

# Value-Added Producer Grant Program

## What is VAPG?

The Value-Added Producer Grant (VAPG) program provides competitive grants to farmers and ranchers to support value-added, producer-owned businesses. These enterprises increase farm income, create new jobs, contribute to community and rural economic development, promote innovation, and enhance food choices for consumers.

### “Value-Added” includes products processed on the farm.

It can also include a product manufactured and marketed in a manner that enhances its value to the consumer, such as “local”, “regional” or “grass fed” products. Grants can be used for business planning or to provide working capital.

### Types of Valued-Added Activities Eligible for Grants

**Processing:** Increasing value by changing a commodity’s physical state.

**Market Differentiation:** Increasing value by marketing the commodity’s special identity or character.

**Identity Preservation:** Increasing value by keeping the commodity physically segregated in production and distribution.

**On-Farm Renewable Energy:** Realizing value by transforming natural resources into energy on the farmstead.

**Local Food:** Increasing value by aggregating and marketing food for local markets

**Mid-Tier Value Chain:** Increasing value by linking farmers with local and regional supply networks in which they are equal partners.



## Strengthening Economies, Enhancing Communities

### VAPG supports diversity and innovation.

The program supports producers in developing new business enterprises to bring local and regional products to market, as well as strengthening the profitability and competitiveness of small, medium sized, beginning and socially disadvantaged farmers and ranchers.

### VAPG projects are high-return investments.

The program requires that applicants match their requested grant amount with their own funds and sweat equity, thus ensuring a

high level of responsibility and dedication to any funded business enterprise.

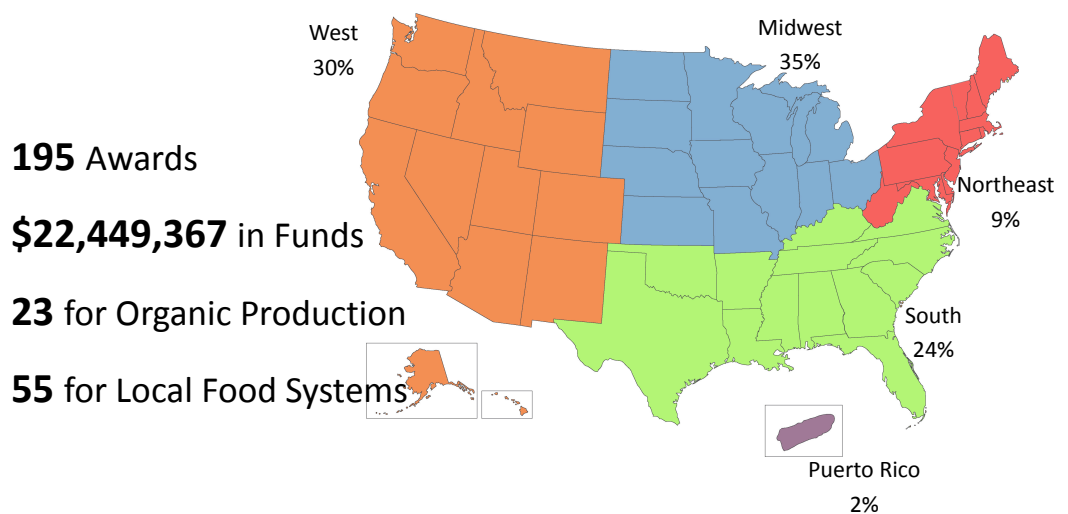
These **investments in sound agricultural business innovations and rural economic prosperity** can:

- Help family farmers and ranchers earn a living and expand their businesses
- Create jobs
- Increase rural economic opportunity
- Reduce risk by testing the feasibility of creative ideas

**Even as the program has proved highly successful, funding has declined.** While the 2008 Farm Bill authorizes \$40 million a year in discretionary appropriations, VAPG was funded at only \$20.4 million in FY10. **We seek \$30 million per year for VAPG in FY12.**

## 2009 VAPG Across the Nation

### Regional Distribution of Awards

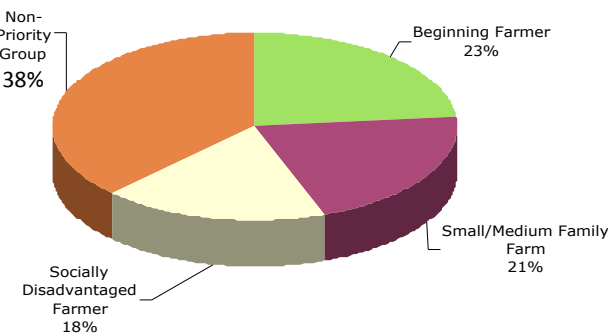


**195 Awards**

**\$22,449,367 in Funds**

**23 for Organic Production**

**55 for Local Food Systems**



**Distribution of Award by Priority Group\* Type**

\*In the 2008 Farm Bill, Congress designated projects that serve small and medium sized family farms, and beginning and socially disadvantaged farmers and ranchers as the three priority groups for VAPG awards.

## VAPG In Action *A Sample Of 2009 Project Awards*

Timber Ridge Dairy received grant funds for planning activities to expand the market for locally produced, farm processed, all natural, and organic dairy products in the Cedar Rapids and Iowa City areas; and to develop a dairy brand that markets these products.	IA
Wyoming Wheat Growers Association received grant funds to conduct a third-party feasibility study for the development of a Regional Supply Network of HWW (hard white wheat) blends to supply local and regional millers and bakers. The Association also anticipates the use of wind-generated electricity available at the elevator sites.	WY
Scattering Fork Wild Beef/Worstell Farms in the Beginning Farmer priority group, received grant funds for economic planning activities for a feasibility study of processing grass-fed beef, and expanding local markets through direct sales to health and environment concern customers. This corporation, comprised of active beef producers, is entering an emerging market for natural meat products.	MO
Boutwell Farms, LLC, in the Socially Disadvantaged Farmer priority group, received grant funds for economic planning activities to create a consumer brand strategy for locally produced beef and pork.	AL
Mr. Arthur Leon Eaton, in the Socially Disadvantaged Farmer priority group, received planning capital grant funds to expand Triple Eaton Farms' markets.	MS
Etoia Rivera-Strohm, in the Socially Disadvantaged Farmer priority group, received grant funds to process wool and mohair fiber into finished goods for sale.	OH
CCC Feeds and Farm Supply received grant funds for marketing their products.	CT
EQUUS Vineyards, LLC received working capital grant funds for market expansion of "Kentucky Proud" branded artisan products.	KY
Crown S Ranch, LLC, in the Beginning Farmer priority group, received grant funds for economic planning activities for direct local marketing of sustainably farmed meats and eggs.	WA
Purity Seeds, LLC, in the Socially Disadvantaged Farmer priority group, received grant funds for working capital to market packaged flax products and flax processed mixes for retail and wholesale.	SD
Brett Nunnenkamp and The Country Pumpkin, in the Small/Medium sized Farmer priority group, received grant funds for working capital to add value to commodity pumpkins by processing locally grown pumpkins into puree and other value-added products, using the puree as an ingredient.	NE
Alter Farm (Arkansas), in the Small/Medium sized Farmer priority group, received grant funds to study the viability of on-farm rice milling.	AR
Howling Hill Farm (Maine), in the Beginning Farmer priority group, received grant funds for working capital to enhance the processing of goats milk and create a marketing and sale strategy.	ME
Nu Life Market, LLC (Kansas), in the Small/Medium sized Farmer priority group, received grant funds to add value to grain sorghum. The grain sorghum will be grown, processed, packaged, and marketed by regional farmers to produce ingredients utilized in foods and beverages. The project was slated to create 5 new jobs in a community of 3,502 people.	KS
North American Bison Cooperative (North Dakota) received grant funds for economic planning and research activities to identify new and existing markets for bison products.	ND

