

TITLE 35. OKLAHOMA DEPARTMENT OF AGRICULTURE, FOOD, AND FORESTRY

CHAPTER 40. MARKET DEVELOPMENT

A summary of all rule changes can be found on the Notice of Rulemaking Intent for Chapter 40. Market Development at the following link <http://app.ag.ok.gov/proposedrules/default.aspx>

SUBCHAPTER 18. OKLAHOMA LOCAL FOOD FOR SCHOOLS

35:40-18-2. Definitions

The following words or terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

“**Applicant**” means a person who is requesting grants from the Oklahoma Local Food for Schools Program Fund.

“**Application**” means a form provided by the Department, that is used to request funds in the form of a grant.

“**Contract**” means a signed agreement between the Oklahoma Department of Agriculture, Food and Forestry and the grantee outlining the terms and conditions of the grant, including all other guidelines.

“**Grant**” means a sum of money given by the Oklahoma Department of Agriculture, Food and Forestry for a particular purpose.

“**Grantee**” means the legal entity to which a grant is awarded and that is accountable to the Oklahoma Department of Agriculture, Food and Forestry for the use of the funds provided.

“**Market value**” means the price that an property animal would sell for in a competitive market under fair conditions.

“**Minimally processed**” means food that has been processed in a way that doesn't significantly change its fundamental properties.

35:40-18-3. Eligibility

In order to be eligible for funding through the Oklahoma Local Food for Schools Program, the applicant shall be a public-school district accredited by the Oklahoma State Department of Education.

35:40-18-4. Application Process

(a) Applications shall be electronically submitted to the Department on a form designated by the Department.

(b) Applicants may only apply for funding once a month and only if all previously allocated funding was used.

(c) Applicant may request a minimum of five thousand dollars (\$5,000.00) ~~per month~~ with a maximum request of twenty-five thousand dollars (\$25,000.00) ~~per month~~. Requests shall be submitted in five-thousand-dollar (\$5,000.00) increments.

(d) The maximum amount of funding an Applicant can receive in a fiscal year is one hundred thousand dollars (\$100,000.00).

35:40-18-5. Criteria for Allowed Purchases

(a) Food shall be minimally processed items including but not limited to ground beef, bacon, fresh fruits and vegetables, dairy products, nuts, and honey.

(b) Food shall be grown/raised and harvested/processed within the State of Oklahoma, unless one of the following exceptions applies and the applicant receives written approval from the Department for each purchase:

(1) When the processing capacity of such product is non-existent or extremely limited.

(2) When the availability of such product is non-existent or extremely limited.

(c) Live animals may be purchased for market value, on the day of purchase, for processing by a licensed processor. Funding through the Oklahoma Local Food for Schools Program may be used to cover processing fees if the processor is licensed by the Department or Federal government. To purchase a live animal an applicant shall submit three bids for processors, submit a written statement on why the applicant selected a specific processor, and obtain prior approval from the Department to purchase the live animal.

(d) Processed items including but not limited to chicken nuggets, jelly, bread, are not allowed.

(e) ~~High-end~~Premium items including but not limited to filets and ribeye ~~are discouraged~~will not be approved by the Department.

(f) Schools shall disclose any conflicts of interest to the Department, if the school or the person running the program for the school has a personal interest in the items purchased from a vendor. Conflicts of interest will be reviewed by the Department for approval.

(g) Applicant must submit three written bids for purchases. If lowest price is not chosen, a justification must be submitted for approval by the department.

35:40-18-8. Supplemental program information

Recipients that received funding through the Oklahoma Local Food for Schools Program, shall provide the following information in order to receive payment:

(1) Invoices and proof of payment by applicant shall be submitted to the Department by the end of the contract period.

(2) Reimbursement for items purchased will be sent to the school address listed in the contract.

~~(3) Purchase orders shall include three written bids with a justification for choice if lowest price isn't chosen. The written bids are to be submitted with the invoice and purchase order.~~

~~(4)~~(3) Invoices and payments are subject to the Department's approval. The Department holds the right of refusal if invoice does not match the preapproved items.

~~(5) The maximum amount of funding an Applicant can receive in a fiscal year is one hundred thousand dollars (\$100,000.00).~~

SUBCHAPTER 19. OKLAHOMA VITICULTURE AND ENOLOGY CENTER DEVELOPMENT REVOLVING FUND

35:40-19-1. Purpose

The purpose of the Oklahoma Viticulture and Enology Center Development Revolving Fund is to:

(1) Develop viticulture-related and enology-related educational programs;

- (2) Develop technologies, strategies, or practices that aid in the production of grapes and wine in Oklahoma; ~~and~~
- (3) Increase the positive economic impact of the Oklahoma wine industry on this state; ~~and~~
- (4) Provide producers with grant opportunities to establish or improve viticulture and enology facilities and businesses.

35:40-19-2. Definitions

The following words or terms, when used in this Subchapter, shall have the following meaning, unless the context clearly indicates otherwise:

“Application” means a form provided by the Department, that is used to request funds in the form of a grant.

“Contract” means a signed agreement between the Oklahoma Department of Agriculture, Food and Forestry and the grantee outlining the terms and conditions of the grant, including all other guidelines.

“Credible Adviser” means an individual from an institute of higher learning, OSU Extension, Kerr Center For Sustainable Agriculture, Noble Research Institute, agricultural financing institutions or other organizations or individuals with relevant experience and knowledge of the industry.

“Department” means the Department of Agriculture, Food and Forestry

“Enology” means the process to produce wine from grapes.

“Grant” means a sum of money given by the Oklahoma Department of Agriculture, Food and Forestry for a particular purpose.

“Grantee” means the legal entity to which a grant is awarded and that is accountable to the Oklahoma Department of Agriculture, Food and Forestry for the use of the funds provided.

“Individual Applicant” means an individual or business who is requesting grants from the Oklahoma Viticulture and Enology Center Development Revolving Fund.

“Institutional Applicant” means a principal investigator, project lead or designated employee applying on behalf of a research institution, non-profit, trade group, higher education institute in Oklahoma, a state agency or governmental subdivision of Oklahoma, or a relevant organization as determined by the Committee.

“Viticulture” means the cultivation of soil and maintenance of grapevines to produce grapes in this state.

35:40-19-3. Eligibility

An applicant shall be eligible for funding assistance in the form of a grant from the Oklahoma Viticulture and Enology Center Development Revolving Fund if the applicant meets the following eligibility requirements:

- (1) ~~An applicant shall be an institution of higher education in Oklahoma, a state agency or governmental subdivision of Oklahoma, or a trade group promoting grape or wine production industries within Oklahoma; and~~ Projects proposed by institutional applicants shall be related to scientific research, education, product development, or marketing projects.
- (2) ~~Projects proposed by the applicant shall be limited to scientific research, education, product development, or marketing projects that support the purpose of the Oklahoma~~

Viticulture and Enology Center Development Revolving Fund Projects proposed by individual applicants shall be related to vine and vineyard establishment or improvement, equipment, marketing, or economic development.

35:40-19-4. Evaluation

The Department shall evaluate applications for funding ~~in the form of a grant from the Oklahoma Viticulture and Enology Center Development Revolving Fund~~ and submit recommendations for approval to the Board of Agriculture. The Department ~~and~~ may consider some or all of the following factors:

- (1) Whether the application clearly meets the criteria of the Oklahoma Viticulture and Enology Center Development Revolving Fund purpose, goals, and objectives;
- (2) Whether the proposed project is commercially feasible, can be duplicated by other grape and wine producers, or will aid in the production of grapes and wine in Oklahoma; ~~and~~
- (3) Whether the proposed location of viticultural or enological establishment or improvement is viable for intended proposal;
- (4) If applications from individuals or businesses have support from credible advisers;
- (5) Whether the business plan is viable and return on investment is apparent; and
- ~~(3)~~(6) Whether the outcome will provide a positive impact on the Oklahoma wine industry.

35:40-19-5. Submission of applications

- (a) Applications shall be electronically submitted to the Department on a form designated by the Department.
- (b) Applications shall identify the category of the proposed project and describe the goals and benefits of the proposed project, as follows:
 - (1) For projects related to scientific research, the application shall describe proposed research project and in what manner the project will benefit grape and wine production in Oklahoma;
 - (2) For projects related to education, the application shall describe the proposed educational coursework and in what manner the project will educate or provide technical assistance to individuals and businesses engaged in the grape or wine production industries within Oklahoma;
 - (3) For projects related to product development, the application shall describe the proposed project and in what manner the project improves the quality or variety of grapes or wine produced in Oklahoma; ~~and~~
 - (4) For projects related to marketing, the application shall describe the proposed project and how the project will promote grapes and wines produced in Oklahoma;;
 - (5) For projects related to vineyard establishment or improvement, the application shall outline proposed vineyard area and layout, and the expected production quantity of grapes intended for use in the Oklahoma wine industry as well as estimated return on investment;
 - (6) For projects related to vineyard equipment, the application shall include a detailed list of vineyard equipment intended to purchase and how this will impact the productivity

and economic impact of the intended/established vineyard and the Oklahoma wine industry; and

(7) For projects related to winery equipment, the application shall include a detailed list of winery equipment intended to purchase and how this will economically impact the productivity of the winery and Oklahoma wine industry.

(c) For proposals related to the purchasing of Oklahoma grapes, the application shall include proof of licensure by the Oklahoma ABLE commission, proof of licensure by the Oklahoma Secretary of State, a copy of the sales contract between applicant and an Oklahoma grape grower, and a written description of intended use of the purchased grapes.

35:40-19-6. Supplemental program information

(a) Following approval of the application, a contract shall be executed between the Department and the grantee. The Department shall not disburse grant funding to the grantee until the contract is executed and a purchase order is issued.

(b) The grantee shall not expend funds for the project until after receiving notice the purchase order has been issued.

(c) The contract shall specify the agreed upon objectives and tasks to be performed. The release of funds shall be tied to the completion of contract objectives. Failure to complete contract objectives may result in the Department withholding further funding and recovery of previously disbursed funds.

~~(d) Before December 31 of each year, the grantee shall submit a final report to the Department in a form specified by the Department. If the applicant received a grant the previous year, the final report shall be submitted before funds are disbursed for the following year.~~ A final report shall be submitted to the Department no later than 60 days after completion of the project.

(e) An individual applicant is only allowed one proposal per quarter.

(f) An individual applicant is only allowed to receive one grant per category per fiscal year.

(g) If an applicant has received a grant, they are ineligible to apply for another until they have successfully spent the first awarded grant.

35:40-19-7. Disbursements

(a) The grantee shall only submit receipts supporting expenditures that occur during the term defined by the contract.

(b) Applications for Grant awards to any institutional applicant shall not exceed \$50,000 per fiscal year.

(c) Grants awarded to individuals will be paid out in the form of reimbursements.

(d) Grant awards to an individual applicant shall not exceed \$40,000 per fiscal year.

(e) If an individual grantee's business should fail within five years of grant awarded, the grantee must notify the Oklahoma Department of Agriculture, Food and Forestry, and the Department will facilitate the transfer of assets obtained by the grant to another qualified applicant.