

VALUE-ADDED PRODUCER GRANT General Program Information

Program Objective

- To help agricultural producers create new marketing opportunities by transforming their agricultural commodities into value-added agricultural products.
- To expand markets and increase financial returns to agricultural producers.

Nationally Competitive Grants Available

- **Planning Grant** (max \$75,000): 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** (max \$250,000): For operational costs directly related to the processing and/or marketing of the value-added product. Requires a third party feasibility study and business plan to implement the project, with two exceptions: (1) Feasibility study and business plan requirement waived for any applicant requesting less than \$50,000; or (2) Feasibility study requirement waived for Independent Producer applicants requesting any amount who propose 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, research and development, engineering design, agricultural production (including labor), crop harvesting, delivery of raw commodity to a processing facility, conflict of interest transactions, and industry-wide feasibility studies.
- **Matching Funds Required:** Must be cash or fairly-valued in-kind contributions equal to the grant amount, without conflicts of interest, and must contribute to eligible value-added project purposes.

Eligible applicants are agricultural producers who qualify as:

- Independent Producers
- Farmer or Rancher Cooperatives
- Agricultural Producer Groups
- Majority-Controlled Producer Businesses
- Must produce and own more than 50 percent 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 of the commodity from its raw state through sale of the value-added product (Mid-Tier Value Chain projects exempt)
- Projects must demonstrate entry into an “emerging market” for applicants (does not apply to Independent Producer applicants)

Priority given to:

Beginning Farmers or Ranchers / Veteran Farmers or Ranchers / Mid-Tier Value Chain Proposals / Small or Medium-Sized Family Farms / Farmer or Rancher Cooperatives / Socially-Disadvantaged Farmer or Ranchers. In addition, Group applicants that contribute to creation or expansion of marketing opportunities for Beginning or Socially-Disadvantaged Farmers or Ranchers, and/or Small- or Medium-Sized Farmers or Ranchers may be eligible for additional points.

Value-Added Methods

Change in physical state / Physical segregation / Produced in a manner that enhances the value of the end-product / Locally produced and marketed food products / Farm- or ranch-based renewable energy

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This document is for informational purposes only. Applicants must follow the instructions contained in the program regulation and annual Notice of Funding Availability

January 2017

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You *must* review the program regulation 7 CFR part 4284 subpart J and the Notice of Funding Availability for complete eligibility and documentation requirements.

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
- **FY2017 Program Notice published _____, 2017**
- Program Information Sheets
- Rural Development State Offices: 1-800-670-6553, then press "1" or <http://www.rd.usda.gov/contact-us/state-offices>.
- Agricultural Marketing Resource Center website: <http://www.agmrc.org>

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