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USDA Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE

ORGANIC MARKET DEVELOPMENT GRANT

PROGRAM SPECIFIC TERMS AND CONDITIONS

In addition to the AMS General Terms and Conditions, the following program specific terms and conditions apply to the Organic Market Development Grant (OMDG) program. If there is inconsistency between the AMS General Terms and Conditions and the OMDG program specific terms and conditions, this document will take precedence.

1.0 APPLICABLE REGULATIONS

As a condition of this award, the recipient assures and certifies that it will comply with the requirements contained in the AMS General Terms and Conditions, as well as the following statutes, regulations and federal standards, as applicable.

1. 42 U.S.C. 4321 – National Environmental Policy Act (NEPA)
2. 40 CFR Parts 1500-1508 – Council on Environmental Quality
3. 7 CFR Part 205 – National Organic Program
4. Pub. L. No. 117-58, §§ 70901-52 – Build America, Buy America Act

2.0 ALLOWABLE AND UNALLOWABLE COST AND ACTIVITIES

Cost Category	Description, Guidance and Exceptions
Building and Land-Construction and /or Renovation of Facilities	**Allowable for 1) Market Development and Promotion and 2) Processing Capacity Expansion Projects** • Improvements, rearrangements, and/or alterations of an existing building or facility to use a space more effectively and to accommodate new or upgraded equipment and processes. **Unallowable for Simplified Equipment-Only Projects** • Improvements, rearrangements, or alterations of an existing building or facility. **Unallowable for ALL project types** • Structural changes to an existing building/facility which adds to the total square footage of the building. • New construction of buildings/facility. A building is any permanent structure designed or intended for support, enclosure, shelter or protection of people, animals or property, and having a permanent roof supported by columns or walls. • Routine maintenance and repair of an organizations' building and operational facilities.

Cost Category	Description, Guidance and Exceptions

Equipment	***Allowable for ALL project types***
	• Purchases of special purpose equipment (e.g., for processing, packaging, aggregation, storage, food safety, sorting, labeling), are allowable when approved in the grant budget or with prior written approval. All equipment purchases must meet the following criteria:
	  ○ Necessary for the technical activities of the grant agreement;
	  ○ Not otherwise reasonably available and accessible;
	  ○ Equipment must be used solely to meet the legislative purpose of the program and objectives of the agreement.
	  ○ Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable.
	Must not use special purpose equipment acquired with grant funds to provide services for a fee to compete unfairly with private companies that provide equivalent services.
	Unallowable for ALL project types
	• Purchases of general-purpose equipment (e.g., office furniture, office air conditioners, printers, and copiers) or lease agreements to own (i.e., lease-to-own or rent-to-own).
	• Purchase or construction of refrigerators/freezers or walk-in coolers or other cold storage facilities.
	• To reimburse for the purchase of equipment already owned by the recipient.

Supply Chain/Delivery	**Allowable for ALL project types** • The purchase of delivery vehicles, such as delivery vans and milk trucks, to specifically alleviate supply chain bottle necks when provided in the approved budget or with prior written approval. The purchase of a vehicle must be fully justified, reasonable, and meet the program purpose; otherwise, the recipient may be required to lease a vehicle instead of purchase. • General purpose vehicles (those not used for transporting organic agricultural products) are prohibited.
Organic Certification Activities	**Unallowable for ALL project types** • To charge for expenses that have been or will be reimbursed under any Federal, State, or local government funding, including but not limited to certification activities funded under the Organic Certification Cost Share Program.

Cost Category	Description, Guidance and Exceptions
Information Technology Systems	**Unallowable for ALL project types** • General purpose software, such as word processing or other basic office management software, which is not used for specific food processing or purchasing activities. **Allowable for 1) Market Development and Promotion and 2) Processing Capacity Expansion Projects** • Information technology systems specific to the purposes of this grant program (e.g., software which traces organic ingredients and records certification information).

3.0 PERFORMANCE AND FINANCIAL REPORTS

Recipients are expected to provide semi-annual (every 6 months) performance reports and SF-425 financial reports throughout the period of performance, as described in the General Terms and Conditions. Performance reports must be formatted and submitted using the approved templates or guidance, and machine-readable.

- The semi-annual (every 6 months) performance reports and SF-425 Federal Financial Reports are due no later than 30 calendar days after each reporting period.
- The final reports, including performance and financial, are due 120 days after the end of the agreement performance end date.

4.0 NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

AMS is responsible for ensuring funded projects comply with the National Environmental Policy Act (NEPA). AMS restricts applicants from any action using Federal funds, which would have an adverse effect on the environment or limit the choice of reasonable alternatives, prior to NEPA clearance or final NEPA decisions. Projects that will likely have a significant impact on the quality of the environment or will be performed under extraordinary circumstances will require NEPA clearance. Moving forward without final NEPA decisions can result in the risk of not receiving federal funding and such costs may not be recognized as an allowable cost.

Applicants are required to complete an Environmental Checklist. This checklist will be used by AMS staff to complete an Environmental Screening Tool to evaluate applications on special environmental concerns. AMS will provide the Environmental Checklist to applicants during the administrative review process, for applicants who are considered for funding based on peer-review panels.

Costs associated with satisfying environmental review requirements and permits may be eligible for reimbursement as pre-award expenses if the project is funded and pending AMS approval.

If it has been determined that the project is within a sensitive area during the Environmental Screening process and impacts cannot be mitigated or an alternative cannot be provided, then AMS has the right to deny an application from funding. AMS also has the right to request additional information and not accept an application due to complications associated with meeting NEPA, NHPA, ESA, and all other Federal, State, and local environmental requirements.

5.0 BUILD AMERICA, BUY AMERICA (BABA) ACT

The Build America, Buy America Act, enacted as part of the Infrastructure Investment and Jobs Act, focuses on maximizing the federal government's use of services, goods, products, and materials produced and offered in the United States. Recipients may not use federal funds for infrastructure unless all iron, steel, manufactured products, and constructions materials used in the project are produced in the Unites States. Any public infrastructure project funded under this grant must coordinate with AMS to ensure adherence to BABA guidance.

The Buy America preference only applies to articles, materials, and supplies that are consumed in, incorporated into, or affixed to an infrastructure project. As such, it does not apply to tools, equipment, and supplies, such as temporary scaffolding, brought to the construction site and removed at or before the completion of the infrastructure project. Nor does a Buy America preference apply to equipment and furnishings, such as movable chairs, desks, and portable computer equipment, that are used at or within the finished infrastructure project but are not an integral part of the structure or permanently affixed to the infrastructure project. For additional guidance please review USDA's Implementation of the Build America, Buy America Act.