



Value Added Producer Grants

Purpose

The primary objective of the VAPG program is to help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based value-added products.

The program is intended to help eligible producers of agricultural commodities plan or implement a value added business venture that will expand their market and increase their return.

New focus this year is on beginning or socially disadvantaged farmers, as well as mid-tier value chains.

Use of Funds

Grants funds can be used for planning or working capital. Planning grants are limited to \$100,000 and working capital grants are limited to \$300,000.

Planning: A defined program of economic activities to determine the viability of a potential value-added venture including feasibility studies, marketing plans, business plans and legal evaluations.

Working Capital: Funds which are used to operate the venture and pay the normal expenses associated with the operation of that venture. Maximum request is \$300,000. The application requires matching funds equal to the amount requested.

Eligible Applicants

- Independent producers
- Farmer or Rancher Cooperative
- Agricultural Producer group
- Majority-Controlled Producer-Based Business Ventures

Additional Eligibility Criteria

Producers must own at least 50% of the commodity to be used in the value added process.

There are funds reserved for Beginning Farmers, Socially Disadvantaged Farmers and Mid-Tier Value Chain projects.

What is Value Added?

Value Added activities must expand the customer base for the product or commodity, and result in a greater portion of the revenues derived from the value-added activity that are available to the producer.

- Changing the physical state or form of the product.
- Marketing of a product produced in a manner that enhances its value, as demonstrated through a business plan.
- Physical segregation of an agricultural commodity that results in the enhancement of the value of that commodity.
- Aggregating and marketed as locally produced food
- Any agricultural commodity or product that is used to produce renewable energy for a farm or ranch use.

Application Deadline:

Deadlines are published annually in the Federal Register. We are expecting an application announcement regarding this program in September 2013. Call Cindy Musschel at (614) 255-2427 to be added to the email notification list.

Information and application materials may be obtained from
USDA Rural Development
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http://www.rurdev.usda.gov/BCP_VAPG.html