



Value-Added Producer Grant

 Rural Development
U.S. DEPARTMENT OF AGRICULTURE

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

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

- 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
 - Phone: 715-345-7642



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