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(1) *Mail*: U.S. Department of Agriculture, Office of the Assistant Secretary for Civil Rights, 1400 Independence Avenue SW, Washington, DC 20250-9410; or

(2) *Fax*: (833) 256-1665 or (202) 690-7442; or

(3) *Email*: [program.intake@usda.gov](mailto:program.intake@usda.gov).

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**Karama Neal,**

*Administrator, Rural Business-Cooperative Service.*

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## DEPARTMENT OF AGRICULTURE

### Rural Business-Cooperative Service

[Docket No. RBS-21-BUSINESS-0013]

#### Stakeholder Listening Sessions and Request for Information on the Agriculture Innovation Center Demonstration Program

**AGENCY:** Rural Business-Cooperative Service, Department of Agriculture (USDA).

**ACTION:** Request for information.

**SUMMARY:** The Rural Business-Cooperative Service (RBCS) is hosting a listening session and opening a request for information for public input about the Agriculture Innovation Center Demonstration (AIC) Program. The AIC program provides grants to Centers that provide services to agricultural producers to assist them with marketing value-added agricultural products. RBCS is currently considering how it can streamline the application process, clarify eligibility requirements and reduce the burden for meeting them, revise the merit review process, and assess the program's performance.

**DATES:** The listening session will be held virtually on: October 5 at 2 p.m.–4:00 p.m. ET; <https://attendee.gotowebinar.com/register/3831947973149428235>.

Comments must be submitted by 11:59 p.m. Eastern Standard Time (EST) on <https://www.regulations.gov>.

**ADDRESSES:** *Federal eRulemaking Portal:* Go to <https://www.regulations.gov> and, in the "Search" box, type in the Docket No. RBS-21-BUSINESS-0013. A link to the Notice will appear. You may submit a comment here by selecting the "Comment" button or you can access the "Docket" tab, select the "Notice," and go to the "Browse & Comment on Documents" Tab. Here you may view comments that have been submitted as well as submit a comment. To submit a comment, select the "comment" button, complete the required information, and select the "Submit Comment" button at the bottom. Information on using *Regulations.gov*, including instructions for accessing documents, submitting comments, and viewing the docket after the close of the comment period, is available through the site's "FAQ" link at the bottom. Comments on this information collection must be received by October 25, 2021.

**FOR FURTHER INFORMATION CONTACT:** Gail Thuner, Grants Division, Cooperative Programs, Rural Business-Cooperative Service, United States Department of Agriculture, 1400 Independence Avenue SW, MS 3201, Room 5803—South, Washington, DC 20250-3250, or call 202-720-1400, or email [cpgrants@wdc.usda.gov](mailto:cpgrants@wdc.usda.gov).

#### SUPPLEMENTARY INFORMATION:

##### Overview of AIC

The AIC Program was authorized in Section 6402 of the 2002 Farm Bill (Pub. L. 107-171), as amended by Section 7608 of the 2018 Farm Bill (Pub. L. 115-334). Terms you need to understand are defined in 7 CFR 4284.3 and 4284.1004. The intent of AIC is to provide technical assistance to agricultural producers to help them market value-added agricultural products.

The program currently awards grants of up to \$1,000,000 to Centers that can provide at least one-third of the project costs in matching funds and who have the capability to provide services to agricultural producers to assist them with marketing value-added agricultural products. The types of services that can be provided include:

- Financial advisory services related to the development, expansion, or operation of business owned by an agricultural producer(s) that will produce a value-added agricultural product, as long as the assistance is not to support forming a joint marketing effort by a group of producers, such as a farmers market, roadside stand, community-supported agriculture, and online sales

- Process development services, including:
  - Engineering services including scale-up of production systems (not to include cost of renovating or constructing a facility or system)
  - Scale production assessments, defined as studies that analyze facilities, for potential value-added activities to determine the size that optimizes construction and other cost efficiencies
  - Systems development
  - Other technical assistance and applied research related to development, implementation, improvement and operations of processes and systems to produce and market a value-added agricultural product
- Organizational assistance, including legal and technical advisory services related to the development, expansion, or operation of a business owned by an agricultural producer(s) that will produce a value-added agricultural product, as long as this assistance is not provided to support forming a joint marketing effort of food and food products by a group of producers, such as a farmers market, roadside stand, community-supported agriculture, and online sales
- Outreach assistance, limited to assistance with connecting an agricultural producer to a distribution system, processing facility, or commercial kitchen
- Technical assistance for product development (excluding R&D), where product development has the following definition: Stages involved in bringing a product from idea or concept through commercial-scale production, including concept testing, feasibility and cost analysis, product taste-testing, demographic and other types of consumer analysis, production analysis, and evaluation of packaging and labeling options
- Grants of \$5,000 or less to agricultural producers for the above services
- Costs associated with establishing and operating a Center, such as legal services, accounting services, clerical assistance, technical services, hiring employees, monitoring contracts, and Board of Director travel

Centers may also use their matching funds to provide the following services:

- Business development services, such as feasibility studies, business plans, and other types of technical assistance

and applied research that support business development, including support to forming a joint marketing effort by a group of producers, such as a farmers market, roadside stand, community-supported agriculture, and online sales

- Market development and outreach services, such as marketing plans, branding, and customer identification including support to forming a joint marketing effort by a group of producers, such as a farmers market, roadside stand, community-supported agriculture, and online sales

Grants may be made to local governments, State governments, Federally-Recognized Tribes, institutions of higher education, nonprofit corporations, and for-profit corporations. Individuals are not eligible to apply. Note that applicant organizations must be prepared to act as Centers to provide Producer Services. Grant awards are not made directly to businesses or agricultural producers to market value-added products.

This notice and listening session requests information on RBCS' plan to consider ways to streamline the application process, clarify eligibility requirements and reduce the burden for meeting them, revise the merit review process, and assess program performance. The public input provided in response to this notice from interested stakeholders will advise RBCS on this plan.

### Instructions

Response to this notice is voluntary. Each individual or institution is requested to submit only one response as directed in the **ADDRESSES** section of this notice. Submissions must not exceed 10 pages and fonts must be 12 point or larger, with a page number provided on each page. Responses should include the name of the person(s) or organization(s) filing the comment. Comments containing references, studies, research, and other empirical data that are not widely published should include copies or electronic links of the referenced materials. Comments containing profanity, vulgarity, threats, or other inappropriate language or content will not be considered. Comments submitted in response to this notice are subject to disclosure under the Freedom of Information Act (FOIA) (5 U.S.C. 552). Responses to this notice may also be posted, without change, on a Federal website.

Therefore, we request that no business proprietary information, copyrighted information, or personally identifiable information be submitted in response to

this notice. In accordance with FAR 52–215–3(b) responses to this notice are not offers and cannot be accepted by the Government to form a binding contract. Additionally, the U.S. Government will not pay for response preparation or for the use of any information contained in the response.

To inform the Federal government's decision-making process, RBCS now seeks public input on the following questions:

1. RBCS is seeking feedback on the definitions needed to assist applicants and recipients with understanding program requirements.

a. Are there any additional terms that we could define to improve applicant and/or recipient understanding of the program requirements?

b. Applicants are required to demonstrate that the Center's Board of Directors has representatives from the two general agricultural organizations in the State with the greatest number of members. How should we define a general agricultural organization?

c. Applicants are required to demonstrate that the Center's Board of Directors has representatives from four entities representing commodities. How should we define these types of organizations?

d. Product development is not identified in the authorizing statute for the program as an eligible use of funds. However, RBCS has previously determined that many components of product development are allowable because those components are related to the types of services that are eligible for the program. If RBCS continues to allow product development as an eligible use of funds, how should we define it?

2. RBCS is seeking feedback on how applicants can demonstrate that they meet the eligibility requirements for the program. Most of the requirements listed below are statutory, so they cannot be changed, but we can consider alternatives to how and when we ask applicants to demonstrate that they meet them.

a. The authorizing statute requires that eligible applicants have provided Producer Services. How can applicants demonstrate that they meet this requirement? How many years of experience are appropriate to show that an organization has experience in providing Producer Services? Note that Producer Services is currently defined at 7 CFR 4284.1004.

b. The authorizing statute for the program requires that applicants that do not have experience in providing Producer Services demonstrate their capability to provide Producer Services.

How can these applicants demonstrate their capability?

c. The authorizing statute requires that an eligible applicant outlines the support for the entity in the agricultural community. How can applicants demonstrate that they meet this requirement?

d. The authorizing statute requires that an eligible applicant outlines a plan that describes the technical and other expertise of the entity. How do you think this technical and other expertise is different from demonstrating experience in providing Producer Services or the capability to provide Producer Services? How can applicants demonstrate that they meet this requirement?

e. All types of organizations are eligible to apply for the AIC program. However, these organizations still need to demonstrate that they are legal entities that are authorized to receive an award. How can applicants demonstrate that they meet this requirement?

f. The authorizing statute requires that a Center has a Board of Directors that includes representatives from the following organizations:

- General agricultural organizations with the greatest and second greatest number of members in the State in which the eligible entity is located;
  - The department of agriculture, or similar State department or agency or a State legislator, of the State in which the eligible entity is located; and
  - Four entities representing commodities produced in the State.
- How can applicants demonstrate that they meet this requirement?

g. The authorizing statute requires that the Center has its own Board of Directors. What should the role of the Board of Directors be?

h. The program has previously required applicants to provide certain financial information, such as financial statements and audits, so that RBCS could assess the applicant's financial capability to administer the funds as well as meet the requirement established by 2 CFR 200.206 to conduct a risk evaluation. What criteria, information, or threshold should RBCS consider when assessing the financial capabilities of an applicant?

3. RBCS is seeking feedback on project eligibility requirements. Some of these requirements are statutory, while others are targeted toward improving the project's chances of success.

a. The statute does not define a minimum or maximum period of performance. Based on previous experiences with recipients, RBCS has discovered that first-time recipients need much more than a one-year period

of performance for the first award and set the period of performance at two years to allow these recipients the time needed to establish their Centers. What should the period of performance be for first-time recipients? What should it be for recipients that have established Centers?

b. The statute establishes a maximum award of \$1,000,000, but it does not establish a minimum award. In the previous year, RBCS set a minimum award size of \$500,000, with the expectation that all recipients would have funding for a two-year period of performance. Given a two-year period of performance, what should the minimum award be? What should the minimum award be if the period of performance is only one year?

c. The authorizing statute requires applications to include goals for increasing and improving the ability of *local* agricultural producers to develop markets and processes for value-added agricultural products. Note that the Value-Added Producer Grant Program currently defines a Locally-Produced Agricultural Food Product in 7 CFR 4284.902. Should the AIC program be consistent with this definition with respect to considering the service area of Centers? If not, what should be considered local for AIC Centers? Should all project funds be required to be spent on assistance to local agricultural producers? If not, what percentage or share of the project should be dedicated to local producers versus producers that are not local?

4. RBCS seeks feedback on the types of services that Centers can provide. The current regulation restricts the use of funds to the types of assistance defined as Producer Services (see 7 CFR 4284.1004). Producer Services include assistance such as business development services, process development services (e.g., engineering studies and scale production assessments), marketing assistance, product development, financial advisory services, and legal advisory services. We do have a small amount of discretion to expand this definition to include related types of assistance. What types of assistance should be provided by Centers to agricultural producers? Note that all assistance provided must be for the purpose of helping the producer market a value-added agricultural product. Assistance cannot be provided to other types of entities, such as retailers, distributors, processors, or customers.

5. RBCS seeks feedback on when the application deadline for the program should be. It is our intention to have a consistent deadline from year to year.

This deadline must be set to allow sufficient time for processing applications in order to make awards prior to September 30 each year. If application requirements are streamlined or less burdensome, the burden on applicants selected for an award may increase because supporting documentation will be supplied at the award stage rather than the application stage. This approach would result in less time processing applications but more time processing awards.

6. RBCS is seeking feedback on the merit review process. The authorizing statute does not identify any criteria that RBCS must use as part of its merit review process. However, the statute does require a competitive process, and 2 CFR 200.205 also requires a merit review. What criteria should RBCS use to identify projects that best fit the purpose of the program and have the greatest chance of success? Should these criteria be objective, subjective, or a mix of both? What type of reviewers should RBCS use to evaluate the merit of proposed projects? Should the RBCS Administrator have discretion to award additional points based on geography, Agency priorities, or other factors?

7. RBCS is seeking feedback on the award process. The authorizing statute requires an annual competitive process to make awards. However, we are exploring options to minimize the burden of running a nationwide competition every year, given the limited number of awards that we can make as well as the larger scope of the projects funded. These options include, but are not limited to, multi-year periods of performance, renewals for recipients that are performing satisfactorily, and competitions limited to existing recipients. Would the use of any of these options (or alternatives) reduce the burden for the program, streamline the application process, or improve the success of the program?

8. RBCS is seeking feedback on how the program's performance should be assessed. As stated above, the purpose of the program is to provide services to agricultural producers to assist them with marketing value-added agricultural products. The required goals of recipients must include increasing and improving the ability of local agricultural producers to develop markets and processes for value-added agricultural products. Given this purpose and these goals, what performance measures should be established for the program? How should they be measured?

## Non-Discrimination Statement

In accordance with Federal civil rights laws and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Mission Areas, agencies, staff offices, employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Program information may be made available in languages other than English. Persons with disabilities who require alternative means of communication to obtain program information (e.g., Braille, large print, audiotape, American Sign Language) should contact the responsible Mission Area, agency, or staff office; the USDA TARGET Center at (202) 720-2600 (voice and TTY); or the Federal Relay Service at (800) 877-8339.

To file a program discrimination complaint, a complainant should complete a Form AD-3027, *USDA Program Discrimination Complaint Form*, which can be obtained online at <https://www.ocio.usda.gov/document/ad-3027>, from any USDA office, by calling (866) 632-9992, or by writing a letter addressed to USDA. The letter must contain the complainant's name, address, telephone number, and a written description of the alleged discriminatory action in sufficient detail to inform the Assistant Secretary for Civil Rights (ASCR) about the nature and date of an alleged civil rights violation. The completed AD-3027 form or letter must be submitted to USDA by:

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