

USDA RURAL DEVELOPMENT

PRESS RELEASE

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AGRICULTURE UNDER SECRETARY TONSAGER URGES FARMERS AND BUSINESS OWNERS TO APPLY FOR VALUE-ADDED PRODUCER GRANTS

HURON, S.D., Sept. 3, 2009 - Agriculture Under Secretary for Rural Development Dallas Tonsager today urged farmers and business owners to apply for \$18 million in grants to help them add value to the commodities they produce.

"Last week, Agriculture Secretary Tom Vilsack announced that USDA plans to award approximately \$18 million in value-added grants nationwide," Tonsager said. "We want to ensure that producers file their applications promptly so they can potentially take advantage of this important program."

Tonsager offered his remarks while attending Value-Added Agriculture Day during the 2009 South Dakota State Fair. The event is an opportunity to inform the public about value-added agriculture and showcase the state's latest developments in the area.

The national application period for USDA Rural Development Value Added Producer Grants closes on November 30, 2009. For more information on how to apply, producers should visit www.rurdev.usda.gov/rbs/coops/vadg.htm or see page 45165 of the Sept.1 Federal Register.

USDA plans to award planning grants of up to \$100,000 and working capital grants of up to \$300,000 to successful applicants. Applicants are encouraged to propose projects that use existing agricultural products in non-traditional ways or merge agricultural products with technology in creative ways. Businesses of all sizes may apply, but priority will be given to operators of small to medium-sized farms operating as a family farm - those with average annual gross sales of less than \$700,000.

Applicants must provide matching funds equal to the amount of the grant requested. Ten percent of the funding being made available is reserved for beginning and socially disadvantaged farmers or ranchers. An additional 10 percent is reserved for projects involving local and regional supply networks that link independent producers with businesses, and cooperatives that market value-added products.

Paper applications must be submitted to the Rural Development state office in the state where the project will be located. A list of state offices is available at www.rurdev.usda.gov/recd_map.html. Electronic applications must be submitted through www.Grants.gov.

USDA Rural Development's mission is to increase economic opportunity and improve the quality of life for rural residents. Rural Development fosters growth in homeownership, finances business development and supports the creation of critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA Rural Development's web site at www.rurdev.usda.gov.

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