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FY 2007 USDA Value-Added Producer Grants Now Available

Annapolis, MD – Due to delays in the FY 07 budget process, USDA released a much anticipated Notice of Solicitation of Application (NOSA) for its 2007 Value-Added Producer Grants Program cycle. In cooperation with the Maryland Energy Administration's State Anemometer Loan Program, farmers can use these grants to conduct wind feasibility studies as well as purchase of anemometers. In turn, these data can be used to apply for USDA Section 9006 grants to install renewable energy systems, such as wind turbines. The window for application turnaround is significantly shorter this year; with a deadline of **May 16**. Applicants will have only 30 days to write and submit their proposal. USDA's Rural Business Cooperative Service has important guidance on eligibility criteria and the application process online at www.rurdev.usda.gov/rbs/coops/vadg.htm.

Created in the 2002 Farm Bill, the VAPG program provides planning or working capital grants to independent producers, agriculture producer groups, farmer and rancher cooperatives, and producer-controlled business ventures for projects promoting the production and marketing of value-added agricultural products and the creation of farm-based renewable energy. Planning grants are eligible for up to \$100,000, and working capital grants for a maximum of \$300,000. Matching funds at least equal to the grant requested are required, and must be documented as available either cash or in-kind upon application submission. To be considered "value-added," products must possess incremental value based on a change on the product's physical state, a differentiated means of production, or product segregation. To meet the one-year project completion requirement, all applications must request funds for a time period beginning October 1, 2007 and ending November 30, 2008.

This popular program is one of the few USDA initiatives providing direct assistance to producers for the adoption of sustainable agricultural production and marketing activities that ensure greater farmer retention of the food dollar and the creation of local economic opportunity. Sustainable projects such as the installation of renewable energy systems (e.g., small wind electric systems, wind farms) can help offset farmers' electric bills or even augment a farmer's income without reducing available land for crops.

To learn more about working in partnership with MEA to apply for this grant, contact us or visit <http://www.energy.state.md.us/programs/renewable/index.html> for more information about wind energy.

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