

Specialty Crop Block Grant Program

Frequently Asked Questions

What is the Specialty Crop Block Grant Program?

The Specialty Crop Block Grant Program (SCBGP) is part of the Farm Bill. It is administered across the nation by state departments of agriculture. In North Dakota, applicants submit proposals for the federal funding through the North Dakota Department of Agriculture (NDDA). Successful applicants will execute all aspects of the grant proposal approved by USDA while NDDA monitors progress and acts as the fiscal agent.

What are the eligible specialty crops?

For the purposes of this grant program, specialty crops are defined to be:

- Fruits and Vegetables;
- Dried Fruit;
- Tree Nuts;
- Horticulture; and
- Nursery Crops (including Floriculture).

What is the purpose of the Specialty Crop Block Grant Program?

The purpose of the federal SCBGP is to solely enhance the competitiveness of specialty crops. Enhancing competitiveness may include developing local and rural food systems and improving food access in underserved communities. Specifically, grant purposes may include:

- Leveraging efforts to market and promote specialty crops;
- Assisting producers with research and development relevant to specialty crops;
- Expanding availability and access to specialty crops; and
- Addressing local, regional, and national challenges confronting specialty crop producers.

Successful projects for the SCBGP generally fit within one of the following eight categories.

1. Enhancing food safety;
2. Improving the capacity of all entities in the specialty crop distribution chain to comply with the requirements of the Food Safety Modernization Act;
3. Investing in specialty crop research;
4. Developing new and improved seed varieties and specialty crops;
5. Pest and disease control;
6. Increasing child and adult nutrition knowledge and consumption of specialty crops;
7. Improving efficiency and reducing costs of distribution systems; and
8. Sustainability.

Who can apply for funding?

Proposals will be accepted from non-profit organizations, producer organizations, government agencies, universities, and other organizations related to North Dakota's specialty crop industry. Individual producers, for-profit businesses, or commercial entities may submit proposals. However, the project must focus on research, education, or demonstration and must benefit the specialty crop industry in a manner that can be replicated by other organizations.



How do I know my project is eligible?

Additional notes to help you determine whether your project is eligible include:

- Projects must enhance the competitiveness of specialty crops. Consider carefully whether your project is likely to have "spillover" benefits for non-specialty crops and whether the SCBGP is the best fit for your project.
- Projects must benefit more than one product or organization. The SCBGP will not award grant funds for projects that solely benefit a single commercial product or provide a profit to a single organization, institution, or individual. This means that the program will not provide funds to start or expand a farm or other business venture.
- In addition, recipients cannot use grant funds to compete unfairly with private companies that offer equivalent products or services.
- Please note that hemp is not considered a "specialty crop".

What are the parameters for project implementation?

The projects submitted for consideration can last up to two years, with project implementation timelines beginning on October 1, 2021 and ending on September 30, 2023. Funding cannot be utilized for expenses related to projects that are incurred BEFORE October 1, 2021 or AFTER September 30, 2023. Additionally, the SCBGP is unique, in that there isn't a minimum or maximum funding request amount. Although no minimums or maximums, the average award size for FY2019 was \$113,100.

How can the Specialty Crop Block Grant Program funds be utilized?

To be eligible for a grant, the project(s) must "solely enhance the competitiveness of U.S. or U.S. territory grown specialty crops in either domestic or foreign markets."

Examples of enhancing the competitiveness of specialty crops include, but are not limited to: research, promotion, marketing, nutrition, trade enhancement, food safety, food security, plant health programs, education, "buy local" programs, increased consumption, increased innovation, improved efficiency and reduced costs of distribution systems, environmental concerns and conservation, product development, and developing cooperatives.

Examples of successful projects may include:

- A non-profit organization requests funds to conduct an advertising campaign that will benefit their specialty crop members.
- A state requests funding to contract with a university to conduct research on the feasibility of planting, cultivating, and growing a specialty crop in a specific area, the results of which will be shared with many growers throughout the state during the project.
- A single grower requests funds to demonstrate the viability of small fruit production and partners with an Extension program to publicize the working model of diversification to other regional growers.
- A single company requests funds to provide a viable pollination alternative to specialty crop stakeholders in a region that currently does not have one.
- A single farmer erects high tunnels on their property to extend the growing season of tomatoes and lettuce and conducts a field day and farm tour to encourage other small family farmers to adopt the production methods.



What priorities have been identified for special funding consideration?

In 2021, four priorities have been identified. Successful projects may incorporate any of the following priorities:

- **Providing Farmer Education on Specialty Crop**
 - Farm-to-institution practices
 - Value-added production
 - Disease and pest management
 - Farm and food safety
 - Organic and non-organic food production
 - Use of beneficial organisms
 - Business development

- **Supporting Research in the Areas of Specialty Crop**
 - Disease and pest management
 - Variety testing and selection
 - Organic and non-organic food production
 - Use of beneficial organisms
 - Adaptability and Resiliency

- **Planning and Supporting Infrastructures that Create or Support Specialty Crop**
 - Storage
 - Processing
 - Farm to institute relationships
 - Pest management assistance for farmers

- **Increasing Consumer Awareness of the Value of Specialty Crops**
 - Education
 - Market Development

What type of expenses or projects cannot be funded through the Specialty Crop Block Grant Program?

There are restrictions on funds, which all potential applicants should familiarize themselves with. The restrictions include:

- Grant funds will not be awarded to projects that solely benefit a specific commercial product. It will not benefit products that provide a profit to a single organization, institution, or individual.
- Grant funds cannot be put toward capital expenditures (equipment, buildings, land). They also may not be used to make improvements to capital assets that materially increase their value or useful life.
- Expenditures incurred prior to grant award may not be included in the grant request or eligible for reimbursement.
- And finally, administration or indirect costs (defined as expenses incurred in controlling or directing an organization, but not directly identifiable with financing, marketing, or production operations) cannot be paid for with these grant funds.



What are examples of unacceptable or unsuccessful projects?

A few examples of unacceptable or unsuccessful projects include:

- A company requests grant funds to purchase starter plants or equipment used to plant, cultivate, and grow a specialty crop for the purpose of making a profit, or to expand production of a single business or organization.
- A state requests grant funds to make grants to individual specialty crop businesses or roadside stands to promote their individual businesses.
- A non-profit organization uses grant funds to purchase produce and then sells that produce to other entities at cost or a higher price than the purchase price while competing with other private companies who sell produce in the area.
- A sole proprietor requests grant funds to redesign their logo to make their specialty crop value-added product stand out at the local farmers' market.
- A single specialty crop organization requests grant funds to market its organization so that it can increase its membership.

How can eligible applicants apply?

The first step is to read and understand the 2021 Request for Applications, which will be released on December 1st, 2020. The second step will be to assure that the lead entity has the required federal registrations needed, including a DUNS number. Finally, the application package must be submitted by 4:00 pm on January 13th, 2021.

All applicants are required to submit the 2021 SCBGP application cover sheet and 2021 SCBGP project profile application to scbg@nd.gov by the deadline. All applicants have the option of preparing and submitting letters of support from project stakeholders for consideration, along with the application. The optional letters of support also need to be included within the application package and submitted by the deadline for consideration.

What type of paperwork and monitoring should we expect if we are awarded funds?

Should your project be selected for funding, there are a few guidelines and requirements that selected applicants will need to follow. For example, selected applicants will need to:

- Sign a Notice of Grant Award (NOGA) with the NDDA indicating their intention to complete the proposed tasks and authorizing NDDA to monitor the progress of the proposed project;
- Sign a requirement for NOGA document stating that you understand the terms and conditions of the agreement and the federal laws that need to be followed;
- Sign a W-9 and/or set up an account with ND OMB office in order to receive payments;
- Manage the grant financial expenses as this grant is strictly on a reimbursement basis;
- Regularly report on grant activities and financials, using provided templates; and
- Manage the grant financial records and documentation to ensure SCBGP funds are being used for their intended purpose in compliance with federal cost principles and regulations.

Who can I contact with questions?

Interested applicants can receive direct support and technical assistance from Deanna Gierszewski, Specialty Crop Block Grant Program Administrator: degierszewski@nd.gov and (701) 328-2191.

