

# Value-Added Producer Grant Program

*Target: Harvesters - Forestry and Fishing*

## General

- Grants funds are available for economic planning activities or working capital activities related to the processing and/or marketing of value-added products that initiate from qualifying harvesting and farming activities in the forestry and fishing trades.
- Applicants must self-identify as either a Farmer or a Harvester.
- Agricultural commodities are unprocessed plant and animal products and their by-products, and include forestry products, nursery stock, aquaculture products, fish, and seafood, among others.

## Harvester

- An individual or entity that demonstrates the legal right to harvest more than 50 percent of the primary (wild) agricultural commodity for the project; but does not cultivate or raise the agricultural commodity.
- May not merely glean, gather, or collect residual commodities that result from an initial harvesting or production of a primary agricultural commodity by others. EX: A third party merely collects slash from the landing to produce energy, but does not fell and harvest the trees—not eligible.
- Must apply as an Independent Producer - Harvester.
- Not eligible for Reserved Funds or Priority Points for a Beginning Farmer or Rancher, Socially-Disadvantaged Farmer or Rancher, Small-Medium Family Farm, or Farmer Cooperative because Harvester operations do not meet the definitions for a farm or ranch.
- May request Reserved Funds and/or Priority Points for a Mid-Tier Value Chain or regional supply network proposal, if applicable.

## Harvester v. Farmer

<u>Harvester</u>	<u>Farmer</u>
<p><u>Timber Harvester:</u> Demonstrates the legal right to harvest timber from the forest, but does not cultivate the trees or forest crops.</p> <p>EX: logger</p>	<p><u>Tree Farmer:</u> Cultivates the trees on owned or leased land, with direct engagement in the crop production.</p> <p>EX: nursery grower or Christmas tree grower</p> <p>Also includes sustainable management of woodlands dedicated to the growth of forest crops for commercial purposes, protected and managed for continuous production of forest products, with frequent replanting post-harvest. Certification by the American Tree Farm System, Forest Stewardship Council, Sustainable Forestry Initiative, or a similar entity evidencing acceptable forestry management practices to meet standards for wildlife habitats, protection of water quality, threatened and endangered species, and sustainable harvest levels is required.</p> <p>EX: sustainable woodland practitioner with proper certification</p>

Harvester	Farmer
<p><u>Commercial Fisherman:</u> Harvests aquatic organisms from uncontrolled or wild fisheries that naturally exist in the oceans, lakes, and rivers.</p> <p>EX: fisherman</p>	<p><u>Aquaculture:</u> Practices farming of aquatic organisms (fish, mollusks, crustaceans, and aquatic plants) under controlled conditions, including cultivation of freshwater and saltwater populations in tanks, ponds, raceways, or offshore cage/net/rope systems. Utilizes some form of intervention in the rearing process to enhance production, such as regular stocking, feeding, and protection from predators, and maintains ownership of the stock being cultivated.</p> <p>EX: aqua-farmer</p>

### Examples of Value-Added Forestry and Fishing Products

Forestry	-wood chips   -pellets   -mulch   -lumber   -paneling   -flooring   -furniture -bioenergy   -bioenergy waste compost or fertilizer
Fishing	-smoked fish   -prepared soups/chowders   -chopped seaweed -jewelry from shells/pearls -renewable energy or cosmetics from kelp/algae -local fish and seafood

### Example Eligible Costs under a Planning Grant: Economic Planning Activities

- third party feasibility analyses relating to economic, market, technical, financial and management considerations for proposed value-added project
- business operations planning for the value-added venture
- legal or consultant costs related to regulatory compliance issues, permits, utility interconnection, and power purchase agreements, as applicable

### Example Eligible Costs under a Working Capital Grant: Operating costs directly related to the processing and/or marketing of the value-added product

- vary by proposal intention and value-added product type
- labor costs to process the value-added product, IF costs do not include payments to owners, family members or other parties with a stake in the outcome of the project
- short-term rental of facility or equipment for processing value-added product
- utility costs to process the value-added product (i.e. utility fees for kiln dried lumber or oil and gas to run mill processing equipment for value-added products)
- accounting software or office supplies for value-added processing and sales
- transportation costs to bring value-added product to market
- costs to market or advertise value-added products in newspapers, magazines, brochures, radio, television
- costs to participate in or exhibit value-added products in local fairs, trade shows, or industry association events
- legal costs related to the value-added venture
- renewable energy project costs may include utility interconnection fees, and legal drafting of interconnection and power purchase agreements

### Resources: Applications must meet ALL program requirements

- VAPG website: [http://www.rurdev.usda.gov/BCP\\_VAPG.html](http://www.rurdev.usda.gov/BCP_VAPG.html)
- Rural Development State Offices: 1-800-670-6553, then press "1" or <http://www.rurdev.usda.gov/StateOfficeAddresses.html>
- Agricultural Marketing Resource Center website: <http://www.agmrc.org>