

# November Deadline Quickly Nearing for Value-Added Producer Grants

The U.S. Department of Agriculture recently announced the availability of \$18 million for the Value-Added Producer Grant (VAPG) program. The deadline to apply is November 30, 2009.

Agricultural producers, businesses owned by a majority of agricultural producers, and organizations representing agricultural producers are eligible to apply for the value added program. Agricultural producers include farmers, ranchers, loggers, agricultural harvesters and fishermen who engage in the production or harvesting of an agricultural commodity.

There are two types of grants – business planning and working capital. Business planning grants can assist with feasibility studies and market analysis, for example. They have a maximum grant amount of \$100,000. Working capital grants can assist with things like expenses associated with marketing a value-added agricultural product and other related expenses such as salaries, utilities and rental of office space. The maximum grant amount for a working capital project is \$300,000.

The Value-Added Producer Grant program was released earlier this year, but it was pulled back to make some needed changes. One of the most positive changes relates to the mandate provided by the 2008 farm bill that beginning, socially disadvantaged, and small and mid-size family farmers and ranchers be considered a priority for funding.

At the Center for Rural Affairs, we have found high-value, niche markets a proven strategy for creating and maintaining profitability for many of the family farmers and ranchers we work with. Applicants that meet the beginning, socially disadvantaged and small or mid-size family farm criteria will automatically get 15 points out of a total of 90. That should certainly help tip the scale in their direction.

In addition to making a priority for these farmers and ranchers, 10 percent of the funds are being set aside specifically to fund proposals from beginning and socially disadvantaged farmers and ranchers. Another 10 percent is reserved for what is called “mid-tier value chain projects,” which involves local and regional supply networks that link independent producers with businesses and cooperatives that market value-added products.

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