

1 Department of Agriculture
 2 Planning Division
 3
 4 Adopted Rules for Administration of Agricultural Development
 5 Grants
 6
 7 Rules as Adopted

8 CHAPTER 1552

9 DEPARTMENT OF AGRICULTURE

10 AGRICULTURAL DEVELOPMENT GRANTS

11 1552.0010 PURPOSE AND AUTHORITY.

12 Parts 1552.0010 to 1552.0110 are prescribed by the
 13 commissioner to provide for the administration of agricultural
 14 development grants pursuant to Minnesota Statutes, section
 15 17.101, subdivision 2.

16 1552.0020 DEFINITIONS.

17 Subpart 1. Scope. For the purpose of parts 1552.0010 to
 18 1552.0110, the terms defined in this part have the meanings
 19 given them.

20 Subp. 2. Advisory group. "Advisory group" means the ad
 21 hoc committee which may be selected by the commissioner pursuant
 22 to Minnesota Statutes, section 17.101 to assist in the
 23 evaluation of grant requests.

24 Subp. 3. Agricultural products. "Agricultural products"
 25 means ~~anima~~ animals and animal products, services which
 26 contribute to the health, management, and growth of animals and
 27 animal products, dairy products, poultry or poultry products,
 28 fruit, vegetables, horticultural crops, grain, bees and apiary
 29 products, and products of aquaculture, horticulture, and
 30 silviculture grown, raised, produced, fed, or processed within
 31 the state of Minnesota.

32 Subp. 4. Commissioner. "Commissioner" means the
 33 commissioner of agriculture or the commissioner's designee.

34 Subp. 5. Contract. "Contract" means an agreement between
 35 the commissioner and a grantee setting forth the terms of the

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1 grant.

2 Subp. 6. Department. "Department" means the Department of
3 Agriculture.

4 Subp. 7. Fiscal year. "Fiscal year" means the period from
5 July 1 of one year through June 30 of the following year.

6 Subp. 8. Grant. "Grant" means an agricultural development
7 grant authorized by Minnesota Statutes, section 17.101.

8 Subp. 9. Grantee. "Grantee" means an applicant that has
9 been awarded a grant under the program governed by parts
10 1552.0010 to 1552.0110.

11 Subp. 10. Termination date. "Termination date" means the
12 ending date of a grant awarded under the program governed by
13 parts 1552.0010 to 1552.0110.

14 1552.0030 GENERAL TERMS AND CONDITIONS OF GRANTS.

15 Subpart 1. Grant ratio. A grant made by the commissioner
16 may not exceed 75 percent of the total cost of the grant
17 project. The grantee must contribute at least 25 percent of the
18 total project cost in the form of cash or contributed goods and
19 services.

20 Subp. 2. Duration of grant. A grant will ordinarily be
21 made for 12 months or less. Applications will be accepted for
22 projects of longer duration, but grant funds will be committed
23 for only 12 months. For projects extending beyond 12 months, a
24 new application must be submitted and approved in accordance
25 with parts 1552.0010 to 1552.0110 prior to the commitment of
26 additional grant funds.

27 Subp. 3. Amount of assistance. An applicant may submit
28 more than one grant application in a fiscal year. The grant
29 amount for any project may not exceed \$70,000. The total of all
30 grants to the same grantee may not exceed \$70,000 for the
31 biennium.

32 Subp. 4. Application deadline. The commissioner shall
33 establish an application deadline for each fiscal year and
34 publish at least 60 days notice of the deadline in the State
35 Register.

1 1552.0040 ELIGIBILITY OF PROJECTS AND APPLICANTS.

2 Subpart 1. Eligible projects. A proposed project is
3 eligible for a grant if it will expand, improve, or develop
4 markets for the products of Minnesota agriculture through one of
5 the following:

6 A. advertising Minnesota agricultural products;

7 B. assisting state agricultural commodity

8 organizations desiring to sell their agricultural products in
9 national and international markets;

10 C. developing methods to increase the processing and
11 marketing of agricultural commodities including commodities not
12 being produced in Minnesota on a commercial scale, but which may
13 have economic potential in national and international markets;

14 D. investigating and identifying new marketing
15 technology and methods to enhance the competitive position of
16 Minnesota agricultural products;

17 E. evaluating livestock marketing opportunities;

18 F. assessing and developing national and
19 international markets for Minnesota agricultural products;

20 G. studying the conversion of raw agricultural
21 products to manufactured products including ethanol;

22 H. hosting the visits of foreign trade teams to
23 Minnesota and defraying the teams' expenses;

24 I. assisting Minnesota agricultural businesses
25 desiring to sell their products in national and international
26 markets; and

27 J. other activities the commissioner deems reasonably
28 related to promoting Minnesota agricultural products in national
29 and international markets.

30 Subp. 2. Ineligible projects. Projects to develop or
31 promote a trademark, tradename, or product identified by a
32 trademark or tradename, are ineligible.

33 Subp. 3. Eligible applicants. In its application, the
34 applicant must demonstrate that it has the capability to meet
35 the proposed objectives of the project and the grant
36 contribution requirements.

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1 1552.0050 APPLICATION PROCEDURES.

2 Subpart 1. Submission of application. An applicant for an
3 agricultural development grant shall submit to the commissioner
4 an original and five copies of a completed application.
5 Applications must be received by the commissioner by the
6 application deadline.

7 Subp. 2. Application content. The application must
8 include the following information:

9 A. a brief description of the characteristics of the
10 applicant, including the legal name, the federal and state tax
11 identification or social security number, address, and a brief
12 statement of the applicant's organizational structure, history,
13 and interest in the proposed project;

14 B. the name of the individual or individuals
15 authorized to negotiate and sign contracts, and to receive and
16 report on grant funds;

17 C. a general statement regarding which of the
18 agricultural promotion activities listed in part 1552.0040 will
19 be pursued;

20 D. a project description that includes the following:

21 (1) a statement of the project's objectives, and
22 a statement of major work tasks, stated in measurable and
23 quantifiable terms whenever possible;

24 (2) an identification of primary direct
25 beneficiaries of the project;

26 (3) a statement of the results expected from the
27 project;

28 (4) criteria for evaluating the success of the
29 project; and

30 (5) a statement regarding the anticipated project
31 starting and completion dates;

32 E. a description of qualifications of personnel who
33 would be assigned to the project;

34 F. a budget showing total project costs and
35 contributions, as follows:

36 (1) an identification of all sources of

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1 contributions and the amounts and types of contributions from
2 each source;

3 (2) an itemization of costs and indication of the
4 source and type of contribution for the following items:
5 personnel, travel, rental of office space or equipment,
6 supplies, printing, postage and telephone, promotional or
7 demonstrational equipment to be purchased, or other costs, and a
8 description of the source and amount of funds for each type of
9 expenditure (either anticipated grant or applicant contribution);

10 G. a copy of the latest audit report, financial
11 statement, or other appropriate statement of financial condition
12 of the applicant; and

13 H. a statement certifying that the applicant will not
14 use agricultural development grant funds to continue existing
15 agricultural promotion activities.

16 Subp. 3. Incomplete application. The commissioner shall
17 consider an application when a completed application is
18 received. If an application is incomplete, the commissioner
19 shall notify the applicant specifying the additional information
20 required. The applicant has 20 days from the date on the
21 commissioner's letter to provide the additional information. If
22 there is no response to the commissioner's letter within 20
23 days, the commissioner shall not consider the application
24 further.

25 Subp. 4. Additional information. The commissioner may
26 require the applicant to submit other information reasonably
27 related to a determination of applicant or project eligibility
28 or project feasibility.

29 1552.0060 APPLICATION REVIEW; APPROVAL; AND NOTIFICATION.

30 Subpart 1. Advisory group review. If an advisory group is
31 selected, the advisory group will convene at the call of the
32 commissioner to review applications and will submit their
33 evaluations to the commissioner.

34 Subp. 2. Commissioner's review and determination. The
35 commissioner shall review all applications. The commissioner
36 shall determine whether an application shall be granted, and the

1 amount and terms of the grant. The commissioner shall weigh and
2 compare all grant applications in light of the availability of
3 funds.

4 Subp. 3. Criteria for approval. The following criteria
5 shall be used by the commissioner in reviewing each grant
6 application.

7 A. whether the applicant and the project are eligible
8 under part 1552.0040 and meet the contribution requirements of
9 part 1552.0030, subpart 1;

10 B. whether the proposed project is likely to expand,
11 improve, or develop markets for Minnesota agricultural products
12 by means of conducting one or more of the activities stated in
13 part 1552.0040, subpart 1;

14 C. whether the project is feasible and likely to
15 produce the desired objective;

16 D. the degree to which the proposed project employs
17 novel, creative, and innovative ideas for the promotion of
18 Minnesota agricultural products;

19 E. the degree to which the proposed project would
20 have a generic impact upon the sector of Minnesota agriculture
21 for which it is proposed;

22 F. whether the experience or capability of the
23 applicant make likely the successful completion of the project;

24 G. the degree to which the proposed project is
25 coordinated with or complementary to similar or related efforts
26 to promote Minnesota agricultural products;

27 H. whether the proposed budget is adequate to
28 accomplish the proposed project;

29 I. the degree to which similar or related projects by
30 this applicant or other persons have been successful or
31 unsuccessful;

32 J. whether the applicant appears able to apply
33 generally accepted accounting principles and appears financially
34 qualified for the project; and

35 K. the applicant's past performance as a grantee
36 under this program, if applicable.

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1 Subp. 4. Notification. The commissioner shall notify the
2 applicant in writing of the approval or disapproval of its grant
3 application.

4 1552.0070 GRANT ADMINISTRATION.

5 Subpart 1. Contract. Each approved grant must be governed
6 by a contract between the department and the grantee. The
7 following terms among others must be specified in the contract:

8 A. the total amount of the grant and the timing of
9 grant payments;

10 B. the starting and termination dates of the contract;

11 C. dates for submitting progress reports;

12 D. a list of the eligible costs of the project, in
13 accordance with subpart 4, item C; and

14 E. a statement that the grantee must inform the
15 commissioner of any significant change in implementation of the
16 project, and must obtain prior approval before initiating the
17 change.

18 Subp. 2. Rescission of grant. The individual authorized
19 by the grantee must sign and return the contract with all
20 attachments to the commissioner no later than 30 days after the
21 date the grantee receives the contract. If the grantee does not
22 sign and return the contract with all attachments to the
23 commissioner within those 30 days, the commissioner may rescind
24 the grant commitment.

25 Subp. 3. Commencement of spending. The grantee may not
26 obligate or begin to spend money under the grant until the
27 contract has been signed by all necessary parties and a fully
28 executed copy has been returned to the grantee.

29 Subp. 4. Payments and use of funds.

30 A. Payments to the grantee must be made according to
31 the schedule stated in the contract, if the grantee has complied
32 with all contract provisions, including submission of progress
33 reports. In all cases, payment of the final ten percent of the
34 grant funds must be made upon the commissioner's receipt and
35 acceptance of the final report required under part 1552.0090,
36 subpart 5.

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1 B. Grant funds may not be used for acquisition of
2 land, buildings, general office equipment, and other capital
3 expenditures.

4 C. Grant funds may be used for the following:

5 (1) employment of personnel to carry out the
6 objectives of the project;

7 (2) consulting services but not consulting fees
8 to develop the proposal submitted to the commissioner;

9 (3) rental of office space or equipment;

10 (4) purchase of supplies;

11 (5) printing or publication services;

12 (6) travel expenses;

13 (7) charges for telephone service;

14 (8) purchase of promotional or demonstrational
15 equipment necessary for the project and specifically identified
16 in the application as a proposed purchase; and

17 (9) services, facilities, or goods specified in
18 the application or the contract.

19 D. Grant funds used for the development, printing, or
20 publication of books, reports, brochures, or films must be
21 acknowledged with the phrase "funding assistance provided by the
22 Minnesota Department of Agriculture."

23 1552.0080 EXTENSIONS.

24 The grantee must make a written request for an extension of
25 the contract no later than 90 days prior to the termination date
26 explaining the reasons an extension is needed. The commissioner
27 may grant an extension up to six months if necessary for
28 successful completion of the grant project and realization of
29 grant objectives. As a condition of the contract extension, the
30 commissioner may modify the terms of the contract.

31 1552.0090 MONITORING AND REVIEW.

32 Subpart 1. Records. The grantee must keep records of all
33 activities undertaken in connection with implementation of the
34 grant proposal. The books, records, documents, and accounting
35 procedures and practices of the grantee related to the grant are

1 subject to examination by the commissioner. The grantee must
2 give the commissioner access during normal business hours to all
3 business records related to the project.

4 Subp. 2. Progress reports. Grantees must submit progress
5 reports to the commissioner on dates specified in the contract.
6 Each progress report must include a narrative statement of the
7 progress toward project objectives and work tasks, an itemized
8 statement of project funds, including grant funds received and
9 the grantee's contributions, and an itemized statement of
10 project expenditures.

11 Subp. 3. On-site visit. The commissioner may conduct
12 on-site visits during the term of the grant to determine what
13 progress has been made to accomplish project objectives and work
14 tasks or if the grantee has been complying with all terms and
15 conditions of the contract.

16 Subp. 4. Evaluation. If the commissioner determines
17 through an examination that the grantee has not been complying
18 with the terms of the contract, the commissioner may direct the
19 grantee to adhere to the terms of the contract, may modify the
20 terms of the grant contract as necessary to assure that project
21 objectives are met, may terminate the contract, or may seek a
22 legal remedy in a court of competent jurisdiction.

23 Subp. 5. Final report. A grantee must return all
24 unexpended grant funds and submit a final written report on the
25 project within 60 days of the termination date of the contract.
26 A grantee may submit additional information in the final report,
27 but the final report must include the following information:

28 A. an assessment regarding the completion of project
29 objectives and work tasks as well as the results achieved,
30 written, to the extent possible, in measurable and quantifiable
31 terms;

32 B. an assessment of further work that may be
33 necessary with respect to the objectives of the project, based
34 on the experience gained through implementing the project;

35 C. an evaluation of the project stating both its
36 immediate and long-term impact regarding the expansion,

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1 improvement, or development of markets for products of Minnesota
2 agriculture; and

3 D. a complete financial statement accounting for all
4 receipts and expenditures of grant funds and for all the
5 grantee's contributions of money, goods, and services.

6 1552.0100 TERMINATION OF CONTRACT.

7 The contract terminates on the termination date specified
8 in the contract unless it is extended under part 1552.0080 or
9 terminated by the commissioner under part 1552.0090 or
10 1552.0110. Upon termination of the contract at any time, any
11 unused supplies or materials and all unexpended grant funds must
12 immediately be returned to the commissioner.

13 1552.0110 MISREPRESENTATION BY APPLICANT OR GRANTEE.

14 If any grant application, progress report, or final report
15 contains material false or misleading statements or information,
16 the commissioner may take one or more of the following actions,
17 as appropriate: reject the grant application; conduct an
18 examination of the use of grant funds; modify the terms of the
19 grant contract as necessary to assure that project objectives
20 are met; terminate the grant contract; or recover grant funds
21 through available legal remedies.

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