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United States Department of Agriculture • Rural Development

William L. Guy Federal Building • 220 East Rosser Ave. • Room 208 • Bismarck, ND 58502
Phone: (701) 530-2037 • Fax: (701) 530-2111 • TDD: (701) 530-2113 • Web: <http://www.rurdev.usda.gov/>

Contact:
Samantha Evenson (701) 530-2043

USDA ANNOUNCES VALUE ADDED PRODUCER GRANT PROGRAM CHANGES TO ASSIST FARMERS

BISMARCK, February, 23 2011 – USDA Rural Development State Director Jasper Schneider today announced changes to the Value Added Producer Grant program that will provide additional opportunities to beginning and socially disadvantaged farmers. The changes will also assist independent producers, farmer and rancher cooperatives, agricultural producer groups, and will support local and regional supply networks.

“By improving the grant program, agricultural producers, businesses and families will receive strengthened support to sell and promote their commodities to local and regional markets,” said Schneider. “This program is an effective way to increase financial returns and boost economic activity in rural America.”

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.

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. Value-added products are created when a producer increases the consumer value of an agricultural commodity in the production or processing stage.

Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA Rural Development’s web site at <http://www.rurdev.usda.gov>.

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