

# Value Added Producer Grant

---

Gary Pereira – Business Programs Specialist

USDA Rural Development

# Value Added Producer Grant (VAPG)

---

- Provides grant funds for planning and working capital expenses to help agricultural producers enter into value-added activities
- Expands markets for, and increases financial returns to, the agricultural producer-owners of the venture
- Strengthens the rural economy

# Product Eligibility

---

- Any agricultural commodity or product that
  - Has undergone a change in physical state
  - Was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a BP that shows the enhanced value
  - Is physically segregated in a manner that results in the enhancement of the value of the Agricultural Commodity or product
  - Is a source of farm- or ranch-based renewable energy, including E-85 fuel
  - Is aggregated and marketed as a locally-produced agricultural food product

# Applicant Eligibility

---

- Independent Producers (IP)
- Agricultural Producer Groups (APG)
- Farmer or Rancher Cooperatives (Coop)
- Majority-Controlled Producer Based Business Ventures (MCPBBV)
- Must currently produce and own >50% of the agricultural commodity that will be used for the value added product, and retain ownership from its raw commodity state through the marketing of the final value added product

# Grant Terms

---

- Maximum Grant Amounts
  - Planning \$75,000
  - Working Capital \$200,000
- Maximum Budget and Project Period Length up to 36 months, scaled to complexity
- If applicant currently has a VAPG, it must be completed prior to application deadline to apply for new funds

# Eligible Use of Funds

---

- Planning Activities
  - Feasibility Study
  - Business Plan
  - Marketing Plan
  - Legal Advice
- Working Capital Activities
  - Pay operational costs directly related to the VA project
    - Salaries, utilities, inventory, marketing campaign, accounting system

# Matching Funds

---

- Matching funds must equal or exceed the amount of grant funds requested, be contributed during the grant period, and be spent in advance of grant funds @ proportional rate
- Applicant Cash/Loan/LOC
- Applicant/Family In-Kind up to 25% total project cost
- Third-Party Cash/In-Kind
- Expected Program Income not eligible at time of application
- Matching funds subject to the same use restrictions as grant funds for eligible P or WC activities

# Other Programs of Interest

---

- B&I Loan Guarantee Program
- Rural Business Enterprise Grant Program
- Rural Energy for America Program





# Contact Information



**Gary Pereira**

Business Programs Specialist

USDA Rural Development

9025 River Rd., Room 205

Marcy, NY 13403

Phone 315.736.3316 x 129

Cell 315.530.3433

