



United States Department of Agriculture
Rural Development
San Juan, PR

NEWS RELEASE

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USDA SEEKS APPLICATIONS FOR VALUE-ADDED PRODUCER GRANTS

WASHINGTON, May 28, 2009 – Agriculture Secretary Tom Vilsack today announced that USDA is accepting applications for up to \$18 millions in grants to help agricultural producers enter into value added activities.

“These grants strengthen rural economies and create jobs by helping farmers and ranchers expand existing markets as well as develop new uses for existing agricultural products, including biobased materials, green chemicals and functional foods – those foods that are specially formulated to provide health benefits...” Vilsack said. “This program also supports President Obama’s goal to expand our nation’s renewable energy resources.”

Vilsack highlighted a past grant recipient Ohio as an example of how local producers have utilized USDA’s Value-Added Producer Grant funds to expand markets for locally grown produce. The Chef’s Garden, Inc., in Huron, Ohio, utilized a \$97,500.00 grant to explore the feasibility of marketing products from locally-grown produce. The 40 year old company has completed work with several focus groups and is now working to select products to market to households and upscale markets. Based on their research, sales for the company are projected to increase by 20%.

Pedro Gómez, USDA Rural Development Acting State Director for Puerto Rico, indicated that planning grants up to \$100,000.00 and working capital up to \$300,000.00 will be awarded through USDA Rural Development’s Value Added Producer Grant Program. USDA is encouraging projects that use existing agricultural products in nontraditional ways and/or merge agricultural products with technology in creative ways.

Businesses of all sizes may apply, but priority will be given to operators of Small and Medium-Sized Family Farms or Ranches with a 3 year average of \$500,000.00 or less in annual gross sales of agricultural product. The competitive grants to be awarded under

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this notice are part of USDA Rural Development's annual budget and are not funded through the ARRA Act of 2009.

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

Paper and electronic applications for both unreserved and reserved funds must be submitted to Rural Development State Office where the project will take place. Electronic applications must be submitted through www.grants.gov. For additional information, see the May 6, 2009 Federal Register, pg 20900.

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.

Additional information on the Rural Program can be obtained by visiting USDA's web site at <http://www.rurdev.usda.gov> or by calling María de los A de Jesús at (787) 766-5095 X 251 or Miguel A. Ramírez at X 232. USDA Rural Development is committed to the future of rural communities.