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USDA Announces Notice of Funding Availability for Value-Added Producer Grants

Grants extend production season and income opportunities for America's Farmers

WASHINGTON, Nov. 25, 2013 – Agriculture Secretary Tom Vilsack today announced the availability of nearly \$10.5 million in U.S. Department of Agriculture (USDA) grants to help agricultural producers enter into value-added activities designed to give them a competitive business edge.

"U.S. agriculture is connected to one in 12 American jobs, and value-added products from homegrown sources are one important way that agriculture generates economic growth," Vilsack said. "Supporting producers and businesses to create value-added products strengthens rural economies, helps fuel innovation, and strengthens marketing opportunities for producers – especially at the local and regional level."

The funding is being made available through the [Value-Added Producer Grant](#) program. Grants are available to help agricultural producers create new products, expand marketing opportunities, support further processing of existing products or goods, or to develop specialty and niche products. They may be used for working capital and planning activities. The maximum working capital grant is \$200,000; the maximum planning grant is \$75,000.

Eligible applicants include independent producers, farmer and rancher cooperatives, and agricultural producer groups. Funding priority is given to socially disadvantaged and beginning farmers or ranchers, and to small- to medium-size family farms, or farmer/rancher cooperatives.

The Value-Added Producer Grant program is one of many USDA programs that support the development of strong local and regional food systems as part of the *Know Your Farmer, Know Your Food* initiative. Launched in 2009, the initiative strengthens ties between agricultural producers and their local communities, helping meet growing consumer demand and creating opportunities for small business development. Initiatives like this create new income opportunities for farmers, generate wealth that will stay in rural communities, and increase access to healthy, local foods in underserved communities. All of these actions boost local economies.

Today's announcement comes as more than 1,400 communities nationwide gear up to support [Small Business Saturday](#), a day dedicated to championing small businesses on one of the busiest shopping weekends of the year. This year's Small Business Saturday is Nov. 30.

Rural Development is encouraging applications from Tribal organizations as well as applications that support regional food hubs. Applications supporting value-added activities related to bio-based products are also encouraged.

Since 2009, the Obama Administration has provided agricultural producers with almost \$80 million in Value Added Producer Grant assistance that has supported more than 600 innovative, value-added projects.

In Fiscal year 2012, for example, the Mississippi Delta Southern Rural Black Women in Agriculture Association received a \$44,000 working capital grant to provide a variety of services in the Delta region. The cooperative delivered oven-bakeable sweet potato fries to local Head Start programs and schools; cut, washed and bagged greens for local restaurants; and delivered sustainably grown and heirloom sweet potatoes to local and specialty grocers regionally and nationwide. The sweet potatoes are processed at the vegetable facility at Alcorn State University, in Lorman, Miss.

The project is supplying emerging markets with locally grown produce to enhance production, marketing and distribution infrastructure among women and minority landowners in persistently poor rural communities.

Additional examples of how VAPGs assist local and regional food producers are available on the USDA *Know Your Farmer, Know Your Food* [Compass](#), which is searchable by zip code and key word.

Grant applications are due by Feb. 24, 2014. More information about how to apply is available on page 70260 of the [November 25 Federal Register](#), or by contacting any USDA Rural Development state office.

Secretary Vilsack said that today's announcement is another reminder of the importance of USDA programs such as the Value-Added Producer Grant program for rural America. A comprehensive new Food, Farm and Jobs Bill would further expand the rural economy, Vilsack added, saying that's just one reason why Congress must get a comprehensive Bill done as soon as possible.

President Obama's plan for rural America has brought about historic investment and resulted in stronger rural communities. Under the President's leadership, these investments in housing, community facilities, businesses and infrastructure have empowered rural America to continue leading the way – strengthening America's economy, small towns and rural communities. USDA's investments in rural communities support the rural way of life that stands as the backbone of our American values.

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