

Grants and Funding

\$14 M available for Renewable Energy Projects through USDA's Value Added Producer Grants

WASHINGTON, March 4, 2005 – Agriculture Secretary Mike Johanns today announced the availability of \$14.3 million in grants that will support the development of value-added agriculture business ventures and support President Bush's energy plan to develop alternative sources of renewable energy.

"The Bush Administration is committed to working with rural farmers, ranchers and entrepreneurs to increase their economic opportunities, and to create jobs that boost local economies," said Johanns. "These grants provide America's farmers and ranchers with the investment funds needed to expand their role in developing and marketing value-added products."

Johanns said priority consideration will be given to those grant applications that have at least 51% of project costs dedicated to activities for a bio-energy project. To date, the Bush Administration has funded nearly \$20 million in value-added development centers and over \$100 million in value-added grants, including over 80 energy projects. The renewable energy projects involve bio-diesel, ethanol or wind energy production or the use of bio-mass to generate energy.

The Value-Added Producer Grant program was authorized by the Agriculture Risk Protection Act of 2000 (P.L. 106-224) and the 2002 Farm Bill (P.L. 107-171). Grants are available to independent producers, agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business ventures interested in a competitively-awarded grant to fund one of the following two activities: (1) planning activities needed to establish a viable value-added marketing opportunity for an agricultural product (e.g. conduct a feasibility study, develop a business plan, develop a marketing plan); or (2) acquire working capital to operate a value-added business venture that will allow producers to better compete in domestic and international markets.

Awards will be made on a competitive basis. Applications must be received no later than May 6, 2005. Detailed information about application and program requirements will be included in the March 7, 2005 publication of the Federal Register. USDA Rural Development's mission is to deliver programs in a way that will support increasing economic opportunity and improve the quality of life of rural residents. As a venture capital entity, Rural Development provides equity and technical assistance to finance and foster growth in homeownership, business development, and critical community and technology infrastructure. Further information on rural programs is available at a local USDA Rural Development office or by visiting USDA's web site at <http://www.rurdev.usda.gov>.