



# USDA Rural Development

## *Resources for Farmers & Ranchers*

Jessica Bowser

[jessica.bowser@ks.usda.gov](mailto:jessica.bowser@ks.usda.gov)

Kansas Rural Center Conference – November 14, 2015

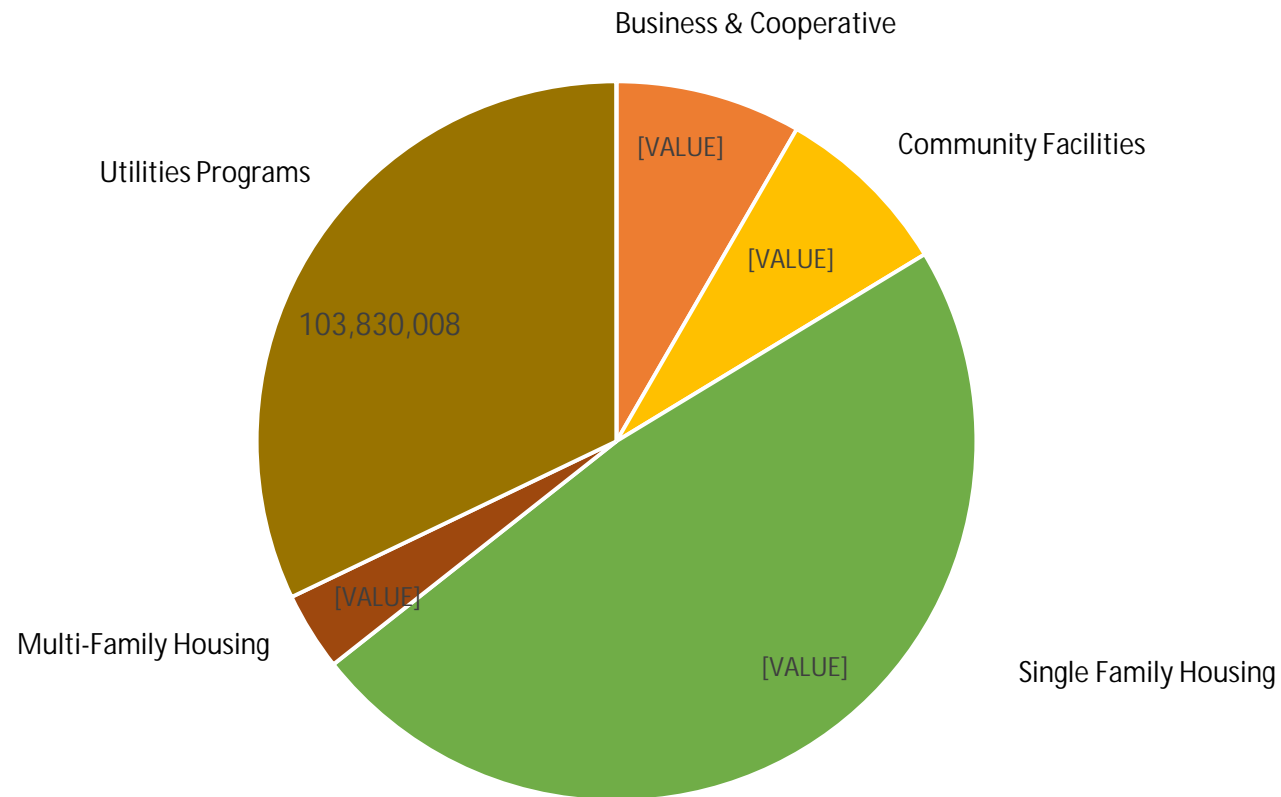


# USDA Rural Development's Mission

- We are committed to helping improve the economy and quality of life in rural America
  - Financing for housing, businesses, cities, non-profits, and ag producers
  - USDA Rural Development has a \$212 billion portfolio of loans



# In 2014, USDA invested \$323 million in rural Kansas





# Programs for Ag Producers

- Rural Energy for America Program
- Value-Added Producer Grant

















# Rural Energy for America Program

- Renewable Energy Systems & Energy Efficiency Improvements
  - Grants
  - Guaranteed Loans
- Eligible Applicants
  - Agricultural Producer
  - Rural Small Business







Energy Efficiency		Renewable Energy	
	Lighting		Solar
	Heating		Wind
	Cooling		Small Hydroelectric
	Ventilation		Anaerobic Digesters
	Fans		Biomass
	Automated Controls		Geothermal
	Insulation		Wave/Ocean Power



# REAP Grant Assistance

- Up to 25% of Eligible Project Cost

 <b>Renewable Energy Systems</b>		 <b>Energy Efficiency Improvements</b>	
Minimum Grant Request	<b>\$2,500</b> Total eligible project costs $\geq$ \$10,000	Minimum Grant Request	<b>\$1,500</b> Total eligible project costs $\geq$ \$6,000
Maximum Grant Request	<b>\$500,000</b> Total eligible project costs $\geq$ \$2 million	Maximum Grant Request	<b>\$250,000</b> Total eligible project costs $\geq$ \$1 million



# REAP Guaranteed Loan Assistance

- Up to 75% of Eligible Project Costs

Minimum Loan Amount	\$5,000 Total eligible project costs $\geq$ \$6,667
Maximum Loan Amount	\$25 million Total eligible project costs $\geq$ \$33.4 million
Details	<ul style="list-style-type: none"><li>• USDA guarantees a commercial loan, applicant must have a willing lender</li><li>• Terms are negotiated between the lender and borrower</li><li>• Fees, appraisals, equity and collateral requirements apply</li></ul>





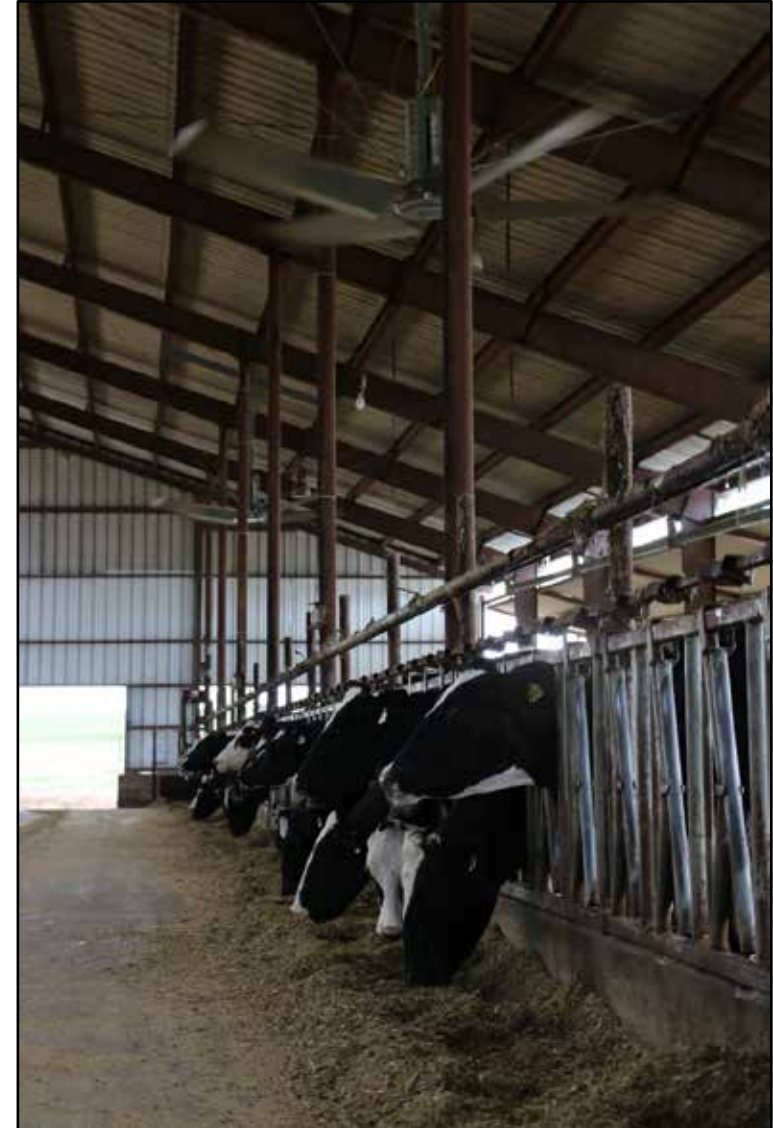
# Next REAP Deadline

- Continuously accept applications throughout the year
  - Next deadline for grants and combination grant/loan request is  
**April 30, 2016**



# Kansas REAP Project

- Foster Dairy
- Fort Scott, Kansas
- \$12,933 REAP Grant
- Six fans were purchased in total, three 12-foot fans, and three 16-foot fans
- The six new fans replaced, 24 fans that were 36-inch fans





# Kansas REAP Project

- Tryon's Orchard
- Hiawatha, Kansas
- \$20,000 REAP Grant
- 17-kilowatt solar panel





# Additional Ag REAP Projects

- Irrigation motor/pump conversions
- Upgrade lighting and equipment on a dairy farm
- Replace an inefficient grain dryer
- Install a biomass burner to heat an agricultural machine shop



# Value-Added Producer Grant

- Assist agricultural producers enter into value-added activities related to the processing and/or marketing of value-added products
- Working capital grants up to \$250,000
- Planning grants up to \$75,000
- Requires a \$1 producer match for each grant \$1





# VAPG

- Eligible Applicants
  - Independent producers, Farmer and rancher cooperatives, Agricultural producer groups, Majority controlled producer-based business ventures
- Funds Can Be Used For:
  - Processing cost
  - Marketing and advertising expenses
  - Some inventory and salary expenses
- VAPG funds cannot be used to build facilities, produce the raw commodity or purchase equipment



# Value-Added Producer Grant

- Fiscal Year 2015 VAPG Awards
  - Nine projects totaling \$705,334
    - Bee Hopper Honey – New Honey product line.
    - Central Grazing Co. – Expand company's distribution to new markets.
    - Hildebrand Farms Dairy – Expand the sale of processed milk.
    - Regional Food Hub Steering Committee – Finance business start-up cost of a regional food hub.
    - Rowe Ridge – Develop new wine blends and increase marketing.
    - Sappa Valley Poultry – Expand market of non-GMO, free-range chickens.
    - Schenker – Feasibility study on establishing a poultry processing facility.
    - Sramek Family Farm – Expand processing and distribution of free-range chicken eggs.
    - White Tail Run Winery – Increase production of wine.

# Kansas VAPG Project

- Hildebrand Farms Dairy
- Junction City, Kansas
- \$92,992 VAPG
- Expand the sale of processed milk into western and southeast Kansas





# Kansas VAPG Project

- Gary's Berries
- Grantville, Kansas
- \$44,700 VAPG
- Funds will be used to increase sales of pumpkin squash and pumpkin donuts





Jessica Bowser  
Community & Economic Development Team  
Lead

[jessica.bowser@ks.usda.gov](mailto:jessica.bowser@ks.usda.gov)

(785) 207-1171

Follow Us on Twitter @RurDev\_Kansas