

Value-Added Agricultural Product Market Development Grant

◆ OBJECTIVE

The primary objective of this grant program is to help eligible independent producers of agricultural commodities, agricultural producer groups, farmer and rancher cooperatives, and majority-owned producer-based business ventures develop business plans for viable marketing opportunities and develop strategies to create marketing opportunities. These grants will facilitate greater participation in new and emerging markets for value-added agricultural products.

◆ RECIPIENT ELIGIBILITY

Recipients of the grant must be an independent producer, agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture.

◆ PROJECT ELIGIBILITY REQUIREMENTS

Specifically, grant funds may be used to perform one of the following two activities: (1) Developing feasibility studies or business plans (including marketing plans or other planning activities) needed to establish a viable value-added marketing opportunity for an agricultural product; or (2) Acquiring working capital for operate a value-added business venture or alliance that will allow the producers to better compete in domestic and international markets.

The project must involve new and emerging markets and a value-added product. Value-added products are defined as follows: (1) A change in the physical state or form of the product (such as milling wheat into flour, or making strawberries into jam); (2) The production of a product in a manner that enhances its value, as demonstrated through a business plan (such as organically-produced products); (3) The physical segregation of an agricultural commodity or product in a manner that results in the enhancement of the value of that commodity or product (such as an identity preserved marketing system).

Non-Federal matching funds of at least the amount of the grant are required.

◆ INELIGIBLE GRANT USES

Grant and matching funds cannot be used to:

1. Plan, repair, rehabilitate, acquire, or construct a building or facility (including a processing facility),
2. Purchase, rent, or install fixed equipment (including mobile and other processing equipment),
3. Pay for the preparation of the grant application,
4. Pay expenses not directly related to the funded venture,
5. Fund political or lobbying activities,
6. Pay costs incurred prior to receiving this grant,
7. Fund any activities prohibited by 7 CFR parts 3015 and 3019,
8. Fund architectural or engineering design work for a specific physical facility,
9. Pay any expenses related to the production or any commodity or product to which value will be added.

◆ MAXIMUM GRANT AMOUNTS/SCORING CRITERIA

The maximum grant amount is \$500,000. In order to maximize the distribution of program benefits, smaller grant requests will receive priority points. Other scoring criteria include degree of market expansion and increased returns to producers, experience of grantee, level of commitment from producers and other local support, and project cost per producer.

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