

## VAPG Frequently Asked Questions

GENERAL ELIGIBILITY		
Citizenship requirement	Does the applicant certify citizenship as an individual or an entity?	Applicant entities that are a Farmer Cooperative, Agricultural Producer Group or a Majority-Controlled Producer-Based Business, may allow an "authorized representative" to certify U.S. citizenship for the applicant entity's member/owners.
DUNS requirement	If an applicant is an individual, why must they apply for a DUNS number?	Grants are not awarded to individuals who are not associated with an organization or business. So the requirements for all applicants, including sole proprietors, are the same and all must have a DUNS number.
System for Award Management (SAM) requirement	Must applicants provide SAM registration at the time of application?	Applicants must provide a valid SAM registration or evidence from SAM that they have begun the registration process. Registration must be completed before an award can be made. Applicants wishing to submit an electronic application must have a valid SAM registration to use Grants.gov.
Rural v. Urban	If locally produced product from rural producers is processed before sold in an urban area, does processing still qualify?	The VAPG Program does not have a rural requirement, meaning that neither the applicant, value-added activities, nor markets have to be located in a rural area.
APPLICANT ELIGIBILITY		
Definition of Agricultural Producer	Can an absentee farm owner qualify as an Agricultural Producer?	No. Per the definition of Agricultural Producer at 4284.902, an Agricultural Producer is someone who produces an agricultural commodity through participation in "day-to-day labor, management, and field operations." An absentee owner would be unable to participate in day-to-day labor and field operations.
Farm or Ranch Definition	Is applicant eligibility based on the definition of IP and AP, or on the "Farm" definition?	Applicant eligibility is fundamentally based on the Independent Producer and Agricultural Producer definitions, rather than the "Farm" definition. Producers do not need to demonstrate \$1,000 gross annual sales to be eligible to apply. However, applicants applying for reserved funds and/or priority points for a Beginning Farmer or Rancher, Socially

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		Disadvantaged Farmer or Rancher, Farmer or Rancher Cooperative, or a Small-Medium Sized Farm or Ranch must demonstrate a minimum \$1,000 in gross annual sales to qualify. In addition, agricultural harvesters do not meet the definition of a farm or ranch and therefore must apply as Independent Producers and are not eligible for Reserved Funds or Priority Points as Beginning or Socially-Disadvantaged Farmers or Ranchers.
Beef Producer	Is a beef producer who buys feeder calves at 400-600 lbs. and feeds them out to a finished weight of 1000-1300 lbs. before processing them into beef products, considered an agricultural producer for this grant? Or do they have to raise the calves from birth?	They would be considered an agricultural producer as long as they are buying feeder calves and finishing them to a standard market weight, as well as maintaining ownership through slaughter. Simply purchasing finished animals and delivering them for slaughter (order buying) does not qualify as an agricultural producer.
Contracting Out Production	Can the raw commodity be produced under contract with another farm or does the producer actually have to grow the crop?	The producer-applicant must grow at least 51 percent of the raw commodity needed for the project on their own farm (owned or leased). Contracting production to another producer is not eligible.
Food Hub Eligibility	Are Food Hubs eligible to apply?	Food Hubs may be eligible to apply if they can meet all of the program requirements, including qualifying as one of the four producer-based applicant types.
Harvester Operations	What is an Independent Producer 'Harvester?'	<p>An Independent Producer Harvester is an individual or entity that can document that it has a legal right to access and harvest the majority of a primary Agricultural Commodity that will be used for the Value-Added Agricultural Product. Individuals and entities that merely glean, gather, or collect residual commodities that result from an initial harvesting or production of a primary Agricultural Commodity are not considered Harvesters and are not eligible for this program.</p> <p>Examples of agricultural commodities subject harvester operations are timber, commercial fishing and wild herb gathering. Agricultural crops that are</p>

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		cultivated are not subject to the harvester definition and requirements.
Harvester Operations- Fish/Seafood	In the context of fish/seafood, what is the difference between a harvester and a farmer?	<p>In the context of fishing, a ‘harvester’ is a licensed, commercial fishermen who ‘harvests’ wild-caught fish from oceans or rivers. Commercial fishermen do not meet the definition of a farm or ranch, and therefore are not eligible for priority points as Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers, Small/Medium Family Farms, Farmer or Rancher Cooperatives.</p> <p>Aquaculture (including aquaponics, mariculture, and algaculture) involves cultivation of fish, shellfish and other aquatic organisms in controlled settings including ponds, tanks, rivers and oceans. Operators of these facilities are deemed “farmers” and could be eligible for priority points).</p>
Harvester Operations-Timber	In the context of timber, what is the difference between a harvester and a farmer?	<p>In the context of timber, a <u>farmer</u> would be one who raises and sells trees on land owned or leased by the farmer. That “farmer” must have followed a <u>forestry management plan</u> as evidence of “raising” the trees (rather than simply harvesting existing stands of unmanaged trees). A <u>harvester</u> is one who has rights to harvest timber but does not “raise” trees.</p> <p>A logger does not meet the definition of a farmer or rancher and therefore is not eligible for priority points as Beginning Farmers or Ranchers, Socially Disadvantaged Farmers or Ranchers, Small/Medium Family Farms, Farmer or Rancher Cooperatives. However, a farmer who cultivates the trees (forestry management program) would be eligible for priority points.</p> <p>In cases in which the applicant both raises tree on their own land and has harvest rights for additional timber, whether the applicant is designated a “farmer” or a “harvester” for the purpose of priority points will be determined by whether the majority of</p>

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		the raw commodity needed for the project comes from the “farm” or from harvested tracts.
Non-Profits	Are non-profit organizations eligible applicants?	<p>Eligible non-profit organizations must meet the definition of Agricultural Producer Group: “A non-profit membership organization that represents Independent Producers and whose mission includes working on behalf of Independent Producers and the majority of whose membership and board of directors is comprised of Independent Producers.”</p> <p>Non-profits are not eligible to apply as Independent Producers because they do not meet the part of the definition that requires that they be “Individual Agricultural Producers or entities that are solely owned and controlled by Agricultural Producers.” Nonprofits do not have owners as they are public entities serving a public purpose.</p>
Start-up Farming Operations	The definition of Independent Producer indicates that the applicant must “produce and own” a majority of the raw commodity to which value will be added. Can someone who is starting a farming operation, but has never produced the commodity be an eligible applicant?	The position of the Agency is that the applicant must ‘currently’ produce the raw commodity at time of application, meaning that they must be in active production or between seasons with a commodity produced the previous season, at the time of application.
Tribal Eligibility	Are tribes and tribal entities eligible to apply?	Tribes and tribal entities may be eligible if they can meet all the requirements of the program, including qualifying as one of the four eligible applicant types. The Agency has included guidance for tribes and tribal entities to assist in assessing their eligibility for the program. The guidance is contained in Final <a href="#">Rule 7 CFR part 4284 subpart J</a> and in the application toolkits found on the VAPG webpage.
<b>PROJECT ELIGIBILITY</b>		
Expansion of customer base	What do you mean by customer base and how is expansion of customer base demonstrated?	Customer base is the number of customers for an applicant’s product(s). Applicants must demonstrate an increase in their customer base as a

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		result of project. Expansion of customer base can be demonstrated by providing a baseline of current customers for the commodity or value-added product and an estimated target number of customers that will result from the project.
Increased Revenues	How does an applicant demonstrate increased revenues returning to producers?	The application must demonstrate that an increased portion of the revenue derived from the value-added process will be returned to the applicant's producers providing the majority of the agricultural commodity for the project. The application should include a baseline of current revenues from the sale of the commodity or VA product, and an estimated target number of increased revenues that will result from the project.
Business Plan	To apply for working capital funds, does the Business Plan have to be prepared by an independent third-party like the Feasibility Study?	Yes, the regulation requires that the Business Plan be completed by a Qualified Consultant. The definition in the regulation identifies a Qualified Consultant as an independent, third-party, without a Conflict of Interest. See policy statement in RD Instruction <a href="#">4284.922(b)(6)</a> where this is stated.
<b>PRODUCT ELIGIBILITY</b>		
Algae	Is algae—for use in a renewable energy project—considered an agricultural commodity for the purpose of this grant?	Yes, algae is an eligible bio-based commodity.
Anaerobic Digesters	Must energy generated by an on-farm anaerobic digester be utilized on the farm?	Energy generated by an on-farm digester under the renewable energy product category can be used on the farm and/or sold to the grid. In order to demonstrate expanded customer base, on-farm generated energy must be sold off-farm and/or be used to produce another value-added product on the applicant's farm or ranch, for which increased revenue can be demonstrated.
Bottled, pasteurized milk	Is pasteurized and bottled milk a value-added product?	Yes, pasteurizing and bottling milk and may be eligible activities under either the "change in physical state" or "locally produced food" categories. Note that

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		this represents a reversal of past Agency policy.
Cattle- Backgrounding/Preconditioning	Is backgrounding or preconditioning cattle in preparation for the feedlot an eligible expense?	It is the position of the Agency that backgrounding or preconditioning animals (feeding, health care, acclimation in preparation for a feedlot environment) are not eligible expenses because they are related to agricultural production. These expenses are not eligible, per 4284.926(l).
Christmas Trees	Are Christmas Trees an eligible project?	Unless Christmas trees can qualify under the 'produced in a manner' category, as organically-grown, for example, they are not eligible for the program. Wreaths made from tree branches are not eligible under 'change in physical state' because they are basically the same as cut flowers, which are specifically prohibited in the program regulation.
Earthworms	Are vermiculture - vermicomposting projects eligible for VAPG?	Earthworms are considered an 'alternative livestock species' and are an important part of sustainable agriculture systems. Worm castings or vermicompost are recognized by USDA as agricultural by-products. Therefore vermiculture projects are eligible for the program if the applicant owns the earthworms.
Hay	Is baled hay an eligible value-added product?	Conventionally produced and baled hay is not an eligible product. However, organically produced hay could be an eligible product, as could hay that is pelleted or otherwise transformed into something other than baled hay.
Industrial Hemp	Is industrial hemp eligible for the program?	VAPG applications proposing projects related to Hemp will be considered for funding if the project meets all program eligibility requirements, including currently producing Hemp with a valid producer license. Applicants must provide a valid producer license issued by a State, Tribe, or USDA, as applicable in accordance with <a href="#">7 CFR part 990</a> .
Manure Collection	If an applicant wants to collect manure for a composting or energy project, what is the	On-farm generated manure is an eligible by-product of the farm that cultivates the animals that produce the manure. The

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	<p>difference between a harvester and a farmer?</p>	<p>manure is deemed a “residual” agricultural commodity. Farmer v. Harvester eligibility: Harvesters must harvest the primary agricultural commodity and not merely collect “residual” commodities that result from an initial harvesting or production of a primary agricultural commodity. Just like food processors may not merely collect produce from farmers and then process it into various foods; manure collectors may not merely collect manure from farmers and then process it into energy. Note that Agricultural Producers may apply for funding as farmers to utilize their manure for energy projects; but collectors of farmer’s manure may NOT apply to the program.</p>
<p>Multiple Commodity Ownership</p>	<p>If an applicant is marketing a mixed produce box to consumers, do the farmer shareholders have to provide more than 50 percent of every single item in the box need?</p>	<p>The position of the Agency is that the applicant must produce more than 50 percent of <u>each</u> of the items name as a subject commodity for the project. Additional items that can be shown to add value (through a broader product line or varied selection as demonstrated by increased customer base and revenue returned to producers) AND are a result of one or more of the five value-added methodologies can be sourced from non-applicant third-parties.</p>
<p>Raw Milk</p>	<p>Is raw milk an eligible value-added product?</p>	<p>Yes, but only if project activities related to the unpasteurized fluid milk or unpasteurized milk product does not conflict with applicable State or local government statutes, administrative regulations or policies regarding the production, processing, handling, distribution and/or sales of raw fluid milk or milk products.</p>
<p>Eligible Tasks &amp; Use of Funds</p>		
<p>Applicant-owned, separate entity processing</p>	<p>If an applicant owns a processing facility that is a separate legal entity from the agricultural production entity, can the applicant use grant funds to pay for processing expenses?</p>	<p>It is allowable for the producer to process utilizing their own facility. However, grant funds cannot be used to: pay for goods and services from an entity that employs the applicant owner or immediate family member (4284.926(n) or otherwise compensate the applicant or family member for any role they may play in the processing</p>

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		<p>facility; purchase raw commodity from the producer entity (4284.926(o)).</p> <p>Applicant or family member time on eligible project tasks could be used as in-kind match amounting to no more than 25 percent of total project costs.</p>
Applicant Time	Can grant funds be used to pay for the time applicants contribute to their project?	<p>No, grant funds cannot be used to pay applicants or their family members for their time of the project (services). However, a limited amount of applicant or applicant family member time can be contributed as in-kind match. See <a href="#">4284.923(a) and (b)</a>.</p>
Branded Merchandise	Is the cost of branded merchandise as a promotional expense an eligible expense?	<p>Branded merchandise (for resale or give away) is not an eligible promotional expense per 2 CFR 200.421(e)(3). This does not include product-related literature. Limited expenditures for staff uniforms is permitted.</p>
Catering Costs	Are the costs of catering for a marketing event eligible?	<p>Only the cost of preparing samples of the value-added product is eligible. Any other related catering costs are considered 'entertainment' and are not eligible.</p>
Classes, Educational Experiences	Are costs associated with classes or other educational experiences for customers eligible?	<p>No, these costs are not eligible as 2 CFR 200.472 limits educational activities to employee development.</p>
Commercial Kitchen	Can VAPG funds be used to build a commercial kitchen?	<p>Acquisition, construction, or renovation of facilities are not eligible VAPG expenses.</p>
Cooperative Purchase of Inventory from Members	Can a cooperative use grant funds to purchase raw commodity from members?	<p>Cooperative applicants cannot use grant funds to purchase raw commodity from members per the program regulation at 4284.926. However, the cooperative's purchase of inventory from members is an eligible in-kind match, if valued fairly.</p>
Costs incurred for tasks beyond the end of grant period	Can a recipient incur costs for tasks that are to be completed after the end of the grant period?	<p>No. Costs may be incurred only for tasks to be completed during the grant period, per the approved work plan/budget timeframe. See Section II.A.1 (d) of the Financial Assistance Agreement: "Revisions of the Work Plan and Budget. You must complete all elements of the Work Plan in Attachment B in accordance with that Attachment and</p>



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		must use project funds only for the purposes and activities specified in Attachment B - Approved Work Plan and Budget. You must further complete the outcomes shown for each Work Plan items within the time and scope constraints shown in Attachment B.”
Costs for Certifications	Are the costs for obtaining various product, operational, or management certifications considered eligible expenses?	It depends on the type and purpose of the certification. Obtaining certifications related to the production of the agricultural commodity (organic, GMO-free, etc.) are not eligible, although for planning grant purposes, including the feasibility of obtaining those certifications could be included in feasibility studies etc. Food safety certifications related directly to the processing of the value-added product are eligible. ‘Quality management’ certifications such as ISO are not eligible.
Costs to Meet Regulatory Requirements	If nutritional labeling and complete shelf-life studies are required for, say, a cheese-maker, to ship product out of state, are these costs eligible expenses under VAPG?	Yes, if meeting regulatory requirements related to the processing, marketing, or distribution of the product are necessary to the performance of the award, they are eligible working capital expenses.
Costs of Intellectual Property (Patents, Trademarks, Copyrights)	Are costs related to trademarking or copyrighting promotional or other material eligible in VAPG?	The Cost Principles at 2 CFR 200.448 indicate that costs related to intellectual property are allowable only if required by the Federal award. VAPG has no such requirement, so these costs are not eligible.
Credit Card Transaction Fees	Are fees charged to vendors for credit card sales transactions an eligible working capital expense?	Yes, credit card transaction fees are a component of ‘cost of goods sold’ and are an allowable working capital expense. They can be reimbursed with grant funds, or they can be deducted from Program Income; but not both. Care should be taken that only those fees associated with the sale of the subject value added product are expensed against the grant.
Eligible Expenses for Food Hubs	What are some examples of eligible expenses for Food Hubs?	Food hubs could use VAPG funds for planning purposes, i.e. feasibility studies, marketing or business plans related to the processing and/or marketing of value-added products. Working capital

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		<p>funds could be used to pay for processing or packaging expenses; marketing and promotion, and some administrative expenses (accounting software, for example). Production related expenses including production planning and coordination are not eligible expenses.</p>
Equipment	<p>The program regulation says that 'fixed equipment' is not an eligible cost. Does that mean all equipment is ineligible?</p>	<p>There is no definition for 'fixed equipment' in either the program regulation or in federal grant guidance (2 CFR 200). The Cost Principles in 2 CFR 200.33, indicate that 'equipment' refers to an asset with a value of \$5,000 or more AND a useful life of more than one year. Use of grant funds to purchase equipment meeting this definition is not eligible.</p> <p>However, "supplies" means all tangible personal property other than those described in §200.33" (including computers) if the acquisition cost is less than \$5,000, regardless of the length of its useful life. Therefore, "supplies" may include a wide range of items from packaging materials and office supplies to some computers and small-scale food processing items. Note: Dividing components of a single piece of equipment into small components for the purpose of circumventing the \$5,000 threshold is not allowable.</p> <p>For more specific information regarding 'equipment,' see 2 CFR 200.439. Costs incurred for <u>materials and supplies</u> necessary to carry out the performance of the award are allowable working capital expenses.</p>
Equipment Maintenance	<p>If the applicant owns/rents the equipment already, are equipment maintenance costs eligible?</p>	<p>Routine maintenance to keep the equipment in working condition is allowed. It does not allow repairs which extend the useful life or enhances the value of the asset.</p> <ul style="list-style-type: none"> <li>• No repair of equipment</li> <li>• No spare parts for equipment</li> <li>• Labor costs to operate the project-related equipment or to clean-up after an eligible value-added processing activity is eligible.</li> </ul>

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Exporting	For a working capital grant, is exporting the new product an eligible marketing expense?	Yes, some exporting expenses are eligible emerging market or expansion activities.
Freezing and Canning	Are flash freezing and canning considered a post-harvest preservation processes?	Flash freezing (including IQF) and canning are considered food processing activities and are eligible program activities under the “change in physical state” category. Note that this represents a reversal of past Agency policy for IQF.
Incorporation Costs	Are costs for an applicant to incorporate their business an eligible expense?	Organization costs, per 2 CFR 230.455 and 48 CFR 31.2 are not allowable costs. For planning grants, some limited expenses related to legal or tax consultations on the type of organization to form may be allowable.  In addition, steering committee applicants must have formed a legal entity prior to execution of a grant agreement. Expenses incurred prior to the beginning of the grant period are not reimbursable.
Internet Sales and Local Food	Can an applicant applying for a working capital grant for a locally-produced agricultural food product market and sell their product over the Internet? If so, how do we ensure the geographic restrictions are met?	Records and reporting for the project would need to demonstrate that the volume of agricultural commodity proposed for the working capital project was actually marketed and distributed within the geographic limitations for “Locally Produced Foods.” This quantity must include the quantity proposed by both the applicant’s producers (51 percent or more) plus any additional quantity provided by third-party sources (up to 49 percent), as applicable.  Ways to document local sales: Track the percentage of Internet sales to customers in the local area, reimbursement amounts should reflect that percentage of local sales achieved. Include a tracking device on the website to monitor “hits” or “sales” from applicable zip codes within the defined local area.
Liability Insurance	Can grant funds be used to pay for liability insurance?	The cost of product liability insurance is allowable only for the project-specific product and only for the length of the grant period.

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		Personal liability insurance and policies covering facilities are not allowable.
Packaging/Label Design	Can the design of labels and product packaging be included in a working capital grant?	No, these activities are considered to be part of the planning process.
Processing Costs	Is paying a third-party processor to co-pack or toll-process the value-added product an eligible use of grant funds?	Yes, grant funds may be used for this purpose.
Processing Costs of Additional Commodity	Can additional product be added for processing?	Use of funds to process additional product that is more than the amount proposed in the grant application (51 percent) applicant + 49 percent third-party raw commodity) for the VAPG project, or that is unrelated to the project is not an eligible cost.  Processing additional product that is separate from and not related to the subject value-added product is not an eligible cost and would require a pro-rated expense of the rented facility or equipment.
Recipe Development	Can grant funds be used to pay to develop recipes for the proposed value-added product.	Yes, but recipe development is only eligible for planning grants. Working capital projects should already have finalized recipes in place.
Signage	Can grant funds be used to purchase exterior signs?	Yes, signs can be purchased as long as there are not "equipment" components with individual costs of more than \$5,000 and a useful life of more than one year.
Short-term Rentals of Equipment or Facility	Can a farmer rent or lease a processing facility or equipment for a value-added product?	Short-term lease or rental of a <u>processing</u> facility or equipment is <u>allowable</u> only for eligible processing activities proposed in the application and only for the amount of product proposed in the application. Grant funds cannot be used for lease or rental payments incurred prior to or extending beyond the approved grant period. Capital leases or lease-purchase arrangements are not allowable.

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Slotting Fees & Trade Discounts	Are discounts to retailers in return for carrying a value-added product, an eligible expense?	One-time slotting fees to retailers to facilitate stocking the product are eligible as long as the terms of the contract are disclosed. Ongoing price discounts from the supplier to a wholesaler or retailer are not eligible project expense.
Travel Costs	Are travel costs incurred by a member of an applicant entity doing marketing work an eligible cost?	Grant funds may be used to pay travel costs for travel necessary for the performance of the award. Foreign travel requires the prior approval of the Agency for each separate foreign trip. See 2 CFR 230 (51 Travel) Cost Principles—applies to nonprofits and commercial applicants.
Vehicle Rental	Can grant funds be used to purchase or rent vehicles?	Grant funds cannot be used to purchase vehicles, per 4284.926(e). Grant funds can be used to rent (not capital leases or lease purchase) vehicles to deliver value-added product to buyers. Other uses of the vehicle must be pro-rated from the grant-related portion.
Wool Scouring and Carding	Do wool scouring and carding qualify as value-added expenses?	Standard wool cleaning/carding processes do not are eligible under any of the 5 value-added methodologies. However, non-standard processes may be eligible under the category “produced in a manner that enhances the value...”
<b>MATCHING FUNDS</b>		
Applicant time as match	Can the applicant contribute the value of their time spent working on the project as in-kind match?	Applicants and applicant family members can contribute a limited amount of the fairly-valued time on the project as applicant in-kind match. This contribution may amount to no more than 25 percent of total project costs. See <a href="#">4284.923(a) and (b)</a> for additional guidance.
Cash v. In-kind Match	What is the difference between cash and in-kind match?	Cash match means actual funds available from the applicant or a third party to pay for eligible project expenses. Cash may be in the form of actual cash, loan or line of credit, as demonstrated and verified by required documentation from a financial institution.

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		<p>In-kind contributions are eligible, fairly-valued goods and services from the applicant or third party provided for eligible project purposes. These are goods and services for which the applicant or third-party contributor have no out-of-pocket expense.</p> <p>Note that cash contributions will result in higher scores than in-kind contribution during the application scoring process.</p>
In-laws as 'immediate family' regarding applicant time as match	Do an applicant's in-laws contributions to a project count against the 25 percent limitation on applicant/family member time as in-kind match?	<p>Yes, close in-laws (father, mother, sister, brother) fall under the 'related by blood or marriage' part of the definition:</p> <p>"Individuals who are closely related by blood, marriage, or adoption, or live within the same household, such as a spouse, domestic partner, parent, child, brother, sister, aunt, uncle, grandparent, grandchild, niece, or nephew."</p>
Inventory as match	Can the raw commodity be used as match?	<p>Yes, the value of raw commodity produced and owned by the applicant can be used as an applicant in-kind matching contribution for working capital projects provided that it is fairly valued and that the basis for the valuation is given in the application.</p> <p>Inventory is not appropriate for Planning grants because this type of grant does not involve utilization of the commodity in the course of the grant period.</p>
Federal loans as match	Can proceeds from Federal loans such as FSA loans be used as matching funds?	In general, federal loans can be used as match as long as they lose their identity as federal funds when they reach the borrower and if there are no restrictions on the use of those funds. Other federal funds, such as grants, cannot be used as match.
Substitute In-kind for Cash	After an award is made, can a grantee substitute in-kind match for cash?	No. As part of the competitive scoring process, applications having verified cash match were awarded more points than those with in-kind. Substitution of in-kind for cash would invalidate the process.
Program Income as Match	Can estimated program income be proposed as	No. Although program income earned during the grant period can be used to finance or replace verified matching

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	matching funds at the time of application?	funds, it cannot be claimed at time of application because it cannot be verified.
State tax credits as match	Can transferrable State tax credits be used as matching funds?	No, transferable state tax credits cannot be used as matching funds. Tax credits are sold for less than face value, therefore their actual value is not known until the time of sale. In addition, some tax credits can be rescinded by the states in which they are issued.
<b>PRIORITY POINTS / RESERVED FUNDS</b>		
Multiple categories	If applicant meets more than one category for priority points (e.g. socially disadvantage and farmer cooperative) will that get more points?	No, qualifying applicants may receive points for only one category.
Socially Disadvantaged Farmer or Rancher—Percent of ownership	If a farm is owned by 2 women and 1 male, do they qualify as a socially disadvantaged farmer because they are owned by a majority of women, even if the 1 male owns 60 percent of the farm?	In the event there are multiple farmer owners of the applicant organization, at least 51 percent of the ownership (shares) of the operation must be held by members of the socially disadvantaged group to qualify for Priority Points, so in the example given, the applicants would not qualify as socially disadvantaged. To qualify for Reserved Funds, 100 percent of the owners must be members of a socially disadvantaged group.
Socially Disadvantaged Farmer or Rancher—Percent of ownership & multiple category	If a husband and wife each own 50 percent of the farm and the husband is Latino, do they qualify for priority points as socially-disadvantaged farmers based on gender and ethnicity?	Yes, because ownership of the farm is 100 percent owned by socially-disadvantaged farmers, they qualify for both priority points and reserved funds.
Small or Medium Family Farm	An agricultural producer is a large dairy farmer with gross revenues in excess of \$1m/year. They also are small producers of vegetables and fruit. They are in the process of putting in an application for a VAPG solely for the vegetables and fruit. They have set up a new LLC for this business, although in the past the fruit and vegetable income was mixed into their total income. For the purposes of	The small/medium Family Farm priority points are based on annual gross sales in the previous three years. Owners are 100 percent identical for the dairy and produce entities. They have only recently reconfigured the produce part of the business into a new LLC. They are the same farm and farm owners and would need to acknowledge ALL farm income, including dairy. Thus, they are not eligible for Small/Medium Family Farm Priority Points.

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	<p>this grant are they small/medium sized farmers? The same owners exist for each company.</p>	
Harvester	<p>Are harvester operations eligible for Priority Points or Reserved Funds?</p>	<p>It is the Agency's position that harvesters do not meet the definition requirements for a farm or ranch. Harvester applicants are not eligible to receive Priority Points for as, Farmer or Rancher Cooperatives or Small/Medium Family Farms. Harvester applicants may apply for Mid-Tier Value Chain Priority Points, as applicable.</p> <p>Likewise, Harvester applicants may not apply for Reserved Funds for Beginning or Socially- Disadvantaged Farmers or Ranchers, but may apply for Mid-Tier Value Chain Reserved Funds, as applicable.</p>
<p><b>APPLICATION PROCESSING</b></p>		
AD3030	<p>Do all types of applicant entities have to file an AD3030?</p>	<p>The AD3030 form applies only to corporations, i.e., those who file articles of incorporation in the state in which they do business. Entities such as LLCs do not file articles of incorporation, and so are not required to fill out the AD3030.</p>
System for Award Management (SAM) Registration Requirement	<p>How does a State Office confirm an applicant's SAM active status?</p>	<p>Federal agencies may search the SAM database from any valid .gov, .mil, or fed.us domain. To confirm active status, go to <a href="http://www.sam.gov">www.sam.gov</a> and click on "Search." On the search page, enter the DUNS number and click on Search. If the entity is registered, the Cage Code and Expiration Date will appear.</p> <p>Applicants who do not have a Cage Code at application, must provide evidence that they have begun the process and submitted the required information to SAM.</p>
Electronic Signatures	<p>Can applicants use an 'electronic signature' rather than a written signature?</p>	<p>Electronic signatures for applications submitted via grants.gov are allowed. However, upon award, documents from ALL awardees should be updated with a written signature.</p>



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Information Received after the Deadline	Can an applicant submit or a State Office solicit additional application information after the application deadline?	Additional information cannot be solicited or accepted after the application deadline.
Fidelity Bonds	Must grantees get a fidelity bond, and if so, for what amount?	<p>Deciding on the amount of the bond is within the authority of the State Office that is monitoring the grant. Considerations for deciding the amount of the bond include the size of the grant, the payment method, the financial controls of the grantee, and any other management abilities of the grantee that could put Federal funds at risk.</p> <p>In general, we recommend that</p> <ul style="list-style-type: none"> <li>• Any grant over \$50,000 has some level of bond requirement;</li> <li>• Any grant being paid in advance has a bond amount equal to the entire amount of the grant;</li> <li>• Any grant awarded to an entity that has never had a Federal grant have some level of bond requirement; and</li> <li>• Any grant awarded to a grantee that does not meet the standards outlined in 3019 for financial and personnel management practices has some bond amount required.</li> </ul> <p>To determine the amount of the bond, a good rule of thumb is that the bond amount should equal the maximum amount of expenditures that will be incurred for a given time period. For example, if you expect requests for reimbursement to occur on a quarterly basis, then 25 percent of the grant amount might be appropriate. The key is to remember that the purpose of the bond is to protect the government's interest in the grant, so the greater the risk to the government (higher the grant amount, weak financial controls of the grantee, etc.) the closer the bond amount should be to the full amount of the grant.</p>
<b>AWARD PROCESSING</b>		
Performance Period	How do I correctly determine the performance period start date for a VAPG award?	The performance period start date provided by the applicant should be adjusted to the actual date of award —

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		<p>the date the financial assistance agreement is executed by the Agency. The grant period end date should also be adjusted accordingly. The grant recipient should provide a revised budget with the adjusted start and end dates. Project activities should begin within 90 days of the date of award.</p>
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