YOUNG FARMER GRANT
TEXAS DEPARTMENT OF AGRICULTURE
Request For Applications

Statement of Purpose.
Pursuant to the Texas Agriculture Code, Section 58.011, the Texas Department of Agriculture (TDA) is requesting applications for the Young Farmer Grant program (YFGP). The YFGP is administered by TDA under the direction of the Texas Agricultural Finance Authority (TAFA). The purpose of this program is to provide financial assistance in the form of dollar-for-dollar matching grant funds to those persons 18 years or older but younger than 46 years of age that are engaged or will be engaged in creating or expanding an agricultural business in Texas.

Submission Dates/Locations
Forms required for submitting an application are available by accessing TDA's website at: www.TexasAgriculture.gov or by emailing TAFA at finance@TexasAgriculture.gov. One hard copy of the application must arrive no later than 5:00 p.m. on **September 7, 2012** to one of the following:

Physical Address:
Texas Department of Agriculture
Texas Agricultural Finance Authority
Attn: Allen Regehr
1700 N. Congress Ave., 11th Floor
Austin, TX 78701
Phone No. (512) 463-9932 or (512) 463-4320
Fax No. (888) 216-9867

Mailing Address:
Texas Department of Agriculture
Texas Agricultural Finance Authority
Attn: Allen Regehr
P.O. Box 12847
Austin, TX 78711

Proposals must set forth accurate and complete information as required by this Request for Applications (RFA). Oral modifications will not be considered. Electronic applications will not be accepted or considered.

Eligibility.
Grant applications will be accepted from any person 18 years or older but younger than 46 years of age that is engaged or will be engaged in creating or expanding agriculture in Texas. The applicant must be able to make dollar-for-dollar matching expenditures to sustain, create or expand the proposed project.

Application Requirements.
Funding Parameters:
The TAFA Board of Directors (board) anticipates funding in an amount of $150,000 for grants not less than $5,000 and not to exceed $10,000 per grant application. Recipients will have up to two years to expend grant funds.

The TAFA board reserves the right to fully or partially fund any particular grant application.

Form Requirements:
Applications must be submitted on form RED-300 for consideration. Required forms and instructions are available by accessing TDA's website at www.TexasAgriculture.gov or by e-mailing TAFA at: finance@TexasAgriculture.gov. An applicant is permitted to submit only one application pursuant to this RFA. Multiple grant applications submitted by the same applicant under the same RFA will be rejected, and will not be considered by the board.

Budget Information:
YFGP projects are paid on a cost reimbursement basis.

1. **Eligible Expenses.** Generally, eligible expenses include those costs that are necessary and reasonable for proper and efficient performance and administration of a project. Expenses must be properly documented with sufficient detail, including copies of invoices. Examples of eligible expenditures are:
    - Personnel costs – both salary and benefits of those that perform work for the grant recipient;
    - Materials and direct operating expenses – equipment that costs less than $5,000 per unit, animals, seed, fertilizer, irrigation, etc.;
    - Equipment – nonexpendable, tangible personal property having a useful life of less than one year and an acquisition cost of less than $5,000; and
    - Other expenses – any expenses that do not fall into the above categories;
    - Indirect expenses – the YFGP limits reimbursable indirect expenses to 10% of the grant award.
2. **Ineligible Expenses.** Expenses that are prohibited by state or federal law are ineligible. Examples of these expenditures are:
    - Alcoholic beverages;
    - Entertainment;
    - Contributions for charitable, political, or lobbying purposes;
    - Expenses falling outside of the contract period;
    - Expenses for expenditures not listed in the project budget;
    - Expenses that are not adequately documented;
    - Value of applicant's own services;
    - Land; and
    - Personal property or other capital items with a useful life of more than one year and a cost of more than $5,000.
3. **Description of the Budget.** Applicant must present an overall project budget and include the following items in the budget description:
    A. ***Wages:*** Grant funds may be used for directly supporting salaries and wages of employees, but not for the value of your own services.
    B. ***Materials and Direct Operating Expenses:*** The grant may be used for expenses that are directly related to the day-to-day operation of the project, if those expenses are not included in any other budget category, and if those expenses have an acquisition cost of less than $5,000 per unit. An applicant must allocate costs on a prorated basis for shared usage.
    C. ***Equipment:*** Eligible equipment is defined as tangible personal property having a useful life of less than one year and an acquisition cost of $5,000 or less per unit. Applicants must submit a list of all proposed equipment

purchases for approval. Recipients are not authorized to purchase any equipment until they have received written approval to do so from the Commissioner or his designee through the original grant award or a subsequent grant adjustment notice. The YFGP may refuse any request for equipment. Decisions regarding equipment purchases are made based on whether or not the grant recipient has demonstrated that the requested equipment will be purchased at a reasonable cost and is essential to the successful operation of the project.

D. ***Professional/Contractual:*** Any contract or agreement between a grant recipient and a third party must be in writing and consistent with Texas law. Recipients must maintain adequate documentation supporting budget items for a contractor's time, services, and rates of compensation.

E. ***Indirect Expenses:*** Grant funds may be used for indirect costs up to 10% of the amount of the grant award.

F. ***Additional Budget Information:*** Applicant should provide additional information that will be helpful to the TAFA board in evaluating a grant application, including justification for equipment purchases, a list of subcontractors and amounts, a list of key personnel and salaries to be paid with the grant, and a description of other large expenditures.

G. ***Documentation of Employment Status.*** Applicant should be prepared to furnish documentation of lawful employment status for each employee included in personnel costs for the project.

Evaluation of Applications.

The TAFA board will review and evaluate all applications. Prior to consideration by the board, TDA staff will score and rank the applications based on the criteria identified by the TAFA board. The board is not required to make awards based solely on staff's scoring or ranking of the applications. The board may consider other factors in making grant awards under the program, including, without limitation, the quality of the application, applicant's need for financial assistance, the project's ability to create, enhance, or sustain applicant's agricultural operation, the project's ability to improve overall agricultural productivity in Texas, and the project's ability to increase the number of agricultural enterprises in Texas that are owned and operated by young farmers.

Award Information and Notification.

The TAFA board will approve projects for funding. The TAFA board reserves the right to accept or reject any or all applications. TDA and TAFA are under no legal or other obligation to award a grant on the basis of a submitted application. Neither TDA nor TAFA will pay for any cost or expense incurred by applicant or any other entity in responding to this RFA, including, without limitation, compensation for the value of applicant's time or services incurred in responding to this RFA.

Public announcements and written notifications of funding rounds will be made. Selected applicants will be notified of the amount of award, duration of the grant, and any special conditions associated with the project.

General Compliance Information.

1. Prior to accepting the Young Farmer grant and signing the grant agreement, the recipient will be provided a copy of TDA reporting requirements, for review and execution. The Grant Agreement outlines billing procedures, annual reporting requirements, procedures for requesting a change in the scope or budget for a project, and other miscellaneous items.
2. Late or incomplete applications will not be accepted.
3. Any delegation by a grant recipient to a subcontractor regarding any duties and responsibilities imposed by the grant award must be approved in advance by TDA but shall not relieve the recipient of responsibility for performance.
4. All grant awards are subject to the availability of appropriations and authorizations by the Texas Legislature, TDA and TAFA.
5. Any information or documentation submitted to TDA in connection with a grant application is subject to disclosure under the Texas Public Information Act.
6. While TDA and TAFA attempt to observe the strictest confidence in handling applications, they cannot guarantee complete confidentiality on any matter. The confidentiality of applicant's "proprietary data", if so designated, shall be strictly observed to the extent permitted by Texas law, including the Texas Public Information Act.
7. The ownership and disposition of all patentable products and intellectual property inventories shall be subject to the agreement of the grant recipient and TDA.
8. Funded projects must remain in full compliance with state and federal law and regulations. Noncompliance may result in termination.
9. Grant recipients must keep a separate bookkeeping account with a complete record of all expenditures relating to the project. Records shall be maintained for three years after the completion of the project or as otherwise agreed with TDA. TDA and the Texas State Auditor's Office reserve the right to examine all books, documents, records, and accounts relating to the project at any time throughout the duration of the grant agreement and for three years immediately following completion of the project. If there has been any litigation, claim, negotiation, audit or other action started prior to the expiration of the three-year period involving the project's records, then the records must be retained until the completion of the action and resolution of all issues which arise from it, or until the end of the regular three-year period, whichever is later. TDA and the Texas State Auditor's Office reserve the right to inspect project locations and to obtain full information regarding all project activities.
10. If a grant recipient has a financial audit performed in any year during which the recipient receives grant funds, the recipient shall, upon TDA's request, provide a complete copy of such audit and all information related thereto to TDA and/or TAFA, including the audit transmittal letter, management letter, and any schedules in which grant funds are analyzed, discussed, included, or reported.
11. Grant awards shall comply in all respects with the Uniform Grant Management Standards (UGMS). A copy may be downloaded from the following website: http://www.governor.state.tx.us/files/state-grants/UGMS062004.doc

For any questions:
Please contact Mr. Allen Regehr at 512-463-9932 or by e-mail at finance@TexasAgriculture.gov.