



NEWS RELEASE

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Value-Added Producer Grant Program Details Announced by USDA Rural Development

Topeka, Ks – USDA Rural Development State Director Chuck Banks reminded Kansans of the recently announced availability of approximately \$18.4 million to help independent agricultural producers enter into value-added activities. Potential uses include a wide range of products that allow the producer to enhance the revenue stream generated from their crops and other production. Examples include conversion to organic production, processing of raw commodities to a finished product, and the conversion of farm crops to create renewable energy sources.

“USDA Rural Development is committed to assist production agriculture in becoming more profitable through value-added business opportunities. This program can provide greater economic returns for Kansas farmers and livestock producers and stimulate the creation of new jobs, along with enhancing rural economic prosperity and improving quality of life”, commented State Director Banks.

The maximum allowable grant amount is \$100,000 for a planning grant and \$300,000 for working capital. Awards may be made for planning activities or for working capital expenses, but not for both. Applicants must provide matching funds at least equal to the amount of the grant requested.

The grants may be used for activities such as feasibility studies, marketing, and business plans needed to establish a viable value-added marketing opportunity for an agricultural product. They also may be used to provide working capital for operating a value-added business venture, marketing value-added agricultural products and for farm-based renewable energy projects. Applicants must be an independent producer, agriculture producer group, farmer or rancher cooperative or majority-controlled producer-based business.

Since the creation of USDA Rural Development’s Value-Added Producer Grant Program numerous Kansas projects have received funding for the development of commodity-based products. Kansas projects had included ethanol plants, an organic grain mill business, and a soybean crush facility.

Grant funds awarded under the Value-Added Producer Grant Program will be made on a national competitive basis, and applications for the 2008 funding cycle must be received no later than March 31, 2008. Detailed information about program requirements and the application process can be found on the Kansas USDA Rural Development website at www.rurdev.usda.gov/ks or by calling the Agency in Topeka at 785-271-2736. An application guide and other materials may be obtained at <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>

USDA Rural Development’s mission is to deliver programs in a way that will support increasing economic opportunity and improving the quality of life of rural residents. As a venture capital entity, the Agency provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure in rural America. For additional information regarding USDA Rural Development programs, individuals may contact the Agency at 785-271-2700 or visit the Agency’s Kansas website at www.rurdev.usda.gov/ks.