

This is not a comprehensive list, but an edited selection of USDA programs that have previously supported regional food hubs, with examples of funded projects. Many other USDA programs support various activities of regional food hubs. Page 4 has a longer list of funding resources, divided by agency. State and local USDA offices offer a wealth of resources in researching and preparing applications for support.

Rural Development agency:

The following programs are administered by the states offices of USDA's Rural Development. Find your state office here: http://www.rurdev.usda.gov/recd_map.html

- 1. The Rural Business Enterprise Grant (RBEGR)** supports the development of physical infrastructure and facilities, including food processing, marketing, and distribution business ventures for locally-grown agricultural products. It is administered by the Rural Business Cooperative Service, and can support everything from planning, plant upgrades, equipment purchases, and technical assistance. Grants range from \$10,000 up to \$500,000, although smaller projects are given higher priority. Rural public entities, Indian tribes, and rural non-profit organizations are eligible to apply. "Rural" in this case is defined as any area other than a city or town that has a population of greater than 50,000 and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census. Information and grants are disbursed on the state level. For more information go to:
<http://www.rurdev.usda.gov/rbs/busp/rbeg.htm>

RBEGR Example: Coast Grown in San Luis Obispo received an \$88,000 RBEGR grant in 2007 to form the Coast Grown Cooperative of 18 independent farms and ranches along California's Central Coast and to build the first Mobile Harvest Unit in California. The grant helped pay for a producer survey, cooperative feasibility report, mobile unit feasibility report, business plan, seat a board of directors, articles of incorporation, by-laws, develop quality standards, ranch facility requirements, hazard analysis plan, standard sanitation operation plan, all mobile unit permits and guidelines in place, MHU modifications, website, logo and brochures, new member application packet, and to hire a CEO.

- 2. The Rural Business Opportunity Grant (RBOG)** supports training and technical assistance for business development (to include support for food processing, marketing and distribution business development of locally-grown agricultural products). It emphasizes strategic technical assistance, training, and planning activities that promote "best practices" in sustainable economic development for rural communities with exceptional needs. For more information go to:
<http://www.rurdev.usda.gov/rbs/coops/rbog.htm>

RBOG Example: The Ecotrust FoodHub in Portland, Oregon received \$250,000 to build up food-hub.org, an online directory and marketplace to help wholesale food buyers and sellers find each other, connect and do business. RBOG funding is being used to increase recruitment of producers and buyers in rural communities throughout the Pacific Northwest, and provide the training and assistance necessary to ensure FoodHub supports their business, procurement, and marketing goals.

- 3. The Value-Added Producer Grant (VAPG)** supports the production of value-added agricultural products from commodities. Up to \$100,000 can be awarded for planning, and up to \$300,000 for working capital. Eligible entities are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based ventures. For more information go to: <http://www.rurdev.usda.gov/rbs/coops/vadg.htm>

VAPG Example: Grasshoppers Distribution of Louisville, KY received a VAPG of \$85,480 in 2006 to assist their work with small-scale family agriculture producers in Kentucky and southern Indiana. They operate a Community Supported Agriculture program and facilitate wholesale distribution to restaurants, groceries, and special events. They also assist producers become “KY Proud” certified, a label that promotes Kentucky agricultural products and encourages buying and eating locally.

- 4. The Business and Industry Guaranteed Loan Program (B&I)** helps provide loans for businesses and cooperative ventures where a loan will keep a business from closing, prevent the loss of employment, or provided expanded job opportunities. Private lenders are provided loan guarantees by USDA to ensure better terms. Any legal entity (including individuals) is eligible to apply, but restricted to rural cities with populations less than 50,000, with priority given to populations of less than 25,000. Loans may be used to prevent businesses from closing, or to provide expanded job opportunities; convert, enlarge, repair, modernize or otherwise develop a rural business; purchase and develop land, easements, rights-of-way, buildings, or facilities; purchase equipment, leasehold improvements, machinery, supplies, or inventory. Applications must be filed with Rural Development State Offices. For more information go to: http://www.rurdev.usda.gov/rbs/busp/b&i_gar.htm

B&I Example: Organic Renaissance, LLC in Athol, MA helps connect local growers to restaurants and retailers by assisting with transportation, aggregation and distribution, while preserving direct relationships between buyers and sellers. In 2010 they received a \$450,000 B&I guaranteed loan from GFA Federal Credit Union to expand their operations, build a 100% hydro-powered aggregation facility, build up their online ordering system and educational programs that focus on local agriculture, and food education in the community (especially to children).

Agricultural Marketing Service agency:

- 5. The Farmers Market Promotion Program (FMPP)** is a grant program designed to facilitate and promote farmers markets and other direct-to-consumer market channels for agricultural products. Grants are awarded on a competitive basis. The maximum amount awarded for a proposal cannot exceed \$100,000. Approximately \$10 million is allocated for Fiscal Years 2011 and 2012. Entities eligible to apply include agricultural cooperatives, producer networks, producer associations, local governments, nonprofit corporations, public benefit corporations, economic development corporations, regional farmers market authorities, and Tribal governments. “Growing Farmers,” “Professional Development,” and “Expanding Local and Rural Economies” are just a few of the goals of the program. The emphasis of this program is on direct-to-consumer marketing, which includes multi-farm CSAs and online buying clubs. For more information go to: <http://www.ams.usda.gov/FMPP>

FMPP Example: The Oklahoma Food Cooperative received \$66,200 in 2007 to enhance its distribution system with better transportation and computerized recordkeeping equipment so it can expedite the delivery of produce using a web-based marketing and ordering system for regional producers. The cooperative is a producer and consumer-owned cooperative based in Oklahoma City, OK in which 200 producer members sell more than 6,000 individual items, including meat, produce, milk, and value-added items to the 3,000 coop members using an Internet ordering portal and 48 member-operated distribution routes that reach cities, towns and hamlets across Oklahoma each month. All products sold through the cooperative must be produced in Oklahoma.

National Institute of Food and Agriculture agency:

- 6. Community Food Projects Competitive Grant Program (CFP)** is designed to increase food security in low-income communities by developing linkages between two or more sectors of the food system, supporting the development of entrepreneurial projects, and encouraging long-term planning for communities. Grants of \$10,000 to \$300,000 (lasting 1-3 years) are competitively awarded to eligible nonprofit entities that need a one-time infusion of federal assistance to establish and carry out multipurpose community food projects. Approximately 18 percent of submitted proposals have received awards. For more information go to: <http://www.csrees.usda.gov/hungerfoodsecurity.cfm>

CFP Example: The American Friends Service Committee in Albuquerque received a \$300,000 grant in 2009 for three years of funding to develop the New Mexico Agri-Cultura Network, a local food shed that works with small growers, procurement agents, institutional buyers, and policy-makers to bring farm-fresh produce into Albuquerque public schools. Economic revitalization of the South Valley is a priority, with the project emphasizing training of low-income community members to be agricultural producers, help meet local food needs and incorporate innovative marketing strategies that mutually benefit agricultural producers and low-income consumers.

- 7. Sustainable Agriculture Research and Education (SARE)** awards competitive grants to advance sustainable innovations that support the whole of American agriculture, with a special emphasis on outreach and dissemination of project results. Four regional offices administer SARE funds, which support research on topics including on-farm renewable energy, pest and weed management, sustainable communities, agro-forestry, marketing, and more. For more information go to: www.sare.org

SARE Example: Greater Falls Food Hub, in the Central Connecticut River Valley bioregion of Vermont, received a \$15,000 Sustainable Community grant from Northeast SARE to research and assess new distribution models, increase access to value-added infrastructure, and develop programs to deliver local foods to low-income families. Their facility includes dry, cold & frozen storage facilities, a licensed, commercial-sized food processing kitchen to do value-added, incubator, commercial, and educational activities, a wholesale/retail distribution outlet for fresh, stored, and processed local food, and local food community meals, community workshops (gardening, cooking, preserving, storing, extending the season), community celebrations and cultural events..

Other Potential USDA Programs Offering Regional Food Hub Support

Note: USDA's "Know Your Farmer, Know Your Food" website (www.usda.gov/knowyourfarmer) provides a comprehensive list of funding programs available to support local and regional food systems development.

Rural Development:

The Community Facilities Program provides loans and grants for the construction, acquisition, or renovation of community facilities or for the purchase of equipment for community projects.

http://www.rurdev.usda.gov/HCF_CF.html

The Rural Economic Development Loan and Grant Program (REDLG) promotes rural economic development and job creation projects in rural areas. <http://www.rurdev.usda.gov/ga/tredleg.htm>

Agricultural Marketing Service:

Federal-State Marketing Improvement Program (FSMIP) provides matching funds to states to research and innovate new marketing opportunities for food and agricultural products. <http://www.ams.usda.gov/FSMIP>

National Institute of Food and Agriculture:

The Organic Research and Extension Initiative supports the ability of producers and processors who have already adopted organic standards to grow and market high quality organic agricultural products.

<http://www.csrees.usda.gov/funding/rfas/OREI.html>

Farm Service Agency:

Farm Storage Facility Loan Program can finance the construction of on-site storage, cooling, and minimal processing facilities for eligible commodities. The 2008 Farm Bill expanded those eligible commodities to include vegetable and fruit (including nut) producers.

<http://www.fsa.usda.gov/FSA/webapp?area=home&subject=prsu&topic=flp-fp>

Natural Resources Conservation Service:

Environmental Quality Incentives Program provides financial and technical assistance to help plan and implement conservation practices that address natural resource concerns. The 2008 Farm Bill began offering high tunnels, or hoop houses, to help extend the growing season for fresh market vegetable producers.

<http://www.nrcs.usda.gov/programs/eqip/index.html#intro>

The Conservation Innovation Grant seeks to stimulate the development and adoption of innovative conservation approaches and technologies, particularly as they relate to agriculture. "Promotion of Sustainable Agriculture," "Nutrient and Pest Management," and "Program Outreach and Conservation Technology Transfer to Targeted Groups" are just a few of the goals of this program.

<http://www.nrcs.usda.gov/technical/cig/index.html>

Risk Management Agency:

Risk Management Education is a comprehensive educational program to assist producers and agribusinesses to understand their increased risk exposure and responsibility in the current economic environment.

<http://www.rma.usda.gov/aboutrma/who/aboutrme.html>