



Value-Added Producer Grant

Commonly known as the [Value-Added Producer Grant \(VAPG\) program](#), the Value-Added Agricultural Product Market Development Grant aims to generate new value-added agricultural products; create and expand marketing opportunities for value-added agricultural products; and increase agricultural producer income. By awarding funds on a nationally competitive basis, this program enables viable agricultural producers to develop businesses that produce and market value-added agricultural products. Fund can also be used to create marketing opportunities for such businesses.

Program Highlights

- Planning grants (up to \$75K) are available for those planning for value-added agricultural production.
- Working capital grants (up to \$250K) are available for those engaged in value-added agricultural production. There is a simplified application for working capital projects requesting less than \$50K that doesn't require an independent feasibility study or business plan. Single producers requesting more than \$50K to expand existing value-added agricultural product(s) can submit a business plan instead of a feasibility study.
- Grant funds must be matched on a 1:1 basis. Matching funds may be cash or eligible in-kind contributions. Up to 50% of the match may come from "sweat equity"; other 50% of match must be cash.
- Maximum project timeframe is 3 years, project must begin within 90 days of award.
- Agricultural producers must supply at least 50% of the commodity for the project.
- VAPG applicants must obtain a Dun and Bradstreet Data Universal Numbering System (DUNS) number and register in the System for Awards Management (SAM).

Important Definitions

Agricultural commodity: An unprocessed product of farms, ranches, nurseries, and forests and natural and man-made bodies of water, that the producer has cultivated, raised, or harvested with legal access rights. Agricultural commodities include plant and animal products and their by-products, such as crops, forestry products, hydroponics, nursery stock, aquaculture, meat, on-farm generated manure, and fish and seafood products.

Agricultural food product: Agricultural food products can be raw, cooked, or processed edible substances, beverages, or ingredients intended for human consumption.

Value-added agricultural product: Any agricultural commodity produced in the U.S. that meets one of the following 5 value-added methodologies:

- Has undergone a change in physical state (ex. diced tomatoes, cheese, jam);
- Was produced in a manner that enhances the value (ex. organic, free-range);
- Is physically segregated in a manner that enhances the value (ex. GMO-free);
- Is a source of farm- or ranch-based renewable energy, including E-85 fuel; or
- Is aggregated and marketed as a locally-produced agricultural food product (less than 400 miles from product origin or distributed in State produced).

As a result of the change in physical state or the manner in which the agricultural commodity was produced, marketed, or segregated: the customer base for the agricultural commodity is expanded and a greater portion of the revenue derived from the marketing, processing, or physical segregation of the commodity is available to the producer.

Interested in applying? Contact the Business & Cooperative Programs Department at 302-857-3628.