

Deputy Agriculture Secretary Announces Value Added Producer Grant Program Changes to Assist Farmers as They Add Value to Products

Job creation, Beginning and Socially Disadvantaged Farmers, Support for Regional Supply Networks To Benefit

WASHINGTON, Feb. 23, 2011 – Deputy Agriculture Secretary Kathleen Merrigan today announced **changes** to the Value Added Producer Grant Program that will provide additional opportunities to beginning and socially disadvantaged farmers. The changes, **outlined in an interim rule** published in today’s Federal Register, will also assist independent producers, farmer and rancher cooperatives, agricultural producer groups, and will support local and regional supply networks.

“Improvements to this popular program will create additional economic and job opportunities by helping owners of small and medium-sized family farms sell their products in local and regional markets, part of our drive to ‘win the future,’” Merrigan said. “USDA investments such as these are part of the Obama administration’s work to support farmers, ranchers and rural businesses.”

The regulations address program changes included in the 2008 Farm Bill. These revisions:

- Provide up to 10 percent funding to beginner farmers and socially disadvantaged farmers and ranchers;
- Provide up to 10 percent funding to local and/or regional supply networks that link producers with companies marketing their products;
- Give priority for grants to beginner farmers, socially disadvantaged farmers and ranchers, and operators of small and medium-sized family farms;
- Extend grant eligibility to producers who market their products within their state or within a 400-mile radius.

These **changes take effect on March 25, 2011**. In addition to the rule changes, **USDA Rural Development is soliciting comments on the interim rule**. For information on how to submit comments, see page 10090 of the February 23, 2011 Federal Register. **(Attached)**

USDA Rural Development anticipates a Notice of Funding Availability (NOFA) for Value Added Producer Grants will also be published soon. To learn more about the VAPG program and how it benefits producers, go to: <http://www.youtube.com/watch?v=TF2ac0o2mJI>.

Value-Added Producer Grants may be used for feasibility studies or business plans, working capital for marketing value-added agricultural products and for farm-based renewable energy projects. Eligible applicants include independent producers, farmer and rancher cooperatives, and agricultural producer groups. Value-added products are created when a producer increases the consumer value of an agricultural commodity in the production or processing stage.