

2011 Value-Added Producer Grant (VAPG) OVERVIEW

The Interim Rule for this program, a.k.a. 7 CFR 4284, subpart J, was published in the Federal Register, Volume 76, Number 36, on Wednesday, February 23, 2011, with an effective date of March 25, 2011. A Notice of Funds Available (NOFA) was published in the Federal Register, Volume 76, Number 124, on June 28, 2011. These documents detail all applicant and project eligibility requirements, as well as application content and submission requirements, and can be found online at the program website address indicated below.

PROGRAM OBJECTIVE: To help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based value-added products.

GOAL: To expand markets for, and increase financial returns to the agricultural producer-owners of the value-added venture.

TYPES OF GRANTS AVAILABLE:

- 1) **Planning Grants** (maximum \$100,000) for economic planning activities, such as feasibility studies, or development of marketing and/or business plans for a value-added venture; and
- 2) **Working Capital Grants** (maximum \$300,000) for expenses related to the marketing and/or processing of the value-added product.

Grant amounts limited to 50 percent of total eligible project costs. Applications require confirmation of matching funds for the balance of project costs at application submission.

TOTAL FUNDS AVAILABLE: Approximately \$37 million General Funds available.

- 10% of General Funds reserved for eligible
 - a) Beginning Farmers or Ranchers, and
 - b) Socially-Disadvantaged Farmers or Ranchers

-10% of General Funds reserved for Mid-Tier Value Chain projects

Applications limited to only one application per applicant entity, per funding cycle. Further, applicants who have previously received a planning grant or working capital grant for the proposed project may not receive a second planning or working capital grant for the same project. Applicants must direct the application to either the General Funds competition or to one of the two Reserved Funds competitions. Eligible but unfunded Reserved Funds applications will roll to the General Funds competition.

THINGS TO DO BEFORE YOU APPLY:

- First, apply for a **DUNS Number** (Dun and Bradstreet Data Universal Numbering System). To apply for any Federal grant funding, ***all applicants*** must have a **DUNS number**, which can be obtained at no cost via a toll-free request line at 1-866-705-5711 or online at <http://www.dnb.com>
- Then, once you have the DUNS Number, ***all applicants*** for Federal grant funding must register in the **CCR** (Central Contractor Registration) database at <http://www.ccr.gov>, whether applying electronically or by paper, and at no cost. Registration may take 1-1.5 hours to complete and requires a DUNS #, tax

ID and business name, statistical and financial information about the business (including number of employees and annual receipts for each of previous 3 years), and Electronic Funds Transfer information for payment of grant disbursements to grantee (Routing #, Account #, ACH contact). CCR registration activation will take 1-5 days with an established tax ID; OR 2-5 weeks if a new Employer Identification Number is used. A cage code number and expiration date will be provided when the registration is activated and must be included in your VAPG application information. For technical assistance, call the toll-free assistance line at 1-866-606-8220 and press "1" for CCR, or contact the Procurement Technical Assistance Center for your state for additional help at <http://www.aptac-us.org>.

The CCR registration must remain active, with current information, at all times during which an entity has an application under consideration by an Agency or has an active Federal Award. To remain registered in the CCR database after the initial registration, the applicant is required to review and annually update its information in the CCR database to ensure it is current, accurate and complete.

SUBMISSION: It is the responsibility of the applicant to submit a complete VAPG application by the submission deadline indicated in the NOFA. Use of this application template is recommended, though not required. If not using the application template, instructions for application submittal may be found in 7 CFR 4284, subpart J, Section D: Applying for a Grant.

- Print out your completed application on single-sided paper, do not duplex.
- Include supporting documentation in Appendices A through E, as applicable, for your project.
- Use a rubber band or clip to bind your application package.
- Paper applications can be mailed via USPS, FedEx, or other overnight courier to the USDA Rural Development State Office in the state of your main project operation/site.
- Electronic applications ONLY through grants.gov.
- Only one copy of your application is required.
- False statements provided by the applicant in this application package will render the application ineligible.

CONTACT US EARLY- for technical assistance in determining applicant and project eligibility

- VAPG program website in http://www.rurdev.usda.gov/BCP_VAPG_Grants.html includes:
 - new interim rule, a.k.a. 7 CFR 4284, subpart J
 - official program notifications addressing funding and programmatic changes and timelines
 - Agency recommended application template, with budget and matching funds templates
 - government application forms
- USDA Rural Development State Office staff:
 - 1-800-670-6553 and then press "1," or go online to <http://www.rurdev.usda.gov/StateOfficeAddresses.html> or http://www.rurdev.usda.gov/recd_map.html.
- USDA Rural Development National Office program staff:

-Lyn Millhiser	202-720-1227	lyn.millhiser@wdc.usda.gov
-Tracey Kennedy	202-690-1428	tracey.kennedy@wdc.usda.gov

VAPG Application Outline

Program definition requirements are found in 7 CFR 4284.902

- I. Application forms and registrations - 7 CFR 4284.931
 - a. Form SF-424, “Application for Federal Assistance”
 - b. Form SF-424A, “Budget Information-Non-Construction Programs”
 - c. Form SF-424B, “Assurances - Non-Construction Programs”
 - d. Form RD 400-4, “Assurance Agreement”
 - e. Form RD 1940-20, “Request for Environmental Information” (working capital only)
 - f. DUNS number
 - g. CCR Registration
 - h. Executive Summary
- II. Applicant eligibility – 7 CFR 4284.920; and 921
 - a. All applicant types must certify or demonstrate the following:
 - i. Citizenship
 - ii. Legal authority and responsibility
 - iii. Multiple grant eligibility
 - iv. Status of active VAPG grant
 - b. Applicants must meet the requirements of one of the following applicant types:
 - i. Independent Producer
 - ii. Agricultural Producer Group
 - iii. Farmer or Rancher Cooperative
 - iv. Majority-Controlled, Producer-Based Business Venture
 - c. Emerging Market: Agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer based business ventures must demonstrate they have not supplied the proposed value-added product, geographic, or demographic market for more than two years at time of application submission.
- III. Project eligibility - 7 CFR 4284.922; 923; 924; 931(5)(6); and 932
 - a. Product eligibility
 - i. All products must meet one or more of the following definitions:
 - 1. Change in physical state
 - 2. Produced in a manner that enhances the value of the agricultural commodity
 - 3. Product (physical) segregation
 - 4. Farm- or ranch-based renewable energy
 - 5. Locally-produced agricultural food product
 - ii. All proposed projects must demonstrate the following:

1. Customer base for the agricultural commodity or value-added product is expanded
 2. A greater portion of the revenue derived from the marketing or processing of the value-added product is available to the applicant producer of the agricultural commodity
- b. Purpose eligibility
- i. Work plan and budget - templates available in this *Application Package*
 - ii. Working capital applications must include a (1) business plan and (2) a third-party feasibility study, unless exempt, as discussed in Appendix B.
- IV. Evaluation criteria - 7 CFR 4284.931 (2)(3)(4); and 942
- a. Performance evaluation criteria
 - b. Proposal evaluation criteria
 1. Nature of the proposed venture
 2. Qualifications of the project personnel
 3. Commitments and support
 4. Work plan and budget
 5. Priority points – if applicant qualifies for one category
 6. Administrator priority categories – no action required by applicants
 - c. Certification of matching funds
 - d. Verification of matching funds – templates available in the *Application Package*
- V. Appendices
- a. Appendix A – Applicant Eligibility / Legal Authority
 - b. Appendix B – Project Eligibility
 - c. Appendix C - Priority Points
 - i. Beginning Farmer or Rancher
 - ii. Socially Disadvantaged Farmer or Rancher
 - iii. Mid-Tier Value Chain
 - iv. Operator of a Small or Medium-Sized Farm or Ranch structured as a Family Farm
 - v. Farmer or Rancher Cooperative
 - d. Appendix D - Matching Funds Verification
 - e. Appendix E – Reserved Funding

ACRONYMS USED THROUGHOUT APPLICATION

APG	:	Agricultural Producer Group
BFR	:	Beginning Farmer or Rancher
CO-OP	:	Farmer or Rancher Cooperative
FF	:	Small or Medium-sized farm that is structured as a Family Farm
IP	:	Independent Producer
MAJ	:	Majority Controlled Producer-based Business
MTVC	:	Mid-Tier Value Chain
SDFR	:	Socially Disadvantaged Farmer or Rancher

EXECUTIVE SUMMARY

A. Legal Name of Applicant Entity: _____

DUNS #: _____

CCR Registration Cage Code: _____

Expiration Date: _____

B. Application Type - Please Check One:

Planning Grant

Working Capital Grant

C. Requested Grant Amount: \$ _____

D. Brief Description of Project:

E. Check one box below if you will be submitting a **SIMPLIFIED** application for:

a grant ***request of less than \$50,000 working capital funds*** - This option is available to *all four applicant types*. It permits all applicants requesting less than \$50,000 working capital grant funds to submit the application contents without providing an independent feasibility study or business plan for the value-added venture.

a grant ***request of \$50,000 or more working capital funds*** - This option is available *only to Independent Producer applicant types* who can demonstrate they are proposing market expansion for an existing value-added product that they currently own and produce from more than 50 percent of their own agricultural commodity; and that they have produced and marketed for at least two years at time of application submission. It permits the Independent Producer applicant to submit the application contents with a business or marketing plan only, for the value-added project, and does not require submission of an independent feasibility study as part of the application package.

F. Check one box below if you request that your application compete for **Reserved Funds**:

*Reserved Funds for Beginning Farmer or Rancher

*Reserved Funds for Socially Disadvantaged Farmer or Rancher

*Reserved Funds for a Mid-Tier Value Chain project

*Applicants seeking Reserved Funds must complete the Reserved Funds documentation required in this application (**Appendix E**) to evidence their eligibility in *one* of the Reserved Funds categories. Note that eligible applications not funded from Reserved Funds will compete for General Funds in their order of scoring priority.

APPLICANT ELIGIBILITY

The applicant must demonstrate in detail how it meets the eligibility requirements in 7 CFR 4284.920 and 921 for one of the four eligible applicant types, limited to an Independent Producer (IP), Agricultural Producer Group (APG), Farmer or Rancher Cooperative (CO-OP), or a Majority-Controlled Producer-Based Business (MAJ); as defined in 7 CFR 4284.902, and including the definition for an Agricultural Producer. All four applicant types are comprised of program eligible Independent Producers that are *individual* Agricultural Producers, or *entities* solely owned and controlled by Agricultural Producers, that are directly engaged in the production of an agricultural commodity to which value will be added and that is the subject of the proposal; each according to its own formula definition.

Citizenship Requirements: Check one box and certify with a valid signature

Individual Applicant(s) certify that they:

are citizens or nationals of the United States, the Republic of Palau, the Federated States of Micronesia, the Republic of the Marshall Islands, or American Samoa;

-OR-

reside in the United States after legal admittance for permanent residence.

Print Name of Applicant Owner:

Signature of Applicant Owner(s):

X: _____

Applicant Entities other than individuals certify that they are at least 51 percent owned by individuals who:

are either citizens or nationals of the United States, the Republic of Palau, the Federated States of Micronesia, the Republic of the Marshall Islands, or American Samoa;

-OR-

are legally admitted permanent residents residing in the United States;

-OR-

The applicant entity is owned solely by members of one immediate family (see definition at 7 CFR 4284.902), and at least one of the entity owners is a citizen or national.

Print Name and Title of Authorized Representative for the Applicant Entity:

Signature of Authorized Representative for the Applicant Entity:

X: _____

Legal Authority and Responsibility

Applicant certifies that (1) it has, or can obtain, the legal authority to carry out the purpose of the grant, and (2) that it is in good standing in the State where it is incorporated and/or in the State that is the primary location of the applicant's business operations for the VAPG project.

Applicant has appended a copy of, or excerpts from, its organizational documents, along with a Certificate of Good Standing or letter from the State Agency or Department of Agriculture, or some other equivalent office or authority, in **Appendix A**, to evidence its legal structure, mission statement, board of director and membership composition, and operating status in support of applicant eligibility statements herein, as applicable. Agricultural producers applying as a Sole Proprietor / Independent Producer, including a representative of a Steering Committee, may include a copy of their IRS Income Tax forms showing farm income, instead, to demonstrate legal authority and responsibility.

Multiple Grant Eligibility (check *all* that apply):

Applicant certifies that it is *submitting only one application* in response to this solicitation, including separate but related applicant entities with greater than 75 percent common ownership.

Applicant is requesting (check only P-Planning or WC-working capital) P or WC grant funds, and certifies it has not previously received this type of VAPG funds for this same project proposal.

Currently Active VAPG Grant (check only one box):

Applicant does NOT have a currently active VAPG grant with unused funds.

Applicant does have a currently active VAPG grant with unused funds that:

WILL conclude within 90 days of the application *submission* deadline for this competition.

WILL NOT conclude within 90 days of the application *submission* deadline for this competition.

Scheduled completion date of currently active VAPG grant: _____

Type of Applicant: Check only one applicant type for the individual or organization that is applying to the program.

Independent Producer

Agricultural Producer Group

Majority-Controlled Producer-Based Business

Farmer/Rancher Cooperative

Complete the Section below that applies to your Applicant Type.

1. For applicants applying as an **INDEPENDENT PRODUCER (IP)**, see definitions at 7 CFR 4284.902.

Check all boxes that apply:

Applicant certifies that 100 percent of the owners or members of the applicant organization are *individual* Agriculture Producers, or *entities* that are *solely* owned and controlled by Agriculture Producers, that are directly engaged in the production of the subject agricultural commodity; or are owners or members that have the legal right to access and harvest the agricultural commodity to which value will be added and that is the subject of this value-added project. Applicant certifies that, *if the applicant's owners are entities themselves*, the ownership of those entities is also identified, by name or class (general description of agricultural product or type of producer), and confirmed as eligible. Applicant agrees that additional verification of the status and participation of these parties will be provided upon request.

Provide names of <i>all</i> owners or members of the “Independent Producer” applicant organization, and indicate their percentage of ownership/membership of the applicant organization.
(%)
(%)
(%)
(%)
(%)
(%)
(%)
(%)
(%)

IF applicant IP is a **steering committee**, the applicant certifies that 100 percent of committee members meet the requirements for an IP in the 7 CFR 4284.902 definitions at application; and if selected to receive grant funds, the steering committee will form a legal entity that will meet the requirements for one of the four program eligible applicant types; and will provide the organizational documents of this new entity to the Agency before the Agency executes the grant agreement.

IF applicant IP is a **harvester**, the applicant certifies that it has the legal right to access and harvest 51 percent or more of the agricultural commodity that will be used for the value-added product. A copy of, or reference to, written contracts, rights-of-way, Memorandums of Understanding, license, or other documentation establishing “legal rights” to access and harvest the subject agricultural commodity must be attached in **Appendix A**. NOTE: Agricultural harvesters are NOT individuals or entities who glean, gather, or collect only residual commodities that result from an initial harvesting or production of a primary agricultural commodity. To be eligible, the agricultural harvester must harvest the primary agricultural commodity. *Examples include, but are not limited to: A logger who has a legal right to access and harvest logs from the forest that are then converted into boards; a fisherman that has the legal right to access and harvest fish from the ocean or river that are then smoked; etc.*

Summarize the proposed harvesting rights and operation:

Applicant certifies that its Independent Producers *currently produce and own the majority (51 percent or more) of the raw agricultural commodity to which value will be added*, as the subject of the project proposal. Applicant does not produce the subject agricultural commodity under contract for another entity, nor contract out the production of the subject agricultural commodity.

Applicant certifies that its Independent Producers will maintain ownership of the agricultural commodity from its raw state through the production, marketing and sale of the value-added product during the grant funding period, unless the proposal is for a qualifying Mid-Tier Value Chain (MTVC) project.

Name of Agricultural Commodity: _____

Applicants requesting Working Capital grant funds, only, must *demonstrate* the quantity of the agricultural commodity that will be used for the Value-Added Agricultural Product, as specified below. The quantity of the agricultural product must be expressed in an appropriate unit of measure, such as acres, pounds, bushels, etc., to demonstrate the scale of the agricultural project.

Estimated total quantity of the Agricultural Commodity needed for the VAPG Project	
Estimated quantity of the Agricultural Commodity that will be provided by all owners or members of the applicant organization	
Estimated quantity of the Agricultural Commodity that will be purchased or donated from third-party sources	
Percentage of applicant commodity contributed to the project must be 51% or more: (Take the applicant quantity amount and divide it by the total project quantity amount)	

2. For applicants applying as an AGRICULTURE PRODUCER GROUP (APG), see definitions at 7 CFR 4284.902.

Check all boxes that apply:

Applicant certifies that it is a formal membership organization that represents Agriculture Producers that meet the VAPG program definition requirements for an Independent Producer; and operates with a mission that includes working on behalf of Independent Producers.

Applicant certifies that the majority (51% or more) of *both its membership and board of directors* are comprised of Independent Producers that are *individual* Agriculture Producers, or *entities* that are *solely* owned and controlled by Agriculture Producers, that are directly engaged in the production of the agricultural commodity to which value will be added and that is the subject of this value-added project.

MEMBERSHIP:

Indicate the applicant's *total number of members*: _____

Indicate the applicant's *total number of members that are eligible Independent Producers*: _____

*Of this number, indicate *the total number of eligible Independent Producers that are the members on whose behalf the project work will be done*: _____

BOARD OF DIRECTORS:

Indicate the *total number of individuals on the governing board*: _____

Indicate the *total number of individuals on the governing board who are program eligible Independent Producers*: _____

Provide a description to explain the applicant organization's mission:

Applicant certifies that the *members identified below are those Independent Producers (IP) on whose behalf the project work will be done*, and that each owner/member meets the VAPG definition requirements for an IP. The identity of participating member IPs may be provided by name or class (general description of agricultural product or type of producer). If the member IP is not an individual agricultural producer, but is an entity, the applicant must also identify the owners of the entity, by name or class, and certify that 100 percent of these owner / members are individual agriculture producers that meet program eligibility requirements. Applicant agrees that additional verification of the status and participation of these parties will be provided upon request.

Provide names or class of participating member IPs of the APG applicant organization

Applicant certifies that its Independent Producers currently produce and own the majority (51 percent or more) of the raw agricultural commodity to which value will be added, as the subject of the project proposal. Applicant does not produce the subject agricultural commodity under contract for another entity, and does not contract out the production of the subject agricultural commodity.

Applicant certifies that its Independent Producers will maintain ownership of the agricultural commodity from its raw state through the production, marketing and sale of the value-added product during the grant funding period, unless the proposal is for a qualifying Mid-Tier Value Chain (MTVC) project.

Name of Agricultural Commodity: _____

Applicants requesting Working Capital grant funds, only, must *demonstrate* the quantity of the agricultural commodity that will be used for the Value-Added Agricultural Product, as specified below. The quantity of the agricultural product must be expressed in an appropriate unit of measure, such as acres, pounds, bushels, etc., to demonstrate the scale of the agricultural project.

Estimated total quantity of the Agricultural Commodity needed for the VAPG Project	
Estimated quantity of the Agricultural Commodity that will be provided by the identified member IPs of the APG applicant organization	
Estimated quantity of the Agricultural Commodity that will be purchased or donated from third-party sources	
Percentage of total quantity of the Agricultural Commodity contributed to the project by identified member IPs must be 51% or more: (Take the total identified member IP quantity amount and divide it by the total project quantity amount)	

3. For applicants applying as a **FARMER OR RANCHER COOPERATIVE (CO-OP)**, see definitions in 7 CFR 4284.902.

Check all boxes that apply:

NOTE: If a cooperative is owned and controlled by **agricultural harvesters** (i.e. fishermen, loggers, etc.), it is eligible to apply *only* as an Independent Producer applicant and not as a Farmer or Rancher Cooperative. It is the Agency's position that harvesters do not meet the definition of a farmer or rancher. Harvester applicants must complete the information for IP in section 1 above.

Applicant certifies that it IS a business owned and controlled by *program eligible* Independent Producers that is, **either**:

LEGALLY INCORPORATED as a Farmer or Rancher COOPERATIVE
Indicate the State of Incorporation: _____

-OR-

IDENTIFIED by the State in which it operates as a Farmer or Rancher owned and cooperatively operated business.
Indicate the State that recognizes the applicant as a
Farmer or Rancher owned and cooperatively operated business: _____

-AND-

Indicate the State of business operations for this VAPG project: _____

Indicate the percentage of total ownership shares owned by
Independent Producers: _____

Indicate the number of Independent Producer owner/members on whose behalf the project work will be done and who are directly engaged in the production of the agricultural commodity to which value will be added: _____

Applicant certifies that the owner/members, or class, identified below are those *Independent Producers on whose behalf the project work will be done* and that each owner / member, or class, meets the VAPG definition requirements for an Independent Producer, including that each owner/member is an *individual* agriculture producer, or an *entity* that is *solely* owned and controlled by agriculture producers, that is directly engaged in the production of the agricultural commodity to which value will be added and that is the subject of this value-added project.

The identity of participating owner/member IPs may be provided by name or class (general description of agricultural product or type of producer). If the owner/member IP is not an individual agricultural producer, but is an entity, the applicant must also identify the owners of the entity, by name or class, and certify that 100 percent of these owner / members are individual agriculture producers that meet program eligibility requirements. Applicant agrees that additional verification of the status and participation of these parties will be provided upon request.

Provide names or class of participating member IPs of the CO-OP applicant organization

Applicant certifies that its participating member IPs currently produce and own the majority (51 percent or more) of the raw agricultural commodity to which value will be added, as the subject of the project proposal. Applicant confirms that the participating member IPs identified above do not produce the subject agricultural commodity under contract for another entity, and do not contract out the production of the subject agricultural commodity.

Applicant certifies that its participating member IPs will maintain ownership of the agricultural commodity from its raw state through the production, marketing and sale of the value-added product during the grant funding period, unless the proposal is for a qualifying Mid-Tier Value Chain (MTVC) project.

Name of Agricultural Commodity: _____

Applicants requesting Working Capital grant funds, only, must *demonstrate* the quantity of the agricultural commodity that will be used for the Value-Added Agricultural Product, as specified below. The quantity of the agricultural product must be expressed in an appropriate unit of measure, such as acres, pounds, bushels, etc., to demonstrate the scale of the agricultural project.

Estimated total quantity of the Agricultural Commodity needed for the VAPG Project	
Estimated quantity of the Agricultural Commodity that will be provided by the identified member IPs of the CO-OP applicant organization	
Estimated quantity of the Agricultural Commodity that will be purchased or donated from third-party sources	
Percentage of total quantity of the Agricultural Commodity contributed to the project by identified member IPs must be 51% or more: (Take the total identified member IP quantity amount and divide it by the total project quantity amount)	

4. For applicants applying as a MAJORITY-CONTROLLED PRODUCER BASED BUSINESS (MAJ), see definitions at 7 CFR 4284.902.

NOTE: The aggregate amount of awards to MAJ applicants may not exceed 10 percent of the total funds obligated during any fiscal year.

Check all boxes that apply:

Applicant certifies that it is NOT legally structured as a Farmer or Rancher Cooperative.

Applicant certifies that it is a legal entity in which more than 50 percent of the financial ownership and voting control is held by Independent Producers (IPs) that are an *individual* agricultural producer, or an *entity* that is *solely* owned and controlled by agricultural producers, that is directly engaged in the production of the agricultural commodity to which value will be added and that is the subject of this value-added project.

Applicant certifies that the owners identified below comprise 100 percent of the ownership of the applicant entity, including both Independent Producer owners and owners that are not Independent Producers. Applicant certifies that, *if the applicant's owners are entities themselves*, the ownership of those entities is also identified, by name or class (general description of agricultural product or type of producer), and confirmed as eligible. Applicant agrees that additional verification of the status and participation of these parties will be provided upon request.

Provide names of <i>All Owners</i> , including owners that are Independent Producers and owners that are not Independent Producers.	Indicate percentage financial ownership of applicant organization	Indicate percentage voting control of applicant organization	Is this owner a <i>program eligible Independent Producer (IP)</i> of agricultural commodities? Indicate YES or NO
	%	%	
	%	%	
	%	%	
	%	%	
	%	%	
	%	%	
	%	%	
	%	%	

Applicant certifies that its Independent Producers currently produce and own the majority (51 percent or more) of the raw agricultural commodity to which value will be added, as the subject of the project proposal. Applicant confirms that the Independent Producer owners identified above do not produce the subject agricultural commodity under contract for another entity, and do not contract out the production of the subject agricultural commodity.

Applicant certifies that its Independent Producers will maintain ownership of the agricultural commodity from its raw state through the production, marketing and sale of the value-added product during the grant funding period, unless the proposal is for a qualifying Mid-Tier Value Chain (MTVC) project.

Name of Agricultural Commodity: _____

Applicants requesting Working Capital grant funds, only, must *demonstrate* the quantity of the agricultural commodity that will be used for the Value-Added Agricultural Product, as specified below. The quantity of the agricultural product must be expressed in an appropriate unit of measure, such as acres, pounds, bushels, etc., to demonstrate the scale of the agricultural project.

Estimated total quantity of the Agricultural Commodity needed for the VAPG Project	
Estimated quantity of the Agricultural Commodity that will be provided by the IP owners of the MAJ applicant organization	
Estimated quantity of the Agricultural Commodity that will be purchased or donated from third-party sources	
Percentage of total quantity of the Agricultural Commodity contributed to the project by the IP owners must be 51% or more: (Take the IP owner quantity amount and divide it by the total project quantity amount)	

Emerging Market: An applicant that is an Agricultural Producer Group, a Farmer or Rancher Cooperative, or a Majority-Controlled Producer-Based Business **must** demonstrate that it is entering an *emerging market* as a result of the proposed project. **To qualify, the applicant cannot have supplied the proposed product, geographic or demographic market for more than two years at time of application submission.** Applicants for both Planning and Working Capital projects must meet this criterion. This criterion does not apply to applicants who apply as an Independent Producer.

Check all that apply and describe your emerging market:

- The applicant is an Independent Producer and the requirement does not apply.

-OR-

- The applicant is an APG, CO-OP or MAJ and must demonstrate it is entering an emerging market as a result of the proposed project, therefore, the applicant confirms that (check all that apply):
 - The project will provide a new value-added product
 - The project will serve a new geographic market
 - The project will serve a new demographic market

Summarize how the value-added project initiates an emerging market for the applicant’s agricultural producers (identify the new product, and/or geographic/demographic market):

Indicate the number of months or years the applicant’s agricultural producers have been engaged in the *specific* value-added activity that is the subject of this application:

Months _____ Years _____

PROJECT ELIGIBILITY

The applicant must demonstrate in detail how the project eligibility requirements in 7 CFR 4284.922 are met, including demonstration that the project meets *product* eligibility requirements, *purpose* eligibility requirements, *reserved funds* eligibility requirements if the applicant elects to compete in a reserved funds category and provides additional documentation, as well as *priority scoring* eligibility requirements if the applicant elects to document for priority points in the competition.

The applicant must address all sections below.

***Input* agricultural commodity and *outcome* value-added product**

Name the raw agricultural commodity that will be used as the *input* for the project:

Name the *outcome* value-added product that will be produced from one of the five value-added methodologies:

A. Value-Added Product Eligibility (7 CFR 4284.922(a)): Each product that is the subject of the proposed project must meet the requirements for a value-added agricultural product, as defined in 7 CFR 4284.902, including : (1) the value-added product must result from one of the five methodologies; (2) the project must demonstrate an increase in customer base for the agricultural commodity, and (3) a greater portion of the revenue derived from the marketing, processing or physical segregation of the agricultural commodity must be available to the producer of that commodity.

(1) Based on the definitions in 7 CFR 4284.902, check at least one methodology box below that you believe your value-added product(s) results from, and provide an explanation of the method or process used to add value to your agricultural commodity.

METHODOLOGIES TO ACHIEVE VALUE-ADDED AGRICULTURAL PRODUCTS

Change in Physical State

Applicant certifies that the change in physical state to the agricultural commodity that produces the value-added product results from an irreversible processing activity that alters the raw agricultural commodity into a marketable value-added product, and is something other than a post-harvest process that primarily acts to preserve the commodity for later sale.

- Examples include, but are not limited to, strawberries into jam, milk into cheese, wheat into flour, wool into clothing or rugs, corn into E-85 ethanol that is generated off-farm, livestock into packaged meat.

Please explain the method or process used to add value to your agricultural product, and how the change in physical state or form of the product enhances its value.

Produced in a Manner that Enhances the Value of the Agricultural Commodity

Applicant certifies that the value-added product results from the use of a recognizably coherent set of agricultural production practices in the growing of the raw agricultural commodity, such that a differentiated market identity is created for the resulting product.

- Examples include, but are not limited to, organic carrots, eggs produced from free-range chickens.

Please explain the method or process used to add value to your agricultural product, and how a non-standard agricultural production method adds value to the agricultural commodity per unit of production over a standard production method, and provide evidence via a quantifiable comparison with products produced in the standard manner.

Product (Physical) Segregation

Applicant certifies that the value-added product results from physically separating (i.e. distance or structure) the agricultural commodity on the farm from other varieties of the same commodity on the same farm during production and harvesting, with continued separation from similar commodities or products during the processing and marketing of the value-added product.

- An example is genetically modified corn that is separated from non-genetically modified corn on the farm during production and harvesting, with continued separation from similar commodities or products during the processing and marketing of the value-added product.

Please explain the method or process used to add value to your agricultural product, and demonstrate how the physical segregation of the commodity is accomplished and how it enhances the value of the commodity.

Farm- or Ranch-based Renewable Energy

Applicant certifies that the value-added product results from the agricultural commodity that is used to generate renewable energy on a farm or ranch owned or leased by the Independent Producer (IP) applicant/owner/member that produces the agricultural commodity.

- Examples include, but are not limited to, dairy manure into methane and electricity generated on the farm, or corn into biodiesel generated on the farm. **Generation of energy from wind, solar, geothermal or hydro sources are not eligible.**
- Fuel or energy that is *not generated* on a farm or ranch owned or leased by the IP applicant/owner/member is not eligible under this methodology, but may be considered under the first methodology, change in physical state.

Describe the renewable energy technology that will be used on-farm, and explain the process to generate on farm renewable energy from the agricultural commodity produced by the IP applicant/owner/member. Demonstrate that the renewable energy will be *generated on a farm or ranch owned or leased by the IP applicant/owner/member*.

- For **Farm- or Ranch-based Renewable Energy**, documentation for expansion of customer base may include, but is not limited to, sales of value-added products to off-farm customers; or through use of the value-added products produced by the farm applicant organization itself to reduce its own farm operations energy costs for thermal, electric, or liquid fuel needs, such as net metering of electricity, use of thermal energy for heat or hot water, or use of bio-based liquid fuels for tractor or other farm machining operations. As applicable, emerging market requirements must be met.
- For **Farm- or Ranch-based Renewable Energy**, documentation for calculating increased revenue returns to the producer-owner(s) may include, but is not limited to, the savings that result from use of the value-added products on the farm for farming operations; and /or from the sale of the value-added products to off-farm customers. These revenue streams might include, but are not limited to, thermal, electric or liquid fuel generated on-farm from the agricultural commodity, renewable energy credits, carbon credits for greenhouse gas emission reductions and offsets, or methane; as well as revenue earned from the sale of by-products such as compost and bedding, etc.

Locally-produced Agricultural Food Product

Applicant certifies that 100 percent of the agricultural food product that is raised or produced will be distributed in (1) the locality or region in which the final product is marketed, so that the total distance that the product is transported is less than 400 miles from the origin of the product; or (2) within the State in which the product is produced.

- Examples include, but are not limited to, specific local grapes with characteristics attributable to the growing area will be sold to a processor that will produce a select/vintage local wine; or local corn advertised and sold at a premium as a fresher locally-produced alternative to non-local produce.

Please explain the method or process used to add value to your agricultural product, and demonstrate/ quantify how local sales and marketing results in added value to the product.

Responses to the questions below: Applicants must identify one or more relevant *sources of authority* to support the response statements and data below. For example, planning grant response data may be based on an identified industry-norm or formula, applicant’s calculated historical success in producing and marketing the value-added product itself, or be academic in nature. Working capital grant response data must be from project-specific analysis, such as a feasibility study, marketing plan, or business plan developed for the project; or, for working capital applications that do not require submission of a feasibility study or business plan, responses must identify a relevant authority source or independent basis for the response data provided. **Attach supporting documentation, such as an independent feasibility study, business plan, industry formula, or other independent authority source to support data responses in Appendix B.**

(2) Demonstrate the estimated expansion of customer base for the agricultural commodity or value-added product, including a baseline of current customers for the commodity or value-added product, and an estimated target number of customers that will result from the project:

(3) Demonstrate the estimated amount of the increased portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity that will be available to the applicant’s producers of the agricultural commodity to which value is added, including a baseline of current revenues from the sale of the agricultural commodity or value-added product, and an estimated target number of increased revenues that will result from the project:

B. Purpose Eligibility (see 7 CFR 4284.922 (b) and 7 CFR 4284.923 and .924): Check *all boxes* that apply and include the documentation indicated.

Grant request is for a Planning Grant of \$ _____

If applicant seeks a planning grant, applicant certifies that planning funds will only be used to pay a qualified consultant to conduct and develop a feasibility study, business plan, and/or marketing plan directly related to the processing and/or marketing of a value-added agricultural product, including any associated legal costs. See 7 CFR 4284.923 (a) for examples of eligible planning activities.

- It is generally expected that planning grants will not exceed a one year timeframe. If the timeframe for a planning project exceeds one year, please explain WHY extra time is necessary to complete the economic planning activities.

-OR-

Grant request is for a Working Capital Grant of \$ _____

If applicant seeks a working capital grant, applicant certifies that working capital funds will only be used to pay the project's operational costs directly related to the processing and/or marketing of the value-added product. See 7 CFR 4284.923 (b) for examples of eligible working capital activities.

-AND, for both Planning and Working Capital grant requests, complete the following:

Applicant certifies that the proposed project does NOT include costs for ineligible activities, as defined at 7 CFR 4284.924, including but not limited to, costs for land, buildings or equipment, vehicles, preparation of the grant application, research and development, architectural or engineering design work, expenses for the production, harvesting or delivery to a processing facility of any agricultural commodity or product, owner or family member wages, goods or services from a person or entity that has a personal, professional, financial or other interest in the outcome of the project, transactions with noncompetitive trade practices, conducting activities on behalf of anyone other than a specifically identified Independent Producer or group of Independent Producers, as identified by name or class within this application, or for costs incurred outside the grant period.

Applications that propose ineligible expenses in excess of 10 percent of total project costs will be deemed ineligible.

Applicant certifies that the project does NOT include costs associated with a conflict of interest for owners, employees, officers, agents, or their immediate family members having a personal, professional, financial or other interest in the outcome of the project, including organizational conflicts, or conflicts that restrict open and free competition for unrestrained trade; except as provided for in 7 CFR 4284.923 (a) and (b) relating to applicant or family member in-kind contribution of matching funds for eligible planning activities, and limited to 25 percent of total project costs.

FIRST: In the **Budget Format**, identify *each main activity* in your project budget (i.e. For P: hire consultant to conduct feasibility study, marketing plan and/or business plan. For WC: conduct marketing campaign, purchase inventory supplies, contract for value-added processing etc.).

Budget Format – list each main activity

Activity #	Task Name and Description	Start Date	End Date	Federal VAPG Funds	Cash Matching Funds	In-Kind Matching Funds	Total Project Costs
Example	<p><i>Perform Market Research</i> <u>Description:</u> Identify potential customers, provide samples to prospective customers, determine price points and specifications, identify distribution channels, develop marketing plan.</p> <p><u>Name of Contractor, Vendor, or Staff who will be Paid for this task:</u> EcoFuel Marketing, Inc.</p>	10/1/2011	3/1/2012	\$18,000	\$9,000 from applicant	\$9,000 from EcoFuel Marketing, Inc. for pro bono time on Example Activity	\$36,000
1							
2							
3							
4							
5							
6							
7							
8							
9							
	TOTAL PROJECT			\$	\$	\$	\$

AND THEN: In the **Task Budget Format**, provide detailed information for **each task** that will be completed for **each main activity** listed above.

Example Task Budget – Perform Market Research

Budget Item	VAPG Funds	Total Matching Funds	Total Cost
Personnel	\$	\$	\$
Fringe Benefits	\$	\$	\$
Travel	\$ 2,000	\$	\$ 2,000
Office Equipment	\$	\$	\$
Supplies	\$	\$	\$
Contractual	\$16,000	\$18,000	\$34,000
Other	\$	\$	\$
Other	\$	\$	\$
Other	\$	\$	\$
Other	\$	\$	\$
TOTAL	\$18,000	\$18,000	\$36,000

Provide explanation/clarification of the basis for the above budget figures:

This task requires significant interaction with potential customers including customer site visits, product demonstrations, surveys and specification analysis, conference attendance by consultant, and research and analyses of distribution channels. Travel estimates for this task include one consultant airfare for \$750 roundtrip to Boston, MA to attend the Northeast Regional Bio-fuels Conference in November 2011; and 2,500 car miles at \$0.50 per mile or \$1,250 for all other market research travel by consultant. Consultant fees derive from 100 days labor at \$340 per day, inclusive of costs for phone, postage, and supplies.

Task Budget for Activity 1 –

Budget Item	VAPG Funds	Total Matching Funds	Total Cost
Personnel	\$	\$	\$
Fringe Benefits	\$	\$	\$
Travel	\$	\$	\$
Office Equipment	\$	\$	\$
Supplies	\$	\$	\$
Contractual	\$	\$	\$
Other	\$	\$	\$
Other	\$	\$	\$
Other	\$	\$	\$
Other	\$	\$	\$
TOTAL	\$	\$	\$

Provide explanation/clarification of the basis for the above budget figures:

For Working Capital Applicants Only
(Check all that apply and provide the information requested)

Applicant certifies that the Independent Producers that are the subject of this application currently market the subject value-added agricultural product, and/or will be ready to implement the working capital activities in accordance with the budget and work plan timeline proposed herein.

Except as noted in 7 CFR 4284.922 (b) (6) (i and ii), working capital applications *must* include an independent feasibility study and business plan completed *specifically* for the proposed value-added project. The Agency must concur in the adequacy of the feasibility study and business plan submitted with the application, and will review the documents as a basis for evaluation of the financial feasibility of the project, as part of their eligibility determination.

Applicant certifies that a third-party, project-specific feasibility study (FS) and a business plan (BP) related to the processing and/or marketing of the subject value-added product has been prepared for this value-added venture, and that these analyses conclude the value-added venture will likely be feasible. This grant project proposes to implement the venture as outlined in the FS and BP documents.

- A complete copy of the FS and BP documents is attached in **Appendix B**.
- Name of Qualified Consultant who completed FS: _____
- Date project-specific FS concluded: _____
- Name of person who completed BP: _____
- Date BP concluded: _____

EXCEPTIONS as noted in 7 CFR 4284.922 (b) (6) (i and ii):

INDEPENDENT PRODUCER applicant seeking a Working Capital Grant of \$50,000 OR MORE:

Applicant certifies that it is applying as an Independent Producer (IP) applicant that seeks a working capital grant of \$50,000 or more and will demonstrate that the market expansion project is for an existing value-added product that they have produced and successfully marketed for at least two years at time of application submission, and which results from at least 50 percent of an agricultural commodity that they currently own and produce.

Summarize your history of producing and marketing the subject value-added product:

In lieu of an independent feasibility study for this project, the IP applicant is submitting a business or marketing plan for the value-added project in **Appendix B**. The IP applicant acknowledges that this waiver of the independent feasibility study submission is optional, and does not change the proposal evaluation or scoring elements that pertain to issues that might be supported by an independent feasibility study.

The waiver of the requirement to submit a feasibility study does not eliminate the need in the application to demonstrate the expected increases in customer base and revenue returns to the producer applicants supplying the majority of the agricultural commodity for the project. The IP applicant has documented expectations for market expansion, increased customer base and increased revenues returning to producers as a result of this project, in the [Project Eligibility, section A](#), of this application (see applicant response to questions 2 and 3), and has provided supporting documentation in **Appendix B**.

For Working Capital Applicants Only - Continued
(Check all that apply and provide the information requested)

ALL FOUR APPLICANT TYPES submitting a Simplified Application for a Working Capital Grant of LESS THAN \$50,000:

IP/APG/CO-OP/MAJ* applicant certifies that it is applying for a working capital grant of less than \$50,000 and exercises its option to waive submission of an independent feasibility study and business plan for this project. The applicant acknowledges that this waiver of the independent feasibility study and business plan submission is optional, and that it does not change the proposal evaluation or scoring elements that pertain to issues that might be supported by such documentation.

The waiver of the requirement to submit a feasibility study and business plan does not eliminate the need in the application to demonstrate the expected increases in customer base and revenue returns to the producer applicants supplying the majority of the agricultural commodity for the project. The applicant has documented for increased customer base and increased revenues returning to the applicant's producers supplying the majority of the agricultural commodity for the project, in the [Project Eligibility, section A](#), of this application (see applicant responses to questions 2 and 3), and has provided supporting documentation in [Appendix B](#).

*IP = Independent Producer
APG = Agricultural Producer Group
CO-OP = Farmer or Rancher Cooperative
MAJ=Majority Controlled Producer-based Business

Evaluation Criteria

Performance Evaluation Criteria (7 CFR 4284.931 (b) (2) (i)): Applicants for both planning and working capital grants must suggest one or more relevant criterion that will be used to evaluate the *performance of the grant project during its operational phase post-award*, as benchmarks to assess whether or not the primary goals and objectives proposed in the work plan are accomplished during the project period. These criteria should relate to the overall project goal of creating and serving new markets, with a resulting increase in customer base and increase in revenues returning to the agriculture producers providing the agricultural commodity to the project; as well as to the practical and/or logistical activities and tasks to be accomplished during the project period. Applicant suggested *performance* criteria will be incorporated into the applicant's semi-annual and final reporting requirements, if selected for award, and will be specified in the grant agreement associated with the award.

Examples of Performance Evaluation Criteria:

Planning Grants

- Did the independent feasibility study evaluate the economic, market, technical, financial, and management feasibility characteristics of the value-added project?
- Is the analysis based upon verifiable data and does it contain sufficient information to determine if projected levels of income or production levels are achievable?
- Did the analysis identify the estimated project development and operating costs and the assumptions on which these estimates were made?
- Is there an opinion on the reliability of the financial projections and the ability of the business to achieve the projected income and cash flow? Is there documentation of the assumptions used in developing the financial statements?
- Does the business plan layout the optimum structural and operational aspects of the venture and include a defined set of goals and objectives?
- Has a projected return on investment been described?

Working Capital Grants

- Is the project serving the targeted customer market described in the business plan?
- Has the project realized the expected commitments from new customers?
- Has the project realized the expected increase in revenues for its agricultural producers?
- Were there project outcomes related to topics of special interest, such as increased renewable energy capacity or greenhouse gas emission reductions, market differentiation techniques for local food products, the nature of the advantages or disadvantages of supply chain arrangements, or best practices for beginning or socially disadvantaged farmers?

Check *either* Planning or Working Capital grant below, and provide a description of the *performance* evaluation criteria that you suggest your grant project be evaluated by, if awarded funds.

Planning Grant *Performance* Evaluation Criteria:

Working Capital Grant *Performance* Evaluation Criteria:

In addition, applicants for both planning and working capital grants must identify the number of jobs expected to be **created or saved** as a direct result of the project. **Planning** grant applicants should *estimate* the number of jobs expected to be created or saved **as a result of continuing the project into its operational phase**. **Working capital** grant applicants should identify the number of jobs expected to be created or saved as a **direct result** of the project.

Indicate the number of jobs expected to be created _____ or saved _____

P : as a result of continuing the project into its operational phase

WC: as a direct result of this project

Proposal Evaluation Criteria (see 7 CFR 4284.942 and NOFA section V.D. to respond to each criterion):

The Agency will select and rank applications for funding based on the score an application has received in response to the *proposal* evaluation criteria, compared to the scores of other value-added applications received in the same fiscal year. Higher scoring applications will receive first consideration for funding. Eligible but unfunded Reserved Funds applications will roll to the General Funds competition.

For each criterion, applicants must demonstrate how the project has merit, and provide rationale for the likelihood of project success. Responses that do not address all aspects of the criterion specified in the interim rule and/or NOFA, or that do not comprehensively convey pertinent project information will receive lower scores. The maximum number of points that will be awarded to an application is 100. **Any application receiving less than 45 points will not be funded.** Except for the Priority Points criterion, which is scored on a lump sum basis, all points will be awarded on a graduated basis. Please see the Notice of Funding Availability at section V.D. for a detailed description of the graduated scoring thresholds for each criterion.

A. Nature of the Proposed Venture (graduated score 0 - 30 points):

When completing the following sections, applicants should reference third-party information, business financial statements, previous business experience producing or marketing the value-added product or similar product, experience in similar markets, or other successful ventures. Working capital applications should demonstrate the concepts below that will result from the project, and planning applications should address the concepts by describing the expected outcomes of the project and the rationale supporting those expectations.

Describe the technological feasibility of the project (i.e. is the product currently being manufactured somewhere, what is the size constraint, is product in test phase v. full capacity, is recipe formulated, existing v. new technology, etc.):

Describe the operational efficiency of the project (i.e. sufficient raw commodity, use own facility or toll processing, share a processing space, energy efficiency aspects, waste management, sufficient labor or expertise, logistics for storage or distribution of value-added product):

Describe the profitability of the project (i.e. P = third-party references, trends, industry-norm or formula, applicant's historical success in producing/marketing the value-added product or similar product; WC = pro forma financial projection summary or other relevant authority source, cost and availability of inputs, cost of processing the commodity):

Describe the economic sustainability of the project (i.e. project viability post-grant period/funding, will project reach or exceed break-even point post award, potential for market expansion):

Reviewers should refer to pages _____ to evaluate the proposal's substantiation of increased customer base and increased revenues returning to the agricultural producers.

- B. **Qualifications of Project Personnel (graduated score 0 – 20 points):** Identify *each* of the individuals who will be responsible for completing the proposed tasks in the work plan, including their qualifications and expertise. Describe their role and commitment to the project.

Resumes should NOT be included, but may be summarized herein. If clarifications are required regarding qualifications of project personnel, the applicant agrees to provide additional documentation upon Agency request.

Repeat all categories for each of the Project Personnel. Upload additional pages as necessary.

Name of Applicant Staff / Consultant (if known): _____

Qualifications or Experience (If staff or consultants have not been selected at the time of application, provide specific descriptions of the qualifications required for the positions to be filled.):

Project Role:

Describe Availability / Commitment:

- C. **Commitments and Support (graduated score 0-10 points):**

Producer commitments to the project will be evaluated based on the number of independent producers currently involved in the project; and the nature, level and quality of their contributions (i.e. evidence of cash or in-kind contributions to project, number of independent producers producing and providing the raw commodity to the project, other forms of commitment such as project-related past efforts):

End-User commitments will be evaluated on the basis of potential or identified markets and the potential amount of output to be purchased, as evidenced by letters of intent or contracts from potential buyers referenced within the application (i.e. P = letters of interest or intent from buyers wanting to purchase the value-added product; WC = contracts or formal agreements from buyers that have agreed to purchase the value-added product):

Third-Party commitments to the project will be evaluated based on the critical and tangible nature of the contribution to the project, such as technical assistance, storage, processing, marketing, or distribution arrangements that are necessary for the project to proceed; and the level and quality of these contributions (i.e. evidence of prior area-wide planning; consistency with strategic state or regional economic plans; pro bono or reduced fee arrangements for technical assistance, storage arrangements or distribution partnerships, critical processing arrangements or marketing partnerships necessary for the project to proceed):

- D. **Work Plan and Budget (graduated score 0 – 20 points):** In accord with 7 CFR 4284.922 (b) (5), and as prescribed previously in this application template under *Project Eligibility, section B. Purpose Eligibility, Work Plan and Budget Requirements, including the Work Plan Narrative, Budget Format, and the Task Budget Format*, the applicant has submitted a comprehensive work plan and budget. Points may not be awarded unless sufficient detail is provided to determine that both grant and matching funds are being used for qualified purposes and are from eligible sources without a conflict of interest.

Reviewers should refer to pages _____ to review and evaluate the proposal’s work plan and budget.

- E. **Priority Points (lump sum score 0 or 10 points):** Priority points may be awarded in both the General Funds competition, as well as the Reserved Funds competitions. Qualifying applicants may request priority points if they meet the requirements for *only one* of the following categories and provide the documentation specified in 7 CFR 4284.922(d), as applicable. Priority categories include: Beginning Farmer or Rancher, Socially Disadvantaged Farmer or Rancher, Operator of a Small or Medium-sized farm or ranch that is structured as a Family Farm (FF), a Mid-Tier Value Chain proposal, and a Farmer or Rancher Cooperative. To request Priority Points, applicants must provide all documentation and responses for one of the Priority categories in **Appendix C**.

It is the Agency's position that harvester operations do not meet the definition requirements for a Farm or ranch. Thus, harvester applicants are not eligible to receive Priority Points for BFR, SDFR, FF, or a CO-OP. Harvesters may only request Priority Points for a MTVC project, as applicable.

Applicant requests priority points (check only one box):

- Beginning Farmer or Rancher (BFR)
- Socially Disadvantaged Farmer or Rancher (SDFR)
- Mid-Tier Value Chain Project (MTVC)
- Operator of a Small or Medium-sized Farm that is Structured as a Family Farm (FF)
- Farmer or Rancher Cooperative (CO-OP)

Reviewers should refer to **Appendix C** in this application to review and evaluate eligibility for Priority Points.

-OR-

- Applicant does NOT request or qualify for priority points for any of the above categories.

- F. **Administrator Priority Categories (graduated score 0 - 10 points):** The Administrator of USDA Rural Development Business and Cooperative Programs has discretion to award up to 10 points to an application to improve the geographic diversity of awardees in a fiscal year. The applicant does ***not*** need to provide any additional documentation for points in this category.

MATCHING FUNDS

Certification of Matching Funds

The applicant certifies that (1) the cost-share matching funds for the project will be spent in advance of grant funding, such that for every dollar of grant funds disbursed, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement; and (2) if matching funds are proposed in an amount exceeding the grant amount, those matching funds will be spent in advance of grant funding at a proportional rate equal to the match-to-grant ratio identified in the proposed budget.

Print Name of Applicant's Authorized Representative: _____

Signature of Applicant's Authorized Representative: _____

Date: _____

Verification of Matching Funds

Applicants must demonstrate, and provide authentic documentation from the contributing source, to confirm (1) the *eligibility of the source and use* of all matching funds, including cash and in-kind contributions; and (2) the *availability* of both cash and in-kind contributions; so that all matching funds meet the definition requirements for Matching Funds and Conflict of Interest in 7 CFR 4284.902. Also see 7 CFR 4284.923 and 7 CFR 4284.924 for eligible and ineligible uses of grant and matching funds.

Matching funds must be:

- spent on eligible planning OR working capital activities, but not both
- from eligible sources without a real or apparent conflict of interest
- at least equal to the grant amount, with combined grant and matching funds equal to 100 percent of the total project costs
- provided in the form of confirmed applicant cash, loan, or line of credit; or be provided in the form of a confirmed applicant or family member in-kind contribution that meets the requirements and limitations specified in 7 CFR 4284.923 (a) and (b); or be provided in the form of confirmed third-party cash or eligible third-party in-kind contribution, including non-federal grant sources.

The use of the following verification forms is optional, but recommended. The *contributing source* of the matching funds may complete the information on the designated form(s) for the type of matching funds being provided for the project, and sign the form where indicated. Verifications for all matching funds must be provided with this application in Appendix D, also where the blank forms are located.

There are five forms to match the 5 types of eligible matching funds:

- Applicant Cash-on-hand
- Applicant's *Approved* Loan or Line of Credit
- Applicant's In-kind Contribution
- Third-party CASH Matching Funds
- Third-party In-kind Contribution

As reflected in the budget provided in this application, matching funds for this project will total \$_____

APPENDIX A: APPLICANT ELIGIBILITY / LEGAL AUTHORITY

Append Documentation.
Upload additional pages as required.

1. Good Standing documentation (REQUIRED)
2. Certification of Citizenship (REQUIRED, as prescribed in the Application Package)
3. Evidence of Legal Authority (REQUIRED)
 - a. Examples:
 - i. By-Laws
 - ii. Articles of Incorporation or Organization
 - iii. Letter from State Agency or Department of Agriculture, or equivalent
4. Harvesters Only – Proof of harvesting rights (AS APPLICABLE)
 - a. Contracts/lease; or
 - b. Rights of Way; or
 - c. MOUs; or
 - d. Licenses

**Append Documentation.
Upload additional pages as required.**

Except as noted in 7 CFR 4284.922 (b) (6) (i and ii), WORKING CAPITAL applications must include:

1. a business plan and a third-party feasibility study, unless they meet one of the two following scenarios:
 - Scenario 1- requires submission of a business or marketing plan for the venture; does not require an independent feasibility study
 - a. The applicant is an independent producer
 - b. Seeking \$50,000 or more in grant funds
 - c. Project is to expand the market for an existing value-added product that the applicant has produced and marketed for at least the last two years
 - d. Able to provide adequate documentation showing expected increases in customer base and revenues benefiting the producer applicants
 - Scenario 2- does not require submission of a feasibility study or business plan
 - a. Any of the four applicant types submitting a Simplified Application
 - b. Seeking less than \$50,000 grant funds
 - c. Able to provide adequate documentation showing expected increases in customer base and revenues benefiting the producer applicants
2. Other relevant authority source data to support claim for expansion of customer base and increased revenues benefitting the producer applicants (AS APPLICABLE, see Project Eligibility, section A, questions 2 and 3 in this *Application Package*)

Appendix C:

PRIORITY POINTS

Append Documentation.
Upload additional pages as required.

Priority Scoring Options and Eligibility: In addition to all other program requirements, applicants must refer to the instructions in 7 CFR 4284.922(d) to document eligibility for priority points in **Appendix C.**

- Priority points will be awarded in both the general program funds competition, as well as the Reserved Funds competitions, as applicable, to applicants that *request* the priority points and *demonstrate eligibility* for one priority category.
- It is the Agency's position that harvester operations do not meet the definition requirements for a Farm or ranch. Thus, harvester applicants are NOT eligible to receive Priority Points (or Reserved Funds) for BFR or SDFR; or Priority Points for FF or a CO-OP. Harvesters may request Priority Points (or Reserved Funds) for a MTVC project, as applicable.

Check **only one** category if you believe your applicant organization is eligible for priority points, and **provide the additional documentation indicated** for that **single** category.

- Beginning Farmer or Rancher (BFR)*
- Socially Disadvantaged Farmer or Rancher (SDFR)*
- Mid-Tier Value Chain Project (MTVC)
- Operator of a Small- or Medium-sized Farm that is structured as a Family Farm (FF)
- Farmer or Rancher Cooperative (CO-OP)

*For BFR and SDFR priority points, applicant ownership or membership must be 51 percent or more BFRs or SDFRs, respectively.

If applicant is requesting **BOTH Reserved funds AND Priority Points** for BFR, SDFR or a MTVC project, duplicate documentation need only be **submitted once IN THIS SECTION.** Note that membership eligibility requirements differ for BFR and SDFR in the Priority Points (51% ownership/membership) and Reserved Funds (100% ownership/membership) categories and must be properly documented.

Documentation for PRIORITY POINTS for Beginning Farmer or Rancher

Applicants must refer to the instructions in 7 CFR 4284.922(d) to document eligibility for priority points.

Beginning Farmer or Rancher (BFR) – An entity in which **none** of the individual owners or members have owned and operated a farm or a ranch for more than 10 years.

- It is the Agency’s position that harvester operations do not meet the definition requirements for a Farm or ranch. Thus, harvester applicants are not eligible to receive Priority Points (or Reserved Funds) for BFR.

Applicant certifies that the applicant **organization’s ownership or membership is comprised of 51 percent or more BFRs**, as defined in 7 CFR 4284.902, such that:

- none of the individual BFR owners have owned and operated a farm or ranch for more than 10 years;
- these BFRs are Independent Producers directly engaged in farming or ranching; AND
- the application demonstrates a *contribution to farming opportunities* for BFRs.

Indicate the total number of owner/members of the applicant organization _____

Indicate the total number of owner/members that qualify as a BFR _____

Attach documentation for items 1 – 3 below in Appendix C.

1. A statement from the individual owner(s) or members of the applicant organization describing the length of their individual farm or ranch ownership and operations experience. Or, as applicable, a copy of or excerpt from the applicant’s organizational documents that evidences the applicant’s composition of 51 percent or more BFRs. This past experience and activity may or may not be directly associated with the current farm or ranch that is the subject of the VAPG application.
2. One IRS Form 1040 (individual) or 1065 (partnership/LLC) or some other income tax form from the previous 10 years from *each* of the individual owner(s) or members of the applicant organization evidencing that *each* owner or member did NOT file a Schedule F (individual) or a K1 (partnership/LLC) or some other form for farm income at least one year in the previous 10 years. In lieu of an applicable IRS Form, a letter from a certified public accountant or attorney certifying that *each* participant meets the BFR eligibility requirements is acceptable.
3. A description of how the VAPG project *contributes* to farming opportunities for BFRs.

NOTE: For Reserved Funds, supporting documentation must demonstrate that the **applicant organization’s ownership or membership is 100 percent BFRs**, as defined in 7 CFR 4284.902, with the project directly benefitting BFRs.

Documentation for PRIORITY POINTS for a Socially Disadvantaged Farmer or Rancher

Applicants must refer to the instructions in 7 CFR 4284.922(d) to document eligibility for priority points.

Socially Disadvantaged Farmer or Rancher (SDFR) – includes:

- A. A *person* that is directly engaged in farming or ranching, or an *entity* solely owned by (or 100 percent membership is by) individuals who are directly engaged in farming or ranching; that,
- B. is a member of a socially disadvantaged group, whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group, without regard to their individual qualities; and
- C. in the event that there are multiple farmer or rancher owners (or members) of the applicant organization, **at least 51 percent of the owners (or members)** are members of said socially disadvantaged group.

- The membership composition of the socially disadvantaged farmers or ranchers does not have to be from the same socially-disadvantaged group.
- The application must demonstrate a *contribution* to farming opportunities for SDFRs.
- It is the Agency's position that harvester operations do not meet the definition requirements for a Farm or ranch. Thus, harvester applicants are not eligible to receive Priority Points (or Reserved Funds) for SDFR.

Applicant certifies that the applicant organization's ownership (or membership) is at least 51 percent comprised of SDFRs, as defined in 7 CFR 4284.902.

Indicate the total number of owner/members of the applicant organization _____

Indicate the total number of owner/members that qualify as a SDFR _____

Attach documentation for items 1 – 3 below, in Appendix C.

1. A description of the demographic profile(s) of the owner/members that identify themselves as members of a socially disadvantaged group(s) that has been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group, without regard to their individual qualities.
2. A self-certification statement from *each* of the individual owner/members of the applicant organization to evidence their eligibility as a SDFR. Each individual owner/member of the applicant organization that identify themselves as a SDFR must complete the self-certification form below*.
3. A description of how the VAPG project *contributes* to farming opportunities for SDFRs.

NOTE: For Reserved Funds, supporting documentation must demonstrate that the **applicant organization's ownership or membership is 100 percent SDFRs**, as defined in 7 CFR 4284.902, with the project directly benefitting SDFRs.

***SOCIALY DISADVANTAGED FARMER OR RANCHER (SDFR) CERTIFICATION**

I certify that I am a farmer or rancher AND that I am a member of a socially disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice.

Name of Farm Entity: _____

Total Number of Owners: _____

Total Number of Owners Qualifying as a SDFR: _____

Signature of Each Socially Disadvantaged Owner	Date	Indicate the Race, Ethnicity or Gender of the Socially Disadvantaged Group the Owner is Identified With
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		
9.		
10.		
11.		
12.		

Upload additional pages as necessary.

Documentation for PRIORITY POINTS for a Mid-Tier Value Chain Project (MTVC)

Applicants must refer to the instructions in 7 CFR 4284.922(d) to document eligibility for priority points.

Applicants may only request priority points for MTVC if the application demonstrates the following eligibility:

Mid-Tier Value Chain (MTVC) – Local and regional supply networks that link independent producers with businesses and cooperatives that market value-added agricultural products in a manner that:

- A. Targets and strengthens the profitability and competitiveness of small- and medium-sized farms and ranches that are structured as a Family Farm; and
- B. Obtains agreement from an eligible Agricultural Producer Group (APG), Farmer or Rancher Cooperative (CO-OP), or Majority-Controlled Producer-Based Business (MAJ) that is engaged in the value-chain on a marketing strategy.
- C. For MTVC projects, a variety of raw agricultural commodity and value-added product ownership and transfer arrangements may be necessary. Thus, applicant ownership of the raw agricultural commodity and value-added product from raw through value-added is not necessarily required, as long as the proposal demonstrates an increase in customer base and an increase in revenue returns to the applicant producers supplying the majority of the raw agricultural commodity for the project.

Applicant certifies that the project meets requirements for a MTVC proposal, including development of a Local or Regional Supply Network, as defined in 7 CFR 4284.902 and is requesting priority points.

The applicant must describe how ownership of the agricultural commodity and/or value-added product will transfer through the value-chain to the ultimate benefit (increase in customer base and increase in revenue returns) of the participating Independent Producers.

Attach documentation for items 1 – 6 below:

1. Demonstrate that the *project* proposes development of a *Local or Regional Supply Network* of interconnected business enterprises (see note 1) through which agricultural products move from production through consumption in a local or regional area of the USA, including a description of the network, its component members, and its purpose;
2. Describe *at least two* alliances, linkages or partnerships within the value chain that link independent producers with businesses and cooperatives that market Value-Added Agricultural Products in a manner that benefits Small- or Medium-sized farms that are structured as a Family Farm, including the names of the parties and the nature of their collaboration.
3. Demonstrate how the project, due to the manner in which the value-added product is marketed, will increase the profitability and competitiveness of *at least two small- or medium-sized farms or ranches that are structured as a Family Farm* (see note 2);
4. Document that the eligible *APG/CO-OP/MAJ* applicant organization* has obtained at least one agreement with another member of the supply network that is engaged in the value chain on a marketing strategy; OR that the eligible *Independent Producer applicant* has obtained at least one agreement from an *eligible APG/CO-OP/MAJ** engaged in the value-chain on a marketing strategy (see note 3);

5. Demonstrate that the *applicant organization* currently owns and produces more than 50% of the raw agricultural commodity that will be used for the value-added product that is the subject of the proposal, unless provided elsewhere in the application (applicant eligibility section) with reference thereto; AND
6. Demonstrate that the project will result in an increase in customer base and an increase in revenue returns to the *applicant producers* supplying the majority of the raw agricultural commodity for the project, unless provided elsewhere in the application (project eligibility section) with reference thereto.

[Note 1: Examples of business enterprises in the supply chain may include Agricultural Producers for aggregation to meet demand, processors, storage facilities, distributors, wholesalers, retailers, consumers, and entities that organize or provide technical or marketing assistance for development of such agricultural based networks.]

[Note 2: The application must include sufficient documentation to demonstrate that each of the benefitting small- or medium-sized farms or ranches are structured as a Family Farm (ownership and operations), and do not exceed the three-year average maximum gross sales of agricultural products. See the definitions at 7 CFR 4284.902 for Small Farm, Medium-sized Farm, Family Farm, and Immediate Family. Farms that are NOT 100 percent owned by blood-related or married parties or immediate family members, or do not meet the family labor and management requirements or annual gross sales of agricultural commodity limitations do not qualify as small or medium-sized Family Farms.]

[Note 3: For Planning Grants, examples of agreements may include letters of commitment or intent to partner on marketing, distribution or processing; and should include the names of the parties with a description of the nature of their collaboration. Independent Producer applicants must provide documentation to confirm that the APG/CO-OP/MAJ* *partnering entity* meets program eligibility definitions in 7 CFR 4284.3. In this context, the applicant IP's APG/CO-OP/MAJ* *partnering entity* does not need to supply any of the raw agricultural commodities for the project.

* APG = Agricultural Producer Group
CO-OP = Farmer or Rancher Cooperative
MAJ = Majority Controlled Producer-based Business
MTVC = Mid-Tier Value Chain

Documentation for PRIORITY POINTS

for an Operator of a Small- or Medium-sized Farm that is Structured as a Family Farm

Applicants must refer to the instructions in 7 CFR 4284.922(d) to document eligibility for priority points.

An applicant seeking Priority Points as an **Operator of a Small- or Medium-sized Farm that is structured as a Family Farm (FF)** must:

- A. Be structured as a **Family Farm** (FF) that produces agricultural commodities for sale in sufficient quantity to be recognized as a farm and not a rural residence, where owners are primarily responsible for the daily physical labor and management, hired help only supplements family labor, and all owners are related by blood or marriage or are immediate family; **AND**
 - B. Have **averaged \$1,000,000 or less in annual gross sales** of agricultural commodities in the **previous three years**.
- Examples of qualifying applicants in this category might include a farming operation owned by a sole proprietor, a husband and wife, a parent and child, a brother and sister, or a partnership or Limited Liability Company where *all* the owners are related by blood, marriage, or are immediate family members; whose owners are primarily responsible for the daily physical labor and management activities on the farm; and the farm has averaged \$1,000,000 or less in annual gross sales of agricultural commodities in the previous three years.

NOT ELIGIBLE:

- Applicant organizations that are not 100 percent owned by blood-related or married parties or immediate family members, or that do not meet the family labor and management requirements or annual gross sales of agricultural commodity limitations, do not qualify for Priority Points in this category.
- A traditional Agricultural Producer Group (APG), Farmer or Rancher Cooperative (CO-OP) or Majority-Controlled Producer Based Business (MAJ) applicant type does NOT qualify for Priority Points in this category because the applicant organization is not legally structured as a Family Farm. Even if the APG, CO-OP or MAJ applicant *represents* Family Farms, these applicant types do NOT qualify for Priority Points in this category.
- It is the Agency's position that harvester operations do not meet the definition requirements for a Farm or ranch. Thus, harvester applicants are not eligible to receive Priority Points for a FF.

An applicant may only request priority points for an Operator of a Small- or Medium-sized Farm that is structured as a Family Farm if the application demonstrates the following eligibility:

Applicant certifies it is an Operator of a small or medium-sized farm or ranch that is structured as a Family Farm, and that its ownership and operations meet all associated program requirements in the definitions in 7 CFR 4284.902 for **Family Farm**, **Immediate Family**, and **Small Farm** or **Medium-sized Farm**, including having averaged \$1,000,000 or less in annual gross sales of agricultural commodities in the previous three years.

Complete the following information:

List your farm's Annual Gross Sales of agricultural commodities for *each* of the previous three years, then add these together to deduce the Total Annual Gross Sales for the previous three years, and then divide by 3 to deduce the Average Annual Gross Sales in the previous 3 years:

YR 2010: \$ _____ + YR 2009: \$ _____ + YR 2008: \$ _____ =

Total Annual Gross Sales for YRS 2008-2010: \$ _____

Divided by 3 (years) = Average Annual Gross Sales in Previous 3 Years: \$ _____
 (Small Farm Operator = \$250,000 or less; Medium Farm Operator = \$1,000,000 or less)

List the names of all owners of the applicant farm or ranch and identify the blood, marriage or immediate family relationships of all owners of the farm:

Names of All Owners	Relationship to Each Owner

Are all owners of this farm or ranch related by blood, marriage, or are Immediate Family members, as defined in the Interim Rule for the program? YES NO

List the primary daily physical labor and management tasks necessary to operate the farm, and indicate which owner(s) are primarily responsible for these tasks:

Primary Labor & Management Tasks	Owner Responsible for Task

Are the owners of this farm or ranch primarily responsible for the daily physical labor and management of the farm? YES NO

Does hired help *only* supplement family labor on this farm? YES NO

Provide a description of the daily physical labor and management of the farm.

No additional supporting documentation required for Family Farms

Documentation for PRIORITY POINTS for a Farmer or Rancher Cooperative (CO-OP)

Applicants must refer to the instructions in 7 CFR 4284.922(d) to document eligibility for priority points.

- It is the Agency's position that harvester operations do not meet the definition requirements for a Farm or ranch. Thus, harvester applicants are not eligible to receive Priority Points for a CO-OP.

Applicants may only request priority points for a CO-OP if the application demonstrates the following eligibility:

Applicant is requesting Priority Points for a **Farmer or Rancher Cooperative** applicant type and has provided all applicable certification statements and supporting documentation indicated for this single category in the Applicant Eligibility section of this application (**see section A. (3) for CO-OP**).

No additional supporting documentation required for Farmer Cooperatives

Appendix D:

MATCHING FUNDS VERIFICATION

Append Documentation. Upload additional pages as required.

The verification of matching funds documentation must be included in your application. Verification Templates are included in this *Application Package* for each type of matching funds contribution to the project, and are also available online at http://www.usda.gov/BCP_VAPG_Grants.gov.

1. Applicant
 - a. Cash
 - b. Approved Loan or Line of Credit
 - c. In-Kind
2. Third Party
 - a. Cash
 - b. In-Kind

If you have questions about your project budget or eligible use of grant and/or matching funds, please contact your Rural Development State Office. Contact information is available for each state at <http://www.rurdev.usda.gov/StateOfficeAddresses.html> or http://www.rurdev.usda.gov/recd_map.html.

Verification of APPLICANT CASH Matching Funds – Page 1 of 1

The use of this form is optional, but recommended. If the applicant is contributing cash-on-hand to pay for goods and/or services during the grant period that are *eligible expenses for the project*, the expenditure is considered a cash match. The applicant must sign this statement to verify (a) the amount of cash match, (b) the source of the cash match, and (c) use of the cash match. A *copy of a bank statement* with an ending date within one month of the application submission deadline and showing an ending balance equal to or greater than the amount of Cash Matching Funds proposed is also required at time of application.

For purposes of carrying out the Work Plan and Budget Activities identified in this FY2011 Value-Added Producer Grant application, and as an Owner or Authorized Representative of the organization, I verify the following:

Legal Name of Applicant: _____

Title of Applicant's VAPG Project: _____

Beginning and End Dates for Proposed Grant Period _____

(Applicants may propose a grant period for the project up to a maximum 36 months in length from the date of award. The grant period dates on this form must be consistent with the VAPG application.)

Total Project Cost: \$_____ **VAPG Grant Request:** \$_____ **Total Applicant Cash Match:** _____

As applicable, identify all source(s), amounts, and uses of **Applicant Cash Matching Funds** that your organization currently has available and committed to eligible VAPG project expenditures during the grant period. Include a **copy of a financial statement** dated within 30 days of the application submission showing an ending balance equal to or greater than the amount of Cash Matching Funds proposed.

Applicant Source of Cash Funds	Name of Holding Institution	Cash Match Amount	Use of Funds for Project Budget Activities
Checking Account		\$	
Savings Account		\$	
Certificate of Deposit		\$	
Money Market		\$	
Mutual Funds		\$	
Other		\$	
Total Cash		\$	

Yes, a copy of a financial statement(s) confirming available funds and dated within 30 days of the application submission is attached.

Has your organization formally approved the Cash Match Amounts and Purpose at Time of Application?

Yes No _____ Date of Approval N/A

Print Name of Applicant / Authorized Representative: _____

Title of Applicant / Authorized Representative: _____

Signature of Applicant or Authorized Representative: _____

Date: _____

Verification of APPLICANT Approved Loan or Line of Credit for Matching Funds - Page 1 of 1

The use of this form is optional, but recommended. Ask your lending institution to provide the information below, at time of application, to verify your *approved* Loan or Line of Credit that will be used as matching funds for your VAPG project during the grant period. This template may be completed and signed by the lending institution to verify (a) the amount of funds committed and available, (b) the purposes for which funds may be used, and (c) the time period of availability of the funds. Include specific dates (month/day/year) when loan funds will be made available to the project corresponding to the proposed grant period or to dates within the grant period.

For purposes of facilitating the Work Plan and Budget Activities identified in the associated FY2011 Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the lending institution identified below, I verify and confirm the following information:

Legal Name and Address of Lender Providing Loan or Line of Credit for VAPG Matching Funds:

Legal Name and Address of Intended Recipient / Borrower of Loan or Line of Credit for VAPG Matching Funds (must be the same legal name as identified on the VAPG application):

Total Amount of Loan or Line of Credit to be Used for Eligible VAPG Project Purposes: \$ _____

Brief Description of Borrower's Use of Loan/LOC Funds: _____

Beginning and End Dates for Proposed VAPG Grant Period: _____

(Applicants may propose a grant period for the project up to a maximum 36 months in length from the date of award. The grant period dates on this form must be consistent with the VAPG application.)

Will the Loan or Line of Credit be provided to the Borrower during the proposed grant period, or on a specific date within the grant period? Yes No

Date(s) of Transfer or Availability of the Funds to Borrower (month/day/year): _____

Has your Lending Committee Approved the Loan or Line of Credit amount and purpose?

Yes No _____ Date of Loan/LOC Approval N/A

Print Name of Authorized Representative

For Lending Institution: _____

Title of Authorized Representative: _____

Signature of

Authorized Representative: _____ **Date:** _____

Verification of Applicant IN-KIND Contribution – Page 1 of 2

The use of this form is optional, but recommended. The applicant must describe (a) the *nature* of the goods or services to be donated and *how* they will be used, (b) the *value* of the goods or services with an explanation of the basis of the valuation, and (c) *when* the goods or services will be donated, including *specific dates* (month/day/year) corresponding to the proposed grant period, or to dates within the grant period, when the contributions will be made available to the project.

For purposes of carrying out the Work Plan and Budget Activities identified in this FY2011 Value-Added Produce Grant (VAPG) application, I verify the following information:

Legal Name of Applicant: _____

Title of Applicant's VAPG Project: _____

Beginning and End Dates for Proposed Grant Period: _____

(Applicants may propose a grant period for the project up to a maximum 36 months in length from the date of award. The grant period dates on this form must be consistent with the VAPG application.)

Total Project Cost: \$ _____ **VAPG Grant Request:** \$ _____ **Applicant In-Kind Value:** \$ _____

Only eligible goods or services provided during the grant period for which no expenditure is made can be considered in-kind. Please see 7 CFR 4284.924 for examples of in-kind contributions that are not eligible. Note that an in-kind contribution amount for *applicant owner or family member participation in eligible project activities* for both planning and working capital projects is allowed, so long as the contribution meets the requirements and limitations in 7 CFR 4284.923(a) and (b); is limited to a maximum of 25 percent of total project costs; is provided with an adequate explanation and documentation for the basis of the valuation to substantiate market value for comparable goods or services; and is subject to Agency discretion and approval. Verification for in-kind contributions that are over-valued will not be accepted.

Provide the following information for applicant owner or family member time / participation in eligible project activities:

Provide the <u>Name</u> of Owner or Family Member who will Perform the Services, AND the <u>Relationship to the Owner of Applicant Organization</u>	Description of the Services to be Provided	When the Services will be Provided (month/day/year)	Value of Services Provided	Basis for Valuation (attach supporting documentation) See 7 CFR 4284.923 (a) and (b)
Name:			\$	
Relationship:				
Name:			\$	
Relationship:				
Name:			\$	
Relationship:				
Name:			\$	
Relationship:				
Total Value (must not exceed 25% TPC)			\$	

For **OTHER Applicant In-Kind Contributions**, use the table below to describe the (a) *nature* of the goods and/or services to be donated to the VAPG project during the grant period and *how* they will be used, (b) *when* the goods and/or services will be donated during the proposed grant period, and (c) the *value* of the goods and/or services. Please see 7 CFR 4284.924 for examples of in-kind contributions that are not eligible.

Description of the Goods and/or Services	How They Will Be Used On Project Budget Activities	When They Will Be Donated (month/day/year)	Basis and Value of the Goods and/or Services
			\$
			\$
			\$
			\$
			\$
Total Value			\$

Has your organization formally approved the In-Kind Contributions and VAPG Purpose at Time of Application?
 Yes No _____ Date of Approval N/A

Print Name of Applicant / Authorized Representative: _____

Title of Applicant / Authorized Representative: _____

Signature of Applicant or Authorized Representative: _____

Date: _____

Verification of THIRD -PARTY CASH Matching Funds – Page 1 of 1

The use of this form is optional, but recommended. The Third-Party organization must complete and sign where indicated to verify the (a) *amount* of cash to be donated, and (b) *when* it will be donated, indicating *specific dates* (month/day/year) corresponding to the proposed grant period, or to dates within the grant period, when matching funds will be made available to the project.

For purposes of facilitating the Work Plan and Budget Activities identified in the associated FY2011 Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the third-party organization identified below, I verify and confirm the following information:

Legal Name and Address of Third-Party providing CASH Matching Funds:

Legal Name and Address of Intended Recipient of Third-Party CASH Matching Funds:

Brief Description of Intended Recipient's VAPG Project: _____

Total Amount of Third-Party CASH Matching Funds to be Donated for Eligible VAPG Project Purposes: \$ _____

Beginning and End Dates for Proposed VAPG Grant Period: _____

(Applicants may propose a grant period for the project up to a maximum 36 months in length from the date of award. The grant period dates on this form must be consistent with the VAPG application.)

Will the Third-Party CASH Matching Funds be provided/transferred to the Intended Recipient during the proposed grant period? Yes No _____ Dates of Transfer/Availability
(month/day/year)

Name of Financial Institution currently holding Third-party cash matching funds to be transferred to Intended Recipient: _____

Does your organization understand that cash matching contributions from third-parties cannot be used to provide services which directly benefit the third-party contributor, and that contributors of cash matching funds may not limit how or where the funds are used? Yes No

Has your organization approved the Third-Party CASH transfer amount and VAPG general purpose?
 Yes No _____ Date of Approval N/A

Print Name of Authorized Representative For Third-Party Organization: _____

Title of Authorized Representative: _____

Signature of Authorized Representative: _____ **Date:** _____

Verification of THIRD-PARTY IN-KIND Contribution – Page 1 of 2

The use of this form is optional, but recommended. The Third-Party organization may complete and sign the form where indicated to describe (a) the *nature* of the goods and/or services to be donated, (b) the *value* of the goods and/or services to be donated with a description of the basis for the valuation, and (c) *when* the goods and/or services will be donated during the grant period, including specific dates (month/day/year) within the grant period when the matching contributions will be made available.

For purposes of facilitating the Work Plan and Budget Activities identified in the associated FY2011 Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the third-party organization identified below, I verify and confirm the following information:

Legal Name and Address of Third-Party Providing In-Kind Contribution:

Legal Name and Address of Intended Recipient of Third-Party In-Kind Contribution:

Brief Description of Intended Recipient’s VAPG Project: _____

Beginning and End Dates for Proposed VAPG Grant Period: _____

(Applicants may propose a grant period for the project up to a maximum 36 months in length from the date of award. The grant period dates on this form must be consistent with the VAPG application.)

Total Value of Third-Party In-Kind Donation for VAPG Eligible Project Purposes: \$ _____

For **Third-Party In-Kind Contributions**, describe the (a) *nature* of the goods and/or services to be donated to the VAPG project during the grant period, (b) *when* the goods and/or services will be donated during the proposed grant period, and (c) the *value* of the goods and/or services. Please see 7 CFR 4284.924 for examples of in-kind contributions that are not eligible. Organizations contributing the services of affiliated volunteers must follow the third-party verification requirements herein, for *each individual volunteer*. Verification for in-kind contributions that are over-valued will not be accepted.

Description of the Goods and/or Services	When They Will Be Donated (month/day/year)	Value of the Goods and/or Services
		\$
		\$
		\$
Total Value		\$

Will the third-party in-kind contribution be provided to the Intended Recipient during the proposed grant period, or be donated on a specific date within the grant period? Yes No

Description of transfer of in-kind contribution to Intended Recipient, with Anticipated Date(s) of transfer:

Has your organization formally approved the In-Kind Match contribution value and purpose at Time of Application? Yes No _____ Date of Approval N/A

Does your organization understand that in-kind contributions from third-parties cannot be used to directly benefit the third-party contributor? Yes No

Print Name of Authorized Representative
For Third-Party In-Kind Contributor: _____

Title of Authorized Representative: _____

Signature of
Authorized Representative: _____

Date: _____

Appendix E: RESERVED FUNDING

Reserved Funding Options and Eligibility: In addition to all other program requirements, applicants must refer to the instructions in 7 CFR 4284.922(c) to document eligibility for *Reserved Funds*. As funding levels permit, eligible but unfunded applications for Reserved Funds will roll to the general program funds competition in the same fiscal year, to be funded in the order of their scoring priority.

If applicant is requesting BOTH **Reserved Funds** AND **Priority Points** for Beginning Farmer or Rancher (BFR), Socially Disadvantaged Farmer or Rancher (SDFR), or a Mid-Tier Value Chain project (MTVC), duplicate documentation need only be submitted once **IN THE PRIORITY POINTS SECTION, APPENDIX C.** Note that ownership / membership eligibility requirements differ for BFR and SDFR in the Priority Points (51% ownership/membership) and Reserved Funds (100% ownership/membership) categories, and eligibility must be properly documented.

- It is the Agency's position that harvester operations do not meet the definition requirements for a Farm or ranch. Thus, harvester applicants are NOT eligible to receive Reserved Funds (or Priority Points) for a BFR or a SDFR, but may request Reserved Funds (or Priority Points) for a MTVC project, as applicable.

To request Reserved Funds, check only one category and provide the supporting documentation for that single category:

Beginning Farmer or Rancher (BFR): Applicant certifies that the *applicant organization's ownership or membership is 100 percent BFRs*, as defined in 7 CFR 4284.902, such that:

- none of the individual owners have owned and operated a farm or ranch for more than 10 years;
- the BFRs that are the subject of this proposal are Independent Producers directly engaged in farming or ranching; and
- the application demonstrates a benefit to BFRs.

Socially Disadvantaged Farmer or Rancher (SDFR): Applicant certifies that the **applicant organization's ownership (or membership) is 100 percent comprised of SDFRs**, as defined in 7 CFR 4284.902, such that the SDFRs include:

- A *person* that is directly engaged in farming or ranching, or an *entity solely* owned by (or 100 percent membership is by) individuals who are directly engaged in farming or ranching; that,
- is a member of a socially disadvantaged group, whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group, without regard to their individual qualities; and
- in the event that there are multiple farmer or rancher owners (or members) of the applicant organization, **100 percent of the owners (or members) are members of a socially disadvantaged group.**

The membership composition of the socially disadvantaged farmers or ranchers does not have to be from the same socially-disadvantaged group.

Mid-Tier Value Chain Project: Applicant certifies that the project meets requirements for a MTVC proposal, including development of a Local or Regional Supply Network, as defined in 7 CFR 4284.902.