



Adding Value to your Harvest for Year Round Income

July 7, 2020

Laurette Tucker Rural
Business Specialist at
USDA's Rural Development

Coley Drinkwater
Managing Member of
Richlands Creamery, LLC





**This webinar will be
recorded and posted to our
website and our listserv.**

To join our listserv to stay in the
loop email ketrozzo@vt.edu with
the subject “Join VBFRC Listserv”



ADDING VALUE TO YOUR HARVEST FOR YEAR ROUND INCOME

July 7, 2020

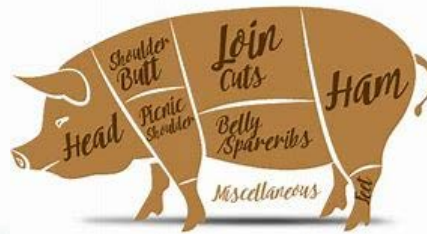
USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

PROGRAMS

- Business and Industry Guaranteed Loan Program (B&I)
- Rural Business Development Grant (RBDG)
- Intermediary Relending Program (IRP)
- Rural Economic Development Loan and Grant Program (REDLG)
- Value Added Producer Grant Program (VAPG)
- Rural Cooperative Development Grant Program (RCDG)
- Socially Disadvantaged Group Grant Program (SDGG)
- Rural Energy for America Program (REAP)
- Advanced Biofuel Payment Program

VALUE ADDED PRODUCER GRANT PROGRAM (VAPG)



LAMP

LAMP – LOCAL AGRICULTURE MARKETING PROGRAM

Consolidated the Value Added Producer Grants, Farmers Market Promotion Program, the Local Food Promotion Program, Value Chain Coordinators, and planning partnerships into a new program administered by the Agricultural Marketing Service in coordination with Rural Business-Cooperative Service

The purpose and eligible entities for each program remains the same.

PURPOSE

The objective of the program is to assist viable Independent Producers, Agricultural Producer Groups, Farmer and Rancher Cooperatives, and Majority Controlled Producer Based Businesses in starting or expanding value added activities, related to the processing and/or marketing of Value Added Agricultural Products. Generating new products, creating and expanding marketing opportunities, and increasing producer income are the end goals of the program

MAXIMUM AWARD AMOUNTS

\$75,000 Planning
\$250,000 Working Capital

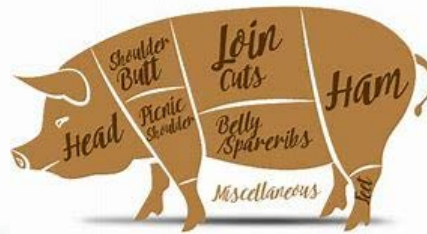
MATCHING REQUIREMENT

There is a matching fund (cost sharing) requirement of at least \$1 for every \$1 in grant funds provided by the Agency. Matching funds plus grant funds must equal proposed total project costs. Matching funds may be in the form of cash or eligible in-kind contributions

GRANT PERIOD

Up to 36 months, depending on project complexity

WHAT EXACTLY IS VALUE ADDED?



FIVE VALUE-ADDED METHODOLOGIES

- 1. **Change in physical state**

An irreversible processing activity that alters the raw agricultural commodity

- 2. **Produced in a manner that enhances the value of the agricultural commodity**

The use of a recognizably coherent set of agricultural production practices in the growing of the raw agricultural commodity, such that a differentiated market identity is created for the resulting product OR nonstandard production method that adds value per unit of production over a standard production method

- 3. **Product segregation**

Physically separating (i.e. distance or structure) the agricultural commodity from other varieties of the same commodity on the same farm during production and harvesting, with continued separation during the processing and marketing of the value-added product

FIVE VALUE-ADDED METHODOLOGIES (Cont'd)

4. Farm- or ranch-based renewable energy

An agricultural commodity that is used to generate renewable energy on a farm or ranch owned or leased by the independent producer applicant that produces the agricultural commodity

Examples include, but are not limited to- dairy manure into methane and electricity generated on the farm or corn into biodiesel generated on the farm.

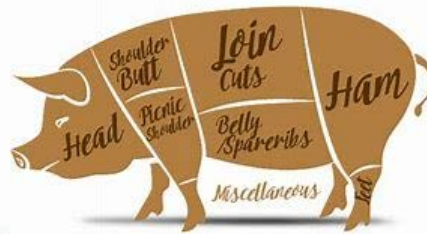
- Generation of energy from wind, solar, geothermal or hydro sources are not eligible.

5. 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

Agricultural food products can be raw, cooked, or processed edible substances, beverages, or ingredients intended for human consumption. These products cannot be animal feed, live animals (except for seafood products customarily sold and/or consumed live), non-harvested plants, fiber, medicinal products, cosmetics, tobacco products, or narcotics

ELIGIBLE APPLICANTS



FOUR ELIGIBLE APPLICANT TYPES

- **Independent Producers**

An individual agricultural producer or an entity that is solely owned and controlled by agricultural producers, that are directly engaged in the production of the subject agricultural commodity. An independent producer entity may be a steering committee or an agricultural harvester.

- **Agricultural Producer Groups**

Formal membership organization (typically non-profit) that represents agriculture producers that meet the VAPG program definition for independent producer and operates with a mission that includes working on behalf of Independent Producers. Must have formal membership list

- **Farmer or Rancher Cooperatives**

A business owned and controlled by agricultural producers that is incorporated, or otherwise identified by the state in which it operates, as a cooperatively operated business

- **Majority-Controlled Producer-Based Business**

A business where the majority of the financial and voting interest belongs to Independent Producers

AGRICULTURAL PRODUCER


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” through substantially participating in the labor, management, and field operations themselves

All 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





SYSTEM FOR AWARD MANAGEMENT

USER NAME

[Forgot Username?](#)

PASSWORD

[Forgot Password?](#)

LOG IN

[Create an Account](#)

HOME | SEARCH RECORDS | DATA ACCESS | GENERAL INFO | HELP


CREATE USER ACCOUNT

REGISTER

WHAT IS SAM?

The **System for Award Management (SAM)** is the CCR/FedReg, ORCA, and EPLS. There is NO fee to register and guides and webinars are available under the Help tab.

NEWS AND ANNOUNCEMENTS | USER GUIDES/HELP HINTS



United States ▼

OUR DATA IN SIGHT | LEARNING CENTER | ABOUT US

BUSINESS CREDIT ▼ | SALES & MARKETING ▼ | SUPPLY MANAGEMENT ▼ | VIEW ALL PRODUCTS

Home > Get a D-U-N-S Number

The D-U-N-S® Number

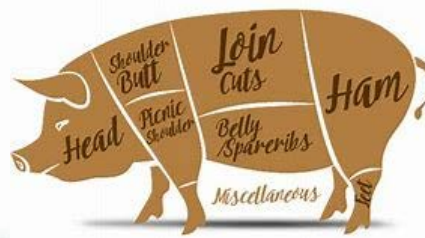
The D-U-N-S® Number

Harness the power of the D-U-N-S® Number. At no cost, you can have this unique, location-specific identifier that allows you to accurately gauge and communicate your company's creditworthiness. As your business grows and changes, your D-U-N-S® Number stays with you.

View Infographic

Links to DUNS and SAM

TYPES OF GRANTS



TYPES OF GRANTS

PLANNING GRANTS

A planning grant is used to fund development of a defined program of economic planning activities to determine the viability of a potential value-added venture. Specifically for the purpose of paying for a qualified consultant to conduct and develop a feasibility study, business

WORKING CAPITAL GRANTS

Provides funds to operate a value-added project. Specifically to pay the eligible project expenses directly related to the processing and/or marketing of the value-added product(s)

Working capital funds may not be used for planning purposes, equipment, construction, or agricultural production activities

Types of Working Capital Grants

1. Requests of \$50,000 or more (market expansion)

Independent Producer (IP) applicants only:

- Proposing market expansion of an existing value-added product that they have produced and successfully marketed for at least two years at time of application;
- In lieu of an independent feasibility study for this project, must submit a business or marketing plan for the value-added project.

2. Requests of \$50,000 or more (emerging market)

All applicant types:

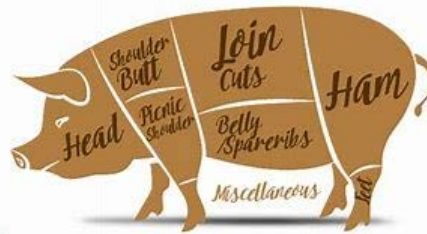
- Must provide a third-party, project-specific feasibility study and a business plan related to the processing and/or marketing of the value-added product.

3. Simplified application requesting less than \$50,000

All applicant types:

- Not required to provide a feasibility study and business plan, but must demonstrate the expected increases in customer base and revenue returns to the producer applicants supplying the majority of the agricultural commodity for the project.

SCORING, CONDITIONS, DEADLINES & HELP



SCORING

VAPG is a competitive program and scores are based on the quality of an applicant's responses. For each criterion below, you must show how the project has merit and why it is likely to be successful.

- NATURE OF THE PROPOSED VENTURE (0-30 Points)
- QUALIFICATIONS OF THE PROJECT PERSONNEL (0-20 Points)
- COMMITMENTS AND SUPPORT (0-10 Points)
- WORK PLAN AND BUDGET (0- 20 Points)

- **PRIORITY POINTS (UP TO 10 Points)**

*Beginning Farmers or Ranchers * Socially Disadvantaged Farmers or Ranchers * Veteran Farmer or Rancher *Farmer or Rancher Cooperative *Small or Medium Sized Family Farm *Mid-Tier Value Chain

- **PRIORITY CATEGORIES (0–10 POINTS)**

*The Administrator of the Agency may choose to award up to 10 points to an application to improve the geographic diversity of awardees and/or provide measurable results in helping rural communities build robust and sustainable economies through strategic investments in infrastructure, partnerships and innovation.

AFTER AWARD CONDITIONS

- **Approved applicants must enter into a grant agreement with USDA Rural Development**
- **Semi-Annual Performance and Financial Reports**
- **Must adhere to the uses of the grant funds as contained in the approved budget and work plan**
- **All expenses must be paid for in full before you can be reimbursed with grant funds**
- **Must maintain an active SAMs Registration throughout the period of the grant**

APPLICATION AND DEADLINES

- The application window opens with a Notice of Solicitation of Applications (NOSA) published in the Federal Register
- **HEMP FUNDING: VAPG applicants proposing projects related to Hemp as defined in the Agriculture Improvement Act of 2018, will be considered for funding if the projects meet all program eligibility requirements, including currently producing Hemp with a valid producer license and verifiable compliance with regulations**
- **The Virginia Foundation for Agriculture, Innovation and Rural Sustainability (VA FAIRS)- Julia Clarke, Executive Director, (804.290.1158) www.vafairs.com**

QUESTIONS

LAURETTE TUCKER

Rural Business Specialist

Rural Business Cooperative Programs

United States Department of Agriculture

100 Dominion Drive

Farmville, VA 23901

434-392-4906, Extension 125

www.rd.usda.gov/va

“Together, America Prospers”

Stay Connected with USDA and RD VA:



USDA is an equal opportunity provider, employer, and lender.

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs).

Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov.

USDA is an equal opportunity provider, employer, and lender.



RICHLANDS
CREAMERY





Process

- What do you currently have available that you can build upon?
- What do you have that you can add value to?
- What is the need you can help fill?
- Potential Markets?
- What are you passionate about? Is this new venture really your dream?



Experience

- Take A LOT of time to think about what you want your brand to be and define it
- Write out and post a Mission & Vision Statement
- Work with a Graphic Designer to develop a logo, chose fonts, developing packaging etc.

Mission & Vision Statements

Creamery Mission Statement

Locally Rooted. Honestly Marketed. Family Centered.

To serve families and our communities by creating an environment that supports local farmers, promotes agriculture and nurtures quality family time.

Creamery Vision Statement

To create a future where food has the power to unite us around the table, strengthen communities and feed us not only physically, but mentally, emotionally and spiritually as well.

Agritourism Mission Statement

To offer unique family friendly farm experiences that highlight how farmers use technology and modern agricultural practices to keep our animals happy and our land healthy.

Agritourism Vision Statement

To positively impact agriculture around the world by increasing confidence in modern farming practices, debunking common myths, and ending misleading and dishonest food labeling.



RICHLANDS

DAIRY *and* CREAMERY

• DINWIDDIE • VIRGINIA •

Resources

- Other Farms
- Farm Bureau/Young Farmers or other Farming Organizations
- Conferences
- Virginia Tech & VSU (extension agents)
- VDACS/VDH (Virginia's Finest)
- Farm To School
- County Economic Development
- Small Business Development Center
- Farm Credit Ag Biz Planner
- VA FAIRS- <https://www.vafairs.com/>

Grants

- AFID (Agriculture & Forestry Industries Development)
- Local/County Grants
- Tobacco Commission
- USDA Value Added Producer Grant

Richlands Dairy & Creamery

460 Cox Road

Blackstone, VA 23824

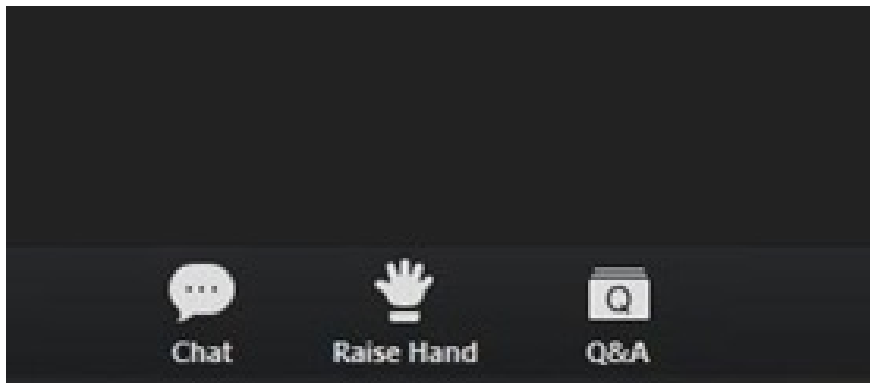
FaceBook & Instagram- Richlands Dairy Farm

www.richlandsc Creamery.com

Q & A Session

Directions

Please type your question using the Q & A feature
OR Raise your hand to be unmuted.



VIRGINIA
Beginning Farmer & Rancher
COALITION PROGRAM



Upcoming VBFRC Webinar

July 29

Collaborative and Cooperative Thinking for
Farm Resilience

Webinar Evaluation Link

https://virginiatech.qualtrics.com/jfe/form/SV_6WHds6wJfDEqqHj