Agricultural producers and producer groups with an idea for adding value to their crop or product can apply for grant funds now available from the U.S. Department of Agriculture. Funds can be used to help producers enter into value-added activities related to the processing and/or marketing of bio-based value-added products.

The University of Nebraska-Lincoln Food Processing Center is offering producers help in writing applications for the USDA's Value-Added Producer Grant program.

"We work with producers from around the U.S. to submit grant applications," said Suzanne Weeder Einspahr, food industry consultant with The FPC. "This grant targets ag producers that are looking to generate new products, create and expand marketing opportunities and increase income."

Einspahr said The FPC has helped producers with applications for this grant since 2002, realizing a 100 percent success rate since 2007.

The grant has two phases. First is a planning grant with seed money that allows producers to explore the feasibility of their idea and create a business plan to demonstrate how the idea can be implemented. The program requires that a third party help carry out the feasibility study, a role The FPC can play.

"While producers excel at producing raw materials the move to value-added requires additional considerations. They must carefully look at market opportunities, processing options, staffing requirements, and, most importantly, costs and overall financial feasibility," Einspahr said.

The second phase of the VAPG program allows eligible parties to apply for working capital to assist in launching or expanding their value-added venture. Among other things, funds can be used to pay for eligible inventory supplies, salaries, and a marketing campaign directly related to the processing and marketing of the value-added product.

Applicants can seek up to $100,000 in the first phase and $300,000 in the second. The grant does require a one-for-one match.

In 2011 USDA awarded $40.2 million to 298 recipients in 44 states and Puerto Rico. A total of $14 million in grant funds is available this funding cycle.

Grant applications are due Oct. 15. Contact Suzanne Weeder Einspahr at The FPC for further information, 402-472-5806 or sweeder1@unl.edu. Assistance is provided to a limited number of producers.