



# Farm Service Agency

## American Recovery and Reinvestment Act



### ARRA-related 2008 Aquaculture Assistance CFDA: 10.086 2008 Aquaculture Grant Program

American Recovery and Reinvestment Act Funding Table	
<b>2008 Aquaculture Assistance</b>	<b>\$50,000,000</b>

#### Purpose

The American Recovery and Reinvestment Act (ARRA) funds have made possible the Farm Service Agency's (FSA) 2008 Aquaculture Grant Program which will provide block grants to State Departments of Agriculture that agree to provide assistance to eligible aquaculture producers for losses associated with high feed input costs during the 2008 calendar year.

#### Objectives and Activities

The ARRA includes direction that funding shall be allocated to the States on a pro rata basis, based on the amount of aquaculture feed used in each State during the 2007 calendar year.

The 2008 Aquaculture Grant Program aligns with the following goal and objective identified in the *USDA Farm Service Agency Strategic Plan FY 2005-2011*:

- Goal 1. Supporting Productive Farms and Ranches.
  - Objective 1.1. Improving Access to Capital

Furthermore, the program aligns with the following USDA strategic goal and objective:

- Goal 2. Enhance the Competitiveness and Sustainability of Rural and Farm Economies.
  - Objective 2.3 Provide Risk Management and Financial Tools to Farmers and Ranchers.

#### Activity Objectives and Descriptions

*Aquaculture Feed Assistance* – The \$50 million will assist 2009 aquaculture producers in recovering losses associated with high feed input costs during the 2008 calendar year. Funding will be allocated to each State, that agree to provide assistance to eligible aquaculture producers, based on the total aquaculture feed delivered in each State in the 2007 calendar year, as reported by the State Departments of Agriculture. To be eligible for assistance from the State an aquaculture producer must have produced an aquaculture species in 2008 for which 2008 feed costs represented a substantial percentage of the producer's total input costs for the aquaculture operation and experienced a substantial price increase of 2008 feed costs above the previous 5 year average (2003-2007). The amount of assistance provided to an aquaculture producer from the State shall not exceed the amount of losses suffered by the producer as a result of high feed input costs during the 2008 calendar year, as determined by the State. ARRA specifically provides that an eligible aquaculture producer that receives assistance under this program shall not be eligible to receive any other assistance under the supplemental agricultural disaster assistance program established under Section 531 of the Federal Crop Insurance Act and section 901 of the Trade Act of 1974 for any losses in 2008 relating to the same species of aquaculture.

## Characteristics

The ARRA funds will be expended through block grants to State Departments of Agriculture that execute a grant Agreement between the Commodity Credit Corporation (CCC) and the State. Grant funding will be allocated on a pro rata basis, based on the amount of aquaculture feed used in each State during the 2007 calendar year.

## Milestones

FSA is planning to implement the 2008 Aquaculture Grant Program in five phases.

1. Development of Program Policy and Procedure – This phase consists of developing program policy and procedure, including compliance with the Recovery Act accountability and transparency requirements. Milestones include:

- Develop a matrix of outstanding program issues.
  - Draft a Memorandum of Understanding (MOU) to be executed between CCC and the States.
  - Draft a letter to the States announcing availability of funding, requesting 2007 feed delivery data, and providing a draft MOU so that States may provide comments on program provisions and implementation.
  - Ensuring compliance with Recovery Act requirements including standard language for grants.
  - Resolve outstanding program issues.
  - Finalize program announcement letter to the States announcing availability of funding.
  - Finalize draft MOU to be included in announcement letter to the States.
- The first phase is estimated to be completed on or around April 8, 2009.

2. Program Announcement – This phase consists of the following milestones:

- Provide the States a program announcement letter that will:
- Announce availability of funding
- Request 2007 feed delivery data (required for FSA to allocate grant funding to the States)
- Include a draft MOU so that States may provide FSA comments on program provisions and implementation.

The second phase is estimated to be completed on or around April 10, 2009.

3. Collecting Data and Program Comments – This phase consists of the following milestones:

- Receive 2007 feed data from participating States
- Determine grant amount for each State
- Review program comments submitted by States
- Revise and finalize MOU as needed.

- Work with OIG to ensure final grant agreement is in compliance and internal controls have been established.

The third phase is estimated to be completed on or around May 10, 2009.

4. Grant Agreement Execution – This phase will consist of the following milestones:

- Execute MOU's between CCC and the States, including the collection of required grant forms and certifications
  - Receive and approve program Work Plans submitted by the States.
- The fourth phase is estimated to be completed on or around June 1, 2009.

5. Grant Approval – This phase will consist of the following milestones:

- Receive and approve program Work Plans submitted by the States.
  - Transfer grant funding to the States.
- The fifth phase is estimated to be completed on or before June 17, 2009.

**Environmental Review Compliance**

FSA has reported to the Council on Environmental Quality that the 2008 Aquaculture Disaster Assistance appropriation of ARRA funds can be considered categorically excluded based on the fact that the program increases maximum program spending for grants to states and therefore falls under activities which deal solely with the funding of programs [7 CFR 1b.3(a)(2)]. Therefore this program and its activities are excluded from the preparation of environmental assessments or environmental impact statements.

Please contact Matthew T. Ponish, FSA National Environmental Compliance Manager, at 202-720-6853 or matthew.ponish@wdc.usda.gov if you have additional questions.

**Savings or Cost**

The 2008 Aquaculture Grant Program will reduce aquaculture producers' input costs of their farming operations.

**Measures and Monitoring/Evaluation**

*2008 Aquaculture Grant Program* – This activity will assist 2009 aquaculture operations in recovering losses, associated with high feed input costs during the 2008 calendar year; therefore, this activity promotes economic recovery for the 2009 aquaculture industry.

All 2008 Aquaculture Grant Program recipients will be required to report on the status of execution of the grants on a quarterly basis.

Measure	Frequency
Number of aquaculture producers/operations receiving assistance	Quarterly
Number of aquaculture species receiving assistance	Quarterly
Number of States receiving assistance	Quarterly
Amount of assistance provided per State, Species, Producer/Operation	Quarterly

The primary focus is to promote economic recovery, especially to those areas most impacted by the

recession. All 2008 Aquaculture Grant Program recipients will be required to report on the status of execution of the grants on a quarterly basis.

FSA has provided a response to Office of Inspector General (OIG) suggestions with respect to Controls Over Aquaculture Grant Recovery Act Funds – Phase I, Audit 03703-1-CH. FSA has incorporated OIG's suggestions in the final grant agreement between CCC and the States.

The grant Agreement between FSA and the State requires the State to:

- File a 2008 Aquaculture Grant Program work plan for approval by FSA before grant funding is awarded to the State. The work plan will provide a summary of how the State will implement the program, including, but not limited to, program provisions, payment calculations, loss requirements and the State's methodology for conducting internal reviews of the program. This will ensure equitable treatment of producers on a National level.
- Conduct internal random reviews of the program to ensure participants are equitably compensated at the State level. States must conduct reviews on 5 percent of the total applications the State receives from applicants. The State is required to submit results of the internal random reviews electronically to FSA not later than 90 days after providing assistance to eligible aquaculture producers.
- Have an annual audit of the program as required by the Single Audit Act Amendments of 1996 and OMB Circular A-133 to ensure compliance with applicable laws, regulations and grant Agreement. Audit findings must be submitted to FSA within 30 calendar days after the State receives the findings.
- FSA will also work with the Office of Inspector General (OIG) to develop appropriate metrics for audits and investigation of Recovery Act funds to identify and prevent wasteful spending and minimize waste, fraud, and abuse.

### **Transparency and Accountability**

Dennis Taitano serves as the Farm Service Agency's executive accountable for ensuring proper implementation of ARRA. FSA has established its own public-facing website which will report additional information on the Agency's success in ARRA-related matters. <http://www.fsa.usda.gov/recovery>

Agency managers are responsible for implementing, improving, and monitoring program activities. Individual performance plans of all managers and employees are tied to the Agency mission and goals contained in the FSA Strategic Plan. FSA Notice PM-2606, "FSA Performance Management Program," contains detailed guidance on development of employee performance plans, including the requirement that performance be linked to the Agency's strategic goals and objectives.

### **Barriers to Effective Implementation**

Factors beyond the control of the agency that could affect progress towards accomplishing the goals and objectives of the 2008 Aquaculture Grant Program of the ARRA include:

- Legal or regulatory constraints or changes that affect management activities, available options, or program resources
- Comments from States that affect 2008 Aquaculture Grant Program objectives and unanticipated shifts in expectations
- International crises or homeland security issues that alter domestic program accomplishments or public needs.

### **Federal Infrastructure Investments**

Not applicable to this program.