VALUE-ADDED PRODUCER GRANT
Anaerobic Digesters

General

- Grant funds are available for economic planning activities or for working capital expenses related to the processing and/or marketing of value-added products that result from NEW or EXISTING digester projects, subject to program limitations.
- NEW digester proposals may include renewable energy generation components and post-digestion components as value-added products.
- EXISTING digester proposals may include post-digestion components only.

Example Ineligible Projects:
- Adding an additional generator to a previously existing system, design engineering work, use of funds for equipment acquisition, or if the system is owned by a third party outside a MTVC project.

Example Eligible Costs under a Planning Grant: Economic Planning Activities
- Third-party feasibility analyses, including utility interconnection study, market survey, compositional analysis of feedstock options, financial or economic analyses, identification and analysis of equipment options
- Business operations planning for a value-added venture
- Legal or consultant costs related to required permits, such as a Certificate of Public Good (DPS), environmental permit (air), draft or review of proposed interconnection and/or power purchase agreements, regulatory compliance issues, etc.

Example Eligible Costs under a Working Capital Grant: Operating costs directly related to the processing and/or marketing of the value-added product
- Utility interconnection fees
- Fuel to heat the digester to mesophilic temperatures at start-up
- Computer supply costs for owner’s on-site monitoring of the system outputs, IF less than $5k per unit acquisition cost AND with one year or less useful life
- Monthly fees for communication lines to utility or engineering firm for monitoring by remote telemetry
- Labor costs for monitoring system inputs (co-feeds) and outputs (electricity, thermal energy, GHG emission and carbon credit reductions, renewable energy credits, bio-fibers such as compost, bedding, etc.), IF costs do not include payments to grantee owners, family members or other parties with a stake in the outcome of the project
- Actual utility costs to operate the system, established via a separate meter or an estimate based on a published parasitic load for the equipment installed
- Legal costs to negotiate, interpret, or draft Interconnection and/or Power Purchase Agreements, monitor tariff changes, market conditions etc.
- Purchase of co-feedstock to generate renewable energy. The grantee must own and produce 51% or more of the agricultural commodity used to produce the renewable energy, and may buy up to 49 percent of the same agricultural commodity from a third party for increased energy production. Other agricultural commodities or substrates not produced by the grantee may be purchased from a third party and used as co-feeds, if they were identified in the feasibility study, or grantee receives prior written approval from the Agency.

Value-Added Producer Grant Program

USDA is an equal opportunity provider, employer and lender

This document is for informational purposes only. Applicants must follow the instructions contained in the program regulation and annual Notice of Funding Availability
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Resources: Applications must meet ALL program requirements

- VAPG website: http://www.rd.usda.gov/programs-services/value-added-producer-grants
- Application Toolkits
- Program Regulation 7 CFR 4284-J published May 8, 2015
- FY 2020 Program Notice published December 11, 2019
- Program Information Sheets
- Agricultural Marketing Resource Center website: http://www.agmrc.org