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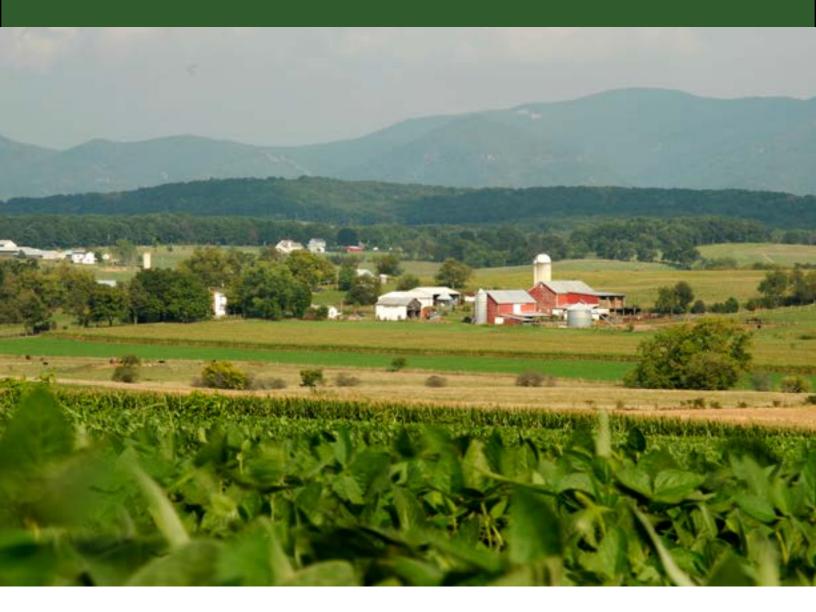
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United States Department of Agriculture



Local Agriculture Market Program

Report to Congress

December 2023

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EXECUTIVE SUMMARY

Local Agriculture Market Program (LAMP) grants serve the growing \$9 billion U.S. market for local foods¹ and have a long history of generating new income sources for small, beginning, veteran and historically underserved farmers, building stronger regional food supply chains, and creating new market opportunities for value-added products. The 2018 Agriculture Improvement Act, commonly known as the Farm Bill, established LAMP by combining the Agricultural Marketing Service's (AMS) Farmers Market Promotion Program (FMPP), and Local Food Promotion Program (LFPP), Rural Development's (RD) Value-Added Producers Grant (VAPG) program, and creating the new Regional Food System Partnerships (RFSP) at AMS. The Farm Bill provided LAMP \$50 million per year in mandatory funding and the programs received significant supplemental funding through the Consolidated Appropriations Act of 2021 and the American Rescue Plan of 2021.

This report responds to the 2018 Farm Bill's request for an evaluation of the LAMP programs and provides both quantitative and qualitative analyses of impacts from each grant program based on self-reporting on grant applications and grantee award reports from 2019 through the 2022 funding cycles. Specifically, the report compiles final progress report data for 2019 FMPP and LFPP 2- and 3-year grants, 2020 FMPP and LFPP 2-year awards, and RFSP 2-year awards. The more recent 2020 3-year FMPP, LFPP, RFSP, and VAPG awards will provide final report data in 2024.

Key Highlights

From 2019 to 2022, USDA's combined LAMP grant programs awarded more than \$374 million to 1,566 projects. LAMP's AMS programs (FMPP, LFPP, and RFSP) awarded more than \$212 million to 591 projects across all 50 states and three U.S. territories. The top five project activities included marketing and promotion, training, recruitment, infrastructure, and aggregation. Rural Development (RD)'s LAMP VAPG program. awarded \$162.1 million to 975 projects in all 50 states, three US territories, and eight Tribal-led projects between 2020 and 2022.

During this time, AMS LAMP grant recipients reported:

- The creation of over 4,237 local and regional food business enterprises.
- Creation or retention of 5,067 jobs in local and regional food sectors.
- The development of 1,128 new careers in local and regional foods, including farmers and farm apprenticeships, immigrant/refugee market growers, and agritourism directors.
- A total of 1,336 new and beginning and 1,078 historically underserved farmers started or continued in local and regional food production.
- More than 1,000 producers obtained on farm food safety skills, knowledge, and or, certifications through FMPP and LFPP-funded work.
- Eighty-seven percent of recipients saw an increase in their customer base, and 79 percent of recipients saw an increase in both sales and customers.
- Existing food businesses achieved an average increase in sales and customers of 92 and 112 percent.
- Grantees conducted 8,917 new local and regional food activities in five market channels: farmers markets (2,658), roadside stands (1,210), community supported agriculture (1,530), agritourism (1,438), and other direct-to-consumer markets (2,081).

^{1 2020} Local Food Marketing Practices Survey Highlights. US Department of Agriculture, National Agricultural Statistics Service. April 2022. https://www.nass.usda.gov/Publications/Highlights/2022/local-foods.pdf.

Seventy-eight percent of 759 agreements VAPG grants were awarded to beginning or historically underserved farmers and ranchers, producers operating small or medium-sized farms, ranches structured as family farms, farmer or rancher cooperatives, and projects supporting mid-tier value chains, which are categories prioritized by the VAPG program.

LAMP grants played a critical role in supporting local and regional food system resiliency during the

COVID-19 pandemic as local producers and distributors had to pivot to new markets as many institutions closed and direct-to-consumer markets needed to adapt to offer social distancing. USDA offered additional flexibilities in response to the public health emergency.

Improved Data Collection for Future LAMP Impact Evaluation

The 2010 Government Performance and Results Modernization Act requires Federal agencies to set performance goals. AMS' evaluation of its grant programs and the subsequent development of new performance measures originally occurred as a response to language in the 2018 Farm Bill mandating USDA develop performance measures to evaluate the Specialty Crop Block Grant Program (SCBGP). AMS later expanded this effort to update performance measures for LAMP as well. Based on these directives, the AMS Grants Division conducted a rigorous evaluation of its programs in 2019 and 2020 in partnership with the State Departments of Agriculture and other stakeholders. AMS wrote updated performance measures for FMPP and LFPP that went into effect for the FY 2022 awards and for RFSP that went into effect for the FY 2023 awards. Final performance report data for the new FMPP, LFPP, and RFSP performance measures will be collected at the end of 2025 and 2026, respectively and should provide valuable information for measuring and evaluating the performance of grants issued under AMS.

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OVERVIEW

The Local Agriculture Market Program (LAMP) supports the development, coordination, and expansion of direct producer-to-consumer marketing; local and regional food markets and enterprises; and value-added agricultural products.

The statutory purposes of LAMP are to:

- Connect and cultivate regional food economies through public-private partnerships.
- Support the development of business plans, feasibility studies, and strategies for value-added agricultural production and local and regional food system infrastructure.
- Strengthen capacity and regional food system development through community collaboration and expansion of mid-tier value chains.
- Improve income and economic opportunities for producers and food businesses through job creation.
- Simplify the application processes and the reporting processes for the program.

LAMP is an umbrella program and made up of four grant programs:

- Farmers Market Promotion Program (FMPP): FMPP funds projects that develop, coordinate, and expand direct producer-to-consumer markets such as farmers markets, roadside stands, agritourism activities, community-supported agriculture programs (CSA), or online sales. other direct producer-to-consumer market opportunities. The goal is to help increase access to and availability of locally and regionally produced agricultural products. AMS operates this program, which was authorized in 2002 and initially funded in 2006.
- Local Food Promotion Program (LFPP): LFPP funds projects that develop, coordinate, and expand local and regional food business enterprises that engage as intermediaries in indirect producer-toconsumer marketing. Grants can be used for the planning stages of establishing or expanding a local and regional food business enterprise or to improve or expand a food business that supports locally and regionally produced agricultural products and food system infrastructure by performing feasibility studies, market research, training, and technical assistance for the business enterprise and/or for producers working with the business enterprise. AMS operates this program, first authorized in the 2014 Farm Bill.
- **Regional Food Systems Partnerships (RFSP)**: RFSP supports public-private partnerships that plan and develop relationships between local and regional producers, processors, intermediaries, and institutional markets or food service operations to build and strengthen local or regional food system economic viability and resilience. The program supports partnerships that coordinate efforts within a local or regional food system to set priorities, connect resources and services, and measure progress towards common goals. Each partnership determines the size and scope of the regional food system in which the project's activities are to be carried out and brings a variety of financial and technical capabilities to the project in order to effectively collaborate in achieving its shared goals. AMS operates this program, first authorized as part of the establishment of LAMP in the 2018 Farm Bill.
- Value-Added Producer Grant Program (VAPG): VAPG assists independent producers, agricultural producer groups, farmer and rancher cooperatives, and majority-controlled producer-based businesses in starting or expanding value-added activities related to the processing and/or marketing of value-added agricultural products. Rural Development's Rural Business-Cooperative Service operates this program, first authorized in 2000 and expanded in the 2002 Farm Bill.

For more information about USDA implementation of these programs, including outreach, technical assistance, and project types, see <u>Appendix 1</u>.

The Agriculture Improvement Act of 2018 (2018 Farm Bill) authorized LAMP through an amendment to subtitle A of the Agricultural Marketing Act of 1946 (7 U.S.C. § 1627c). Its creation linked existing local and regional food systems programs: FMPP, LFPP, and VAPG and created the new RFSP program. This legislation

authorized \$50 million in annual mandatory funding, allowing USDA to better coordinate robust support for local and regional food system funding across agencies, while maintaining the core mission, priorities, and activities of each program. Figure 1 describes the breakdown of funding per program including administrative overhead to cover USDA program operations.

This LAMP Report to Congress includes data from grants awarded after the passage of the 2018 Farm Bill beginning in 2019 through the 2022 funding cycle. RFSP and VAPG began funding projects in 2020. Final progress report data is included for 2019 awards for FMPP and LFPP 2- and 3-year grants and 2020 awards for FMPP, LFPP, and RFSP 2-year grants. The 3-year grants awarded in 2020 for FMPP, LFPP, RFSP, and VAPG have not yet reached the end of the reporting period, so final data is not yet available.

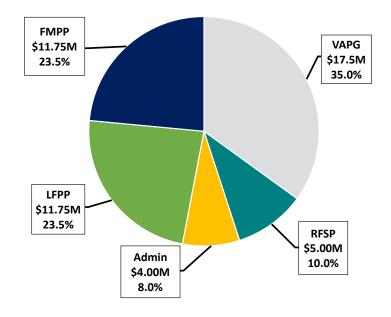


Figure 1. Annual Funding Allocation by Program

LAMP and the COVID-19 Pandemic

Since their inception, LAMP grants have offered an important source of funding to support the development of local and regional food systems and food supply chain resiliency.

Research conducted by AMS and their partners through the Local and Regional Food System Recovery and Resilience Project found that local and regional food systems were adaptive and resilient during the pandemic, and that many consumers sought out local and direct-from-the-farm food purchasing options. A survey of U.S. households in 2020, showed that approximately one-third of respondents purchased food from a local food business for the first time that year¹. Similar responses were observed in responses to the 2021 survey conducted as part of this same project². Collectively, the survey results indicate that many consumers altered their shopping habits during the pandemic to include more local food markets. One lesson repeated most often when speaking with local and regional food systems stakeholders: **Communities with existing relationships, partnerships and regular channels of communication are best positioned to adapt when disaster or disruption strikes.**

During the COVID-19 pandemic, USDA made a series of flexibilities available to grant applicants and recipients to respond to challenges related to the public health emergency. Grants helped producers who previously sold through traditional markets prepare for and connect to new and growing local markets in response to shifting consumer demand. Many grant recipients embraced online sales platforms and

Source: USDA, AMS Grants Division Program Calculation, 2019 to 2023.

¹ Rossi, Jairus. *Who is Buying Food from Local Market Channels for the First Time?* Local Food Systems Response to COVID, Consumer Food Insights 2.0. May 2023. <u>https://lfscovid.localfoodeconomics.com/wp-content/uploads/2023/05/LFS-CFI-2-07.pdf</u>.

² Christensen, Libby & Thilmany, Dawn. An Overview of the Fall 2021 Consumer Survey on Food Choices. Local Food Systems Response to COVID, Consumer Food Insights 2.0. April 2022. https://lfscovid.localfoodeconomics.com/wp-content/uploads/2022/04/LFS-CFI-2-01.pdf.

developed mechanisms like food hub networks and processor collectives to increase product availability and volumes. LAMP projects addressed value chain coordination and food systems planning. LAMP grants also furthered consumption of local foods through markets such as cafeterias and meal programs at schools, colleges, universities, hospitals, and operations run by local, Tribal, and State governments. Many of these projects focused on value chain coordination, peer learning networks, procurement, and scaling up existing, successful farm-to-institution models.

During the pandemic and supply chain recovery period, Congress and USDA directed increased funding to LAMP. The Consolidated Appropriations Act of 2021(Section 753, Division N) allocated \$100 million in supplemental funding to LAMP for fiscal year 2021. USDA allocated two-thirds of this funding to the FMPP, LFPP and RFSP grants, and one-third to VAPG. In fiscal year 2022, USDA also offered \$65 million in discretionary funds from Section 1001(b)(4) of the American Rescue Plan (ARP) Act. USDA planned to offer additional ARP funds in fiscal year 2023, but that supplemental funding was rescinded by the Fiscal Responsibility Act of 2023 and therefore was not obligated through grant awards³. Figure 2 shows how those supplemental funds increased the total amount of funding offered through AMS LAMP, in addition to mandatory Farm Bill funds and discretionary annual appropriated funds.

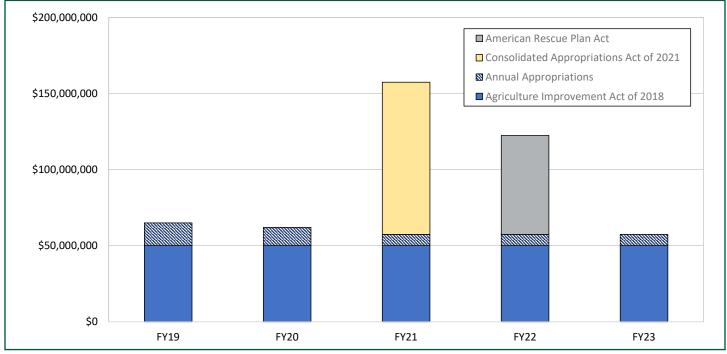


Figure 2. LAMP Funding Offered, FY 2019-FY 2023

Source: USDA, AMS Grants Division Program Calculation, 2019 to 2023.

³ Following competitive external peer reviews, USDA distributed \$37 million of these additional FY2022 funds to highly-ranked projects through LFPP and RFSP to support the development of institutional markets. While USDA initially offered an additional \$65 million in ARP funds through its fiscal year 2023 Request for Applications, that supplemental funding was rescinded by the Fiscal Responsibility Act of 2023 and therefore was not obligated through grant awards.

Program Demand

LAMP applicants have consistently demonstrated strong demand for funds. In fiscal years 2020 and 2021, applicants to AMS LAMP requested more than \$155 million and \$270 million in programmatic funding, respectively. In fiscal year 2022, applicants to AMS LAMP requested more than \$100 million in programmatic funding, and in fiscal year 2023, applicants requested more than \$212 million in programmatic funding. Applicants made this request in response to AMS' initial offering of \$133 million in February 2023, which included supplemental funds that were rescinded in June 2023.

The number of applications and level of demand for each program has varied over time, but applications consistently request more funding than is available. In FY 2020, RFSP received 114 applications and funded 23, FMPP received 429 applications and funded 49, and FLPP received 207 applications and funded 44. FY2020 is a useful benchmark for demand since it occurred prior to the pandemic and supplemental funding offered in FY2021 and FY2022. In fiscal year (FY) 2021, applicants to AMS LAMP requested over \$271 million in programmatic funding. Annually, the Farm Bill provides only \$28.5 million to fund AMS LAMP, which include the Farmers Market Promotion Program, Local Food Promotion Program, and Regional Food System Partnerships. Without supplemental USDA funding, nearly 90% of fiscal year 2021 applications would have gone unfunded. In fiscal year 2022, USDA funded 38% of FMPP applications, 47% of LFPP applications, and 48% of RFSP applications. In FY2022, AMS LAMP applicants requested \$110 million across FMPP, LFPP, and RFSP, and in FY2023, applicants requested \$198 million. Due to rescissions outlined in the Fiscal Responsibility Act of 2023, AMS was only able to award \$32 million.

For more information on program demand over time for AMS LAMP grants, including a summary of types of applications received, please see <u>Appendix 2</u>.

PROGRAM IMPACTS

Evaluations of LAMP have found that grant recipients reduced barriers to entry for new businesses, increased business capacity, increased institutional and wholesale market access through training and certification in food safety, strengthened ties between businesses and local communities, and sustained and grew businesses. Many grant recipients saw a long-term increase in their customer base. LAMP continues to produce outcomes such as enhanced marketing practices, improved food safety measures, and more efficient aggregation of local foods. LAMP supports the American food system in creative, diverse, stakeholder-driven ways.

Since AMS and RD currently administer different forms of reporting and data collection for their respective LAMP programs, the following sections provide separate analyses of programs administered by those two agencies.

Agricultural Marketing Service – FMPP, LFPP, and RFSP

AMS LAMP Awards Distribution

Grant projects supported local and regional foods across several sectors. Each grant targeted one or more of the **25 program activity focus areas.** As shown in Figure 3, the most common project activities were in Marketing and Promotion (466 projects), Training (307 projects), and Recruitment (263 projects). During program years 2019-2022, recipients reported an **average of 763 project activities across all programs each year.** This shows the breadth of activities within the LAMP portfolio.

The 591 AMS projects were implemented in all 50 states and three US territories from 2019 to 2022. Figure 4 (on page 10) shows the geographic distribution of program grants from 2019 to 2022 for FMPP, LFPP, and RFSP.

As shown in Figure 4, the 10 states that received the most funding from 2019-2022 were California, New York, North Carolina, Kentucky, Virginia, Massachusetts, Georgia, Oregon, Pennsylvania, and Washington. The 10 lowest funded states are North Dakota, Alabama, Delaware, Nebraska, South Dakota, Puerto Rico, Nevada, Utah, Idaho, and Wyoming.

Economic Impact

USDA relies on self-reported data from LAMP grant recipients to gather programmatic data and evaluate impacts. USDA provides guidance and training on data collection, and recipients provide annual performance reports to USDA, based on methods that allow individuals and businesses to assess the impact of LAMP grant funding on their operations and in their communities.

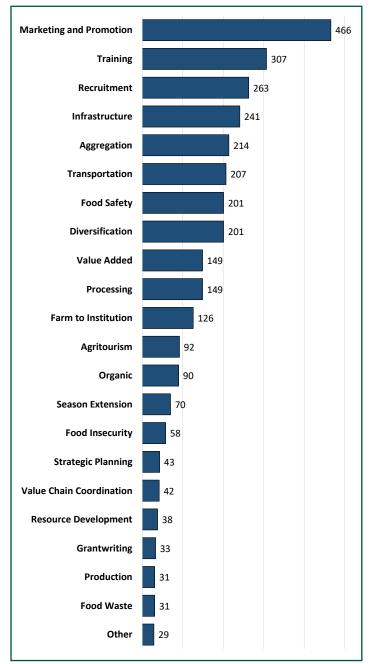
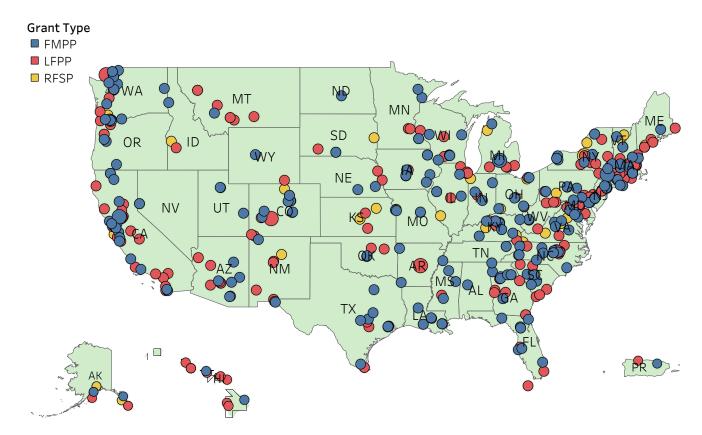


Figure 3. LAMP Project Count by Project Activity

Source: USDA, AMS Grants Division Program Calculation, 2019 to 2022.

LAMP is responsible for the creation of at least **4,237 local and regional food business enterprises**. These businesses support food systems across the US through processing, aggregating, distributing, or storing locally, and regionally produced agricultural products.

Figure 4. AMS LAMP Grant Distribution, 2019-2022



Source: USDA, AMS Grants Division Program Calculation, 2019 to 2022.

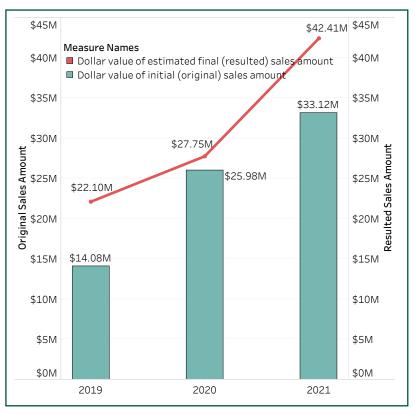
Business Growth

LAMP-funded comprehensive needs assessments identified **around 973 unmet consumer needs.** In addition, grantees wrote **246 local and regional food feasibility plans** between 2019-2022.

As noted throughout this report, LAMP has created notable growth for US producers across the local and regional food value chains. The nation has seen thousands of producer and consumer needs met through new and expanded programming, new career and job development, producer risk management and food safety training, increasing market and sales opportunities, and increasing diversity in local and regional agriculture.

As shown in Figure 5, the dollar value of sales reported by FMPP, RFSP, and LFPP grant recipients grew annually. The initial sales amount from 2019 to 2020 had a higher

Figure 5. LAMP Original and Final Sales



Source: USDA, AMS Grants Division Program Calculation, 2019 to 2022.

growth rate than final sales, but from 2020 to 2021 the final resulted sales growth rate spiked 52 percent, compared to initial original sales growth rate of 27 percent. While AMS did not collect data on the impacts of the pandemic on sales, the 2020 figures appear to reflect the impacts felt in local food sectors.

Data shows that some stakeholders have been able to scale their farm business to increase marketing and outreach and grow the number of customers purchasing from them. Reports indicate that **87.2 percent** of stakeholders saw an increase in their customer base, and **79.1 percent of stakeholders saw in** increase in both sales and customers. LAMP creates notable economic impact for local and regional food businesses.

LAMP grant recipients have reported significant increases in a range of metrics including sales revenue to local food customer counts, food safety training, and technical assistance delivery. The **average increase in sales and customers reported by grant recipients from 2019 to 2022 was 92 and 112 percent, respectively**. Collectively, LAMP projects, over this period, **saw an increase of more than 89,000 customers**. Figure 6 provides more detail on impacts, showing the change in sales and customer count for the organizations that provided these data.

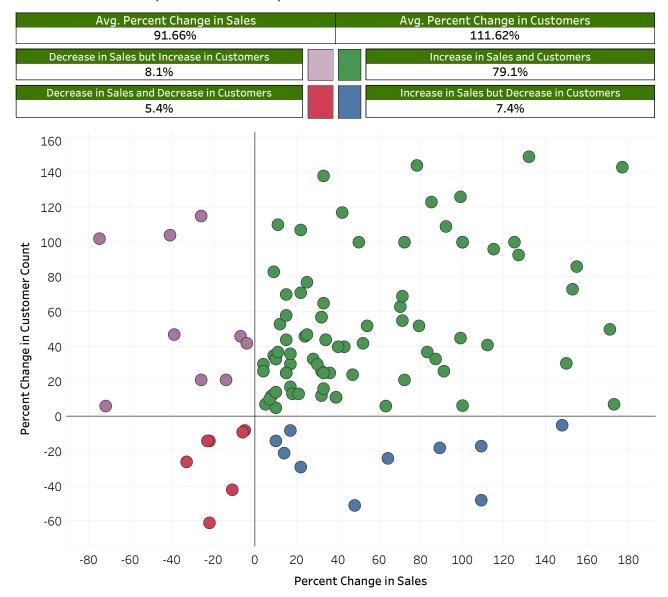


Figure 6. LAMP Economic Impacts on Grant Recipient Sales and Customers

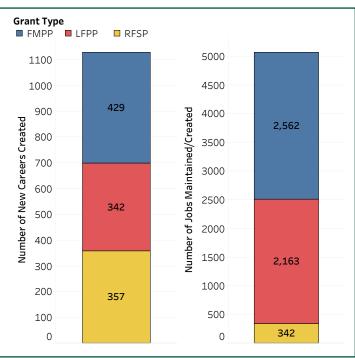
Source: USDA, AMS Grants Division Program Calculation, 2019 to 2022.

Job Creation

As a result of LAMP activities in 2019-2022, **1,128 new careers** in local and regional foods were created including farmers and farm apprentices, immigrant/refugee market growers, agritourism directors, culinary workers, meat processors, content creators, project managers and new farm owners. Some projects created virtual job boards to increase agricultural job market accessibility. In addition, LAMP activities **created or helped maintain 5,067 jobs** in local and regional foods. Figure 7 breaks down LAMP impacts on the number of new careers created and the number of jobs maintains/created.

As a result of LAMP implementation in 2019-2022, **8,917 new local and regional food activities** were conducted in communities across the country. Table 1 and figure 8 show the breakdown of activities across five markets, including farmers markets, roadside stands, community supported agriculture (CSA) projects, agritourism, and other direct-to-producer markets.

Figure 7. LAMP Number of New Careers Created and Jobs Maintained/Created

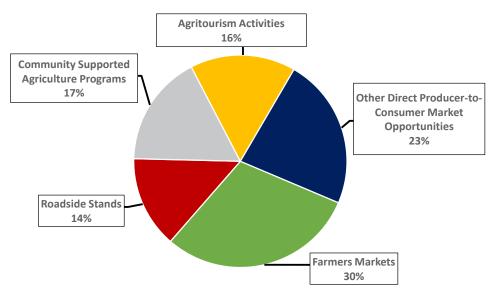


Source: USDA, AMS Grants Division Program Calculation, 2019 to 2022.

Table 1. LAMP Market Opportunities for Farm and Ranch Operations Serving Local Markets

Grant Type	Farmers Markets	Roadside Stands	Community Supported Agriculture Programs	Agritourism Activities	Other Direct Producer-to- Consumer Market Opportunities
FMPP	2,109	840	1,073	975	1,589
LFPP	326	205	191	354	353
RFSP	223	165	266	109	139





Source: USDA, AMS Grants Division Program Calculation, 2019 to 2022.

Supporting Beginning and Historically Underserved Farmers

LAMP creates opportunity and accessibility to applicants and projects that support both new farmers and those that have been <u>historically</u> <u>underserved</u>. Many projects during the reporting period 2019-2022 were developed or expanded to support new, beginning, and underserved farmers to grow their operations, increase their customer base, and meet food safety compliance so they can improve market access and feed more people in their regions.

As a result of LAMP activities in 2019-2022, recipients reported that 1,336 new and beginning farmers started in local and regional food production. Recipients also reported that 1,078 historically underserved farmers started in local and regional food production. Figure 9 provides the number of beginning and socially-historically underserved farmers that received grants, broken down by grant type.

AMS has entered into a 2-year cooperative agreement with Florida A&M University and the University of Maryland Eastern Shore to evaluate the accessibility of AMS Grant Programs, with a focus on historically underserved individuals and communities. The goals of this project include:

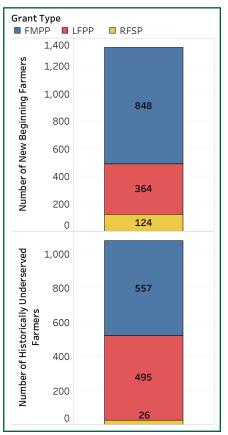
- 1. Evaluating barriers to AMS grant opportunities for historically underserved communities
- 2. Investing in building trust and confidence between these communities and the USDA
- 3. Taking action to rectify inequalities in program access through targeted outreach, training, and technical assistance.

AMS will use the results of this agreement to improve access and reduce barriers to LAMP grants, as well as grant opportunities across its portfolio. Those results are expected in early 2024.

Improvements in Risk Management and Market Access

The 2018 Farm Bill specifically referenced food safety certifications, skills, and investments in LAMP, to help farmers access markets and improve food safety. In 2019-2022, **1,064 producers** obtained on-farm food safety skills, knowledge, and/or certifications because of LAMP funding, usually through an FMPP or LFPP project. Figure 10 provides a breakdown of food safety impacts in the local and regional food system because of LAMP investments.

Figure 9. LAMP Number of Beginning and Historically Underserved Farmers



Source: USDA, AMS Grants Division Program Calculation, 2019 to 2022.

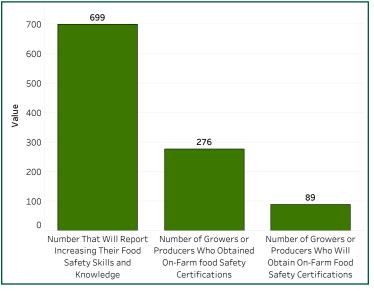


Figure 10. Food Safety of Locally and Regionally Produced Agricultural Products

Source: USDA, AMS Grants Division Program Calculation, 2019 to 2022.

Rural Development – VAPG

The Value-Added Producer Grant (VAPG) program helps agricultural producers enter value-added activities to generate new products, create and expand marketing opportunities, and increase producer income. Funded projects range from support for enterprise diversification – such as new packaging for an on-farm creamery – to the development of innovative new products such as powdered lavender drink mixes. Eligible VAPG applicants include individual and groups of independent producers, agriculture producer groups, farmer and rancher cooperatives and majority-controlled producer-based business ventures. VAPG funded 975 projects, including 8 Tribal-led projects, to independent producers, cooperative, produce groups, or producer venture groups. Figure 11 above shows the total 2020-2022 project count and distribution of funds by each applicant type.

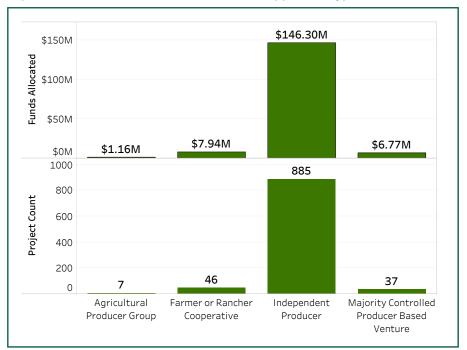
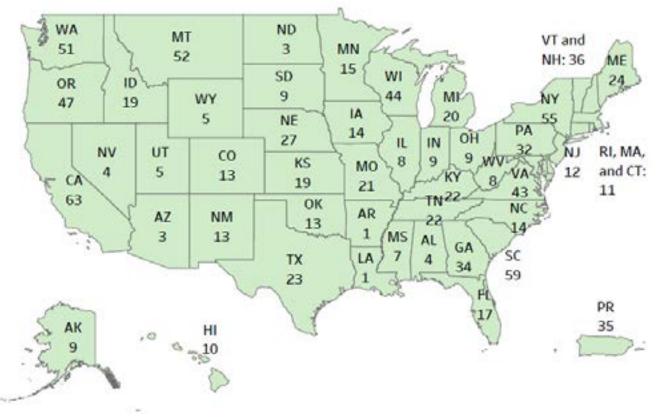


Figure 11. Value Added Producer Funded Applicant Type

Source: USDA, RD Program Calculation 2020 to 2022.

From 2020 to 2022 VAPG allocated \$162.1 million on 975 projects across all 50 states and three US territories. VAPG also allocated \$4.1 million in award funding to Tribes. The VAPG program makes two types of awards: Planning Grants (2 percent of total awards) and Working Capital grants (98 percent of total awards). Planning Grant activities include conducting feasibility studies and developing business plans related to the processing and marketing of value-added products. Working Capital Grants support a broader range of project activities, but common uses of award funds include processing, labor, packaging, marketing, and advertising expenses.

Figure 12. Value Added Producer Award Count Distribution Map



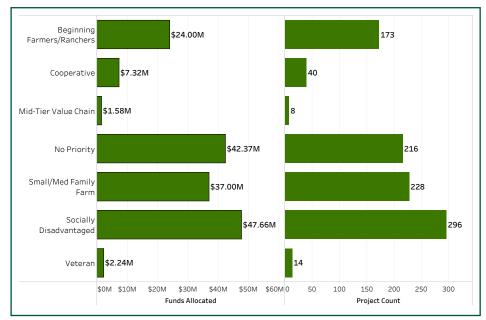
Source: USDA, RD Program Calculation 2020 to 2022.

Figure 12 provides the number of VAPG awards made in each state. VAPG's top 10 most funded states from 2020 to 2022 were South Carolina (\$10.8M), California (\$10.2M), Oregon (\$9.4M), Georgia (\$8.3M), New York (\$8.2M), Puerto Rico (\$8.2M), Wisconsin (\$7.8M), Washington (\$7.7M), Virginia (\$7.6M), and Vermont/New Hampshire (\$6.1M). The lowest 10 funded states are Arizona (\$0.2M), Louisiana (\$0.2M), Arkansas (\$0.3M), Nevada (\$0.4M), Wyoming (\$0.7M), North Dakota (\$0.8M), South Dakota (\$0.9M), Utah (\$0.9M), Alabama (\$1.0M), and Mississippi (\$1.1M). The top 10 funded states make up 51 percent of total LAMP funding while

the bottom 10 states make up 3.9 percent.

Rural Development gives priority to applications from beginning farmers and ranchers, historically underserved farmers and ranchers, producers operating small or medium-sized farms, ranches structured as family farms, farmer or rancher cooperatives, and projects supporting mid-tier value chains. Eighty-eight percent (759 grants) of 2020-2022 awards were awarded to these priority categories. Figure 13 shows the breakdown of total awarded grants and funds by priority category.





Source: USDA, RD Program Calculation 2020 to 2022.

PERFORMANCE MEASURES DEVELOPMENT

Establishing processes to review recipient performance, show achievement of program goals and objectives, share lessons learned, improve program outcomes, and foster the adoption of promising practices is an overarching goal of the USDA's evidence-based approach to grants management. AMS has made great strides in performance measurement and program evaluation since the 2018 Farm Bill which will position the agency to provide stronger program and impact evaluations in future reports. From 2019 to 2020, the AMS Grants Division conducted a rigorous and objective evaluation of the performance measures used in AMS's grant programs. This evaluation, and the subsequent development of new performance measures, originally occurred as a response to language in the 2018 Farm Bill mandating USDA develop performance measures to evaluate the Specialty Crop Block Grant Program (SCBGP), which USDA later expanded to update performance measures for LAMP as well. This effort allowed USDA to create the data collection tools necessary to respond to the 2018 Farm Bill's mandate for specific outcome reporting in LAMP, where AMS did not previously have those outcome measures specified in its reporting requests to grant recipients.

To conduct this process, AMS engaged Grant Thornton Public Sector LLC (Grant Thornton) to assess the existing performance measures for SCBGP and three additional grant programs. Grant Thornton, in collaboration with the National Association of State Departments of Agriculture Foundation (NASDA Foundation), employed a mixed-methods approach including thorough review of relevant policies, past evaluations, grant applications and reports; in-person and virtual feedback sessions; a nationwide online survey; and targeted expert interviews. Consulting stakeholders through these mediums provided a diverse, comprehensive set of first-person experiences and fulfilled the legislative mandate for State consultation as stipulated in the 2018 Farm Bill. Notable stakeholder feedback was gathered from multiple NASDA Foundation-facilitated listening sessions and the national stakeholder survey and was used for the development of improved performance measures. A robust revision process engaged stakeholders including grant recipients, industry experts, researchers, and representatives from State Departments of Agriculture to reinforce the findings from the first round of outreach and refine the improved measures.

The revised performance measures focus on:

- Providing short- and long-term impact indicators.
- More accurately reflecting grant recipients' accomplishments.
- Reducing burden on grant applicants and recipients.
- Improving AMS' ability to report on the impact of its grant programs.
- Standardizing measures across programs where appropriate.

With new and more relevant and feasible performance measures, AMS is now able to collect better and more reliable data from grant recipients to measure and evaluate project and program performance. AMS has also invested in the GrantSolutions grants management system to better monitor and track performance report data and has added a data analyst to Grants Division staff, so that analysis of programmatic accomplishments can be accurately collected, analyzed, and reported into the future.

The updated FMPP LFPP performance measures went into effect for the FY2022 awards. Final performance report data for those new performance measures will be collected at the end of 2025. The updated RFSP performance measures were completed in 2022 and went into effect for the FY 2023 awards. Final performance report data for the new RFSP performance measures will be collected at the end of 2026. Public information on impact reporting will follow the submission of that data.

VAPG continues to track project performance for all projects. Direct and indirect benefits related to the VAPG projects are captured at the time of application and detailed by the applicant. In addition, applicants provide specific information about plans to track and evaluate progress towards anticipated outcomes. Jobs created and saved as a result of the project are estimated at application and verified upon completion of the project through applicant reporting. Program income for awarded projects is tracked and verified. Applicants submit an application and verify through reporting the number of customers assisted. Finally, applicants provide performance evaluation measures for their project and track the success of these measures in their reporting.

SUCCESS STORIES

The AMS <u>Seeds of Success</u> series highlights the accomplishments and lessons learned from FMPP and LFPP grant recipients. These StoryMaps are intended to help stakeholders learn from one another to build stronger local food systems across the nation.

Additionally, AMS hosts an online <u>LAMP Navigator</u> showing project information from AMS LAMP projects funded in 2006-2020. VAPG is not included in this map. The LAMP Navigator allows users to select and sort projects by year, state, and activity type, providing insights into trends and geographic coverage of the program over the years. AMS is working to update and expand this navigator to include more recent funding years and additional data points.

Following are additional success stories illustrating the impact of LAMP grant awards.

Farmers Market Promotion Program

Grant Recipient: Michigan Farmers Market Association

Title: Promoting Michigan Farmers Markets to Residents and Tourists and Tracking Impacts on Consumer Attendance and Sales

Location: East Lansing, MI

Grant Program: FMPP

Project Type: Community Development, Training, and Technical Assistance

Grant Period: 2019-2022

The Michigan Farmers Market Association began in 2006 as a statewide member-based non-profit to support famers and farmers markets. The Association has been essential in helping the farmers market sector in Michigan develop into a professional and thriving marketplace for local food and farm products. The Association's FMPP project focused on building consumer awareness of markets and improving customer attendance and spending. A statewide consumer outreach campaign targeted residents and tourists; technology was developed and introduced to improve customers' ability to locate local farmers markets; professional development was provided to help market managers improve market promotion; and evaluation criteria were developed to track market attendance and consumer purchasing. Outreach to consumers through advertising and promotion helped to increase attendance, attract new market vendors, and sustain the growth of the farmers market sector.

The comprehensive marketing campaign included print and digital media. The project produced six videos, and the most successful, "Behind the Scenes of Michigan Farmers Markets," was posted on YouTube. These marketing efforts benefited the nearly 300 Michigan farmers markets, leading to an overall customer increase of 112 percent. Through the efforts of the Michigan Farmers Market Association, farmers markets sales throughout the state increased by 243 percent, from \$471,850 at the start of the project to \$1,620,361 at its completion.

- Marketing project benefited ~300 MI farmers markets.
- Farmers markets sales throughout the state increased by 243 percent, from \$471,850 to \$1,620,361.



Photo courtesy of Hailey Lamb, Michigan Farmers Market Association.

Grant Organization: National Recreation and Park Association Grant Title: Increasing Access to Famers Markets Through Local Parks and Recreation

Location: Ashburn, VA Grant Program: FMPP Project Type: Community Development, Training, and Technical Assistance Grant Period: 2021-2024

The National Recreation and Park Association's mission is to "improve the health of communities for all people through parks, recreation and conservation." Although national in scope, its FMPP project provides outreach, training, and technical assistance and resources to local Parks and Recreation agencies and community-based organizations in Berea, Kentucky; Kerman, CA; and Vivian, Louisiana. The focus is on developing innovative strategies to expand farmers markets and other direct-to-consumer venues and equitable strategies for providing recovery assistance from the Covid-19 pandemic. The Association developed resources, facilitates a community of practice, and shares best practices with farmers markets nationwide.

The project has already assisted roughly 3,300 beneficiaries in gaining knowledge for accessing locally and regionally produced food. Sales have increased from \$280,790 at to \$560,500, a 99 percent increase. The number of customers at farmers markets in the three communities also increased from 13,207 at the beginning of the project to 19,207 so far, an increase of 45 percent.

- Increased market sales by 99 percent.
- Increased market customers by 45 percent.



Photo courtesy of the National Recreation and Park Association.

Local Food Promotion Program

Grant Organization: New Mexico Community Capital Title: The Native Agribusiness and Food Security Initiative

Location: Albuquerque, NM Grant Program: LFPP Type of Project: Implementation Grant Period: 2019-2022

New Mexico Community Capital, a non-profit based in Albuquerque, NM, was founded in 2004 with the goal of developing and improving the Nativeowned business environment through mentorship, financial literacy, and digital skills programs, as well as specialized technical assistance. New Mexico has the highest level of food insecurity and substandard family income in the country, resulting in poor health and economic hardship for many in the state. Tribal producers lack resources and opportunity in multiple areas, including optimizing the use of limited inputs, marketing resources, and accessing new markets, along with training and technical assistance. With this project, New Mexico Community Capital sought to build a supply chain between markets and indigenous farmers; implement innovative marketing tools (branding, promotion, etc.); increase local food access; and increase purchases by mid-tier enterprises along with developing institutional markets.

Remarkably, the Covid-19 pandemic influenced progress positively, creating opportunity in areas of statewide communication and collaboration and bringing about creativity and innovation. Collaboration with a statewide mobile grocery (MoGro) resulted in expansion of its food access network to 10 permanent sites, addressing food relief efforts and health disparities. Producer sales grew by an impressive 544 percent, from \$85,000 at the start of the project, to \$547,487 at its completion, far exceeding the project expectation of \$127,500 in annual sales. Customer numbers also increased accordingly, from 30,000 at the start, to 184,770 at end of the project, an increase of 516 percent. It was reported that 46,193 gained knowledge of the food chain and how to establish long term sustainability.

- Producer sales grew by 544 percent, from \$85,000 to \$547,487.
- Customers increased by 516 percent, from 30,000 to 184,770.



Photo courtesy of New Mexico Community Capital and MoGro Mobile Grocery.

Organization: Hawaii Ulu Producers Cooperative

Title: Scale-up and expansion of Hawaii Ulu Cooperative to increase local access and consumption of breadfruit and specialty crops to replace imported food in the State of Hawaii

Location: Kailua-Kona, HI Grant Program: LFPP Type of Project: Implementation Grant Period: 2020-2023

Hawaii 'Ulu Co-op is a farmer-owned cooperative formed in 2016 with 9 small, diversified growers on the island of Hawaii. Since its inception, it has since grown to over 100 member farms on four islands and has become the biggest source of breadfruit in Hawaii. Breadfruit has been largely forgotten as a viable crop and a dietary staple in Hawaii. It is, however, becoming an important agricultural product in promoting food security, climate change resilience, diversification, and cultural preservation. Federal funding provided through the Local Foods Promotion Program is helping to provide resources and foster partnerships and collaborations for breadfruit to become commercially viable, and vital to the local food system. Targeted promotion and education efforts are helping breadfruit and other local and indigenous starches to be introduced and distributed into local markets. schools, hospitals, restaurants, hotels, food hubs, and to other customers. Key infrastructure upgrades and capacity building are helping to develop the supply chain through increased aggregation and processing facilities. Lastly, market diversification is being expanded online, as well as through CSA operations and retail.

Hawaii 'Ulu Co-op has had great success. It was able to increase sales of breadfruit and other starch crops by 74 percent during the project, from \$700,000 to \$1,080,112. The number of customers nearly tripled from 300 during the first year of the project to 822 at completion, an increase of 174 percent. Roughly 33,040 beneficiaries and stakeholders were reached, including school children, producers, CSA customers and Chefs. They reported buying, selling, producing, distributing, as well as gaining knowledge in accessing and preparing locally produced agricultural products.

- Increased sales of breadfruit and other starch crops by 74 percent, from \$700,000 to \$1,080,112.
- Tripled the number of customers, a 174 percent increas.
- Project reached 33,040 beneficiaries and stakeholders.



Photo courtesy of Hawai'i 'Ulu Cooperative

Regional Food System Partnership Program

Grant Organization: Syracuse Grows, Inc.

Title: Syracuse-Onondaga Food Systems Alliance: Collaborating to build a more resilient food system in Upstate New York

Location: Syracuse, NY Grant Program: RFSP Type of Project: Planning and Design Grant Period: 2020-2022

The Syracuse-Onondaga Food Systems Alliance is an independent food council in Central New York, serving the City of Syracuse, surrounding Onondaga County, and the Onondaga Nation, which is located on over 7,000 acres of territorial land south of Syracuse. The Alliance was established in 2019 to develop a network of stakeholders representing the regional food system production, processing, distribution, and consumption. Increasing the viability of agriculture in the region, as well as reduced food insecurity and access to healthy food are key efforts of the network. Federal funding obtained through the Regional Food System Partnership grant program offered the Alliance opportunities to strengthen and broaden its member base and expanded outreach and recruitment of key stakeholders. Developing a strategic approach to identify needs and opportunities within the County food system was also integral to the project.

Partnerships developed through the Alliance grew dramatically during the project, from 35 to 192 active partners. This expansion brought ethnic and economic diversity, increasing the number of partners identifying as Black, Indigenous, and people of color (BIPOC) as well having a full understanding of food insecurity and hunger. This growth also led to securing an additional \$1.6 million in non-federal financial aid and technical support from multiple sources from partnerships established throughout the project. Increased social media, organizational meetings, collaborations, community events, and other outreach improved understanding and attention to the needs of the regional food system. The Alliance continues to expand. It has developed relationships and shared information with twelve food policy councils nationwide, improving the operations and sustainability for all.

- Alliance partners expanded from 35 to 192, increasing issue, economic, and ethnic diversity.
- Secured an additional \$1.6 million in nonfederal financial aid and technical support.



Photo courtesy of the Syracuse-Onondaga Food Systems Alliance.

Grant Organization: Alaska Food Policy Council Grant Title: Alaska Food Policy Council and Beyond: Growing Connections and Building Networks for Greater Food Security

Location: Anchorage, AK Grant Program: RFSP Type of Project: Planning and Design Grant Period: 2020-2022

Alaska's location, climate, and short growing season limit its ability to grow fresh locally grown food. As a result, roughly 95 percent of its food is imported from outside the state. With this high dependence on outside resources, the likelihood of food insecurity and economic loss also increases. The Alaska Food Policy Council sought to expand the accessibility, availability, and diversity of local food, and increase understanding of, and equitable access to, resources. The Council recognized that communities statewide have been at different levels in food system development, with different assets, barriers, and needs. In addition, cultural groups throughout the State define terms such as "regional," "food security" and "food system," differently, further complicating the development of unified system.

The Alaska Food System Network was developed with project funding. Consisting of existing database and other food system resources, it created a system of regional node locations to cultivate regional representation and a stronger peer-learning and sharing. The Food Security Action Plan created through the project is being used by food system organizations statewide to gather support and funding for other various projects.

- Established the Alaska Food Policy Council.
- Created a system of regional nodes throughout the state to foster regional representation and learning across the network.
- Published the Food Security Action Plan, which is helping food system organizations statewide fundraise and gather support.

Value-Added Producers Grant (VAPG)

Organization: Red Cliff Band of Lake Superior Chippewa Indians Title: Red Cliff Fish Processing

Location: Bayfield, Wisconsin Grant Program: VAPG Type of Project: Working Capital Grant Period: 2022

The Red Cliff Band of Lake Superior Chippewa Indians (hereafter referred to as the Red Cliff Band) has been fishing the waters of Lake Superior for countless generations, serving as the community's primary agricultural activity. Since 2020, The Red Cliff Band has operated the Red Cliff Fish Company, supporting 34 independently licensed Tribal fishermen, and serving as hub for local economic development activity.

The emergence of the Red Cliff Fish Company has been supported by a progression of USDA support. Red Cliff Band received a Value-Added Producer Grant (VAPG) Planning Grant in 2015. The grant funds were utilized to conduct a feasibility study for a fish processing facility on the Red Cliff reservation. The study produced positive results and identifying a need for infrastructure investments. Red Cliff then applied for a USDA Rural Business Development Grant in 2019. The grant funds were used to develop a business plan. The business plan was used in conjunction with the feasibility study to obtain financing and build a fish processing facility in 2020.

The most recent piece of the evolving partnership between USDA and Red Cliff Band is a second VAPG, awarded in 2022. The \$62,975 Working Capital award is continuing USDA's support of the Red Cliff Band's efforts to meet their community and food sovereignty goals. VAPG funds are being utilized to expand production of frozen, vacuum-packed fillets and produce five additional value-added products: herring caviar, pickled fish, pre-packaged smoked fish, smoked fish dips, and fish cakes. Other project activities include the acquisition of ingredients, packaging, labeling, marketing, and distribution of the value-added products. Since beginning operations in November 2020, the Red Cliff Fish Company has conducted over \$82,000 in retail sales from its onsite retail market, \$67,000 in food distribution program sales, and \$5,700 in co-op/grocery sales. The 2022 VAPG project aims to expand on this success by driving existing and new customer sales through product and packaging diversification, expanded markets (both geographic and demographic), and launching a direct-toconsumer ecommerce market channel.

- Leveraged a 2015 feasibility study to secure funding to develop a business plan, which later helped obtain financing for a fish processing facility.
- Received a second VAPG to expand production of frozen, vacuum-packed fillets and another five value-added products.
- Conducted \$154,700 in sales since November 2020.

SUMMARY

The LAMP grants have invested in a wide variety of local and regional food businesses across the country since the passage of the 2018 Farm Bill. Thanks to increased funding from the Consolidated Appropriations Act of 2021 and the American Rescue Plan Act, USDA was able to increase awards. As USDA returns to annual funding levels, however, funding will continue to be very competitive. A review of fiscal year 2021 requests for funding versus annual funding showed that up to 90 percent of demand would have gone unmet without supplemental resources.

LAMP funding helps recipients maximize opportunities for economic growth and ingenuity in local and regional food systems. Over the years, these grants have generated new income sources for small, beginning, and underserved farmers, increased local food access across rural and urban communities and provided platforms for value-added and new products to penetrate markets. These competitive grant programs provided critical assistance during the COVID-19 pandemic and then pivoted to creating new and better markets during the ensuing economic recovery. Through robust outreach and technical assistance, USDA continues to promote equitable access to these funding opportunities to ensure inclusion of historically underserved communities. Future reports will incorporate enhanced performance measures to improve impact evaluation and outcomes of this vital program.

APPENDIX 1: USDA LAMP IMPLEMENTATION

Each year, USDA offers webinars for new and returning applicants to explain the details of Requests for Applications while also providing tips on how to prepare a successful grant application. Frequently Asked Questions are posted on the USDA website, and grants management specialists provide answers to specific questions via phone and email. During the pandemic, AMS also partnered with non-profit organizations to provide enhanced technical assistance through virtual office hours sessions to address applicant questions.

To target applications and build a path for funding sequential phases of development for applicants and their work, AMS implements grant programs using project types. These different project types highlight different program priorities and provide applicants with information to help them prepare a successful application.

FMPP is implemented through two project types: Capacity building projects are intended to build longterm organizational capacity to develop, coordinate, and expand direct producer-to-consumer market opportunities. Community Development Training and Technical Assistance projects are intended to provide outreach, training, and technical assistance to farm and ranch operations serving local markets to develop, coordinate, and expand direct producer-to-consumer market opportunities.

LFPP offers four project types: Planning, Implementation, Farm to Institution, and Turnkey Marketing and Promotion. Planning projects are used in the early stages of developing, coordinating, or expanding a food business that supports locally and regionally produced agricultural products and food system infrastructure. Implementation projects are used to establish a new food enterprise or market channel or to improve or expand existing food enterprises, market channels, and/or food system infrastructure. LFPP has funded Farm to Institution projects since 2020, and AMS added a separate Farm to Institution project type to encourage proposals targeting these markets starting in 2022. This project type supports the development, coordination, and expansion of institutional markets or institutional food service operations. Farm to institution recipients may plan and facilitate supply chains and develop relationships between local and regional producers, processors, intermediaries, and institutional markets or institutional food services operations. These can include dining facilities within pre-K through grade 12 schools, college, university, hospital, local government, Tribal, and State agency cafeterias or meal programs.

In 2023, AMS developed the Turnkey Marketing and Promotion project type to streamline the application process for applicants conducting marketing and promotion activities from a prescribed list. This simplified application responds to Congressional direction and will provide a pilot effort for evaluation. If the 2023 Turnkey pilot proves successful, AMS may offer more simplified applications for targeted activities and/or smaller awards.

The RFSP offers grants for three project types: Planning and Design, Implementation and Expansion, and Farm to Institution. Planning and Design projects support partnerships in the early stages of convening, envisioning, goal setting and identifying strategies for developing local or regional food systems. Implementation and Expansion projects support partnerships building on prior or ongoing efforts within a local or regional food system. Farm to Institution projects support public-private partnerships that plan and facilitate supply chains and develop relationships between local and regional food businesses and institutional markets or institutional food services operations.

VAPG offers two project types: Planning and Working Capital. Planning grants fund development of a defined program of economic planning activities to determine the viability of a potential value-added venture, specifically for paying a qualified consultant to conduct and develop a feasibility study, business plan, and/or marketing plan associated with the processing and/or marketing of a value-added agricultural product. Working Capital grants provide funds to operate a value-added project, specifically to pay the eligible project expenses directly related to the processing and/or marketing of the value-added products that are eligible uses of grant funds. The two project types are mutually exclusive. RD also provides specific guidance to harvester, local-produced food, mid-tier value chain, and anaerobic digester applicants.

LAMP awards have a broad funding range from \$25,000 for small planning grants to \$1 million for large RFSP grants. AMS raised the maximum award amount for FMPP and LFPP grants to \$750,000 in 2021 while also scaling up planning grants to accommodate increased funding and the heightened demand. The Farm Bill provided the Secretary of Agriculture with the discretion to increase this maximum funding level above the stated \$500,000 maximum. RFSP awards range from a minimum of \$100,000 to a maximum of \$1 million. VAPG sets maximum award amounts at \$75,000 for planning grants and \$250,000 for working capital grants.

APPENDIX 2: LIST OF AWARDED AGREEMENTS

- FMPP Description of Funded Projects, 2019-2022
- LFPP Description of Funded Projects, 2019-2022
- <u>RFSP Description of Funded Projects</u>, 2020-2022
- VAPG Table of funded projects by state, 2020-2022

APPENDIX 3: DEFINITIONS

For the purpose of this report, the following definitions are applicable:

Locally and Regionally Produced Food means food that is raised, produced, aggregated, stored, processed, and distributed in the locality or region where the final product is marketed to consumers, so that the total distance that the product travels between the farm or ranch where the product originates and the point of sale to the end consumer is at most 400 miles, or both the final market and the origin of the product are within the same State, territory, or Tribal land.

Local or Regional Food Business means an organization or business entity that functions as an intermediary between producers (farmers or growers) and buyers by carrying out one or more local or regional food supply chain activities—including aggregating, storing, processing, and/or distributing locally or regionally produced food products—to meet local and regional market demand. Examples include but are not limited to eligible entities that serve as food hubs, food aggregators, food distributors, food wholesalers, food processors, and other value-added production enterprises, such as shared-use kitchen or kitchen incubator operations.

Direct-to-Consumer marketing means producers sell food agricultural products directly to the consumer (e.g., farmers markets, roadside stands, CSA programs, agritourism activities such as U-pick, online sales, mobile markets) with minimal involvement of an intermediary, wholesaler, retailer, agent, broker, or reseller. These market channels often provide increased financial returns to the farmers.

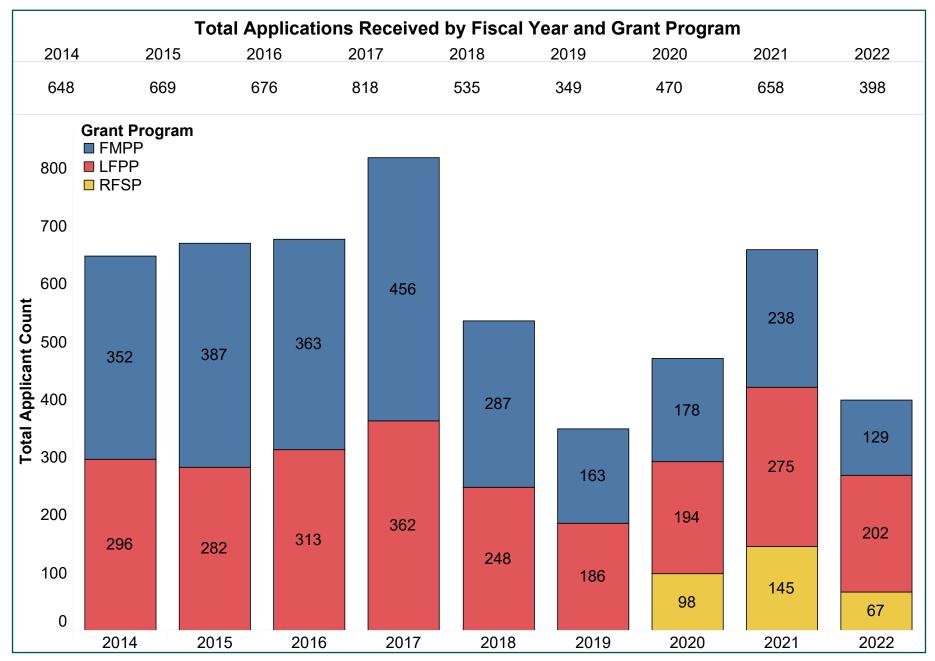
APPENDIX 4: APPLICATIONS RECEIVED IN AMS LAMP GRANTS

The main purposes for this appendix are to share data provided as supporting information to this Report to Congress and to share data provided to the public for dissemination. The appendix provides an overview of applications to LAMP programs, program funding, and selected grant recipients.

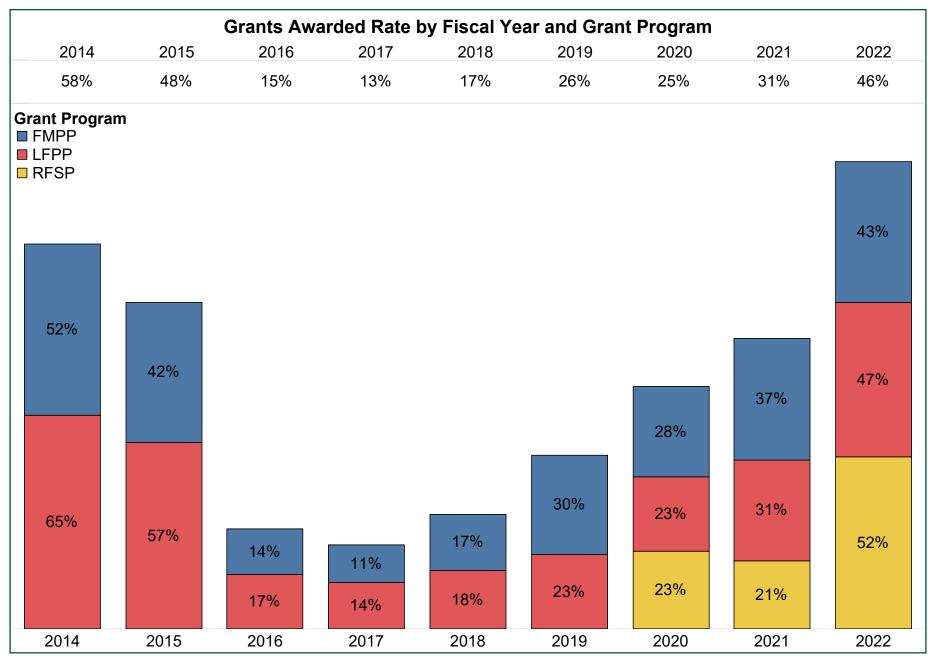
Data Notes

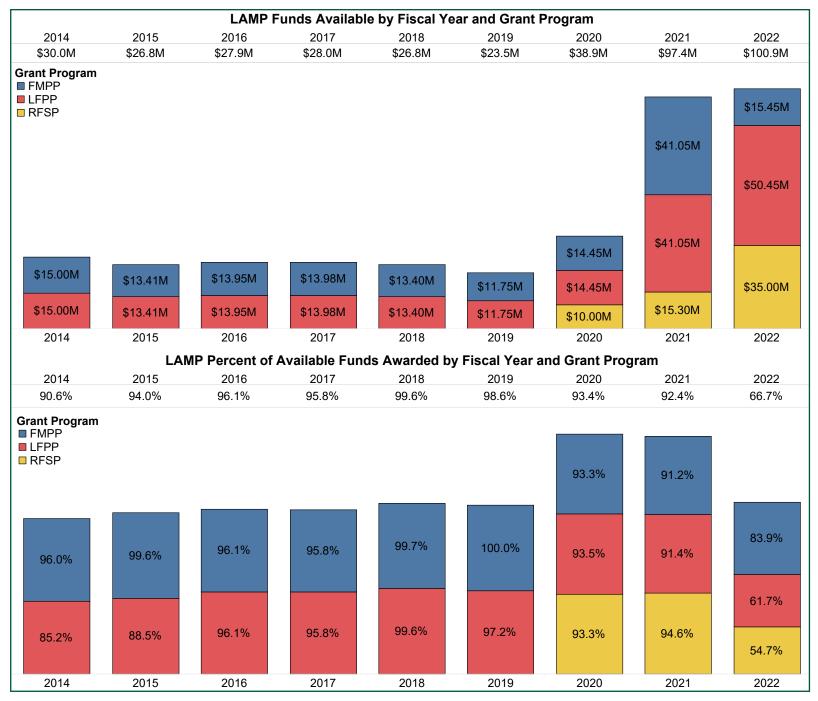
Data in the report includes information broken down by fiscal year, application/grants awarded rates by grant program, application/grants awarded counts by entity type, application/grants awarded counts by project type, and information on grantees with multiple projects in the programs. Nulls in dataset are missing grant information. "Applications" includes all applications, including those later deemed ineligible and those not selected based on review. RFSP Program began in 2020.

LAMP Grant Application Breakdown



LAMP Grants Awarded Rate Breakdown



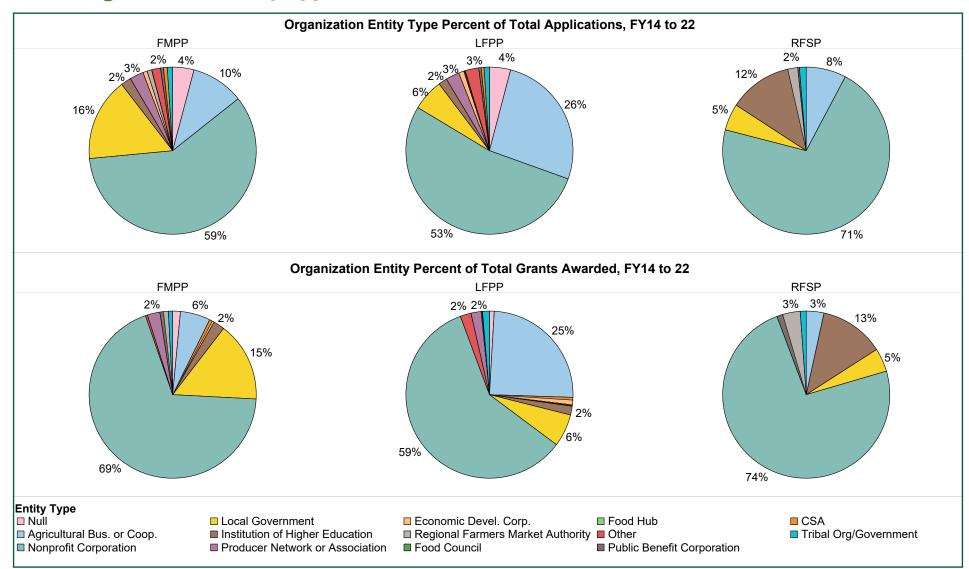


LAMP Funds Available and Percent Awarded Breakdown

Project Type Percent of Total Applications, FY14 to 22 LFPP FMPP RFSP 7.9% 2.6% 3.2% 8.8% 0.9% 21.9% 30.6% 50.3% 43.9% 19.1% , 49.8% 60.6% Project Type Percent of Total Grants Awarded, FY14 to 22 LFPP RFSP **FMPP** 2% 8% 32% 36% 45% 46% 47% 66% 17% Project Type Prior to 2016 or Null Capacity Building Implementation ■ Implement. and Expand. Farm to Institution Comm Dev Train/Tech Assist Planning Planning and Design

LAMP Grant Project Type Breakdown

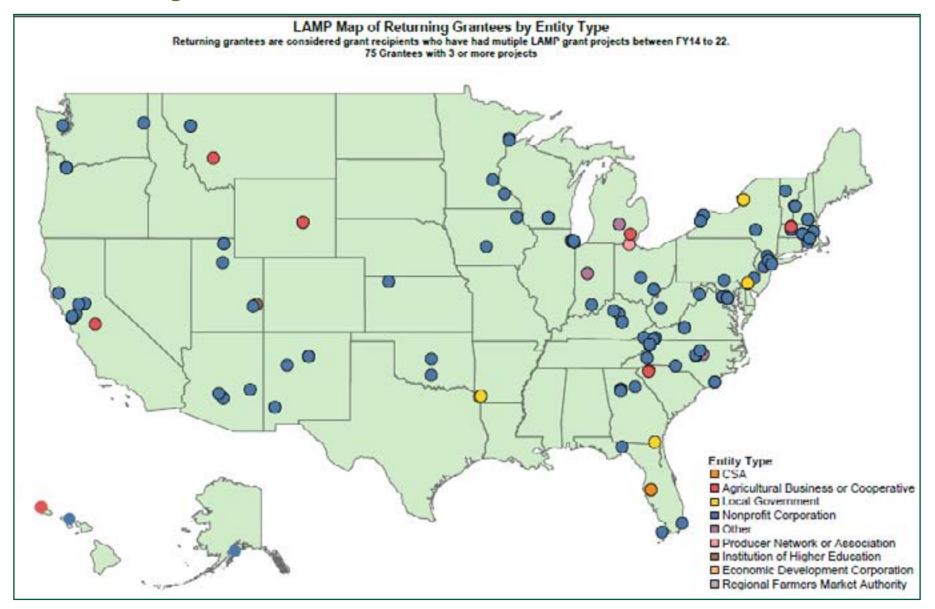
Note: Starting in 2016, LFPP and FMPP introduced official project types for each program in RFA. Data includes 2014 and 2015 when project types were not assigned to a specific program. Project type without labeled percentage is 1% or less of the percent total.



LAMP Organization Entity Type Breakdown

Note: Organization entity type without labeled percentage is 1% or less of the percent total.

LAMP Returning Grantee Breakdown



APPENDIX 5: VALUE-ADDED PRODUCER GRANT PROGRAM ADDENDUM

PROGRAM NAME: Value-Added Producer Grant Program

AUTHORITY: 7 U.S.C. 1623a.

APPLICABLE PROGRAM REGULATIONS: 7 CFR Part 4284, subpart J

APPLICABLE FEDERAL REGISTER NOTICE:

ADDITIONAL PROGRAMMATIC AWARD PROVISIONS:

RBS and the Recipient agree to the following additional provisions:

Section II, Paragraph A.1.d. is retained and the following language is added:

Under extenuating circumstances, you may request a one-time, no-cost extension for up to 12 months, as long as the total Period of Performance, including the time period of the extension, does not exceed three years. Note that extending the Period of Performance for this award may affect your eligibility for additional awards. The extension must be requested at least 30 calendar days prior to the end of the period of performance, or it will not be considered. The request must be in writing and addressed to the Agency Contact listed under Section I.16. It must include the following information: (1) the time period of the extension requested; (2) a revised budget and work plan demonstrating that funds will be completely expended by the end of the extension; (3) the reason(s) why the extension is being requested; and (4) what steps will be taken by the Recipient to ensure that the project is completed by the end of the extension. Submission of a request for an extension does not guarantee that we will approve the extension. Extensions will only be approved in cases where significant circumstances beyond the Recipient's control prohibited timely performance of award activities. Extensions will not be approved for changes in scope. If the extension is approved, and you are also approved for an award in a subsequent funding cycle, this project must be completed before you may begin work on a subsequent award.

Award funds not expended by the end of the Period of Performance will be cancelled by us. Prior to cancellation, we will notify you in writing of our intent to cancel the remaining award funds.

Section II, Paragraph A.3.b. is retained with the following language added:

All Performance Reports must include a discussion on the performance benchmarks suggested in your application to determine whether the primary goals and objectives proposed in the Approved Work Plan and Budget were accomplished during the reporting period. (See 7 CFR § 4284.931(b)(2)(i)).

In the section of your report that compares actual accomplishments to the objectives for that reporting period, objectives should be reported by specific task breakdown as described in Attachment B – Approved Work Plan and Budget.

For working capital projects, all Performance Reports must include the following metrics:

- Expansion of customer base as a result of the project
- Increased revenue returned to the producer as a result of the project
- Jobs created/saved as a result of the project

For all projects, we may request additional information, including but not limited to, the following:

- 1. Information that will enable evaluation of the economic impact of program awards, such as:
 - a. Business starts and clients served;
 - b. Data associated with producer market expansion, new market penetration, and changes in customer base or revenues.
- 2. Information that would promote greater understanding of the key determinants of the success of individual projects or inform program administration and evaluation, such as:
 - a. The producer's experience related to financial management, budgeting, and running a business enterprise.
 - b. The nature of, and advantages or disadvantages of, supply chain arrangements or equitable distribution of rewards and responsibilities for Mid-tier Value Chain projects; and
 - c. Recommendations from Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers, or Veteran Farmers or Ranchers.
- 3. Information that would inform or enable the aggregation of data for program administration or evaluation purposes.

If any special conditions have been placed on the use of award funds, you must discuss your compliance with those conditions in each Performance Report.

For Final Performance Reports only, you must provide responses to the following questions:

- What have been the most challenging or unexpected aspects of this project?
- What advice would you give to other organizations planning a similar project? You should include strengths and limitations of the program. If you had the opportunity, what would you have done differently?
- If an innovative approach was used successfully, you should describe the approach in detail so that other organizations might consider replication in their areas.

Section II, Paragraph A.10. is retained with the following language added:

VAPG is a Federally conducted program. You will not be required to provide data for a Civil Rights Compliance Review.

Section II, Paragraph A.12 is retained with the following language added:

The following Special Conditions apply to your award: [INSERT SPECIAL CONDITIONS ORN/A]

Section II, Paragraph A.13. is added with the following language:

Cost Sharing. You must comply with the requirements of 2 CFR § 200.306. Additionally, matching funds must be available at the same time award funds are expected to be spent and expenditures of matching funds will be pro-rated or spent in advance of award funds.

Section II, Paragraph A.14. is added with the following language:

Deliverables. You must provide deliverables for each completed task. Documentation can include, but is not limited to, feasibility studies, marketing plans, business plans, success stories, and best practices.