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### **USDA GRANTS ARE IMPORTANT FUNDING OPPORTUNITIES FOR RURAL COMMUNITIES**



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By: [Richard M. Blau](#), Regulated Products Section Chair

As 2022 comes to a close, current economic challenges have hit rural communities hard. Creative farmers, ranchers, food bank operators, and community service leaders, have come up with creative solutions to help weather these economic challenges. Still, many new programs require a fiscal jump start. Other enterprises focused on expanding opportunities for growers and key members of America's food distribution chain are underway but require additional funding to build upon their initial success.

The Biden Administration, working through the U.S. Department of Agriculture (USDA), is investing [\\$981 million to help create new and better market opportunities](#) and expand essential services for rural people, businesses, and entrepreneurs in 47 states, Guam, and the Virgin Islands. USDA is making 242 awards through eight programs specifically designed to create economic opportunities for people and businesses in rural areas. These programs are:

- [Biofuel Producer Relief Payments Program](#);
- [Business and Industry \(B&I\) Loan Guarantees](#);
- [Community Facilities Guaranteed Loan Program](#);
- [Rural Cooperative Development Grant Program](#)
- [Rural Economic Development Loan and Grant Program](#);
- [Rural Innovation Stronger Economy Grants Program](#);
- [Rural Microentrepreneur Assistance Program](#); and
- [Water and Waste Disposal Loan Guarantees](#).

The awards are being made in Alabama, Alaska, Arizona, Arkansas, California, Colorado, Delaware, **Florida**, Georgia, Hawaii, Idaho, Illinois, Iowa, Kansas, Kentucky, Louisiana, Maine, Maryland, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Montana, Nebraska, Nevada, New Hampshire, New Jersey, New Mexico, New York, North Carolina, North Dakota, Ohio, Oklahoma,

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Oregon, Pennsylvania, Rhode Island, South Carolina, South Dakota, Tennessee, Texas, Utah, Vermont, Washington, Wisconsin, West Virginia, Wyoming, Guam, and the Virgin Islands.

- This federal funding supports:
- infrastructure improvements;
- business development;
- housing;
- community facilities such as schools, public safety, and health care; and
- high-speed internet access in rural, tribal, and high-poverty areas.

For example, USDA recently awarded funds through **The Local Food Promotion Program** to the Florida nonprofit organization [Florida Certified Organic Growers and Consumers, Inc. \(FOG\)](#). A 501(c)(3) nonprofit corporation established in 1987 after the federal government's adoption of The Organic Food Production Act of 1990 required that the USDA develop national standards for organic products. FOG was heavily involved in developing the National Organic Program regulations governing organics. After the National Organic Program Final Rule was published in the Federal Register in 2000, FOG applied for and received its USDA accreditation in 2001 to certify farms as organic under its certification program, [Quality Certification Services \(QCS\)](#). That program offers a wide array of certification options for farming, livestock, aquaculture, compound animal feed, packing, handling, processing, and wild harvest operations.

A key initiative of FOG, and one that is benefitting from USDA's funding, is the [Fresh Access Bucks \(FAB\) Program](#)-a statewide nutrition incentive program that increases the purchasing power of Florida's federal SNAP (food stamp) recipients to buy fresh fruits and vegetables at farmers markets, produce stands, CSAs, mobile markets, and community grocery outlets. FAB's approach to addressing food access, affordability, and nutrition education aim to work with the entire food system: from producer to consumer, to build healthy, resilient communities supported by robust local food systems.

The recently announced FOG grant is just one example of the opportunities available to rural interests through [the USDA's Local Food Promotion Program \(LFPP\)](#). The LFPP funds projects that develop, coordinate, and expand local and regional food business enterprises that engage as intermediaries in indirect producer-to-consumer marketing to help increase access to and availability of locally and regionally produced agricultural products. Grants can be used for the planning stages of establishing or expanding a local and regional food business enterprise. They can also be used 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 producers working with the business enterprise.

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Eligible entities may apply if they support local and regional food business enterprises that process, distribute, aggregate, or store locally or regionally produced food products. LFPP projects fund Planning, Implementation, and Farm-to-Institution initiatives.

**Examples of Planning projects** include feasibility studies, hiring experts to provide training or technical assistance, or business development plans.

**Examples of Implementation projects** may also include the development or expansion of food incubator programs or mid-tier value chains, the provision of technical assistance or financial support for food safety measures producers may have to implement to expand marketing opportunities, adoption of new online technology or virtual marketplace, and development of route optimization or efficiencies.

**Examples of Farm-to-Institution projects** eligible for LFPP funding to strengthen and expand local and regional food sales to institutions can include initiatives focusing on aggregation, processing, distribution, and storage of products, as well as market development, business plan and strategy development, food safety certification, and improvements, and other efforts focused on expanding opportunities for rural food producers.

All applicants must be domestic entities owned, operated, and located within the 50 U.S. states, the District of Columbia, American Samoa, Guam, the Commonwealth of the Northern Mariana Islands, the Commonwealth of Puerto Rico, or the U.S. Virgin Islands to be considered eligible. Entities that are eligible to apply include:

- Agricultural businesses and cooperatives.
- Community Supported Agriculture (CSA) networks and associations.
- Food councils.
- Economic development corporations.
- Local governments.
- Nonprofit and public benefit corporations.
- Producer networks or associations.
- Regional farmers' market authorities.
- Tribal governments.

In **2022**, USDA budgeted approximately **\$43.5 million** to fund LFPP grant applications. Planning projects ranged from **\$25,000 to \$100,000**, while Implementation and Farm-to-Institution projects ranged from **\$100,000 to \$500,000**. The appropriation process is underway now to formulate budgets for future federal grants via the upcoming [2023 Farm Bill](#).

For more information, visit [www.rd.usda.gov](http://www.rd.usda.gov) or contact GrayRobinson's Nationwide Food Law Group by telephone at **(866) 382-5132** or via email at [foolaw@gray-robinson.com](mailto:foolaw@gray-robinson.com)

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Richard M. Blau leads the GrayRobinson Nationwide Alcohol Industry Team, focusing on the laws that govern the production, importation, marketing, distribution, and sale of alcoholic beverages throughout America. Richard works with all levels of the alcohol industry's "three-tier system," as well as providers who are not licensees. He has represented international alcohol beverage importers and domestic manufacturers, statewide wholesaler trade groups and regional distributors, and retailers (including multistate on- and off-premises chains). Richard has achieved numerous peer-related accolades for his legal work, including **Chambers and Partners** - Nationally ranked as "Band 1" for Alcohol Beverage Law & Food Law; **Best Lawyers in America** - Nationally listed for Food and Beverage Law.