



USDA Rural Development Business and Cooperative Programs

VALUE ADDED PRODUCER GRANT PROGRAM

The purpose of the Value Added Producer Grant help eligible producers of agricultural commodities, agricultural producer groups, farmer and rancher cooperatives, and majority-owned producer-based business ventures develop feasibility studies, business plans and provide working capital for viable marketing opportunities and develop strategies to create marketing opportunities in emerging markets.

Value-Added is the value that is realized by the producer from an agricultural commodity or product as the result of:

- a change in the physical state
- differentiated production or marketing, as demonstrated in a business plan
- product segregation
- production of farm or ranch-based renewable energy

Eligible applicants:

- Independent producers (either individuals or business entities)
- Farmer or rancher cooperatives
- Agricultural producer groups
- Majority-Controlled producer based business ventures

ELIGIBLE USE OF FUNDS:

- Planning – conduct feasibility studies; developing business plans; legal evaluations.
- Working Capital – expenses for processing and marketing value-added agricultural products, including inventory, salaries, and office supplies. Funds cannot be used to purchase long-term assets.

INELIGIBLE USE OF FUNDS

- Pay costs of preparing the application package for funding for the VAPG program
- Pay costs of the project incurred prior to grant approval
- Fund political activities
- Plan, repair, rehabilitate, acquire, or construct a building or facility
- Purchase, rent, or install fixed equipment
- Pay for the repair of privately owned vehicles
- Fund research or development
- Pay for production-related expenses
- Purchase land

- No minimum
- \$300,000 maximum for working capital
- \$100,000 maximum for planning
- Nation-wide, \$1.5 million is set aside for applicants request \$25,000 or less

Matching requirement

Applicants must contribute cash or “in-kind” matching funds from non-Federal sources on a 1-for-1 basis during the term of the grand period.

SELECTION FACTORS

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
- Presidential initiatives

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

- Business viability
- Customer base/increased returns
- Commitment and support
- Management team/work force
- Work Plan/budget
- Amount requested
- Project cost per owner-producer
- Presidential initiatives

APPLICATION PROCESS

Deadline date: To be announced in Notice of Solicitation of Application (NOSA).

NOSA, forms, etc., are available on the following web page: www.rurdev.usda.gov/rbs/coops/vadg.htm

Applications are selected on a nationwide, competitive basis.

FOR MORE INFORMATION

Contact the USDA Rural Development State Office in Temple at 254-742-9780.