

**FY2022 SUPPORTING STATEMENT
PAPERWORK REDUCTION ACT SUBMISSION FOR
MEAT AND POULTRY PROCESSING EXPANSION PROGRAM
NEW INFORMATION COLLECTION
OMB CONTROL NUMBER: 0570 -0079**

Terms of Clearance:

A. Justification

1. Explain the circumstances that make the collection of information necessary.

Section 1001(b)(4) of the American Rescue Plan Act provided funding for “loans and grants and provide other assistance to maintain and improve food and agricultural supply chain resiliency.” Pursuant to this authority, the Rural Business-Cooperative Service (RBCS or Agency), a Rural Development (RD) Agency of the United States Department of Agriculture (USDA), has developed requirements for the Meat and Poultry Processing Expansion Program (MPPEP). The Agency has made grant funding available to promote competition and give more and better options to producers by increasing meat and poultry processing.

The primary goal of this program is to provide more and better options to producers and consumers. The secondary goals relate to the strategies to fulfill the primary goal and make lasting impacts include:

- To increase shackles space available to producers;
- To support development of value-added products available to consumers;
- To support proposals that provide fair prices, fair wages and new and safe job opportunities that keep profits circulating in the rural community; and
- To increase diversity in processing options in terms of business model approaches, geography, and availability to underserved communities.

An emergency clearance approval for this information collection was requested from the Office of Management and Budget (OMB) due to the need to effectively implement the program as quickly as possible to benefit rural communities. The emergency clearance approval was granted with an expiration date of August 30, 2022. The Agency is updating the information collection based on the applications received when the initial window closed on May 11, 2022. The number of MPPEP applications filed exceeded the Agency’s expectations and the average grant request was smaller than anticipated.

2. Explain how, by whom, and for what purpose the information is to be used.

Applicants wishing to apply for an MPPEP grant must submit applications with specified forms, proposals, certifications, and agreements to the Agency electronically through the www.grants.gov online application system.

The information provided will be used to determine applicant and project eligibility and to ensure that projects meet program goals and are for authorized purposes.

Applicants that receive grant awards are also required to execute a Financial Assistance Agreement with the Agency and provide financial and project performance reports to the Agency to ensure that projects are being completed in a timely manner.

Application Content

SAM Registration. To do business with the Federal government, the applicant is required to obtain a Unique Identification Number and register in the System for Award Management (SAM). Registration in SAM allows the applicant to complete the Online Representations and Certifications which replaces several paper forms. Registration in SAM is also required in order to submit applications into www.grants.gov and the registration must be updated annually.

Application Narrative. Applicants are required to provide a narrative to describe their overall project and associated tasks to achieve their goal. The narrative should include an executive summary along with information which allows the Agency to determine the eligibility of the applicant and project, and to evaluate the merit of the project. A work plan and budget will identify how funds are proposed to be used.

Tribal Resolution. A resolution of support is required for projects on tribal lands, from the governing body of the tribe with jurisdiction over the land, if the applicant is not the Tribe nor an entity owned or operated by that Tribe. This requirement is necessary to ensure the Agency does not inadvertently fund projects that the Tribe is not in support of on their lands.

Standard Forms. Forms SF-424, SF-424C, SF-424D, and SF-LLL are required as part of a complete application.

Form AD-2106. This form is optional and is used to assist in the assessment of compliance with USDA civil rights laws.

Environmental Review. Applicants are required to provide documentation as outlined in 7 CFR 1970, "Environmental Policies and Procedures". This information is necessary for the Agency to comply with the National Environmental Policy Act of 1969 (NEPA).

Other Financing Documentation. The program does not require a set amount of matching funds for this program; however, applicants may choose to enhance their application by leveraging. An understanding of the capital to be used to complete the project must be submitted to the Agency to determine project merit.

Design and Construction Documents. Applicants proposing construction activities must submit their design and construction plans to the Agency for review.

Financial Viability. The applicant must provide a business plan, historic, current, and pro-forma financial statements and assumptions to support the projections. The information will be used by

the Agency as part of the eligibility determination to ensure financial viability of the applicant and their ability to carry out the proposed project.

Technical Feasibility. A feasibility study must address the economic, market, technical, financial, and management feasibility of the business. They are used by the Agency to help determine the technical feasibility and financial viability of the proposal.

Market Analysis. Applicants must provide a market analysis that describes relevant facility market concerns including demand from both producers and potential customers.

Letters of Support and Commitment. Applicants must describe commitments of the community to the project and support from producers (and other processors serving as suppliers for projects that involve further processing), end users, potential buyers, community leaders, and other stakeholders. Letters of support are not required for a complete application, but they are required to receive a score for Community Support.

Land Ownership and Access Documents. As part of the application narrative, applicants must describe how they will own and control the land where the project will be located. As part of this, they can submit documentation to verify or the Agency would conditionalize it as part of the award process.

Labor/workforce documentation. Applicants must address key personnel considerations as outlined in the notice to support worker empowerment and commitments to higher wages, greater job security, safety and health laws, essential benefits like health insurance and retirement plans, and protections from discrimination and sexual harassment for workers across the country.

Applicant certifications. Applicants must certify to the following and the Agency uses these certifications to ensure applicant and/or project eligibility:

- a. The applicant must identify whether or not the applicant has a known relationship or association with an Agency employee. If there is a known relationship, the applicant must identify each Agency employee with whom the applicant has a known relationship.
- b. Certification that the applicant is a legal entity in good standing and operating in accordance with the laws of the State(s) or Tribe(s) where the applicant has a place of business.
- c. Certification that the applicant has not been found, or may be found to be unfit to obtain a grant of Federal or state or tribal equivalent inspection because of convictions, in a Federal or State court, of a felony, or multiple misdemeanors involving the acquisition, handling, or distribution of adulterated or misbranded meat or poultry products or fraud in connection with transactions in food, or other factors.
- d. Certification that the applicant is not the subject of a pending administrative, civil, or criminal enforcement action.

- e. Certification that the applicant is or plans to be operating under a current grant of federal or equivalent state or tribal inspection. In addition, if inspection services have been suspended in the past five years, disclose the reasons for the suspension and how the action was resolved.
- f. Certification by the applicant that any equipment required for the project is available, can be procured and delivered within the proposed project development schedule, and will be installed in conformance with manufacturer's specifications and design requirements. This would not be applicable when equipment is not part of the project.
- g. Certification by the applicant that the project will be constructed in accordance with applicable laws, regulations, agreements, permits, codes, and standards.
- h. Certification by the applicant that the applicant is not one of the top four processors of beef, pork, chicken, or turkey processing.
- i. Certification by applicant that other funding needed to complete the project as proposed in the application has been secured.
- j. Applicant certifies and acknowledges that:
 - i. The Agency will check the Do Not Pay System to verify that the applicant entity: has an active entity registration in the System for Award Management; has not been debarred or suspended; is not listed on Credit Alert Verification Reporting System; is not listed on the Treasury Offset Program; and does not appear on the Social Security Death Records; and
 - ii. The applicant is responsible for resolving any issues that are reported in the Do Not Pay System. If issues are not resolved by the time the Agency makes program awards, the Agency may proceed to award funds to other eligible applicants.

Evidence of Inspection. Applicants with existing facilities must provide evidence, as applicable, that they have a Federal Grant of Inspection, a grant of inspection under a Cooperative Interstate Shipment Program, or a tribal or state meat and poultry inspection program with standards at least equal to Federal inspection.

Awardee Processing

Letter of Intent to Meet Conditions (RD 1942-46). Awardees must execute this form to acknowledge their intent to meet the conditions of the grant award.

Request for Obligation of Funds (RD 1940-1)., is prepared by the Agency and Awardee must execute prior to obligation of grant funds.

RBCS Financial Assistance Agreement (RD 4280-2). The Awardee must execute this legally binding agreement between the Awardee and Agency setting forth the terms of the award.

SAM Registration Maintenance. Each applicant (unless an exception, as outlined in 2 CFR 25.110(a) through (d), is approved by the Agency) is required to maintain an active SAM

registration with current information at all times during which it has an active Federal award. The Agency uses the SAM site to ensure continued eligibility to receive Federal financial assistance.

Insurance Requirements. Applicants must ensure assets funded in part with federal funds are insured. This is required by 2 CFR part 200 and will also be included in the conditions to the award.

Certificate of Contractor's Final Release and Waiver of Lien (RD 1924-9). If applicable, Awardees will be required to submit the form for construction projects to ensure no liens have been filed on performed work.

Release by Claimants (RD 1924-10). If applicable, Awardees will be required to submit the form to ensure no liens have been filed on performed work.

Surety. Required as per federal contracting requirements in 4280.125.

Technical Services. Inspections and certifications required by project such as engineer certifications and FSIS inspections.

Final Plans and Specs. Used for construction projects to ensure sound construction adhering to all local, state and federal regulatory requirements.

Construction Contract. Used for construction contracts to outline scope of services.

Federal Financial Report (SF 425). Awardees are required to submit this report on a semiannual basis and must be completed in accordance with the elements prescribed in the FAA. The report discloses project expenditures as of report date.

Project Performance Report. Report filed semiannually by awardees to outline progress towards completing project goals.

Final Project and Financial Status Report. Final report filed by applicant outlining satisfaction of goals and is due 120 days after the expiration of the grant.

Inspection. Applicant must allow annual project inspection by Agency.

Outlay Report and Request for Reimbursement for Construction Programs (SF 271). Form to request payment for work performed under grant.

ACH Vendor/Miscellaneous Payment Enrollment Form (SF 3881). Electronic Funds Transfer form providing bank information for electronic reimbursement of grant funds.

Servicing

Time Extensions. Applicants are allowed a one-time no cost extension to their period of performance per the grant agreement.

Annual Outcome Project Performance Reports. Applicants must provide a report one year after project completion to describe how project met goals as provided in the application.

Transfers of Ownership. The Agency will only approve a transfer of ownership if the transferee will continue the eligible purpose of the grant and such transfer complies with all applicable conditions.

Bi-Annual Property Monitoring. Bi-annual monitoring required per 2 CFR 200 for real estate and equipment with value in excess of \$5,000.

Recordkeeping. Applicants must maintain records pertaining to the grant.

FORMS APPROVED UNDER THIS OMB NUMBER

The forms listed below have been included in the sections above but have been re-identified here for clarity. The responses and hours associated with each response on the following RD forms has been included in the spreadsheet that details the burden number for this collection. The forms are not currently common forms and therefore, will be updated to include this package's control number and will be submitted with this information collection.

RD 1924-9, "Contractor's Final Release and Waiver of Lien." Completed once, by the applicant, when the project is complete.

RD 1924-10, "Release by Claimants." Completed once, by the applicant, when the project is complete.

RD 1940-1, "Request for Obligation of Funds." Completed once, by the applicant, when the grant funds are obligated.

RD 1942-46, "Letter of Intent to Meet Conditions." Completed once, by the applicant, when they are notified of the award.

RD 4280-2, "RBCS Financial Assistance Agreement." Completed once, by the applicant, when they have agreed to the terms and conditions of the award.

AD-2106, "Form to Assist in Assessment of USDA Compliance with Civil Rights Laws" (0503-0019). This form is optional and is used to assist in the assessment of compliance with USDA civil rights laws. The form has been cleared under another OMB package but burden is counted in the total for this collection.

FORMS APPROVED UNDER OTHER OMB NUMBERS

The forms listed below have been included in the sections above but have been re-identified here for clarity. The responses and hours associated with each response on the following common forms is reported under another OMB control number. The hours have not been included in the burden hours for this package.

SF-271, “Outlay Report and Request for Reimbursement for Construction Programs” (OMB No. 4040-0011). Completed once, by the applicant, when the project is complete.

SF-424, “Application for Federal Assistance” (OMB No. 4040-0004). Completed once, by the applicant, at the time of application.

SF-424C, “Budget Information – Construction Programs” (OMB No. 4040-0008). Completed once, by the applicant, at the time of application.

SF-424D, “Assurances – Construction Programs” (OMB No. 4040-0009). Completed once, by the applicant, at the time of application.

SF-425, “Federal Financial Report” (OMB No. 4040-0014). Completed semiannually, by the applicant, until the project is complete.

SF-3881, “ACH Vendor/Miscellaneous Payment Enrollment Form” (OMB No. 1530-0069). Completed once, by the awardee, at the time of award closing.

SF-LLL, “Disclosure of Lobbying Activities” (OMB No. 4040-0013). Completed once, by the applicant, at the time of application to obtain disclosure of lobbying activities on the part of the applicant.

3. Describe any consideration of the use of improved information technology to reduce burden any technical or legal obstacles to reducing burden.

Applications for the initial round were accepted electronically via grants.gov and it is projected that any future rounds will also be accepted via grants.gov. However, the Agency will continue to explore the creation of an automated intake system that would integrate with existing processing systems used by the Agency to streamline processing and enhance communication.

4. Describe efforts to identify duplication.

The Agency does not have another grant program of this nature and therefore, there will be no duplication.

5. If the collection of information involves small businesses or other small entities, describe the methods used to minimize the burden.

To maximize the program's goal of increasing processing capacity, all entities, regardless of size, that process or propose to process meat and poultry products under Federal inspection or equivalent are eligible to apply. The information collection required for the MPPEP program places little or nominal burden on small entities beyond that performed in normal business practice. The Agency is using industry-standardized data elements and documents, supplementing them with Government-wide forms that are familiar to many applicants.

6. Describe the consequences to Federal program or policy activities if the collection were conducted less frequently.

The information collected under this program is the minimum necessary to conform to the requirements of the program regulations established by law. Information is collected when needed and cannot be collected less frequently and still meet the requirements of the program. Failure to collect proper information could result in improper determinations of eligibility or improper use of funds.

7. Explain any special circumstances that require the collection of information to be conducted in a manner:

- a. Requiring respondents to report information more than quarterly. There are no information requirements that require specific reporting on more than a semiannual basis.
- b. Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it. There are no information requirements that require specific reporting in less than 30 days.
- c. Requiring respondents to submit more than an original and two copies of any document. There are no information requirements that require more than an original and two copies.
- d. Requiring respondents to retain records for more than 3 years. There are no requirements to retain records for more than three years.
- e. Not using statistical sampling. There are no such requirements.
- f. Requiring use of statistical data classification that has not been reviewed and approved by Office of Management and Budget (OMB). There are no such requirements.
- g. Requiring a pledge of confidentiality that is not supported by authority in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use. There are no such requirements.
- h. Requiring respondents to submit proprietary trade secrets or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permissible by law. There are no such requirements.

8. Comments on Agency's notice in the Federal Register and efforts to consult with persons outside the Agency to obtain their views on the availability of data, frequency of collection, the clarity of the instructions and recordkeeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

The initial application window of the MPPEP program closed on May 11, 2022. The applications are currently being reviewed and no awards have been made. Due to the competitive nature of the grants, the Agency has not reached out to any of the applicants since the review process is still ongoing. Therefore, the Agency does not have three contacts in which to obtain their views. During the application process, the Agency fielded multiple questions from potential applicants. A major concern noted was the need for a feasibility study. The Agency determined that an independent third party study was necessary to evaluate the proposals and it was therefore required for a complete application.

A 60-day notice, based on the emergency approval collection, was published in the *Federal Register* on March 4, 2022 (87 FR 12424). The comment period ended on May 3, 2022. No comments related to the collection were received.

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

No payments or gifts will be provided to respondents, including no remuneration of contractors or grantees.

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

No assurance of confidentiality is provided to respondents for the information required. When necessary, the Agency will process any and all requests for release of records and information in accordance with the Privacy Act of 1974. However, in some instances, the information collected under the provisions of this program is not considered to be of a confidential nature. For example, organizations, such as not-for-profit entities and public bodies from which information is collected, are ordinarily required to make their activities available for public scrutiny.

The Agency does support maintenance of confidentiality when appropriate. The Agency published a Privacy Act of 1974; System of Records in the Federal Register on May 14, 2019 (84 FR 21315). A copy of that document can be found at <https://www.govinfo.gov/content/pkg/FR-2019-05-14/pdf/2019-09874.pdf>.

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.

The information collected does not contain any questions of a sensitive nature such as sexual behavior, religious beliefs, or other matters commonly considered private.

12. Provide estimates of the hour burden of the collection of information.

The following table summarizes the estimated average annual burden associated with the MPPEP program. The attached spreadsheet provides the specific estimates.

| Burden Item | Estimated Yearly Average Burden |
|------------------------|--|
| Number of respondents: | 300 |
| Number of Awards: | 40 |
| Annual responses: | 4,507 |
| Total hours: | 11,924 |
| Cost per hour: | \$45.20 |
| Total annual cost: | \$538,965 |

The wage rate utilized in the cost calculation are based on the Bureau of Labor Statistics, May 2021 National Employment and Wage Estimates United States retrieved from http://www.bls.gov/oes/current/oes_nat.htm. Data provided by the Bureau of Labor Statistics, Employer Cost for Employee Compensation- March 2022 is utilized to calculate the total cost of benefits. Private industry benefit costs accounted for 29.6% of total compensation per Chart 1 and Table 1 of the supporting statement. (<https://www.bls.gov/news.release/pdf/ecec.pdf>). The category of occupations and total hourly wages (median hourly plus 29.6%) used are:

| Occupation Code | Occupation | Median Hourly Wage | Benefits (29.6%) | Total Hourly Wage |
|----------------------------------|--------------------------------------|---------------------------|-------------------------|--------------------------|
| 11-1021 | General Operations Manager | \$47.10 | \$13.94 | \$61.04 |
| 17-2000 | Engineer | \$47.62 | \$14.10 | \$61.72 |
| 23-2090 | Legal Support | \$24.78 | \$7.33 | \$32.11 |
| 13-2011 | Accountant | \$37.14 | \$10.99 | \$48.13 |
| 13-1161 | Marketing Research Specialist | \$30.73 | \$9.10 | \$39.83 |
| 43-3031 | Bookkeeping, Accounting and Auditing | \$21.90 | \$6.48 | \$28.38 |
| Total Average Hourly wage | | | | \$45.20 |

13. Provide estimates of annualized cost to the respondents.

There are no capital and start-up costs or operations and maintenance costs associated with this collection.

14. Provide estimates of annualized cost to the Federal Government.

The annual cost to the Federal Government to administer the program is estimated to be \$423,939 per fiscal year (see table).

[Salary Table 2022-DCB](#) of the general schedule for a GS-13, step 5 and GS-12, Step 5 for the Washington-Baltimore-Arlington, DC-MD-VA-WV-PA locality area was used for wage calculation purposes. The cost of total benefits as a percentage of total hourly compensation for Federal Government employees has been calculated by multiplying 36.25% by the hourly OPM wage in accordance with [OMB Memorandum M-08 13](#). The total hourly wage plus benefit rate for national and state office staff is indicated below:

| Position | Hourly Rate | Benefits | TOTAL |
|-----------------|--------------------|-----------------|--------------|
| GS-13, Step 5 | \$58.01 | \$21.03 | \$79.04 |
| GS-12, Step 5 | \$48.78 | \$17.68 | \$66.46 |

Breakdown of Annual Cost by Activity:

| Activity | Number | Hours Per Activity | Total Hours | Wage Rate | Total Cost to Government |
|---|---------------|---------------------------|--------------------|------------------|---------------------------------|
| Review and Score Applications | 300 | 8 | 2,400 | \$79.04 | \$189,696 |
| Environmental | 300 | 8 | 2,400 | \$79.04 | \$189,696 |
| Issue Award (Letter of Conditions/Obligate) | 40 | 4 | 160 | \$79.04 | \$12,646 |
| Construction/Contracting | 40 | 4 | 160 | \$66.46 | \$10,634 |
| Grant Closeout | 40 | 4 | 160 | \$66.46 | \$10,634 |
| Servicing | 40 | 4 | 160 | \$66.46 | \$10,634 |
| Total Estimated Cost to the Government | | | | | \$423,939 |

15. Explain reasons for changes in burden, including the need for any increase.

The MPPEP program is brand new and the Agency made assumptions for the emergency information collection. Since the emergency information collection was approved, the application window closed on May 11, 2022, and this revision is being based on the total amount of applications received and the estimated awards from the initial round. The total number of actual applications received exceeded the Agency's expectations and therefore the revision is showing a significant increase. The average grant request received was also smaller than anticipated and therefore the number of proposed awards was increased in this update. The change to the collection is shown below:

| | Emergency Approval | Revision | Increase |
|-------------|---------------------------|-----------------|-----------------|
| Respondents | 50 | 300 | 250 |
| Responses | 922 | 4,507 | 3,585 |
| Hours | 2,116 | 11,924 | 9,808 |

16. For collection of information whose results are planned to be published for statistical use, outline plans for tabulation, statistical analysis, and publication.

The information collected will not be published for statistical use.

17. Approval not to display the expiration date for OMB approval.

RBS is not seeking approval for this item.

18. Exceptions to certification statement.

There are no exceptions to the certification.

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

The SCI calls for changes to improve services to the United States Department of Agriculture (USDA) customers. USDA continuously strives to improve customer service, including facilitating one stop service for greater customer convenience in accessing USDA programs.