

SD, VA projects receive USDA value-added grant funding

By Susanne Retka Schill | November 17, 2015

Five bioenergy projects in two states were among the 258 businesses nationwide receiving a total of nearly \$34 million from the USDA Rural Development Value-Added Producer Grant program. The grants were announced last week by Deputy Under Secretary Vernita Dore.

“This funding will enable farmers and ranchers to develop new products, improve the bottom line for their operations and help create a robust local and regional food system,” Dore said. “Value-Added Producer Grants provide capital to enable ag producers to grow their business through diversification. USDA’s support is especially important for beginning farmers and smaller farm operations.”

Two projects in South Dakota received funding, including \$250,000 in working capital for a 70 MMgy ethanol plant being developed in Onida by Ring Neck Energy. Global Dairy LP received a planning grant of \$53,907 to develop a business plan, analyze the installation of an anaerobic digester and create branding for the renewable energy entity.

Three bioenergy projects were funded in Virginia: Engel Family Farms received a planning grant of \$73,400 to determine the feasibility of producing energy pellets from corn stover, Next Generation Woods received a planning grant of \$50,245 to determine the feasibility of changing timber products to biochar and charcoal, and FDC Enterprises received a planning grant of \$75,000 to determine the feasibility of converting switchgrass into fuel and poultry bedding.

Value-Added Producer Grants can be used to develop new agricultural products or additional markets for existing ones. Military veterans, socially-disadvantaged and beginning farmers and ranchers, operators of small- and medium-sized family farms and ranches, and farmer and rancher cooperatives are given priority when applying for these grants.

Since 2009, USDA has awarded 1,115 Value-Added Producer Grants totaling \$154 million. Approximately 18 percent of the grants and 14 percent of total funding has been awarded to beginning farmers and ranchers. During 2015, more than one-third of Value-Added awards went to farmers and ranchers developing products for the local foods sector. Rural Development helped 84 agricultural producers carry out local foods projects in 2014 through almost \$8.9 million in Value-Added Producer Grant awards.

Congress increased funding for the Value-Added program when it passed the 2014 Farm Bill. That measure builds on historic economic gains in rural America over the past seven years, while achieving meaningful reform and billions of dollars in saving for taxpayers.