

CHAPTER 52 MARKETING

CHOOSE IOWA PROMOTIONAL PROGRAM

21—52.1(159) Definitions.

“*Department*” means the Iowa department of agriculture and land stewardship.

“*Food item*” means any of the following:

1. A perishable item derived from an agricultural commodity, or processed from an agricultural commodity, that is fit for human consumption.

2. Honey produced from bees in a managed beehive.

“*Honey product*” means a product where honey is a principal ingredient. For purposes of this definition, a product shall be considered to have honey as a principal ingredient if the product contains at least 50 percent honey by weight.

“*Iowa farm*” means land in this state used to produce an agricultural commodity.

“*Member*” means a person who has applied for and been accepted to participate in the choose Iowa promotional program.

“*Process*” means to prepare a food item in a manner that allows it to be fit for human consumption.

“*Processor*” is a membership classification that means a person preparing a food item in a manner that allows it to be fit for human consumption.

“*Producer*” is a membership classification that means a person growing, raising, or harvesting agricultural commodities in the state of Iowa.

“*Retailer*” is a membership classification that means a person engaged in the business of selling agricultural products to consumers, including food service and restaurants.

“*Supporting organization*” is a membership classification that means a person, unified group, association, or business supporting the efforts of the choose Iowa promotional program.

“*Wholesaler/distributor*” is a membership classification that means a person engaged in the business of selling or distributing agricultural products to retailers or institutions.

[ARC 6552C, IAB 10/5/22, effective 11/9/22; ARC 7037C, IAB 5/31/23, effective 7/5/23]

21—52.2(159) Product qualification.

52.2(1) Authority of determination. The department has the sole authority in determining the eligibility of a product for participation in the program.

52.2(2) General product qualifications. Except as specified in this chapter, products must meet or exceed the following criteria:

a. Fresh produce and commodities bearing the choose Iowa logo shall be 100 percent grown or raised in Iowa.

b. Meat and meat products bearing the choose Iowa logo shall be derived from animals born, raised, and finished in Iowa. Slaughter and processing must take place in a state- or federally inspected plant within the state of Iowa.

c. Dairy products bearing the choose Iowa logo shall be derived from animals in Iowa. Processing must take place in a state-inspected plant within the state of Iowa.

d. Eggs bearing the choose Iowa logo shall be derived from animals in Iowa.

e. Apicultural products produced by honey bees, including honey, wax, pollen, and propolis, bearing the choose Iowa logo shall be 100 percent of Iowa origin. Honey products shall utilize honey that is 100 percent of Iowa origin.

f. Beer or cider bearing the choose Iowa logo shall be produced in Iowa and contain at least one Iowa agricultural product, such as Iowa malt, hops, apples, corn, or soluble remnant, excluding water.

g. Wine bearing the choose Iowa logo shall contain a minimum of 75 percent Iowa grapes.

h. Spirits bearing the choose Iowa logo shall be distilled in Iowa and contain at least one Iowa agricultural product, excluding water.

52.2(3) Exceptions. The department has the authority to establish product qualification requirements specific to individual products and commodities by written order.

[ARC 6552C, IAB 10/5/22, effective 11/9/22; ARC 7037C, IAB 5/31/23, effective 7/5/23]

21—52.3(159) Application for membership.

52.3(1) Application requirement. Persons interested in becoming a member in the choose Iowa promotional program shall do so by making application to the department. New applications may be submitted at any time throughout the year.

52.3(2) Application review and compliance verification. The department, upon receipt of an application, will verify the applicant's compliance with this chapter and approve or deny the application. The department will notify the applicant in writing of the approval or denial.

52.3(3) Duration of membership. Membership is on an annual basis, coinciding with the member's anniversary date of original registration.

52.3(4) Membership revocation and termination. Program membership may be revoked if the member company:

- a. No longer meets the qualifications for membership;
- b. Violates any applicable statute or rule;
- c. Violates any agreement between the department and the member company;
- d. Acts in a manner that may damage the reputation of the program.

[ARC 6552C, IAB 10/5/22, effective 11/9/22; ARC 7037C, IAB 5/31/23, effective 7/5/23]

21—52.4(159) Membership fees. Membership fees will be listed in the membership application and will be charged at the following rates:

Producer	\$100
Processor	\$100
Wholesaler/distributor	\$100
Retailer	\$100
Supporting organization	\$100

[ARC 6552C, IAB 10/5/22, effective 11/9/22; ARC 7037C, IAB 5/31/23, effective 7/5/23]

21—52.5(159) Approval for use of logo. Members who wish to use the choose Iowa logo on packaging, labels, flyers, promotional materials, or any other materials that will be viewed by the public must submit a proof of text and design to the department for approval. Requests for approval must be submitted to the department not less than five working days prior to the proposed date of use. Written approval from the department for logo use must be issued prior to use of the logo.

[ARC 6552C, IAB 10/5/22, effective 11/9/22]

21—52.6(159) Self-certification. All members shall self-certify that all products marked with the choose Iowa logo meet the qualification criteria as set forth in this chapter. Self-certification is subject to verification through the application and compliance processes.

[ARC 6552C, IAB 10/5/22, effective 11/9/22]

21—52.7(159) Compliance.

52.7(1) Authority of department. The department may enter upon the premises of any member to examine any records or materials necessary to ensure compliance with these rules.

52.7(2) Random compliance inspection. The department may annually perform random compliance inspections.

52.7(3) Samples. Upon request of the department, a member shall provide samples of the labels, packaging, merchandising, and promotional materials featuring the choose Iowa logo.

[ARC 6552C, IAB 10/5/22, effective 11/9/22]

21—52.8(159) Violations. Any person found in violation of these rules is subject to termination of membership privileges.

[ARC 6552C, IAB 10/5/22, effective 11/9/22]

21—52.9 to 52.19 Reserved.

This division is intended to implement Iowa Code section 159.29 as amended by 2022 Iowa Acts, House File 2581.

VALUE-ADDED AGRICULTURE GRANT PROGRAM

21—52.20(159) Definitions. For purposes of this division:

“*Agreement*” means a contract for financial assistance under the program describing the terms on which the financial assistance is to be provided.

“*Applicant*” means a person applying for assistance under the program. This includes but is not limited to an individual, business, agricultural cooperative, nonprofit organization, or local government.

“*Department*” means the Iowa department of agriculture and land stewardship.

“*Grant*” means an award of assistance with the expectation that, with the fulfillment of the conditions, terms and obligations of the agreement with the department for the project, repayment of funds is not required.

“*Program*” means the value-added agriculture grant program established under this chapter.

“*Project*” means an activity or activities undertaken by the applicant to be carried out to meet the goals of the program.

[ARC 6552C, IAB 10/5/22, effective 11/9/22]

21—52.21(159) Eligibility.

52.21(1) Eligible applicants. To be eligible for a grant under the program, an applicant shall meet all of the following requirements:

a. Be an individual, business, agricultural cooperative, nonprofit organization, or local government.

b. Be in good standing with the state of Iowa.

c. Currently reside or conduct business in Iowa.

52.21(2) Eligible projects. To be eligible for a grant under the program, a project shall:

a. Increase sales of Iowa agricultural products by increasing production capacity or expanding market access for value-added projects.

b. Not be in progress until a grant is awarded.

c. Be completed in 12 months or less.

d. Be conducted in Iowa.

52.21(3) Ineligible expenses. The following items are not eligible expenses under the program:

a. Equipment and infrastructure for meat processing;

b. Infrastructure for renewable fuels;

c. Expenses incurred prior to the awarding of a grant;

d. Start-up costs including but not limited to inventory, license fees, or working capital;

e. Advertising, public relations, or entertainment costs;

f. Employee benefits and wages;

g. Paying off existing debt, related collection costs, or legal costs;

h. Paying off existing fines, penalties, or settlements from failure to comply with any applicable law or regulations.

52.21(4) Grant amount and terms.

a. The maximum amount of financial assistance awarded to an eligible applicant under the program shall not exceed \$25,000.

b. An applicant must demonstrate the ability to provide matching support for the project on a one-to-one basis. The matching financial support shall be from private sources and does not include in-kind contributions.

[ARC 6552C, IAB 10/5/22, effective 11/9/22; ARC 7037C, IAB 5/31/23, effective 7/5/23]

21—52.22(159) Application and review process.

52.22(1) The department will establish a uniform application process and make information about applying available on its website.

52.22(2) Applications will only be accepted during the times established by the department. Late submissions will not be accepted. An individual, business, agricultural cooperative, nonprofit organization, or local government may only apply for one project per grant cycle.

52.22(3) A scoring committee established by the department will review and evaluate applications based on the scoring criteria described in rule 21—52.23(159).

52.22(4) The department, after considering the recommendations made by the scoring committee, will determine which applications to fund and how much should be awarded to each applicant. The department has final decision-making authority on requests for financial assistance for the program.

52.22(5) Priority will be given to applicants who were not awarded a grant in the previous fiscal year.

[ARC 6552C, IAB 10/5/22, effective 11/9/22; ARC 7037C, IAB 5/31/23, effective 7/5/23]

21—52.23(159) Scoring criteria.

52.23(1) *Application scoring.* A scoring committee will be established by the department to evaluate applications on a scale of 0 to 100. Projects receiving a score below 70 will not be considered.

52.23(2) *Scoring criteria.* The department will use the following criteria to evaluate each application:

a. The extent to which the project addresses the goals of the program to increase the sale of Iowa agricultural products, increase market access, diversify markets, or increase processing capacity: 20 points.

b. The extent to which the project benefits Iowa including the potential to impact many farmers, both short-term and long-term impacts, and the possibility of creating jobs and investments: 20 points.

c. The ability of the applicant to demonstrate sound business management, financial aptitude, and stability: 15 points.

d. The sufficiency of the project’s budget and financing structure: 20 points.

e. The sufficiency of the project’s proposed work plan and timeline including a detailed description of the steps the applicant will take to complete the project as well as estimated dates: 15 points.

f. The extent to which measurable objectives can be determined that demonstrate the proposed project’s benefit to the agriculture community: 10 points.

[ARC 6552C, IAB 10/5/22, effective 11/9/22; ARC 7037C, IAB 5/31/23, effective 7/5/23]

21—52.24(159) Disbursement of funds. The department will disburse funds for a project only after an agreement has been executed between the applicant and the department and all applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenditures. Disbursement of funds under the agreement will be on a reimbursement basis for expenses incurred by the applicant upon completion of a project.

[ARC 6552C, IAB 10/5/22, effective 11/9/22; ARC 7037C, IAB 5/31/23, effective 7/5/23]

21—52.25 to 52.40 Reserved

DAIRY INNOVATION PROGRAM

21—52.41(159) Definitions. For purposes of this division:

“*Agreement*” means a contract for financial assistance under the program describing the terms on which the financial assistance is to be provided.

“*Applicant*” means a person applying for assistance under the program. This includes but is not limited to an individual or business.

“*Grant*” means an award of financial assistance with the expectation that, with the fulfillment of the conditions, terms, and obligations of the agreement with the department for the project, repayment of funds is not required by the recipient.

“*Project*” means an activity or activities undertaken by the applicant to be carried out to meet the goals of the program.

“*Recipient*” means a person who has applied for and been chosen to receive financial assistance through the program.

[ARC 7127C, IAB 12/13/23, effective 1/17/24]

21—52.42(159) Eligibility.

52.42(1) *Eligible businesses.* The department has the sole authority in determining the eligibility of an applicant for participation in the program. To be eligible for a grant under the dairy innovation program, an applicant shall meet all the eligibility requirements in Iowa Code section 159.31A(4) as enacted by 2023 Iowa Acts, House File 700, as well as the following:

a. The business must currently be permitted by the department or actively working with the department to obtain a permit.

b. The business must not have been subject to any department license or permit suspension or revocation within the last five years from the date of the application submission.

52.42(2) *Eligible projects.* To be eligible for a grant under the program, a project shall meet the requirements of Iowa Code section 159.31A as enacted by 2023 Iowa Acts, House File 700, as well as the following requirements:

a. Not be in progress until a grant is awarded.

b. Be completed in 12 months or less.

c. Be conducted in Iowa.

52.42(3) *Ineligible expenses.* The following items are not eligible expenses under the program:

a. Expenses incurred prior to the awarding of a grant.

b. Start-up costs including but not limited to inventory, license, or permit fees or working capital.

c. Advertising, public relations, or entertainment costs.

d. Employee benefits and wages.

e. Paying off existing debt, related collection costs, or legal costs.

f. Paying off existing fines, penalties, or settlements from failure to comply with any applicable law or regulations.

52.42(4) *Grant amount and terms.* The maximum amount of financial assistance awarded to a recipient under the program shall not exceed \$100,000.

[ARC 7127C, IAB 12/13/23, effective 1/17/24]

21—52.43(159) Application and review process.

52.43(1) The department will establish a uniform application process and make information about applying available on its website.

52.43(2) Applications will only be accepted during the times established by the department. Late submissions will not be accepted.

52.43(3) An applicant must demonstrate the ability to provide matching support for the project on a one-to-one basis. The matching financial support shall be from private sources.

52.43(4) A scoring committee established by the department will review and evaluate applications based on the scoring criteria described in rule 21—52.44(159).

52.43(5) Projects for processing and projects for labor-reducing technology will be scored independently of each other.

52.43(6) The department, after considering the recommendations made by the scoring committee, will determine which applications to fund and how much should be awarded to each applicant. The

department has final decision-making authority on requests for financial assistance for the program. The department will notify the applicant in writing of the approval or denial.

[ARC 7127C, IAB 12/13/23, effective 1/17/24]

21—52.44(159) Scoring criteria.

52.44(1) Application scoring. A scoring committee will be established by the department to evaluate applications with a score of 0 to 100. Projects receiving a score below 60 will not be considered.

52.44(2) Scoring criteria. The department will use the following criteria to evaluate each application:

a. The extent to which the project addresses the goals of the program to create new jobs, expand opportunities and provide greater flexibility or convenience for local small-scale farmers, and reduce labor associated with the on-farm production and storage of milk: 25 points.

b. The sufficiency of the project's budget and financing structure: 20 points.

c. The sufficiency of the project's proposed work plan and timeline including a detailed description of the steps the applicant will take to complete the project as well as estimated dates: 20 points.

d. The ability of the applicant to demonstrate sound business management, financial aptitude, and stability: 15 points.

e. The extent to which measurable objectives can be determined that demonstrate the proposed project's benefit to the agriculture community: 10 points.

f. The completeness of the application information and sufficiency of detail used to describe the project in the application: 10 points.

[ARC 7127C, IAB 12/13/23, effective 1/17/24]

21—52.45(159) Grant agreement.

52.45(1) Agreement terms. An agreement shall not be for more than one year. The department, in its sole discretion, may grant an extension, not to exceed three months, if the department determines extenuating circumstances are likely to delay or have delayed the completion of the project.

52.45(2) Termination of agreement. An agreement shall be terminated if the recipient no longer meets the qualifications for an eligible business. Additionally, an agreement may be terminated if the recipient, in the sole opinion of the department, does any of the following:

a. Substantially violates any applicable statute or rule;

b. Violates any agreement between the department and the recipient; or

c. Acts in a manner that may damage the reputation of the program.

[ARC 7127C, IAB 12/13/23, effective 1/17/24]

21—52.46(159) Disbursement of funds. The department will disburse funds for a project only after an agreement has been executed between the recipient and the department and all the applicable conditions for disbursement have been met, including the submission of documentation pertaining to the eligible expenditures. Disbursement of funds under the agreement will be on a reimbursement basis for expenses incurred by the applicant and will be disbursed upon final completion of a project.

[ARC 7127C, IAB 12/13/23, effective 1/17/24]

21—52.47(159) Authority of department. The department may enter upon the premises of any recipient to examine any records or materials necessary to ensure compliance with these rules.

[ARC 7127C, IAB 12/13/23, effective 1/17/24]

This division is intended to implement 2022 Iowa Acts, House File 2560.

[Filed ARC 6552C (Notice ARC 6433C, IAB 7/27/22), IAB 10/5/22, effective 11/9/22]

[Filed ARC 7037C (Notice ARC 6907C, IAB 2/22/23), IAB 5/31/23, effective 7/5/23]

[Filed ARC 7127C (Notice ARC 7069C, IAB 9/20/23), IAB 12/13/23, effective 1/17/24]