

Supplemental Guidance – Form RME-1 March 2008

General

This supplemental guidance does not address all relevant requirements of the RFA. Complete requirements can be found only in the RFA.

This document provides you with supplemental guidance for the preparation of Form RME-1, entitled “Risk Management Education (RME) Program Narrative.” You are required to use Form RME-1 if you are applying for either of three agreement programs operated by the USDA Risk Management Agency dealing with risk management education. The three programs, with their respective Catalogue of Federal Domestic Assistance (CFDA) numbers, are:

- Commodity Partnerships for Risk Management Education (Commodity Partnerships), CFDA No. 10.457,
- Crop Insurance Education in Targeted States (Targeted States), CFDA No. 10.458, and
- Commodity Partnerships for Small Agricultural Risk Management Education Sessions (Commodity Partnerships Small Sessions), CFDA No. 10.459.

The Requests for Applications (RFA) for these three programs were published in the Federal Register on January 22, 2008; the announcement for the Commodity Partnership Program begins on Vol. 73, No. 14, page 3660, the announcement for the Commodity Partnerships Small Sessions Program begins on page 3668, and the announcement for the Targeted States Program begins on page 3681.

The project you describe in Form RME-1 must be designed to accomplish the purposes of the Commodity Partnerships Program, the Targeted States Program or the Commodity Partnerships Small Sessions Program. Although the three programs have a number of similarities, there are also some important differences. The Commodity Partnership Program, for instance, allows education regarding financial management, crop insurance marketing contracts, and other existing and emerging risk management tools. But it requires an emphasis on the training of producers of “Priority Commodities,” which are defined in the RFA. The Commodity Partnerships Small Sessions Program is similar yet seeks to reach smaller groups of producers. The project criteria is different in the Commodity Partnerships Small Sessions Program than the other two programs, therefore, scoring will be different. The Targeted States program, on the other hand, seeks to reach producers of all commodities in fifteen Targeted States, which are listed in the RFA, but restricts the training and informational activities to crop insurance. You should read the RFA carefully to understand the particular features of the program for which you wish to apply for funding and ensure that your completed Form RME-1 and the other parts of your application reflects these features.

Part I, Title Page

After completing the basic project and contact information called for in Part I, you should complete a project summary statement of not more than 250 words. The statement should specify the geographical scope of your project and the features of the producers within that area you will target with education. It should summarize the key features of the project that address the evaluation criteria of the RFA: Project Benefits, Statement of Work, Partnering, and Project Management. The following is a sample of a summary statement of a hypothetical project, entitled “*Risk Management Education for Southeast Horseradish Growers*,” from a hypothetical grower group, “*The Southeast Horseradish Growers Association (SHGA)*.” **SHGA is applying under the Commodity Partnership program (CFDA 10.457)**. It is provided simply to show how a summary statement might be constructed. Rather than duplicating the features of this sample, you should tailor your summary statement to the strengths of your proposed project.

“This project will focus on providing risk management education and information to horseradish producers in four southeastern states. As a result of this project, participating producers will be able to better employ crop insurance and marketing contracts as risk management tools. In addition, producers will learn techniques for water conservation, soil conservation, nutrients management, cover crops, human resources, and business plans. SHGA will provide these educational opportunities through two workshops directed to agribusiness professionals; 12 hands-on workshops directed to horseradish producers; an introductory seminar and workshops at the annual SHGA convention; and an extensive promotional effort of mailings, newsletter features, and news articles. SHGA will partner with local extension agents in 12 southeastern counties and two agricultural lenders to assist with the program. SHGA has the experience, resources, energy, and commitment to the economic stability of southeastern horseradish growers to lead the project and ensure its success.”

**UNITED STATES DEPARTMENT OF AGRICULTURE
RISK MANAGEMENT AGENCY**

OMB Approved 0563-0067
Expires 01/31/2009

RISK MANAGEMENT EDUCATION (RME) PROGRAM NARRATIVE

Part I:

Short Project Title (maximum 15 words): Risk Management Education for Horseradish Growers

RME Program Name: Commodity Partnerships Funding Requested: \$75,000

Administrative Contact: John Smith Organization: Southeast Horseradish Growers Assoc

Title: Administrative Assistant Phone Number: 800-999-9999 Email: SHGA@email.com

Address: 101 Main Street, Anytown, Your State 99999

Project Director: Jane Doe Organization: Southeast Horseradish Growers Assoc

Title: Education Director Phone Number: 800-999-9999 Email: SHGA@email.com

Address: 101 Main Street, Anytown, Your State 99999

Project Summary (maximum 250 words):

The Southeast Horseradish Growers Association (SHGA) has been actively seeking proactive means to enrich the opportunities for their growers to weather the storm and take advantage of every educational opportunity provided them. This partnership seeks to initiate risk management education efforts and provide information in the areas of production management, marketing, and financial risk. SHGA will conduct 2 workshops for agribusiness professionals. SHGA will conduct 12 workshops for horseradish producers in the Southeast. This proposal strives to extend the efforts for both insurance and lending via the development and implementation of hands-on seminars to be delivered in two growing regions in the Southeast. In addition, SHGA will develop information for water conservation, soil conservation, nutrients, cover crops, human resources and business plans. For the business template, the Association will host a day-long introductory seminar and keynote presentation at the annual Southeast Horseradish Growers Association Convention, and follow-up with all-day, hands-on business planning seminars for producers in two growing regions in the Southeast.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0563-0067. The time required to complete this information collection is estimated to average 10 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed and, and completing and reviewing the collection of information.

Part II, Written Narrative

(No more than 10 single-sided pages for the Commodity Partnerships Program and the Targeted States Program; No more than 5 single-sided pages for the Commodity Partnerships Small Sessions Program)

With respect to Part II, Written Narrative, the RFA instructs you to complete:

“A written narrative of no more than 10 single sided pages which will provide reviewers with sufficient information to effectively evaluate the merits of the application according to the evaluation criteria listed in this notice. Although a Statement of Work, which is the second evaluation criterion, is to be completed in detail in Form RME-2, applicants may wish to highlight certain unique features of the Statement of Work in Part II for the benefit of the evaluation panel.”

This written narrative provides you with an opportunity to describe your project in detail to the review panel. In the narrative, you will describe the benefits to producers from your project, your plan to reach farmers and ranchers in a specific geographical area, the groups you will partner with to reach those producers, and your capacity to conduct the project. A well-crafted narrative is important because:

- It will assist you in planning an effective project,
- It will assist the review panel in understanding the merits of your project, and
- It will help the partners with whom you will be working to understand the project and the specific roles of partners.

We have instructed the panel members to examine each application with an eye on the results that will likely be achieved if the project is funded, according to the evaluation criteria that are established in the *Federal Register* notice. To that end, we have asked the panel to disregard information in the narratives that does not directly contribute to an assessment of the application against the evaluation criteria. Therefore, your application’s chance will not improve by providing extraneous commentary.

The narrative is limited to 10 single-sided pages for the Commodity Partnerships Program and the Targeted States Program and no more than 5 single-sided pages for the Commodity Partnerships Small Sessions Program. We ask that you number each page of the narrative and, because the proposal will need to be copied, that you avoid binding, stapling, printing with small font, printing on both sides of pages, and taking other steps that will detract from preparing your proposal for careful review by the panel.

We recommend that you refer often to the evaluation criteria in the *Federal Register* notice so that you have the criteria in mind as you construct your narrative. You should address each of the respective evaluation criteria directly. Therefore, in addition to any introductory information, your narrative should contain sections corresponding to each of the evaluation criterion: Project Impacts, Statement of Work, Partnering (Commodity Partnerships Program and the Targeted States Program), Project Management, Priority

(Commodity Partnerships Program and the Commodity Partnerships Small Sessions Program), Past Performance, and Budget Appropriateness and Efficiency.

For the Commodity Partnerships Program, clearly state the “Special Emphasis Topic” and the RMA Region where the project will be held.

Part III, Budget Narrative

Note: USDA regulations limit indirect costs for this program to 10 percent of direct costs. Only items or services that are necessary for the successful completion of the project will be funded, as permitted under the Federal Crop Insurance Act, the applicable Federal cost principles, and are not prohibited under any other Federal statute.

You must provide a budget narrative that relates to the information you provide on SF-424A, “Budget Information, Non-Construction Programs”. This information will be used by the panel to compare the likely benefits of the project to its costs. It will also be used by agreement monitors to determine whether the funding requested by you is reasonable for the effectiveness of the project and allowable under Federal regulations.

For each budget category on SF-424A, provide a detailed breakdown of all costs. Include explanations of any cost that may appear to be excessive. Salaries of project personnel should be requested in proportion to the effort that these personnel devote to the project. The following is a listing of the budget categories from SF-424A:

- Direct Charges
 - Personnel
 - Fringe Benefits
 - Travel
 - Equipment
 - Supplies
 - Contractual
 - Other
- Indirect Charges

The RFA lists some of the restrictions on funding for these programs:

“Funding Restrictions: Partnership/cooperative agreement funds may not be used to:

- a. Plan, repair, rehabilitate, acquire, or construct a building or facility including a processing facility;*
- b. Purchase, rent, or install fixed equipment;*
- c. Repair or maintain privately owned vehicles;*
- d. Pay for the preparation of the cooperative partnership agreement application;*

- e. Fund political activities;
- f. Fund alcohol, food, beverage or entertainment;
- g. lend money to support farming or agricultural business operation or expansion;
- h. Pay costs incurred prior to receiving a partnership or cooperative agreement;
- i. Fund any activities prohibited in 7 CFR Parts 3015 and 3019, as applicable.”

For instance, a Budget Narrative for the hypothetical organization “*The Southeast Horseradish Growers Association (SHGA)*” might be:

“Risk Management Education for Southeast Horseradish Growers”

BUDGET NARRATIVE

The total budget for this project is \$74,250.00, including \$6,750.00 for indirect charges.

PERSONNEL

Total Personnel budget for SHGA is \$14,700.00. Rates were based on established and documented salaries for the staff listed. See below for breakdown:

- 1. Review of developed educational materials: \$700.00
- 2. Conduct Training Sessions: \$12,000.00
- 3. Project Management & Oversight: \$2,000.00

SHGA project staff consists of (1) John Radish, Director of Education & Training, (2) Stephen Turnip, Executive Vice President, and (3) William Mustard, Training & Development Specialist. The three will perform the following duties:

- Overall Project Management and Oversight;
- Review of educational materials;
- Conduct training sessions;
- Conduct project evaluations;
- Write and review project reports.

FRINGE BENEFITS

Fringe benefits are included in the direct personnel rates.

TRAVEL COSTS

The total travel cost for twelve 2-day training sessions in four states is \$8,800.00. The breakdown for each state is listed below. The costs are calculated using the 2008 Government Service Agency (GSA) travel rates per location.

Alabama

The total travel cost for 3 Trainers at three 2-day training sessions for 6 nights is \$1,990.00. The travel budget for 3 Trainers includes:

Lodging: \$1,200.00 (6 nights * 3 Trainers @per diem \$59.00 * 11% estimated tax)
Mileage: \$90.00 (250 miles @ .36) 3 Trainers travel to and from training sessions
Meals & I.E.: \$700.00 (\$31 per diem * 2.5 days * 3 Trainers)

Georgia

The total travel cost for 3 Trainers at three 2-day training sessions for 6 nights is \$1,990.00. The travel budget for 3 Trainers includes:

Lodging: \$1,200.00 (6 nights * 3 Trainers @per diem \$55.00 * 11% estimated tax)
Mileage: \$90.00 (250 miles @ .36) 3 Trainers travel to and from training sessions
Meals & I.E.: \$700.00 (\$31 per diem * 7.5 days * 3 Trainers)

Florida

The total travel cost for 3 Trainers at three 2-day training sessions for 6 nights is \$2,825.00. The travel budget for 3 Trainers includes:

Airfare: \$525.00 (\$175.00 * 3 Trainers)
Lodging: \$1,200.00 (6 nights * 3 Trainers @per diem \$60.00 * 11% estimated tax)
Car Rental: \$400.00 (in-state travel, 6 days @ \$60.00 per day * 10% estimated tax for 1 car)
Meals & I.E.: \$700.00 (\$31 per diem * 7.5 days * 3 Trainers)

South Carolina

The total travel cost for 3 Trainers at three 2-day training sessions for 6 nights is \$1,990.00. The travel budget for 3 Trainers includes:

Lodging: \$1,200.00 (6 nights * 3 Trainers @per diem \$60.00 * 11% estimated tax)
Mileage: \$90.00 (250 miles @ .36) 3 Trainers travel to and from training sessions
Meals & I.E.: \$700.00 (\$31 per diem * 7.5 days * 3 Trainers)

EQUIPMENT

The total equipment rental cost is \$12,000.00.

Rental of computer studio for training session, full day, with tables, seating, projection screen, digital projector, instructor and student computer stations (20) with internet connections @ \$500 per day for 12 2-day training sessions. (12 sessions).

SUPPLIES

The total cost of supplies is \$12,000.00

Copied educational training materials: 50 pages, 150 copies each session @ \$0.10 per page.

Miscellaneous supplies are estimated at \$1,000.00

CONTRACTUAL

The total contractual cost is \$20,000.00. See below for breakdown cost for twelve 2-day sessions:

1. Development of educational materials: \$7,000.00
2. State Coordinators = \$12,000.00 (4 persons @ flat fee of \$3,000.00 each.)

Subcontractors/Trainers

The project Sub-Contractors/Trainers are Dr. John Doe and Dr. James Smith, both from the University of Southern Florida. The two Sub-Contractors/Trainers will perform the following duties:

- Develop educational materials;
- Review of educational materials;
- Conduct training sessions;
- Conduct project evaluations;
- Write and review project reports.

State Horseradish Growers Coordinator

Professional fee for local arrangements, advertising and solicitation of participants, input into material development and training input, and follow-up contact.

OTHER

Not applicable.

INDIRECT CHARGES

The total indirect charges are \$6,750.00

The total indirect charges were calculated at the predetermined rate of 10% of direct charges which was obtained from the SHGA's federal cognizant agency.

$$\$67,500 \times 10\% = \$6,650.00$$

**Part IV, Statement of Non-financial Benefits
(Required for Commodity Partnerships and Commodity Partnerships Small Sessions programs only)**

You must complete Part IV if you are applying under the Commodity Partnership program or under the Commodity Partnerships Small Sessions program. If you are applying under the Targeted States program, this section does not apply. The RFA states the following:

“To be eligible, applicants must also be able to demonstrate that they will receive a non-financial benefit as a result of a partnership agreement. Non-financial benefits must accrue to the applicant and must include more than the ability to provide employment income to the applicant or for the applicant’s employees or the community. The applicant must demonstrate that performance under the partnership agreement will further the specific mission of the applicant (such as providing research or activities necessary for graduate or other students to complete their educational program).”

For instance, a Statement of Non-financial Benefits for the hypothetical organization “The Southeast Horseradish Growers Association (SHGA)” might be:

The Southeast Horseradish Growers Association (SHGA) will receive non-financial benefits as a result of this partnership agreement. By participating in this agreement, SHGA will have increased opportunities to communicate and interact with its own membership, with other agricultural producers, and with agribusiness professionals. These opportunities will assist SHGA in better assessing the needs of its members and improving its products and services. The educational elements of this partnership agreement will also increase the risk management knowledge base of participating producers and agribusiness professionals, including those customers served by SHGA. A better-informed membership will aid SHGA in achieving its mission, which is to “Foster the economic viability of horseradish production in the southeast U.S.”