

"[CLICK AND INSERT APPLICATION TITLE HERE]"

A 2009 Value-Added Producer Grant Working Capital Application

Submitted by:

"[CLICK AND INSERT APPLICANT NAME HERE]"

"[CLICK AND INSERT APPLICANT STREET ADDRESS]"

"[CLICK AND INSERT CITY, STATE, ZIPCODE HERE]"

"[CLICK AND INSERT DATE HERE]"

TABLE OF CONTENTS

SF-424	i
SF-424A	ii
SF-424B.....	iv
Title Page.....	vi
Table of Contents	vii
Executive Summary	1
Eligibility Discussion	"page #"
Proposal Narrative.....	"page #"
Goals of the Project.....	"page #"
Performance Evaluation Criteria	"page #"
Proposal Evaluation Criteria.....	"page #"
Business Viability.....	"page #"
Customer Base/Increased Returns	"page #"
Commitments and Support	"page #"
Management Team/Work Force.....	"page #"
Work Plan/Budget.....	"page #"
Amount Requested.....	"page #"
Project Cost per Owner-Producer.....	"page #"
Business Management Capabilities.....	"page #"
Sustainability and Economic Impact.....	"page #"
Innovation.....	"page #"
Type of Applicant	"page #"
Administrator Points (if applicable)	"page #"
Certification of Judgment.....	"page #"
Certification of Matching Funds.....	"page #"
Appendix A: Verification of Matching Funds.....	"page #"
Appendix B: Letters of Support.....	"page #"

EXECUTIVE SUMMARY

"[INSERT TITLE]"

by "[INSERT APPLICANT NAME]"

The executive summary (not to exceed one page) must include the **title of the project, description of the project** (including goals and tasks to be accomplished), **names of the individuals responsible for conducting and completing the tasks**, and the **expected timeframe for completing all tasks**. **The summary must also clearly state whether the application is for planning or working capital**

ELIGIBILITY DISCUSSION

Applicant Eligibility

Describe how you meet the definition of an independent producer, agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture.

Cooperative, Ag-Producer Group, Majority Owned

- a. Identify the owners or members who will be contributing the Commodity to which value will be added.
 - b. Identify the names and percentage of ownership of each member.
 - c. Describe all organizations that are involved in the project.
 - d. Statement that certifies that these owners or members are actively engaged in the production of the Ag Commodity.
 - e. Describe the governance of the organization and voting rights of the members.
 - f. The number on the Board of Directors.
 - g. The number on the Board who have voting rights and are currently engaged in the production of the Ag Commodity.
 - h. Include the organizations mission statement.
 - i. The amount of commodity needed for the project.
 - j. The amount of the commodity to be supplied by the owners or members.
 - k. The amount of the commodity to be purchased or donated from third party sources.
 - l. How the owners will maintain ownership of the commodity through the manufacturing process.
2. Beginning Farmer or Socially Disadvantaged
 - a. Provide documentation demonstrating that the organization meets the definition of a Beginning Farmer or Socially Disadvantaged Farmer.
3. Mid-Tier Value Chain
 - a. Discuss how the organization meets the definition of a Local or Regional Supply Network.
 - b. A description of whether the organization is the network itself or the legal representative that is a member organization of the network

- i. A description of the network, its members and its purpose
- ii. A description of the alliances, linkages, or partnerships within the value chain of the network

Product Eligibility

- Discuss the commodity and value-added product to be produced.
- Describe the method or process that value is added.
- The dollar amount of value added per production unit attributed to the value-added process.
 - Working Capital requests must use the figures from the feasibility study
- Describe the expansion of the customer base.
 - Working Capital requests must use the figures from the feasibility study
 - If no expansion is likely, the application will not be funded.

Purpose Eligibility

- Provide a statement that an independent, third party feasibility study has been completed for the venture. Provide the name of the party that completed the study and the date. Do not submit the Feasibility Study with the application.
- Provide a statement that a Business Plan has been completed for the venture. Provide the name of the party that completed the study and the date. Do not submit the Business Plan with the application.
- Describe how long the applicant has been engaged in the venture.

GOALS OF THE PROJECT

- Clearly state what the ultimate goal of the project is.
- Describe the value-added venture to be developed.
- You should also explain how a market will be expanded and the degree to which incremental revenue will accrue to the benefit of the agricultural producer.

PERFORMANCE EVALUATION CRITERIA

Working Capital

- The expected increase of the customer base of the venture is:
- The additional revenues that will accrue to the producers of the venture is:
- The current number of jobs attributed to the venture is:
- If the proposed project is a bio-energy project, the current energy capacity of the venture is:
- You may also suggest additional performance evaluation criteria (similar to planning grants)

PROPOSAL EVALUATION CRITERIA

Business viability

- Describe in detail the technical and economic feasibility of the venture, as well as its sustainability and efficiency of the operation.
- Reference critical data and information identified in the feasibility study and business plan.
- Proposals will be evaluated on the basis of the technical and economic feasibility and sustainability of the venture and the efficiency of operations.
- The discussion for this criterion should include the agricultural commodity to which value will be added, the process by which value will be added, and a description of the value-added product produced.

Customer base/increased returns

- Describe how the customer base for the product being produced will expand because of the value-added venture. Provide documented estimates of this expansion.
- Describe how a greater portion of the revenue derived from the venture will be returned to the producers that are owners of the venture
- You should also reference your financial statements that were submitted.

Applicants should reference the pro forma financial statements that were prepared for the venture. These statements should include an explanation of all assumptions, such as input prices, finished product prices, and other economic factors used to generate the financial statements. The financial statements must include cash flow statements, income statements, and balance sheets.

Commitments and support

- Producer commitment will be evaluated based on the number of independent producers involved as well as potentially involved and the nature, level, and quality of the involvement.
- End-user commitment will be evaluated on the basis of potential markets, letters of intent or contracts from potential buyers and potential output to be purchased.
- Projects will be reviewed for evidence that they have third-party support and endorsement, with emphasis on financial, in-kind services and technical assistance.
- Letters of support can be provided with the application, however they will count against your 15 page limit.
- Additional letters can be referenced in the application but will not be considered when evaluating this criteria.

Management team/work force

- Describe in detail the qualifications of the individual who will manage and operate the venture.
- Discuss the education and experience of the management team, especially their experience in managing similar ventures.
- Describe in detail the availability and quality of the labor force needed to operate the value-added venture.
- Applicants that reflect successful track records managing similar projects will receive higher points than those with no track record.

Work plan/budget

Note: Make sure that you have a Budget and Work Plan in your application. An example format for your budget is included on the following page.

Example Budget Format

	Start	End	Budget			
Task	Date	Date	Federal	Cash	In-Kind	Total
Task 1 Responsible Staff:						
Task 2 Responsible Staff:						
Task 3 Responsible Staff:						
Task 4 Responsible Staff:						
Total Cost of Project						

Amount requested

- You should simply state the amount being requested.

Project cost per owner-producer

- For independent producers, cooperatives and majority-controlled producer-based business ventures, the applicant must state the number of owners of the venture that are independent producers and also owners of the venture.

- For producer groups, the number used should be the number of owners that produce the commodity to which value will be added
- In cases where family members (including husband and wife) are owners and producers, **each family member shall count as one owner-producer.**

Business Management Capabilities

- Applicants must discuss the following items in this section:
 - Financial Management
 - Procurement Procedures
 - Personnel Policies
 - Property Management System
 - Travel Procedures
- Larger, more complex businesses will be expected to have more complex systems, procedures and policies than small, less complex businesses.

Sustainability and Economic Impact

- Projects will be evaluated based on the expected sustainability of the venture and the expected impact on the local economy.

Innovation

- Describe the innovation that supports the Value-Added product.
- Demonstrate how the project will accelerate adoption of innovation and commercialization.
- Document how the innovation will enhance the income and opportunity for farming operations.
- Discuss how the process by which the product is made is forward-thinking, incorporates advanced ideas or improves efficiency, effectiveness, or competitive advantage.

Type of Applicant

- If the applicant is a:
 - Beginning Farmer
 - Socially Disadvantaged Farmer

- Small or Medium Sized Farmer that is structured as a family farm.

Applicant must provide documentation that they meet one of these definitions to receive these points.

Administrator points

- The Administrator of the Rural Business-Cooperative Service may award additional points (up to 5) to recognize innovative technologies, ensure geographic distribution of grants, or encourage value-added projects in under-served areas.
- If you wish to be considered for these points, you must submit an explanation of how the technology proposed is innovative and/or where the project is located, with specific information included that verifies the project is in an under-served area.
- If you can describe any of these in your grant do so. If not, then you can delete this whole section including the heading, “Administrator Priority Points”

CERTIFICATION OF JUDGEMENT

"[CLICK AND INSERT NAME OF APPLICANT HERE]" certifies that the United States has not obtained a judgment against it.

CERTIFICATION OF MATCHING FUNDS

"[CLICK AND INSERT NAME OF APPLICANT]" certifies that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent in advance of grant funding, such that for every dollar of grant funds advanced, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement.

APPENDIX A: VERIFICATION OF MATCHING FUNDS

Insert all documents verifying matching funds after this page. Documents include, but are not limited to, signed letters from third parties and bank statements.

- If you are committing cash as matching funds, you must include a copy of a bank statement or a copy of the confirmed funding commitment from the funding source.
- In-kind donations must be verified by a signed letter from the provider identifying the good or service to be donated, the value of the goods or service and when the donation will occur.
- Certification that matching funds will be available at the same time grant funds are anticipated to be spent and that matching funds will be spent at the same rate as grant funds throughout the duration of the project is also required
- Documentation should be included in Appendix A to your application.
- Some of the sources of matching funds are:

Cash match

- Cash that's used toward projects
- Salary dollars of person or persons working on project (Cash Transaction)
- Travel expenses to get to meetings or to participate in any training
- LB 1348 Funds or non-federal funds received that have not yet been spent.

In-Kind

- Donation of office space or meeting rooms.
- Donation of person time working on project (non-cash transaction)
- Value of hours of non-federally funded personnel assisting with project. Ex. State Department of Ag, other University staff, local economic development agencies, volunteer board members
- Donation of inventory to the venture. (Note: you cannot be paid for the value of the inventory.)

APPENDIX B: LETTERS OF SUPPORT