

§ 1940.333, provided the assistance it not related to the development of a specific site. Applicants for grant funds must consider and document within their plans the important environmental factors within the planning area and the potential environmental impacts of the plan on the planning area, as well as the alternative planning strategies that were reviewed.

(b) *Civil rights.* All grants made under this subpart are subject to the requirements of title VI of the Civil Rights Act of 1964, which prohibits discrimination on the basis of race, color and national origin as outlined in 7 CFR part 1901, subpart E. In addition, the grants made under this subpart are subject to the requirements of section 504 of the Rehabilitation Act of 1973, as amended, which prohibits discrimination on the basis of disability; the requirements of the Age Discrimination Act of 1975, which prohibits discrimination on the basis of age; and title III of the Americans with Disabilities Act, which prohibits discrimination on the basis of disability by private entities in places of public accommodations. This program will also be administered in accordance with all other applicable Civil Rights Law.

(c) *Other USDA regulations.* The grant programs under this part are subject to the provisions of the following regulations, as applicable:

(1) 7 CFR part 3015, Uniform Federal Assistance Regulations;

(2) 7 CFR part 3016, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments;

(3) 7 CFR part 3017, Governmentwide Debarment and Suspension (nonprocurement) and Governmentwide Requirements for Drug-Free Workplace (Grants);

(4) 7 CFR part 3018, New Restrictions on Lobbying;

(5) 7 CFR part 3019, Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals and Other Non-profit Organizations; and

(6) 7 CFR part 3052, Audits of States, Local Governments and Non-profit Organizations.

#### **§ 4284.17 Member delegate clause.**

No member of Congress shall be admitted to any share or part of a grant program or any benefit that may arise there from, but this provision shall not be construed to bar as a contractor under a grant a publicly held corporation whose ownership might include a member of Congress.

#### **§ 4284.18 Audit requirements.**

Grantees must comply with the audit requirements of 7 CFR part 3052. The audit requirements apply to the years in which grant funds are received and years in which work is accomplished using grant funds.

#### **§ 4284.19 Programmatic changes.**

The Grantee shall obtain prior approval for any change to the scope or objectives of the approved project. Failure to obtain prior approval of changes to the scope of work or budget may result in suspension, termination and recovery of grant funds.

#### **§§ 4284.204–284.100 [Reserved]**

3. Subpart J of part 4284, consisting of §§ 4284.901 through 4284.1000 is added to read as follows:

#### **Subpart J—Value-Added Producer Grants**

Sec.

4284.901	Purpose.
4284.902	Policy.
4284.903	Program administration.
4284.904	Definitions.
4284.905–906	[Reserved]
4284.907	Eligibility for grant assistance.
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4284.915–4284.999	[Reserved]
4284.1000	OMB control number.

#### **§ 4284.901 Purpose.**

This subpart implements the value-added agricultural product market development grant program (Value-Added Producer Grants) administered by the Rural Business-Cooperative Service whereby grants are made to enable producers to develop businesses that produce and market value-added agricultural products.

#### **§ 4284.902 Policy.**

It is the policy of the Secretary of Agriculture to fund a broad diversity of projects that help increase the agricultural producers' customer base and share of the food and agricultural system profit, including projects likely to increase the profitability and viability of small and medium-sized farms and ranches.

#### **§ 4284.903 Program Administration.**

The Value-Added Producer Grant program is administered by Cooperative Services within the Agency.

#### **§ 4284.904 Definitions.**

*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.

*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.

#### **§§ 4284.905–906 [Reserved]**

#### **§ 4284.907 Eligibility for grant assistance.**

(a) The proposed project must generate Value-Added for an Agricultural Product.

(b) Independent Producers, Agricultural producer groups, Farmer or Rancher cooperatives and Majority-Controlled Producer-Based Business Ventures, are eligible for grants under this subpart.

(c) Applicants that are a Farmer or Rancher cooperative, an Agriculture producer group or a Majority-Controlled Producer-Based Business Venture must be entering into an Emerging Market as a result of the proposed project. Independent Producers do not have to be entering into an Emerging Market.

(d) No project may be the subject of more than one Planning Grant or more than one Working Capital Grant. The same project may, however, be awarded one Planning Grant and subsequently apply for and receive a Working Capital Grant.

(e) Not more than one project per applicant may receive grant funding under this subpart.

(f) The total amount provided to any grant recipient shall not exceed \$500,000.

#### **§ 4284.908 Use of grant and matching funds.**

(a) An application may be for either a Planning Grant or a Working Capital Grant, but not both.

(b) Grant funds may be used to pay up to 50 percent of the costs for carrying out relevant projects. Matching funds must be provided for the balance of costs.

(c) Matching funds may only be used for the same purposes allowed for grant funds.

(d) Planning Grant funds may be used to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added producer. These uses include, but are not limited to, the following:

(1) Conduct, or hire a qualified consultant to conduct, a feasibility analysis of the proposed value added project to help determine the potential success of the project;

(2) Develop, or hire a qualified consultant to develop, a business