

accordance with the Paperwork Reduction Act of 1995.

4. Subpart K of part 4284, consisting of §§ 4284.1001 through 4284.1100 is added to read as follows:

#### **Subpart K—Agriculture Innovation Demonstration Centers**

Sec.

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##### **§ 4284.1001 Purpose.**

This subpart implements a demonstration program administered by the Rural Business-Cooperative Service whereby grants are made to innovation centers responsible for providing technical and business development assistance to agricultural producers seeking to engage in the marketing or the production of value-added products.

##### **§ 4284.1002 Policy.**

It is the policy of the Secretary of Agriculture to fund centers which evidence broad support from the agricultural community in the state or region, significant coordination with end users (processing and distribution companies and regional grocers), strategic alliances with entities having technical research capabilities and a focused delivery plan for reaching out to the producer community. It is also the policy of the Secretary, using the research and technical services of the U.S. Department of Agriculture, to assist the grantees in establishing Centers. This program is not intended to fund scientific research.

##### **§ 4284.1003 Program administration.**

The Agriculture Innovation Demonstration Center program is administered by Cooperative Services within the Agency.

##### **§ 4284.1004 Definitions.**

*Board of Directors*—The group of individuals that govern the Center.

*Center*—The Agriculture Innovation Center to be established and operated by the grantees. It may or may not be an independent legal entity, but it must be independently governed in accordance with the requirements of this subpart.

*Qualified Board of Directors*—A Board of Directors that includes

representatives from each of the following groups:

(1) The two general agricultural organizations with the greatest number of members in the State in which the Center is located,

(2) The State department of agriculture, or equivalent, of the State in which the Center is located and

(3) Entities representing the four highest grossing commodities produced in the State in which the Center is located, as determined on the basis of annual gross cash sales.

*Producer Services*—are those services to be provided by the Centers to agricultural producers. Producer services consist of the following types of services:

(1) Technical assistance, consisting of engineering services, applied research, scale production, and similar services, to enable the agricultural producers to establish businesses to produce value-added agricultural commodities or products;

(2) Assistance in marketing, market development and business planning, including advisory services with respect to leveraging capital assets; and

(3) Organizational, outreach and development assistance to increase the viability, growth and sustainability of businesses that produce value-added agricultural commodities or products.

##### **§§ 4284.1005–1006 [Reserved]**

##### **§ 4284.1007 Eligibility for grant assistance.**

Non-profit and for-profit corporations, institutions of higher learning and other entities, including a consortium where a lead entity has been designated and agrees to act as funding agent, that meet the following requirements are eligible for grant assistance:

(a) The entity—

(1) Has provided services similar to those listed for Producer Services; or

(2) Demonstrates the capability of providing Producer Services;

(b) The application includes a plan that meets the requirements of § 4284.1009(c)(5)(iv) that also outlines—

(1) The support for the entity in the agricultural community;

(2) The technical and other expertise of the entity;

(3) The goals of the entity for increasing and improving the ability of local agricultural producers to develop markets and processes for value-added agricultural commodities or products;

(c) The entity demonstrates that adequate resources (in cash or in kind) are available, or have been committed to be made available to the entity, to increase and improve the ability of local agricultural producers to develop

markets and processes for value-added agricultural commodities or products; and

(d) The proposed Center has a Qualified Board of Directors.

##### **§ 4284.1008 Use of grant funds.**

Grant funds may be used to assist eligible recipients in establishing Centers that provide Producer Services and may only be used to support operations of the Center that directly relate to providing Producer Services. Grant funds may be used for the following purposes, subject to the limitations set forth in § 4284.10:

(a) Consulting services for legal, accounting and technical services to be used by the grantee in establishing and operating a Center;

(b) Hiring of employees, at the discretion of the Qualified Board of Directors;

(c) The making of matching grants to agricultural producers, individually not to exceed \$5,000, where the aggregate amount of all such matching grants made by the grantee does not exceed \$50,000;

(d) Applied research;

(e) Legal services; and

(f) Such other related purposes as the Agency may announce in the RFP.

##### **§ 4284.1009 Application processing.**

(a) *Applications*. USDA will solicit applications on a competitive basis by publication of one or more Requests for Proposals (RFPs). Unless otherwise specified in the applicable RFP, applicants must file an original and one copy of the required forms and a proposal.

(b) *Required forms*. The following forms must be completed, signed and submitted as part of the application package. Other OMB approved forms may be required. This will be published in the applicable RFP.

(1) “Application for Federal Assistance.”

(2) “Budget Information—Non-Construction Programs.”

(3) “Assurances—Non-Construction Programs.”

(c) *Proposal*. Each proposal must contain the following elements. Additional elements may be published in the applicable RFP.

(1) Title page.

(2) Table of contents.

(3) Executive summary. A summary of the proposal should briefly describe the project including goals, tasks to be completed and other relevant information that provides a general overview of the project and the amount requested.