

CONTACT INFORMATION

Francis (Butch) Koehmstedt

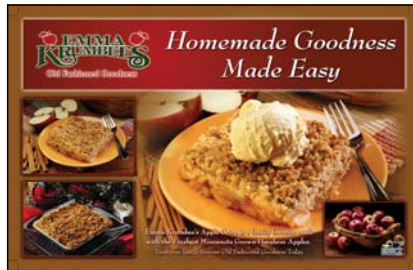
201 Sherwood Ave. S.

P.O. Box 16

Thief River Falls, MN 56701

Phone: (218) 681-2843

Francis.Koehmstedt@mn.usda.gov



On the World Wide Web:

[www.rurdev.usda.gov/rbs/
coops/vadg.htm](http://www.rurdev.usda.gov/rbs/coops/vadg.htm)

www.rurdev.usda.gov/mn

APPLICATION DEADLINE:

MARCH 31, 2008



Committed to the future of rural communities.



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Value Added Producer Grants

PROGRAM SUMMARY

USDA Rural Development's Value-Added Producer Grant (VAPG) Program was first authorized by the Agricultural Risk Protection Act of 2000 and amended by the 2002 Farm Bill. Grants are made to enable producers to develop businesses that produce and market value-added agricultural products. It is the goal of the VAPG Program of USDA Rural Development to help accelerate the pace of the transformation of the nation's agricultural economy into one focused on producer-owned value-added businesses. Since 2001, Minnesota has been awarded \$10.1 million for VAPG projects.

ELIGIBLE APPLICANTS

- Independent producers
- Farmer or rancher cooperatives
- Agricultural producer groups
- Majority-controlled producer-based business ventures.

ELIGIBLE PURPOSES

- **Planning activities**, such as conducting feasibility studies and developing business plans for processing and marketing value-added agricultural products. Planning grants are limited to \$100,000.



limited to \$300,000.

- **Working capital** expenses for processing and marketing value-added agricultural products, including inventory, salaries, and office supplies. Working capital grants are

PREVIOUS AWARDS

Feasibility Studies

- Wind Farms
- Marketing specialty identity preserved soybeans
- Processing and marketing organic beef
- Dehydration of vegetables and herbs
- Ethanol and biodiesel plants

Working Capital

- Marketing gift boxes of pork products
- Marketing and packaging materials
- Design and packaging of milk products
- Developing new markets for pork cuts
- Marketing of new health food snacks
- Introduce new variety of apples
- Marketing compost products

PLANNING GRANT SELECTION CRITERIA

Planning grants will be evaluated based on the following criteria:

- Nature of the proposed venture
- Qualifications of those doing the work
- Project leadership
- Commitments and support
- Work plan/budget
- Amount requested
- Project cost per owner-producer
- Business size
- Prior grants
- Presidential initiatives

WORKING CAPITAL GRANT CRITERIA

Working capital grants will be evaluated based on the following criteria:

- Customer base/increased returns
- Business viability and business size
- Commitments and support
- Management team/work force
- Work plan/budget
- Amount requested
- Project cost per owner-producer
- Prior grants
- Presidential initiatives

RESPONSIBILITY OF GRANT RECIPIENTS

- Submit documentation substantiating information regarding ownership, finances, and support referenced in the application
- Submit documentation substantiating project expenditures prior to agency reimbursement
- Groups receiving working capital grants must provide an acceptable feasibility study and business plan
- Enter into a grant agreement with USDA Rural Development
- Use grant and matching funds within one year of beginning work on the grant
- Report on the progress of the project on a semi-annual basis, with a final report due at the end of the project.