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## **Tonsager: apply now for value-added producer grants**

**By Agri-Pulse Staff**

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Speaking at the 2009 South Dakota State Fair in Huron Thursday, USDA Under Secretary for Rural Development Dallas Tonsager urged farmers and business owners to apply for \$18 million in grants to help them add value to the commodities they produce.

“Last week, Agriculture Secretary Tom Vilsack announced that USDA plans to award approximately \$18 million in value-added grants nationwide,” Tonsager said. “We want to ensure that producers file their applications promptly so they can potentially take advantage of this important program.”

The national application period for USDA Rural Development Value Added Producer Grants closes Nov. 30, 2009. For more information on how to apply, producers should visit [www.rurdev.usda.gov/rbs/coops/vadg.htm](http://www.rurdev.usda.gov/rbs/coops/vadg.htm) or see page 45165 of the Sept. 1 Federal Register.

USDA plans to award planning grants of up to \$100,000 and working capital grants of up to \$300,000 to successful applicants. Applicants are encouraged to propose projects that use existing agricultural products in non-traditional ways or merge agricultural products with technology in creative ways. Businesses of all sizes may apply, with priority going to small to medium-sized farms operating as a family farm with average annual gross sales under \$700,000.

Applicants must provide matching funds equal to the amount of the grant requested. Ten percent of the funding being made available is reserved for beginning and socially disadvantaged farmers or ranchers. An additional 10 percent is reserved for projects involving local and regional supply networks that link independent producers with businesses, and cooperatives that market value-added products.

Paper applications must be submitted to the Rural Development state office in the state where the project will be located. A list of state offices is available at [www.rurdev.usda.gov/recd\\_map.html](http://www.rurdev.usda.gov/recd_map.html). Electronic applications must be submitted through [www.Grants.gov](http://www.Grants.gov)