



**UNITED STATES DEPARTMENT OF AGRICULTURE
RURAL DEVELOPMENT**

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\$33 Million Available To Promote Energy and Value-Added Ventures

Lincoln, Neb., June 25—The United States Department of Agriculture (USDA) Rural Business-Cooperative Service (RBS) is accepting applications for \$33 million in competitive grants available through the Value-Added Agricultural Product Market Development Grant (VADG) program. The VADG program encourages independent producers of agricultural commodities to process their raw products into marketable, value-added goods, thereby increasing farm income.

Value-added products are those agricultural products, which gain value through processing, production, segregation or other means, or produce renewable energy on a farm or ranch.

The VADG program is open to eligible independent producers, agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business ventures.

The maximum allowable grant amount is \$500,000. Priority is being given to grant requests under \$500,000 and to those projects producing renewable energy or use innovative technologies to develop value-added products. Grant recipients must provide matching funds. Other federal grants cannot be used as matching funds.

Grant funds may be used for activities such as 1) developing feasibility studies, business and marketing plans, OR 2) acquiring working capital to operate a value-added business venture; but funds can not be used for both activities. Grant funds may not be used for 1) the development or acquisition of buildings, or other facilities or 2) to purchase, rent or install fixed equipment.

For further VADG program information and assistance with grant applications, contact USDA Rural Development representatives Deb Yocum at (402) 223-3125 or Mary Gambill at (308) 534-2360. You may also obtain information from the RBS website at: www.rurdev.usda.gov/rbs/coops/vadg.htm

Applications for grants must be received in the Lincoln State Office no later than August 8, 2002, 4 p.m. CDT. Applications are to be submitted to the USDA Rural Development State Office, Attn. Business and Community Program Division, Rm. 152 Federal Building, 100 Centennial Mall North, Lincoln, Neb. 68508.

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