

3. The applicant must have a demonstrated record of conducting the type of study to be funded.

4. The applicant must demonstrate that studies proffered under item (3) above have been subjected to peer review and the peer reviews found the studies to be credible.

5. A university may participate in more than one application.

6. The description of the research proposed to be done using grant funds must conform to the eligible uses for the funds.

7. An outstanding judgment obtained against an applicant by the United States in a Federal Court (other than in the United States Tax Court), which has been recorded, shall cause the applicant to be ineligible to receive a grant award.

Uses of Grant Funds

Grant funds are to be used to perform a study of the effects of projects for value-added agricultural commodities or products on agricultural producers and the commodity markets. The universe of projects studied shall include, but is not necessarily limited to, value-added projects funded by USDA pursuant to section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 *note*).

1. The study must systematically examine, using linked, long-term, global projections of the agricultural sector, the potential effects of the value-added projects identified by the study on (a) the demand for agricultural commodities, (b) market prices, (c) farm income and (d) Federal outlays on commodity programs. The study must include an assessment of the effectiveness of the agricultural innovation centers funded pursuant to section 6402 of the 2002 Farm Bill.

2. Grant funds may be used to assess the performance of USDA value-added program grant recipients, including agricultural innovation centers as part of the study.

3. Grant funds may be used to assess the requirements imposed by USDA on agricultural innovation centers to determine which have the effect of maximizing the positive effects of the services provided by these centers on (a) the demand for agricultural commodities, (b) market prices, (c) farm income and (d) Federal outlays on commodity programs.

4. Grant funds may be used to subcontract component parts of the study with prior USDA written approval.

5. Grant funds may be used to develop data series directly related to the research effort, where such data are not otherwise available.

Ineligible Uses of Grant Funds

1. Developing computer applications for performing the study, other than minor modifications to a fully operational model or software application. "Minor modifications" may not, in the aggregate, exceed 5 percent of the total grant award.

2. Construction (in any form).

3. Improvement, refurbishment or renovation of the grantee's research, education or extension space.

4. Planning, repair, rehabilitation, acquisition, or construction of buildings or facilities.

5. Repair or maintenance of privately owned vehicles.

6. Purchase of real estate.

7. Paying obligations incurred before the date of grant approval or after the end of the grant period.

8. General operating costs other than the allowed indirect cost rate.

9. Any other purpose prohibited in 7 CFR parts 3015 and 3019, as applicable.

Program Restrictions

Grant funds are to be used only to perform the research effort. All travel using Federal funds must be directly related to the research effort as described in the applicable grant agreement. Use of Federal funds for attendance at non-related meetings must have prior written approval by USDA. Travel and per diem expenses will not exceed those paid to federal agency employees. Rates are based upon location. Rate information can be accessed on the Internet at <http://policyworks.gov/perdiem>. Recipients will be restricted to traveling coach class on common carrier airlines. Meals and incidental expenses will be reimbursed at a rate not to exceed that used by federal agency employees. Mileage and gas reimbursement will be at a rate not to exceed that used by federal agency employees.

Grant Award Selection Process

1. *Initial Screening.* The Agency will screen each application to determine eligibility during the period immediately following the application deadline.

2. *Rating and Ranking.* Applications will be rated and ranked by a review panel based on the "Evaluation Criteria and Weights" contained in this Notice. If there are tied scores after the applications have been rated and ranked, the tie will be resolved by reviewing the scores for "Nature of the Proposed Research" and the applicant with the highest score in that category will receive a higher ranking. If the scores for "Nature of the Proposed

Research" are the same, the scores will be compared for the next criterion, in sequential order, until one highest score can be determined.

Evaluation Criteria and Weights

1. *Nature of the Proposed Research (Maximum 35 points)*

The description of the proposed research must be detailed and should include an explanation of how the applicant will systematically examine, using linked, long-term, global projections of the agricultural sector, the effects of value-added projects on the following: (a) Demand for agricultural commodities, (b) market prices, (c) farm income, and (d) Federal outlays on commodity programs. Proposals substantively addressing all four areas will score higher than proposals that do not. Any econometric model used for the examination must be explained with an emphasis on how the model has been developed, the key assumptions incorporated within the model, how the model is used, any peer review of the model, and how the applicant has used the model to date, with an evaluation of its effectiveness. Proposals demonstrating solidly developed models designed for agricultural analysis that have been peer reviewed and used for analysis similar to the proposal will receive more points than proposals discussing untried models. The description should also include what data will be used and how it was or will be gathered. Proposals demonstrating that the applicant already has access to the data will score higher than proposals indicating that the data needs to be gathered. Proposals demonstrating good quality control methods for data collection will score higher than those proposals lacking in quality control methods for data collection.

2. *Qualifications of the Researchers (Maximum 20 points)*

The qualifications of the researchers who will be involved with the proposed research must reflect an ability to perform the study. High education levels and experience in conducting agricultural or value-added research will receive more points than economic research not related to agriculture. Publications of work in the value-added and agricultural fields will receive more points than publications not so related. For each of these research efforts and publications, points will be awarded for evidence that the research was favorably reviewed by scholastic peers as evidenced by citations to this research in peer research publications. Those