

Value-Added Producer Grant Program

Fiscal Year 2009



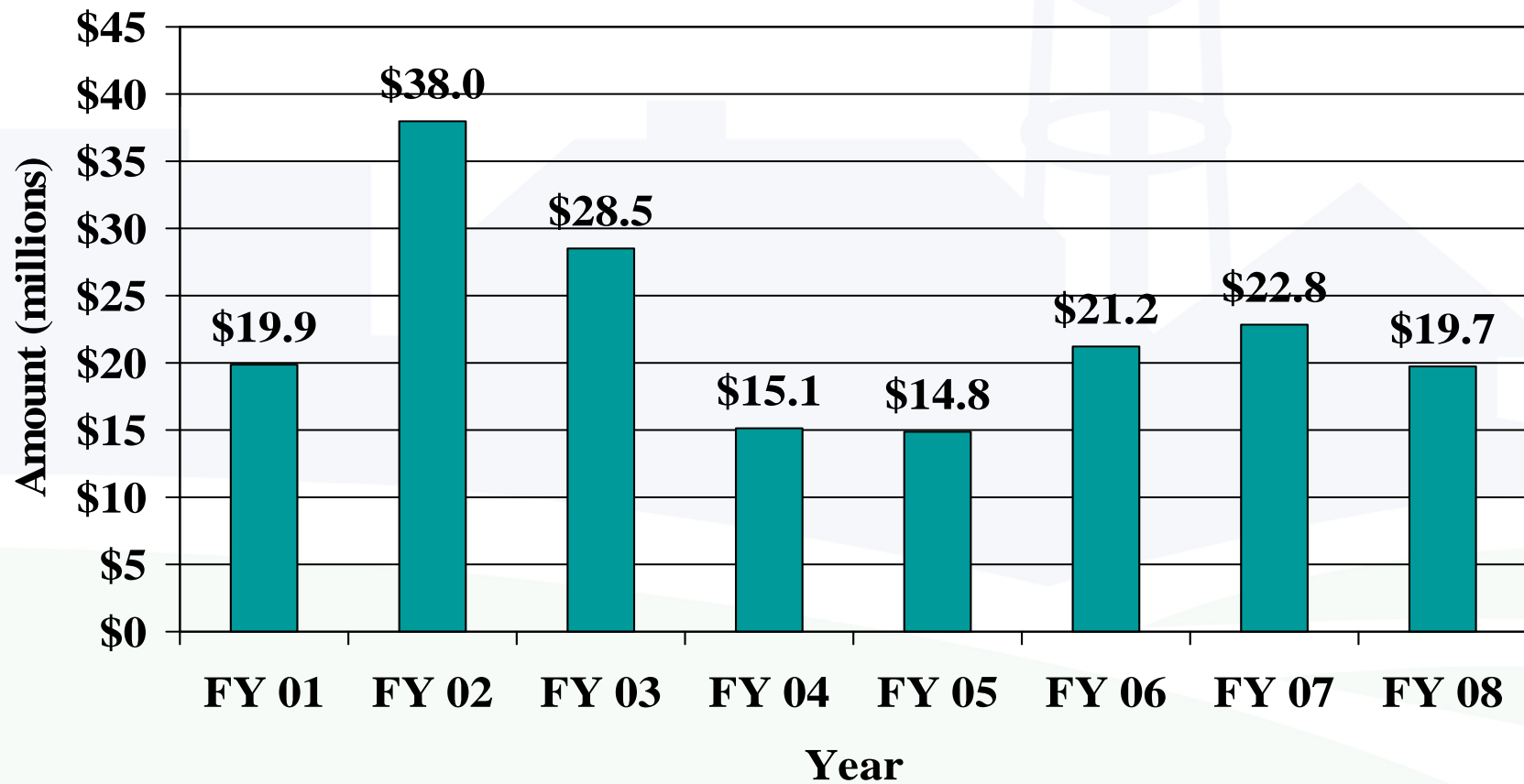
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Purpose



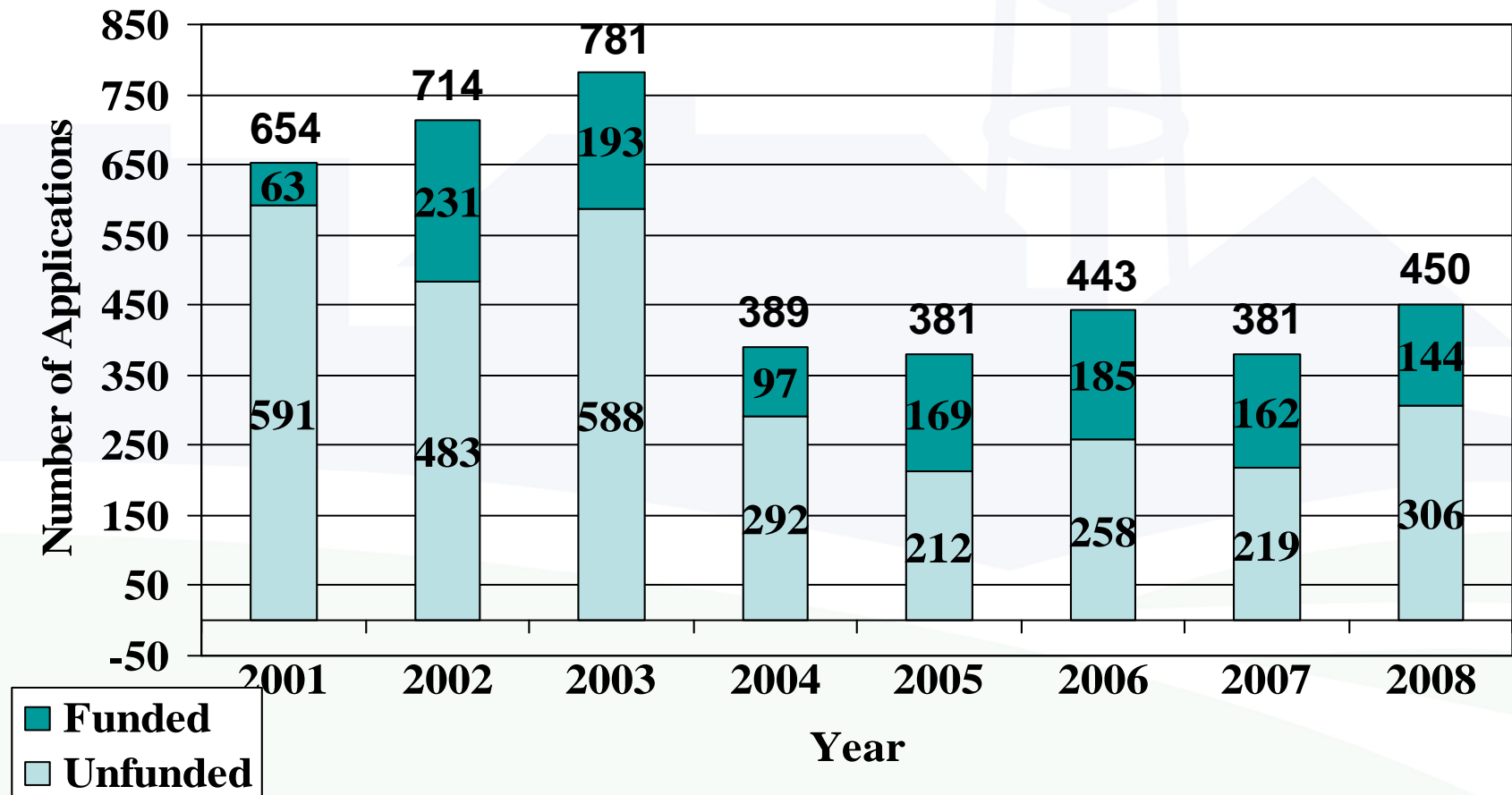
The Value-Added Producer Grant (VAPG) Program is intended to provide grant funds to agricultural producers for planning activities and working capital expenses to assist them in receiving a greater share of the consumer's dollar for value-added agricultural products.

Funds Awarded



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Applications



Eligibility

- Applicant eligibility
- Product eligibility
- Purpose eligibility
- Matching eligibility
- Other eligibility requirements



2008 Farm Bill

“New Definitions”

- **Mid-tier value chain.**--The term `mid-tier value chain' means local and regional supply networks that link independent producers with businesses and cooperatives that market value-added agricultural products in a manner that
 - (A) targets and strengthens the profitability and competitiveness of small and medium-sized farms and ranches that are structured as a family farm; and
 - (B) obtains agreement from an eligible agricultural producer group, farmer or rancher cooperative, or majority-controlled producer-based business venture that is engaged in the value chain on a marketing strategy.



Applicant Eligibility Reserved Funds

- **10% of Available Funds**
 - **Beginning Farmer or Ranchers**
 - **Socially Disadvantaged Farmers or Ranchers**
- **An Additional 10% of Available Funds**
 - **Mid Tier Value Chains**



Beginning Farmer or Rancher

- All owners have operated a farm or ranch for not more than 10 years;
- All owners materially and substantially participate in the operation of a farm or ranch; and
- All owners provide substantial day-to-day labor and management of a farm or ranch.



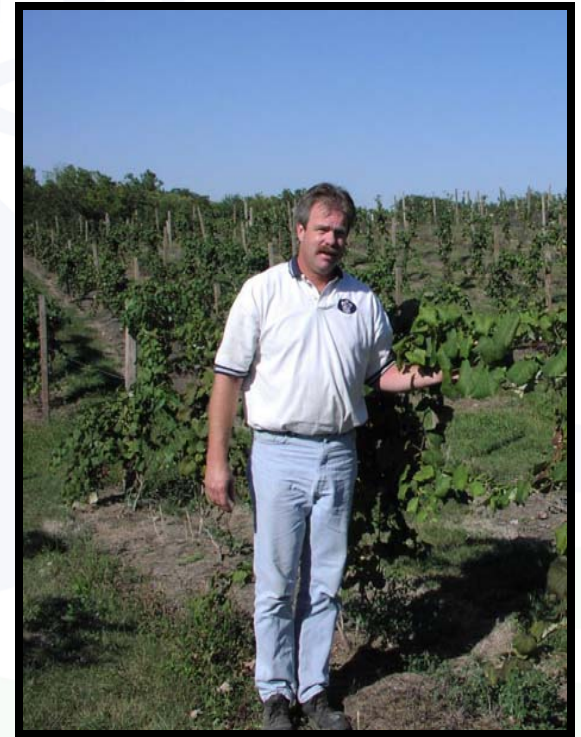
Socially Disadvantaged Farmer or Rancher

- A *person* that is directly engaged in farming or ranching.
- Or an *entity* solely owned by individuals who are directly engaged in farming or ranching; that
- As a farmer or rancher person or entity, is a member of a socially disadvantaged group, whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group, without regard to their individual qualities; and
- If multiple farmer or rancher's own the applicant organization, at least 75% of the owners must be in the socially disadvantaged group.



Applicant Eligibility

- Independent Producer
- Farmer or Rancher
Cooperative
- Agricultural Producer Group
- Majority-Controlled Producer-
Based Business Venture



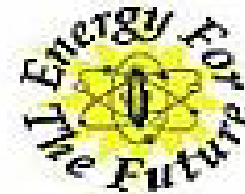
Independent Producer

- Ever since the Van Gilst, DeBruin, and Rozenboom families came to the United States from Holland over 100 years ago, they have been dedicated to producing top quality pork.
- To pay for working capital expenses associated with marketing pork sausage.



Farmer or Rancher Cooperative

- A farmer or rancher-owned and controlled business from which benefits are derived and distributed equitably on the basis of use by each of the farmer or rancher owners.



**Big River Resources
Cooperative**

"Let's Add Value!"



Agricultural Producer Group

- An organization that represents Independent Producers, whose mission includes working on behalf of Independent Producers and the majority of whose membership and board of directors is comprised of independent Producers.



Majority-Controlled Producer-Based Business Venture

- A venture where more than 50% of the ownership and control is held by Independent Producers, or, partnerships, LLCs, LLPs, corporations or cooperatives that are themselves 100 percent owned and controlled by Independent Producers.



2008 Product Eligibility

- Change in physical state (e.g. lamb chops, diced tomatoes)
- Differentiated production or marketing (e.g. organic) - must reference a business plan
- Product segregation (e.g. identity-preserved corn)
- Farm-based renewable energy



2009 Product Eligibility

- Change in physical state
- **Produced in a manner that enhances value - must reference a business plan**
- Physical segregation
- Ag commodity that is a source of renewable energy
- **Locally-produced agricultural food product**



Product Eligibility (cont.)

- Customer base must be expanded
- Greater portion of the revenue must be available to the producer



Purpose Eligibility

- Planning Activities (e.g. feasibility study, business plan, marketing plan)
- Working Capital (e.g. labor, inventory, advertising)



Celebrate the New Year at the Lavender Farm!

Friends & Family In-Store Sale
Thursday, Jan. 1 thru Sunday, Jan 4, 2009,
Save 15% on your entire purchase (one per person).
Open on New Year's Day!

Lavender Beading Workshop
Sunday, Jan. 11, 2009 • 1 pm – 3 pm, \$30 a person, plus tax. Creative, easy & fun, includes two bracelets @40 value.

The Maui Book of Lavender Book Launch
Saturday, Jan. 10, 2009 • 10 am – 2 pm, FREE. Join us for "talk story" with authors, music by Emma Veary, Chef Paul to demo recipes & more!

Learn to Grow Your Own Lavender with Aifi Chang
Saturday, Jan. 17, 2009 • 11 am – 12:30 pm, \$15 a person, plus tax. Includes instruction, and two potted lavender plants.

Start Your Own Container Herb Garden
Sunday, Jan. 25, 2009 • 1:30 pm – 3 pm, \$30 a person, plus tax. Includes herb starts and instruction. Bring your container or containers available for purchase.

Daily Walking Tours Available
9:30 am, 10:30 am, 11:30 am, 1 pm, 2:30 pm, Advanced booking rate \$10 a person (Regularly \$12)
Add a Lavender Gourmet Lunch Basket for \$25 more per person.

To book a reservation, call 808-878-3004 or email reservations@akimaui.com
Open daily 9 am – 4 pm. • www.akimaui.com

Available NOW exclusively at the Lavender Farm!
Stunning photography and useful information on lavender crafts and home uses, as well as 40 recipes incorporating lavender, make this hardcover book a treasure for gardeners, home crafters, cooks and anyone else who appreciates a little lavender in their life.



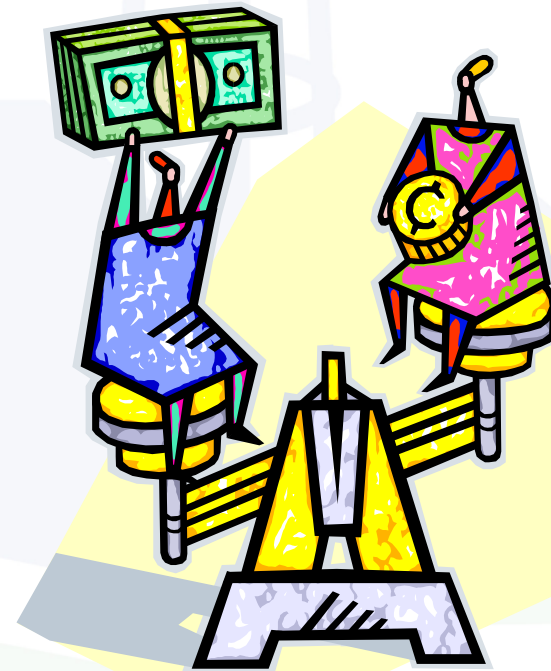
SAVE A TREE
Bring your own cup and your own coffee or tea to go. Offer valid while supplies last.



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Matching Eligibility

- Matching funds of at least 50% of total project costs are required
- Match must be spent at a rate equal to or greater than grant funds
- Match must be provided by the applicant or a third-party in the form of cash or in-kind funds
- Match must be spent on eligible purposes and must be from eligible sources



Other Eligibility

- Grant period eligibility
- Completeness eligibility
- Multiple grant eligibility
- Current grant eligibility



Grant Period Eligibility

- Applications cannot have a timeframe of more than 3 years.
- Proposed workplan must identify project timeline.
- No extensions beyond 3 years.



Completeness Eligibility

- Applications must contain all requested information to be considered for funding



Multiple Grant Eligibility

- Only one application per applicant may be submitted in a funding cycle.
- Applicants who have already received a planning grant for a project cannot receive another planning grant for the same project.
- Applicants who have already received a working capital grant for a project cannot receive another grant for the same project.



Current Grant Eligibility

- If the applicant currently has a VAPG, the grant period for that grant must be scheduled to expire by November 30, 2009.



Application Submission

- Published on May 6, withdrawn, to be republished with a 90-day application period, some alterations.
- Paper applications submitted to RD State Office in applicant's state
- Electronic applications submitted through Grants.gov



Contact Information

- <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>
- <http://www.rurdev.usda.gov/nm/rbs>
- <http://www.agmrc.org/>



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