

## COURSE 2, TUTORIAL 13

# UNITED STATES DEPARTMENT OF AGRICULTURE (USDA)



**A**nually, the USDA releases one SBIR Request for Applications (RFA) containing ten broad topic areas. These topics are intended to encourage a broad spectrum of investigator-initiated ideas from innovative science and technology-based small businesses. These companies compete for Phase I and Phase II awards. Phase I awards provide funding (\$100,000) for eight months of concept development.

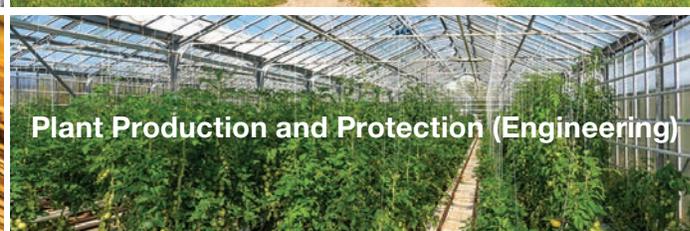
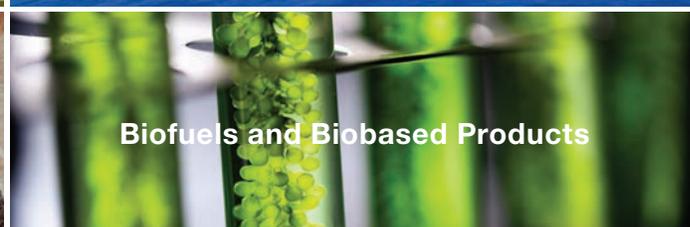
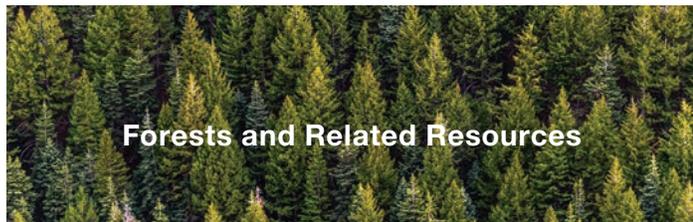
These awardees can later compete for a Phase II award (\$600,000) which allows for the continued maturation of the concept over a two-year period. There's also the opportunity to extend the timeline for both Phase I and Phase II. Awards are based on a number of factors including scientific and technical merit, the qualifications of the company and the Principal Investigator (PI), and the commercial potential of the innovation. USDA also looks favorably on proposals in which the small business has subcontracted to a university or put in place a Cooperative Research and Development Agreement (CRADA) with a USDA laboratory. USDA's annual SBIR budget is approximately \$25M. Awards are made as grants. The Phase I award rate is about 15% while the Phase II award rate is approximately 50%.

### TOPIC AREAS

The broad topic areas included in the USDA SBIR Request for Applications are listed here, while the specific research priorities can be found in the RFA. As your research interests could fit under multiple topics, we recommend that you seek guidance from the National Program Leader (NPL) for the topic that seems to be the best fit. The names and contact information for NPLs are prominently listed under each topic. Seeking clarification from an NPL is important as an applicant may only submit a specific proposal in response to one topic. You can however submit different proposals to other topic areas. **Two of these topic areas that are highlighted here are unique: Rural and Community Development; and Small and Mid-Size Farms.** With both of these topics off-the-shelf technologies are accepted as long as they are utilized in a unique way and meet the needs of that audience.



**USDA TOPIC AREAS**



**USDA SOLICITATIONS**

So how does one get started with participating in the USDA SBIR program? The Department of Agriculture typically releases its Phase I solicitation in July with proposals due about 12 weeks later in early October. Proposals are submitted through Grants.gov and as with other agencies participating in the SBIR programs require that you secure a Data Universal Numbering System (DUNS number), register with the System for Award Management (SAM), register with Grants.gov and the Small Business Administration's SBIR registry. To assist with the proposal preparation process, USDA has developed a document entitled "A Guide for Preparation and Submission of NIFA Applications" available via Grants.gov. This is a useful document and serious applicants are highly encouraged to download and review this file in combination with the solicitation.

Once proposals are submitted, a confidential peer review system is used to evaluate the applications. Separate review panels are held that correspond to each of the topic areas. Reviewers are typically drawn from universities, government, and nonprofit organizations. Following the evaluation process, all applicants receive verbatim copies of the reviews minus the names of the reviewers. Factors that help one compete well are strong letters of support from Phase III partners, end-users, consumers and investors as well as a clear understanding of the market opportunity. Phase I applicants that were not selected for award are able to reapply for Phase I funding during the next solicitation cycle. However, Phase II applicants that are not selected for funding are unable to resubmit the same proposal.

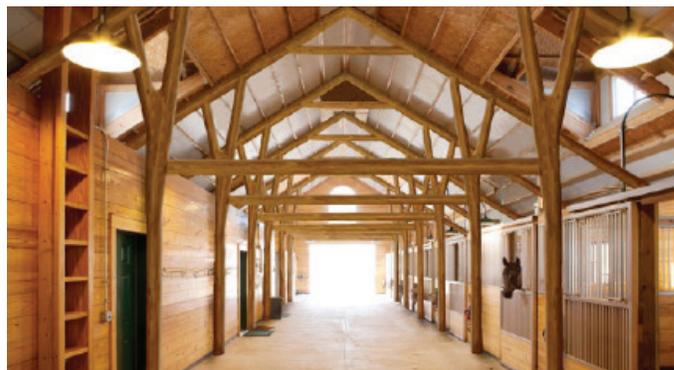


## COOPERATIVE RESEARCH AND DEVELOPMENT AGREEMENTS

Partnering with a university or a USDA lab is highly encouraged. In Phase I, a small business can subcontract up to one-third of its Phase I award to another party. In Phase II the subcontract option is increased to 50%. There are restrictions on the amount of time university and laboratory scientists can spend on SBIR proposals – so be sure to consult the details in the RFA to learn more about any restrictions. In the event that two or more applications are of approximately equal merit, the existence of a Cooperative Research and Development Agreement (CRADA) with a USDA laboratory or a license to USDA technology are important considerations.

## COMMERCIALIZATION OF USDA-SPONSORED RESEARCH

In addition to supporting scientific research and development, another USDA program goal is to provide incentives and opportunities for small business concerns (SBC) to convert USDA-sponsored research into technological innovations in the private sector. To that end, all proposed research should have a potential commercial application as a goal. Commercial success for USDA technologies come in diverse forms. For example, **Whole Trees LLC** provides timber and truss assemblies and provides an economic incentive for the sustainable management of forests while providing a renewable alternative to the use of concrete and steel in the building construction industry. **Altaeros Energies** developed a Buoyant Airborne Turbine or BAT, a floating wind turbine designed to serve rural communities, far-flung villages, and military bases with a constant source of electricity – thus reducing reliance on diesel generators. The high-altitude floating wind turbine is helium-filled with a wind turbine suspended inside. The BAT can float higher than the height of any land-based turbine at an altitude where winds are far stronger and have a constant velocity. Finally, **the Nitrate Elimination Company, Inc.** has developed a test kit to help agricultural producers manage nitrate concentrations, reduce costly nitrogen fertilizer applications, and protect the environment from pollution. The nitrate test kit is under evaluation to be the standard for all nitrate testing under the Clean Water Act. In order to increase the likelihood that companies are successful in commercializing their USDA-sponsored innovations, the agency also provides Technical and Business Assistance for both Phase I and Phase II awardees.



Whole Trees LLC



Altaeros Energies



The Nitrate Elimination Company, Inc.

For more information on the USDA SBIR program contact Kelly McDonald, the Program Specialist at the USDA SBIR Program Office.

Email: [kelly.mcdonald2@usda.gov](mailto:kelly.mcdonald2@usda.gov)

Phone: (816) 926-2661