

# Virginia Farm Business Development Grant Program Guidelines

## Table of Contents

Mission.....	2
Application.....	2
Review .....	2
Grant Awards .....	2
Payment Procedures.....	2
Eligible Applicants: Farmers and small agribusinesses .....	3
Existing Business Definition.....	3
Small Agribusiness Definition .....	3
Eligible Activities: Business Development.....	3
Qualified Activities .....	3
Excluded Activities .....	4
Program Management .....	4
Appendix A - Grant Application.....	5
Appendix B - Business Development Outline .....	7

**Mission**

The Virginia Farm Business Development Grant Program incentivizes business development by Virginia farms and small agribusinesses with grant awards up to \$5,000. Grants are awarded to reimburse expenses associated with business planning, market research and other related activities.

**Application**

Applications are made to the Virginia Department of Agriculture and Consumer Services (VDACS) using the form found in Appendix A. The application should explain how a farmer or agribusiness will utilize specific business development activities to manage economic risk, diversify income sources, and/or enhance agribusiness activities.

**Review**

Applications are accepted on a continuous basis. Applications will be refused after all grant funds have been committed within a fiscal year (beginning July 1 and ending June 30 of the following year).

When an application is received by VDACS, staff will contact the applicant to setup a consultation. Staff consult with the applicant using the Business Development Outline found in Appendix B. The consultation provides business development information to the applicant, including suggestions on business best practices and referral to services available free of charge. The consultation also provides VDACS information on the applicant's previous business development, ensuring that review of each application includes consideration of the applicant's readiness for investment of grant funds. Staff may also consult with an applicant's technical advisors, suppliers, business partners or others in furtherance of the grant application review.

**Grant Awards**

Grants are awarded quarterly on a first-come-first-served basis to eligible applicants sufficiently prepared to benefit from investment in business development. Once all appropriated funds in a fiscal year have been committed, grants will no longer be awarded.

An applicant will be notified of the results of VDACS application review in writing. A successful applicant will receive an award letter detailing the business development activities that qualify for reimbursement specific to the applicant's grant award. The letter serves as a commitment for reimbursement and applies to qualified activities undertaken within twelve months.

Multiple grants can be awarded to the same business entity only if the grants are for different purposes and are separated by two or more fiscal years.

**Payment Procedures**

Upon receipt of a grant award letter, the grantee may undertake qualified business development activities. Activities performed prior to the date of a grantee's award letter do not qualify for

reimbursement. The grantee must submit proof of payment to VDACS to receive grant funds. Grants funds are paid to the grantee as a single reimbursement.

**Eligible Applicants: Farmers and small agribusinesses**

Farmers and small agribusinesses eligible to apply must be

- A. engaged in agricultural and/or forestal production; or
- B. producing any agricultural or forestal product that
  - i. undergoes a change in physical state,
  - ii. is physically segregated in a manner that results in the enhancement of the value of the agricultural or forestal product,
  - iii. is a source of renewable energy, or
  - iv. is aggregated and marketed as a locally produced agricultural or forestal product.

**Existing Business Definition**

The applicant’s business entity must have been in business within the Commonwealth of Virginia for three or more consecutive years. VDACS will confirm this qualification based on the date a business entity was registered with the Virginia State Corporation Commission.

**Small Agribusiness Definition**

Agribusinesses (as described above in part B) are eligible to apply if the business directly employs the equivalent of 20 or fewer full-time employees.

All farm businesses (as described above in part A) are eligible to apply.

**Eligible Activities: Business Development**

**Qualified Activities**

Grants can be awarded for the purpose of business planning, market research, and other related activities, including, but not limited to,

- i. business plans,
- ii. business restructuring,
- iii. succession planning, including land contracts, incorporation, and disaster planning,
- iv. feasibility studies,
- v. demand assessments,
- vi. marketing plans,
- vii. market channel coordination,
- viii. website design,
- ix. branding and marketing materials,
- x. assessment and preparation for marketing certification or audit of the business,
- xi. assessment and preparation for food safety certification or audit of the business,
- xii. assessment and preparation for animal welfare certification or audit of the business,
- xiii. product label development and design, and

- xiv. development of and preparation for recipe certification.

### **Excluded Activities**

Grants cannot be made for the purpose of farm or agribusiness operations, such as

- i. equipment,
- ii. facilities,
- iii. education, except in preparation for certification of the business,
- iv. tax preparation,
- v. loan repayment or finance charges,
- vi. insurance payments,
- vii. membership dues and fees,
- viii. travel and expenses,
- ix. promotional events, or
- x. advertising fees.

Grants cannot be awarded for costs or fees associated with final audits or certifications.

Grants cannot be awarded for actions in response to a finding of non-compliance by a regulatory body.

### **Program Management**

Virginia Farm Business Development Grant Program will communicate with past grantees to gauge the efficacy of the program. Program guidelines shall be continuously evaluated by VDACS staff and revised every two years or sooner. All guidelines are subject to the discretion of the Commissioner of the Virginia Department of Agriculture and Consumer Services.

## Appendix A - Grant Application

<b>Applicant Name:</b>	
<b>Business Entity Name:</b>	
<b>Applicant's Role in the Business:</b>	
<b>Address:</b>	
<b>Phone:</b>	
<b>Email:</b>	
<b>Website:</b>	

*If you operate a farm business engaged in agricultural or forestry production, please fill-in the sections below.*

<b>Farm Business</b>	
<b>Commodities Produced:</b> (e.g. cattle and calves, corn and soybeans)	
<b>Production methods:</b> (e.g. cow-calf operation, row crop production)	
<b>How do you currently sell your products?</b> (e.g. feeder calf sales, contract to elevator)	
<b>Has the business operated for <u>three or more</u> years in the Commonwealth of Virginia?</b>	<input type="checkbox"/> Yes <i>*Eligibility requirement.</i>

*If you operate an agribusiness that processes or adds value to agricultural or forest products, please fill-in the sections below.*

<b>Agribusiness</b>	
<b>Products Produced:</b> (e.g. packaged beef, wood pellets)	
<b>Agricultural or forest raw materials:</b> (e.g. fat steers, pulp wood)	
<b>How do you currently sell your products?</b> (e.g. direct to consumers at farmers market, wholesale to export distributor)	
<b>Has the business operated for <u>three or more</u> years in the Commonwealth of Virginia?</b>	<input type="checkbox"/> Yes <i>*Eligibility requirement.</i>
<b>Does the business have <u>twenty or fewer</u> full-time equivalent employees?</b>	<input type="checkbox"/> Yes <i>*Eligibility requirement for value-added agribusinesses only.</i>

*I certify that I am an eligible grantee in accordance with the Virginia Farm Business Development Program Guidelines established by the Virginia Department of Agriculture and Consumer Services.*

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## Grant Proposal

1	What business development activities would you like to undertake?	2	What is the <u>business purpose</u> for grant activities?
	<input type="checkbox"/> Business plan <input type="checkbox"/> Business restructuring <input type="checkbox"/> Succession planning <input type="checkbox"/> Feasibility study <input type="checkbox"/> Demand assessment <input type="checkbox"/> Marketing plan <input type="checkbox"/> Market channel coordination <input type="checkbox"/> Website design <input type="checkbox"/> Branding and marketing materials <input type="checkbox"/> Preparation for marketing certification or audit <input type="checkbox"/> Preparation for food safety certification or audit <input type="checkbox"/> Preparation for conservation certification or audit <input type="checkbox"/> Preparation for animal welfare certification or audit <input type="checkbox"/> Product label development and design <input type="checkbox"/> Recipe development and certification <input type="checkbox"/> Other:		<input type="checkbox"/> Risk management <input type="checkbox"/> Diversification <input type="checkbox"/> Growth Please explain:
<b>3</b>	<b>Why is the activity advantageous <u>at this time</u>?</b>		
<b>4</b>	<b>What is your 1-year business goal?</b>		
<b>5</b>	<b>What is your 5-year business goal?</b>		
<b>6</b>	<b>Are you currently working with a technical advisor?</b> (e.g. Extension agent, lawyer, SBDC, VSU Small Farm Outreach, etc.)	<input type="checkbox"/> No <input type="checkbox"/> Yes Please explain the purpose of that work:	

## **Appendix B - Business Development Outline**

Once you've submitted an application, Virginia Farm Business Development Program staff will contact you to set up a consultation. We will talk about your existing business and your plans for the future. Staff will ask how you've prepared for business growth, and how the grant can help you further.

The outline below will serve as a guide for the consultation. Please be prepared to discuss the following during your consultation with staff:

- Business Legal Structure
- Business Strategy
- Business Records, including:
  - Income Statement, Balance Sheet, Cash Flow
  - Production History & Projections
- Marketing Plan, including:
  - Pricing Strategy
- Insurance
- Succession Plan
- Production or Marketing Certifications
- Continuing Education and Technical Assistance