

TELECONFERENCE

**Moderator: Janise Zygmont
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1:04 pm CT**

Janise Zygmont (JZ): Good afternoon, everyone, and thank you for joining this conference call. We have about 40 people online I think. And they're from state agriculture departments and universities and then some other organizations that may be partners or stakeholders in FSMIP projects.

I'd like to start out by just telling you briefly we're going to talk a little bit about the RFA first, the request for application that was published in - on March 16. And I believe I've sent that to everyone. If you're joining and you don't have it you can always go online and it's there, posted at the FSMIP website. I hope that you have the RFA in front of you because that's what we're going to use as a reference. And then the second thing I'd like to talk about afterward is the recruitment of reviewers that we announced earlier this week.

So to get started first on the RFA probably some of you know about FSMIP from previous years and others are new. And so I thought I'd start with a very brief introduction about FSMIP. It will be review for many of you. For 2015 we have a little over a million dollars to fund FSMIP projects.

In terms of just the basics of the program, if you turn to Page 5 of the RFA we talk about the eligible project types. And the eligible agricultural categories include anything that's an agricultural product or commodity. And you'll see in that list it covers everything, all the livestock, grain, food, fiber crops, fish, nursery and horticulture products, etcetera. We also are open to projects about bioenergy, products made with agricultural residue - anything that is produced in the agricultural venue here in the States. If you have a question about whether the type of project in terms of the commodity is eligible please let me know.

FSMIP covers projects that have to do with marketing. And they can apply to any part of the marketing chain: direct, wholesale, retail. But it's central in FSMIP projects that the primary beneficiaries must be agricultural producers and agribusinesses. We don't entertain projects that benefit just one individual agribusiness or one farm.

On Page 6, eligible project topics, the bullets that you'll see there are extracted from the legislation. This is a very broadly-scoped program. And you'll see it covers all kinds of topics that have to do with marketing, distribution, logistics, storing, distributing, pricing, quality conditions, grades, new uses, and new or expanded markets, domestic and foreign.

On the bottom of Page 6 we do have a few priority areas. But I want to stress that we will entertain any project that fits under the overall program scope. These particular things that are listed as priority areas, some of these you've seen last year and in previous years.

The first bullet on the bottom of Page 6 is what we wanted to stress this time. We would like to see projects that look broadly at the stakeholders and that bring into account state agriculture departments, the university community

and the farm sector and any other stakeholders. We also have priorities about the Food Safety Modernization Act and promise zones.

Last year we didn't get any proposal from a promise zone. And frankly I don't think we're going to get any on the promise zones because those tend to be very localized. But it's included in this RFA because it is a priority of USDA.

The eligible applicants for this program are the state agriculture departments, land grant universities which include the 1862s, the 1890s and the 1994s. It also includes state universities and state colleges and other appropriate state agencies. Examples of those would be a state department of forestry because we cover forestry products, and a state department of energy because we cover bio energy. And in some cases we had applications from state departments of public health which have to do with more the local food and health issues relating to food distribution.

As I mentioned before we stress partnerships, including nonprofits, economic development corporations, tribes. All these and other entities can participate in FSMIP as partners.

We fund projects that have a domestic orientation and also involve foreign market development or foreign travel. And so we do want to urge people to keep that in mind, to look at foreign market development opportunities.

FSMIP requires a dollar-for-dollar match, and the match can come in the form of cash or in-kind resources. Another source of a match is indirect cost. In a few minutes I will talk specifically about the indirect cost because that is a change in FSMIP from the previous year, actually in all the previous years. We have a new approach to indirect cost.

On Page 11 there is a detailed application checklist, and the details for each of those items are covered on the subsequent pages. Each year we require the SF 424 which is the application for federal assistance, the basic form, and the 424B which is assurances that list the different regulations that you as an applicant, you as a recipient, would have to follow if you're awarded.

We have two other items that are new this year. And those are the AD-3030 and the AD-3031. State agriculture departments do not have to fill out those forms. However it is quite possible that the universities or other state agencies may have to fill out them out. Once you get to that point if you have some questions you can give me a call or send me an email and we can try to figure it out. But state AG departments, don't worry about those two forms.

The next things in this list on Page 11 cover the components of the application which are required for the most part unless it doesn't apply to your proposal. And you'll see that I ask that you combine and submit all of these items in one file in the order in which they appear below. That really facilitates the review process. We don't want things here and there and everywhere that the reviewers have to search for.

One thing to keep in mind with this grant program and any grant program is that you need to make it easy for the reviewers to find the information, to have it clear for them because you don't want to frustrate a reviewer looking at your proposal. So that's why I suggest and actually strongly urge that you combine things in this order into one document.

Required elements include personnel qualifications and we discourage sending ten+-page resumes for each person because that does not facilitate the review. It's better to have just a paragraph or no more than a page or so of the qualifications of the individuals that will be working on the project. And make

the description of qualifications relevant to the project. What you're trying to demonstrate with the personal qualifications is that you have selected people who have the right experience and education, talents, whatever it may be, that are going to help you with this project. And a reviewer does not want to wade through a ten-page resume, I can assure you.

Previous to this year, FSMIP had a longstanding policy about indirect cost. And that was that you could bring your entire indirect cost as a match but we would not allow the grant fund to pay for indirect cost.

That has changed this year because we have new regulations under the uniform guidance that consolidated all the regulations relating to grants into one document making it easy for everyone who's in the grant world. And there have been some changes. And one of them deals with the indirect cost.

Page 3 highlights changes about indirect cost. We now allow indirect cost to be charged to the grant and brought as a match. The appropriate indirect cost is the negotiated rate by the cognizant agency and you can allocate that between FSMIP and the match. FSMIP can cover the entire indirect cost, you can bring indirect cost entirely as the match or you can split it 50/50 or 75/25, or whatever works out for you and your project. And that's a really big change for FSMIP so I did want to point that out to you.

If you had a sub applicant that did not have a negotiated rate we allow 10%. I'm not going to spend any more time on that, but do pay careful attention to calculating indirect cost. See Page 20 for additional information.

Back to Page 11, 6C, letters from third parties who will contribute matching resources. This is a required element. We need to be able to see that the match

you're bringing is legitimate and that the people and the institutions, the organizations, that are bringing the match, are on board.

Under D we have one to three letters of support from stakeholders or beneficiaries who affirm that this project will help them, this is something that they need, this is a research question that they've been dealing with and they need more information about it. They endorse this project.

FSMIP discourages form letters. As reviewers evaluate proposals, if they see three letters that have the same verbiage in them they don't carry the same weight and in the reviewer's mind have the same importance as if someone took the time to write a letter that really responds to the proposal.

Congressional letters of support do not meet this requirement. We certainly accept letters of support from Congress but they don't count towards this requirement of one to three letters.

Under E, if indeed you do have a project that involves a promise zone and they are a partner in the project then we need a letter from them. And the details of what we need are contained in the RFA. If you don't deal with a promise zone in your proposal you can skip that.

And then the last thing is the areas affected by the project. You'll fill that out in the SF 424, Block 14. It's a way to identify the scope of your project, the scope of the impact of your project. I can assure you that the reviewers look at that.

Please turn to Page 14 which deals with the background and justification for your project. When you're creating your background and justification you want to lay out in a concise way what the issue is, what the problem is, what question you're going to be answering and why that's important. You want to

put together a concise problem statement. If you cite the literature you want to make sure that it reflects the current state of knowledge of your topic and how your project is going to add to that knowledge or fill in a gap that might exist.

We ask on the bottom of Page 14 and over onto 15 about how your project fits into other work that may have been done by your institution, or your organization. I use an example of the Specialty Crop Block Grant Program which goes to the state AG departments. It's not unusual for a state AG department to have a project in the specialty crop area. And then the next year because of that work, to keep the momentum going and to expand the scope, they come to FSMIP. And that's great. We want to know that. It helps the reviewer see the context of your proposal.

Starting on Page 19 and going on to 20 again covers the indirect cost. And starting on Page 20 and going for some pages we've put the allowable and unallowable costs and activities. When you're developing your projects, use that as a reference. It's important to only have items in your budget that the grant can pay for either by regulation or by policy.

And you'll notice that there are some policy decisions that FSMIP has made and there are regulatory things that we can't allow, certain activities or certain purchases or whatever it may be. So when you're developing a budget pay careful attention to that.

The application deadline is May 14. Everything needs to come through grants.gov so be sure that you have your application ready before that deadline. Don't wait till the last minute. If you've had any experience with grants.gov you're not going to wait till the last minute.

Turn now to Page 29--the application review information. We put this in so that applicants have an idea of how their application is going to be graded, if you will, or evaluated. These are the guidelines that we provide to the reviewer starting on the bottom of Page 29. We go through a three-step process when we look at your proposals. When the proposals first come in they go through an initial screening. I'm looking to see first of all if you are an eligible entity. If anyone is listening that is not one of the eligible entities listed here you can't apply yourself. You need to go through one of them as a partner. If you send us an application directly and you weren't eligible we will not accept it.

Next, are all the required components that we just talked about and listed in the application checklist there and have you met the dollar-for-dollar match? We also evaluate if the project fits within the FSMIP program scope. Once I make that determination then the proposal goes to the technical review which is described on Page 30. Our review process is such that we group proposals that have a common theme, for example "agritourism." One may have been on wine and grapes, another may have been on culinary tours but they had the common theme of being that type of a project related to tourism.

We also might have a group of projects - we had a number of these last year that had to do with sensory evaluation of products and consumer focus groups and consumer surveys. So those would be grouped together for review. We have three reviewers on each team. Each team will get one of these groups of proposals.

Each team member reviews the proposals individually, by themselves. They make comments, and assign their own scores. When they're finished they come together and derive a consensus score, a ranking and some consensus comments.

Once their recommendations come forward the comments are reviewed in AMS. We look carefully at the budget and some other things to see that the proposals recommended by the review teams meet all FSMIP requirements.

So that's basically it on the review process. I did want to mention one other thing before I open it for questions. And that is that for the first time we are seeking reviewers for FSMIP proposals from state agriculture departments.

We have been soliciting reviewers from university community for a couple of years now. And now we're opening it up to state agriculture departments.

A press release came out on March 24 about it. If you are interested, there is information about it at the FSMIP website, right there on the homepage.

If you're from a university and you're going to apply -- and of course this applies to the state AG department -- you can't also review proposals. However, if you decide not to apply maybe you could be a reviewer. So I wanted to just point out that opportunity to you.

Now I'm ready to take some questions.

Man: I'm from a state agency and I have a - an organization's approached me with a question about a potential project that would be to support - be research in how to meet existing market demand. I think it would be towards best practices for meeting a demand that - essentially a follow-up on a previous project. I'm wondering if that type of a project would be something that would be - that would fit within this grant or if it would be better suited for another program.

JZ: Well it depends on what the scope of the project is. Is it one company or one agribusiness or one...

Man: It would be something that would benefit multiple farms or multiple growers.

JZ: Okay. And is this something that you think that the state would endorse? Is this in - something you could support and administer and...Would it have impact like within the state rather than just a very local community?

Man: Oh yes. Yeah. I think so. Just from what I've heard, you know, without seeing the - a full proposal, without seeing it fully drawn up but from the description that I heard it seemed to address a pertinent need.

JZ: It's important that your project have some marketing aspect in it and some research aspect in it. And it sounds like what you've described does.

And the fact that this would have possibly impact throughout the state, maybe multi-state -- I don't know but, you know, certainly within the state -- then that probably would fit. And what I'd suggest is, take a look at the RFA and see if that resonates with the idea that you're hearing from your client. And if you had any questions, you just weren't sure, once you have a little bit more information you could give me a call or send me an email and we can discuss it.

Man: Okay. Thanks.

JZ: Okay. Thanks for your question. Do I have any other questions?

Woman: I have a question related to the grant period, it says it can be completed within 24 months. I'm wondering if you do it for the whole 24 months does it make

you ineligible to apply again next year. Do you have to wait until your - this grant is completed before you reapply for another grant?

JZ: Thank you for that question. If you want to apply the next year with a project that builds on that first project you can't do that. And we need - and it is in the RFA that if you have a project and you want to have a follow-up project on the first project, we have to accept your final report on the first project before you can apply again. However if you want to apply the next year on something that is unrelated to that first project you certainly can apply. Does that answer the question?

Woman: Yeah. No, that makes it very clear. Thank you. One other question just about the range of awards. I guess...That's what you're expecting, is something on average of about six years, somewhere between the range and that. Is that to include the indirect costs or is that exclusive of the indirect cost?

JZ: That actually just refers to the grant portion. \$50,000 to \$60,000 is an average grant. The total project itself would be \$100,000 or \$120,000. And the other thing is that we put a range in there. But one thing to remember is we only have a million dollars so we can't really do a half-a-million-dollar project for FSMIP. But we're looking at, you know, probably maximum, you know, \$100,000 or \$125,000. But the average in the previous years has gone up a little bit. It's more like \$60,000, \$65,000 right now. For many years it was \$50,000. But I think the way to look at it is if your project fits the FSMIP scope and everything else in the RFA, put in the budget that you need within reason. You can go over a hundred.

If we get to the point where your project has made it through three stages and we want to fund the project, we may have to negotiate a bit on the budget or we might have to negotiate a bit on the scope, and maybe cut out one or two

things. But I would say, make the budget reflect the work because what you wouldn't want to do is to put in everything and the kitchen sink and then have a really small budget because the reviewers are going to look at that and the first thing they're going to say is they can't do this project with that amount of money; it's unrealistic. So try to make them match -- your program scope for that project and your budget.

Man: One question. Do you look on applications more favorably if a large percentage of the indirect is used as the match or does that not affect your valuation?

JZ: It is not listed as a criterion that the reviewers are specifically looking at. It helps, I would say, to show some resources that you're going to bring yourself to the project. But there's nothing specific in the guidelines that we give to reviewers that say since the applicant is asking for all indirect costs or they're only bringing indirect costs, you'd better downgrade them. That is not part of the review process. That's something that may be discussed by the reviewers. But from our guidelines we don't have anything in there about it.

Man: That was a very helpful answer.

JZ: Okay. Anything else?

Man: Yeah. I have a question under application checklist in the RFA. So any of the past grants that I've submitted under grants.gov you download a package. All the forms are in there. You fill out the forms. You upload any attachments that go with those forms. Then you submit the whole package to grants.gov.

There's a statement here that says the following forms are available and must be submitted via grants.gov. Okay. I get that. And then it says submit these

forms separately from the rest of the application. Does that mean we're not submitting one grants.gov package that...

JZ: Yeah. I know what you're saying. And I'm sorry for any confusion. You'll go into grants.gov and you'll fill out the 424 and the 424B. And those are submitted as individual pieces of your application.

And then the only other thing that we have in there as options within grants.gov are the AD-3030 and the AD-3031 if that applies to you. The second part includes the narrative and then all the other required elements, those are the attachment. The reason that I have you combine them in one attachment is because when we send it to the reviewer we actually are sending them the narrative, budget and the other required elements. We're not sending them this stuff up top (SF 424, 424B, AD 3030 and AD 3031). And to have us receive, you know, what is it, like ten different pieces and have to piece it together ourselves, we'd prefer it just come in together as one attachment. And that's why it's set up that way. But no, you only apply once.

Man: But that wording led me to believe we were supposed to submit things, basically...one package.

JZ: I see where that is. And, you know, thank you for pointing that out. And we'll have to rephrase it next time so that it's clearer because I'm looking at that and yeah, you could have made that assumption. So thank you for pointing that out. Appreciate it.

Man: Yes. Thank you. So essentially we're going to have one attachment that's separate with the narrative budget and all of that? And then you'll download that attachment from the grants.gov application basically.

JZ: Yes.

Man: Was a little bit confused by what that meant so.

JZ: We'll try to take care of that next time. Okay? Any other questions? Well while you may be thinking of them I want to thank everyone for participating today. And as I said several times, once we hang up and if you have any additional questions please feel free to contact me. We can discuss by phone or we can handle it by email.

And other than that I look forward to May 14. It's always the most exciting time of the year for me to see what applications come in from where, what new ideas are out there. I look forward to hearing from all of you. So one last time...

Woman: I do have one additional question if you don't mind. It's related to the gentleman's comment on the last one where you said that all of the documents under Number 5 and 6 under the application checklist should be as an attachment. And then a couple pages over where it talks about - let's see. On Page 14 it says the narrative, Pages 1 to 10. So for the page numbering do you just want that to be the narrative alone numbered one to ten or can you number starting Number 1 with the cover page, you know, the first of that attachment document?

JZ: Another wonderful question. The pages one to ten means that the narrative should be ten pages long or less. The narrative doesn't start on Page 10. The narrative should be no more than ten pages.

Man: One other thing. In reading the promise zone information... That's a fairly narrow choice set for promise zones. So I'm assuming we're not going to be

penalized if we don't have a letter from a promise zone implementation partner. Is that right or...

JZ: Right. And you would only need that if you had a promise zone as a partner on your project. And I may have said it in the beginning but last year is the first time we had that language in our RFA. We did not receive any proposals that had a promise zone connection. That's because they are pretty narrowly defined. But this is a priority of the department and so we added it to the RFA in the event that there might be some projects that involve a promise zone that also fit into the scope of a FSMIP project. But you're not going to be penalized whatsoever if you do not have a promise zone in your proposal, absolutely not.

Man: If you have a co-op that is a sub-recipient...Can a co-op member then submit a letter of support or does the letter of support needs to come from outside of that?

JZ: That would be okay.

Man: Good. Thank you.

Woman: I have a question. If you are submitting multiple applications for just one state agency do those go separately through grants.gov or do we somehow come - okay, so each proposal would have a different application?

JZ: Absolutely. Please submit them separately because they have their own unique identifier. Send them separately.

Woman: And each of those forms, SF 424 and SF 424B would also be separate attachments...

JZ: Yes. Each proposal would have to have its own 424 and its own 424B.

JZ: One last call? No. Okay. Well thank you, everyone. And I look forward to seeing your proposals.

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