

Value Added Producer Grant Program



Committed to the future of rural communities.

USDA Rural Development's Value Added Producer Grant (VAPG) program helps eligible producers develop strategies to create marketing opportunities for their value-added agriculture products and/or helps producers develop business plans for viable marketing opportunities for those products.

Eligible Applicants:

- Independent producers
- Farmer or rancher cooperative
- Agricultural producer group
- Majority-controlled producer-based business venture

Priority Applicants:

- Applications from beginning farmers or ranchers and socially disadvantaged farmers or ranchers
- Qualified mid-tier value chain projects

Product Eligibility:

Value-added agriculture product is any agricultural commodity or product that:

- Has undergone a change in physical state
- Was produced in a manner that enhances its value
- Is physically segregated in a manner that results in the enhancement of its value
- 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

Grant Amounts:

- There is no minimum grant amount
- \$300,000 maximum for working capital and \$100,000 maximum for planning grants

Use of Grant Funds:

Grants may be used for either planning or working capital purposes.

- Planning purposes – a defined program or 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 may be used to pay the project's operational costs directly related to the processing and/or marketing of the value-added product. Examples include, but are not limited to, purchasing qualified inventory, paying qualified salaries, marketing and/or delivering the value-added product to consumers.

Ineligible Grant Uses:

Applicants should review the Program Regulations for a detailed discussion of ineligible grant and matching fund uses. A partial list of ineligible uses includes:

- Plan, repair, rehabilitate, acquire or construct a building or facility
- Purchase, rent or install fixed equipment including processing equipment
- Pay for the preparation of the grant application
- Pay costs incurred prior to receiving this grant award
- Purchase long-term assets
- Paying salaries or purchasing goods from owners and immediate family members

Matching Funds:

- Applicants must provide matching funds at least equal to the grant
- Other federal grants cannot be used as matching funds
- At a minimum, grant recipients must match a dollar for each dollar of grant funds

Application Process:

- Applicants are encouraged to submit a draft of their application for a preliminary review to assess eligibility and completeness
- Program application deadline will be set by the NOSA in the Federal Register
- Applications compete on a nationwide basis

Application Resources:

Application forms, templates and information can be found at:

- www.rurdev.usda.gov/ia/rbs.html
- www.grants.gov
- www.agmrc.org

For More Information Contact:

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