

USDA RURAL DEVELOPMENT PROGRAMS

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USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

VALUE-ADDED PRODUCER GRANT (VAPG) *REGULATION 7CFR 4284, Subpart J*

This program helps agricultural producers develop businesses that produce and market post-harvest or post-slaughter value-added agricultural products, increase customer base and generate revenue to the producer.

Agricultural producers must own the product from its raw agricultural commodity state through the production of the value-added product during the project.

VALUE-ADDED PRODUCER GRANT (VAPG)

REGULATION 7CFR 4284, Subpart J

The purpose of VAPG:

- For assisting viable for-profit agricultural producers
- For **Post-Harvest** or **Post-Slaughter** processing and marketing activities of value-added agricultural products
- For Planning and Working Capital projects
- For agricultural producers who currently produce and own more than 50% of the agricultural commodity that will be used for the value-added product

VAPG

Applicant Eligibility 4280.920 (c) & (d) Citizenship/Legal Authority & Responsibility Requirement

ELIGIBLE AGRICULTURAL PRODUCERS

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

Agricultural producers must meet the definition for one of these types:

- Agricultural Producer
- Agricultural Producer Group
- Farmer or Rancher Cooperative
- Majority-Controlled Producer-Based Businesses

VAPG GRANT TYPES

PLANNING $50,000 Maximum Grant

To pay a qualified consultant to conduct and develop a Feasibility Study, Business Plan, Marketing Plan on an existing or proposed value-added agricultural product.

WORKING CAPITAL $250,000 Maximum Grant (Post-harvest or post-slaughter expenses)

To help cover the day-to-day expenses associated with operating a value-added business such as:

- Marketing and advertising
- Product packaging and labeling
- Processing the raw commodity into the value-added product
- Cold Storage (rented or leased space)
- Moveable display cases

VAPG

*** * VAPG IS A NATIONAL COMPETITION * ***

Sam.gov registration & eAuth required to apply via VAPG online portal

FY 2027 – Funding Allocation TBD

FY 2027 – Application Deadline TBD

100% Matching Funds Requirement

- Applicant Cash
- Applicant in-kind contribution of goods or services (n/a for Planning grant)
- Third-party cash

VAPG is a reimbursable grant, proof of expenses are required



RURAL ENERGY FOR AMERICA PROGRAM (REAP)

REGULATION 7CFR Part 4280

NOTE: REAP is currently paused while new regulations are being compiled.

This program provides grant funding to agricultural producers and rural small businesses for renewable energy systems or to make energy efficiency improvements.

REAP

Eligible borrowers are:

- Rural small businesses (populations of 50,000 residents or less)
- Agricultural producers that directly engage in the production of agricultural products
- At least 50 percent of their gross income must come from agricultural operations

REAP - RES / EEI

RENEWABLE ENERGY SYSTEMS (RES)

Funds may be used for the purchase and installation of renewable energy systems such as:

- Biomass
- Hydrogen
- Wind generation
- Solar generation
- Hydropower below 30 megawatts
- Geothermal for electric generation or direct use

REAP - RES / EEI

ENERGY EFFICIENCY IMPROVEMENTS (EEI)

Funds may be used for the purchase, installation and construction of energy efficiency improvements such as:

- Lighting
- Insulation
- Doors and windows
- Cooling or refrigeration units
- Switching from a diesel to electric irrigation motor
- Electric, solar or gravity pumps for sprinkler pivots
- High efficiency heating, ventilation and air conditioning systems (HVAC)

REAP - RES / EEI

- Energy efficiency equipment applications must include an Energy Audit or Energy Assessment (depending on total project costs) that complies with Appendix A to RD Instructions 4280-B

RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT (REDLG) *REGULATION 7CFR, Part 4280.27 and 7CFR, Part 4280.30*

The Rural Economic Development Loan and Grant programs provide funding for rural projects through local utility organizations.

- USDA provides zero-interest loans to local utilities which they, in turn, pass through to local businesses (ultimate recipients) for projects that will create and retain employment in rural areas

The local utility passes the funding to the ultimate recipient for such eligible projects as:

- Business expansion
- Business incubators
- Technical assistance
- Start-up venture costs

REDLG

To receive funding for a loan, a business must be located under one of the utilities service areas:

- Big Horn Electric Company
- Bridger Valley Electric Association, Inc.
- Garland Light & Power Co
- High Plains Power, Inc.
- Lower Valley Energy
- Niobrara Electric Association, Inc.
- Powder River Energy Corporation
- Wheatland Rural Electric Association
- Wyrulec Company

SAM.GOV REGISTRATION

SAM REGISTRATION IS REQUIRED FOR FEDERAL FUNDING

- **<u>Active</u> SAM Registration is required at the time of application**
  - SAM registration is free
- **Must obtain Unique Entity Identifier (UEI) through SAM.gov**
- **SAM Registration must remain current, accurate and complete throughout entire grant process**



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