



United States
Department of
Agriculture

Rural Development



Presented by USDA Business Programs

Value Added Producer Grant

Webinar on VAPG Application Process and Scoring Criteria

Presenters

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VAPG Deadline and Funding Allocation

Application Deadline: **July 1**

Allocation

- **\$44 million** nationally in the Value Added Producer Grant Program
- Applications are processed by the State Office, but compete in a **National Pool**

VAPGs Awarded in 2015

- Vermont and New Hampshire State Office received **15** applications, **10** projects were funded
- \$1,067,434 in funding requests, \$879,784 awarded in VAPGs

Presentation Goals

- 1) Understand the **application process** for VAPGs
- 2) Answer **questions** on the VAPG Program
- 3) Increase applicant knowledge of the application **scoring process**

Value Added Definition

Funding to **agricultural producers to plan, expand, and/or market a value added product.**

Definition of a Value Added Product:

*“an **agricultural commodity or product** that has undergone a **change in physical state** or was **produced, marketed, or segregated** in a way that **enhances its value or expands the customer base** of the product.*

*Products that are **aggregated and marketed as locally produced foods** are also considered value added products.”*

Planning Grant

- Up to **\$75,000** for planning activities
- Examples of planning grant activities
 - Defining the economic viability of a Value Added Venture
 - Conducting a feasibility study
 - Creating a business or marketing plan

Working Capital Grant

- Up to **\$250,000**
- To produce and market a value-added product and create marketing opportunities

Note-Working Capital requests for **less than \$50,000 can use an expedited application process*

Match: 1 to 1

- **Types of Match**

- Cash, personal loans, state grants, or in-kind contributions
 - In-kind contributions calculated at the **market value of the good or labor**

- **Who Should Apply**

- Farmers, ranchers and harvesters including loggers and fishermen
- Applicant must supply, own or have the legal right to harvest a **minimum of 51%** of the raw agricultural product
- Demonstrate the product will **expand the customer base and increase revenues**
- Farmer co-ops and majority-controlled producer-based businesses are eligible

Scruton's Dairy in Farmington, NH



- Markets excess manure to farmers as crop and field fertilizer
- The Need: alternative way to process manure to avoid downsizing the herd and their workforce
- The Grant: A \$2,000 planning grant in 2015 for a feasibility/marketing study on producing electricity and compost from manure
- The Aim: turn a liability into a value added commodity

Big Picture Farm in Townshend, VT

- The Applicant: A family owned goat dairy and confectionary
- The Grant: A \$124,280 working capital grant to expand the processing, packaging, and promotion of farmstead goat milk truffles
- The Aim: achieve economies of scale in production and marketing of their value added product.
- The Goal: Increase production from 700 truffles/month to 14,000 truffles/month



Application Vs. Toolkit Slide

- How to apply: following directions included in the notice in the Federal Register, or by using an Application Toolkit
- Application Toolkit
 - Located in the Notice of Solicitation of Applications and on the VAPG website
 - Step by step process
 - Fillable outline
 - **Be Consistent**

Application Basics

- Application Components
 - 1 page Executive Summary
 - Questions relating to people and entities involved
 - Work Plan
 - Detailed Budget
 - Supporting Documentation
 - For Working Capital Applicants for projects over \$50,000 → Business Plan or Marketing Plan

Scoring Criteria

Maximum points = 100

- 1) Nature of Proposed Venture (30 Points)
- 2) Qualifications of Project Personnel (20 Points)
- 3) Commitments and Support (10 Points)
- 4) Work Plan and Budget (20 Points)
- 5) Priority Points (5 Points)
- 6) Administrator Points (10 Points)

Questions?

Scoring Criteria 1: Nature of Proposed Project

- Nature of Proposed Project
 - Stated in the Narrative Description
 - Discuss the project's **technological feasibility**
 - **Potential to expand** customer base and revenue
- Value-added Process and Marketing
 - How will you add value? Are inputs available?
 - What is your experience with this process?
 - Is your project viable?
- Operational Efficiencies, Profitability and Economic Sustainability
 - Working Capital Grants- pro forma financial summaries and similar sources

**Note: Reference third-party data or other information, such as the success of another businesses similar venture, to support your project*

Scoring Criteria 2: Project Personnel

- Qualifications of Project Personnel
 - Identify individuals involved
 - Document personnel qualifications and expertise
 - Describe roles, responsibilities and commitments to the project

Note: interns involved in the value-added process **cannot also be involved in harvesting the commodity*

Scoring Criteria 3: Commitments and Support

- Letters of Support or Commitment from producers, end-users, and third parties contributing to the project
 - Letters included in the appendix
- Commitments and Support in the application
 - Summarize letters
 - Detail the support which they will provide to the project
 - Demonstrate strong technical and logistical support

Scoring Criteria 4: Work Plan and Budget

- Submit a comprehensive work plan and budget
- Proof of fund and use eligibility
 - Grant and matching funds are used for qualified purposes
 - Matching funds are from eligible sources
 - No conflicts of interest around grant or matching funds
 - Document that the author of the feasibility study has not financial interest in the project
- Working Capital requests include Program Income

Scoring Criteria 5: Priority Points

- Priority Applicants
 - Beginning farmer or rancher
 - Military Veteran farmer or rancher
 - Socially Disadvantaged farmer or rancher
 - Farmer or Rancher Cooperative
 - Project which creates a mid-tiered value chain
 - *“A supply network in which agricultural products move from production through consumption in a region”*

Scoring Criteria 6: Administrative Points

- USDA Rural Business and Cooperative Programs Administrator awards points to improve national geographical diversity among awardees

Tips for a Successful VAPG Application

1) Details

- The more information the better

2) Documentation

- Ex) If your market analysis cites a vendor, include a Letter of Commitment

3) Create a Table of Contents for your appendix

- Let us know what you have and where to find it

4) Don't worry about being redundant

- Redundancy is okay- it is important to include information for all the scoring criteria

5) Call us!

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Questions?

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