
USDA LOCAL MEAT CAPACITY GRANT PROGRAM (LOCAL MCap)

PROGRAM SPECIFIC TERMS AND CONDITIONS

In addition to the AMS General Terms and Conditions, the following program specific terms and conditions apply to Local Meat Capacity Grant (Local MCap) Grants. If there are any differences between the AMS General Terms and Conditions and the Local MCap Program-specific Terms and Conditions, the Local MCap Program Specific Terms and Conditions take precedence.

1.0 APPLICABLE REGULATIONS

As a condition of this award, the recipient assures and certifies that it will comply with the requirements contained in the AMS [General Terms and Conditions](#), as well as the following statutes and regulations, as applicable.

- 21 U.S.C. 601 – [“Federal Meat Inspection Act”](#)
- 21 U.S.C. 451 – [“Poultry Products Inspection Act”](#)
- 9 CFR parts 301 through 381 – [“Mandatory Meat and Poultry Products Inspection and Voluntary Inspection and Certification](#)
- 9 CFR parts 416 through 500 – [“Regulatory Requirements under the Federal Meat Inspection and the Poultry Products Inspection Act](#)
- 40 CFR part 141 – [“National Primary Drinking Water Regulations”](#)
- [National Environmental Policy Act \(NEPA\)](#)

2.0 ALLOWABLE AND UNALLOWABLE COST AND ACTIVITIES

Cost Category	Description, Guidance and Exceptions
Buildings and Land— Construction and/or Renovation	<p>Allowable for Processing Expansion Projects</p> <ul style="list-style-type: none"> Improvements, rearrangements, or alterations of an existing building or facility to use a space more effectively and to accommodate new or upgraded equipment and processes. <p>Unallowable for Simplified Equipment-Only Projects</p> <ul style="list-style-type: none"> Improvements, rearrangements, or alterations of an existing building or facility. <p>Unallowable for ALL project types</p> <ul style="list-style-type: none"> Structural changes to an existing building/facility resulting in a square foot expansion or requiring changes to the building’s floor, foundation, and exterior or load bearing walls. New construction of buildings/facility. A building is any permanent structure designed or intended for support, enclosure, shelter or protection of people, animals or property, and having a permanent roof supported by columns or walls.
Equipment	<p>Allowable for ALL project types</p> <ul style="list-style-type: none"> Purchases of special purpose equipment (such as sausage stuffer, breader, smoker, patty maker, cooling systems and cold storage, or other equipment for meat and poultry processing or rendering of carcasses or other animal byproducts) are allowable when approved in the grant budget or with prior written approval. All equipment purchases must meet the following criteria: <ul style="list-style-type: none"> Equipment is necessary for the technical activities of the grant agreement. Equipment must be used solely to meet the legislative purpose of the program and objectives of the agreement. Equipment is subject to the full range of acquisition, use, management, and disposition requirements under 2 CFR § 200.313 as applicable. <p>Unallowable for ALL project types</p> <ul style="list-style-type: none"> Purchases of general-purpose equipment (e.g., motor-vehicles, office furniture, office air conditioners, printers, and copiers) or lease agreements to own (i.e., lease-to-own or rent-to-own).
Compensation for Damage	<p>Unallowable for ALL project types</p> <ul style="list-style-type: none"> Compensation for injuries or damage to property arising from project activities.
Purchases of Land, Buildings, and Facilities	<p>Unallowable for ALL project types</p> <ul style="list-style-type: none"> Purchase of land, buildings, and facilities

3.0 REPORTING AND COMMUNICATION

Recipients are expected to provide semi-annual performance reports (every 6 months) throughout the period of performance. As described in the General Terms and Conditions performance, reports must be formatted and submitted using the approved templates or guidance and be machine-readable.

- The semi- annual performance reports and SF-425 Federal Financial Reports are due semi-annually (every 6 months), no later than 30 calendar days after each performance reports reporting period end date.
- The final reports, including performance and financial, are due 120 days after the end of the agreement.

4.0 ACKNOWLEDGEMENT OF SUPPORT

In addition to the [AMS General Terms and Conditions](#) section 11.0 Acknowledgement of Support, this program also requires that the recipient follow AMS requirements for signage and acknowledgement of funding from the American Rescue Plan Act. AMS will provide guidance on necessary signage.

5.0 NATIONAL ENVIRONMENTAL POLICY ACT (NEPA)

AMS restricts applicants from any action using Federal funds, which would have an adverse effect on the environment or limit the choice of reasonable alternatives, prior to NEPA clearance or final NEPA decisions. Moving forward without final NEPA decisions can result in the risk of not receiving federal funding and such costs may not be recognized as an allowable cost.

Applicants are required to complete an Environmental Checklist. This checklist will be used by AMS staff to complete an Environmental Screening Tool to evaluate applications on special environmental concerns. AMS will provide the Environmental Checklist to applicants during the administrative review process.

Costs associated with satisfying environmental review requirements and permits may be eligible for reimbursement as pre-award expenses if the project is funded and pending AMS approval.

If it has been determined that the project is within a sensitive area during the Environmental Screening process and impacts cannot be mitigated or an alternative cannot be provided, then AMS has the right to deny an application from funding. AMS also has the right to request additional information and not accept an application due to complications associated with meeting NEPA, NHPA, ESA, and all other Federal, State, and local environmental requirements.

6.0 BUILD AMERICA, BUY AMERICA ACT

Any public infrastructure project funded under this grant must coordinate with AMS to ensure adherence to BABA guidance. For such projects, the recipient must comply with the Buy America Sourcing requirements outlined in the Build America, Buy America (BABA) provisions of the [Infrastructure Investment and Jobs Act](#).