Value-Added Producer Grant Program
Fiscal Year 2009
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.
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.
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)
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/nm/rbs
- http://www.agmrc.org/