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 at 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