



USDA - Value-Added Producer Grant Veteran Beginning Farmer and Ranchers

Purpose of the Value-Added Producer Grant Program

Provides funds for economic planning activities or eligible working capital expenses to enable viable for-profit Agricultural Producers to develop businesses that produce and market Value-Added Agricultural Products and to create marketing opportunities for such businesses.

See [7 CFR 4284.901](#) of the program regulation for more information



What VAPG is not...

-
- A job training program
 - Intended to teach people how to farm
 - A technical assistance program
 - For Research & Development
 - A loan program
 - Intended as a continuous stream of capital



Funding Cycle Basics

National Competition

FY 2026 Available Funding: Approximately \$25 Million

Max Grant Amounts: \$200,000 for Working Capital and \$50,000 for Planning Grants

Application Deadlines: Grant Application Portal Submissions

Opens Jan 15, 2026

Closes April 22, 2026, at 1pm ET

Reserved Funds – 7 CFR 4284.916 & .923

Reserved Funds ensure that a minimum of 10 percent of total funds are available for awards to applicants from these categories:

- Veteran Farmers and Ranchers
- Beginning & Socially Disadvantaged Farmers and Ranchers
- Mid-Tier Value Chains
- Persistent Poverty Counties
- Food Safety

See [4284.916](#) for Reserved Funds and [4284.923](#) for Reserved Fund Eligibility

Eligible Applicants 7 CFR 4284.920



Eligible Applicants

SAM Registration-

At the time of application, each Applicant must have an active registration in SAM before submitting its application in accordance with 2 CFR part 25. This registration must remain current, accurate and complete at all times during which the Applicant has an active Federal award or an application under consideration. The Applicant must also obtain a UEI through [SAM.gov](https://sam.gov).

Legal Authority-

Applicants must certify that they have the legal authority to carry out the purpose of the grant, and/or their business is in good standing in the State where it is incorporated and/or in the State that is the primary location of an applicant's business operations for the VAPG Project.

See [7 CFR 4284.920](https://www.ecfr.gov/current/title-49/chapter-I/subchapter-B/part-4284/subpart-4284.920) for more info on SAM and Legal Authority requirements

Applicant Type

As discussed in [7 CFR 4284.920\(c\)](#), Applicants must meet the definition for one of these types:

Agricultural Producer

Agricultural Producer Group

Farmer or Rancher Cooperative

Majority-Controlled Producer-Based Business

Please see the definitions for each Applicant Type in [7 CFR 4284.903](#); Agricultural Producer and its definition are the basis for eligibility for all four Applicant Types.

All applicant types must be Agricultural Producers

Remember, the definition for Agricultural Producer is the basis for which all Applicant Types are established.

“An individual, entity, or Family Farm that produces an Agricultural Commodity through participation in the day-to-day labor, management, and field operations...”

All four applicant types must...

Currently produce and own more than 50 percent of the Agricultural Commodity that will be used for the Value-Added product.

Own the product from its raw Agricultural Commodity state through the production of the Value-Added product during the Project.

Please note: All Applicants applying for Working Capital Grant funds must document the quantity of each Agricultural Commodity that will be used for the Value-Added Agricultural Product, expressed in an appropriate unit of measure (pounds, tons, bushels, etc.) to demonstrate the scale of the Applicant's Project.

See [7 CFR 4284.920 \(d\)](#) for more information

Ineligible Applicants 7 CFR 4284.921



Applicants are ineligible for assistance if they...

- Have been debarred or suspended or is otherwise excluded from Federal assistance programs;
- Have outstanding judgements obtained in Federal court (other than U.S. Tax Court);
- Are delinquent on payment of Federal income taxes or is delinquent on Federal debt;
- Have been convicted of a felony criminal violation under a Federal law within the past 24 months;
- Have unpaid Federal tax liability that has been assessed, for which all judicial and administrative remedies have been exhausted or have lapsed, and that is not being paid in a timely manner.

Project Eligibility 7 CFR 4284.922



Project

Planning Grants or Working Capital Grants

Project focus - The Project must focus on allowable Planning or Working Capital Grant activities as described at 7 CFR [4284.925](#), as applicable, with eligible tasks directly related to the processing and/or marketing of the subject Value-Added Agricultural Product.

See [7 CFR 4284.922 \(a\)](#) for more information



Project (Continued)

Product(s) - Each product that is the subject of the Project must meet the definition of a Value-Added Agricultural Product and one of the five eligible methodologies:

- Change in physical state
- Produced in a manner that enhances the value of the Agricultural Commodity
- Physical segregation
- Farm- or ranch-based renewable energy
- Locally-produced agricultural food product

Project Eligibility - Matching Funds

The Value-Added Producer Grant requires a Matching Funds contribution to the Project that is at least equal to the grant amount. Combined grant and Matching Funds equal 100 percent of the Project Costs.

Matching Funds must come from eligible sources without a real or apparent conflict of interest and be used for eligible Project expenses during the Period of Performance.

[7 CFR 4284.922 \(f\)](#) for more information

Matching Funds additional considerations...

- Equal to at least the grant amount (at least 50 percent of total project costs).
- Spent only on eligible expenses;
- Spent in advance of grant funding (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);
- From eligible sources without a real or apparent conflict of interest

Allowable Uses of Grant and Matching Funds 7 CFR 4284.925



Allowable uses of grant and Matching Funds (Planning Grants)...

Planning Grants funds may only be used to pay a Qualified Consultant to conduct and develop a Feasibility Study, Business Plan, and/or Marketing Plan associated with the post-harvest processing and/or marketing of a Value-Added Agricultural Product. Planning Grants may include or be for Food Safety related activities associated with a post-harvest product.

Please note: Working Capital expenses may not be included in a Planning Grant application. See [7 CFR 4284.925 \(a\)](#)

Allowable uses of grant and Matching Funds (Working Capital Grant)...

Working Capital Grants funds may be used to pay the Project's eligible post-harvest operational costs directly related to the processing and/or marketing of the Value-Added Agricultural Product. Working Capital Grants may include or be for Food Safety related activities associated with a post-harvest product.

*Please Note: Working Capital funds cannot be used to pay for planning activities.
See [7 CFR 4284.925 \(b\)](#)*

Allowable uses of grant and Matching Funds (Working Capital Grant) cont ...

Examples of eligible Working Capital expenses:

- Purchasing a financial accounting system for the Project;
- Paying salaries of employees (excluding owners and Immediate Family) to process and/or market and deliver the Value-Added Agricultural Product to consumers;
- Paying for additional Agricultural Commodity inventory (less than 50 percent of the amount required for the Project) from an unaffiliated third party, necessary to produce the Value-Added Agricultural Product;
- Paying for a marketing campaign for the Value-Added Agricultural Product;

Allowable uses of grant and Matching Funds (Working Capital Grant)...

Examples of eligible Working Capital expenses (Continued):

- **Paying costs incurred in obtaining post-harvest Food Safety certification;**
- **And using up to *\$6,500 of the amount of a grant to purchase or upgrade post-harvest Equipment to improve Food Safety (may be matched with *\$6,500 for a total Food Safety equipment price of \$13,000).**

Variations on Working Capital Grants

1. Requests of \$50,000 or more (Emerging Market Proposals)
Requires a Feasibility Study and Business/Marketing Plan
2. Request of \$50,000 or more (Market Expansion – *Simplified Application)
Requires a Business or Marketing Plan
3. Applications Requesting Less than \$50,000 (*Simplified Application)
No Feasibility Study or Business plan required
4. Food Safety (*Simplified Application)
No Feasibility Study or Business plan required

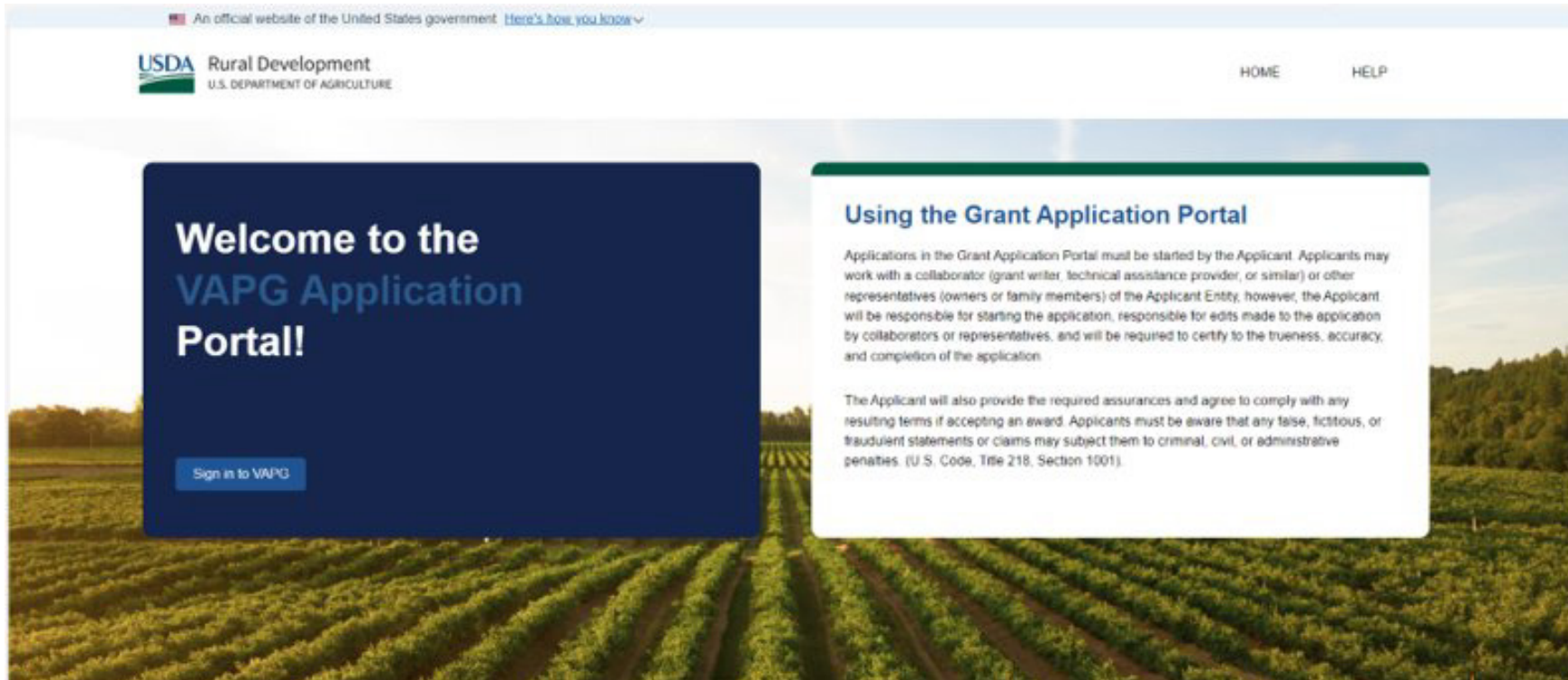
**Note: For more information on simplified applications, please visit [7 CFR 4284.932](#).*

Applying for VAPG and Application Requirements 7 CFR 4284.922



Grant Application Portal

Applications for the VAPG program must be completed through the [Grant Application Portal](#) (GAP).



The screenshot shows the USDA Rural Development website. At the top left, it says "USDA Rural Development U.S. DEPARTMENT OF AGRICULTURE". To the right are links for "HOME" and "HELP". Below the header, there is a dark blue box on the left with the text "Welcome to the VAPG Application Portal!" and a "Sign in to VAPG" button. On the right, there is a white box with the heading "Using the Grant Application Portal" and two paragraphs of text. The background of the page is a photograph of a field of young plants in rows.

An official website of the United States government [here's how you know](#)

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

HOME HELP

Welcome to the VAPG Application Portal!

[Sign in to VAPG](#)

Using the Grant Application Portal

Applications in the Grant Application Portal must be started by the Applicant. Applicants may work with a collaborator (grant writer, technical assistance provider, or similar) or other representatives (owners or family members) of the Applicant Entity, however, the Applicant will be responsible for starting the application, responsible for edits made to the application by collaborators or representatives, and will be required to certify to the truthness, accuracy, and completion of the application.

The Applicant will also provide the required assurances and agree to comply with any resulting terms if accepting an award. Applicants must be aware that any false, fictitious, or fraudulent statements or claims may subject them to criminal, civil, or administrative penalties. (U.S. Code, Title 218, Section 1001).

VAPG Grant Application Portal

The [Grant Application Portal](#) is a comprehensive, intuitive platform that will guide Applicants through the entire application process.

With features designed for ease of use including step-by-step navigation, helpful tips, and progress-saving capabilities, the application process is streamlined, reduces the reliance on external assistance and empowers Applicants to independently manage their VAPG submissions.

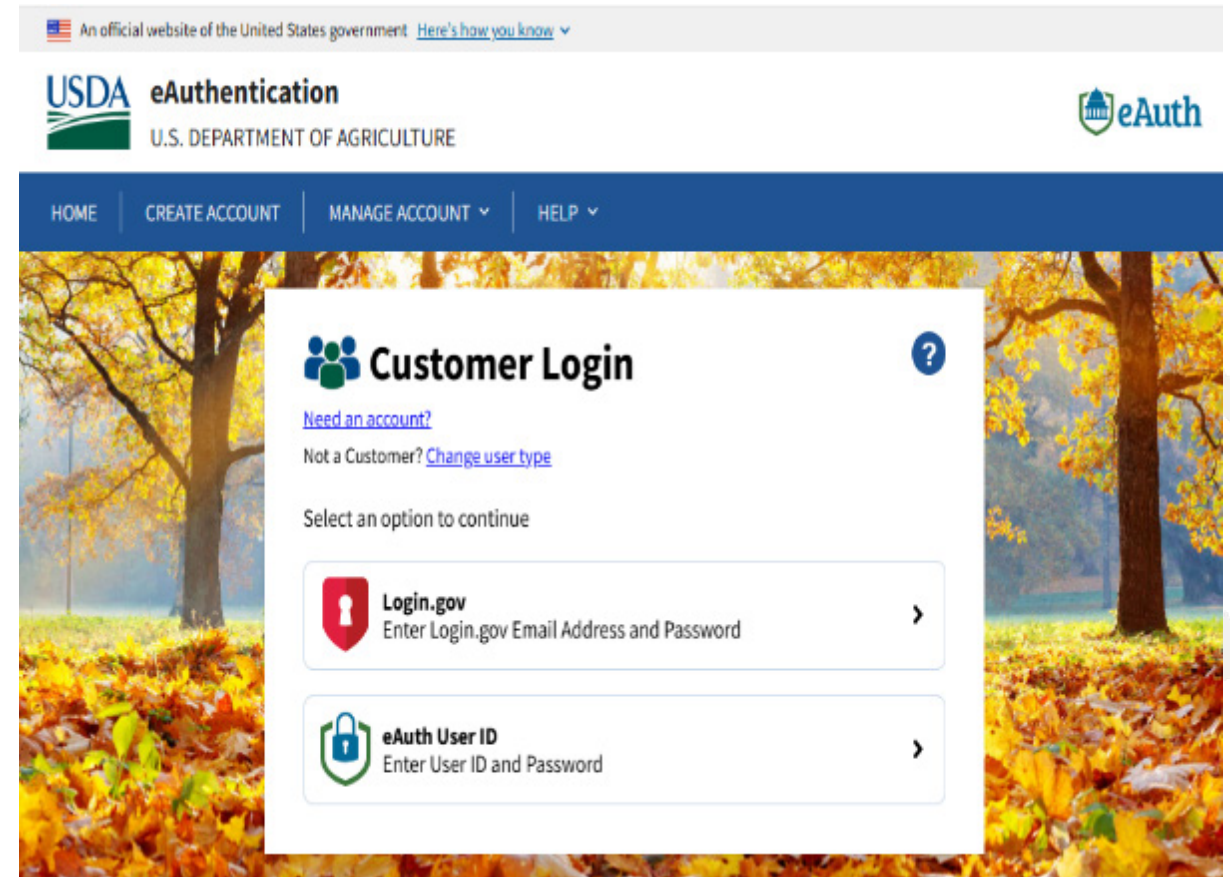
The screenshot displays the VAPG Grant Application Portal interface. On the left, a navigation menu titled "Table of Contents" lists the following steps: Application Contacts, Entity Details, Application Details, Applicant Type, Value-Added Agricultural Product, Work Plan & Budget, Matching Funds, Expansion of Customer Base and Increased Revenue, Market Evaluation, Additional Documents, and Application Preview. The main content area is titled "Application Contacts" and includes an "Add User" button. Below this, the "Authorized Representative" section provides instructions: "The Authorized Representative must be the individual from the Applicant Entity with signing authority for the Applicant. All VAPG applications must be initiated by the Authorized Representative of the Applicant Entity. If the Application was started by someone other than an Authorized Representative, the application must be deleted, and the Authorized Representative must start a new application under their eAuthentication log in. The Authorized Representative will not be able to start a new application until the previous one is deleted as there can only be one application per Applicant in a given program cycle." It also notes that the Authorized Representative has the option to add Representatives or Collaborators through the "Manage Users" option. The form includes fields for First Name (Jill), Last Name (Farmer), Organization (Peach Farms, LLC), Title (Owner), Telephone (555-555-5555), and Email (myemail@email.com). Below the form, a banner indicates the application window is open from 12:00 AM EST Jan 15 to 11:59 PM EST Apr 15, with a "Ready to apply?" button and an "APPLY NOW" button. The "Application Resources" section includes links to "Download the User Guide" and "Watch the Video Tutorial".

How to log into the VAPG Grant Application Portal

Access to the Grant Application Portal

Applicants will need Level 2 eAuthentication access (eAuth) to log into the GAP. USDA eAuth is the system used by USDA agencies to enable individual customers and employees to obtain accounts that will allow them to securely access USDA Web applications and services via the Internet. The eAuth policy defines four assurance levels, Level 2 access is required for GAP and provides some confidence in the asserted identity's validity.

Need an eAuth account? Visit www.eauth.usda.gov



VAPG GAP – Managing Users

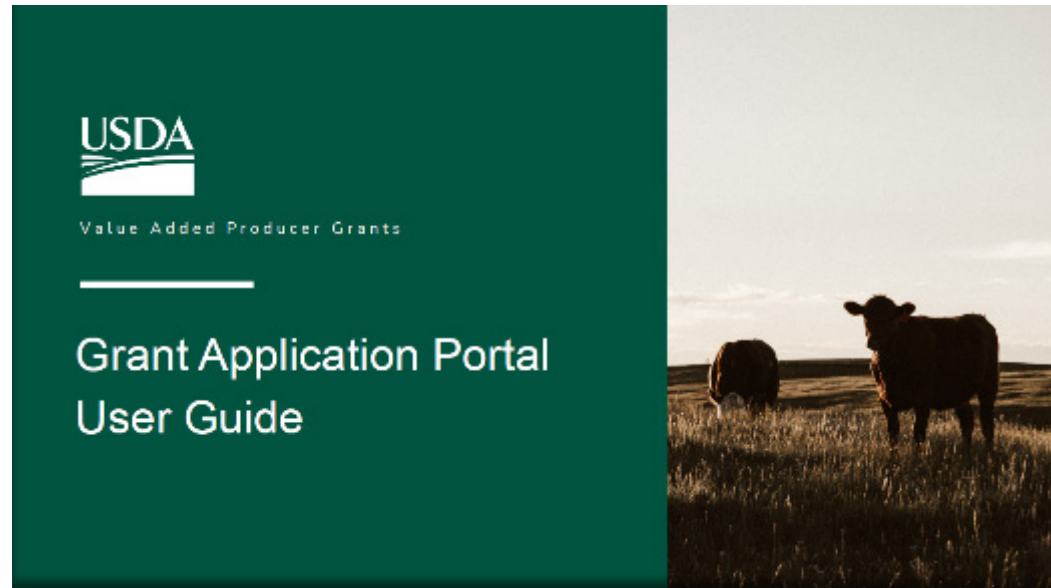
Managing Users:

- You must be the Authorized Representative from the Applicant Entity with signing authority to start an application.
- Once an application has been started, Authorized Representatives will have the ability to add users within the portal, and any added users will have editing access to the application. However, only the Authorized representative will be able to submit the final application.

The screenshot shows a 'Manage Users' modal window. At the top, a notification bar states: 'Window now open until 12:00 PM EST Jan 1. There are 15 days left in the application period.' The modal title is 'Manage Users'. Below the title, a red warning message reads: 'All the Users you add here MUST BE already registered and have an eAuthentication (eAuth) ID. Please get this before adding any user.' The form contains two input fields: 'User Type' with a dropdown menu showing 'Select an Option', and 'User E-Auth ID or Email' with a text input field. An 'Add User' button is positioned to the right of the second field. Below the form, there are two sections: 'What is a Representative?' and 'What is a Collaborator?'. The 'What is a Representative?' section explains that a representative is someone from the Applicant Entity who will assist the Authorized Representative with completing the VAPG application, with a 'Show More' link. The 'What is a Collaborator?' section explains that a collaborator is an individual or organization who agrees to work alongside the Applicant to contribute their expertise, resources, or support to a proposed VAPG application, also with a 'Show More' link. Below these sections is a 'Current Users' section containing a table with one entry: 'Authorized Representative' with 'User E-Auth ID' and a trash icon. At the bottom of the modal is a 'Legal Disclaimer' section with a red border, containing text about consent to share information with collaborators and officials at the United States Department of Agriculture (USDA). At the very bottom of the modal are 'Cancel' and 'Save' buttons.

External User Guides

An external user guides has been developed for the Grant Application Portal system. The External Guide is posted to the [VAPG webpage](#) and linked in the Grant Application Portal for ease of access by Applicants.



Merit Evaluation 7 CFR 4284.940



Eligibility Evaluation

The Agency will review all applications to determine if they are eligible for assistance based on the requirements in this subpart and other applicable Federal laws and regulations.

The Agency will conduct a merit evaluation (scoring) for those applications that are determined to be eligible for the program.

Other Programs to Consider



Other Potential Program Assistance

Business & Industry Guaranteed Loan Program – Governed by 7 CFR 5001

- Loan Guarantee to businesses located in rural areas
- Customer works with a bank of their choice & the bank works with us to insure the loan
- Bank receives an 80% guarantee by the US Government if the loan defaults and there is a loss to the bank after liquidation
- Bank pays a program fee between 1-3% of loan amount at closing
- Bank pays an annual fee to keep the guarantee in place
- NOTE: These 2 fees are usually passed along to the customer (usually interest rate or bank fee structuring or stipulations in the loan agreement to have the customer pay them at certain points)

B&I Information regarding Value Added Projects

Ag Production is eligible only when all of the following are met (7 CFR 5001.105(b)(7):

- The proposed loan is not eligible for FSA (bank or customer has to attempt to go through FSA first);
- The borrower must be, or must be proposed to be, a vertically integrated business involving the processing of ag products (meaning value added processing must be occurring within the proposed project scope);
- The ag production piece of the borrowers proposal must be owned, operated and maintained by the borrower;
- Ag production portion of any loan must not exceed 50% of the total loan amount, or \$5 million, whichever is less;
- The following are not considered ag production projects: Commercial nurseries, forestry, mushroom growing/harvesting, hydroponics, boarding/training animals, commercial fishing, aquaculture.

Revolving Loan Funds

RBCS Revolving Loan Funds (RLFs)

RBCS-supported Revolving Loan Funds provide capital to intermediaries, who then lend those funds to eligible ultimate recipients for rural business development. As loans are repaid, the principal (and in some programs, interest) “revolves” back into the fund, allowing the intermediary to make new loans over time. These funds must be managed in compliance with an approved RLF plan, including requirements that:

- Loans go to eligible recipients for eligible purposes.
- Principal repayments are used strictly to replenish the loan fund, while interest earnings may be used for administrative costs when permitted.
- RLF accounts are kept in federally insured depositories and properly collateralized when above insured limits.

Rural Energy for America Program (REAP)

Rural Energy for America Program (REAP)

- Currently on hold
- New regulation coming soon
- Application Portal
- Check back later this year

For more information visit: <https://www.rd.usda.gov/programs-services/energy-programs/rural-energy-america-program-renewable-energy-systems-energy-efficiency-improvement-guaranteed-loans#overview>

Questions?

Contact Information:

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Rural Development

U.S. DEPARTMENT OF AGRICULTURE