

Growing Value Added Economies Act

H.R. 5764

Sponsored by Representatives Ben Lujan (D-NM), Jeff Fortenberry (R-NE), Michelle Lujan Grisham (D-NM), Sean Patrick Maloney (D-NY), and Chellie Pingree (D-ME)

Bill Summary

The Growing Value Added Economies Act will advance growth and entrepreneurship in rural and food producing communities by increasing funding for and improving access to the Value-Added Producer Grants (VAPG) program.

Value-Added Agriculture and Rural Economic Development

The promotion of small-scale entrepreneurship is one economic development strategy that consistently works in rural communities. In fact, in most rural areas across the United States, over half of all new jobs come from small business ventures. The VAPG program helps family farmers and ranchers to develop and expand small businesses, which in turn boost farm income, create jobs that can't be outsourced, and increase community empowerment and economic opportunity.

VAPG provides competitively awarded grants to farmers and farmer-owned entities to create or develop value-added producer-owned businesses. Grants may be used to fund business and marketing plans and feasibility studies or to acquire working capital to operate a value-added business venture or alliance.

Congress created VAPG in the early 2000s to address the issue of depressed commodity prices, to help farmers add value to their operations, and to spur rural economic development. Today, farmers are still struggling with many of the challenges that necessitated the creation of VAPG nearly 20 years ago – the farmer share of the consumer dollar has dropped to the lowest level since USDA began collecting that information in 1993, and recent estimates show that only 14.8 cents of every dollar spent by consumers on food ends up in the pockets of American family farmers. VAPG helps farmers, ranchers, and food entrepreneurs to overcome economic and market challenges and capture more of the consumer dollar through agricultural entrepreneurship.

The Growing Value Added Economies Act will ensure that VAPG is able to continue supporting and empowering food and farm entrepreneurs and businesses by:

- **Providing \$20 million per year in mandatory funding.**
- **Improving customer service and addressing program access barriers** through the creation of a new outreach and technical assistance component.
- Increasing program transparency through **the creation of independent peer review panels**, which make decisions on awarding project funding.