



## Value Added Producer Grants for Seafood Businesses Q&A

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*\*If you have additional questions please consult with your [USDA State Program Specialist](#).\**

*This document is intended to supplement the [full webinar video](#), which includes a comprehensive Q&A portion.*

Q: Is the program first come, first serve?

A: No

Q: Does “agricultural producer” include fisheries?

A: Yes

Q: I didn't catch who we could call to get through if we get stuck.

A: Go to the VAPG page and sort by state offices. State offices are good to have involved in the process. For more questions, email Greg York:

[Gregory.york@usda.gov](mailto:Gregory.york@usda.gov)

Q: Which state office would I choose if I harvest in one state and have my business based in another?

A: It is recommended to select the state where you are licensed.

Q: When referring to the limitation of an entity being eligible to submit one grant proposal at a time, are you referring to all USDA grants?

A: This refers to VAPG grants, not USDA as a whole or grants in general.

Q: What is the success rate of applicants?

A: About 30 percent drop off for eligibility reasons. About 35 percent end up getting funding. Focus on scoring breakdowns to maximize ranking.

Q: Where can we see examples of successful projects and products that have previously been funded by this program?

A: AgMrc produces videos of success stories — [available on YouTube](#)

Q: Can “new” businesses that just set up an LLC this year apply?

A: Yes, but you have to be actively producing/harvesting the raw commodity.

Q: Would exploring how to find a vendor to vacuum pack portions and create legal labels for the product qualify?

A: Paying a co-packer to package and label your product is eligible. Doing it yourself may also be eligible if you are paying non-owner and non-family labor to complete the work. Purchasing packaging and labels is eligible as well; however, locating suppliers for those items is not covered by the grant.

Q: For the working capital: is it you MUST pick one, or you could apply to multiple?

A: You have to pick from one of the options.

Q: Does there have to be a penny or more in value to qualify?

A: Yes, the project has to be related to an ag commodity that you have the legal right to harvest. It cannot be for a byproduct of production that someone else harvests. Gleaning is not eligible.

Q: I noticed there is a new limit for the VAPG of a maximum of 15% of the budget for consulting fees. How does that work for the planning grants which are designed to pay consultants?

A: Paying a consultant to prepare a feasibility study, business plan, or marketing plan is eligible and does not count toward the 15% cap. The 15% calculation applies only to costs associated with preparing the application or for grant management services. (Get more detail on this query during the Q&A portion of the video.)

Q: Is there language around what defines emerging market vs. market expansion?

A: Yes, see [this section of the CFR](#) for more information.

Q: Do we need to show the cash contribution up front, or can it be recorded over time as you spend on the project? Does the cash need to be in the bank at the time the grant is submitted?

A: Yes, it must be available. But there are different ways to meet the match.

Q: In the early stages, can mileage for promotion and distribution be reimbursed through the grant?

A: Distribution, yes!

Q: Can a nonprofit that creates a value-added product & sells that product apply?

A: This is a for-profit program designed for agricultural producers who own the commodity from production through the value-added venture and who will ultimately profit from the project. Nonprofit entities do not meet these ownership requirements. Though there are exceptions for cooperatives and producer groups, which fall under the program's definition of a steering committee — an unincorporated group comprised wholly of specifically identified Agricultural Producers in the process of organizing into one of the program eligible Applicant Types. If selected for award, applicants who applied as a Steering Committee must form an eligible legal entity prior to execution of the Financial Assistance Agreement (grant agreement).

Q: Is there someone who can advise on what the labeling requirements are for a value-added food item?

A: The USDA's FSIS regulates labeling for:

- Meat and poultry products
- Processed egg products (like liquid or powdered eggs)
- Products containing over 2% cooked meat/poultry or 3% raw meat/poultry

FSIS provides:

- Pre-market label review and approval
- Guidance, such as the Food Standards and Labeling Policy Book
- Policies and inspection to ensure truthfulness and prevent misbranding of FSIS-regulated products

Q: Can you specify the definition of "local" under the Local Product methodology: 400 miles from where it is caught, landed, processed?

A: Within the state or 400 miles from the landing location.

Example: If the permit is in Alaska, then it's an Alaskan product for the purposes of it applying under the Local Product methodology. The program offers five methodologies (categories) to qualify. This definition applies to one of those five. See slide 15 of the presentation and watch the Q&A portion of the video for more detail.

Q: As we are proceeding through the forms that help guide us, are we locked into answers we give (determining what we would like the funding for), or can we change them if our first choices would disqualify the business or rank us lower in the competition?

A: This is about getting the product to the marketplace. Whatever you submit is what will be evaluated, but your state offices can help with your application ahead of the submission deadline.