

USDA ORGANIC MARKET DEVELOPMENT GRANT (OMDG)

FREQUENTLY ASKED QUESTIONS (FAQS)

The USDA Organic Market Development Grant (OMDG) program will create new and improved markets for domestically produced organic products through investments in expanded certified organic processing capacity; activities that develop, maintain, or expand commercial markets; and product developments that create new uses for producers that currently lack markets, such as rotational grains. These investments are anticipated to increase the consumption of domestic agricultural commodities by expanding or aiding in the expansion of markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.

Note: Updated 7/17/2023- New Questions are labeled with an asterisk (*).

TABLE OF CONTENTS

Funding Priorities	1
Applicant Eligibility	2
Cost Sharing or Matching	3
Allowable and Unallowable Costs	5
Application/Submission	6
Review Process and Application Notifications	7
Grants.gov Information	7
SAM.gov Registration	9

FUNDING PRIORITIES

Q: Are there priority considerations for the OMDG program?

A: AMS will prioritize applications that address specific pinpointed organic markets needs listed below.

- Organic grains and livestock feed
- Organic dairy
- Organic fibers
- Organic legumes and other rotational crops
- Organic ingredients currently unavailable in commercial form

Within the above pinpointed market priorities, AMS will prioritize applications that demonstrate engagement with and benefit to local organic producers, including underserved producers and/or low- income communities with areas of persistent poverty.

Please see section 1.4.6 and 1.4.7 of the OMDG Request for Applications (RFA) for more information.

Q: How did USDA identify the funding priorities for this program?

A: USDA organic stakeholders identified pinpointed market constraints in specific sectors through oral and written comments to USDA for many years, as well as through other informal communication channels. While developing this program, USDA AMS also requested written comments and held a listening session to solicit feedback and suggestions from stakeholders.

Q: I want to request funding for a market segment that is not listed in the above pinpointed priorities. Can I still apply for an OMDG grant?

A: While funding may be provided for other market segments, projects serving markets other than those listed above will not be given priority. Applications for projects which do not address these pinpointed market segments must clearly explain the market needs, supply chain constraints, or gaps which the project would address.

Q: What is the minimum and maximum funding amount of the grant award?

A: There are three different project types eligible for funding under the OMDG program: Market Development and Promotion, Processing Capacity Expansion and Simplified Equipment-Only. For more information on each project type, please see Section 2.4 of the RFA.

Project Type	Duration	Minimum Award	Maximum Award
Market Development and Promotion	36 months	\$100,000	\$3,000,000
Processing Capacity Expansion	36 months	\$100,000	\$3,000,000
Simplified Equipment Only	24 months	\$10,000	\$100,000

Q: What is NOT the purpose of the OMDG program? *

A: OMDG is not for production assistance. It is not to provide direct farmer assistance on organic management standards as that is already covered by programs through different USDA agencies. It is not to help with producing organic food/organic farming or to expand your organic production such as irrigation, crop transplant, buying seeds, planting stocks, etc. It is not particularly focused on direct-to-consumer marketing. It is not for anyone uninterested in organic food production/handling.

Q: Under the pinpointed market priority, what crops are eligible? *

A: All row crops would be eligible – oats, rice, peanuts, rapeseed, rye, etc. Human consumption and livestock feed are both eligible. There are pinch points in both market segments.

APPLICANT ELIGIBILITY

Q: Who is eligible to apply for the USDA OMDG program?

A: Eligible applicants are business entities (regardless of legal structure) who produce or handle organic foods. These include for profit and non-profit organizations, including trade associations, Tribal, state, territories, and local government entities such as economic development authorities.

Entities who are at least 51 percent owned and operated by the same parent company may not submit multiple applications. Applicants who produce or handle organic foods must either be certified to the USDA organic standards or in transition to organic certification, consistent with [7 C.F.R. §205](#). Applicants must be registered in the [Organic INTEGRITY Database](#) before the date of the Notice of Award. This requirement does not apply to non-profit or government entities.

Q: I am certified to the USDA organic standards, but my company is headquartered overseas. Can I apply to the OMDG?

A: No. All applicants must be domestic entities owned, operated, and located within the 50 United States, the District of Columbia, the Commonwealth of Puerto Rico, the United States Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands, or Tribal Governments.

Q: I am in transition to organic certification, but I do not have an organic certificate yet. Can I apply for a grant under the OMDG?

A: Yes. If you produce or handle food, and you are in transition to organic certification consistent with [7 C.F.R. §205](#), then you may apply for an OMDG grant. However, before you can receive an official Notice of Award, you or your business must be registered in the [Organic INTEGRITY Database](#). This requirement does not apply to non-profit or government entities who do not produce or handle food.

Q: Can an organization submit more than one application?

A: Yes, applicants may submit multiple projects applications to OMDG. If recommended for more than one award, applicants are limited to receiving **one** award. An organization can appear on multiple OMDG applications as partners as long as they are not paid from both agreements for the same work.

Q: Can I submit an application along with another entity owned by the same parent company?

A: If your entity is 51% own and operated by a parent company, you may submit a single joint application.

Q: Is it required that the critical resources and infrastructure be in place at the time of the grant application submission?

A: Yes, it is required if your project depends on critical resources and/or infrastructure for its start-up, implementation, and completion of the proposed project activities. For example, land, structures, and/or other resources must be in place and committed prior to applying. Not having proof of critical resources may disqualify you for funding.

Q: Are individuals eligible to apply? *

A: If an individual is applying, that individual would need to be either certified organic or in transition to organic certification.

COST SHARING OR MATCHING

Section 4.1 of the RFA provides detailed information on cost sharing or matching funds.

Q: What is cost sharing or matching?

A: Cost sharing or matching is the portion of project costs not paid by the Federal funds, which could be cash and/or in-kind contributions. Cash can be a financial outlay, or cash donations from non-Federal third parties. In-kind can be the value of non-cash contributions typically in the form of value of personnel, goods, and services, including direct and indirect costs. Other Federal funds cannot be used as match. (See 2 CFR §§ 200.1 and 200.306.)

Q: Does OMDG program require a cost sharing or matching?

A: Yes, for the Market Development Promotion and Processing Capacity Expansion Projects, the recipient must contribute 50% of the total Federal funding requested.

For underserved farmers and ranchers, a reduced match contribution is required at 25% of the project costs.

Q: How is cost sharing or matching calculated? *

A: To calculate a 50% match, use the following formula:

Step 1: Total Project Cost= Total Federal Requested Amount (\$) ÷ by Federal Share (%)

Example: \$1,000,000/0.50= \$2,000,000

Step 2: Applicant Match = Total Project Cost (\$) - Total Federal Requested Amount (\$)

Example: \$2,000,000- \$1,000,000= \$1,000,000

In the example above for a 50/50 match ratio, an applicant requesting a total of federal funds of \$1,000,000 will be required to provide matching funds in the amount of \$1,000,000. The total project cost will be \$2,000,000. If it was a 75/25 match ratio for \$1,000,000 federal requested funds, the applicant would need to provide \$333,333.33 of matching funds, which is 25% of the total project cost of \$1,333,333.33.

Q: Can unallowable costs be brought as an in-kind or cost share match?

A: No. Only costs allowable under Subpart E of the Cost Principles can be brought as a match. The basis for determining the value of cash and in-kind contributions must be in accordance with 2 CFR § 200.306.

Q: How should an applicant document if they qualify for reduced match?

A: Qualifying applicants should self-certify in their project narrative that they are eligible for the reduced match to 25% for the grant award. AMS may request proof documentation during the administrative review step. See Project Narrative Template for more information on self-certification.

Small businesses should become certified through the SBA. Information on this process is available on the program pages for the [Small Disadvantaged Business](#) program, [Women-Owned Small Business Federal Contract](#) program, and the [Veteran Contracting Assistance Program](#).

Q: Can unrecovered indirect cost be used as part of the cost sharing or matching?

A: Yes, it is allowable to use unrecovered indirect costs as part of cost sharing or matching. Unrecovered indirect cost means the difference between the amount charged to the Federal award and the amount.

that could have been charged to the Federal award under the potential recipients approved negotiated indirect cost rate.

Q: Does the non-federal match have to be confirmed at the time of proposal submission or can it be lined up by the time of the award?

A: All matching contributions must be committed or in place when the proposal is submitted to AMS. Additional anticipated matching funds not in place by the time the project commences cannot be counted toward the matching requirement. Match verification letters are required to be submitted with the application.

Q: Can I provide more than the 50 percent match requirement?

A: Yes. Market Development Promotion and Processing Capacity Expansion Projects can provide more than the required 50% match. However, this will not provide any advantage during the Technical Review of the applications. Any amount exceeding the required match will be considered "Voluntary Committed Cost Share" as defined in [2 CFR §200.1](#) and [2 CFR §200.306](#). The excess amount will be considered mandatory and must be documented and provided to the project if awarded.

Q: Are Simplified Equipment-Only projects exempt from matching funds?

A: Yes. Simplified Equipment-Only Projects can request up to \$100,000 for equipment purchases only and do not require matching funds.

Q: Should I submit a letter (via the RFA template) for match funds provided as cash or in-kind? *

A: We request a letter for every cash or in-kind resource. It must be signed by the organization providing the match.

Q: Could a state qualify for 25% match if they pass through to those who qualify? *

A: No, a state would not be considered for 25% match as they are not a small business.

ALLOWABLE AND UNALLOWABLE COSTS

Q: Are grain silos eligible for funding under the OMDG as an equipment investment? *

A: Grain silos would be considered facilities and not equipment. The implementing regulations for the Commodity Credit Charter Corporation, define a facility at 7 C.F.R. 1436.3 as “any on-farm storage or handling facility or structure, storage and handling equipment, or storage and handling truck, for which a producer may receive FSFL financing to acquire or upgrade. **Such facilities can be new or used, fixed or portable.**” Because grain silos are considered facilities, building a new one would be considered new construction and therefore, not be eligible for funding under the Organic Market Development Grant RFA (section 1.5.2).

Q: Can funds be used to send producers to a tradeshow to increase their marketing presence and generate sales leads? *

A: Yes, if this helps meet the purpose of the program by creating new markets and increasing consumption of domestic organic products. See section 1.4.4 of the RFA for additional project examples.

Q: Can I use OMDG funds to purchase land or buildings?

A: No. It is unallowable to use OMDG funds for the acquisition of buildings, facilities, or land. Funds may be used to rent a building or facility for project-specific purposes, during the project’s period of performance.

Q: Can I use OMDG funds to construct a new building?

A: No, OMDG funds may not be used to construct new buildings or to an existing building/facility resulting in a square foot expansion. Funds may be used to make additions, improvements, modifications, replacements, rearrangements, reinstallations, renovations, or alterations of an existing building or facility. Please see the [Program Specific Terms and Conditions](#) and the [AMS General Terms and Conditions](#) for more information.

Q: Can I request funds to purchase vehicles? (e.g., refrigerated vehicles) *

A: Yes, with restrictions. You may use funds to purchase vehicles which specifically alleviate supply chain bottlenecks, such as delivery vans or milk trucks, are allowable purchases as special purpose equipment. General purpose vehicles, not used for organic agricultural products, may not be purchased. Vehicles must help meet the purpose of the program and cost must be reasonable.

Q: What does “special purpose equipment” mean?

A: Special purpose equipment is equipment used for the specific purposes of the grant. For example, specific food processing equipment could help the recipient of the grant achieve the goals of the program. However, an air conditioner or office printer would not have a special purpose related to the Organic Market Development Grant.

Please see the [Program Specific Terms and Conditions](#) and the [AMS General Terms and Conditions](#) for more information on special purpose equipment.

Q: Can I request funds for my organization's administrative expenses?

A: The OMDG program allows you to request indirect costs (also known as Facilities and Administrative Costs) as part of the project budget for both Market Development and Promotion and Processing Capacity Expansion projects. The total of your direct and indirect costs requested cannot exceed the maximum award amount.

However, you may NOT request indirect costs for Simplified Equipment-Only projects. These fixed-cost awards provide funding solely to purchase equipment.

Q: How will USDA monitor the equipment I purchase using these grant funds?

A: Purchased equipment will be monitored by AMS as indicated in [2 CFR § 200.313](#).

Q: If I receive a grant, can I request an advance payment?

A: Yes, advance payments are allowable in accordance with the [AMS General Terms and Conditions](#).

Q: Are applicants able to use a Negotiated Indirect Cost Rate Agreement (NICRA)?

A: Yes. USDA is required to accept the Negotiated Indirect Cost Rate Agreement (NICRA) from those entities that have one. Any non-Federal entity that does not have a current negotiated (including provisional) indirect cost rate, except State and Local Government and Indian Tribe Indirect Cost Proposals, may elect to charge a de minimis rate of 10 percent of modified total direct costs (MTDC). See section 4.2 of the RFA for more details on indirect costs.

Q: Can a federal agency or pass-through entity allow a non-Federal entity with a negotiated indirect cost rate to voluntarily charge less than or waive their indirect rate to an award?

A: The Non-Federal entity should consult with the Federal agency or pass-through entity. If a non-Federal entity receiving a federal award or subaward voluntarily chooses to waive indirect costs or charge less than the negotiated indirect cost rate, Federal awarding agencies and pass-through entities may allow this. The decision must be made solely by the non-Federal entity that is eligible for indirect cost rate reimbursement and must not be encouraged or coerced in any way by the Federal awarding agency or pass-through entity.

Q: I understand that a research project is not allowed due to program statute restrictions. Can I conduct a survey if it used to gain industry interest in an activity? *

A: The program does not allow for a full research project. You can conduct surveys, feasibility studies, developing market plans, etc. as long as they are accompanied with activities that help meet the program purpose. A survey is allowed if it will help you in the implementation of activities to help meet the program purpose.

Q: Is there a list of allowable equipment requests? *

A: Because of the wide scope of all the farming, food processing, and shipping equipment out there, it is not possible to have a comprehensive list of all allowable equipment. Applicants should explain how a requested piece of equipment will increase the consumption of U.S. domestically produced organic commodities. Applicants should make the case for why the equipment requested is a particular need for the marketplace.

APPLICATION/SUBMISSION

Q: Does the supporting documentation count toward the Project Narrative page limit?

A: No, the supporting documentation does not count towards the project narrative page limit. Examples of supporting documents are partner/collaborator letters, matching letters, critical infrastructure letters, etc.

Q: Can I edit the Project Narrative Templates?

A: No, the OMDG Project narratives cannot be changed (text, tables, or pages cannot be deleted nor margins adjusted). Changes or reduction in template content may result in a deduction of points during the application review process. Applicants may add additional rows to tables and insert tables or graphics in their narratives.

Q: What type of attachments can be submitted with the application?

A: Applicants are to include the attachments requested within the RFA application package (resumes, letters of support, letters verifying matching funds, negotiated indirect cost rate agreements (if applicable) equipment price quotes, etc.

Q: Can AMS staff review a draft of my application prior to submission?

A: No. AMS cannot review draft applications before they are submitted through Grants.gov because this is a competitive grant application process. However, if you have specific questions about allowable costs and activities, you are welcome to reach out to us via email at OMDG@usda.gov.

Q: Can I submit my application by fax, email, postal mail, or hand delivery?

A: No. AMS will not accept applications submitted by fax, paper, email, postal mail, or hand delivery. All applications must be submitted electronically through Grants.gov.

Q: Should we provide key staff resumes and CVs with my application?

A: Resumes of the key staff members of the project team are encouraged and should be included with the Narrative Form as an attachment. The Project Team is the key staff who will collectively manage the financial and operational decisions of the OMDG project. Project key staff must be listed in the project narrative, expertise, and partners' section.

REVIEW PROCESS AND APPLICATION NOTIFICATIONS

Q: What is the likelihood of being selected for OMDG funding?

A: This is a new program for AMS. No preliminary success rate exists.

Q: How will my application be evaluated?

A: AMS will follow the review and selection process as described in section 6.2 of the RFA. Each application that meets the initial qualifications screening requirements will be reviewed and scored competitively using the evaluation criterion described in section 6.0 of the RFA.

Q: How and when will I hear back whether my application was funded?

A: All applicants will be notified by AMS after the review process is complete and regardless of if they are selected or not for funding.

Q: May organizations with existing USDA and AMS grants apply?

A: Yes, organizations with current USDA and AMS grants may submit an application as long as the proposed work does not duplicate previously funded projects. They propose project must be different or builds on currently funded work.

GRANTS.GOV INFORMATION

Q: What does AOR stand for?

A: The AOR is the Authorized Organization Representative, which is the person who has the authority to sign and submit grant applications on behalf of the company, organization, institution, or government. AOR's are

authorized by their EBiz POC (E-Business Point of Contact) so they can submit applications on behalf of their organization.

Q: How do you become or register to be an AOR?

A: You would first register as an applicant on Grants.gov. Once you have a DUNS/UEI and your organization has an active SAM account, your EBiz POC will receive an email notifying them that you have registered and need to be authorized.

Q: What is EIN?

A: The EIN is the Employer Identification Number. This number is assigned by the IRS.

Q: How do I know if my application was submitted on time?

A: After you submit your application to Grants.gov, you (the AOR) will receive an automatic notification of receipt from the system that contains a Grants.gov tracking number and official date/time stamp of application submission. This notification ONLY indicates receipt by Grants.gov and does not indicate receipt by AMS. Grants.gov may also send you an error message if your application was not submitted correctly. If application submission passes Grants.gov validation, AOR will receive a second electronic acknowledgment of receipt. Once USDA-AMS has retrieved application from Grants.gov, AOR will receive a third email notification. Lastly, if AMS assigns its own agency tracking number/notes a fourth email is sent to AOR.

Q: How are attachments uploaded in Grants.gov?

A: The project narrative template must be attached to the "Project Narrative Attachment Form" on the application package. All other attachments must be attached to the Grants.gov application package using the "Add Attachments" button under Form SF-424 item #15. When uploading attachments, click the "Add Attachments" button (do NOT use the "paperclip" icon in Adobe Reader). If you use the "paperclip" icon in Adobe Reader, the attachments will not be received with the application package.

Q: Can we apply for this grant program before our organization has the Unique Entity Identifier (UEI) and SAM.gov registration?

A: No, you must first have your UEI number to register in SAM.gov in order to apply. In order to receive an award, you must have an active SAM account.

Q: Do I have to register before I can see the requirements of the grant application?

A: No, you do not have to register in Grant.gov to view the opportunity and download it. However, you must be registered to apply.

Q: Is the EBiz POC someone in my organization or a federal employee?

A: The EBiz POC is a member of your organization and is often the person that oversees the business operations. The EBiz POC is the one that registers the organization in SAM. EBiz POC is responsible for affiliating and assigning roles to all applicants registered in Grants.gov on behalf of the organization.

Q: Can the EBiz POC and AOR be the same person?

A: Yes. In that case, you would still need two accounts/log-ins. One to serve in each capacity.

Q: Can an organization have multiple EBiz POC's?

A: No, you can only have one EBiz POC but may have multiple AOR's.

Q: How do I contact Grants.gov if there is an issue with my registration?

A: You may contact the Customer Contact center by e-mail support@grants.gov or phone 1-800-518- 4726. You can also use the [Self Help link](#) to find answers to frequent questions.

SAM.GOV REGISTRATION

Q: If we already have a UEI, can we go straight to SAM.gov?

A: Yes. SAM registration can take up to 2 weeks, and often longer, to complete so register early. Check the [SAM.gov website](#) for additional login procedures.

Q: If I have already had a SAM.gov account, do I have to do anything else?

A: Yes, you must be sure that your SAM.gov account is up to date. If the account expired, you must renew your account.

Q: Do I have to pay to activate a SAM.gov account?

A: No, registering and renewing a SAM.gov account is completely free. If you received notification on having to pay to renew your account beware that it is likely a SCAM and should be reported to the appropriate authorities.

Q: How will duplicate submissions be managed?

A: When an applicant submits duplicate applications before the application due date, AMS will accept the last validated application that is electronically submitted through Grants.gov as the final submission.