

## **Exhibit B - State Guidelines**

### ***Section I. In General***

a. The *Virginia Department of Agriculture and Consumer Services* will carry out a 2008 Aquaculture Grant Program to provide assistance to eligible aquaculture industries in the state. Assistance provided under this program will be equivalent to the amount of funds provided the State by a grant from the U.S. Department of Agriculture made in accordance with section 102(d) of the American Recovery and Reinvestment Act of 2009 (the "Act").

b. Assistance will be provided to eligible aquaculture producers of eligible aquaculture species through the provision of checks issued to such producers by the State of Virginia. Such checks will be allocated to eligible aquaculture producers by the State and to be used by such producers for costs associated with their current aquaculture operation. Failure to comply with the terms and conditions of this program will subject the producer to a refund of any amounts received, plus interest, and to other penalties under applicable civil and criminal law.

### ***Section II. Definitions***

The following words shall have the following meanings when used in these guidelines:

a. ***Eligible Aquaculture Species*** means a species of aquaculture produced in the state for which feed is at least twenty-five percent of the total input costs associated with producing such species, as determined by the State.

b. ***Substantial Price Increase of Feed*** means an increase in the average price of feed sold to the producer of eligible aquaculture species that is 25 percent above the previous 5-year average, as determined by the State.

d. ***Eligible Aquaculture Producer*** means an individual or entity that--

- (1) During 2009, raises an eligible aquaculture species in a controlled environment, maintains such species for commercial use as part of a farming operation and has a risk in the production of such species.
- (2) Produced an eligible aquaculture species during calendar year 2008.
- (3) Has been determined by the Virginia Department of Agriculture and Consumer Services to have experienced a twenty-five percent price increase of feed costs in 2008.
- (4) Enters into a 2008 Aquaculture Grant Program Agreement with the Virginia Department of Agriculture and Consumer Services and agrees to abide by the terms and conditions of the 2008 Aquaculture Grant Program.
- (5) Certifies that funds received by the producer under the 2008 Aquaculture Grant Program will be used for costs associated with their current aquaculture operation.

### ***Section III. Eligible Aquaculture Species***

For the purposes of the 2008 Aquaculture Grant Program, Eligible Aquaculture Species are the following species of fish:

*[List the covered fish species]\*Note: Additional species may be added to eligible list*

Eligible Species	
Tilapia	Trout
Catfish	Hybrid-Striped Bass
Other	

***Section IV. Implementation Agreements***

In order to participate in the 2008 Aquaculture Grant Program, Eligible Aquaculture Producers must enter into a 2008 Aquaculture Grant Program Agreement with the Virginia Department of Agriculture and Consumer Services. The Virginia Department of Agriculture and Consumer Services will not allocate any grant payments to any aquaculture producers within the State unless such producer has submitted an executed 2008 Aquaculture Grant Program Agreement to the Virginia Department of Agriculture and Consumer Services by Friday, August 21, 2009.

***Section V. Records and Audits***

a. Eligible Aquaculture Producers that participate in the 2008 AGP shall –

- (1) Maintain, for a period of 3 years after September 30, 2010, all records pertaining to the aquaculture operation during the calendar years 2009.
- (2) Furnish such information and reports relating to the program as may be requested by the Virginia Department of Agriculture and Consumer Services.
- (3) Forward to the Virginia Department of Agriculture and Consumer Services copies of any and all records that support the receipt of assistance under the 2008 AGP.
- (4) Make such records available at all reasonable times for an audit or inspection by authorized representatives of the Virginia Department of Agriculture and Consumer Services or of the United States Department of Agriculture, or the Comptroller General of the United States.

b. Failure to keep, or make available, such records will result in a termination of eligibility under the program and any funds received under the program shall be refunded to the Virginia Department of Agriculture and Consumer Services, plus interest thereon, as determined by the Virginia Department of Agriculture and Consumer Services.