

STATEMENTS OF POLICY

Title 7—AGRICULTURE

DEPARTMENT OF AGRICULTURE

[7 PA. CODE CH. 105]

Pennsylvania Agricultural Product Promotion Matching Grant Program

The Department of Agriculture (Department), Bureau of Market Development, amends Chapter 105 (relating to Pennsylvania Agricultural Product Promotion Matching Grant Program—statement of policy). This statement of policy is authorized under section 1704 of The Administrative Code of 1929 (71 P. S. § 444), which requires the Department to assist and advise in the organization and conduct of associations for improving marketing conditions and activities among producers, distributors and consumers.

In summary, this document revises the statement of policy that established the grant program under which Pennsylvania nonprofit agricultural product promotion and marketing organizations may apply for matching grants for projects to promote or market Pennsylvania agricultural products.

The Pennsylvania Agricultural Product Promotion and Marketing Matching Grant Program (Grant Program) is funded through a line item appropriation to the Department "... for product promotion and marketing." The title of the Grant Program has been revised by adding the phrase "and marketing" to more closely align it with the language of the line item appropriation pursuant to which the Grant Program is funded.

The definition of "Pennsylvania nonprofit agricultural product promotion and marketing organization" in § 105.2 (relating to definitions) has been revised to reflect that the organization must have at least 50% of its members within this Commonwealth or must produce at least 50% of the agricultural products which it promotes or markets from within this Commonwealth. This revision would allow Pennsylvania nonprofit agricultural product promotion and marketing organizations to more effectively participate in the Grant Program.

Section 105.3 (relating to limitations on grants) has been revised to lower the minimum amount of a matching grant to \$1,000. This minimum amount had been \$5,000. In addition, the provision establishing a maximum amount for a matching grant has been deleted.

Section 105.4 (relating to uses of matching moneys) has been revised to clarify that a Pennsylvania nonprofit agricultural product promotion and marketing organization may receive a matching grant to help it participate in a regional or National agricultural product promotion effort. In addition, language has been added to clarify that grants are not intended to be used to pay employee salaries for these organizations.

Section 105.6 (relating to filing applications) establishes a December 1, 1996, deadline by which applications for matching grants must be received. In addition, the overall application period applicable in subsequent years has been shortened from 45 days to 30 days.

Section 105.7 (relating to review of application) has been revised by deleting a preference for new agricultural product promotion or marketing projects over preexisting projects. In addition, the Department may consider the overall performance of the project if the project had

received funding from the Grant Program in a previous fiscal year. The Department may also consider whether a project would reference the Department as a source of funding in its promotional materials.

The foregoing revisions are the product of the Department's experience in administering the Grant Program to date.

This statement of policy does not constitute a rule or regulation, does not have the force and effect of law and is not intended to circumscribe any administrative discretion afforded the Department under the General Appropriation Act of 1996 with respect to the expenditure of funds appropriated for product promotion and marketing.

Fiscal Impact

Commonwealth

The statement of policy will impose no costs and have no fiscal impact upon the Commonwealth. The funds from which matching grants would be made have been appropriated in the General Appropriation Act of 1996. Similar funding appropriations in subsequent years would be a prerequisite to the continued operation of the Grant Program.

Political Subdivisions

The statement of policy will impose no costs and have no fiscal impact upon political subdivisions.

Private Sector

The statement of policy will impose no costs upon the private sector.

General Public

The statement of policy will impose no costs and have no fiscal impact on the general public.

Paperwork Requirements

The statement of policy will not result in an appreciable increase in paperwork.

Contact Person

Further information is available by contacting the Department of Agriculture, Bureau of Market Development, 2301 North Cameron Street, Harrisburg, PA 17110-9408, Attention: Michael Varner, telephone (717) 787-6901.

Effective Date

This statement of policy is effective upon publication in the *Pennsylvania Bulletin*.

CHARLES C. BROSIUS,
Secretary

(*Editor's Note:* The regulations of the Department, 7 Pa. Code Chapter 105, are amended by amending a statement of policy at §§ 105.2—105.4, 105.6 and 105.7 to read as set forth in Annex A.)

Fiscal Note: 2-109. No fiscal impact; (8) recommends adoption.

Annex A

TITLE 7. AGRICULTURE

PART IV. BUREAU OF MARKET DEVELOPMENT

CHAPTER 105. PENNSYLVANIA AGRICULTURAL

PRODUCT PROMOTION AND MARKETING

MATCHING GRANT PROGRAM—STATEMENT OF

POLICY

§ 105.2. Definitions.

The following words and terms, when used in this chapter, have the following meanings, unless the context clearly indicates otherwise:

Applicant—A Pennsylvania nonprofit agricultural product promotion and marketing organization which submits an application for grant moneys as described in this chapter.

Bureau—The Bureau of Market Development of the Department.

Department—The Department of Agriculture of the Commonwealth.

Grant Program—The Pennsylvania Agricultural Product Promotion and Marketing Matching Grant Program.

Pennsylvania agricultural products—Any of the following agricultural commodities grown, processed or manufactured within this Commonwealth: Agricultural, horticultural, aquacultural, viticulture and dairy products, livestock and the products thereof, ranch raised fur-bearing animals and the products thereof, the products of poultry and bee raising, forestry and forestry products, and all products raised or produced on farms intended for human consumption, and the processed or manufactured products thereof intended for human consumption, transported or intended to be transported in commerce.

Pennsylvania nonprofit agricultural product promotion and marketing organization—A nonprofit business organization having its principal business offices within this Commonwealth, or having 50% or more of its membership within this Commonwealth, or having 50% or more of the agricultural products which it promotes or markets produced within this Commonwealth, and having as its members groups, individuals or organizations that serve to distribute a Pennsylvania agricultural product in commerce. These members may include wholesalers, distributors, brokers, retailers, processors, growers and producers.

Secretary—The Secretary of the Department.

§ 105.3. Limitations on grants.

The minimum amount of a matching grant is \$1,000. As a requisite to receiving a matching grant, an applicant shall obtain and provide funds in an amount at least equal to the matching grant amount for the Pennsylvania agricultural product promotion and marketing project described in the grant application.

§ 105.4. Uses of matching grant moneys.

(a) *Conformity to application.* Matching grant moneys awarded to an applicant under this chapter shall be expended solely for the specific Pennsylvania agricultural product promotion and marketing project described in the grant application.

(b) *Allowable expenditures of grant moneys.* Grant moneys shall be used for one or more of the following purposes:

(1) To pay the cost of Pennsylvania agricultural product promotion and marketing projects described in the grant application.

(2) To pay the cost of a portion of a Pennsylvania nonprofit agricultural product promotion and marketing organization's contribution to a National or regional agricultural product promotion or marketing project.

(3) To pay the cost of education programs conducted by an applicant.

(4) To pay the cost of trade shows conducted or attended by an applicant.

(c) *Prohibited expenditure of grant moneys.* Grant moneys may not be used to defray the costs of employing temporary or permanent personnel.

§ 105.6. Filing applications.

(a) *Place and time.* An application for a grant under this chapter shall be received at the address in § 105.5(b) (relating to applications generally) by December 1, 1996. In subsequent years for which funding is available for this Grant Program, grant applications shall be received during a specific 30-day application period as advertised in the *Pennsylvania Bulletin*. The advertisement will be published at least 14 days prior to the commencement of the application period.

(b) *Incomplete or inaccurate applications.* The Bureau will review each timely application, and supporting documentation submitted therewith, for completeness and accuracy. If a timely application is found to be incomplete or inaccurate, the Bureau may request additional documentation and may discontinue further processing of the application if the documentation is not received by the Bureau by December 1, 1996, or in subsequent years for which funding is available for this Grant Program, within the 30-day application period in subsection (a).

§ 105.7. Review of application.

(a) *Transmittal of application to Bureau.* When the Bureau receives a complete and accurate grant application, it will forward this application, together with supporting documentation submitted therewith, to the Secretary for review. The Bureau may also forward a recommendation as to whether the application should be approved or rejected, whether the grant should be in an amount less than requested, and whether special restrictions or limitations should be placed on the grant.

(b) *Factors.* The Secretary will review and evaluate the application and supporting documentation and may consider the following factors, among others, in deciding whether to approve or reject the grant request:

(1) The relevance of the project to the promotion or marketing of Pennsylvania agricultural products.

(2) The innovativeness of the project described in the application.

(3) The scope of the project and the number of people who will be exposed to or affected by the project described in the application.

(4) The impact which the project will have upon the promotion and sales of the Pennsylvania agricultural products to which the project is targeted.

(5) The availability of full funding for the project from the applicant or from any source other than the Grant Program.

(6) The apparent ability of the applicant to complete the project as described in the application or, in the case of a grant to fund a National or regional agricultural product promotion or marketing project, the apparent ability of the entity with primary responsibility for the project to complete it.

(7) The overall performance of the project if the project had received funding from the Grant Program in a previous fiscal year.

(8) Projects that are joint efforts between two or more Pennsylvania nonprofit agricultural product promotion and marketing organizations may be given preference over projects involving only one organization.

(9) Projects where reference to the Department as a source of funding can practicably be made in promotional materials or broadcasts, and that would make such a reference, may be given preference over projects that would not make such a reference.

(c) *Decisions.* The Secretary may approve a grant in an amount less than that requested in the grant application. In addition, the Secretary may impose restrictions or

special conditions upon the issuance of a grant. The Secretary will review all recommendations of the Bureau, but will have final authority to accept or reject these recommendations.

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