

# DEFINING THE USDA VALUE-ADDED PRODUCER GRANT

## **INCLUDED IN THIS SUMMARY:**

\*VAPG Definition

\*Eligibility

\*Project Examples

## THE USDA VAPG GRANT SUMMARY

The United States Department of Agriculture (USDA) offers the Value Added Producer Grant program in order to help agricultural producers enter into value-added activities related to the processing and/or marketing of bio-based, value-added products. Generating new products, creating and expanding marketing opportunities, and increasing producer income are the goals of this program. There are two types of grants available, Planning Grants, which fund business plans and feasibility studies, and Working Capital Grants, which fund costs such as processing, marketing, supplies and labor.

# GRANT ELIGIBILITY - APPLICANT

- > Independent Producer
- > Agricultural Producer Groups
- > Farmer or Rancher Cooperative
- ➤ Majority-Controlled Producer Based Business

# GRANT ELIGIBILITY — PRODUCT

Any agricultural commodity will have to adhere to the following:

- Undergone a change in physical state
- Produced in a manner that enhances the value of the commodity
- > Is physically separated in a manner that enhances the value of the commodity
- ➤ Is a source of on-farm renewable energy
- > Is marketed as a locally-produced food product

It is important that the agricultural producer owns at least 51% of the product that is being enhanced

#### **PROJECT EXAMPLES**

- > Dairy Producer creates cheese, yogurt or ice cream from the milk they produce and sell exclusively at the local grocery store.
  - o Planning Grant requests funds to create a marketing plan for state-wide distribution.
- > Apple cooperative group sells pie filling and large cans of applesauce to wholesale buyers
  - Working Capital Grant requests fund to expand their operations to produce individual sized cups of applesauce. Funds will pay for salaries and packaging supplies.
- > Beef operation currently spreads manure onto neighboring fields and is looking into an on-farm methane digester
  - o Planning Grant funds will be utilized for creating a business plan and for a Feasibility Study.

### **CONTACT INFORMATION**

Interested in learning more? Contact Prosperity today at 317-650-7069 or GRANTS@PROSPERITYAG.COM. Visit our website at PROSPERITYAG.COM

# **Quick Look**

In 2014, 549 applications were submitted for VAPG and only 250 were considered to be eligible. It is important to determine project and applicant eligibility before beginning the process. Contact Prosperity now and we can help!