



# NABC

northwest agriculture  
business center

## Value Added Producer Grant

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Melissa Moeller  
[melissa@agbizcenter.org](mailto:melissa@agbizcenter.org)

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**Carlotta Donisi,**  
**Business Programs Specialist**  
**USDA Rural Development**

**[Carlotta.Donisi@usda.gov](mailto:Carlotta.Donisi@usda.gov)**

**360-704-7724**

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Purpose:

Grants to help agricultural producers successfully process, market, and sell value-added products

Expand markets for ag producers

Strengthen rural economies



# Funds Use

## Planning Grants:

- \$75,000 Maximum
- Feasibility Studies, Business/Marketing Plans

## Working Capital:

- \$250,000 Maximum
- Operational Expenses for Value-Added
- Cannot cover Production Expenses or Equipment

Matching Requirement: 1-1 Match

# Applicant Eligibility:



# Applicant Eligibility

## Agricultural Producer Definition:

An individual or entity directly engaged in the production of an agricultural commodity, or that has the legal right to harvest an agricultural commodity, that is the subject of the value-added project.

Agricultural producers may “directly engage” either through substantially participating in the labor, management, and field operations themselves or by maintaining ownership and financial control of the agricultural operation.

# Applicant Types

1. Independent Producers
2. Agricultural Producer Groups
3. Farmer & Rancher Cooperatives
4. Majority-Controlled Producer-Based Businesses



# Independent Producer

- Individual agricultural producer or an entity that is solely owned and controlled by agricultural producers
- Directly engaged in the production of the subject agricultural commodity.
- Sole proprietorships, partnerships, limited liability companies, corporations.
- 85% of applications

# Ag Producer Group

Groups that represent and work on behalf of Ag Producers



The majority of the applicant's membership meet the definition of an Independent Producer.



The majority of the applicant's board of directors meet the definition of an Independent Producer.



# Farmer/Rancher Coops

Business owned/controlled by ag producers, organized as a cooperative by state law

Harvester cooperatives are not eligible



# Majority-Controlled Producer-Based Business Venture

- Majority of control and financial ownership is Independent Producers
- Requires eligibility confirmation
- 10% of available funds allocated

# Applicant Eligibility

## All Applicants Must:

- Currently produce and provide more than 50 percent of the raw commodity that will be used for the value-added product.
- Own the product from its raw commodity state through the production of the value-added product during the project.

For value-added products with multiple ingredients, a producer doesn't have to produce majority of **ALL** ingredients, just one

# Applicant Types

1. Independent Producers
2. Agricultural Producer Groups
3. Farmer & Rancher Cooperatives
4. Majority-Controlled Producer-Based Businesses

Product  
Eligibility:



# Product Requirements

1. Show value added to commodity – one of five methods
2. Show increase in customer base
3. Show increase in revenue due to value-added product



# Methods to Add Value

1. Physical State Change
2. Enhanced Production Methods
3. Product Segregation
4. Renewable Energy
5. Locally Produced, Marketed, Distributed

Meet **one** method for project eligibility

# Physical State Change

Irreversible process that alters the commodity and enhances value

Not a post harvest process that primarily serves to preserve the commodity

Examples:

- Milk into cheese
- Wool into clothing
- Livestock into packaged meat

# Physical State Change



# Enhanced Production

Recognized set of production practices when growing commodity

- Different market for resulting product
- Increased value for product over those produced via standard practices

Examples:

- Organic
- Free range

# Product Segregation

Commodity is separated from other varieties of same commodity

Separation continues from production to processing to marketing/sale

Examples:

- GMO vs. non-GMO separation



# Renewable Energy

Commodity used to generate renewable energy

No wind, solar, geothermal, or hydro energy sources

Energy can be sold

Examples:

- Manure into methane via digester
- Corn into biodiesel



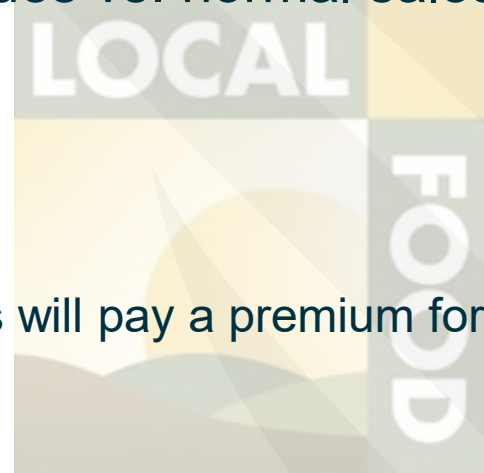
# Locally Produced

Food product marketed and distributed within 400 miles of original or within State of origin

Must show evidence of increase in revenues vs. normal sales method

Examples:

- Almost anything, trick is to show customers will pay a premium for local



# Product Requirements

1. Show value added to commodity – five methods
2. Show increase in customer base in application
3. Show greater revenue realized due to value-added product in application



# Purpose Eligibility Use of Funds



# Funds Use

## Planning Grants:

- \$75,000 Maximum
- Feasibility Studies, Business/Marketing Plans

## Working Capital:

- \$250,000 Maximum
- Operational Expenses for Value-Added
- Cannot cover Production Expenses or Equipment

Matching Requirement: 1-1 Match

# Eligible Expenses – Working Capital

## Examples:

- Processing costs – labor, utilities, ingredients
- Packaging, Labeling
- Purchase additional raw commodity; < 50%
- Advertising, Promotion
- Financial/accounting costs
- Web development
- Distribution, Shipping, Delivery

# Ineligible Expenses

## Examples:

- Construction
- Equipment, Vehicles
- Costs related to production, harvest, delivery of commodity
- Engineering, Architectural design

# Matching

Equal to grant amount (at least 50% of project costs)

Spent only on eligible expenses (no equipment, production match)

Spent in advance of grant draw request

No conflict of interest

Verified at application and confirmed at award

# Matching

## Eligible Sources:

1. Applicant Cash, Loan
2. Value of Raw Agricultural Commodity
3. Applicant or family member in-kind labor
4. Third-party cash
5. Third party in-kind contribution

Applicant in-kind labor limited to 25% of project cost

Keep it simple

# Application Requirements



# Application Types

## Planning Grants

## Working Capital Grants

1. Simplified Applications
2. Market Expansion Applications
3. Emerging Market Applications



# Simplified Applications

Grant Requests **less** than \$50,000

All four applicant types are eligible

No feasibility study or business plan required

Customer base expansion and revenue increase still covered in application

# Emerging Markets

Grant Requests \$50,000 to \$250,000

Producing/marketing value added product for less than two years

All applicant types are eligible

Independent feasibility study and business plan required w/  
application

# Market Expansion

Grant Requests \$50,000 to \$250,000

Applicant must be producing/marketing value-added product for at least two years at time of application

Independent Producers are only eligible applicant type

Business or marketing plan required but not a feasibility study

# Application Contents

## Work Plan/Budget:

1. Narrative description of project, goals, tasks
2. Budgets for costs split amongst category (ex. Labor) and tasks
3. Identification of key personnel responsible for tasks
4. Timeframes for tasks, entire project
5. Sources and uses of funding

## Agency Documents:

1. Application for Federal Assistance (SF 424 w/ C&D)
2. Representations re: Felony (AD 3030)
3. UEI Registration

# Eligibility Misc

1. Grant period – two years standard, three maximum
2. Application completeness
3. Multiple grants – must have different app type or VA product
4. Active grant – one at a time

# Project Timeline

## Application



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graph LR; A[Application] --> B[Scoring & Obligation]; B --> C[Project];
```

- Assemble Application
- Submit to RD
- RD Review/Confirm Completion

## Scoring & Obligation

- RD Scores/Competes
- Notification
- Obligation Paperwork

## Project

- Conduct Project
- Match
- Reimbursement
- Reporting
- 1099 income

# Scoring Considerations

## Criteria:

### 1. Nature of Project

Tech feasibility, operational efficiency, profitability, sustainability

### 2. Qualifications of Personnel

### 3. Commitments & Support

Cash match, commitment from end-users, suppliers

### 4. Work Plan & Budget

### 5. Priority Points

Beginning farmer/rancher, socially-disadvantaged, veteran, small/med farm



Questions?



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**Break**

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# Farmer Panel

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# Application Process

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# Step 1: Determine your value added project

- What do you already produce?
- Can you produce and sell more of it?
- How can you narrow the scope of your application to maximize your grant ask?
- What value added methodology should you use?

## Step 2: Choose your value added methodology

1. Change in Physical State
2. Enhanced Production Methods
3. Physical Segregation
4. Renewable Energy
5. Locally-produced Food Product

# Change in Physical State

An irreversible process that alters the commodity and enhances value.

Examples:

- Milk into cheese
- Wool into clothing
- Livestock into packaged meat



# Enhanced Production Methods

Use of recognized set of production practices when growing the commodity  
Increased value for product over those produced via standard practices

Examples include, but are not limited to

- Organic carrots
- Eggs produced from free-range chickens





# Locally -Produced Agricultural Food Product

Any agricultural food product that is marketed and distributed within 400 miles of the product's origin or within the State in which the product is produced.

Examples:

- Almost anything as long as you can show that customers will pay a premium for local



## Step 3: Understand your current numbers

- How much have you produced each of the last 3 years?
- How much more can you produce in the next 3 years?
- What have your sales been for the last 3 years?
- What rate of growth can you anticipate for the future?
- Who are your current customers?
- Who would buy from you if you had more to sell?

## Step 4: Make sure your business licenses are all current

- Do you have all the appropriate business licenses?
- Are you employing people legally?
- Are you either a US citizen or reside in the US after legal admittance?
- Do you have the authority to act on behalf of your organization?
- Are you current on your IRS tax filings?
- Do you have any IRS judgments against you?

## Step 5: Business or marketing plan

- Do you have a current business plan?
- Do you have a marketing plan for your value added product?
- If this is a new product for you, do you have a feasibility study produced by a qualified professional?

Simplified applications do not require a business or marketing plan.

Market expansion projects do not require a feasibility study.

## Step 6: Begin working on your application

At this point, you have what it takes, or know what you need to do to apply. When the USDA opens the application period, the application tool kits will be available here:

[Value Added Producer Grants | Rural Development \(usda.gov\)](#)

Even though applications are not being accepted yet, it is not too early to start on your application

# What you will need to complete your application

- UEI: This number allows you to receive federal grant money
- Project budget
- Projections for how much of the value added product you can produce
- Projections for how much more you can sell
- Projections for who you will sell your product to
- Letters of support for your project
- Business or marketing plan
- Verification that your business is in good standing
- Verification of your in-kind matching

# Unique Entity Identifier

Go to [www.sam.gov](http://www.sam.gov)

The screenshot shows the SAM.GOV website homepage. At the top, there is a navigation bar with links for Home, Search, Data Bank, Data Services, and Help. A 'Sign In' button is located in the top right corner. The main content area features the SAM.GOV logo and a banner stating 'Official U.S. Government Website 100% Free'. Below this, there are two main sections. The left section, titled 'The Official U.S. Government System for:', lists several services: Contract Opportunities (was fbo.gov), Contract Data (Reports ONLY from fpds.gov), Wage Determinations (was wdol.gov), Federal Hierarchy (Departments and Subtiers), Assistance Listings (was cfda.gov), Entity Information (Entities, Disaster Response Registry, and Exclusions), and Entity Reporting (SCR and Bio-Preferred Reporting). The right section, titled 'Register Your Entity or Get a Unique Entity ID', includes a sub-header 'Register your entity or get a Unique Entity ID to get started doing business with the federal government.' and three buttons: 'Get Started', 'Renew Entity', and 'Check Registration Status'. At the bottom, there is a search bar with the text 'Already know what you want to find?' and a dropdown menu for 'Select Domain...' with the example 'e.g. 1606N020Q02' and a search icon.

# Unique Entity Identifier Registration

## What do you want to do?

Choose what you need and we will show you what information to prepare.



### Register for Financial Assistance Awards Only

- To apply for grants and loans as described by 2 CFR 200. [↗](#)
- Includes getting a Unique Entity ID and entity registration.



### Register for All Awards

- To bid on federal contracts and other procurements, as described by the Federal Acquisition Regulation (FAR). [↗](#)
- To apply for grants and loans as described by 2 CFR 200. [↗](#)



### Get a Unique Entity ID Only

- May be required to report subawards, such as federal subcontracts or sub-grants
- You will get a Unique Entity ID. This is NOT an entity registration.



[What's the difference between getting a UEI only and registration ↗](#)



### What do I need for registration?

Download our guide.

Download



# Application Window

<https://www.rd.usda.gov/programs-services/business-programs/value-added-producer-grants>

The screenshot displays the USDA Rural Development website. At the top left is the USDA logo and the text "Rural Development U.S. DEPARTMENT OF AGRICULTURE". The top right navigation bar includes links for HOME, ABOUT USDA, ASK USDA, and HELP. Below this is a dark blue navigation bar with links for ABOUT RD, STATE OFFICES, PROGRAMS & SERVICES, NEWSROOM, RESOURCES, and CONTACT US, along with a search bar. A breadcrumb trail shows HOME > PROGRAMS & SERVICES > BUSINESS PROGRAMS. On the left is a sidebar menu with categories like About RD, State Offices, Programs & Services, and Business Programs. The main content area features a language selector set to English and a large heading "Value-Added Producer Grants". Below the heading, it states "Application Window: CLOSED" and "Program Application Period: Paper Applications were due May 2, 2022. Electronic applications were due April 25, 2022." There is a dropdown menu for state-specific information currently set to "-- Select State --". At the bottom of the main content area are three buttons: "Fact Sheet", "Federal Register Notice", and "Grants.gov Posting". A secondary navigation bar at the very bottom contains tabs for "Overview", "To Apply", "Other Requirements", "Contact", and "Events".

USDA Rural Development  
U.S. DEPARTMENT OF AGRICULTURE

HOME ABOUT USDA ASK USDA HELP

ABOUT RD STATE OFFICES PROGRAMS & SERVICES NEWSROOM RESOURCES CONTACT US

HOME > PROGRAMS & SERVICES > BUSINESS PROGRAMS

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**Programs & Services**  
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BioPreferred Program  
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Community Facilities Programs  
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Multifamily Housing Programs  
Single Family Housing Programs  
Telecommunications Programs  
Water & Environmental Programs  
Cooperative Services

English

## Value-Added Producer Grants

Application Window: **CLOSED** Program Application Period:  
Paper Applications were due May 2, 2022  
Electronic applications were due April 25, 2022.

For state specific information:  
-- Select State --

Fact Sheet Federal Register Notice Grants.gov Posting

Overview To Apply Other Requirements Contact Events

# Application Toolkit

Overview

To Apply

Other Requirements

Contact

Events

Please ensure that your state is selected in the dropdown menu above to contact your local Business Programs Specialist. Speak to a Business Programs Specialist before attempting to fill out any forms or applications. This will save you valuable time in the process.

## Preliminary Actions Required

It's a good idea to start the registration process at least a month before any application deadline. To complete an application for this program, you must be pre-registered with the [System for Award Management \(SAM\)](#). The SAM application process is free, but it can take time so be sure to get this taken care of right away. If you are already registered with SAM, you do not need to do it again, ensure your registration remains active.

Before you start the SAM registration process, we suggest reading through the HELP materials available on the SAM website. After you create your account you can register your organization. If applicable, please make a note of your CAGE (Commercial and Government Entity) code and expiration date. Please note your Unique Entity Identifier (UEI) number because you will need it for your application.

Please read the [Federal Register](#) notice for the details on how to apply. Applicants should put together the required information at least a month before the application deadline. The extra time allows collection of required materials such as letters of commitment or support from organizations, a work plan and budget, and other information.

## Application Toolkits

- Application Planning Toolkit [\[docx\]](#)
- Application Working Capital Toolkit [\[docx\]](#)

## Reminder

# VALUE-ADDED PRODUCER GRANT is *NOT*:

- A technical assistance program
- A job training program
- Intended to teach people how to farm
- Intended as a continuous stream of capital
- For equipment or real estate improvements



# Purpose



Grant money to help agricultural producers successfully process, market and sell value-added products

Expand markets for agricultural producers

Strengthen rural economies

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**Questions?**

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**Melissa Moeller**

**[melissa@agbizcenter.org](mailto:melissa@agbizcenter.org)**

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# PARTNERS

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## Community and Market Partners

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ECONOMIC DEVELOPMENT ALLIANCE OF SKAGIT COUNTY  
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USDA - RURAL DEVELOPMENT VIVA FARMS  
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