



Action Alert

Take Action!

Submit comments on the proposed rule for the VALUE-ADDED PRODUCER GRANTS

August 12th deadline

Your letter or email now can influence whether this key program is implemented by USDA to help family farms and the environment.

The Value-Added Producer Grant program (VAPG) is a competitive grants program available to independent producers, producer cooperatives, and other producer-based business ventures for developing value-added businesses and new value-added marketing initiatives. Eligible uses range from developing new local processing facilities to organizing cooperatives to marketing high-value farm products. The program is administered by USDA's Rural Business and Cooperative Service.

ACT NOW: In your comment letter, please refer to the Proposed Rule for the Value-Added Producer Grant program published in the Federal Register on Friday, June 13, 2003; Vol. 68, No. 114. Make specific reference to Section 4284.913 and the evaluation criteria for planning grants and working capital grants.

Key Point to Make: In evaluating proposals to the Value-Added Producer Grant Program, USDA should give substantial ranking points to projects that are likely to increase the profitability and viability of small and medium-sized farms and ranches and protect natural resources and the environment.

Comment letters should be addressed to: Branch Chief, Regulations and Paperwork Management Branch, Rural Development, U.S. Department of Agriculture, STOP 0742, 1400 Independence Avenue, SW, Washington, DC 20004. Letters may be submitted by regular mail or via the Internet, in which case they should be sent to comments@rus.usda.gov and contain the word "Value-Added" in the subject line.

Background: The 2002 farm bill made important changes to the Value-Added Producer Grant program that expanded the definition of a value-added enterprise to include not only the processing of a product, but also the growing practices, marketing, and labeling of the product. This change makes projects such as organic production, grass-fed beef or other eco-labeling or marketing projects eligible for grants.

The 2002 farm bill also placed additional emphasis on funding a broad diversity of agricultural enterprises, including ones that are likely to increase the profitability and viability of small and medium-sized farms while enhancing natural resources and the environment. The proposed rule does quite helpfully include the following statement of policy: *"It is the policy of the Secretary of Agriculture to fund a broad diversity of projects that help increase the agricultural producers' customer base and share of the food and agricultural system profit, including projects likely to increase the profitability and viability of small and medium-sized farms and ranches."*

After careful review of the proposed rule, however, we are concerned that the proposed guidelines do not go far enough to ensure that the program will serve this objective. We are therefore asking USDA's Rural Business Cooperative Service to include language in the evaluation criteria section of the proposed rule that will support both the intent of the farm bill and the stated policy objective for the program outlined in the proposed rule. Specifically, we are asking that proposals be evaluated and points awarded based not only on technical merit and economic feasibility and the like but also on the extent to which the project will increase the profitability and viability of small and medium-sized farms and ranches while enhancing natural resources and the environment.

A sample letter might look like this:

<Put Date Here>

Branch Chief, Regulations and Paperwork Management Branch
Rural Development, U.S. Department of Agriculture
STOP 0742, 1400 Independence Avenue, SW
Washington, DC 20004

Re: Proposed Rule for the Value-Added Producer Grant program published in the Federal Register on Friday, June 13, 2003; Vol. 68, No. 114

I am writing to provide comment on the proposed rule for the Value-Added Producer Grant program. With respect to the evaluation criteria for planning grants and working capital grants in Section 4284.913, I urge you to add language in the final rule to ensure that substantial ranking points will be given to projects that are likely to increase the profitability and viability of small and medium-sized farms and ranches and protect natural resources and the environment.

In my view, it is critical that the substantial new resources Congress has put into this program serve the objective of helping retain independent family farms. The program should rank highly project proposals that focus on the widely-supported goals of increasing the economic opportunities for small and medium-sized family farms while improving the environment. The proposed rule correctly recognizes the importance of technical merit and economic feasibility in evaluating proposals, but needs additional language to ensure proposals are also judged on the relevance to the overarching public policy goals of the program.

<Helpful hints: If you are comfortable doing so, you might also share your views and experiences about the importance of new value-adding enterprises in the area of marketing, processing, or labeling to the viability of small and medium sized farms and ranches. Give examples of how those projects positively impact local and regional economies in your state. Also, if you are a farmer or rancher, it would be very helpful to identify yourself as such. If you are writing on behalf of a group, briefly identify the group and what it does, and if relevant, how many people it represents.>

Sincerely,

<YOUR NAME> <YOUR ADDRESS>