

## South Dakota

Rural Business-Cooperative Service • Value Added Producer Grant

### Value Added Products Help to Support a Rural South Dakota Family's Ranching Business

In 2016, Badlands Distillery, LLC, of Kadoka, SD, applied for and was granted a USDA Rural Development Value Added Producer Grant (VAPG) of \$250,000. That grant represents 50% of their total project amount of \$500,000. Badlands Distillery was started by a rural ag producer who was looking for an additional revenue stream to support his family ranching business. Ag producer Jim Herber found a knowledgeable partner and set up shop in a small facility, just off I-90 in Kadoka in 2015, where his heritage white corn is now being transformed into several different flavors of moonshine.

The grant application was the result of a combined effort from Cheri Rath at the South Dakota Value-Added Agriculture Development Center, Marcella Hurley at the Small Business Development Center, and Marlene Knutson at the Central South Dakota Enhancement District. These local organizations worked together to help Badlands Distillery with their business plan, feasibility study, and grant application—all at no cost to the applicant.



*The product line available through Badlands Distillery in Kadoka, SD.*

Badlands Distillery will use the VAPG funds to expand and refine its website; pay for outreach through trade shows and event sponsorships; cater to tourists by offering samples in its tasting room; reach travelers on I-90 with billboards and digital signage; create a “brand” by utilizing unique bottles, labels, and logo designs; cater to the Sturgis rally-goers through on-site tasting events; and contribute to community goodwill by sponsoring local activities and sports teams.

VAPG is a three-year program offered to agricultural producers who wish to expand markets for their agricultural products by adding value to them and then marketing those “new” products. These activities can provide an additional revenue stream for farmers and ranchers, enhancing their family income and creating jobs with original, innovative business enterprises.

<b>Obligation Amount:</b>	\$250,000 VAPG
<b>Date of Obligation:</b>	09/30/2016
<b>Congressional District:</b>	At Large; Senator Thune, Senator Rounds, and Congresswoman Noem
<b>Partners:</b>	Badlands Distillery, South Dakota Value-Added Agriculture Development Center, Small Business Development Center, Central South Dakota Enhancement District, and USDA Rural Development.
<b>Demographics:</b>	The City of Kadoka is known as the “Gateway to the Badlands”. Established in 1906, Kadoka is located on the east edge of the Badlands National Park. Kadoka is the Lakota word meaning “hole in the wall”.
<b>Impact:</b>	Badlands Distillery will use the VAPG funds to expand and refine its website; pay for outreach through trade shows and event sponsorships; cater to tourists by offering samples in its tasting room; reach travelers on I-90 with billboards and digital signage; create a “brand” by utilizing unique bottles, labels, and logo designs; cater to the Sturgis rally-goers through on-site tasting events; and contribute to community goodwill by sponsoring local activities and sports teams.