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USDA Seeks Applications for Grants To Help Agricultural Producers Create a Value-Added Product

USDA Rural Development State Director Patty Clark invites agricultural producers to apply for grants to increase the value of their products.

USDA's Value-Added Producer Grants (VAPG) are available to help agricultural producers increase the value of an agricultural commodity in the production or processing stage. VAPG funds may be used for feasibility studies or business plans, working capital for marketing and processing value-added agricultural products, and for farm-based renewable energy projects. Eligible applicants include independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority controlled producer-based business ventures. Applicants have until October 15, 2012 to apply.

"The Value-Added Producer Grants are a great opportunity for agricultural producers to add value to their raw agricultural commodities," said Clark. "USDA Rural Development offers programs that assist agricultural producers and small businesses to expand their businesses, which helps create and retain jobs in rural Kansas."

USDA Rural Development is making up to \$14 million in grants available for projects that help farmers and ranchers produce bio-based products from agricultural commodities. The grants, which are competitively awarded, are available for planning activities or for working capital expenses, but not for both. The maximum grant amount is \$100,000 for planning grants and \$300,000 for working capital grants. Applicants must provide matching funds equal to the grant amount requested for the project.

In 2012, Schmidt Farms Inc., in Rawlins County, Kan., received a working capital grant to expand the market for their product lines which includes beef, chicken, and eggs. The company is a family farm that has been in the meat business for the last 25 years. They have been marketing their home grown beef directly to customers. Schmidt Farms is building and expanding the market not only for their beef, but also for their chickens and eggs. The product lines will be marketed as being produced locally and produced farm fresh. Beef produced is promoted as being all natural and chickens as being free range and antibiotic free.

Businesses of all sizes are encouraged to apply, but priority will be given to operators of small and medium-sized farms or ranches that are structured as family farms, beginning farmers or ranchers, or those owned by socially-disadvantaged farmers or ranchers. Grants are available for projects up to 36 months in duration. Additional grant requirements can be found on the USDA Rural Development Kansas website, http://www.rurdev.usda.gov/KS_RBS_VAPG.html

For information on how to apply, contact a USDA Rural Development Business Programs Specialist.

- Northeast Kansas, Nancy Pletcher, 785-271-2700, Ext. 2733, nancy.pletcher@ks.usda.gov
- Southeast Kansas, Katie Casper, 620-365-2901, Ext. 1427, katie.casper@ks.usda.gov
- South-central Kansas, Douglas Clary, 316-283-0370, Ext. 1430, douglas.clary@ks.usda.gov
- Northwest and Southwest Kansas, Doug Bruggeman, 785-628-3081, Ext. 1435,

doug.bruggeman@ks.usda.gov

USDA, through its Rural Development mission area, has an active portfolio of more than \$172 billion in loans and loan guarantees. These programs are designed to improve the economic stability of rural communities, businesses, residents, farmers and ranchers and improve the quality of life in rural America.