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Food, Conservation, and Energy Act of 2008

The following information is a summary of changes for Value-Added Producer Grants

SEC. 6202. VALUE-ADDED AGRICULTURAL MARKET DEVELOPMENT PROGRAM GRANTS

Through the Value Added Producer Grant (VAPG) program, Rural Business-Cooperative Service (RBS) provides grants to independent producers, agricultural producer groups, farmer or rancher cooperatives, and majority-controlled producer-based business ventures for either planning activities or working capital.

DEFINITIONS TO BE INCLUDED

- (1) **BEGINNING FARMER OR RANCHER.**—has not operated a farm or ranch, or who has operated a farm or ranch for no more than 10 consecutive years, and will substantially participate in the operation of the farm or ranch.
- (2) **FAMILY FARM.**—The term ‘family farm’ has the meaning given the term in section 761.2 of title 7, Code of Federal Regulations (as in effect on December 30, 2007)
- (3) **MID-TIER VALUE CHAIN.**—The term ‘mid-tier value chain’ means local and regional supply networks that link independent producers with businesses and cooperatives that market value-added agricultural products in a manner that—
 - (A) targets and strengthens the profitability and competitiveness of small and medium-sized farms and ranches that are structured as a family farm; and
 - (B) obtains agreement from an eligible agricultural producer group, farmer or rancher cooperative, or majority controlled producer-based business venture that is engaged in the value chain on a marketing strategy.
- (4) **SOCIALLY DISADVANTAGED FARMER OR RANCHER.**—The term ‘socially disadvantaged farmer or rancher’ has the meaning given the term in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e))
- (5) **VALUE-ADDED AGRICULTURAL PRODUCT.**—The term ‘value-added agricultural product’ means any agricultural commodity or product that—
 - (A)
 - (i) has undergone a change in physical state;
 - (ii) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary;
 - (iii) is physically segregated in a manner that results in the enhancement of the value of the agricultural commodity or product;
 - (iv) is a source of farm- or ranch-based renewable energy, including E–85 fuel; or
 - (v) is aggregated and marketed as a locally-produced agricultural food product; and

(B) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced, marketed, or segregated—
(i) the customer base for the agricultural commodity or product is expanded; and
(ii) a greater portion of the revenue derived from the marketing, processing, or physical segregation of the agricultural commodity or product is available to the producer of the commodity or product.”

PRIORITY

The Secretary shall give priority to projects that contribute to increasing opportunities for—

“(A) beginning farmers or ranchers;
“(B) socially disadvantaged farmers or ranchers; and
“(C) operators of small- and medium-sized farms and ranches that are structured as a family farm.

IN GENERAL.—The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this paragraph to fund projects that benefit beginning farmers or ranchers or socially disadvantaged farmers or ranchers.

MID-TIER VALUE CHAINS.—The Secretary shall reserve 10 percent of the amounts made available for each fiscal year under this paragraph to fund applications of eligible entities described in paragraph (1) that propose to develop mid-tier value chains.

Other

- **TERM.**—A grant under this subsection shall have a term that does not exceed 3 years.
- **SIMPLIFIED APPLICATION.**—The Secretary shall offer a simplified application form and process for project proposals requesting less than \$50,000.
- **MANDATORY FUNDING.**— Secretary shall make available to carry out this subsection \$15,000,000, to remain available until expended.
- **DISCRETIONARY FUNDING.**—There is authorized to be appropriated to carry out this subsection \$40,000,000 for each of fiscal years 2008 through 2012.