



**Arkansas Agriculture Department  
Aquaculture Division**

**Work Plan  
2008 Aquaculture Grant  
Program  
Recovery Act**

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## **I. Introduction**

This document presents the work plan for the 2008 Aquaculture Grant Program (AGP) by the Arkansas Agriculture Department.

- Section II presents a summary background of the 2008 AGP
- Section III presents the Notification to Aquaculture Producers of the 2008 AGP
- Section IV presents the implementation of the 2008 AGP by the Arkansas Agriculture Department
- Section V presents the Arkansas Agriculture Department Application to participate in the 2008 AGP
- Section VI presents the process in which applications will be taken by the Arkansas Agriculture Department
- Section VII presents the process in which 2008 AGP payments to Aquaculture Producers shall be calculated
- Section VIII presents 2008 AGP eligibility Loss Requirements
- Section IX presents 2008 AGP eligibility Required Documentation
- Section X presents the State of Arkansas' methodology for conducting internal reviews of the 2008 AGP as required by FSA/CCC
- Section XI presents the compliance with Notification requirements to CCC
- Section XII presents the State and Producer Registration Requirements

## **II. Background**

The American Recovery and Reinvestment Act of 2009 (the Recovery Act) under Section 102(d) authorizes up to \$50 million to carry out a 2008 Aquaculture Grant Program (the 2008 AGP). The 2008 AGP is a Commodity Credit Corporation (CCC) funded program administered by the Farm Service Agency (FSA). Through the 2008 AGP, FSA will provide grants to State governments to assist eligible aquaculture producers that suffered losses associated with high feed input costs during the 2008 calendar year. State grant amounts will be based on the amount of aquaculture feed used in each state during the 2007 calendar year.

### **III. Notification to Aquaculture Producers of 2008 AGP**

- a) The Arkansas Agriculture Department will immediately issue a press release announcing the 2008 AGP
- b) Letters, as well as emails will be sent to all Arkansas aquaculture producers announcing the 2008 AGP

### **IV. Implementation of Program**

- a) Meetings will be scheduled with Arkansas aquaculture producers to discuss the application process and guidelines of 2008 AGP and to assist in taking applications
- b) Applications and guidelines for the 2008 AGP will be posted on the Arkansas Agriculture Department Aquaculture website at [www.aad.ar.gov/aquaculture](http://www.aad.ar.gov/aquaculture)

### **V. State Application**

Attached under "Exhibit A" is the application to be used by the Arkansas Agriculture Department entitled 2008 Aquaculture Grant Program Agreement.

### **VI. State Application Process**

The Arkansas Agriculture Department, Aquaculture Division will host three (3) separate meetings in North, Central & South Arkansas in order to explain the guidelines and assist with the application process with the states Aquaculture producers.

### **VII. Payment Calculations**

The Arkansas Agriculture Department payments calculations will be determined by:

- a) Subtracting the previous five year average per ton costs as determined by the State from the producer's 2008 average per ton cost to determine the payment rate.
- b) Multiply the payment rate by the producers 2008 tonnage purchased to determine the amount a producer is eligible to receive before payment limitations and payment factor.

The total amount of assistance that a person may receive from the funds made available under this and any other States agreement shall not exceed \$100,000 in aggregate, except for general partnerships and joint ventures in which case assistance shall not exceed \$100,000 times the number of members that constitute the general partnership or joint venture.

The producer will not apply for or receive any assistance covered by the Supplemental Agricultural Disaster Assistance Programs established under

Section 531 of the Federal Crop Insurance Act and section 901 of the Trade Act of 1974 (these programs include the Emergency Assistance for Livestock, Honey Bees, and Farm-Raised Fish (ELAP), Livestock Forage Disaster Program (LFP), Livestock Indemnity Program (LIP), Supplemental Revenue Assistance Program (SURE), and Tree Assistance Program (TAP) for any losses in 2008 relating to the same species of aquaculture.

### **VIII. Loss Requirements**

Eligible aquaculture producers must have produced an aquaculture species for which 2008 feed costs represented at least twenty-five (25) percent of the producer's total input costs for the aquaculture operation. Eligible aquaculture producers must be raising such aquaculture species as of the date of their AGP application with the State. An eligible aquaculture producer must have also experienced at least a twenty-five (25) percent increase of feed costs above the State's previous five (5) year average (2003-2007) for such applicable species. A twenty-five (25) percent increase for a species shall be determined by multiplying the State's previous five (5) year average and multiplying that number by 1.25.

### **IX. Required Documentation**

- a) A producer will provide a letter from the feed mill that certifies, at minimum, the producer's total feed deliveries in calendar year 2008 and the producer's 2008 average feed price
- b) 2008 Tonnage Report
- c) W-9

### **X. Methodology for Conducting Internal Reviews**

The State agrees to conduct internal random reviews of the program, no later than 60 days after providing assistance to eligible aquaculture producers. This review is to ensure applicants are equitably compensated for losses and to ensure that applicants' losses are verified. The State agrees to conduct internal random reviews on five (5) percent of the total applications the State receives from applicants.

### **XI. Transparency & Accountability**

- a) The State agrees to submit results of the internal random reviews electronically to FSA not later than 90 days after providing assistance to eligible aquaculture producers. Results of internal random reviews shall be emailed to Amy Mitchell, Special Programs Manager, at [amy.mitchell1@wdc.usda.gov](mailto:amy.mitchell1@wdc.usda.gov).
- b) The State agrees to have an annual audit of this program as required by the Single Audit Act Amendments of 1996, OMB Circular A-133, and 7 CFR Part 3052, Audits of States, Local Governments, and Non-Profit Organizations.
- c) The State agrees to their responsibilities with respect to preparing audit documentation and reports in accordance with OMB Circular A-133.

## **XII. Notification to CCC**

- a) The State agrees to submit a report to CCC detailing in which manner the State provided assistance to eligible aquaculture producers;
- b) The State agrees to submit a report to CCC not later than 30 days after the State provides assistance to eligible aquaculture producers that provides the amount of assistance per producer and aquaculture species, in a format determined by the CCC, to ensure compliance
- c) With Section 102(d)(3) of the Recovery Act. An update will be provided by the States every 30 days until all funds have been disbursed or all receivables have been collected.
- d) The State agrees to comply with the reporting and registration requirements of Section 1512 of the Recovery Act as provided in Appendix A and the award terms in 2 CFR Part 176.

## **XIII. Registration Requirements**

- a) The State agrees to establish a Dun and Bradstreet Universal Numbering System (DUNS) number or update an existing DUNS record.
- b) The State agrees to register in the Central Contractor Registration (CCR database).
- c) The State agrees to ensure that producers that are NOT individuals establish a DUNS number or update an existing DUNS record.
- d) The State agrees to ensure that producers that are NOT individuals register in the CCR database.

## **XIV. State Guidelines**

The Arkansas Agriculture Department program guidelines are attached as Exhibit B.

# Exhibit A



## 2008 Aquaculture Grant Program Agreement

### State of Arkansas

THIS AGREEMENT, made and entered into by and between the *Arkansas Agriculture Department, Aquaculture Division*, and

1. Name of Producer:		2. DUNS# _____ Social Security # _____	
3. Address of Producer:		4. Phone Number:	5. Fax Number:
5. Primary Contact:		6. Primary Contact Address if different:	
7. Email:			
8. APPLICABLE SPECIES OF AQUACULTURE: <input type="checkbox"/> Catfish <input type="checkbox"/> Baitfish <input type="checkbox"/> Hybrid Striped Bass <input type="checkbox"/> Goldfish <input type="checkbox"/> [other] _____		9. Tons of <input type="checkbox"/> Catfish <input type="checkbox"/> Baitfish <input type="checkbox"/> Hybrid Striped Bass <input type="checkbox"/> Goldfish <input type="checkbox"/> [other] _____ Feed Purchased in 2008:	
10. Attach signed verification letter from feed provider certifying 1) tons of feed applicant purchased in 2008; 2) average price per ton producer paid in 2008; and 3) 2008 tonnage report.			
11. Are you an aquaculture producer in another State? <input type="checkbox"/> Yes <input type="checkbox"/> No If you answered yes to the above question, list all States applicable: _____			
12. <input type="checkbox"/> Check if applying for more than the \$100,000 payment limit. The payment limitation shall be applied to an applicant based on the applicant's business structure as it existed during calendar year 2008.			
13. <b>Loss Determination:</b> The producers 2008 average feed cost must exceed the 2003-2007 average cost by 25%			
<b>Producers 2008 Average Feed Cost per Ton</b>			
i) Catfish – \$235 X 1.25 = \$294.....			
ii) Goldfish – \$235 X 1.25 = \$294.....			
ii) Baitfish – \$235 x 1.25 = \$294.....			
iv) Hybrid Striped Bass – \$813 x 1.25 = \$1,016.....			
v) Tilapia – \$540 x 1.25 = \$675.....			
14. <b>Calculation Determination:</b> The amount of assistance an eligible aquaculture producer may receive shall be equal to the lesser of:			
a) Producers 2008 Average Price per Ton .....			
Minus the 2003-2007 (5-year) Average Price per Ton..... -			
Equals Payment rate..... =			
b) Multiplied by producers 2008 tons purchased .....x			
Equals the amount a producer is eligible to receive before applying payment limitations & payment factor, if applicable .....=			
<b>(The next line will be completed by AAD)</b>			
The amount a producer is eligible to receive after payments limitations and payment factor, if applicable.....x			

15. **TERM OF AGREEMENT:** Beginning with the 2009 calendar year through September 30, 2010.

16. **COMPLIANCE WITH PROGRAM.** PRODUCER agrees to comply with the terms and conditions of the 2008 AGP as specified by the STATE.



**17. RECORDS AND AUDITS.** PRODUCER agrees to maintain, for a period of 3 years after September 30, 2010, all records pertaining to the aquaculture operation during the term of this agreement. PRODUCER agrees to furnish such information and reports relating to this Agreement as may be requested by the STATE. Periodically, the STATE may require PRODUCER to forward to the STATE copies of any and all records that support the PRODUCER'S receipt of assistance under the 2009 AGP. The records required to be maintained by PRODUCER shall be available at all reasonable times for an audit or inspection by authorized representatives of the STATE or of the United States Department of Agriculture, or the Comptroller General of the United States. Failure to keep, or make available, such records will result in termination of this Agreement by STATE and refund to STATE of all benefits received, plus interest thereon, as determined by the STATE.

**18. PRIMARY STATE CONTACT.** Should any dispute or question arise concerning the implementation of this Agreement or the 2008 Aquaculture Grant Program, PRODUCER should contact the STATE official listed below:

Primary STATE Contact: Ted McNulty, Director of Aquaculture	Phone: 870-575-8111 Fax: 870-575-7627
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**19. APPLICABLE LAWS.** The provisions of this Agreement are subject to all applicable laws and authorities, including section 102(d) of the Economic Recovery Act of 2009.

**20. SCHEME OR DEVICE.** If the PRODUCER is suspected by STATE to have knowingly: (1) adopted any scheme or device which violates this Agreement; (2) made any fraudulent representation; (3) misrepresented any fact affecting a determination under this Agreement; or (4) otherwise violated the terms and conditions of the 2008 AGP, the STATE will notify the appropriate investigating agencies of the STATE and the United States Department of Agriculture and may terminate the Agreement with a full refund of all benefits received there under, plus interest, and the producer will be subject to penalties under applicable civil and criminal laws.

**21. TERMINATION OF AGREEMENT.** This Agreement will continue in force unless terminated in writing by STATE or by the mutual agreement of the parties. The STATE may terminate this Agreement without prior written notice when required to do so by programmatic requirements, expiration of authorizing legislation or authority, or the exhaustion of funds.

**22. PRODUCER CERTIFICATIONS AND SIGNATURES.** *PRODUCER hereby certifies as follows:*

- a. *This agreement and all supporting documents (as required) are submitted in accordance with the 2008 AGP;*
- b. *For 2009, PRODUCER is raising the applicable aquaculture species in a controlled environment, maintain such eligible species for commercial use as part of a farming operation, and have a risk in the production of such eligible species;*
- c. *For 2008, PRODUCER raised the applicable aquaculture species in a controlled environment, maintained such eligible species for commercial use as part of a farming operation, and had risk in the production of such eligible species; and*
- d. *Feed costs represented at least twenty-five percent of the total input costs for such aquaculture operation;*
- e. *PRODUCER has not received and will not receive assistance under section 531 of the Federal Crop Insurance Act or section 901 of the Trade Act of 1974 for any losses in 2008 relating to the applicable aquaculture species;*
- f. *Forms CCC-526 and AD-1026 are on file at the applicable Farm Service Agency county office;*
- g. *I am a principal in the PRODUCER and I am fully authorized to make and sign this Agreement on behalf of PRODUCER; and*
- h. *Funds received under the 2008 AGP will be used for costs associated with such aquaculture operation;*
- i. *The statements made on this application and all 2008 AGP documents are true and correct;*
- j. *I have read and understand all the provisions of this Agreement and agree to the terms and conditions herein. I further agree that any false statements made as a part of the 2008 AGP application, or any other documents pertaining to the 2008 AGP documents, can be the subject of substantial civil and/or criminal liability and sanctions.*

\_\_\_\_\_  
Signature of Authorized Representative

\_\_\_\_\_  
Date

\_\_\_\_\_  
Title

23. **STATE APPROVAL.** This Agreement is executed by the STATE and shall be effective on the date indicated below,

\_\_\_\_\_  
On Behalf of State

\_\_\_\_\_  
Effective Date

**SIGNED AGREEMENT.** A signed copy of this agreement shall be sent to the following STATE contact on or before **Monday, June 22, 2009.** STATE official to receive agreement:

Ted McNulty  
**Director of Aquaculture**  
Arkansas Agriculture Department  
1200 N. University Drive  
Mail Slot 4912  
Pine Bluff, AR 71601

# Exhibit B

## Exhibit B - State Guidelines

### Section I. In General

a. The *Arkansas Agriculture Department* will carry out a 2008 Aquaculture Grant Program to provide assistance to eligible aquaculture industries in the state. Assistance provided under this program will be equivalent to the amount of funds provided the State by a grant from the U.S. Department of Agriculture made in accordance with section 102(d) of the American Recovery and Reinvestment Act of 2009 (the "Act").

b. Assistance will be provided to eligible aquaculture producers of eligible aquaculture species through the provision of checks issued to such producers by the State of Arkansas. Such checks will be allocated to eligible aquaculture producers by the State and to be used by such producers for costs associated with their current aquaculture operation. Failure to comply with the terms and conditions of this program will subject the producer to a refund of any amounts received, plus interest, and to other penalties under applicable civil and criminal law.

### Section II. Definitions

The following words shall have the following meanings when used in these guidelines:

a. **Eligible Aquaculture Species** means a species of aquaculture produced in the state for which feed is at least twenty-five percent of the total input costs associated with producing such species, as determined by the State.

b. **Substantial Price Increase of Feed** means an increase in the average price of feed sold to the producer of eligible aquaculture species that is 25 percent above the previous 5-year average, as determined by the State.

d. **Eligible Aquaculture Producer** means an individual or entity that--

- (1) During 2009, raises an eligible aquaculture species in a controlled environment, maintains such species for commercial use as part of a farming operation and has a risk in the production of such species.
- (2) Produced an eligible aquaculture species during calendar year 2008.
- (3) Has been determined by the Arkansas Agriculture Department to have experienced a twenty-five percent price increase of feed costs in 2008.
- (4) Enters into a 2008 Aquaculture Grant Program Agreement with the Arkansas Agriculture Department and agrees to abide by the terms and conditions of the 2008 Aquaculture Grant Program.
- (5) Certifies that funds received by the producer under the 2008 Aquaculture Grant Program will be used for costs associated with their current aquaculture operation.

### Section III. Eligible Aquaculture Species

For the purposes of the 2008 Aquaculture Grant Program, Eligible Aquaculture Species are the following species of fish:

*[List the covered fish species]\*Note: Additional species may be added to eligible list*

Eligible Species	
Catfish	Goldfish
Baitfish	Tilapia
Hybrid-Striped Bass	

***Section IV. Implementation Agreements***

In order to participate in the 2008 Aquaculture Grant Program, Eligible Aquaculture Producers must enter into a 2008 Aquaculture Grant Program Agreement with the Arkansas Agriculture Department. The Arkansas Agriculture Department will not allocate any grant payments to any aquaculture producers within the State unless such producer has submitted an executed 2008 Aquaculture Grant Program Agreement to the Arkansas Agriculture Department by Monday, June 22, 2009.

***Section V. Records and Audits***

a. Eligible Aquaculture Producers that participate in the 2008 AGP shall –

- (1) Maintain, for a period of 3 years after September 30, 2010, all records pertaining to the aquaculture operation during the calendar years 2009.
- (2) Furnish such information and reports relating to the program as may be requested by the Arkansas Agriculture Department.
- (3) Forward to the Arkansas Agriculture Department copies of any and all records that support the receipt of assistance under the 2008 AGP.
- (4) Make such records available at all reasonable times for an audit or inspection by authorized representatives of the Arkansas Agriculture Department or of the United States Department of Agriculture, or the Comptroller General of the United States.

b. Failure to keep, or make available, such records will result in a termination of eligibility under the program and any funds received under the program shall be refunded to the Arkansas Agriculture Department, plus interest thereon, as determined by the Arkansas Agriculture Department.