

Rural Business and Cooperative Programs

Value-Added Producer Grant (VAPG) Program

What is the Purpose?

The purpose of the VAPG Program is to provide grants to enable viable agricultural producers to develop businesses that produce and market value-added agricultural products. A value-added agricultural product must meet one of the following five methodologies: has undergone a change in physical state; was produced in a manner that enhanced value; is physically segregated in a manner that results in enhanced value; is a source of farm/ranch based renewable energy; or is aggregated and marketed as a locally-produced agricultural food product. Also, as a result of the change in physical state or manner in which the agricultural product was produced, marketed, or segregated: the customer base is expanded and a greater portion of revenue is available to the producer.

Who is Eligible to Apply?

Agricultural producers who qualify as either: an independent producer; an agricultural producer group; a farmer or rancher cooperative; or a majority-controlled producer-based business venture.

What are the Priority Selection Factors?

The following factors are used to rate eligible applications: Nature of the proposed venture; Qualifications of project personnel; Commitments and support; Work plan and budget; Priority points for beginning farmer or rancher, socially disadvantaged farmer or rancher, operator of a small or medium-sized farm or ranch structured as a family farm, mid-tier value chain proposals, and farmer or rancher cooperative.

What Types of Projects are Eligible?

Agency funds must be used by the agricultural producer for either economic planning activities for the value-added venture or operational costs limited to activities directly related to the processing and/or marketing of the value-added product. Eligible grant projects include but are not limited to the following: third party feasibility analysis; business/marketing plan development; processing costs; marketing/advertising campaigns.

How Are Applications Made?

Agricultural producers are encouraged to contact the State Office to discuss the project and the application process. Annually, the Agency announces the availability of grant funds through the publication of a Notice of Funding Availability in the Federal Register. Applications are submitted to the State Office where they are reviewed and partially scored before being forwarded to the National Office for a panel review and funding selections on a nationwide competitive basis.

For Additional Information Contact:

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