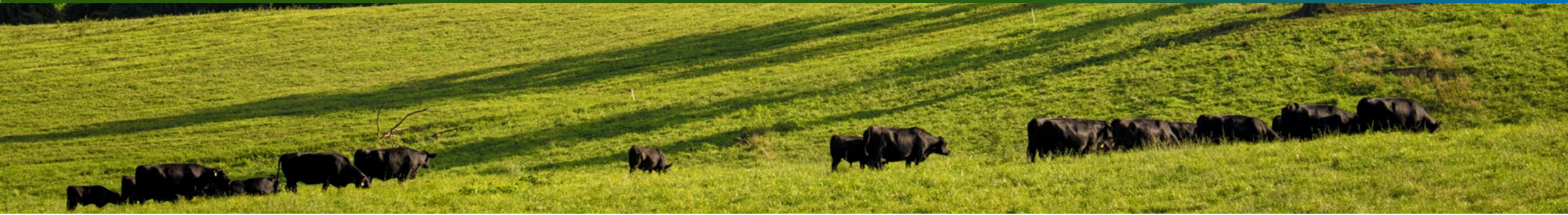USDA Agricultural Marketing Service
U.S. DEPARTMENT OF AGRICULTURE

AMS **Local Meat Capacity Grant (Local MCap)**

Summary

- Overview - What does this program entail?
- Eligibility - Who can apply for these funds?
- Application Information
- Technical Assistance

Website: https://www.ams.usda.gov/localmcap

Overview - What does this program entail?

Legislative Authority

The Local MCap program is authorized by Section 1001(b)(4) of the American Rescue Plan Act (ARPA) (Pub. L. No. 117—2), which funds "loans and grants and other assistance to maintain and improve food and agricultural supply chain resiliency."

Local MCap is administered by the Agricultural Marketing Service (AMS).

Funding Source	Project Type	Duration (Months)	Minimum Award	Maximum Award
ARPA	Processing Expansion Projects	36	$100,000	$5,000,000
ARPA	Simplified Equipment Only Projects	24	$10,000	$250,000

Program Goals

- Increase processing capacity and promoting more competition in the meat and poultry sector

- Support meat and poultry processors and rendering facilities with smaller scale projects.

- Expand and diversify meat and poultry processing capacity.

- Contribute to the resilience of the food and agricultural supply chains through support for diversified, value-added agriculture and support the policies of Executive Order 14017 (Executive Order on America's Supply Chains).

- Promote competition in the food system and support the policies of Executive Order 14036 (Executive Order on Promoting Competition in the American Economy).

Program Priorities

- Project Prioritization:
  - o Demonstrate engagement with and benefit to local livestock and poultry producers, including underserved producers.

- AMS may prioritize:
  - o Diversity in applicants funded in geographic regions and across a variety of species.
  - o Leverage significant non-federal financial and technical resources, as appropriate to the scope and scale of the projects. Any match above and beyond the match requirements may lend support.
  - o Size of the operation according to number of head processed annually or number of employees.
  - o Projects that:
    - o Are located in communities have distressed or at-risk scores on the Distressed Communities Index (DCI) developed by the Economic Innovation Group.
    - o Enhance worker and/or farmer voice through cooperative ownership, payment of living wages, workers training and/or promotion of safe working conditions.
    - o Enhance local and regional environmental stewardship and climate benefits.

Tentative 2023 Program Schedule

Grant	RFA Publication Date	RFA Closing Date
Local Meat Capacity Grant (Local MCap)	April 19, 2023	July 19, 2023

Eligibility - Who can apply?

Who is Eligible?

Eligible Applicants include: Tribes and Tribal entities, for-profit businesses and non-profits, and State or local governments. All applicants must be engaged in meat and poultry processing.

- o Private entities must be independently owned and operated and domestically owned.
- o Facilities must be physically located within the 50 States, the Commonwealth of Puerto Rico, the District of Columbia, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Republic of Palau, the Federated States of Micronesia, and the Republic of the Marshall Islands.

Eligible Entities - Facilities

- Must process or plan to process one or more species subject to the Federal Meat Inspection Act (FMIA) or the Poultry Product Inspection Act (PPIA).

- Must possess or plan to obtain:

  o Federal Grant of Inspection, a grant of inspection under the Food Safety Inspection Service (FSIS) Cooperative Interstate Shipment Program (CISP), or a state meat and poultry inspection program.

- Plants processing non-amenable species under voluntary FSIS or state inspection are also eligible to apply for funding.

Non-Eligible Entities

- Nationally dominant beef, pork, chicken or turkey processors.

- Entities that received grants under the AMS Meat and Poultry Inspection Readiness Grant (MPIRG) program may apply for this program, but they must successfully complete and close out their MPIRG grant before being awarded a Local MCap grant award.

- Meat and poultry processing entities that are custom-exempt or otherwise uninspected.

- Meat and poultry processing entities that are exclusive for non-commercial use.

- Multiple applications from entities with identical or greater than 75 percent common ownership, from a parent, subsidiary, or affiliated organization.

Project Types

- Processing Expansion Projects
  - Grant awards from $100,000 to $5 million
  - Projects that include equipment purchases and facility upgrades.
  - Equipment only projects are allowable if the equipment costs are over $250,000.
  - Funding requests that include building and facility upgrades, can include improvements, rearrangements, and/or alterations to a facility that are required to use a space more effectively and accommodate new or upgraded equipment and processes.
  - Has Match Requirement.

- Simplified Equipment Only
  - Offers a simplified application to fund smaller grant awards from $10,000 and $250,000.
  - Fixed Price Grant- funds only the amount equal to the cost of the equipment up to $250,000.
  - Examples: sausage stuffer, patty maker, smoker, etc.
  - No Match or Cost Share Required.

Processing Expansion Projects - Allowable Activities

- Examples of project activities eligible for funding:
  - Expanding processing capacities to increase production volumes, process additional meat and poultry species, or add new value-added product types.
  - Upgrading processing and manufacturing equipment.
  - Increasing packaging and labeling capacity.
  - Increasing cold storage capacity.
  - Improving slaughter and humane handling infrastructure.
  - Installation of holding pens or wastewater management systems, or other improvements that do not require breaking new ground or constructing new facilities.
  - Purchasing equipment or upgrading facilities for rendering carcasses and animal byproducts.
  - Minor facility alterations and repairs and equipment purchases for new or improved on-premise retail space.
  - See RFA for full list.

Processing Expansion Projects - Unallowable Activities

- Project activities not eligible for funding :
  - New construction and/or structural changes to an existing building/facility.
    - Resulting in a square foot expansion or changes to the building's floor, foundation, exterior or load bearing walls.
  - Routine maintenance and repair of an organization's buildings and operational facilities.
  - Acquiring real property (including land purchases) or any interest therein.
  - Paying ongoing staffing or operational costs not specifically tied to the proposed expansion project.
  - Expenses that have been or will be reimbursed under any other Federal, State, or local government funding.
  - Activities already funded by another Federal award program.

Cost Share and Matching

- Match is <u>only</u> required for the Processing Expansion Projects.
  - **50% of the total proposed project costs.**
    - Example – Total project costs = $1 million - $500,000 in federal funds and $500,000 in match.

  - **Reduced Match of 25% of total proposed project cost** - Available to entities that identify as Small and Underserved Business Owners, Historically Underserved Farmers or Ranchers, or for other businesses that qualify under the Small Business Administration (SBA) categories of Small Disadvantaged Business, Women-Owned Small Business, and Veteran-Owned Small Business as defined within the RFA.
    - Example – Total project costs = $1 million -$750,000 in federal funds and $250,000 in match.

Review Process
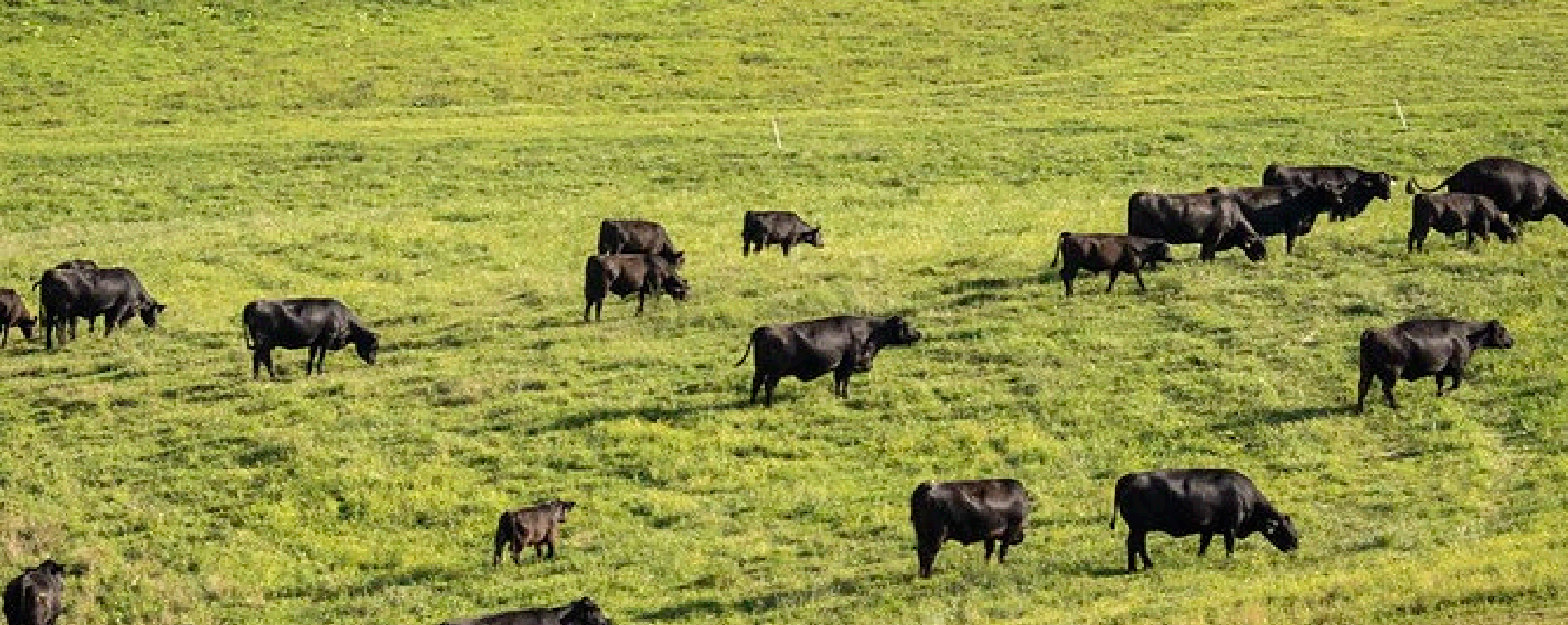
- Step 1 - Initial Qualification Screening
  o Each application is reviewed for completeness, compliance with eligibility and program requirements

- Step 2 - Panel Review
  o Evaluated by a panel of independent reviewers
  o Independent reviewers score based on application criteria
  o Scores serve as discussion for awarding and allocating grant funds

- Step 3 - Panel Review
  o AMS will conduct a final administrative evaluation of each review panel's top rankings and recommendations.

Evaluation Criteria

- Processing Expansion Project Evaluation Criteria:
  - Alignment and Intent (25pts)
  - Technical Merit (15pts)
  - Achievability (15pts)
  - Expertise and Technical Management (15pts)
  - Fiscal Plan, Financial Viability and Resources (10pts)
  - Market Impact and Opportunities (10pts)
  - Community Impact and Support (10pts)

- Simplified Equipment-Only Evaluation Criteria:
  - Alignment and Intent (80pts)
  - Market Impact and Opportunities (20pts)

National Environmental Policy Act and Other Federal Laws and Regulations

- All activities must comply with:
  - o National Environmental Policy Act (NEPA)
  - o Section 106 of the National Historic Preservation Act
  - o Endangered Species Act (ESA)
  - o Other Federal, State and Local laws and regulations

- Cost associated with meeting environmental review requirements and permits will be eligible for reimbursement as pre-award expenses

- AMS reserves the right to deny an application based on:
  - o Potential significant environmental impacts
  - o Cannot obtain proper permitting
  - o Does not meet NEPA or permitting polices
  - o Cannot provide documentation by established time frame

Application Information

What You Need to Apply

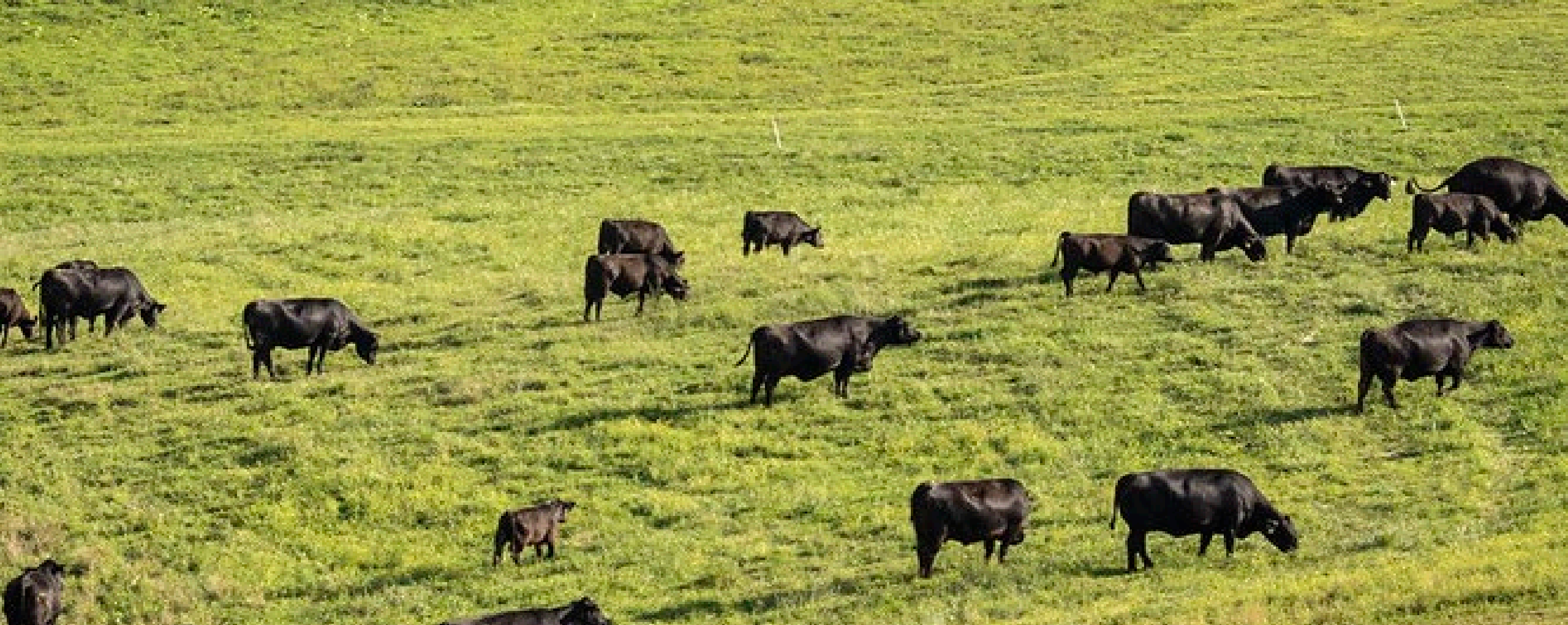| Required Action	Timing to Obtain/Submit
AMS Application Deadline	July 19, 2023 - 11:59PM (EST)
Obtain a TIN/EIN (if you do not already have one)	Up to 2 weeks
Make sure SAM.gov account is active	7-10 business days
Create your Grants.gov profile and register organization and Authorized Representative	Up to 2 weeks

Application Documents

Local MCap requires that **all application packages** include the following:

- SF-424 – Application for Federal Assistance
- SF-424A - Budget Summary
- Project Abstract Summary
- Project Narrative Template
- Evidence of Critical Resources and Infrastructure

Application packages may also be required to include the following documents:

- *Simplified Equipment-Only Projects* - Documentation to substantiate the costs of each piece of proposed equipment
- *Processing Expansion Projects* - Signed Letter(s) Verifying Matching Funds for each match resource listed in the application
- Signed Letter(s) of Support from Producers listed in the application
- Negotiated Indirect Cost Rate Agreement

Technical Assistance

Available Technical Assistance

- **Meat and Poultry Processing Capacity Technical Assistance**
  - Federal Grant Application Management
  - No cost technical assistance
  - https://www.ams.usda.gov/mppta

- **SAM.gov**
  - Federal Service Desk
  - Hours of Operation: Monday-Friday 8 a.m. to 8 p.m. ET
  - Phone: 866-606-8220
  - https://www.fsd.gov/gsafsd_sp/?id=gsa_landing

- **Grants.gov**
  - Email: support@grants.gov
  - Phone: 800-518-4726
  - Keep a record of any correspondence, including any ID or case number provided.

Program Contact Information

- Website: https://www.ams.usda.gov/localmcap

- E-mail: LocalMCap@usda.gov

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