

product or commodity to produce renewable energy on a farm or ranch.

Working Capital—Funds that are used to operate the venture and pay the normal expenses associated with the operation of that venture. Funds cannot be used to purchase or build facilities nor purchase or install processing equipment.

Recipient and Product Eligibility Requirements

Potential recipients of the grant 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 NOFA. If the applicant is an agricultural producer group, it must be providing assistance directly to a specifically identified group of independent producers. Grant funds cannot be used to support the organization's general operations. If the applicant is an unincorporated group (steering committee), they must form a legal entity before grant funds can be disbursed.

The project proposed must involve a value-added product as defined in the "Definitions" section of this NOFA.

Applications without sufficient information to determine their eligibility will not be considered.

Proposal Preparation

A proposal must contain the following:

1. *Form SF-424*, "Application for Federal Assistance."

2. *Form SF-424A*, "Budget Information—Non-Construction Programs."

3. *Form SF-424B*, "Assurances—Non-Construction Programs."

4. *Table of Contents*. For ease of locating information, each proposal must contain a detailed Table of Contents immediately following the required SF-424 forms. The Table of Contents should include page numbers for each component of the proposal. Pagination should begin immediately following the Table of Contents.

5. *Proposal Summary*. A summary of the Project Proposal, not to exceed one page, must include the following: title of the project, description of the project including goals and tasks to be accomplished, names of the individuals responsible for conducting and completing the tasks, and the expected timeframe for completing all tasks (which should normally not exceed one year.) The applicant must also clearly state whether the application is for a planning grant or a working capital

grant. The application cannot be for both.

6. *Eligibility*. A detailed discussion, not to exceed two pages, describing how the applicant meets the definition of an independent producer, agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture as outlined in the "Recipient Eligibility Requirements" section of this NOFA. If the applicant is an agricultural producer group, it must specifically identify the group of independent producers on whose behalf the work will be done. In addition, the applicant must describe all organizations other than the applicant that are involved in the project. Applicants must state the percentage of the venture that will be owned and controlled by independent producers. No more than 10 percent of program funds can go to ventures that are majority-controlled producer-based business ventures as defined in the "Definitions" section of this NOFA. The applicant must also discuss the value-added product to be produced including the category of value-added as defined in the "Definitions" section of this NOFA.

7. *Proposal Narrative*. The narrative portion of the project proposal, not to exceed 35 pages (Times New Roman, 12 pt.) must include the following:

i. *Project Title*. The title of the proposed project must be brief, not to exceed 75 characters, yet represent the major thrust of the project.

ii. *Information sheet*. A separate one page information sheet which lists each of the evaluation criteria listed in this NOFA under the "Evaluation Criteria" section followed by the page numbers of all relevant material and documentation contained in the proposal which addresses or supports that criteria.

iii. *Goals of the Project*. A clear statement of the ultimate goal of the project must be presented. It must describe the value-added venture to be developed.

iv. *Evaluation Criteria*. Each of the evaluation criteria listed in the "Evaluation Criteria" section of this NOFA must be addressed specifically and individually by category. These criteria should be in narrative form with any specific supporting documentation. Financial statements used to support any evaluation criteria will not count as part of the 35 page limit.

8. *Verification of Matching Funds*. You must furnish a copy of a bank statement if matching funds are in cash or a copy of the confirmed funding commitment from the funding source. If an in-kind match is included, so state and provide verification of all

commitments and how those commitments are valued. Matching funds (in-kind and cash) must be included on the SF-424 and SF-424A application forms. 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 at the same rate as grant funds throughout the duration of the project. Other Federal grant funds cannot be used as matching funds.

Grant Amounts

The amount of funds available for VADG grants in FY 2003 is \$27.7 million. The actual number of grants funded will depend on the quality of proposals received and the amount of funding requested. The maximum amount of Federal funds awarded for any one proposal will be \$500,000. However, priority points will be given to grant requests of less than the maximum.

Number of Awards

No one applicant can receive more than one grant for any one purpose. An applicant cannot receive a grant for planning activities and a grant for working capital.

Eligible Grant and Matching Funds Uses

Grant funds may be used to pay up to 50 percent of the costs for carrying out relevant projects. Grant funds and the applicant's matching funds must be spent at approximately the same rate. The applicant's matching contribution in cash or in-kind must be in accordance with applicable provisions of 7 CFR parts 3015 and 3019.

For planning projects, grant and the recipient's matching funds may be used for, but are not limited to, hiring personnel including lawyers, accountants and other qualified consultants associated with the following purposes:

1. Conducting a feasibility analysis of a proposed value-added venture to help determine the potential success of the venture;

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

3. Developing a business marketing plan for the proposed value-added product or products including the identification of a market window, the identification of potential buyers, a description of the distribution system, and possible promotional campaigns; or