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Strengthening Agricultural Entrepreneurship: A Grant Writing Tool for Agricultural Producers

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Abstract: In this article, we present a set of grant writing guidelines we have used when working with agricultural producers in Louisiana. Specifically, we applied these guidelines to help producers understand the grant writing and application process for the United States Department of Agriculture's Value-Added Producer Grant (VAPG) program. Working together, Extension professionals and USDA officials can help agricultural producers acquire new resources to explore the feasibility of new business opportunities in value-added and bioenergy aspects of production agriculture. As globalization of agricultural markets continues, agricultural producers will benefit from tapping into new resources to take advantage of entrepreneurship opportunities.

Introduction

Extension professionals have historically worked closely with agricultural producers using whole farm business models and other planning tools to help producers boost farm profitability, including diversification of existing agricultural enterprises to manage the tradeoffs between risk and reward (Holcomb & Muske, 2000). This type of entrepreneurial support can also be complemented by other types of technical assistance, including teaching agricultural producers how to access new resources via grants from a variety of funding agencies in the agricultural sector. This, too, will be an important part of supporting agricultural producers in the future as alternative energy and value-added agriculture continue to hold much economic promise for producers (Kraenzel, 2000).

In this article, we explain a set of guidelines developed in 2006 when we hosted a grant writing workshop for agricultural producers in Louisiana. Producers who were interested in applying to the USDA for funds under the Value-Added Grant (VAPG) program attended the workshop. These guidelines are certainly not comprehensive, but failing to adhere to these simple principles will surely lower the probability of success for any project. Agricultural producers may find these guidelines useful for other grants as well.

About the VAPG Program

Grants may be used for planning activities such as conducting feasibility studies and for working capital for marketing value-added agricultural products and for farm-based renewable energy. Eligible applicants are independent producers, farmer and rancher cooperatives, agricultural producer groups, and majority-controlled producer-based business ventures.

Guidelines

Extension professionals can use the following guidelines when evaluating an initial draft of a working capital or planning grant or when working with clients interested in writing such grants. If producers are clear, precise, concise, and practical about their funding request and exercise patience in the process and review previously awarded projects, success is likely.

Be Clear

Whether writing for a working capital or planning grant, the name of the game is clarity. Be clear when writing your plans of work. Never leave the reviewer guessing because most of the time he or she will not spend the energy trying to understand what has been omitted. Remember, grant reviewers have a fixed amount of time to review several VAPG grants, so use that knowledge to improve the chance of gaining funding by striving for clarity in all parts of the grant.

For example, if writing for a planning grant, be as specific as possible regarding dates, times, and responsibilities among collaborators/contributors. The more specific the detail, the more likely a reviewer will believe the plan has been well designed, including time spent dealing with contingencies that could arise within the grant period.

If writing for a working capital grant, be specific regarding how and when the monies will be used for employing people. Further, explain how hiring workers will move the project closer to completing the stated goals in the proposal. Make sure there is a clear connection between the budget, the number of people employed, and the accomplishment of project goals.

Be Precise

Precision creates clarity. A successful VAPG submission features a plan of work that is precise regarding how the project will unfold over the course of the project period. In a phrase: details matter to reviewers, but only the relevant ones. Providing relevant, useful information to support the idea within a proposal is a necessary step to demonstrate to reviewers the project has been well organized and planned.

Be Concise

To be sure, clarity of thought about what will be done within the proposal will provide the necessary details to convince reviewers that a project has been organized effectively. That sentence is anything but concise. Let's try again: a clearly written proposal will convince reviewers a project has merit. Time and time again people writing these grants (and others) forget about the "reviewer perspective." Think about who will serve as reviewers. Reviewers enjoy reading brief, to-the-point proposals that clearly communicate what is to be accomplished with the monies invested. Using references for assumptions and trends that support the project is one way to be concise. Simply put: brevity pays.

Be Practical

When asking for USDA funds for either type of grant, keep in mind everyone named and involved in the project is responsible for the management of funds. So be practical when it comes to project goals. Do not propose work that will not be done or cannot be done given the proposed budget and within the 1-year time period. Reviewers look for these discrepancies, and they usually find them.

Be Patient

An effective grant takes time to develop. Writing a grant will require real effort and planning. To help with this process, producers should begin as early as possible to allow a maximum amount of time for reviewing and editing of a proposal. And even if funding is not awarded for a project, not all is lost. The time spent preparing for the first submission makes the second submission even stronger and perhaps more likely to be funded provided that previous reviewer's concerns have been reasonably addressed.

Be Aware

Always be aware of who has been awarded monies before you make application to the VAPG program. A review of the previous year's list of recipients is a good starting place to learn about which projects USDA has previously deemed "appropriate" for funding. For example, Table 1 lists recipients awarded VAPG monies in Louisiana from 2005-07. If a producer in Louisiana had an idea for a project for capital or planning grant uses, then review of these projects would provide a good starting point about the likelihood of funding.

Table 1.
Recent Value-Added Producer Grant Recipients in Louisiana

Year	Recipient	Amount	Project
2007	Susan Brodnax Staples	\$95,182	Grant funds will provide nursery stock to expand their geographic area, increase new customer types, and diversify into wholesale and retail web sales,

			realizing increased revenues for their value-added product.
2006	Frank Martin Farms, Inc.	\$73,500	To assess the feasibility of marketing fuel made from sugarcane biomass
2005	Mitcham Farms, LLC LA	\$30,400	Funds will be used to improve marketing ability and increase efficiency of the peach growing operation.

Final Thought

Extension professionals and agricultural producers can use the guidelines above as they work together to access new resources from USDA Rural Development. If producers are interested in the VAPG and meet the guidelines for eligibility, then the next step is to begin to review how to apply for funds at:

<<http://www.rurdev.usda.gov/rbs/coops/applicants.htm>>. Next, USDA Rural Development has provided templates for planning and working capital grants. To view these templates, Extension professionals and producers can visit: <<http://www.rurdev.usda.gov/rbs/coops/templates.htm>>

References

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