

Value-Added Producer Grant Program For Tribal Applicants









OVERVIEW: Is VAPG for me?



What is VAPG?

VAPG provides funds to enable viable Agricultural Producers to develop businesses that produce and market Value-Added Agricultural Products and to create marketing opportunities for such businesses.



VALUE-ADDED PRODUCER GRANT

- National Competition
- FY2017 Available Funding: TBD
- FY2017 Application Deadlines: TBD
- Maximum Award Amounts
 - \$75,000 Planning
 - \$250,000 Working Capital
- Matching Requirement

1-to-1 match (50% of total project costs) cash or in-kind

• Grant Period

Up to 36 months, depending on project complexity.

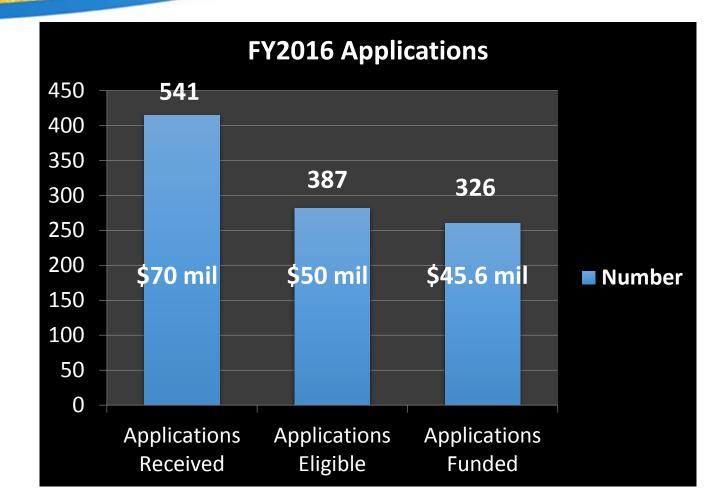


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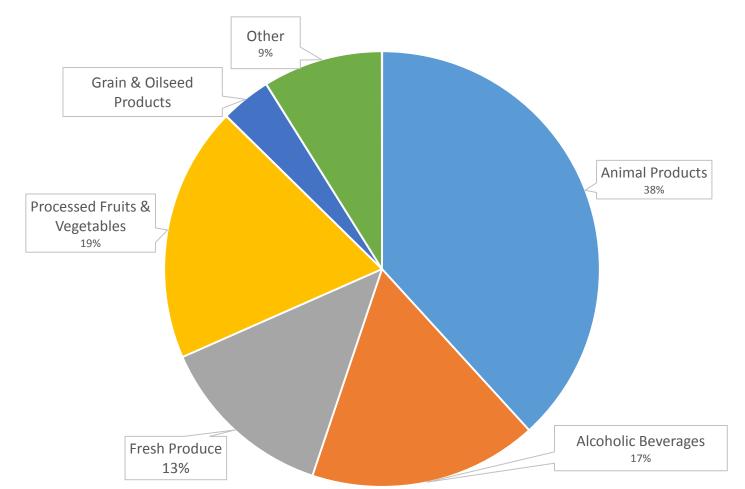
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*Funded applications from 47 States and 2 Territories



FY2016 VAPG Awards by Product Category





Eligible Applicants

...must be **Agricultural Producers**:

"An individual or entity that produces an Agricultural Commodity through participation in the day-to-day labor, management, and field operations."

...and must meet the definition of one of four applicant types:



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Four Eligible Applicant Types

- Independent Producers*
- Agricultural Producer Groups
- Farmer or Rancher Cooperatives*
- Majority-Controlled Producer-Based Businesses
- * Most tribal applicants will be IPs or Co-ops



Independent Producer

An agricultural producer who is the sole proprietor OR a group comprised solely of agricultural producers.



Farmer or Rancher Cooperative

A business owned and controlled by agricultural producers that is incorporated as a cooperative or is otherwise recognized in the state in which it does business, as operating as a cooperative.



All Four Applicant Types *Must* :

- Currently produce and own 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 (except for MTVC).



What Qualifies as a Value-Added Product?

- Change in physical state
- Produced in a manner that enhances the value of the raw commodity or product
- Physical segregation
- Is a source of farm- or ranch-generated renewable energy
- Locally marketed agricultural food product



All applicants must demonstrate that the project will result in:

- Expanded customer base
- Increased revenue returned to the producer.





How can grant funds be used?

2 Types of Grants

Planning: Development of a feasibility study, business plan, and/or marketing plan related to processing and marketing the value-added product.

Working Capital: Eligible costs associated directly with the processing and/or marketing of the value-added product.



Examples: Common tasks/expenses

Planning Grants

• Hire a consultant to develop a feasibility study, business plan, or marketing plan.



Examples: Common tasks/expenses

Working Capital

- Pay costs of processing the raw commodity into the value-added product.
 - Product packaging & labeling
 - Ingredients
 - Promotional materials
 - Advertising



Examples: Ineligible expenses

- Purchase of land, buildings or equipment
 - Preparation of the grant application,
- Research and development, architectural or engineering design work
- Production, harvesting or delivery of the raw commodity to a processing facility



What about matching funds?

- Equal to at least the grant amount (at least 50 percent of total project costs).
- Spent only on eligible expenses;
- Spent in advance of grant funding (for every dollar of grant funds disbursed, not less than an equal amount of matching funds will have been expended prior to submitting the request for reimbursement);
- From eligible sources without a real or apparent conflict of interest
- Must be verified at application and confirmed at award





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Matching Funds



- Applicant cash (including PL 93-683 Indian Self-Determination Act grant funds), loan, or line of credit; and/or
- Applicant or family member in-kind contributions of fairly valued time spent on the project (applicant provided services limited to 25 percent of total project costs); and/or
- Third-party cash, or
- Third-party in-kind contributions

Note: cash matching funds score higher than in-kind



VAPG for Tribal Applicants



How do tribal applicants fit?

Tribal entities must:

- Meet the definition an "Agricultural producer"
- Meet the requirements of one of the four applicant types

However, the definition of Agricultural Producer has been revised to clarify that the eligibility of Tribes and Tribal entities, due to their unique structures, will be determined by the Agency *without regard to day-to-day labor, management, and field operation and right to harvest status*.



How do tribal applicants fit?

How will the Agency determine eligibility "without regard to dayto-day labor, management, and field operation and right to harvest status."

Tribes and tribal entities should address the questions in application template Appendix A regarding composition, structure and relationship of the entity to the tribe, the beneficiaries of returns generated by the project, and related eligibility questions.

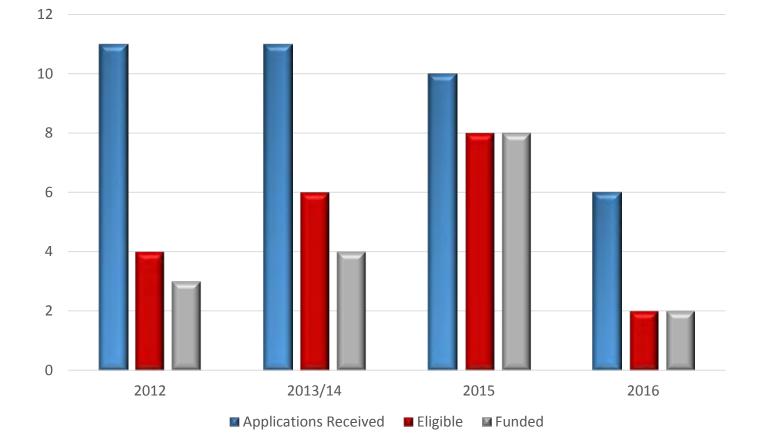


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Tribal Applicants BY THE NUMBERS

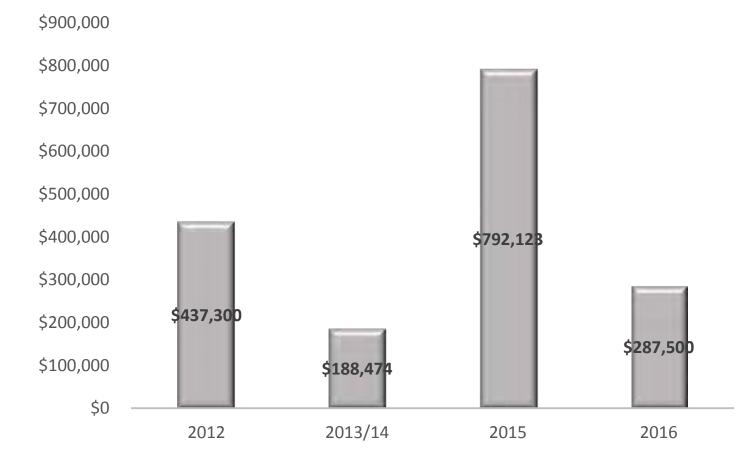


TRIBAL APPLICATIONS





FUNDING TO TRIBAL APPLICANTS





FY2016 Tribal Awards

STATE	RECIPIENT	AMT	PURPOSE
Minnesota	Leech Lake Band of Chippewa Indians	\$250,000	The Leech Lake Band of Chippewa Indians received a working capital award in the amount of \$250,000 to implement a comprehensive marketing program for Leech Lake Natural Wild Rice, to include hiring an experienced marketing manager, development of an online sales platform, and advertising through other outlets. These first-time marketing efforts have a goal of reducing dependence on Leech Lake tribal government for cash injections.
Wisconsin	Oneida Nation	\$37,500	VAPG planning grant funds will be used to conduct a feasibility study, business plan and market study for customer acceptance to determine if the processing and sale of Oneida Nation apples into apple chips is feasible.



How Do I Apply? Tools for Applicants





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Outreach Fact sheets

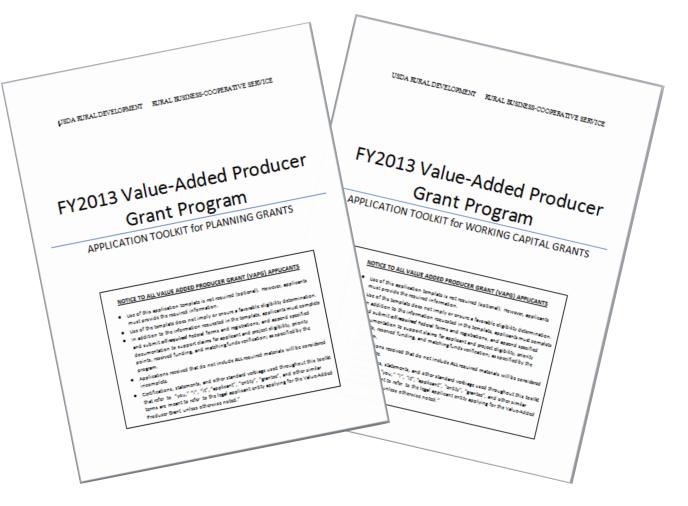
- General program Info
- Locally-produced food
- Anaerobic digesters
- Harvesters
- Mid-tier value chains





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Comprehensive Toolkits for Planning and Working Capital





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	USDA V	alue-Added Producer Grant
		oplication Toolkit for Working Capital
	110000	nineeron rooke on troking capital
	Casting C.	Project Eligibility
		Project Englanty
		Value-Added Methodology
		Excension of Customer Base
		Increased Revenue
USDA Value-Added Producer Grant		rpose Bigibilty
FY2013 Application Toolkit for Working Capital		Use of Funds
		Twork Plan
		Budget
		Type of Working Ospital Application
CHECKLIST		2. He of the approximation
		osal Evaluation Criteria
Program requirements are detailed in <u>7 CFR 4284, subport J</u> , the 2013 Notice of Funds Availabili	ity contained in	osal Evaluation Criteria
this toolkit. You must become familiar with these documents before applying.		informance Braluation Criteria
Before you submit your application, please be sure you have addressed all of the following	g elements.	Applicant-suggested Performance Criteria
a sub-state state and state state		Jobs Created/Saved
Required forms (see links below for fillable forms)		Expansion of Customer Base
FormSF-424, "Application for Federal Assistance"		Increased Revenue
FormSF-4244, "Budget Information-Non-Construction Programs"		
Form SF-424B, "Assurances - Non-Construction Programs"		oposal Evaluation/Scoring Criteria
Form RD 400-4, "Assurance Agreement"		Nature of the Proposed Venture
Form AD-3030, "Representations Regarding Felony Conviction and Tax Delinquent	cy Status for	Qualifications of the Project Personnel
Corporate Applicants" (required only for corporate applicants)		Commitments and Support
And and American Information		Work Plan and Budget
Section 1, Summary Information		Priority points (ir applicable)
Legal Name of Applicant		
		thing Funds
SAM Registration Cage Code and Expiration Date		Certification of Matching Funds
Employer Identification Number (EIN)		Verification of Matching Funds
Applicant Type		
□ Purpose		
Requested Grant Amount		Appendix A - Tribes and Tribal Entities as VAPG Applicants
Reserve Fund Request		Appendix B - Legal Authority and Responsibility
Brief Summary of Proposed Project		Appendix C - Supporting Documentation
		Appendix D - Matching Funds Verification
Section.2. Executive Summary		Appendix E - Priority Points and Reserve Funds Documentation
Date gage description of your proposed project.		
Section 3. General Eligibility Requirements		
Legal Authority and Responsibility		
Description of a product strained		

Multiple Grant Eligibility Currently Active VAPG Grant Certification of Federal Judgments

Section.4. Applicant Eligibility Applicant Bigibility Applicant Type Requirements Emerging Market (as applicable)

Checklists to ensure complete applications



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Links to required forms and necessary resources, including:

- SF 424s
- AD 3030
- Program regulation
- NOFA

USDA Value-Added Producer Grant FY2013 Application Toolkit for Working Capital

REQUIRED STANDARD FORMS

Form SF-424, "Application for Federal Assistance" http://www.granta.gov http://apply07.granta.gov/apply/forma/samplo/SF424_2_1-V2.1.pdf

form SF-424A, "Budget Information-Non-Construction Programs" http://apply07.grants.gov/apply/forms/samplo/SF424A-V3.0.pdf

Form SF-4248, "Assurances - Non-Construction Programs" http://apply07.grants.gov/apply/forms/samplc/SF4248-V1.1.pdf

form RD 400-4, "Assurance Agreement" http://forma.ac.opv.usde.gov/cfoommon/chictorviccs/cforma/RD400-4.FDf

Form AD-3030, "Representations Regarding Felony Conviction and Tex DelinquencyStatus for Corporate Applicants <u>http://www.ocio.usde.gov/documont/e03080</u>

> OPTIONAL FORM [INSERT INSTRUCTIONS]

Form AD-2126, "Form to Assist in Assessment of USDA Compliance with Gvil Rights Lews" http://forms.sc.egov.vsda.gov/cform.mon/childSovices/cforms/AD2106.PDF

IMPORTANT APPLICATION RESOURCES

VAPO Program Regulation 7 CfR 4264 subpart J

n http://www.rurdev.usda.gov/SupportDecuments/4284j.pdf

VAPG Notice of Funding Availability (NOPA)

Administrative Notice on Tribal Applicant Sigibility

DUNS # Obtain a free DUNS number by calling 1-800-254-3867 or go to: www.dunandbradstreet.com/US/duns_update/index.html

SAM Registration Cage Code Register of no charge of <u>https://www.som.gov/portal/public/SAM/</u>





View Infographic

Links to DUNS and SAM



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OPTIONAL templates for Planning and Working Capital applications.

	APPLICATION TEMPLATE
	SECTION 1: SUMMARY INFORMATION
Legal Name of Applicant Ent	ity:
DUNŠ #	Employer identification Number (EN)
SAM/CCR Registration Cage (Code: Expiration Date:
Applicant Type - Please Che	ck One:
 Independent Produ Parmer or Rancher 	
New Agricultural Commodity	۶
Value-Added Product:	
Purpose UWorkingCapital	Smit
Requested Grant Amount (S	200,000 or less): \$
Proposed Grant Period Start Proposed dates should correspon	Deta: Proposed Grant Pariod End Deta: d with grant pariod dore included in SF434 and Section 5.4(3)s, of the templote.
Check <u>one</u> if you are compet	ing for Reserved Funda (See 4284.302 and Appendix E for Definitions):
-	Deadvantaged Farm or or Kancher
Reserve Punds for a Mid-Ti	
Brief Summary of Proposed I [<u>Example:</u> VAPG working capital fun promotional expenses.]	Project (limit 100 words) dewill be used to pay labor costs to produce artisan cheeses from organic milk and for packaging, labeling, and
	(Insert brief summary of proposed project)
	SECTION 2: EXECUTIVE SUMMARY OF PROJECT
application type (planning or wo	(ption of your project containing thefoloxing: Information: 1) legal name of applicant entity, 2) rking capital), 2) applicant type, 4) amount of grant request, 5) a summary of your project, 6) project gasis and 7) how you intend to use the grant funds. Limit one page.)
	1



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APPENDICES

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ole propietor/independent ssee Appendix A for

ing (Examples: By-Laws, Article:

your Secretary of State o

Intetior

Py of your Marketing Plan

ood Standing

Guidance for:

- Tribal applicants
- Required documentation
- Matching fund verification templates
- Reserve fund and priority point eligibility



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Program Information & Materials

http://www.rd.usda.gov/programs-services/value-added-producer-grants





Where to go for assistance:

USDA Rural Development State Office Contacts

http://www.rd.usda.gov/contact-us/state-offices

USDA Service Center Locator

http://offices.sc.egov.usda.gov/locator/app?state=us&agency=rd



INTERTRIBAL AGRICULTURE COUNCIL TECHNICAL ASSISTANCE PROGRAM

http://www.indianaglink.com/



How do I apply? The Application Package





Basic Program Requirements

- Eligibility
- Evaluation & scoring



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The Application Package

USDA Value-Added Producer Grant Application Toolkit for Working Capital

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Eligibility

- Applications are submitted to the Rural Development office in the applicant's state.
 - State Office is responsible for determining eligibility
- National Office may select individual applications for a quality control check on eligibility



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The Application Package Eligibility

SECTION 4: APPLICANT ELIGIBILITY

Use 7 CFR 4284.920 and 921, the definitions at 902 and the NOFA to address this section. Tribes and tribal entities should also refer to Appendix A for guidance on eligibility requirements.

4.1 All Applicants must acknowledge and agree to the following by checking each.

□I/We produce the subject agricultural commodities through participation in the day-to-day labor, management, and field operations; or have the legal right to harvest an agricultural commodity that is the subject of the VAPG project (see the definition of Agricultural Producer at 4284.902).

 \Box I/We currently produce and own the majority (more than 50 percent) of the subject raw agricultural commodity to which value will be added in this project.

 \Box I/We do not produce the subject agricultural commodity under contract for another entity, nor contract out the production of the subject agricultural commodity to another entity.

 \Box I/We will maintain ownership of the subject agricultural commodity from its raw state through the production, marketing and sale of the value-added product during the grant funding period (except for qualifying Mid-Tier Value Chain (MTVC) projects).

4.2 Applicant Type

Please address eligibility requirements for only one applicant type (a), (b), (c) or (d) below

(a) Independent Producer

See definitions for Independent Producer and Agricultural Producer at 7 CFR 4284.902. Acknowledge that you meet the following requirements by checking the appropriate boxes and providing the requested information.



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The Application Package Eligibility

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(a) 🗆 <u>Independent Producer</u>

See definitions for Independent Producer and Agricultural Producer at 7 CFR 4284.902. Acknowledge that you meet the following requirements by checking the appropriate boxes and providing the requested information.

□ I am an Independent Agricultural Producer and am the sole owner of my business;

OR

□100 percent of the owners or members of the applicant organization are *individual* Agricultural Producers, or *entities* that are *solely* owned and controlled by Agricultural Producers, who produce an Agricultural Commodity through participation in the day-to-day labor, management, and field operations; or are owners or members who have the legal right to access and harvest the agricultural commodity to which value will be added (Additional verification may be required upon award).

1) List names of all owners or members of the "Independent Producer" applicant organization and their individual percentage of ownership/membership.

(Note: Tribes and tribal entities should include tribal enrollment data (number of enrolled members) along with a brief narrative description of the tribal entity or tribal members that will be directly involved in the production of the primary agricultural commodity.)

[Insert list]



The Application Package Eligibility

USDA Value-Added Producer Grant Application Toolkit for Working Capital

SECTION 5: PROJECT ELIGIBILITY

You must detail how the project meets product, and purpose, and reserved funds and priority points (if applicable) eligibility requirements in 7 CFR 4284.922 and in the current NOFA. Documentation for Priority Point eligibility should be addressed in **Appendix F**, as applicable.

You must address all sections below.

5.1 Raw Agricultural Commodity and Outcome Value-Added Product

Name the raw agricultural commodity that will be used as the *input* for the project:

□ I certify that the majority of the raw agricultural product that will be used as the input for the project was produced in the United States including the Republic of Palau, the Federated States of Micronesia, the Republic of the Marshall Islands, or American Samoa).

Name the value-added product that will be the outcome from using one of the five value-added methodologies:

5.2 Value-Added Agricultural Product Methodology (7 CFR 4284.922(a))



The Application Package Eligibility

USDA Value-Added Producer Grant

Application Toolkit for Planning Grants

1) Change in Physical State

Examples include, but are not limited to, strawberries into jam, milk into cheese, wheat into flour, wool into clothing or rugs, corn into E-85 ethanol that is generated off-farm, livestock into packaged meat.

Explain the method or process used to add value to your agricultural product, and how the change in physical state or form of the product enhances its value.

[Insert explanation]

2) Produced in a Manner that Enhances the Value of the Agricultural Commodity Examples include, but are not limited to, organic carrots, eggs produced from free-range chickens.

Explain the method or process used to add value to your agricultural product, and how a non-standard agricultural production method adds value to the agricultural commodity per unit of production over a standard production method, and provide evidence via a quantifiable comparison with products produced in the standard manner.

[Insert explanation]

3) Physical Segregation

An example is genetically modified corn that is separated from non-genetically modified corn on the farm during production and harvesting, with continued separation from similar commodities or products during the processing and marketing of the value-added product.

Explain the method or process used to add value to your agricultural product, and demonstrate how the physical



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The Application Package Eligibility

2) Work Plan and Budget

Provide a detailed work plan and budget below that shows how the project's goals will be accomplished in accordance with the requirements in 7 CFR 4284.922 (b) (5), including a narrative description of the eligible activities and tasks associated with those activities, a budget breakdown of the estimated costs allocated to those activities and tasks; identification of the key personnel responsible for overseeing and/or conducting the activities or tasks; timeframes for completion of the activities and tasks: identification of the sources and uses of arant and matchina funds for all activities

b. Insert Work Plan narrative here (upload additional pages as needed):

[Insert work plan narrative]

c. Project Budget Summary

÷	 Summarize the total project budget by task. Insert additional rows as needed. 								
		Task Name, Description, and			VAPG	Cash	In-Kind	Total	
	Activity # Responsible Party	Start Date	End Date	Funds	Matching	Matching	Project		
		Responsible Party			Fullus	Funds	Funds	Costs	
		TOTAL PROJECT			\$	\$	\$	\$	

F Summarize the total project budget by task. Insert additional rows as needed.



The Application Package Eligibility

Common Mistakes by Tribal Applicants

- Incomplete applications-missing forms, failure to address all elements
- Ineligible expenses-ag production, buildings, equipment
- Insufficient matching contributions
- Insufficient documentation to verify matching contributions

Remember: "must" means "must"



Evaluation Criterion & Scoring

- Eligible applications are evaluated and scored by the Rural Development State Office and by at least one non-federal independent reviewer.
 - Scores from all reviewers are averaged and any priority points added, to arrive at a final score.
 - Rural Development National Office compiles and ranks scores from all states, from highest to lowest.



Proposal Evaluation Criteria

The Agency selects and ranks applications based on responses to 5 criteria:

- 1. Nature of the proposed project (0-30)
- 2. Qualifications of project personnel (0-20)
- 3. Commitments and support (0-10)
- 4. Work plan and budget (0-20)
- 5. Priority points (5 and/or additional 5)



Evaluation & Scoring

evaluation criteria. For each criterion, you must aemonstrate now the project has merit and provide rationale for the likelihood of success. Responses that do not address all aspects of the criterion in a meaningful way, or that do not convey relevant project information will receive lower scores. VAPG is a competitive program, so your responses will be evaluated on the quality of each response. Simply providing an answer will not guarantee higher scores. The maximum number of points that will be awarded to an application is 100. The minimum score necessary to receive funding is 50 points. You must review the Notice of Funding Availability (NOFA) at section E.1 for a detailed description of the graduated scoring thresholds for each criterion.

1) Nature of the Proposed Venture (graduated score 0 - 30 points)

For the following sections you should reference published, third-party data or other information that specifically supports your project, including, business financial statements, previous business experience producing or marketing the value-added product or similar product, experience in similar markets, or other successful ventures. Planning applications should address the sections below by describing the expected outcomes of the project and the rationale supporting those expectations.

a. Describe the technological feasibility of the project (i.e. is the product currently being manufactured somewhere, what is the size constraint, is product in test phase versus full capacity, is recipe formulated, existing versus new technology, etc.): In addition, demonstrate the potential for expanding the customer base for the agricultural commodity or value-added product, and the expected increase in revenue returns to the producer-owners providing the majority of the raw agricultural commodity to the project. discuss the value-added process you are proposing; potential markets and distribution channels; the value to be added



The Application Package Evaluation Criteria & Scoring

Common Mistakes by Tribal Applicants

- Lack of detail: incomplete discussion of all sub-elements of each evaluation criterion.
 - Failure to apply for priority points

Read the fine print!



Scoring Priority

Up to 5 points *additional* points will be awarded to Agricultural Producer Groups, Farmer or Rancher Cooperatives, and Majority Controlled Producer-Based Businesses that propose projects that best contribute to new or expanded marketing opportunities for :

- Beginning Farmers or Ranchers
- Veteran Farmers or Ranchers*
- Socially-Disadvantaged Farmers or Ranchers
- Small- or Medium-Sized Family Farms



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USDA Value-Added Producer Grant

Application Toolkit for Working Capital

APPENDIX F Priority Point Eligibility and Documentation

To Request Priority Points in a Priority Category

Eligible applicants may apply for priority points if their applications: propose projects that create or increase opportunities for Beginning Farmers or Ranchers, Socially-Disadvantaged Farmers or Ranchers, Veteran Farmers or Ranchers, or Operators of Small- or Medium-sized Farms or Ranches that are structured as a Family Farm; or propose Mid-Tier Value Chain projects; or are a Farmer or Rancher Cooperative.

Applicants may qualify for 5 priority points in one of the categories listed below:

Choose <u>only one</u> category and <u>provide the supporting documentation indicated in the appropriate Appendix</u> for that <u>single</u> category to demonstrate eligibility.

Beginning Farmer or Rancher (Appendix F.1)
 Veteran Farmer or Rancher (Appendix F.2)
 Socially Disadvantaged Farmer or Rancher (Appendix F.3)
 Mid-Tier Value Chain Project (Appendix F.4)
 Operator of a Small- or Medium-sized Farm or Ranch Structured as a Family Farm or Ranch (Appendix F.5)
 Farmer or Rancher Cooperative (Appendix F.6)

Note: To receive Priority Points as a Beginning Farmers or Rancher or a Socially Disadvantaged Farmers or



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QUESTIONS?



Tedd Buelow Native American Coordinator Rural Development <u>tedd.buelow@wdc.usda.gov</u> Office: 720-544-2911 www.rd.usda.gov

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Value Added Producer Grant Program (VAPG) www.rd.usda.gov/programs-services/valueadded-producer-grants

USDA is an equal opportunity provider and employer. To file a complaint of discrimination, write: USDA, Office of the Assistant Secretary for Civil Rights, Office of Adjudication, 1400 Independence Ave., S.W., Washington, DC 20250-9410 or call (866) 632-9992 (Toll-free Customer Service), (800) 877-8339 (Local or Federal relay), (866) 377-8642 (Relay voice users).