a determination of incomplete and the application will not be considered for funding. Applications for planning grants have different

criteria to address than applications for working capital grants. Addressing the incorrect set of criteria will result in a determination of incomplete and the application will not be considered for funding.

Criteria for applications for Planning Grants are:

1. Nature of the proposed venture (0–25 points). Projects will be evaluated for technological feasibility, operational efficiency, profitability, sustainability and the likely improvement to the local rural economy. The discussion for this criterion must include the agricultural commodity to which value will be added, the process by which value will be added, and a description of the value-added product produced. If the applicant has the information available, the discussion for this criterion should include references to independent, third-party information that the applicant has reviewed, a discussion of similar projects, cost and availability of inputs, the type of market where the value-added product will be marketed (e.g. local, regional, national, international) and the potential number of customers, the cost of processing the commodity, how much value will be added to the raw commodity through the production of the value-added product, how the added value will be distributed among the producers, processors, and any other intermediaries, and any additional non-monetary value that could be obtained by end-users of the product. Points will be awarded based on the greatest expansion of markets and increased returns to producers. Applications that do not discuss a specific commodity, process, and value-added product will receive the minimum points allowed. Two teams of technical experts will be appointed to evaluate this criterion: a team of three independent reviewers and the servicing state office (see section V.2 for more details). The independent reviewers will evaluate this criterion from a national and/or regional perspective, and the servicing state office will evaluate this criterion from a state perspective.

2. Qualifications of those doing work (0–10 points). Proposals will be reviewed for whether the personnel who are responsible for doing proposed tasks, including those hired to do the studies, have the necessary qualifications. If a consultant or others are to be hired, more points may be awarded if the proposal includes evidence of their availability and commitment as well. If staff or consultants have not been selected at the time of application, the application should include specific descriptions of

the qualifications required for the positions to be filled. Also, rather than attaching resumes at the end of the application, it is preferred that the qualifications of the personnel and consultants are discussed directly within the response to this criterion. If resumes are included, they should be contained within the narrative section of the application within the response to this criterion. If resumes are attached at the end of the application, those pages will be counted toward the page limit for the narrative.

3. Project leadership (0–10 points). The leadership abilities of individuals who are proposing the venture will be evaluated as to whether they are sufficient to support a conclusion of likely project success. Credit may be given for leadership evidenced in community or volunteer efforts. Also, rather than attaching resumes at the end of the application, it is preferred that the leadership abilities are discussed directly within the response to this criterion. If resumes are included, they should be contained within the narrative section of the application within the response to this criterion. If resumes are attached at the end of the application, those pages will be counted toward the page limit for the narrative.

4. Commitments and support (0–10 points). Producer commitments will be evaluated on the basis of the number of Independent Producers currently involved as well as how many may potentially be involved, and the nature, level and quality of their contributions. End user commitments will be evaluated on the basis of potential markets and the potential amount of output to be purchased. Proposals will be reviewed for evidence that the project enjoys third party support and endorsement, with emphasis placed on financial and in kind support as well as technical assistance. Letters of support should not be included with the application. If they are submitted, they will not be considered for the purpose of evaluating this criterion. Also, letters demonstrating end-user commitments should not be submitted. If they are submitted, they will not be considered for the purpose of evaluating this criterion. The applicant should reference all support groups and commitments in the discussion of this criterion, and have the support letters and commitment letters available upon request. These support and commitment letters are not the same as the documentation required as part of the verification of matching funds requirement. All documentation needed to properly verify matching funds must

be submitted with the application in a separate section.

5. Work plan/Budget (0–10 points). The work plan will be reviewed to determine whether it provides specific and detailed planning task descriptions that will accomplish the project's goals and the budget will be reviewed for a detailed breakdown of estimated costs associated with the planning activities. The budget must present a detailed breakdown of all estimated costs associated with the planning activities and allocate these costs among the listed tasks. Points may not be awarded unless sufficient detail is provided to determine whether or not funds are being used for qualified purposes. Matching funds as well as grant funds must be accounted for in the budget to receive points. Budgets that include more than 10% of total project costs that are ineligible will result in a determination of ineligible and the application will not be considered for funding. However, if an application with ineligible costs is selected for funding, all ineligible costs must be removed from the project and replaced with eligible activities or the amount of the grant award will be reduced accordingly. Applications without a work plan and detailed budget submitted by the application deadline will be determined to be incomplete and will not be considered for funding. Logical, realistic, and economically efficient work plans and budgets will result in higher scores.

6. Amount requested (0–5 points). One (1) point will be awarded for grant requests between \$450,000 and \$350,001, two (2) points will be awarded for grant requests between \$350,000 and \$250,001, three (3) points will be awarded for grant requests between \$250,000 and \$150,001, four (4) points will be awarded for grant requests between \$150,000 and 50,001, and five (5) points will be awarded for grant requests of \$50,000 or less. In addressing this criterion, the applicant should simply state the amount requested.

7. Project cost per owner-producer (0–5 points). This is calculated by dividing the amount of Federal funds requested by the total number of producers that are owners of the venture. The allocation of points for this criterion shall be as follows: \$1–\$10,000 equals 5 points, \$10,001–\$25,000 equals 4 points, \$25,001–\$50,000 equals 3 points, \$50,001–\$125,000 equals 2 points, \$125,001–\$250,000 equals 1 point, and \$250,001–\$500,000 equals 0 points. The applicant must state the number of owner-producers that are part of the venture. For independent

producers, farmer- and rancher-cooperatives, and majority-controlled producer-based business ventures, the applicant must state the number of owners of the venture that are independent producers and are also owners of the venture. An owner cannot be considered an independent producer unless he/she is a producer of the agricultural commodity to which value will be added as part of this project. For agricultural producer groups, the number used should be the number of producers represented who produce the commodity to which value will be added. In cases where family members (including husband and wife) are owners and producers in a venture, each family member shall count as one owner-producer. The applicant must provide a list of names of the producers who are considered owner-producers for this criterion. This list will not count toward the page limit for this section of the application. Applications without enough information to determine the number of producer-owners or without a list of the producer-owners will be determined to be incomplete and will not be considered for funding. Applicants must be prepared to prove that the numbers and individuals identified meet the requirements specified upon notification of a grant award. Failure to do so shall result in withdrawal of the grant award.

8. Small farm (0 points if application does not meet the criterion or 5 points if application does meet the criterion). Applicants who meet the definition of a small farm are awarded an additional 5 points. Applicants must report a historical average of the last three fiscal years of gross sales. Applicants must be able to verify this number at the time of grant award by showing income tax returns for the farm. Failure to do so shall result in withdrawal of the grant award.

9. Community and industry support (0–10 points). Applicants must submit a description of the local business associations, industry associations, and any political institutions that support their projects. Letters of support should not be submitted, but a description of each letter of support should be included. The description must include the following: the name of the supporting organization, the date of the letter of support, and the name of the person signing the letter. The applicant should also include a brief description of why the support of each group is valuable to the project. State and national Congressional support will not be considered for the purpose of evaluating this criterion. Applicants must be able to present a letter of

support for each group listed at the time of award. Failure to demonstrate the support claimed in the application shall result in withdrawal of the grant award. Ventures that only demonstrate one type of support will not score as high for this criterion as ventures that demonstrate multiple types of support.

10. Presidential initiative of bio-energy (0 points if application does not meet the criterion or 5 points if application does meet the criterion). Applicants must indicate whether they believe their project has a bio-energy component. Those applications that have at least 51% of project costs dedicated to planning activities for a bio-energy project will receive five (5) points. Partial credit will not be given. Applicants should note that the energy must be produced primarily (*i.e.* more than 50 percent) for on-farm use, unless the energy produced qualifies as a value-added product in its own right (*e.g.* ethanol, bio-diesel). Also, the energy must be produced from a bio-based source. Examples of qualifying bio-energy projects include ethanol, bio-diesel, and energy produced from a manure digester. On-farm wind energy, on-farm solar energy, and on-farm hydro energy do not qualify for points under this criterion, even though they are eligible projects for this program. Bio-mass projects such as producing compost from manure and producing mulch from trees also do not qualify for points under this criterion, although they are eligible projects for this program.

11. Administrator points (up to 5 points, but not to exceed 10 percent of the total points awarded for the other 10 criteria). The Administrator of the Rural Business-Cooperative Service may award additional points to recognize innovative technologies, insure geographic distribution of grants, or encourage value-added projects in under-served areas. If an Applicant wishes to be considered for these points, he/she must submit an explanation of how the technology proposed is innovative and/or specific information verifying that the project is in an under-served area.

Criteria for working capital applications are:

1. Business viability (0–25 points). Proposals will be evaluated on the basis of the technical and economic feasibility and sustainability of the venture and the efficiency of operations. The discussion for this criterion must include the agricultural commodity to which value will be added, the process by which value will be added, and a description of the value-added product produced. The application should also include

references to independent, third-party information that the applicant has reviewed, a discussion of similar projects, cost and availability of inputs, the type of market where the value-added product will be marketed (e.g. local, regional, national, international) and the potential number of customers, the cost of processing the commodity, how much value will be added to the raw commodity through the production of the value-added product, how the added value will be distributed among the producers, processors, and any other intermediaries, and any additional non-monetary value that could be obtained by end-users of the product. The application must also reference the feasibility study and business plan that has been developed for the project. The feasibility study must have been completed by an independent third party. The business plan may have been completed by the applicant, but should have included third party consultation in its development. The applicant should also discuss the financial statements submitted to assist in the demonstration of economic feasibility and sustainability. Points will be awarded based on how well the project is described, the feasibility of the project, the greatest expansion of markets, and increased returns to producers. Applications that do not discuss a specific commodity, process, and value-added product will receive the minimum points allowed. Failure to reference both a third-party feasibility study and a business plan by the application deadline will result in a determination that the application is incomplete and it will not be considered for funding. Applicants are reminded that they must produce the feasibility study and business plan referenced at the time of notification of grant award. Failure to produce both documents will result in withdrawal of the grant award. Also, the feasibility study and business plan are subject to Agency approval. If the feasibility study and business plan do not meet the Agency's approval, the grant award will be withdrawn. Two teams of technical experts will be appointed to evaluate this criterion: a team of three independent reviewers and the servicing state office (see section V.2 for more details). The independent reviewers will evaluate this criterion from a national and/or regional perspective, and the servicing state office will evaluate this criterion from a state perspective.

2. Customer base/increased returns (0–10 points by three independent reviewers). Proposals that demonstrate strong growth in a market or customer

base and greater Value-Added revenue accruing to producer-owners will receive more points than those that demonstrate less growth in markets and realized Value-Added returns. Describe in detail how the customer base for the product being produced will expand because of the value-added venture. Provide documented estimates of this expansion. Describe in detail how a greater portion of the revenue derived from the venture will be returned to the producers that are owners of the venture. Applicants should also reference the financial statements submitted. More points will be awarded to those applications that demonstrate the greatest expansion of the customer base and increased returns to producers.

3. Commitments and support (0–10 points). Producer commitments will be evaluated on the basis of the number of Independent Producers currently involved as well as how many may potentially be involved, and the nature and level and quality of their contributions. End user commitments will be evaluated on the basis of identified markets, letters of intent or contracts from potential buyers and the amount of output to be purchased. Proposals will be reviewed for evidence that the project enjoys third party support and endorsement, with emphasis placed on financial and in-kind support as well as technical assistance. Do not submit specific contracts, letters of intent, or other supporting documents at this time. However, be sure to cite their existence when addressing this criterion. These documents will be requested at the time of grant award. Failure to produce them shall result in the withdrawal of the grant award. Points will be awarded based on the greatest level of documented commitment.

4. Management team/work force (0–10 points). The education and capabilities of project managers and those who will operate the venture must reflect the skills and experience necessary to effect project success. The availability and quality of the labor force needed to operate the venture will also be evaluated. Applicants must provide the information necessary to make these determinations. Proposals that reflect successful track records managing similar projects will receive higher points for this criterion than those that do not reflect successful track records.

5. Work plan/Budget (0–10 points). The work plan will be reviewed to determine whether it provides specific and detailed task descriptions that will accomplish the project's goals and the budget will be reviewed for a detailed breakdown of estimated costs associated

with the proposed activities. The budget must present a detailed breakdown of all estimated costs associated with the venture's operations and allocate these costs among the listed tasks. Points may not be awarded unless sufficient detail is provided to determine whether or not funds are being used for qualified purposes. Matching funds as well as grant funds must be accounted for in the budget to receive points. Budgets that include more than 10% of total project costs that are ineligible will result in a determination of ineligible and the application will not be considered for funding. However, if an application with ineligible costs is selected for funding, all ineligible costs must be removed from the project and replaced with eligible activities or the amount of the grant award will be reduced accordingly. Applications without a work plan and detailed budget submitted by the application deadline will be determined to be incomplete and will not be considered for funding. Logical, realistic, and economically efficient work plans and budgets will result in higher scores.

6. Amount requested (0–5 points). One (1) point will be awarded for grant requests between \$450,000 and \$350,001, two (2) points will be awarded for grant requests between \$350,000 and \$250,001, three (3) points will be awarded for grant requests between \$250,000 and \$150,001, four (4) points will be awarded for grant requests between \$150,000 and 50,001, and five (5) points will be awarded for grant requests of \$50,000 or less. In addressing this criterion, the applicant should simply state the amount requested.

7. Project cost per owner-producer (0–5 points). This ratio is calculated by dividing the amount of VAPG funds requested by the total number of producers that are owners of the venture. The allocation of points for this criterion shall be as follows: \$1–\$10,000 equals 5 points, \$10,001–\$25,000 equals 4 points, \$25,001–\$50,000 equals 3 points, \$50,001–\$125,000 equals 2 points, \$125,001–\$250,000 equals 1 point, and \$250,001–\$500,000 equals 0 points. The applicant must state the number of owner-producers that are part of the venture. For independent producers, farmer- and rancher-cooperatives, and majority-controlled producer-based business ventures, the applicant must state the number of owners of the venture that are independent producers and are also owners of the venture. An owner cannot be considered an independent producer unless he/she is a producer of the agricultural commodity to which value

will be added as part of this project. For agricultural producer groups, the number used should be the number of producers represented who produce the commodity to which value will be added. In cases where family members (including husband and wife) are owners and producers in a venture, each family member shall count as one owner-producer. The applicant must provide a list of names of the producers who are considered owner-producers for this criterion. This list will not count toward the page limit for this section of the application. Applications without enough information to determine the number of producer-owners or without a list of the producer-owners will be determined to be incomplete and will not be considered for funding. Applicants must be prepared to prove that the numbers and individuals identified meet the requirements specified upon notification of a grant award. Failure to do so shall result in withdrawal of the grant award.

8. Small farm (0 points if application does not meet the criterion or 5 points if application does meet the criterion). Applicants who meet the definition of a small farm are awarded an additional 5 points. Applicants must report a historical average of the last three fiscal years of gross sales. Applicants must be able to verify this number at the time of grant award by showing income tax returns for the farm. Failure to do so shall result in withdrawal of the grant award.

9. Community and industry support (0–10 points). Applicants must submit a description of the local business associations, industry associations, and any political institutions that support their projects. Letters of support should not be submitted, but a description of each letter of support should be included. The description must include the following: the name of the supporting organization, the date of the letter of support, and the name of the person signing the letter. The applicant should also include a brief description of why the support of each group is valuable to the project. State and national Congressional support will not be considered for the purpose of evaluating this criterion. Applicants must be able to present a letter of support for each group listed at the time of award. Failure to demonstrate the support claimed in the application shall result in withdrawal of the grant award. Ventures that only demonstrate one type of support will not score as high for this criterion as ventures that demonstrate multiple types of support.

10. Presidential initiative of bio-energy (0 points if application does not

meet the criterion or 5 points if application does meet the criterion). Applicants must indicate whether they believe their project has a bio-energy component. Those applications that have at least 51% of project costs dedicated to working capital for a bio-energy project will receive five (5) points. Partial credit will not be given. Applicants should note that the energy must be produced primarily (*i.e.* more than 50 percent) for on-farm use, unless the energy produced qualifies as a value-added product in its own right (*e.g.* ethanol, bio-diesel). Also, the energy must be produced from a bio-based source. Examples of qualifying bio-energy projects include ethanol, bio-diesel, and energy produced from a manure digester. On-farm wind energy, on-farm solar energy, and on-farm hydro energy do not qualify for points under this criterion, even though they are eligible projects for this program. Biomass projects such as producing compost from manure and producing mulch from trees also do not qualify for points under this criterion, although they are eligible projects for this program.

11. Administrator points (up to 5 points, but not to exceed 10 percent of the total points awarded for the other 10 criteria). The Administrator of RBS may award additional points to recognize innovative technologies, insure geographic distribution of grants, or encourage value-added projects in under-served areas. If an applicant wishes to be considered for these points, he/she must submit an explanation of how the technology proposed is innovative and/or specific information verifying that the project is in an under-served area.

2. *Review and Selection Process:* Each application will be assigned to a particular Rural Development State Office, based on the address of the applicant or the location of the project. This state will be known as the servicing State Office. For example, if an applicant has an address in Kansas, the application will be assigned to the Rural Development State Office in Kansas and the Kansas State Office will be the servicing State Office. Applications will then be initially reviewed by Rural Development field office personnel from the servicing State Office for completeness and eligibility. Ineligible and incomplete applications will not be further evaluated and will not be considered for funding.

All eligible and complete proposals will be evaluated by three reviewers based on criteria one through five described in section V.1. (with criteria one receiving 0–10 points for this

portion of the review process). One of these reviewers will be a Rural Development employee not from the servicing State Office and the other two reviewers will be non-Federal persons. All reviewers must meet the following qualifications. Reviewers must have obtained at least a bachelors degree in one or more of the following fields: agribusiness, business, economics, finance, or marketing. They must also have a minimum of three years of experience in an agriculture-related field (*e.g.* farming, marketing, consulting, university professor, research, officer for trade association, government employee for an agricultural program). If the reviewer does not have a degree in one of those fields, he/she must possess at least five years of working experience in an agriculture-related field.

Once the scores for criteria one through five have been completed by the three reviewers, the scores will be normalized, using an accepted statistical procedure. This procedure corrects for any reviewer tendencies to score applications “high” or “low.” After the normalization is complete, the three scores will be averaged to obtain an initial ranking. Then, the high and low scores for each application will be analyzed for statistically significant deviation. For those applications with significant deviation, the ranking of that application with respect to all other scored applications will be considered. In cases where the ranking indicates that the application could either move out of funding range or into funding range, two supplemental reviews will be conducted by Rural Development employees not from the state where the application was assigned. These reviews will be normalized and compared with the initial three scores. The high and low scores from all five reviews will then be discarded. Each application will then be assigned a score that is the normalized average of three scores based on criteria one through five.

Concurrent to the evaluation based on criteria one through five, the application will also receive one score from the Rural Development servicing State Office based on criteria one and six through ten (with criteria one receiving 0–15 points for this portion of the review process). The State Office may enlist the support of qualified technical experts, approved by the State Director, to assist the State Office scoring process. The score will be added to the average normalized score obtained from criteria one through five.

Finally, the Administrator of RBS will award any Administrator points based on criteria eleven. These points will be added to the cumulative score for

criteria one through ten. A final ranking will be obtained based solely on the scores received for criteria one through eleven. Applications will be funded in rank order until appropriated funds are expended. After the award selections are made, all applicants will be notified of the status of their applications by mail. No information regarding the status of an application will be released until after the award selections are made. Awardees must meet all statutory and regulatory program requirements in order to receive their award. Applicants for working capital grants must submit complete, independent third-party feasibility studies and business plans before the grant award can be finalized. In the event that an awardee cannot meet the requirements, the award will be withdrawn.

### 3. Anticipated Announcement and Award Dates:

**Award Date:** The announcement of award selections is expected to occur on or about October 1, 2004.

## VI. Award Administration Information

1. **Award Notices:** Successful applicants will receive a notification of tentative selection for funding from Rural Development. Applicants must comply with all applicable statutes, regulations, and this notice before the grant award will be approved.

Unsuccessful applicants will receive notification, including mediation procedures and appeal rights, by mail.

2. **Administrative and National Policy Requirements:** 7 CFR parts 3015, 3019, and 4284.

To view these regulations, please see the following internet address: <http://www.access.gpo.gov/nara/cfr/cfr-table-search.html#page1>.

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

- Grant Agreement.
- Letter of Conditions.
- Form RD 1940-1, "Request for Obligation of Funds."
- Form RD 1942-46, "Letter of Intent to Meet Conditions."
- Certification of Ownership and Uniform Federal Assistance Regulations.
  - Resolution Authorizing Execution of Letter of Intent to Meet Conditions and Resolution Authorizing Execution of Request for Obligation of Funds.
- Form AD-1047, "Certification Regarding Debarment, Suspension, and Other Responsibility Matters-Primary Covered Transactions."
- Form AD-1048, "Certification Regarding Debarment, Suspension, Ineligibility and Voluntary Exclusion-Lower Tier Covered Transactions."

- Form AD-1049, "Certification Regarding a Drug-Free Workplace Requirements (Grants)."
- Form RD 400-1, "Equal Opportunity Agreement."
- Form RD 400-4, "Assurance Agreement."
- RD Instruction 1940-Q, Exhibit A-1, "Certification for Contracts, Grants and Loans."

Additional information on these requirements can be found on the RBS Web site at the following Internet address: <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>.

**Reporting Requirements:** You must provide Rural Development with a hard copy original of the following reports. The hard copies of your reports should be submitted to the Agency contact listed for your assigned state in the "Agency Contacts" section of this announcement. Failure to submit satisfactory reports on time may result in suspension or termination of your grant. RBS is currently developing an online reporting system. Once the system is developed, you may be required to submit some or all of your reports online instead of in hard copy.

1. Form SF-269 or SF-269A. A "Financial Status Report" listing expenditures according to agreed upon budget categories, on a semi-annual basis. Reporting periods end each March 31 and September 30. Reports are due 30 days after the reporting period ends.

2. Semi-annual performance reports that compare accomplishments to the objectives stated in the proposal. Identify all tasks completed to date and provide documentation supporting the reported results. If the original schedule provided in the work plan is not being met, the report should discuss the problems or delays that may affect completion of the project. Objectives for the next reporting period should be listed. Compliance with any special condition on the use of award funds should be discussed. Reports are due as provided in paragraph (1) of this section. The supporting documentation for completed tasks include, but are not limited to, feasibility studies, marketing plans, business plans, articles of incorporation and bylaws and an accounting of how working capital funds were spent. Planning grant projects must also report the estimated increase in revenue, increase in customer base, number of jobs created, and any other relevant economic indicators generated by continuing the project into its operational phase. Working capital grants must report the increase in revenue, increase in customer base, number of jobs created, and any other relevant economic

indicators generated by the project during the grant period. Projects with significant energy components must also report expected or actual capacity (e.g. gallons of ethanol produced annually, megawatt hours produced annually) and any emissions reductions incurred during the project.

3. Final project performance reports, inclusive of supporting documentation. The final performance report is due within 90 days of the completion of the project.

## VII. Agency Contacts

For general questions about this announcement and for program technical assistance, please contact the Representative listed for the state in which the applicant is based. If you are unable to contact the Representative for your state, please contact a Representative from a nearby state or you may contact the RBS National Office at Mail Stop 3250, 1400 Independence Avenue SW, Washington, DC 20250-3250, Telephone: (202) 720-7558, e-mail: [cpgrants@usda.gov](mailto:cpgrants@usda.gov).

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**VIII. Other Information**

It is suggested that applicants visit the Agricultural Resource Marketing Center (AgMRC) Web site (<http://www.agmrc.org>) for additional information on value-added agriculture. AgMRC brings together experts from three of the nation's leading agricultural universities—Iowa State University, Kansas State University and the University of California—into a dynamic, electronically based center to create and present information about value-added agriculture. The center draws on the abilities, skills and knowledge of leading economists, business strategists and outreach specialists to provide reliable information needed by independent producers to achieve success and profitability in value-added agriculture. Partial support for the center is derived from a grant administered by RBS.

Dated: May 25, 2004.

**John Rosso,**

*Administrator, Rural Business-Cooperative Service.*

[FR Doc. 04-13392 Filed 6-14-04; 8:45 am]

**BILLING CODE 3410-XY-P**

**DEPARTMENT OF COMMERCE****International Trade Administration****North American Free-Trade Agreement (NAFTA), Article 1904 Binational Panel Reviews**

**AGENCY:** NAFTA Secretariat, United States Section, International Trade Administration, Department of Commerce.

**ACTION:** Notice of decision of panel.

**SUMMARY:** On June 8, 2004 the binational panel issued its decision in the review of the final scope ruling made by the International Trade Administration, respecting Circular Welded Non-Alloy Steel Pipe from

Mexico, NAFTA Secretariat File Number USA-MEX-98-1904-05. The binational panel affirmed the International Trade Administration's determination on remand. Copies of the panel decision are available from the U.S. Section of the NAFTA Secretariat.

**FOR FURTHER INFORMATION CONTACT:**

Caratina L. Alston, United States Secretary, NAFTA Secretariat, Suite 2061, 14th and Constitution Avenue, Washington, DC 20230, (202) 482-5438.

**SUPPLEMENTARY INFORMATION:** Chapter 19 of the North American Free-Trade Agreement ("Agreement") establishes a mechanism to replace domestic judicial review of final determinations in antidumping and countervailing duty cases involving imports from a NAFTA country with review by independent binational panels. When a Request for Panel Review is filed, a panel is established to act in place of national courts to review expeditiously the final determination to determine whether it conforms with the antidumping or countervailing duty law of the country that made the determination.

Under Article 1904 of the Agreement, which came into force on January 1, 1994, the Government of the United States, the Government of Canada and the Government of Mexico established *Rules of Procedure for Article 1904 Binational Panel Reviews* ("Rules"). These Rules were published in the **Federal Register** on February 23, 1994 (59 FR 8686). The panel review in this matter has been conducted in accordance with these Rules.

*Panel Decision:* The panel affirmed the International Trade Administration's determination on remand respecting Circular Welded Non-Alloy Steel Pipe from Mexico. The panel has directed the Secretary to issue a Notice of Final Panel Action on the 11th day following the issuance of the decision.

Dated: June 8, 2004.

**Caratina L. Alston,**

*U.S. Secretary, NAFTA Secretariat.*

[FR Doc. 04-13363 Filed 6-14-04; 8:45 am]

**BILLING CODE 3510-GT-P**

**DEPARTMENT OF COMMERCE****National Oceanic and Atmospheric Administration**

**[Docket No. 052404C]**

**New England Fishery Management Council; Public Hearings; Correction**

**AGENCY:** National Marine Fisheries Service (NMFS), National Oceanic and Atmospheric Administration (NOAA), Commerce.