



NEWS RELEASE

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Deputy Agriculture Secretary Announces Value Added Producer Grant Program Changes to Assist Farmers as They Add Value to Products

Job creation, Beginning and Socially Disadvantaged Farmers, Support for Regional Supply Networks To Benefit

WASHINGTON, Feb. 23, 2011 – Deputy Agriculture Secretary Kathleen Merrigan today announced changes to the Value Added Producer Grant Program that will provide additional opportunities to beginning and socially disadvantaged farmers. The changes, outlined in an interim rule published in today’s Federal Register, will also assist independent producers, farmer and rancher cooperatives, agricultural producer groups, and will support local and regional supply networks.

“Improvements to this popular program will create additional economic and job opportunities by helping owners of small and medium-sized family farms sell their products in local and regional markets, part of our drive to ‘win the future,’” Merrigan said. “USDA investments such as these are part of the Obama administration’s work to support farmers, ranchers and rural businesses.”

The regulations address program changes included in the 2008 Farm Bill. These revisions:

- Provide up to 10 percent funding to beginner farmers and socially disadvantaged farmers and ranchers;
- Provide up to 10 percent funding to local and/or regional supply networks that link producers with companies marketing their products;
- Give priority for grants to beginner farmers, socially disadvantaged farmers and ranchers, and operators of small and medium-sized family farms;
- Extend grant eligibility to producers who market their products within their state or within a 400-mile radius.

These changes take effect on March 25, 2011. In addition to the rule changes, USDA Rural Development is soliciting comments on the interim rule and the best way to facilitate the participation of tribal entities and tribal governments in the Value Added Producer Grant program. For information on how to submit comments, see page 10090 of the February 23, 2011 Federal Register.

USDA Rural Development anticipates a Notice of Funding Availability (NOFA) for Value Added Producer Grants will also be published soon. To learn more about the VAPG program and how it benefits producers, go to: <http://www.youtube.com/watch?v=TF2ac0o2mjI>.

Committed to the future of rural communities.

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In 2010, USDA Rural Development awarded Producers & Buyers Co-op in Altoona, Wis., a value-added working capital grant to build a value-added food chain infrastructure, expand capacity for locally produced agricultural products and help develop markets. The Co-op links local, sustainable farms with institutional buyers in a 12-county area of west central Wisconsin. Members include producers, institutional buyers, food processors and those from the private transportation system.

USDA [Rural Cooperatives Magazine](#) profiled another VAPG award recipient in 2010. In Reardon, Wash., Columbia Plateau Producers, LLC, which is owned by 21 wheat-producing families in Washington, Oregon and Idaho, was awarded a working capital grant to expand the marketing capacity of the organization. All farmers in the cooperative are committed to no-till farming which saves fuel, prevents soil erosion and limits water runoff. The wheat produced is milled into high-quality flour, marketed to bakeries, food manufacturers, and flour marketers in the Pacific Northwest under the “Shepherd’s Grain” brand.

[Value-Added Producer Grants](#) may be used for feasibility studies or business plans, working capital for marketing value-added agricultural products and for farm-based renewable energy projects. Eligible applicants include independent producers, farmer and rancher cooperatives, and agricultural producer groups. Value-added products are created when a producer increases the consumer value of an agricultural commodity in the production or processing stage.

Through its Rural Development mission area, USDA administers and manages more than 40 housing, business and community infrastructure and facility programs. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers, and ranchers and improve the quality of life in rural America. Rural Development has an existing portfolio of nearly \$146 billion in loans and loan guarantees.

Rural Development serves as the lead Federal entity for rural development needs and administers program assistance through its housing, business, community and infrastructure programs. The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual’s income is derived from any public assistance program. (Not all prohibited bases apply to all programs.)

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