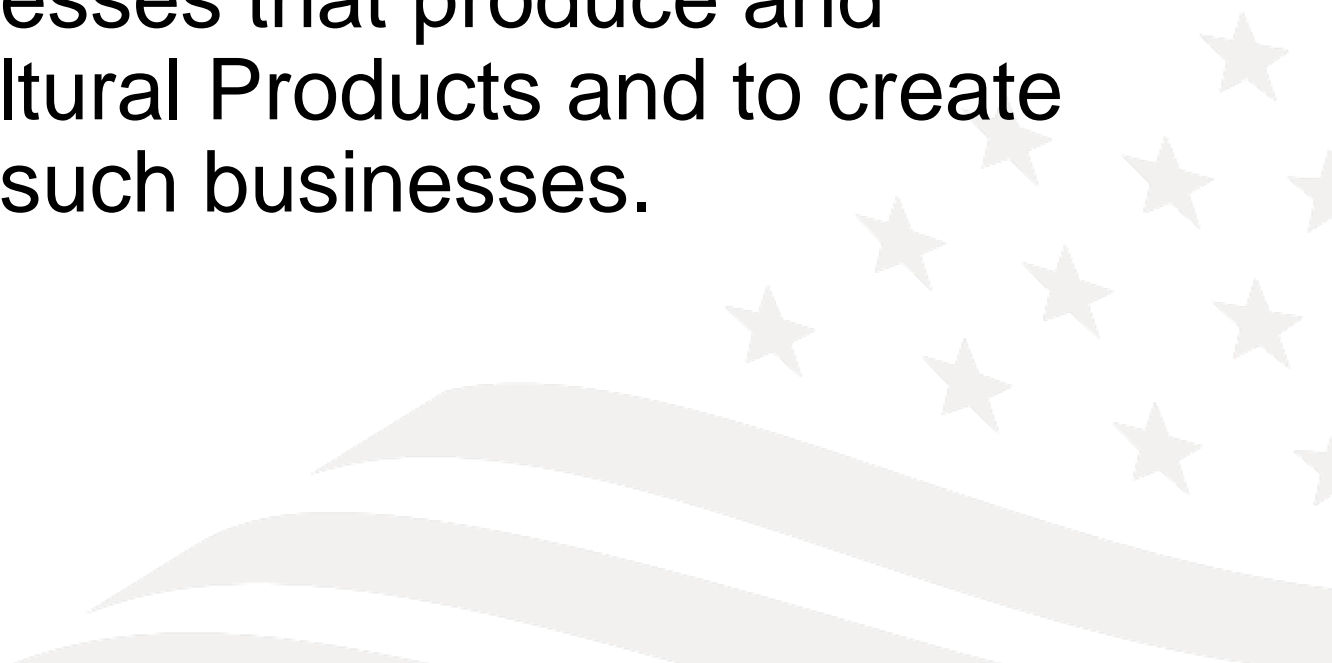




# USDA - Value-Added Producer Grant Intertribal Agriculture Council Training

# Purpose of the Value-Added Producer Grant Program

Provides funds for economic planning activities or eligible working capital expenses to enable viable Agricultural Producers to develop businesses that produce and market Value-Added Agricultural Products and to create marketing opportunities for such businesses.

The background of the slide features a decorative pattern of light gray stars and wavy lines, reminiscent of the American flag, located in the bottom right corner.

# 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

# Funding Cycle Basics – National Competition

**FY 2025 Available Funding:** Estimated \$? Million

**Application Deadlines:**

February 15, 2025

**Maximum Award Amounts**

\$75,000 Planning or \$250,000 Working Capital

**Matching Requirement**

1-to-1 match (50 percent of total project costs) cash or eligible in-kind contributions to be used only for eligible project purposes.

# Funding Priorities

Reserved Funds ensure that a minimum of 10 percent of total funds are available for awards to applicants from these categories.

- Beginning & Socially Disadvantaged Farmers and Ranchers
- Mid-Tier Value Chains
- Persistent Poverty Counties

# Basic Program Requirements

- Applicant eligibility
- Project eligibility
- Purpose eligibility
- Other eligibility requirements
- Evaluation criteria

# Applicant Eligibility 4284.920(a)



# Applicant Type

Applicants must meet the definition for one of these types:

Independent Producer

Agricultural Producer Group

Farmer or Rancher Cooperative

Majority-Controlled Producer-Based Business



# 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.

**Project Eligibility §4284.923**



# Product Eligibility 4284.923 (a)

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

All projects must demonstrate:

- Increase in customer base
- Greater portion of revenue derived from the value-added process returned to the producer.



**Purpose Eligibility 4284.923 (b)**



# 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.

# Variations on Working Capital Grants

- 1. Requests of \$50,000 or more (emerging market proposals)**
- 2. Requests of \$50,000 or more (market expansion)**
- 3. Applications requesting less than \$50,000 (Simplified)**



# Matching Funds



# Matching Funds must be in the form of...

- Applicant cash, loan, or line of credit; and/or
- Applicant or family member in-kind labor contributions (applicant provided services limited to 25 percent of total project costs); and/or
- Applicant-produced raw commodity may be used as in-kind match as long as it is appropriately valued.
- Third-party cash or
- Third-party in-kind contribution, including non-federal grant sources.

# Matching Funds must be...

- 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

# Eligible and Ineligible Uses of Funds 4284.925 & 4284.926



# 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)

# Ineligible Expenses

- Applications with ineligible expenses of more than 10 percent of total project costs will be ineligible to compete for funds.
- Applications selected for award that contain ineligible expenses of 10 percent or less of total project costs must remove those ineligible expenses from the final project budget.



# Evaluation Criteria



# Proposal Evaluation Criteria Scoring

Agency selects and ranks applications based on responses to 5 criteria:

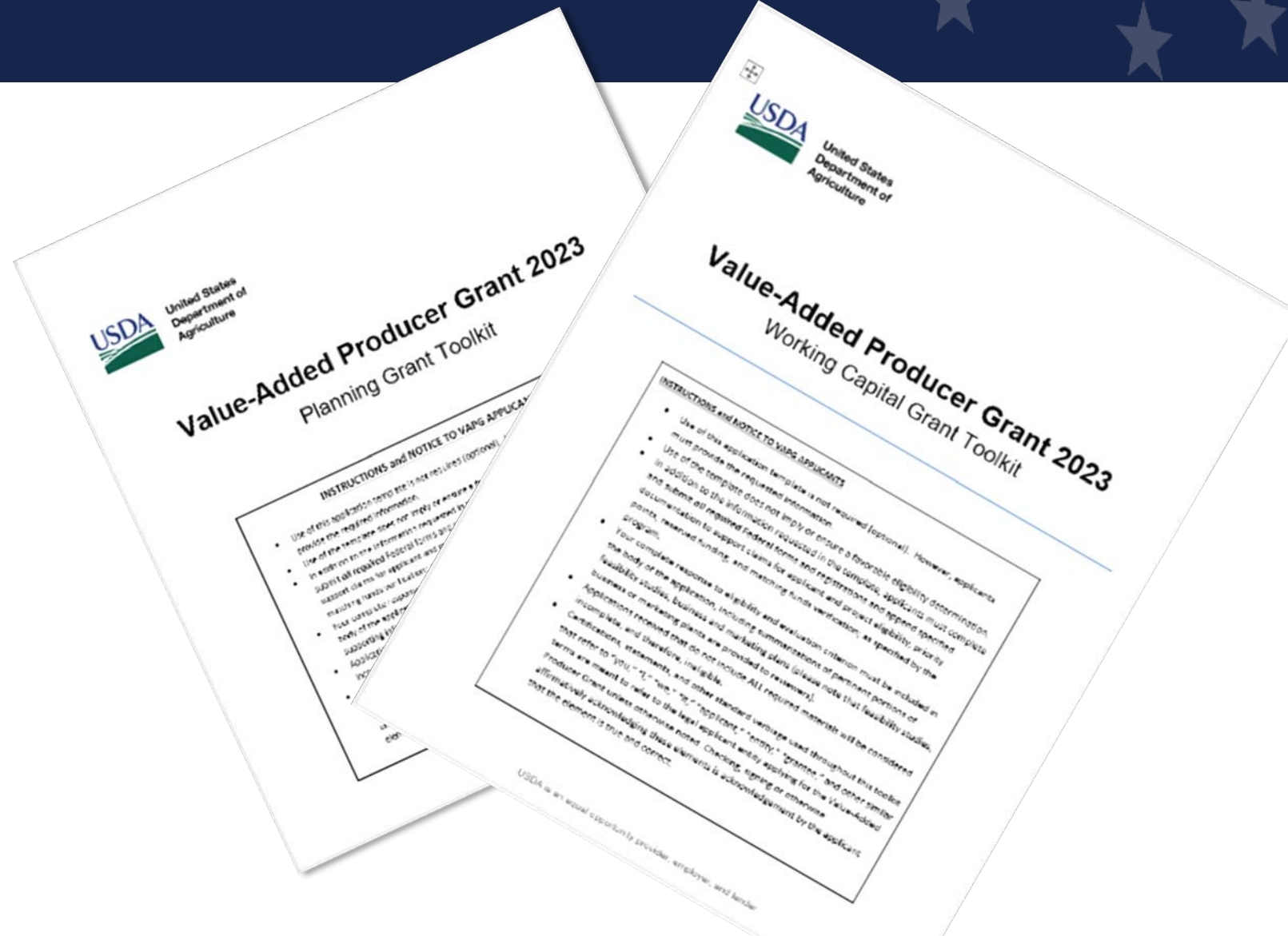
- Nature of the proposed project (0-30)
- Qualifications of project personnel (0-20)
- Commitments and support (0-10)
- Work plan and budget (0-20)
- Priority points (0 or 5/up to 5 additional)

# Tools for Applying



# Portal is coming for Applicants

Comprehensive  
Toolkits for Planning  
and Working Capital



# Contact Information:

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Rural Development

U.S. DEPARTMENT OF AGRICULTURE