



# Rural Energy for America Program


Rural Business Cooperative Service



Rural Development  
U.S. DEPARTMENT OF AGRICULTURE

## Purpose

***Rural Energy for American Program (REAP)  
provides Grants and Guaranteed Loan funding for  
Renewable Energy System Installations and  
Energy Efficiency Improvements for Agriculture  
Producers and Rural Small Businesses***

A decorative background on the right side of the slide featuring a series of light gray stars of varying sizes arranged in a curved pattern, and several broad, wavy, light gray lines at the bottom, suggesting a stylized American flag.



## Eligible Applicants

### Agricultural Producer





- **Individual or entity that receives 51 percent or more of their gross income from agricultural production** – crops, livestock, aquaculture, forestry operations, nurseries, dairies

### Rural Small Business



- **For-profit small business** - as defined by the Small Business Administration (SBA)
- **Rural area or non-metro community of  $\leq 50,000$**

## REAP Grant Assistance\*

 Renewable Energy Systems		 Energy Efficiency Improvements	
Minimum Grant Request	<b>\$2,500</b> Total eligible project costs $\geq$ \$10,000	Minimum Grant Request	<b>\$1,500</b> Total eligible project costs $\geq$ \$6,000
Maximum Grant Request	<b>\$500,000</b> Total eligible project costs $\geq$ \$2 million	Maximum Grant Request	<b>\$250,000</b> Total eligible project costs $\geq$ \$1 million















\*Up to 25% of Total Eligible Project Costs

## REAP Guaranteed Loan Assistance\*

Minimum Loan Amount	<b>\$5,000</b> Total eligible project costs $\geq$ \$6,667
Maximum Loan Amount	<b>\$25 million</b> Total eligible project costs $\geq$ \$33.4 million
Details	<ul style="list-style-type: none"><li>• USDA guarantees a commercial loan; applicant must have a willing lender.</li><li>• Terms are negotiated between the lender and borrower.</li><li>• Fees, appraisals, equity &amp; collateral requirements apply.</li></ul>

\*Up to 75% of Total Eligible Project Costs

## Eligible Technologies

Energy Efficiency		Renewable Energy	
	Lighting		Solar
	Heating		Wind
	Cooling		Small Hydroelectric
	Ventilation		Anaerobic Digesters
	Fans		Biomass
	Automated Controls		Geothermal
	Insulation		Wave/Ocean Power

## Project Cost Considerations

### ✓ Eligible Project Costs

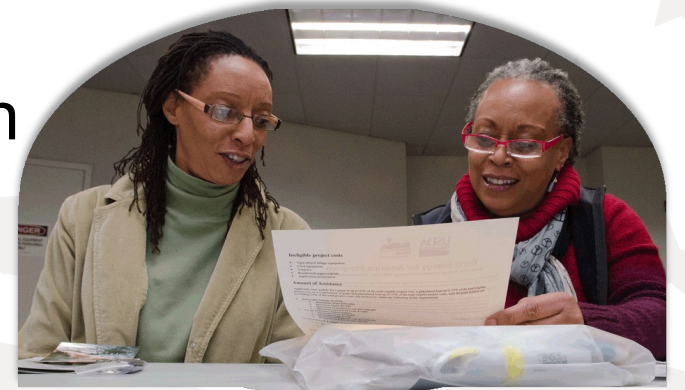
- **Equipment:**
  - Purchase & installation
  - New or refurbished
- **Post-application construction & facility improvements**
- **Retrofitting**
- **Professional service fees**
- **Permits & license fees**
- **Working capital, land acquisition (Guarantee loan ONLY with restrictions)**

### ⊘ Ineligible Project Costs

- **Residential energy projects**
- **Equipment:**
  - Farm tillage equipment
  - Used equipment
  - Vehicles
- **Pre-application construction & facility improvements**
- **Application preparation or grant writer fees**
- **Line of credit**
- **Lease payments**
- **Payment to the applicant/business owner, beneficiary, or relative**

## How to Apply

- Contact the USDA Rural Development Energy Coordinator in your state for application materials and resources:  
[https://www.rd.usda.gov/sites/default/files/RBS\\_StateEnergyCoordinators.pdf](https://www.rd.usda.gov/sites/default/files/RBS_StateEnergyCoordinators.pdf)
- Submit applications any time of year.
- Applications compete for funding based on score throughout the year.







# Value-Added Producer Grant



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# Purpose of the Value-Added Producer Grant Program

Provides funds to enable viable Agricultural Producers to develop businesses that produce and market Value-Added Agricultural Products.



## Two Types of Grants

**Planning Grant** - To pay a qualified (third-party) consultant for development of feasibility study, marketing and business plan related to the processing and/or marketing of a value-added product.

**Working Capital Grant** - To pay eligible project expenses related to the processing and/or marketing of a value-added product.



# Purpose

## What VAPG is NOT:

- A job training program
- Intended to teach people how to farm
- A technical assistance program
- For Research & Development
- A loan program
- Intended as a continuous stream of capital

# Eligible Applicant Types





# Applicant Types

Applicants must meet the definition for one of these types:

Independent Producer

Agricultural Producer Group

Farmer or Rancher Cooperative

Majority-Controlled Producer-Based Business

	<b>Independent Producer</b>	<b>Agricultural Producer Group</b>	<b>Farmer or Rancher Cooperative</b>	<b>Majority Controlled Producer-Based</b>
Individual	Sole proprietor ag producer			
Entity	Solely owned & controlled by independent producers (partnership, LLC, LLP, corporation)	Non-profit. Member-based. Mission is member advocacy. Majority of members & BOD are Independent Producers	Owned & controlled by Independent Producers. Operated on a cooperative basis.	Majority of ownership & control by Independent Producers (entity=partnership, LLC, LLP, corporation).
Other	Steering Com or Harvester per above			

# All applicant types must meet the definition of Agricultural Producers

“An individual or entity that produces an Agricultural Commodity **through participation in the day-to-day labor, management, and field operations...**”



All four applicant types must...

Currently produce and own more than 50 percent of the raw commodity that will be used for the Value-Added product.

Own the product from its raw commodity state through the production of the Value-Added product during the Project (except for MTVC).

# Applicant Eligibility



(c) Citizenship

(d) Legal Authority and Responsibility



# Project Eligibility



# Product Eligibility

Applicants must use one of the following methodologies, as defined in the definition of Value-Added Product:

- Change in physical state
- Produced in a manner that enhances the value of the agricultural commodity
- Physical segregation
- Farm- or ranch-based renewable energy
- Locally-produced agricultural food product

# Hemp Related Projects

VAPG applications proposing projects related to Hemp as defined in the Agriculture Improvement Act of 2018, Public Law 115-334, will be considered for funding if the projects meets all program eligibility requirements, including currently producing Hemp with a valid producer license and verifiable compliance with regulations.

Please see AMS website for listing of states with approved plans:

<https://www.ams.usda.gov/rules-regulations/hemp/state-and-tribal-plan-review>

# Eligible and Ineligible Uses of Funds



# Eligible uses of Planning Grant Funds

Pay for a Qualified Consultant to conduct and develop a Feasibility Study, Business Plan, and/or Marketing Plan associated with the processing and/or marketing of a Value-added Agricultural Product.



# Common Examples of Eligible uses of Working Capital Funds

- Pay costs of processing the raw commodity into the value-added product.
- Product packaging & labeling
- Ingredients
- Promotional materials
- Advertising

# Examples of Ineligible Uses of Funds (Most Common)

- Expenses related to agricultural production
- Planning, building, or repairing facilities
- Use of grant funds to pay self or associated parties for subject raw commodity.
- Ineligible equipment expenses (2 CFR 200.33)

# Matching Funds are required

- Equal to at least the grant amount (at least 50 percent of total project costs).
- Spent only on eligible expenses;
- Spent in advance of grant funding (for every dollar of grant funds disbursed, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement);
- From eligible sources without a real or apparent conflict of interest

# Grant Period Eligibility

Maximum timeframe of 36 months in length from the date of award (date of grant agreement execution). Note: this is not open-ended. Each project's grant period will be based on the project's complexity, as indicated in the application work plan.

# Tools for Applying





# Tools for Applicants

## Comprehensive Toolkits for Planning and Working Capital



# Tools for Applicants

Individual OPTIONAL  
templates for Planning  
and Working Capital  
applications.

## APPLICATION TEMPLATE

### SECTION 1: SUMMARY INFORMATION

Legal Name of Applicant Entity: \_\_\_\_\_

DUNS # \_\_\_\_\_ Employer identification Number (EIN) \_\_\_\_\_

SAM/CCR Registration Cage Code: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

If have not yet received your code and expiration date, you must provide evidence from SAM of having begun the registration process (please include documentation in Appendix B).

Applicant Type – Please Check One:

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

Raw Agricultural Commodity: \_\_\_\_\_

Value-Added Product: \_\_\_\_\_

Purpose ☐ Working Capital Grant Requested Grant Amount (\$250,000 or less): \$ \_\_\_\_\_

Proposed Grant Period Start Date: \_\_\_\_\_ Proposed Grant Period End Date: \_\_\_\_\_

*Proposed dates should correspond with grant period date included in SF-424 and Section 5.4(2) (a) of the template.*

Check if you are eligible for Reserved Funds in one of the following categories, per 7 CFR 4284.923.

(Information from Appendices E.1, E.3, or E.4 will be used to rank applications awarded from Reserved Funds).

- ☐ Beginning Farmer or Rancher
- ☐ Socially-Disadvantaged Farmer or Rancher
- ☐ Mid-Tier Value Chain Project
- ☐ NOT APPLICABLE – I am not requesting Reserved Funds

Check one if you are competing for Priority Points (See 4284.902 and Appendix F for Definitions) in one of the priority categories below:

- ☐ Beginning Farmer or Rancher
- ☐ Veteran Farmer or Rancher
- ☐ Socially Disadvantaged Farmer or Rancher
- ☐ Operator of a Small- or Medium-Sized Family Farm
- ☐ Farmer or Rancher Cooperative
- ☐ Mid-Tier Value Chain Project
- ☐ NOT APPLICABLE – I am not requesting Priority Points

☐ **Priority Points for Group Applicants:** Check the box if you are an Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority Controlled Producer-Based Business AND you are applying for Priority Points as an applicant

# Tools for Applicants

- Links to required forms and necessary resources, including:
  - SF 424s
  - Program regulation
  - NOFA

## Value-Added Producer Grant

### Preliminary Actions Required

It's a good idea to start the registration process at least a month before any application deadline. To complete an application for this program, you must be pre-registered with the [System for Award Management \(SAM\)](#). The SAM application process is free, but it can take time so be sure to get this taken care of right away. If you are already registered with SAM, you do not need to do it again, ensure your registration remains active.

Before you start the SAM registration process, we suggest reading through the HELP materials available on the SAM website. After you create your account you can register your organization. If applicable, please make a note of your CAGE (Commercial and Government Entity) code and expiration date. Please note your Unique Entity Identifier (UEI) number because you will need it for your application.

Please read the [Federal Register](#) notice for the details on how to apply. Applicants should put together the required information at least a month before the application deadline. The extra time allows collection of required materials such as letters of commitment or support from organizations, a work plan and budget, and other information.

### Application Toolkits

- Application Planning Toolkit [[docx](#)]
- Application Working Capital Toolkit [[docx](#)]

Application toolkits can be accessed through [Grants.gov](#).

### Required Forms:

- [SF-424 Application for Federal Assistance](#)
- [SF-424A Budget Information](#)
- [SF-424A Instructions](#)

### VAPG Information

- Harvester Applicants [[PDF](#)]
- Locally Produced Food [[PDF](#)]
- Mid-Tier Value Chains [[PDF](#)]
- Anaerobic Digesters [[PDF](#)]

# Tools for Applicants

- Link to the Value-Added Produce Grant website: <https://www.rd.usda.gov/programs-services/business-programs/value-added-producer-grants>
- Wisconsin VAPG contact:
  - Judy Clendenning
  - Email: [judy.Clendenning@usda.gov](mailto:judy.Clendenning@usda.gov)
  - Phone: 715-345-7642



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