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Value Added Farm Bill Opportunities for Wind and Renewables

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Center for Rural Affairs



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Established in 1973, the Center for Rural Affairs is a private, non-profit organization working to strengthen small businesses, family farms and ranches, and rural communities through action oriented programs addressing social, economic, and environmental issues.

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New Program in 2002 Farm Bill



- Value Added Producer Grant Program(VAPG)
- Key- increase profit back to farmers and ranchers
- If other than independent producer must be “emerging” market

More Value Added Details

- **Authorized mandatory spending at \$40M/yr**
- **Competitive grant program**
- **\$15 Million for 2004**
- **Max. Grant is \$500,000**
- **50% Match required**



2002 Project Examples



- Olympia, Washington
- \$150,000 to Last
Mile Electric
Cooperative to assess
the feasibility of
installing small scale
wind turbines on
farms in the Pacific
Northwest

Harvest Land Wind Co-op, Morgan, Minnesota



- 100% farmer owned grain and farm supply co-op
- Received \$148,000 Value added grant in 2002
- For on-farm renewable energy generation using wind

Harvest Land Co-op



- To assess feasibility of 100% farmer/member owned enterprise that will coordinate and finance the development, construction and operation of on-farm wind turbines on member land

2003 Funded Projects



- OREGON - Summit Ridge Group - \$85,900 for a feasibility study exploring the viability of construction and operation of on-farm wind turbines to generate electricity

Two Grant Types

*Can only apply to one

- Planning Grants
 - feasibility studies
 - business plans
 - marketing plans
- Working Capital
 - to finance salaries
 - inventory
 - working capital accounts
 - purchase office equipment
 - develop promotional program for product

Value Added Defined



- Production of a product in manner that enhances its value (wind on farms)
- Change in physical state (corn to Ethanol)
- Segregation (organic grain)

VAPG Details



- Expect a 2004 call for proposals late summer - but depends on Congress
- Contact your Senators and Representatives - Especially on Agriculture Appropriations

Special Initiatives

- Value-added includes using any agricultural product or commodity to produce renewable energy on a farm or ranch



Special Initiatives



- Producing Energy from biomass
- Extra points if proposals are \$150,000 or less

Eligibility



- Farmers, ranchers
- Cooperatives
- Agriculture Producer Groups
- Majority-controlled producer-based businesses

Matching Funds

*cannot use federal funds as match

- **Cash match** - funds dedicated to the project
- Applicants and 3rd party contributions
- Salary of partner staff (cash transaction)
- travel expenses to attend project mtgs.
- **In Kind**
- In Kind includes 3rd party- space, equipment, supplies, phone, volunteer time/unpaid services (non-cash transaction)

How Do I Start?



- Contact your state Rural Development Office staff person in charge of the VAPG
- Read the NOFA carefully
- Talk to state dept. Of ag and econ dev. Agencies - build support

WWW.CFRA.ORG



- Join my Rural Update List for helpful tidbits on funding opportunities
- Email me to join at: kimleval@qwest.net

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