



United States  
Department of  
Agriculture

# Value-Added Producer Grant 2017

## APPLICATION TOOLKIT for WORKING CAPITAL GRANTS

### INSTRUCTIONS and NOTICE TO VAPG APPLICANTS

- Use of this application template is not required (optional). However, applicants must provide the requested information.
- Use of the template does not imply or ensure a favorable eligibility determination.
- In addition to the information requested in the template, applicants must complete and submit **all required** Federal forms and registrations, and append specified documentation to support claims for applicant and project eligibility, priority points, reserved funding, and matching funds verification; as specified by the program.
- Your complete response to eligibility and evaluation criterion must be included in the body of the application, including summarizations of pertinent portions of feasibility studies, business and marketing plans (please note that feasibility studies, business or marketing plans are not provided to reviewers).
- Applications received that do not include **ALL** required materials will be considered incomplete, and therefore, ineligible.
- Certifications, statements, and other standard verbiage used throughout this toolkit that refer to “you,” “I,” “we,” “it,” “applicant,” “entity,” “grantee,” and other similar terms are meant to refer to the legal applicant entity applying for the Value-Added Producer Grant unless otherwise noted. Checking, signing or otherwise affirmatively acknowledging these elements is acknowledgement by the applicant that the element is true and correct.

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### PROGRAM OVERVIEW

The purpose of the Value Added Producer Grant (VAPG) Program is to help U.S. agricultural producers enter into value-added activities. Awards may be made for either economic planning or working capital activities related to the processing and/or marketing of valued-added agricultural products. The maximum grant amount for a planning grant is \$75,000 and the maximum grant amount for a working capital grant is \$250,000. Please see for the [Notice of Solicitation of Applications \(NOSA\)](#) published on August 29, 2017 in the Federal Register.

### DOCUMENT PURPOSE

The purpose of this **Application Toolkit** is to assist eligible applicants to navigate through the program requirements as detailed in the NOFA (forthcoming) and the **Final Rule 7 CFR part 4284 subpart J, published May 8, 2015** and ensure a complete application submission of all required details and documents for **WORKING CAPITAL** grant proposals. While this Application Toolkit is not required, applicants are highly encouraged to utilize this as a tool.

#### INSTRUCTIONS AND NOTICE TO VAPG APPLICANTS

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- In addition to the information requested in the template, applicants must complete and submit **all required** Federal forms and registrations, and append specified documentation to support claims for applicant and project eligibility, priority points, reserved funding, and matching funds verification; as specified by the program.
- Your complete response to eligibility and evaluation criterion must be included in the body of the application, including summarizations of pertinent portions of feasibility studies, business and marketing plans (please note that feasibility studies, business or marketing plants are not provided to reviewers).
- Applications received that do not include **ALL** required materials will be considered incomplete, and therefore, ineligible.
- Certifications, statements, and other standard verbiage used throughout this toolkit that refer to “you,” “I,” “we,” “it,” “applicant,” “entity,” “grantee,” and other similar terms are meant to refer to the legal applicant entity applying for the Value-Added Producer Grant unless otherwise noted. Checking, signing, or otherwise affirmatively acknowledging these elements, is confirmation by the applicant that the element is true and correct.

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### CHECKLIST

(Optional, do not include in completed application)

Program requirements are detailed in *Final Rule 7 CFR part 4284, subpart J (published May 8, 2015)*, the current Notice of Funding Availability and the information contained in this toolkit. You must become familiar with these documents before applying in order to comply with all requirements.

**Before you submit your application, please be sure you have addressed all of the following elements.**

#### Required forms (see links below for fillable forms)

- Form SF-424, "Application for Federal Assistance"
- Form SF-424A, "Budget Information-Non-Construction Programs"
- Form SF-424B, "Assurances - Non-Construction Programs"
- Form AD-3030, "Representations Regarding Felony Conviction and Tax Delinquency Status for Corporate Applicants" (required only for corporate applicants)

#### Section 1. Summary Information

- Legal Name of Applicant
- DUNS Number
- SAM Registration Cage Code and Expiration Date
- Employer Identification Number (EIN)
- Applicant Type
- Purpose
- Requested Grant Amount
- Priority Point Request (if applicable)
- Priority Points for Group Applicants (if applicable)
- Brief Summary of Proposed Project

#### Section 2. Executive Summary

- One page description of your proposed project.

#### Section 3. General Eligibility Requirements

- Citizenship
- Legal Authority and Responsibility
- Multiple Grant Eligibility
- Currently Active VAPG Grant
- Certification of Federal Judgments
- Certification of Federal Tax Delinquencies
- Certification of Alcohol and Tobacco Tax and Trade Bureau Compliance

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### Section 4. Applicant Eligibility

- Applicant Eligibility
  - Applicant Type Requirements

### Section 5. Project Eligibility

- Product Eligibility
  - Value-Added Methodology
  - Expansion of Customer Base
  - Increased Revenue
- Purpose Eligibility
  - Use of Funds
  - Work Plan
  - Budget
  - Projected Program Income
  - Type of Working Capital Application
    - Grant amount more than \$50,000 (feasibility study and business plan required)
    - Grant amount more than \$50,000 (market expansion, Independent Producers only)
    - Grant amount less than \$50,000 (simplified application)

### Section 6. Proposal Evaluation Criteria

- Performance Evaluation Criteria
  - Applicant-suggested Performance Criteria
  - Jobs Created/Saved
  - Expansion of Customer Base
  - Increased Revenue
- Proposal Evaluation/Scoring Criteria
  - Nature of the Proposed Venture
  - Qualifications of the Project Personnel
  - Commitments and Support
  - Work Plan and Budget
  - Priority Points (if applicable)

### Section 7. Matching Funds

- Certification of Matching Funds
- Verification of Matching Funds

### Appendices

- Appendix A - Tribes and Tribal Entities as VAPG Applicants
- Appendix B - Legal Authority and Responsibility
- Appendix C - Supporting Documentation and Letters of Commitment/Support
- Appendix D - Matching Funds Verification

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- Appendix E - Priority Points Eligibility and Documentation
- Appendix F – Alcohol and Tobacco Tax and Trade Bureau Compliance

## REQUIRED STANDARD FORMS

### Form SF-424 Instructions

<http://www.grants.gov/web/grants/form-instructions/sf-424-instructions.html>

### Form SF-424, “Application for Federal Assistance”

[http://apply07.grants.gov/apply/forms/sample/SF424\\_2\\_1-V2.1.pdf](http://apply07.grants.gov/apply/forms/sample/SF424_2_1-V2.1.pdf)

### Form SF-424-A Instructions

<http://www.grants.gov/web/grants/form-instructions/sf-424a-instructions.html>

### Form SF-424A, “Budget Information-Non-Construction Programs”

<http://apply07.grants.gov/apply/forms/sample/SF424A-V1.0.pdf>

### Form SF-424B, “Assurances - Non-Construction Programs”

<http://apply07.grants.gov/apply/forms/sample/SF424B-V1.1.pdf>

### Form AD-3030, “Representations Regarding Felony Conviction and Tax Delinquency Status for Corporate Applicants”

<http://www.ocio.usda.gov/document/ad3030>

## OPTIONAL FORM

### Form AD-2106, “Form to Assist in Assessment of USDA Compliance with Civil Rights Laws”

<http://forms.sc.egov.usda.gov/efcommon/eFileServices/eForms/AD2106.PDF>

## IMPORTANT APPLICATION RESOURCES

[VAPG Program Regulation 7 CFR 4284 subpart J or PDF Version](#)

[VAPG Notice of Solicitation of Applications \(NOSA\)](#)

### DUNS #

Obtain a free DUNS number by calling 1-800-234-3867 or go to: <http://fedgov.dnb.com/webform>

### SAM Registration Cage Code and expiration date or evidence of having begun registration process

Register at no charge at <https://www.sam.gov/portal/public/SAM/>

### Alcohol and Tobacco Tax and Trade Bureau (TTB) Compliance

Please visit TTB’s Web site at <https://www.ttb.gov/index.shtml>

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## APPLICATION TEMPLATE

### SECTION 1: SUMMARY INFORMATION

Legal Name of Applicant Entity: \_\_\_\_\_

DUNS # \_\_\_\_\_ Employer identification Number (EIN) \_\_\_\_\_

SAM/CCR Registration Cage Code: \_\_\_\_\_ Expiration Date: \_\_\_\_\_

If have not yet received your code and expiration date, you must provide evidence from SAM of having begun the registration process (please include documentation in Appendix B.

**Applicant Type – Please Check One:**

- |  |  |
|--|--|
| <input type="checkbox"/> Independent Producer          | <input type="checkbox"/> Agricultural Producer Group                 |
| <input type="checkbox"/> Farmer or Rancher Cooperative | <input type="checkbox"/> Majority-Controlled Producer Based Business |

Raw Agricultural Commodity: \_\_\_\_\_

Value-Added Product: \_\_\_\_\_

Purpose  Working Capital Grant

Requested Grant Amount (\$250,000 or less): \$ \_\_\_\_\_

Proposed Grant Period Start Date: \_\_\_\_\_ Proposed Grant Period End Date: \_\_\_\_\_

*Proposed dates should correspond with grant period date included in SF424 and Section 5.4(2) (a) of the template.*

**Check if you are eligible for Reserved Funds in one of the following categories, per 7 CFR 4284.923.**

(Information from Appendices E.1, E.3, or E.4 will be used to rank applications awarded from Reserved Funds).

- Beginning Farmer or Rancher
- Socially-Disadvantaged Farmer or Rancher
- Mid-Tier Value Chain Project

**Check one if you are competing for Priority Points (See 4284.902 and Appendix F for Definitions) in one of the priority categories below:**

- Beginning Farmer or Rancher
- Veteran Farmer or Rancher
- Socially Disadvantaged Farmer or Rancher
- Operator of a Small- or Medium-Sized Family Farm
- Farmer or Rancher Cooperative
- Mid-Tier Value Chain Project

Priority Points for Group Applicants: Check the box if you are an Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority Controlled Producer-Based Business AND you are applying for Priority Points as an applicant



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that “best contributes” to creating or increasing marketing opportunities for one or more of the priority categories above.

### Brief Summary of Proposed Project (limit 100 words)

[**Example:** VAPG working capital funds will be used to pay labor costs to produce artisan cheeses from organic milk and for packaging, labeling, and promotional expenses.]

*[Insert brief summary of proposed project]*

### When Applicable, Name & Affiliation of Grant Writer Who Prepared This Application

Name \_\_\_\_\_

Affiliation \_\_\_\_\_

Note: Grant and Matching Funds may not be used to support costs for services or goods going to, or coming from, a person or entity with a real or apparent Conflict of Interest in which a person or entity has competing personal, professional, or financial interests that make it difficult for the person or business to act impartially.

## **SECTION 2: EXECUTIVE SUMMARY OF PROJECT**

*[Insert a more detailed description of your project containing the following information: 1) legal name of applicant entity, 2) application type (planning or working capital), 3) applicant type, 4) amount of grant request, 5) a summary of your project, 6) project goals and 7) how you intend to use the grant funds. Limit one page.]*

## **SECTION 3: GENERAL ELIGIBILITY REQUIREMENTS**

Use 7 CFR 4284.920 and 921, the definitions at 902 and the NOFA to address this section. All Applicants must certify the following by reading and checking the following statements and including any requested documentation, within the body of the application or in the appropriate Appendix, as directed:

### **3.1 Citizenship**

I am an Individual Applicant who is a citizen or national of the United States, the Republic of Palau, the Federated States of Micronesia, the Republic of the Marshall Islands, or American Samoa; or I reside in the United States after legal admittance for permanent residence.

**OR**

I am an Applicant Entity that is at least 51 percent owned by individuals who are either citizens or nationals of the United States, the Republic of Palau, the Federated States of Micronesia, the Republic of the Marshall Islands, or American Samoa; or are legally admitted permanent residents residing in the United States.

### **3.2 Legal Responsibility and Authority**

I have or can obtain the legal authority to carry out the purpose of the grant, and am in good standing in the State where my business is incorporated and/or in the State that is the primary location of my business operations for the VAPG project (*Tribes and tribal entities should refer to Appendix A for guidance on eligibility*).

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In **Appendix B**, please attach a copy of, or excerpt from your organizational documents showing legal authority to carry out the purpose of the grant on behalf of your organization, along with a Certificate of Good Standing or letter from a State agency or equivalent authority. Sole proprietor/Independent producers (including representatives of steering committees) may include a copy of their IRS tax forms showing farm income/loss (*Tribes and tribal entities should refer to Appendix A for guidance on eligibility*).

### 3.3 Multiple Grant Eligibility (*check all that apply*) [Refer to 4284.920](#)

*Applicants (including separate, but related entities with greater than 75 percent common ownership or from a parent, subsidiary or affiliated organization) may not submit more than one application in response to this solicitation.*

*Applicants for Working Capital grants may not submit applications for the same project that has previously received Working Capital funds. Proposals from previous award recipients should be substantially different in terms of products and/or markets and should not merely be extensions of previously funded projects.*

I am requesting only Working Capital funds, and have not previously received Working Capital funds for this same project proposal; and the products and/or markets proposed do not represent extensions of previously funded projects.

I am submitting only one application in response to this solicitation, including separate, but related, applicant entities with greater than 75 percent common ownership or from a parent, subsidiary or affiliated organization.

### 3.4 Currently Active VAPG Grant (*check only one box*) [Refer to 4284.920](#)

I DO NOT have a currently active VAPG grant with unused funds.

I DO have a currently active VAPG grant with unused funds.

Scheduled completion date of currently active VAPG grant: \_\_\_\_\_

### 3.5 No Current Outstanding Federal Judgments against Your Property or Delinquencies on Federal Taxes

[Refer to 4284.921](#)

I, [INSERT NAME OF APPLICANT], \_\_\_\_\_, certify that the United States has not obtained an unsatisfied judgment against my property and will not use grant funds to pay any judgments obtained by the United States.

I, [INSERT NAME OF APPLICANT], \_\_\_\_\_, also certify that I am not delinquent on payment of Federal Income Taxes or any Federal Debt.

### 3.6 Value-added products in the industries of wine, beer, distilled spirits or other alcoholic merchandise must comply with Alcohol and Tobacco Tax and Trade Bureau (TTB) regulations.

I DO currently have an alcohol license/permit that meets TTB requirements.

I DO NOT have an alcohol license/permit that meets TTB requirements.

I DO NOT have an alcohol license/permit that meets TTB requirements, however I have begun the application process. I submitted my alcohol permit/ license application to TTB on [Write or type date] or [Click here to enter a date](#).

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### SECTION 4: APPLICANT ELIGIBILITY

Use 7 CFR 4284.920 and 921, the definitions at 902 and the NOFA to address this section. All applicants must provide the requested information in within the body of the application or in the appropriate Appendix, as directed. 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).
- 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.
- 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.
- 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.

- 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]*

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- 2) Is the Applicant a **steering committee** (as found in the definition of Independent Producer at 7 CFR 4284.902)?  Yes  No

**If yes**, do you certify that 100 percent of committee members meet the requirements for an Independent Producer in the 7 CFR 4284.902 definitions at application; and if selected to receive grant funds, the steering committee will form a legal entity that will meet the requirements for one of the four eligible applicant types; and will provide the organizational documents of this new entity to the Agency before the Agency executes the grant agreement.  Yes  No

- 3) Is the Applicant a **harvester** (as found in the definition of Independent Producer at 7 CFR 4284.902)?  Yes  No

*(Examples include, but are not limited to: A logger who has a legal right to access and harvest logs from the forest that are then converted into boards; a fisherman who has the legal right to access and harvest fish from the ocean or river that are then processed. This category is not applicable for cultivated farm commodities).*

**If yes**, do you certify that you have the legal right to access and harvest 51 percent or more of the agricultural commodity that will be used for the value-added product, and are currently engaged in harvesting the subject agricultural commodity?

Yes  No

**Summarize** the harvesting rights and operation:

[Summary]

*(A copy of, or reference to, written contracts, rights-of-way, Memorandums of Understanding, license, or other documentation establishing "legal rights" to access and harvest the subject agricultural commodity must be provided upon award)*

*NOTE: Agricultural harvesters are NOT individuals or entities who glean, gather, or collect only residual commodities (such as 'slash in a forest or blemished fruit in an orchard) that result from an initial harvesting or production of a primary agricultural commodity. To be eligible, the agricultural harvester must harvest the primary agricultural commodity. This category is not applicable for cultivated farm commodities.*

## Skip to Section 4.4

### (b) Agricultural Producer Group

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

We are a **formal, non-profit, membership** organization that represents Independent Producers; and operates with a mission that includes working on behalf of Independent Producers.

The majority (more than 50 percent) of the *membership and board of directors* is made up of Independent Producers who are *individual* Agricultural Producers, or *entities* that are solely owned and controlled by Agricultural Producers, and are directly engaged in the production of the agricultural commodity to which value will be added for this project.

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- 1) What is your *total number of members*? \_\_\_\_\_
- 2) What is your *total number of members who are eligible Independent Producers*?  
\_\_\_\_\_\*
- \*Of this number, what is *the total number who will participate in the project*? \_\_\_\_\_
- 3) What is the *total number of individuals on the governing board*? \_\_\_\_\_
- 4) What is the *total number of individuals on the governing board who are eligible Independent Producers*?  
\_\_\_\_\_
- 5) In Appendix B, please attach your articles of incorporation or other evidence of your non-profit status.
- 6) **Describe** your organization's mission:  
*[Insert mission statement]*
- 7) **Identify** by name or class (general description of agricultural product or type of producer) the members who will participate in the project.

*[Insert list or identify class]*

### Skip to Section 4.3

#### (c) Farmer or Rancher Cooperative

See definitions in 7 CFR 4284.902. Acknowledge that you meet the following requirements by checking the appropriate boxes and providing the requested information.

*NOTE: Cooperatives owned and controlled by **agricultural harvesters** (i.e. fishermen, loggers, etc.) are eligible to apply only as an Independent Producer applicant and not as a Farmer or Rancher Cooperative. It is the Agency's position that harvesters do not meet the definition of a farmer or rancher. Harvester applicants must complete the information for IP in section 4.1(a) above.*

- 1)  Applicant certifies that it is a business owned and controlled by *eligible* Independent Producers that is ***either***:
  - LEGALLY INCORPORATED as a Farmer or Rancher COOPERATIVE  
Indicate the State of Incorporation: \_\_\_\_\_
  - OR-
  - IDENTIFIED by the State in which it operates as a Farmer or Rancher owned and cooperatively operated business in the State of: \_\_\_\_\_
- 2) What is the percentage of total ownership shares owned by Independent Producers? \_\_\_\_\_
- 3) How many Independent Producer owner/members will participate in the value-added project? \_\_\_\_\_
- 4)  The owner/members, or class, identified below are those *Independent Producers on whose behalf the project work will be done* and each owner/member, or class of producer, is an eligible Independent Producer, in accordance with the definition at 7 CFR 4284.902.

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List participating owner/member Independent Producers by name or class (general description of agricultural product or type of producer). Additional verification of the status and participation of these parties may be requested.

*[Insert list or identify class]*

### Skip to Section 4.3

#### (d) Majority Controlled Producer-Based Business

See definitions in 7 CFR 4284.902. Acknowledge that you meet the following requirements by checking the appropriate boxes and providing the requested information. Note: Cooperatives should not apply in this category.

- 1)  We are a legal entity in which more than 50 percent of the financial ownership *and* voting control is held by individual Independent Producers, or held by an *entity(ies)* solely owned and controlled by agricultural producers, and we are directly engaged in the production of the agricultural commodity to which value will be added for project.
- 2)  The owners identified below comprise 100 percent of the ownership of the organization, including both Independent Producer owners and owners that are not Independent Producers. If any *owners are entities themselves*, the ownership of those entities is also identified, by name or class (general description of agricultural product or type of producer), and confirmed as eligible. Additional verification of the status and participation of these parties may be requested.
- 3) **Provide** a list -by name or class- of all owners, their percentage of financial ownership of the organization, their percentage of voting control of the organization, and whether or not they are an eligible Independent Producer.

*[Insert list]*

### 4.3 Emerging Market

If you are an Agricultural Producer Group, a Farmer or Rancher Cooperative, or a Majority-Controlled Producer-Based Business, you must show that you are entering an emerging market as a result of the proposed project. To qualify, you cannot have supplied the proposed product, geographic or demographic market for more than two years at time of application submission.

**Check** all that apply and describe your emerging market:

- The project will provide a new value-added product
- The project will serve a new geographic market
- The project will serve a new demographic market

**Describe** the new product and/or geographic/demographic market):

*[Insert description]*

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How many months or years have your member-producers been engaged in the specific value-added activity that is the subject of this application?

Months \_\_\_\_\_ Years \_\_\_\_\_

### 4.4 Raw Commodity Committed to the Project *Refer to 4284.922 (b)(7)*

*Applicants for working capital grant funds must demonstrate the quantity of the agricultural commodity that will be used for the Value-Added Agricultural Product, as specified below. The quantity of the agricultural product must be expressed in an appropriate unit of measure, such as pounds, bushels, tons, head, etc. (do not use acreage), to demonstrate the scale of the agricultural project.*

Estimated <b>total quantity</b> of the Agricultural Commodity needed for the VAPG Project	
Estimated <b>quantity</b> of the Agricultural Commodity that will be <b>produced by the Independent Producer owners</b> of the applicant organization for the purpose of the project.	
Estimated <b>quantity</b> of the Agricultural Commodity that will be <b>purchased or donated</b> from third-party sources	
<b>Percentage of total quantity of the Agricultural Commodity contributed to the project by the Independent Producer owners must be more than 50 percent:</b> (Take the Independent Producer owner quantity amount and divide it by the total project quantity amount)	

## 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. All applicants must provide the requested information in within the body of the application or in the appropriate Appendix, as directed.*

**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))

*Based on the definitions in 7 CFR 4284.902 please address at least one value-added methodology below that best fits your proposed value-added product(s).*

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### 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 segregation of the commodity is accomplished and how it enhances the value of the commodity.

[Insert explanation]

### 4) Farm- or Ranch-based Renewable Energy

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. Fuel or energy that is not generated on a farm or ranch owned or leased by the Independent Producer applicant is not eligible under this methodology, but may be considered under 'change in physical state'.

**Describe** the renewable energy technology that will be used on-farm, and explain the process to generate on-farm renewable energy from the agricultural commodity produced by the Independent Producer applicant. Demonstrate that the generated renewable energy will result in expansion of customer base and increased returns to the producer\*

[Insert explanation]

\*For **Farm- or Ranch-based Renewable Energy**, documentation for expansion of customer base must include sales of on-farm generated renewable energy to off-farm customers; and/or the use of the generated renewable energy to produce another value-added product, the sales of which will expand customer base. An example is the use of the generated energy to power a greenhouse or a dairy operation from which value-added products will be produced. As applicable, emerging market requirements must be met.

Documentation for calculating increased revenue returned to the producer-owner(s) must include revenue from sales of generated energy to off-farm customers; savings that result from use of generated energy on the farm for farming operations; sale of value-added products produced using the generated energy; and/or sale of by-products of the generated energy such as compost and bedding, etc.



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### 5) **Locally-produced Agricultural Food Product**

*Examples include, but are not limited to, specific local grapes with characteristics attributable to the growing area will be sold to a processor that will produce a locally-marketed wine; or local corn advertised and sold at a premium as a fresher locally-produced alternative to non-local produce.*

**Explain** how value is added to your agricultural product, and demonstrate/quantify how local sales and marketing results in added value to the product.

*[Insert explanation]*

## **ALL APPLICANTS CONTINUE AT SECTION 5.3**

### **5.3 Expansion of Customer Base and Increased Revenue Derived from the Value-Added Process.**

*You must cite one or more relevant sources to support the response statements and data below. For working capital grant responses must be from project-specific analysis, such as a feasibility study, marketing plan, or business plan developed for the project; or, for working capital applications that do not require submission of a feasibility study or business plan, responses must identify a relevant authority source or independent basis for the response data provided. Attach third-party supporting documentation to Appendix C.*

- 1) **Discuss** the estimated expansion of customer base resulting from the value-added product, including a baseline of current customers for the commodity or value-added product, and an estimated target number of customers that will result from the project:

*[Insert discussion]*

- 2) **Discuss** the estimated amount of the increased revenue resulting value-added product that will be available to the applicant's producers of the agricultural commodity, including a baseline of current revenues from the sale of the agricultural commodity or value-added product, and an estimated target number of increased revenues that will result from the project:

*[Insert discussion]*

### **5.4 Purpose Eligibility and Use of Funds (see 7 CFR 4284.922 (b) and 7 CFR 4284.925 and .926)**

*Check all boxes that apply and include the documentation indicated.*

**Grant request is for a Working Capital Grant of \$ \_\_\_\_\_**

#### **1) Use of Funds**

Applicant understands and agrees that:

Working Capital funds will only be used to pay eligible project operational costs directly related to the processing and/or marketing of a value-added agricultural product. See 7 CFR 4284.925 for examples of eligible Working Capital activities.

The proposed project does NOT include costs for ineligible activities, as illustrated at 7 CFR 4284.926, including but not limited to, costs for land, buildings or equipment; vehicles; preparation of the grant application; research and development; architectural or engineering design work; expenses for the production of any agricultural commodity

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or product (including, but not limited to production planning, purchase of seed or rootstock or other production inputs, labor for cultivation or harvesting crops, and delivery of raw commodity to a processing facility); owner or family member wages; goods or services from a person or entity that has a personal, professional, financial or other interest in the outcome of the project; for costs incurred outside the grant period; or to purchase the raw agricultural commodity to which value will be added from the applicant entity; applicant-owned or related entity, or members of the applicant entity.

The project does NOT include costs associated with a conflict of interest for owners, employees, officers, agents, or their immediate family members having a personal, professional, financial or other interest in the outcome of the project, including organizational conflicts, or conflicts that restrict open and free competition for unrestrained trade; except as provided for in 7 CFR 4284.925 (a) and (b) relating to applicant or family member in-kind contribution of matching funds for eligible activities, and limited to 25 percent of total project costs.

*Applications that propose ineligible expenses in excess of 10 percent of Total Project Costs will be deemed ineligible to compete for funds. Applications containing ineligible expenses totaling less than 10 percent of Total Project Costs must remove those expenses from the project budget or replace with eligible expenses, if selected for an award. See 4284.922(b)(4).*

## 2) Work Plan and Budget

**You must 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 the 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 each of the activities and tasks; timeframes for completion of the activities and tasks; identification of the sources and uses of grant and matching funds for all activities and tasks; and a grant period that meets start and end date requirements. Note: Grant and Matching Funds may not be used to support costs for services or goods going to, or coming from, a person or entity with a real or apparent Conflict of Interest in which a person or entity has competing personal, professional, or financial interests that make it difficult for the person or business to act impartially. **Please note that information provided in section 5.4(2) b, c, and d will be scored as part of Section 6.2 Proposal Evaluation Criterion 6.2(4).****

**Note:** *If income (Program Income) is earned during the grant period as a result of the project activities, it is subject to the requirements in 2 CFR 200.307 and must be managed and reported accordingly. Program Income means gross income earned by the grantee that is directly generated by a supported activity or earned as a result of the grant, including, but not limited to income from the sale of commodities or products produced under the grant. Related costs may be deducted from gross income to determine Program Income, provided as long as these costs have not been charged to the grant. If you receive an award, your USDA servicing office will discuss your options regarding utilization of Program Income.*

### a. Grant Period Eligibility

*Your proposed grant period should begin no earlier than the anticipated Award Announcement date identified in the NOFA and should end no later than 36 months following that date. If you receive an award, your grant period will be revised to begin on the actual date of award, defined as the date the grant agreement is executed by the Agency, and your grant period end date will be adjusted accordingly.*

*[Insert proposed grant period start and end dates]*

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

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*[Insert work plan narrative]*

### c. Project Budget Summary

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

Activity #	Task Name, Description, and Responsible Party	Start Date	End Date	VAPG Funds	Cash Matching Funds	In-Kind Matching Funds	Total Project Costs
	<b>TOTAL PROJECT</b>			\$	\$	\$	\$

Working Capital applications must include an estimate of **Program Income** expected to be earned during the grant period. Further quantification of Program Income and its projected-use will be confirmed by applicants selected to receive grant funding, and will be subject to Agency approval in a final budget post-award.

Gross Income expected to be generated by project activities during the grant period.	\$
(minus) Costs related to the generated Program Income that will not be charged to the award.	\$
<b>Estimated Program Income</b> (subtract line 2 from line 1)	\$

### d. Task Budget Format

You must provide a budget table for **each task** that will be completed for **each main activity** listed above and include a detailed explanation/clarification for each task budget, including the basis for the valuation for each budget line item.

*Edit budget categories and add additional task tables as needed.*

Task #1	VAPG Grant Funds	Cash Matching Funds	In-Kind Contributions	Total
<b>Example</b> Budget Categories				
Personnel				
Fringe Benefits				
Travel				
Office Equipment				
Supplies				
Contractual				
Other				
Other				
<b>Total</b>	\$	\$	\$	\$

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*[Insert task budget breakdown and explanation here]*

### e) Type of Working Capital Application

*You must respond to only one of the following three categories:*

*Except as noted in 7 CFR 4284.922 (b) (6) (i and ii), working capital applications must include an independent feasibility study and business plan completed **specifically** for the proposed value-added project. The Agency will use this information to determine whether the project is financially feasible and can achieve the income, credit and cash flows to sustain the venture over the long term. Applications with inadequate information or projects found not financially feasible by the Agency will not be eligible to compete for grant funding. Note: applicants who are Agricultural Producers, Farmer or Rancher Cooperatives, or Majority Controlled Producer-Based Businesses are limited to Emerging Market (as defined in 7 CFR 4284.902) or Simplified applications. Independent Producers may submit Emerging Market, Simplified, or Market Expansion proposals, as described below.*

**i) EMERGING MARKET: ANY APPLICANT TYPE seeking a Working Capital Grant of \$50,000 or more (not for market expansion-see #2 below)** I have provided a third-party, project-specific feasibility study and a business plan related to the processing and/or marketing of my value-added product. This grant project proposes to implement the venture as outlined in the feasibility study and business plan documents.

A complete copy of the feasibility study and business plan is attached in **Appendix C**.

Name of Qualified Consultant who completed the feasibility study:

\_\_\_\_\_

Date the feasibility study was completed: \_\_\_\_\_

Name of person who completed the business plan:

\_\_\_\_\_

Date the business plan was completed: \_\_\_\_\_

*EXCEPTIONS as noted in 7 CFR 4284.922 (b) (6) (i and ii):*

Note: Grant and Matching Funds may not be used to support costs for services or goods going to, or coming from, a person or entity with a real or apparent Conflict of Interest in which a person or entity has competing personal, professional, or financial interests that make it difficult for the person or business to act impartially.

**ii) MARKET EXPANSION: INDEPENDENT PRODUCER applicant seeking a Working Capital Grant of \$50,000 OR MORE:**

I am an Independent Producer (IP) applicant seeking a working capital grant of \$50,000 or more for a market expansion project for an existing value-added product that I have produced and successfully marketed for at least two years at time of application submission; and

In lieu of an independent feasibility study for this project, I am submitting a business or marketing plan for the value-added project (included in **Appendix C**). I understand that this does not change the proposal evaluation or scoring elements and that I 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 in Section 5.3.

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*[Insert Summary of your history of producing and marketing the subject value-added product and summarize the results of your business or marketing plan]*

**iii) SIMPLIFIED APPLICATION: ALL APPLICANT TYPES submitting a Working Capital Grant application (emerging market or market expansion) of LESS THAN \$50,000:**

I am applying for a working capital grant of less than \$50,000 and understand that I am not required to provide a feasibility study and business plan. I understand that this does not change the proposal evaluation or scoring elements and that I 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 in Section 5.3.

### **SECTION 6: EVALUATION CRITERIA**

#### **6.1 Performance Evaluation Criteria (7 CFR 4284.931 (b) (2) (i))**

*Applicants must provide specific information about plans to track and evaluate progress toward these outcomes as a way for the Agency to ascertain whether or not the primary program goals and project goals proposed in the work plan are likely to be accomplished during the project period.*

##### **1) How many jobs are expected to be created or saved as a result of the project?**

Number of jobs expected to be created \_\_\_\_\_ or saved \_\_\_\_\_

Please discuss how the project will create or save jobs:

*[Insert discussion]*

*Jobs Created – Jobs created refers to the jobs created by the VAPG applicant that are directly related to, a result of, and attributed to the VAPG project funded by RBS. Jobs created are generally located at the project site.*

*Jobs Saved – Jobs saved refers to existing jobs (in terms of FTEs) where it can be documented that without VAPG project funding, the jobs would have been lost. Not all existing jobs are jobs saved.*

*Count 2 part-time jobs as 1 full-time job and count 3 seasonal jobs as 1 full-time job. If part-time and/or seasonal jobs add up to a fraction, round up to the next whole number. If no jobs are created or saved, enter a zero.*

*The following is an example of calculating jobs:*

*4 permanent employees working 40 or more hours/week  
4 employees x 1 FTE each =4 FTEs*

*4 long-term temporary employees working 35 hours/week  
4 employees x 1 FTE each =4 FTEs*

*8 Seasonal employees working 40 hours/ week for 3 months  
8 employees x 1 FTE each x ¼ year =2 FTEs*

*8 short-term employees working 20 hours/week for 4-month term  
8 employees x ½ FTE each x 1/3 year = 1.33, rounded up = 2 FTEs*

*Total jobs =12 FTEs/Jobs*

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### 2) From Section 5.3, please enter the following:

- a) Current baseline of customers \_\_\_\_\_
- b) Anticipated expansion of customer base as a result of the project \_\_\_\_\_
- c) Current baseline of revenue to producers \_\_\_\_\_
- d) Anticipated increase in revenue to producers as a result of the project \_\_\_\_\_

### 3) Provide at least one performance evaluation criterion for your grant project be evaluated by, if awarded funds.

*Applicants are invited to suggest additional benchmarks for evaluation that are specific to proposed project activities or outcomes and the corresponding timeframes for accomplishing them; these should be informed by the program objectives, stated above, related to new markets, expansion of customer base, and revenues returning to producer Applicants; as well as to the practical and/or logistical activities and tasks to be accomplished during the project period. The required data, including accomplishments as outlined in § 4284.960 and Applicant-suggested performance criteria, will be incorporated into the Applicant's semi-annual and final reporting requirements if selected for award, and will be specified in the grant agreement associated with each award.*

#### **Examples of Performance Evaluation Criteria for Working Capital Grants:**

- *Is the project serving the targeted customer market described in the business plan?*
- *Has the project realized the expected commitments from new customers?*
- *Has the project realized the expected increase in revenues for its agricultural producers?*

*[Insert Working Capital Grant Performance Evaluation Criteria]*

## **6.2 Proposal Evaluation Criteria (see 7 CFR 4284.942(b) and NOSA section E. 1. to respond to each criterion)**

*The Agency will select and rank applications for funding based on the score an application has received in response to each proposal evaluation criteria. All applicants must provide the requested information in within the body of the application or in the appropriate Appendix, as directed. For each criterion, you must demonstrate how 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. Note: Grant and Matching Funds may not be used to support costs for services or goods going to, or coming from, a person or entity with a real or apparent Conflict of Interest in which a person or entity has competing personal, professional, or financial interests that make it difficult for the person or business to act impartially. 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 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. Discuss the technological feasibility of the project, as well as operational efficiency, profitability, and overall economic sustainability resulting from the project.*

- 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, you must include supportable projections of increase in

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customer base, revenue returned to producers and jobs resulting from the project in order to receive up to the maximum number of points. You must also discuss the value-added process you are proposing; potential markets and distribution channels; the value to be added to the raw commodity through the value-added process; cost and availability of inputs, your experience in marketing the proposed or similar product; business financial statements; and any other relevant information that supports the viability of your project.

*[Insert description]*

- b. Describe the operational efficiency of the project (i.e. sufficient raw commodity, use own facility or toll processing, share a processing space, energy efficiency aspects, waste management, sufficient labor or expertise, logistics for storage or distribution of value-added product, etc.):

*[Insert description]*

- c. Describe the expected profitability of the Working Capital project, utilizing .pro forma financial projection summaries or other relevant sources of authority, cost and availability of inputs, cost of processing the commodity, etc.

*[Insert description]*

- d. Describe the economic sustainability of the project in terms of project viability post-grant period/, whether the project will reach or exceed the break-even point post award, the potential for market expansion, and known risk factors, etc.

*[Insert description]*

### 2) **Qualifications of Project Personnel (graduated score 0 – 20 points)**

*Identify each of the individuals who will be responsible for completing the proposed tasks in the work plan, including a summary of their qualifications and expertise. Describe their roles, responsibilities and commitment to the project. Repeat all categories for each of the Project Personnel. Attach additional pages as necessary.*

- a. Name of Staff/Consultant (if known) responsible for each task in the work plan and budget
- b. Qualifications or Experience (If staff or consultants have not been selected at the time of application, provide specific descriptions of the qualifications required for the positions to be filled).
- c. Project role and responsibilities
- d. Describe availability/commitment to the project
- e. You must discuss the commitment and the availability of any consultants or other professionals to be hired for the project—especially those who may be consulting on multiple VAPG projects).

### 3) **Commitments and Support (graduated score 0-10 points)**

*Letters of support or commitment from producers, end-users, and third-parties must be **summarized as part of your responses below AND the letters must be included in Appendix C.** Summaries should include date of the letter and name and position of the author. Applications that demonstrate strong, direct financial commitment in the form of cash matching contributions, participation by multiple producers, and strong technical and logistical support to successfully complete the project will receive more points than those that demonstrate less support.*

- a. **Producer commitments** to the project will be evaluated based on the number of independent producers currently involved in the project (producing and providing the raw commodity to the project); and the nature, level and quality of their contributions, including matching contributions to project, other forms of commitment such as project-related past efforts):



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*[Insert explanation]*

- b. **End-User commitments** will be evaluated on potential or identified markets and the potential amount of output to be purchased, as shown by letters of intent or contracts from potential buyers referenced within the application (letters of support, interest, or intent from buyers wanting to purchase the value-added product):

*[Insert explanation]*

c. **Third-Party commitments** to the project will be evaluated on the critical and tangible nature of the contribution to the project, such as technical assistance, storage, processing, marketing, or distribution arrangements that are necessary for the project to proceed; and the level and quality of these contributions (evidence of prior area-wide planning; consistency with strategic state or regional economic plans; pro bono or reduced fee arrangements for technical assistance, storage arrangements or distribution partnerships, critical processing arrangements or marketing partnerships necessary for the project to proceed):

*[Insert explanation]*

*Note: Letters of commitment by producers, end-users, and third-parties must be summarized as part of your response to this criterion, and the letters must be included in Appendix C.*

#### 4) Work Plan and Budget (graduated score 0 – 20 points):

In accordance with 7 CFR 4284.922 (b)(5), you have submitted a comprehensive work plan and budget, found in Section 5 of this template. Points may not be awarded unless sufficient detail is provided to determine that both grant and matching funds are being used for qualified purposes and are from eligible sources without a conflict of interest. All Working Capital requests must include an estimate of Program Income expected to be earned during the grand period.

#### 5) Priority Points (lump sum score 0 or 5 points, and graduated score 0 – 5 points)

*Eligible applicants may request Priority Points if they meet the requirements for only one of the following categories and provide the documentation specified in 7 CFR 4284.924, as applicable.*

To request Priority Points, applicants must provide all documentation and responses for **one** of the Priority categories in **Appendix E**.

I request priority points in one of the following priority categories (check only one box):

- Beginning Farmer or Rancher
- Veteran Farmer or Rancher
- Socially Disadvantaged Farmer or Rancher
- Mid-Tier Value Chain Project
- Operator of a Small or Medium-sized Farm or Ranch that is Structured as a Family Farm or Ranch
- Farmer or Rancher Cooperative



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### 6) Priority Points for Group Applicants (graduated score 0 - 5 points, for a) and b))

To request Priority Points in this category, applicants must provide documentation and responses for the 'best contributes' Priority category in **Appendix E**.

I am an Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority Controlled Producer-Based Business AND I am applying for additional Priority Points as an applicant that "best contributes" to creating or increasing marketing opportunities for Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers, or Operators of Small- or Medium-Sized Farms or Ranches Structured as Family Farms.

*Note: It is the Agency's position that harvester operations do not meet the definition requirements for a Farm or Ranch. Thus, harvester applicants may only request Priority Points if they are proposing a Mid-Tier Value Chain.*

### 7) Administrator Priority Categories (graduated score 0 - 10 points)

The Administrator of USDA Rural Development Business and Cooperative Programs has discretion to award up to 10 points to an application to improve the geographic diversity and/or, foster persistent poverty counties and/or help reduce unemployment through job creation of awardees in a fiscal year. The applicant must specifically address job creation, per the instructions in the Evaluation Criterion section of this template. The applicant does **not** provide documentation for points related to geographic diversity or persistent poverty counties.

## SECTION 7: MATCHING FUNDS

### 7.1 Certification of Matching Funds

I certify that (1) the cost-share matching funds for the project will be spent in advance of grant funding, such that 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; and (2) if matching funds are proposed in an amount exceeding the grant amount, those matching funds will be spent in advance of grant funding at a proportional rate equal to the match-to-grant ratio identified in the proposed budget; and (3) will not substitute any cash match identified and credited for to in-kind once the award is made; and (4) Applicant or third party matching contributions in the form of raw commodity, time contributed to the project, or other goods or services, have been characterized as in-kind contributions.

**Print Name of Applicant's Authorized Representative:**

\_\_\_\_\_

**Signature of Applicant's Authorized Representative:**

\_\_\_\_\_

**Date:** \_\_\_\_\_

### 7.2 Verification of Matching Funds

In **Appendix D**, you must provide all of the information requested, including authentic documentation requested in Appendix D from the contributing source to demonstrate and confirm (1) the *eligibility of the source and use* of all matching funds, including cash and in-kind contributions; and (2) the *availability* of both cash and in-kind contributions during the proposed grant period so that all matching funds meet the definition requirements for Matching Funds and

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Conflict of Interest in 7 CFR 4284.902. Also see 7 CFR 4284.925 and 7 CFR 4284.926 for eligible and ineligible uses of grant and matching funds.

Matching funds must be:

- spent on eligible working capital activities
- from eligible sources without a real or apparent conflict of interest
- at least equal to the grant amount, with combined grant and matching funds equal to 100 percent of the total project costs
- provided in the form of confirmed applicant cash, loan, or line of credit; or be provided in the form of a confirmed applicant or family member in-kind contribution that meets the requirements and limitations specified in 7 CFR 4284.925 (a) and (b); or be provided in the form of confirmed third-party cash or eligible third-party in-kind contribution, including non-federal grant sources. Verification of cash matching contributions from non-federal grant sources, including grants made available under Public Law 93-638, the Indian Self-Determination and Education Assistance Act of 1975 to tribal entities, must include documentation from the awarding source or administrator of funds indicating that funds are currently available to the applicant.
- The value of eligible services provided by the applicant or family members as in-kind must not exceed 25 percent of total project costs. Services must be reasonably valued and the basis for the valuation provided in the verification of matching funds documentation.
- Applicant matching contributions in the form of raw commodity, time contributed to the project, or other goods or services, must be characterized as in-kind contributions.
- Donations of goods and service from third-parties must be characterized as in-kind contributions.

The use of the verification templates included in **Appendix D** is optional, but highly recommended. Choose one or more of the five template types to match the form of your matching funds. Sources, uses, and amounts of matching contributions presented in the budget and work plan should match that verified in Appendix D. The *contributing source* of the matching funds should complete the information on the designated form(s) or provide ALL of the requested information in a similar format, for the type of matching funds being provided for the project, and sign the form where indicated. Verifications for all matching funds must be provided with this application in [Appendix D](#).

## PROCEED TO APPENDICES

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## **APPENDICES**

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### APPENDIX A: Tribes and Tribal Entities as VAPG Applicants

#### Applicant Eligibility Guidance

This is intended to provide guidance to 7 CFR Part § 4284.920 “Applicant Eligibility” to clarify the eligibility of tribal entities under the Value-Added Producer Grant (VAPG) program. Tribal entities are encouraged to consult with the USDA Rural Development office in their State for further assistance. Contact information can be found at <http://www.rd.usda.gov/contact-us/state-offices>.

VAPG applicants must meet all definition requirements for one of four applicant types: **independent producer, agricultural producer group, farmer or rancher cooperative; or majority-controlled producer-based business venture**. Each applicant type is made up, through ownership, or membership of a majority, of *Independent Producers*, which is an individual or an entity that is solely owned and controlled by *Agricultural Producers*. An Agricultural Producer is “an individual or entity that produces an Agricultural Commodity through participation in the day-to-day labor, management, and field operations; or that has the legal right to harvest an Agricultural Commodity that is the subject of the VAPG project.” However, due to unique tribal structures and circumstances the Agency shall determine the Agricultural Producer status of Federally-recognized Tribes and Tribal entities without regard to day-to-day labor, management, and field operation and right to harvest status.

#### Key Questions

The questions below will help you determine whether your Tribe or Tribal entity is an eligible applicant for the VAPG program. Please discuss them with your USDA Rural Development State Office and pay close attention to all of the necessary documentation requirements. Additionally, if there are other questions or clarifications Rural Development can make to improve the eligibility review process for tribal applicants, please share your recommendations with your USDA Rural Development contact.

1. Are you a Federally Recognized Tribe, a tribal enterprise, a subdivision of a Federally Recognized Tribe, a tribally chartered corporation or a Section 17 corporation?
2. If your organization is not the Tribe, how is it related to the Tribe and the Tribe’s producers?
3. How exactly are you chartered, incorporated, authorized, or organized to conduct business?
4. Is the production or collection of the commodity under the regulatory jurisdiction of the Tribe?
5. Do the benefits from the production of the agricultural commodity benefit the Tribe as a whole? Or, does the tribal entity represent an exclusive subset of agricultural producers who receive the benefit?
6. Does the tribal entity partner with non-tribal entities? In what way?
7. Does the applicant meet all of the eligibility requirements for *one of the four applicant types* according to 7 CFR 4284.920?
8. Does the proposed project meet all other *program* eligibility requirements found at 7 CFR 4284.920-926?

#### Documentation Requirements for Good Standing

Tribal applicants may provide the following documents as *part of a complete application* to fulfill requirements related to Certification for Good Standing in the State or primary location of the applicant’s business operations for the VAPG project. If a Certificate of Good Standing from the State is not available due to the applicant’s organizational legal status, then an alternative document must be provided: (1) if the Tribe/applicant is/has a Section 17 Corporation, approval documents from the Department of Interior for that Corporation must be provided as evidence of good standing; (2) if the applicant is an entity that is incorporated under Tribal law, the Tribe itself may provide evidence of “good standing” in the form of a letter or Certificate from the Tribe, as available. These substitute documents for “good standing” do not relieve the applicant from providing all other required application elements specified in the program regulation, NOFA, and application toolkit.

#### Documentation Requirements for Beginning Farmers or Ranchers and Small- or Medium-Sized Farms

Tribes or Tribal Entity applicants applying for priority points as Beginning Farmers or Ranchers or Operators of Small- or Medium-Sized Farms or Ranches Structured as Family Farms may demonstrate farm income requirements through use of a letter of certification of Farm Income by CPA or attorney, where IRS tax forms are not available.

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### **APPENDIX B Section 3.2 Legal Authority and Good Standing**

**ALL APPLICANTS:** Please attach evidence of Legal Authority and Good-standing (Examples: By-Laws, Articles of Incorporation or Organization, Letter or Certificate of Good Standing from your Secretary of State or equivalent agency) as well as any applicable licenses and inspections. For sole proprietor/independent producers, a copy of your IRS tax form showing farm income). **Tribal applicants** see **Appendix A** for documentation requirements.

If you have not yet received a CAGE code and expiration date from SAM, please attach evidence from SAM that you have begun the registration process.

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### APPENDIX C Supporting Documentation

1. **ALL APPLICANTS:** Attach third-party documentation in support of responses to Expansion of Customer Base and Increased Revenue in **Section 5.3**.
2. **ALL APPLICANTS:** Attach copies of letters of commitment and support in response to **Proposal Evaluation Criterion 3**.
3. **WORKING CAPITAL APPLICANTS ONLY: Section 5.4 Please** attach a copy of your Feasibility Study and Business Plan or if proposing a Market Expansion project, a copy of your Marketing Plan, only. Please note that these documents are for eligibility purposes only. They are not provided to reviewers. You must sufficiently summarize findings from these documents, directly in response to evaluation criteria.

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### **APPENDIX D Matching Funds Verification**

*Refer to 4284.922(b)(6), .925 and .926*

*Documentation verifying eligible matching funds must be included in this Appendix. If grant funds are awarded, this information will be re-verified upon execution of the grant agreement. Verification Templates are included in this Application Toolkit for each type of matching funds contribution to the project, and you may select the template(s) appropriate for your project: 1) Applicant cash; 2) Applicant approved loan or line-of-credit; 3) Applicant in-kind; 4) Third-Party cash; and/or 5) Third-Party in-kind.*

If you have questions about your project budget or eligible use of grant and/or matching funds, please contact your Rural Development State Office. Contact information is available for each state at <http://www.rd.usda.gov/contact-us/state-offices>.

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### APPENDIX D.1 Verification of Matching Funds: Applicant Cash

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The use of this form is optional, but highly recommended. If you choose not to use this form, you must provide ALL of the information requested below in a similar format and include it in this Appendix. If the applicant is contributing cash-on-hand to pay for goods and/or services during the grant period that are eligible expenses for the project, the expenditure is considered a cash match. The applicant must sign this statement to verify (a) the amount of cash match, (b) the source of the cash match, and (c) use of the cash match. A copy of a bank statement with an ending date within one month of the application submission deadline and showing an ending balance equal to or greater than the amount of Cash Matching Funds proposed is also required at time of application (note: please redact any account numbers appearing on your statement).

Legal Name of Applicant: \_\_\_\_\_

Title of Applicant's VAPG Project: \_\_\_\_\_

Total Project Cost: \$ \_\_\_\_\_ VAPG Grant Request: \$ \_\_\_\_\_ Total Applicant Cash Match: \$ \_\_\_\_\_

Identify all source(s), amounts, and uses of **Applicant Cash Matching Funds** that your organization currently has available and committed to eligible VAPG project expenditures during the grant period proposed in the SF424 form and Section 5.4(2)a . Include a **copy of an account statement from each source** dated within 30 days of the application submission showing an ending balance equal to or greater than the amount of Cash Matching Funds proposed.

Applicant Source of Cash Funds	Name of Holding Institution	Cash Match Amount	Use of Funds for Project Budget Activities
Checking Account		\$	
Savings Account		\$	
Certificate of Deposit		\$	
Money Market		\$	
Mutual Funds		\$	
Other		\$	
<b>Total Cash</b>		<b>\$</b>	

Has your organization formally approved the Cash Match Amounts and Purpose at time of application?

Yes  No \_\_\_\_\_ Date of Approval  \_\_\_\_\_ N/A

Print Name of Applicant/Authorized Representative: \_\_\_\_\_

Title of Applicant/Authorized Representative: \_\_\_\_\_

Signature of Applicant or Authorized Representative: \_\_\_\_\_ Date: \_\_\_\_\_



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## APPENDIX D.2 Verification of for Matching Funds: Applicant Approved Loan or Line of Credit

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*Use of this form is optional, but highly recommended. If you choose not to use this form, you must provide ALL of the information requested below in a similar format, and include it in this Appendix. Ask your lending institution to provide all of the information below, at time of application, to verify your approved Loan or Line of Credit that will be used as matching funds for your VAPG project during the grant period proposed in the SF424 form and Section 5.4(2)a.*

For purposes of facilitating the Work Plan and Budget Activities identified in the associated Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the lending institution identified below, I verify and confirm the following information:

**Legal Name and Address of Lender Providing Loan or Line of Credit for VAPG Matching Funds:**

\_\_\_\_\_  
\_\_\_\_\_

**Legal Name and Address of Intended Recipient/Borrower of Loan or Line of Credit for VAPG Matching Funds (must be the same legal name as identified on the VAPG application):**

\_\_\_\_\_  
\_\_\_\_\_

**Total Amount of Loan or Line of Credit to be Used for Eligible VAPG Project Purposes:** \$ \_\_\_\_\_

**Brief Description of Borrower's Use of Loan/LOC Funds:** *[Insert description]*

**Will the Loan or Line of Credit be provided to the Borrower during the proposed grant period, or on a specific date within the proposed grant period?**  Yes  No

**Date(s) of Transfer or Availability of the Funds to Borrower (month/day/year):** \_\_\_\_\_

**Date of Loan/LOC Approval** \_\_\_\_\_  N/A

**Print Name of Authorized Representative  
For Lending Institution:** \_\_\_\_\_

**Title of Authorized Representative:** \_\_\_\_\_

**Signature of  
Authorized Representative:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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### APPENDIX D.3 Verification of Matching Funds: Applicant IN-KIND Contribution

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*Use of this form is optional, but highly recommended. If you choose not to use this form, you must provide ALL of the information requested below in a similar format, and include it in this Appendix. You must describe (a) the nature of the goods or services to be donated and how they will be used, (b) the value of the goods or services with an explanation of the basis of the valuation, and (c) when the goods or services will be donated, including specific dates (month/day/year) corresponding to the grant period proposed in the SF424 form and Section 5.4(2)a, or to dates within the grant period, when the contributions will be made available to the project.*

**Legal Name of Applicant:** \_\_\_\_\_

**Title of Applicant's VAPG Project:** \_\_\_\_\_

Total Project Cost: \$ \_\_\_\_\_ VAPG Grant Request: \$ \_\_\_\_\_ Applicant In-Kind Value: \$ \_\_\_\_\_

**Print Name of Applicant/Authorized Representative:** \_\_\_\_\_

**Title of Applicant/Authorized Representative:** \_\_\_\_\_

**Signature of Applicant or  
Authorized Representative:** \_\_\_\_\_ **Date:** \_\_\_\_\_

*Only eligible goods or services provided during the grant period for which no expenditure is made can be considered in-kind. Please see 7 CFR 4284.926 for examples of in-kind contributions that are not eligible. Verification for in-kind contributions that are over-valued will not be accepted.*

#### **PLEASE PROVIDE THE FOLLOWING DOCUMENTATION**

##### **A. Applicant Owner or Family Member Time as In-Kind Match**

If you propose to use applicant owner or family members' participation in eligible project activities as in-kind match, please provide the information below for each participant. The total value of in-kind services provided by the applicant and family members must not exceed 25 percent of total project costs. (Note: the participation of the employees of Tribes and tribal entities must be clearly documented as owner participation if it is to be used as in-kind match):

- 1) Name of Owner or Family Member who will perform the services
- 2) Relationship to the Owner of Applicant Organization
- 3) Description of services to be provided
- 4) When the services will be provided (month/day/year)
- 5) Value of services to be provided
- 6) Basis for valuation (attach supporting documentation) See 7 CFR 4284.925 (a) and (b)
- 7) Total value of all services provided by the applicant owner and all family members (Total must not exceed 25 percent of total project costs).

*[Insert documentation]*

*Continued next page*

# USDA Value-Added Producer Grant

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### B. OTHER Applicant In-Kind Contributions

If you propose to use other eligible goods or services contributed to the project, as Applicant In-kind Match, provide the information below for each good or service. Please see 7 CFR 4284.926 for examples of in-kind contributions that are not eligible.

- 1) Name of provider of good or service
- 2) Relationship to the Owner of Applicant Organization
- 3) Description of the good or service to be provided
- 4) How the good or service will be used in the project
- 5) When the good or service will be provided
- 6) Value of the good or service
- 7) Basis for the valuation (include documentation)
- 8) Total value for all goods and services

*[Insert documentation]*

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### APPENDIX D.4 Verification of Matching Funds: Third-Party Cash

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*The use of this form is optional, but highly recommended. If you choose not to use this form, you must provide ALL of the information requested below in a similar format, and include it in this Appendix. The Third-Party contributor must complete and sign where indicated to verify the (a) amount of cash to be donated, and (b) when it will be donated, indicating specific dates (month/day/year) corresponding to the grant period proposed in the SF424 form and Section 5.4(2)a, or to dates within the grant period, when matching funds will be made available to the project. **Donations of goods, services, or time committed to the project is not considered a cash matching contribution and must be verified as Third-Party In-kind match.***

For purposes of facilitating the Work Plan and Budget Activities identified in the associated FY2015 Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the third-party organization identified below, I verify and confirm the following information:

**Legal Name and Address of Third-Party providing CASH Matching Funds:**

---

**Legal Name of Intended Recipient of Third-Party CASH Matching Funds:**

---

**Total Amount of Third-Party CASH Matching Funds to be donated for Eligible VAPG Project Purposes:**

\$ \_\_\_\_\_

**Will the Third-Party CASH Matching Funds be provided to the Intended Recipient during the proposed grant period?**

Yes  No

Dates of Transfer/Availability \_\_\_\_\_ (month/day/year)

**Name of Financial Institution currently holding Third-party cash matching funds to be transferred to Intended Recipient:**

---

Does your organization understand that cash matching contributions from third-parties cannot be used to provide services which directly benefit the third-party contributor, and that contributors of cash matching funds may not limit how or where the funds are used?  Yes  No

**Has your organization approved the Third-Party CASH transfer amount and VAPG general purpose?**

Yes  No Date of Approval \_\_\_\_\_  N/A

**Print Name of Authorized Representative**

**For Third-Party Organization:** \_\_\_\_\_

**Title of Authorized Representative:** \_\_\_\_\_

**Signature of Authorized Representative:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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### APPENDIX D.5 Verification of Matching Contribution: Third-Party In-Kind

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*Use of this form is optional, but highly recommended. If you choose not to use this form, you must provide ALL of the information requested below in a similar format, and include it in this Appendix. The Third-Party contributor may provide a signed letter with the following information or may complete and sign this form where indicated to describe (a) the nature of the goods and/or services to be donated, (b) the value of the goods and/or services to be donated with a description of the basis for the valuation, and (c) when the goods and/or services will be donated during the grant period proposed in the SF424 form and Section 5.4(2)a, including specific dates (month/day/year) within the grant period when the matching contributions will be made available.*

For purposes of facilitating the Work Plan and Budget Activities identified in the associated FY2015 Value-Added Producer Grant (VAPG) application, and as an Authorized Representative of the third-party organization identified below, I verify and confirm the following information:

**Legal Name and Address of Third-Party Providing In-Kind Contribution:**

---

---

**Legal Name of Intended Recipient of Third-Party In-Kind Contribution:**

---

**Value of All Third-Party In-Kind Donation for Eligible Project Purposes:** \$ \_\_\_\_\_

#### PLEASE PROVIDE THE FOLLOWING DOCUMENTATION

For **Third-Party In-Kind Contributions**, provide the following information for each good or service provided. Please see 7 CFR 4284.926 for examples of in-kind contributions that are not eligible. Organizations contributing the services of affiliated volunteers must provide verification for *each individual volunteer*. Verification for in-kind contributions that are over-valued will not be accepted.

- 1) Description of the good or service
- 2) How the good or service will be used in the project
- 3) When the good or service will be provided
- 4) Value of the good or service
- 5) Basis for the valuation (include documentation)
- 6) Total value for all goods and services

*[Insert documentation]*

*Continue to next page*

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**Will the third-party in-kind contribution be provided to the recipient during the proposed grant period?**

Yes  No

**Anticipated Date(s) of contribution:** \_\_\_\_\_

**Has your organization formally approved the In-Kind Match contribution value and purpose at Time of Application?**

Yes  No Date of Approval \_\_\_\_\_  N/A

**Does your organization understand that in-kind contributions from third-parties cannot be used to directly benefit the third-party contributor?**  Yes  No

**Print Name of Authorized Representative**

**For Third-Party In-Kind Contributor:** \_\_\_\_\_

**Title of Authorized Representative:** \_\_\_\_\_

**Signature of**

**Authorized Representative:** \_\_\_\_\_ **Date:** \_\_\_\_\_

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### APPENDIX E 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 only one category and provide the supporting documentation indicated in the appropriate Appendix for that single category to demonstrate eligibility.

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

*Note: To receive Priority Points as a Beginning Farmers or Rancher or a Socially Disadvantaged Farmers or Rancher, applicant ownership or membership by Beginning Farmers or Ranchers or Socially Disadvantaged Farmers or Ranchers must be more than 50 percent of total membership.*

#### To Request Priority Points for Group Applicants ([see 4284.924\(f\)](#))

*Applicants that are eligible **Agricultural Producer Groups, Farmer or Rancher Cooperatives, or Majority Controlled Producer-Based Businesses** AND can demonstrate how they ‘best contribute to creating or increasing marketing opportunities for Beginning Farmers or Ranchers, Veteran Farmers or Ranchers, Socially-Disadvantaged Farmers or Ranchers, and/or Operators of Small- or Medium-Sized Farms or Ranches Structured as Family Farms can qualify for **up to 5 points**.*

Provide the supporting documentation indicated in **Appendix E.7** to demonstrate eligibility.

#### Reserved Funds

Ten percent of available funds in a funding cycle are reserved for Beginning Farmers or Ranchers and Socially-Disadvantaged Farmers and Ranchers. An additional 10 percent is reserved for applications that propose Mid-Tier Value Chains. Information provided above will be used to determine awards funded from Reserves. In accordance with 4284.923(a) and (b), qualified applicants in these categories will be funded from these reserves in rank order until 10 percent of funds have been expended. The remaining applicants in these categories will then be ranked and awarded from General Funds until those funds are expended. Ten percent of Reserved Funds are also set aside for applicants from Persistent Poverty counties. No further documentation is required.

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for this category. Reserved Funds not obligated by June 15 will revert to the General Fund in which all applicants will compete.



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### APPENDIX E.1 Priority Points Beginning Farmer or Rancher

Refer to the instructions in 7 CFR 4284.924 to document eligibility for Priority Points. Harvester operations do not meet the definition requirements for a Farm or Ranch and are not eligible to receive Priority Points or Reserved Funds for a Beginning Farmer or Rancher.

#### **Request Beginning Farmer or Rancher Priority Points as one of the following:**

An eligible individual Independent Producer (other than a Harvester), who has not owned and operated a farm or a ranch for more than 10 years;

OR

An eligible applicant entity (other than a Harvester) in which more than 50 percent or more of total owners or members have not owned or operated a farm or ranch for more than 10 years.

- a. Total number of owner/members of the applicant organization \_\_\_\_\_
- b. Total number of owner/members that qualify as a Beginning Farmers or Ranchers \_\_\_\_\_
- c. Total percentage of ownership/membership by Beginning Farmers or Ranchers \_\_\_\_\_

#### **Attach documentation for items 1 – 2 below**

1. A statement from the individual owner(s) or members of the applicant organization describing the length and nature of their individual farm or ranch *ownership and operations* experience in the previous 10 years. Or, as applicable, a copy of or excerpt from the applicant's organizational documents that shows the applicant's composition of Beginning Farmers or Ranchers owner/members. The Beginning Farmers or Ranchers' past experience and activity is not limited to the current farm or ranch that is the subject of the VAPG application, but must include all prior *farm ownership and operations* experience in the previous 10 years.
2. One IRS Form 1040 (individual) or 1065 (partnership/LLC) or some other income tax form from the previous 10 years from *each* of the individual owner(s) or members of the applicant organization showing that *each* owner or member did NOT file a Schedule F (individual) or a K1 (partnership/LLC) or some other form for farm income at least one year in the previous 10 years. In lieu of an applicable IRS Form, a letter from a certified public accountant or attorney certifying that *each* participant meets the Beginning Farmers or Ranchers eligibility requirements is acceptable.

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### **APPENDIX E.2 Priority Points**

#### **Veteran Farmer or Rancher**

Refer to the instructions in 7 CFR 4284.924 to document eligibility for Priority Points. The term ‘Veteran Farmer or Rancher’ means a farmer or rancher who has served in the Armed Forces (as defined in section 101(10) of title 38 United States Code) and who (A) has not operated a farm or ranch; or (B) has operated a farm or ranch for not more than 10 years. Note: Harvester operations do not meet the definition requirements for a Farm or Ranch and are not eligible to receive Priority Points Veteran Farmer or Rancher.

#### **Request Veteran Farmer or Rancher Priority Points as one of the following:**

An eligible individual Independent Producer (other than a Harvester), who has not owned and operated a farm or a ranch for more than 10 years; and is a Veteran of the United States Military.

OR

An eligible applicant entity (other than a Harvester), in which more than 50 percent of total owners or members are Veterans of the United States Military, each of whom have either never operated a Farm or Ranch or operated a Farm or Ranch for no more than 10 years.

#### **Attach documentation for items 1 – 3 below**

1. A copy of Form DD-214, “Report of Separation from the U.S. Military,” or subsequent form for each Veteran Farmer or Rancher.
2. A statement from the individual owner(s) or members of the applicant organization describing the length and nature of their individual farm or ranch ownership and operations experience in the previous 10 years. Or, as applicable, a copy of or excerpt from the applicant’s organizational documents that shows the applicant’s composition of Beginning Farmers or Ranchers owner/members. The Beginning Farmers or Ranchers’ past experience and activity is not limited to the current farm or ranch that is the subject of the VAPG application, but must include all prior farm ownership and operations experience in the previous 10 years.
3. One IRS Form 1040 (individual) or 1065 (partnership/LLC) or some other income tax form from the previous 10 years from each of the individual owner(s) or members of the applicant organization showing that each owner or member did NOT file a Schedule F (individual) or a K1 (partnership/LLC) or some other form for farm income at least one year in the previous 10 years. In lieu of an applicable IRS Form, a letter from a certified public accountant or attorney certifying that each participant meets the Beginning Farmers or Ranchers eligibility requirements is acceptable.

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### **APPENDIX E.3 Priority Points Eligibility and Documentation**

#### **Socially Disadvantaged Farmer or Rancher**

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*Refer to the instructions in 7 CFR 4284.924 to document eligibility for Priority Points. Harvester operations do not meet the definition requirements for a Farm or Ranch and are not eligible to receive Priority Points for a Socially-Disadvantaged Farmer or Rancher.*

#### **Request Socially-Disadvantaged Farmer or Rancher Priority Points as one of the following:**

An eligible individual Independent Producer (other than a Harvester) who is a member of a socially-disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group, without regard to their individual qualities;

OR

An eligible applicant entity (other than a Harvester), in which more than 50 percent of the owners or members are members of a socially-disadvantaged group or groups, whose members have been subjected to racial, ethnic, or gender prejudice because of their identity as members of a group, without regard to their individual qualities.\*

*\*Membership composition of the socially-disadvantaged farmers or ranchers does not have to be from the same socially-disadvantaged group.*

#### **Attach documentation for the following items:**

A self-certification statement (see below) from *each* of the individual owner/members of the applicant organization to evidence their eligibility as a Socially-Disadvantaged Farmer or Rancher. Each individual owner/member of the applicant organization that identify themselves as a Socially-Disadvantaged Farmer or Rancher must complete the self-certification form below\*.

*\*For Tribal and tribal entity applications, enrolled Tribal members that will benefit from, or receive increased opportunities as a result of the proposed project are eligible Socially-Disadvantaged Farmers or Ranchers. Eligible Tribal and tribal entity applicants must self-certify that the proposed project contributes to opportunities for, or benefits, Socially-Disadvantaged Farmers or Ranchers. The authorized representative of the applicant (the representative who signs form SF424) may certify on behalf of all tribal members served by the proposed project.*

*If a Tribal or tribal entity applicant, is serving in part Tribal members and non-Tribal member agriculture producers, a brief narrative description should be provided that explains that situation, provide a percentage breakdown of Tribal members and non-Tribal member agriculture producers included in the proposed project and provide detailed information regarding the non-Tribal member agriculture producers and whether or not they are Socially-Disadvantaged Farmers or Ranchers.*

*Continued next page*

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### **SOCIALLY DISADVANTAGED FARMER OR RANCHER CERTIFICATION**

*I certify that I am a farmer or rancher AND that I am a member of a socially-disadvantaged group whose members have been subjected to racial, ethnic, or gender prejudice.*

Name of Farm Entity: \_\_\_\_\_

- a. Total Number of Owners: \_\_\_\_\_
- b. Total Number of Owners Qualifying as a Socially Disadvantaged Farmer or Rancher: \_\_\_\_\_
- c. Total percentage of ownership/membership by Socially-Disadvantaged Farmer or Ranchers \_\_\_\_\_

<b>Signature of Each Socially Disadvantaged Owner</b>	<b>Date</b>	<b>Indicate the Race, Ethnicity or Gender of the Socially Disadvantaged Group the Owner is Identified With</b>
1.		
2.		
3.		
4.		
5.		
6.		
7.		
8.		

Add additional rows or pages as necessary.

### **SOCIALLY DISADVANTAGED FARMER OR RANCHER CERTIFICATION (For Tribal Applicants Only)**

[Insert certification for tribes and tribal entities per #5 above]

---

Signature of Authorized Tribal Representative (same as SF 424)

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### **APPENDIX E.4 Priority Points Eligibility and Documentation**

#### **Mid-Tier Value Chain**

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*Applicants must refer to the instructions in 7 CFR 4284.924 to document eligibility for Priority Points. Harvester operations may request Priority Points and/or Reserved Funds for a qualifying Mid-Tier Value Chain project.*

Applicants may only request Priority Points for a Mid-Tier Value Chain project if the application demonstrates the following eligibility:

**Mid-Tier Value Chain**– Local and regional supply networks that link independent producers with businesses and cooperatives that market value-added agricultural products in a manner that:

- 1) Targets and strengthens the profitability and competitiveness of small- and medium-sized farms and ranches that are structured as a Family Farm; and
- 2) Obtains agreement from an eligible Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer-Based Business that is engaged in the value-chain on a marketing strategy.

*Note: For Mid-Tier Value Chain projects only, applicant ownership of the raw agricultural commodity through the processing of the value-added product is not required, as long as the proposal demonstrates an increase in customer base and an increase in revenue returns to the applicant producers supplying the majority of the raw agricultural commodity for the project. However, applicants must currently own and produce more than 50 percent of the agricultural commodity to which value will be added.*

Applicant is requesting **Priority Points** for a Mid-Tier Value Chain project.

Applicant certifies that the project meets requirements for a Mid-Tier Value Chain proposal, including development of a Local or Regional Supply Network, as defined in 7 CFR 4284.902, and has attached the supporting documentation described below.

#### **Attach documentation for the elements below**

- Describe how ownership of the agricultural commodity and/or value-added product will transfer through the value-chain to the ultimate benefit (increase in customer base and increase in revenue returns) of the participating Independent Producers.

*[Insert description]*

- Demonstrate that the *project* proposes development of a *Local or Regional Supply Network* of interconnected business enterprises (see note 1) through which agricultural products move from production through consumption in a local or regional area of the USA, including a description of the network, its members, and its purpose.

*[Insert discussion]*

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- Identify and describe *at least two* alliances, linkages or partnerships within the value chain that link Independent Producers with businesses and Cooperatives that market Value-Added Agricultural Products in a manner that benefits Small- or Medium-sized farms or ranches that are structured as a Family Farm or Ranch, including the names of the parties and the nature of their collaboration.

*[Insert discussion]*

- Demonstrate how the project will increase the profitability and competitiveness of *at least two small- or medium-sized farms or ranches that are structured as a Family Farm or Ranch* (see note 2).

*[Insert discussion]*

- Document that the eligible Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer-Based Business\* *applicant organization* has obtained at least one agreement with another member of the supply network that is engaged in the value chain on a marketing strategy; OR that the eligible *Independent Producer applicant* has obtained at least one agreement from an *eligible* Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority-Controlled Producer-Based Business\* engaged in the value-chain on a marketing strategy (see note 3);

*[Insert discussion]*

- Demonstrate or reference discussion in the Applicant Eligibility section of the application that the *applicant organization* currently owns and produces more than 50 percent of the raw agricultural commodity that will be used for the value-added product; AND

*[Insert discussion or reference]*

- Demonstrate or reference discussion in the Project Eligibility section of the application that the project will result in an increase in customer base and that a greater portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity will be available to the *applicant producers* supplying the majority of the raw agricultural commodity for the project.

*[Insert discussion or reference]*

*[Note 1: Examples of business enterprises in the supply chain may include Agricultural Producers for aggregation to meet demand, processors, storage facilities, distributors, wholesalers, retailers, consumers, and entities that organize or provide technical or marketing assistance for development of such agricultural based networks.]*

*[Note 2: The application must include sufficient documentation to demonstrate that each of the benefitting small- or medium-sized farms or ranches are structured as a Family Farm or Ranch (ownership and operations), and do not exceed the three-year average maximum gross sales of agricultural products. See the definitions at 7 CFR 4284.902 for Small Farm, Medium-sized Farm, Family Farm, and Immediate Family. Farms that are NOT 100 percent owned by blood-related or married parties or immediate family members, or do not meet the family labor and management requirements or annual gross sales of agricultural commodity limitations do not qualify as small or medium-sized Family Farms.]*

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*[Note 3: Examples of agreements may include letters of commitment or intent to partner on marketing, distribution or processing; and should include the names of the parties with a description of the nature of their collaboration. Independent Producer applicants must provide documentation to confirm that the Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority Controlled Producer-Based Business Venture partnering entity meets program eligibility definitions in 7 CFR 4284.3. In this context, the above partnering entity does not need to supply any of the raw agricultural commodities for the project.*

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### APPENDIX E.5 Priority Points

#### Operator of a Small- or Medium-sized Farm or Ranch Structured as a Family Farm or Ranch

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Applicants must refer to the instructions in 7 CFR 4284.924 to document eligibility for Priority Points for this category.

Applicants may only request **Priority Points** in this category if the application demonstrates the following eligibility:

- A. Applicant is structured as a **Family Farm or Ranch** that produces agricultural commodities for sale in sufficient quantity to be recognized as a farm and not a rural residence, where owners are primarily responsible for the daily physical labor and management, hired help only supplements family labor, and all owners are related by blood or marriage or are Immediate Family; AND
- B. Applicant has **averaged \$1,000,000 or less in annual gross sales** of agricultural commodities in the **previous three years**.

Examples of qualifying applicants in this category might include a farming operation owned by a sole proprietor, a husband and wife, a parent and child, a brother and sister, or a partnership or Limited Liability Company where all the owners are related by blood, marriage, or are immediate family members; whose owners are primarily responsible for the daily physical labor and management activities on the farm; and the farm has averaged \$1,000,000 or less in annual gross sales of agricultural commodities in the previous three years.

#### **Not Eligible:**

- Applicant organizations that are not 100 percent owned by blood-related or married parties or Immediate Family members, or that does not meet the family labor and management requirements or annual gross sales of agricultural commodity limitations.
- A traditional Agricultural Producer Group, Farmer or Rancher Cooperative or Majority-Controlled Producer Based Business ) applicant type does NOT qualify for Priority Points in this category because the applicant organization is not legally structured as a Family Farm or Ranch.
- It is the Agency's position that Harvester operations do not meet the definition requirements for a Farm or Ranch. Thus, Harvester applicants are not eligible to receive Priority Points for a Family Farm or Ranch.

I certify that I am the Operator of a small or medium-sized farm or ranch that is structured as a Family Farm or Ranch, and that its ownership and operations meet all associated program requirements in the definitions in 7 CFR 4284.902 for **Family Farm, Immediate Family, and Small Farm or Medium-sized Farm**, including having averaged \$1,000,000 or less in annual gross sales of agricultural commodities in the previous three years.

I am requesting **Priority Points** in this category and have provided the information below.

#### **Complete the following information:**

List your farm's Annual Gross Sales of agricultural commodities for *each* of the previous three years, then add these together to get your Total Annual Gross Sales for the previous three years, and then divide by 3 to get the Average Annual Gross Sales in the previous 3 years:

YR 2014: \$ \_\_\_\_\_ + YR 2013: \$ \_\_\_\_\_ + YR 2012: \$ \_\_\_\_\_ =

Total Annual Gross Sales for YRS 2012-2014: \$ \_\_\_\_\_

Divided by 3 (years) = Average Annual Gross Sales in Previous 3 Years: \$ \_\_\_\_\_



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(Small Farm Operator = \$500,000 or less;      Medium Farm Operator = \$1,000,000 or less)

List the names of all owners of the applicant farm or ranch and identify the blood, marriage or immediate Family relationships of all owners of the farm:

*[Insert list]*

Are all owners of this farm or ranch related by blood, marriage, or are Immediate Family members, as defined in 7 CFR 4284.902?       YES     NO

Are the owners of this farm or ranch primarily responsible for the daily physical labor and management of the farm?  
 YES     NO

Does hired help only supplement family labor on this farm?     YES       NO

Describe the daily physical labor and management of the farm. **Attach additional pages if necessary.**

*[Insert description and additional pages if needed]*

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### **APPENDIX E.6 Priority Points** **Farmer or Rancher Cooperative**

*Applicants must refer to the instructions in 7 CFR 4284.924 to document eligibility for Priority Points for a Farmer or Rancher Cooperative. Note: It is the Agency's position that Harvester operations do not meet the definition requirements for a Farm or Ranch. Thus, Harvester applicants are not eligible to receive Priority Points for a Farmer or Rancher Cooperative.*

I certify that my organization meets eligibility requirements for a Farmer or Rancher Cooperative, as defined in 7 CFR 4284.902; and is a business owned and controlled by *eligible* Independent Producers that is ***either*** LEGALLY INCORPORATED as a Farmer or Rancher Cooperative, or is IDENTIFIED by the State in which it operates as a Farmer or Rancher owned and cooperatively-operated business.

I am requesting **Priority Points** as a **Farmer or Rancher Cooperative** and have provided all applicable certification statements and supporting documentation indicated for this single category in the Applicant Eligibility section of this application.

**No additional supporting documentation required for Farmer or Rancher Cooperatives**

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### APPENDIX E.7 Priority Points

#### Group Applicants

Applicants must refer to the instructions in 7 CFR 4284.924(f) to document eligibility for Priority Points for Agricultural Producer Groups, Farmer and Rancher Cooperatives, and Majority-Controlled Producer-Based Business Ventures (group applicants) whose projects “best contribute to creating or increasing marketing opportunities” for Beginning Farmers and Ranchers, Veteran Farmers and Ranchers, Socially-Disadvantaged Farmers and Ranchers, and Operators of Small- and Medium-sized Farms and Ranches that are structured as Family Farms.

The Agency will award up to 5 points based on documentation of the composition of the applicant’s existing membership and anticipated expansion of membership as a way to assess creating or increasing marketing opportunities for the four priority groups.

I certify that my organization is an eligible Agricultural Producer Group, Farmer or Rancher Cooperative, or Majority Controlled Producer-Based Business as defined in 4284.902 and have provided all applicable certification statements and supporting documentation indicated for this single category in the Applicant Eligibility section of this application.

My organization is applying for the following points (check up to 3 options):

**Option 1** (2 points): The existing ownership/membership of my organization is comprised of more than 50 percent of any one of the four priority categories, OR more than 50 percent of any combination of the four priority categories.

Provide the following documentation:

- Total number of current owners/members: \_\_\_\_\_
- Number of owner/member who are: \_\_\_\_\_ Beginning Farmers or Ranchers  
\_\_\_\_\_ Socially-Disadvantaged Farmers or Ranchers  
\_\_\_\_\_ Veteran Farmers or Ranchers  
\_\_\_\_\_ Operators of Small- or Medium-sized Farms or Ranches structured as Family Farms

**Option 2** (1 point): The existing membership of my organization is comprised of two or more of the priority groups (1 point is awarded regardless of whether a group’s membership is comprised of two, three, or all of the four priority groups).

**Option 3** (2 points): My organization’s proposed project will *increase* the number of priority groups that comprise our ownership/membership by one or more priority group, the application is eligible to receive two points\*.

- Discuss how the proposed project will increase the number of priority groups that comprise the ownership/membership of your organization (include outreach/recruitment efforts; training/technical assistance; other incentives)

*Insert explanation*

*\*(Note: If an applicant group’s membership is already comprised of all four priority groups, such an applicant would not be eligible for points under this criterion because there is no opportunity to increase the number of priority groups).*

#### All Options

- Discuss how your proposed project will create or increase marketing opportunities for the priority groups indicated, and describe new or increased marketing opportunities will result:

*Insert explanation*

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### APPENDIX F. Alcohol and Tobacco Tax and Trade Bureau Compliance

*Per 4284.905(a), Applicants must comply with other applicable Federal laws. Applicants who are proposing working capital grants to produce and market value-added products in the industries of wine, beer, distilled spirits or other alcoholic merchandise must comply with Alcohol and Tobacco Tax and Trade Bureau (TTB) regulations, including but not limited to permitting, filing of taxes and operational reports.*

Please attach proof of current TB alcohol permit and or submission of application to obtain an alcohol permit through TTB. (Proof may be in the form of a copy the active permit, a receipt from TTB, or online screen print)

*Please visit TTB's Web site at <https://www.ttb.gov/index.shtml> for more information. If you are not compliance with TTB's requirements, the Agency may determine that you are not qualified to receive a Federal award and use that determination as a basis for making an award to another applicant. If, at any time after you have already received a VAPG award, you are found to be in noncompliance with TTB's operational reporting or tax requirements, the Agency may determine that you are not in compliance with your grant terms and conditions.*

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### Optional Feedback

Please note that your response is “OPTIONAL” only and will not affect your application submission and ability to receive an award. This is merely an option to allow us the opportunity to understand your experience during this application process as well as listen to additional suggestions you may have to improve future processes.

1. Which VAPG Grant Type did you apply for?

- Planning
- Working Capital

2. On a scale of 1 through 5, please rate the overall format and organization of the application toolkit.

- 1 extremely dissatisfied
- 2 dissatisfied
- 3 somewhat satisfied
- 4 satisfied
- 5 extremely satisfied

3. On a scale of 1 through 5, please rate the clarity of the requirements and instructions in the application toolkit.

- 1 extremely dissatisfied
- 2 dissatisfied
- 3 somewhat satisfied
- 4 satisfied
- 5 extremely satisfied

4. To develop and submit your application did you request assistance from the following?

- USDA RD State Office Staff
- USDA RD National Office Staff
- AgMRC Website or Training
- Private Grant Writer
- Other Grant Recipients
- Other \_\_\_\_\_

5. Please provide additional comments and suggestions on how we might improve the application process for VAPG:

Thank you for your interest to the VAPG program.