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AGRICULTURE SECRETARY VILSACK ANNOUNCES AVAILABILITY OF VALUE ADDED PRODUCER GRANTS

MODESTO, Calif., Aug. 26, 2009 – Agriculture Secretary Tom Vilsack today announced that USDA will soon be accepting applications for grants to assist agricultural producers seeking to add value to the commodities they produce. Approximately \$18 million will be awarded nationwide.

"These grants strengthen rural economies and create jobs by helping farmers and ranchers add value to their agricultural products by using them for planning activities such as feasibility studies, marketing and business plans, or for working capital," Vilsack said. "This program also supports President Obama's goal to expand our nation's renewable energy resources by helping farmers develop renewable energy from agricultural products."

Vilsack highlighted a past grant recipient in Ohio as an example of how local producers have used USDA's Value Added Producer Grant funds to expand markets for locally grown produce. The Chef's Garden, Inc., in Huron, Ohio, received a \$97,500 grant to explore the feasibility of processing and marketing products derived from locally-grown produce. The 40-year-old company has completed market research efforts and is now selecting products to market to consumers. The company projects a 20 percent increase in sales.

USDA plans to award planning grants of up to \$100,000 and working capital grants of up to \$300,000 to successful applicants. Applicants are encouraged to propose projects that use existing agricultural products in non-traditional ways or merge agricultural products with technology in creative ways. Businesses of all sizes may apply, but priority will be given to operators of small and medium-sized family farms – those with average, annual gross sales of less than \$700,000.

Applicants must provide matching funds equal to the amount of the grant requested. Ten percent of the funding being made available is reserved for beginning farmers or ranchers and socially disadvantaged farmers or ranchers. An additional 10 percent is reserved for projects involving local and regional supply networks that link independent producers with businesses and cooperatives that market value-added products.

Paper and electronic applications must be submitted to the Rural Development state office in the state where the project will be located. A list of state offices is available at www.rurdev.usda.gov/recd_map.html. Electronic applications must be submitted through <http://www.grants.gov/>. The Department will publish the official notice for funding availability in the Federal Register within the next week, and will begin accepting applications at that time.

USDA Rural Development's mission is to increase economic opportunity and improve the quality of life for rural residents. Rural Development fosters growth in homeownership, finances business development and supports the creation of critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA Rural Development's web site at <http://www.rurdev.usda.gov/>.

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