

Food and Nutrition Service

DATE: August 24, 2021

SUBJECT: The Emergency Food Assistance Program (TEFAP) – State Plan

Requests and Allocations for Fiscal Year 2022 Farm to Food Bank

Projects

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TO: Regional Directors

Special Nutrition Programs MARO, MPRO, MWRO, NERO, SERO, SWRO, and

WRO

State Directors

All TEFAP State Agencies

Issuing Agency/Office:	Food and Nutrition Service
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Summary:	This memo is addressed to TEFAP State agencies and provides the initial allocations for FY 2022 Farm to Food Bank Projects. This memo includes details on information collections under OMB# 0584-0293 and OMB# 0584-0594.
Body of guidance document follows.	

Section 4018(b) of the Agriculture Improvement Act of 2018 (P.L. 115-334, the 2018 Farm Bill) amended Section 203D of the Emergency Food Assistance Act of 1983 to provide funding for TEFAP State agencies to pay for projects to harvest, process, package, or transport commodities donated by agricultural producers, processors, or distributors for use by emergency feeding organizations (EFOs). These projects are known as Farm to Food Bank Projects. The purpose of this memorandum is to allocate funding for such projects in Fiscal Year (FY) 2022.

Farm to Food Bank Projects

Farm to Food Bank Projects are defined at 7 CFR 251.10(j) as the harvesting, processing, packaging, or transportation of unharvested, unprocessed, or unpackaged commodities donated by agricultural producers, processors, or distributors for use by EFOs. The

purpose of such projects must be to (a) reduce food waste at the agricultural production, processing, or distribution level through the donation of food, (b) provide food to individuals in need, and (c) build relationships between agricultural producers, processors, and distributors and EFOs through the donation of food. Farm to Food Bank Project funds can only be used for the costs associated with harvesting, processing, packaging, or transporting privately donated foods, and cannot be used to purchase foods or for agricultural production activities (e.g., purchasing seeds or planting crops). Additionally, these funds may not be used for costs associated with handling USDA Foods provided for distribution through TEFAP. States have discretion in determining how to distribute Farm to Food Bank Project funds and may apply funds to both new initiatives and to existing projects that meet the definition of a Farm to Food Bank Project.

FY 2022 Farm to Food Bank Project Funding

FNS is making \$7.544 million available for Farm to Food Bank Projects in FY 2022. The 2018 Farm Bill provided \$4 million¹ each year for Farm to Food Bank Projects from FY 2019 through FY 2023. The first round of Farm to Food Bank Project grants were issued in May 2020, using funds provided for FY 2019 and the second round of Farm to Food Bank grants were issued in December 2020, using funds provided for FY 2020. For this third round of Farm to Food Bank grants, FNS will be issuing funds authorized for use in both FY 2021 and FY 2022. In FY 2023, FNS anticipates that \$3,772,000 (one year of funding after rescission) will be available for the fourth round of Farm to Food Bank grants.

Farm to Food Bank Project Partners

As required by 7 CFR 251.6(a)(5), Farm to Food Bank Projects must be carried out in partnership with one or more EFOs located in the State. Per 7 CFR 251.3(e), an EFO is an eligible recipient agency which provides nutrition assistance to relieve situations of emergency and distress through the provision of food to needy persons, including low-income and unemployed persons. States must have a TEFAP agreement in place with all participating EFOs in a Farm to Food Bank Project before the start of a project.² Through agreements, State agencies may also partner with other States to maximize the use of foods donated under any Farm to Food Bank Project. TEFAP State agencies will have the discretion to distribute funds to Farm to Food Bank Project partners as they see fit while ensuring that funds are only expended on allowable Farm to Food Bank Project costs.

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¹ These funds are subject to rescission.

² The burden for these agreements is related to OMB #0584-0293 Food Distribution Programs, Expiration: 07/31/2023, Title: TEFAP Eligible Recipient Agency (ERA) Agreements (7 CFR 251.2(c)(2)). Because this collection was undergoing renewal at the time that the <u>final rule</u> associated with TEFAP Farm to Food Bank Project funding was published, FNS chose to incorporate the burden associated with TEFAP Farm to Food Bank agreements into a new collection. This new collection is undergoing Agency review. Once the new collection is approved, FNS will merge the burdens into one collection.

State Plan Amendments

To be eligible for funds to carry out a Farm to Food Bank Project in FY 2022, State agencies must submit an amendment to their State Plan to their FNS Regional Office by September 21, 2021.³ States wishing to fund multi-year Farm to Food Bank projects must submit an updated State Plan Amendment each fiscal year reconfirming the ongoing operation of the project. Per 7 CFR 251.6(a)(5)(i) through (iv), State Plan amendments must include all of the following requirements:

- A list of EFOs within the State that will operate the project in partnership with the State agency;
- A list of any State agencies that will operate the project as a part of an agreement;
- A description of the purpose of the Farm to Food Bank Project that includes how the Project will:
 - Reduce food waste at the agricultural production, processing, or distribution level through the donation of food;
 - o Provide food to individuals in need; and
 - Build relationships between agricultural producers, processors, and distributors and emergency feeding organizations through the donation of food; and
- The Federal fiscal year in which the Project will begin operating.

Attached to this memorandum (Attachment A) is a sample Farm to Food Bank State Plan Amendment for FY 2022 that addresses each of these required items.

Match Requirement

As per TEFAP regulations at 7 CFR 251.10(j)(4), the Federal share of a Farm to Food Bank Project shall not exceed 50 percent of the total cost of the project. Therefore, all Federal funds utilized for Farm to Food Bank Projects must be matched by non-federal funds. The match requirement must be met through a cash or in-kind contribution from either the State or partner EFOs. Match funds must be used for allowable Farm to Food Bank Project costs. While funds or in-kind contributions from non-Federal sources expended to administer a project count toward the match requirement, donated foods, including the value of foods donated as a part of a Farm to Food Bank project, cannot count toward the match requirement.

Additional guidance on allowable cash and in-kind match contributions for Farm to Food Bank projects can be found at 7 CFR 251.9(c) and 251.10(j)(4).

Once the new collection is approved, FNS will merge the burdens into one collection.

³ The burden for the State Plan amendment for Farm to Food Bank Projects is related to OMB #0584-0293 Food Distribution Programs, Expiration: 07/31/2023, Title: TEFAP Federal-State Agreements (7 CFR 251.2(c)(1). Because this collection was undergoing renewal at the time that the <u>final rule</u> associated with TEFAP Farm to Food Bank Project funding was published, FNS chose to incorporate the burden associated with TEFAP Farm to Food Bank State Plan amendments into a new collection. This new collection is undergoing Agency review.

Allocation of Funds for Farm to Food Bank Projects

FY 2022 Farm to Food Bank Project funds will be allocated to State agencies that have submitted an approved State Plan amendment describing a plan of operation for a Farm to Food Bank Project.⁴ The funds will be allocated using the current TEFAP formula found at 7 CFR 251.3(h). The initial level of funds potentially available for each State in FY 2022 is attached to this memorandum (Attachment B). Please note that these figures are subject to change based on the FY 2022 update to the TEFAP funding formula.

To receive funds in FY 2022, States must submit their State Plan amendment (Attachment A) to their FNS Regional Office by September 21, 2021, for review and approval.⁴ The allocation of funds in Attachment B should be considered the *minimum* amount of funds that each State can receive for FY 2022. If any TEFAP State agency does not accept all or part of its *minimum* allocation, remaining funds will be allocated among all States that have submitted an approved State Plan amendment and that have accepted their full amount of funds on a pro-rata basis, once all State Plan amendments for FY 2022 are received and reviewed. Thus, States' final allocations may vary significantly from what is included in Attachment B.

Half of the funds for FY 2022 Farm to Food Bank Projects (totaling \$3,772,000) will be available for issuance in the first quarter of FY 2022. The other half of the funds will be issued as soon as they become available through FY 2022 continuing resolutions or a full year funding bill. All FY 2022 Farm to Food Bank Project funds will be issued through the same Grant Award Document and will have the same period of performance. Funds will be available to obligate for one year from the date of allocation of the first portion of funds.

Reporting Requirements

All State agencies that receive funds to carry out Farm to Food Bank Projects in FY 2022 must provide semiannual financial reports via the Food Programs Reporting System (FPRS).⁵ The SF-425 must be used for these reports. States will report both allocations of funds for FY 2022 Farm to Food Bank Projects, the allocation received at the beginning of the fiscal year and the allocation received once FY 2022 funds are available, via the same report; they do not need to be reported separately. A report titled "TEFAP-

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⁴ The burden for the State Plan amendment for Farm to Food Bank Projects is related to OMB #0584-0293 Food Distribution Programs, Expiration: 07/31/2023, Title: TEFAP Federal-State Agreements (7 CFR 251.2(c)(1). Because this collection was undergoing renewal at the time that the <u>final rule</u> associated with TEFAP Farm to Food Bank Project funding was published, FNS chose to incorporate the burden associated with TEFAP Farm to Food Bank State Plan amendments into a new collection. This new collection is undergoing Agency review.

⁵ The burden for TEFAP Farm to Food Bank Project reporting is related to OMB #0584-0594 Food Programs Reporting System, Expiration: 07/31/2023, Title: SF-425. Because this collection was undergoing renewal at the time that the <u>final rule</u> associated with TEFAP Farm to Food Bank Project funding was published, FNS chose to incorporate the burden into a new collection. This new collection is undergoing Agency review. Once the new collection is approved, FNS will merge the burdens into one collection.

F2F-Bank-TEFAP Farm to Food Bank Projects" in FPRS has been established for this purpose. A first report must be submitted by May 2, 2022, and reflect Farm to Food Bank Project funds expended from the start of the performance period to March 31, 2022. A second report must be submitted by October 31, 2022 and reflect funds expended from April 1, 2022 to September 30, 2022. A final report must be submitted within 90 days after the grant expires and reflect funds expended during the period of performance. Please see 7 CFR 251.10(j)(6) for more information on reporting requirements.

Farm to Food Bank Project funds should be reported under the TEFAP administrative funding Catalog of Federal Domestic Assistance (CFDA) number, 10.568.

TEFAP State agencies with questions should contact their FNS Regional Offices.

/s/ Original Signature on File

Laura Castro
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