

2011 - SUPPORTING STATEMENT
Value-Added Producer Grants
0570-0039

NOTE: The Agency published a proposed rule on May 28, 2010 [75 FR 29920], and is preparing to publish an interim rule. Upon approval of the final rule, this burden package will be discontinued.

A. Justification

1. Explain the circumstances that make the collection of information necessary. Identify any legal or administrative requirements that necessitate the collection. Attach a copy of the appropriate section of each statute and regulation mandating or authorizing the collection of information.

The Value-Added Producer Grant (VAPG) program is authorized by 7 U.S.C. 1621 note, which requires that funds be awarded on a competitive basis. The Cooperative Programs unit within the Rural Business-Cooperative Service administers the VAPG program with significant support from State Rural Development Offices. The primary objective of this program is to encourage producers of agricultural commodities to further refine or otherwise add value to these commodities to increase their value to end-users of the product. These grants encourage greater participation in markets for value-added agricultural products and facilitate opening new markets for value-added agricultural products. Grants are awarded either for planning purposes such as conducting a feasibility study or developing a business plan or for working capital expenses such as inventory, utilities, and salaries.

2. Indicate how, by whom, and for what purpose the information is to be used. Except for a new collection, indicate the actual use the Agency has made of the information received from the current collection.

For grant applications, the information collected is used to determine the eligibility of the applicant and the project for the program and to qualitatively assess the project to determine which projects should be funded. Agency staff at the National Office and Rural Development State Offices uses the information to determine eligibility while Rural Development State Office staff and contracted reviewers use the information to evaluate the projects for funding.

For grant awards, the information is used to assess the progress of the grant recipient during the grant period and to evaluate the success of the project once the work has been completed. The Rural Development State Offices are the primary collectors of the reporting information and are responsible for evaluating the progress and success of the projects.

Specifically, the burden to be cleared under this regulation is as follows:

REPORTING REQUIREMENTS - FORMS APPROVED UNDER OTHER OMB NUMBERS

Form SF-424, Application for Federal Assistance (OMB No. 4040-0004).

This application is used by applicants as a required face sheet for applications for federal funding.

Form SF-424A, Budget Information - Non-Construction Programs (OMB No. 4040-0006).

This form must be completed by applicants to show the project's anticipated budget breakdown in terms of expense categories and division of Federal and non-Federal sources of funds. Identifying the project's requested funding by expense category is necessary to assure that the expense is necessary for successful conduct of the project, is allowable under applicable Federal cost principles, and is not prohibited under any applicable Federal statute or regulation.

SF-424B, Assurances - Non-Construction Programs (OMB No. 4040-0007).

This form must be completed by the applicant to provide the Federal government certain assurances of the applicant's legal authority to apply for Federal assistance and financial capability to pay the non-Federal share of project costs. The applicant also assures compliance with various legal and regulatory requirements as described in the form.

Form SF-425, "Federal Financial Report" (OMB No. 0348-0061).

This form is used to confirm that funds are being spent in conformity with the budget and work plan. This form replaces SF-269, "Financial Status Report."

REPORTING REQUIREMENTS

Proposal. All applicants must submit a project proposal containing the elements described in the Requests for Proposals and in the format prescribed. This allows for in-depth evaluation as well as for consistency, organization, and clarity. (535 responses, 76 hours per response, 40,660 burden hours)

Letter of Intent. The applicant must complete, sign and return this form to the Agency. (157 responses, 1 hour per response, 157 burden hours)

Grant Agreement. The Agency and the grantee must sign the Grant Agreement prior to the advance of funds. (157 responses, 1 hour per response, 157 burden hours)

Performance Reports. Funded recipients will be required to submit written project performance reports on a semi-annual basis. The project performance reports will include, but are not limited to:

- (1) a comparison of accomplishments to the established objectives;
- (2) if established objectives are not met, reasons why they were not met;

(3) problems, delays, or adverse conditions, which will materially affect attainment of planned project objectives;

(4) objectives for the next reporting period; and

(5) discussion of compliance with any special conditions on the use of awarded funds.

Final Report. USDA will use the final report to measure the achievements and the overall effectiveness of those value-added projects funded by grant funds. (157 grant awards per year, 1 final report, 85 hours per report, 13,345 burden hours)

Form SF-270, "Request for Advance or Reimbursement." This form is used to request payment of funds under the grant. Grant funds will not be disbursed on more than a monthly basis.

RECORDKEEPING REQUIREMENTS

Regulations require that financial records, supporting documents, statistical records, and all other records pertinent to the award will be retained for a period of at least three years after the grant has been determined completed. The exception is that records will be retained beyond 3 years if audit findings have not been resolved.

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also, describe any consideration of using information technology to reduce burden.

Grant applications may be submitted electronically through Grants.gov. Historically, approximately 10 percent of applications have been submitted electronically. Recipients are encouraged to submit reports electronically via e-mail to their grant monitors.

4. Describe efforts to identify duplication. Show specifically why any similar information already available cannot be used or modified for use for the purposes described in Item 2 above.

The Agency has completed an analysis to determine what percentage of its VAPG recipients are also funded through other Agency programs, and has determined that less than six percent of VAPG recipients also receive funding through another Agency program. The Agency has also compared the VAPG program requirements to other Agency program requirements and determined that the VAPG program has unique program information requirements. Thus, the Agency has made an effort to identify duplication and has found that similar information is not available for its applicants and recipients.

5. If the collection of information impacts small businesses or other small entities (item 5 of OMB Form 83-I), describe any methods used to minimize burden.

No significant economic impact is expected for small businesses or other small entities.

6. Describe the consequences to Federal program or policy activities if the collection is not conducted or conducted less frequently, as well as any technical or legal obstacles to reducing burden.

The information collection for grant applications is conducted annually by the Agency, but only once for the applicant. It cannot be conducted less frequently because program funds are appropriated annually and must be awarded annually according to statutory and regulatory requirements. Reporting is conducted at the minimum level (semi-annually) allowed by Federal regulations.

7. Explain any special circumstances that would cause an information collection to be conducted in a manner:

a. Requiring respondents to report information more than quarterly.

Grant recipients would only be required to submit reports more frequently than quarterly if they have demonstrated poor performance under past awards and/or have demonstrated poor financial management capabilities.

b. Requiring written responses in less than 30 days.

If a grant recipient requests an extension to the grant period and the Agency needs additional information to process the request, the recipient would be given less than 30 days to provide the additional information needed.

c. Requiring more than an original and two copies.

No special circumstances exist.

d. Requiring respondents to retain records for more than 3 years.

No special circumstances exist.

e. Not utilizing statistical sampling.

No special circumstances exist.

f. Requiring use of statistical sampling which has not been reviewed and approved by OMB.

No special circumstances exist.

g. Requiring a pledge of confidentiality.

No special circumstances exist.

h. Requiring submission of proprietary trade secrets.

No special circumstances exist.

8. If applicable, identify the date and page number of publication in the Federal Register of the agency's notice soliciting comments on the information collection. Summarize public comments received and describe actions taken by the agency in response to these comments. Describe efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

In accordance with the Paperwork Reduction Act of 1995, the Agency published a notice in the Federal Register on August 18, 2010, [75 FR 50985]. No comments were received.

The Agency has maintained ongoing contact regarding the overall operation of the program, as well as the collection of information, with current active/respective applicant users to obtain their views on the availability of data, frequency of collection, the clarity of instructions and recordkeeping, disclosure, reporting format (if any), and on data elements to be recorded, disclosed, or reported.

9. Explain any decision to provide any payment or gift to respondents, other than remuneration of contractors or grantees.

No payments or gifts are provided to respondents.

10. Describe any assurance of confidentiality provided to respondents and the basis for the assurance in statute, regulation, or Agency policy.

It is the Agency's policy to protect the information submitted by applicants and recipients to the extent permitted by law.

11. Provide additional justification for any question of a sensitive nature, such as sexual behavior or attitudes, religious beliefs, and other matters that are commonly considered private.

No questions of a sensitive nature are asked.

12. Provide estimates of the hour burden of the collection of information. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated.

See attached spreadsheet for the number of respondents, frequency of response, and annual hour burden. The burden was estimated by, program staff who has worked with the program for several years as well as by applicants and recipients who estimated the time and cost for putting together applications and reports. The Agency used an average of the wage rates reported by applicants

and recipients for the Applicant Burden section and it used the GS payroll schedule for the wage rates for Federal employees. For non-Federal application reviewers, the current year's honoraria rate is used and converted to an hourly wage based on the average amount of time needed to complete a review.

13. Provide an estimate of the total annual cost burden to respondents or recordkeepers resulting from the collection of information.

a. Total capital and start-up cost component (annualized over its expected useful life).

There are no capital and start-up costs involved.

b. Total operation and maintenance and purchase of services component.

There are no operation and maintenance and purchase of services involved.

14. Provide estimates of annualized cost to the Federal Government. Provide a description of the method used to estimate cost and any other expense that would not have been incurred without this collection of information.

See attached spreadsheet for estimates of annualized cost to the Federal Government. The method used to estimate cost was to rely on estimates of National Office program staff regarding how much time was spent by program staff on each component of the program.

15. Explain the reasons for any program changes or adjustments reported in items 13 or 14 of the OMB Form 83-I.

This package reflects an increase in the number of responses by 1,884, thereby increasing the number of burden hours from 57,616 to 59,500 from the previous submission. This collection also accounts for use of SF-270, which was previously listed under "Paperwork Requirements under Other OMB Numbers".

16. For collection of information whose results will be published, outline plans for tabulation and publication.

The results of this information collection will not be published.

17. If seeking approval to not display the expiration date for OMB approval of the information collection, explain the reasons that display would be inappropriate.

No approval is being sought.

18. Explain each exception to the certification statement identified in item 19 on OMB 83-I.

There are no exceptions to the certification statement.

19. How is this information collection related to the Service Center Initiative (SCI)? Will the information collection be part of the one stop shopping concept?

This information collection is not related to the SCI nor will it be part of the one-stop shopping concept.