

Value-Added Producer Grant Program

General Information

Program Objective

- To help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based value-added products.
- To expand markets and increase financial returns to agricultural producers.

Nationally Competitive Grants Available

- **Planning Grant:** To facilitate economic planning activities to determine the viability of a value-added venture, and may include costs for an independent feasibility study and development of a marketing and business plan.
- **Working Capital Grant:** For operational costs directly related to the processing and/or marketing of the value-added product. Requires a third party feasibility study (FS) and business plan (BP) to implement the project, with two exceptions: (1) FS and BP requirement waived for ANY applicant requesting less than \$50k; or (2) FS requirement waived for an Independent Producer applicant requesting any amount who proposes to expand the market for an existing value-added product they have produced and marketed successfully for two years or more.
- **Example Ineligible Costs:** Land, buildings, equipment, vehicles, R&D, engineering design, agricultural production, crop harvesting, delivery of raw commodity to a processing facility, conflict of interest transactions, and industry-wide feasibility studies.
- **Matching Funds Required:** Must be equal to or greater than the grant amount, without conflicts of interest, and must contribute to eligible value-added project purposes.

Agricultural Producers May Apply

- Independent Producer (IP)
- Farmer or Rancher Cooperative (COOP)
- Agricultural Producer Group (APG)
- Majority-Controlled Producer Business (MAJ)

- ▶ *must produce and own more than 50% of the subject agricultural commodity*
- ▶ *may not produce under contract for another entity that owns the commodity*
- ▶ *may not contract out production of the agricultural commodity*
- ▶ *must maintain ownership through sale of the value-added product (MTVC projects exempt)*
- ▶ *projects must demonstrate entry into an "emerging market" for applicants (does not apply to IP)*

Priority Status

- Beginning Farmer or Rancher
- Small or Medium Family Farm
- Socially-Disadvantaged Farmer or Rancher
- Mid-Tier Value Chain Proposals
- Farmer or Rancher Cooperative
- ▶ *Discretionary priority by Rural Business-Cooperative Service Administrator - geographic diversity*

Value-Added Methods

- Change in Physical State
- Non-Standard Agriculture Production
- Farm- or Ranch-based Renewable Energy
- Product Physical Segregation
- Local Foods Marketing & Distribution

Resources: Applications must meet ALL program requirements

- VAPG website: 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>

This document is for informational purposes only. If interested in applying for a VAPG grant, an applicant shall follow the official instructions provided in the annual Notice of Funding Availability.