

# IOWA VALUE-ADDED AGRICULTURAL PRODUCTS AND PROCESSES FINANCIAL ASSISTANCE PROGRAM (VAAPFAP)

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Financial Investment Tools for your Growing Company

## ➤ SUPPORTING INNOVATION IN AGRICULTURAL TECHNOLOGY FOR FOOD, FUEL AND FIBER PRODUCTS

### Strengthening Iowa's Agricultural Leadership through Innovation

Iowa is utilizing its vast agricultural resources to bring new products to the world's table. Iowa is a long-standing national leader in the production of corn, pork, soybeans, eggs and beef. However, assuring that Iowa's farm prosperity continues means thinking and moving beyond simply producing abundant commodity crops and livestock. Farm income, and the economic well-being of most of Iowa's rural communities, depends increasingly on our ability to process those crops into new and innovative, refined, consumer-ready food, fiber, and fuel products.

### The Value-Added Agricultural Products and Processes Financial Assistance Program (VAAPFAP)

VAAPFAP was created in 1994 by the Iowa General Assembly to provide support and business incentives to Iowa farmers and agribusiness entrepreneurs. The program is designed to speed the rate of every ag-based innovation in food and fiber products, and to encourage organization of new ventures to produce those innovations.

### VAAPFAP may assist projects in these primary categories:

**Innovative Products and Processes** provides financial assistance for projects that use Iowa agricultural commodities to produce higher-value products that are not commonly produced in Iowa.

**Renewable Fuel and Co-Products** provides financial assistance for development of renewable fuel production facilities such as biodiesel or ethanol facilities that yield co-products used for livestock feed.

**Agricultural Biotechnology Industry, Biomass and Alternative Energy** provides financial assistance to agricultural businesses that utilize scientifically enhanced plants or animals that can be raised by producers. Assistance is also available for agricultural biomass businesses that utilize commodity crops, agricultural by-products, or animal feedstock in the production of chemicals, protein products, or other similar products. Businesses involved in the production of alternate energy which could include ethanol, biodiesel, biomass, hydrogen, or the production of wind energy can also benefit from this program.

**Organic Processing and Emerging Markets** provides assistance to businesses that add value through further processing of organic products and through emerging markets.

**Project Creation Assistance** is also available for projects that may be ineligible under the regular program because of their "precommercial" status.



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## Financial Assistance Guidelines

No single project may receive more than 25 percent of the program's annual fund appropriation. Financial assistance is provided to qualifying projects in the form of loans and forgivable loans.

## Evaluation Criteria

Applications are evaluated according to criteria specified in the Code of Iowa, and include the following:

- The feasibility of the existing or proposed facility to remain a viable enterprise
- The degree to which the facility will increase the utilization of agricultural commodities produced in Iowa
- The extent to which the existing or proposed facility is located in a rural region of the state
- The proportion of private funds to be contributed to the project
- The level of economic development need in the region where the value-adding facility is to be located
- The degree to which the facility produces a co-product that is marketed in the same locality as the facility

## Program Eligibility Requirements

- The proposed project must be located in Iowa
- The applicant must have a business plan demonstrating a viable market and managerial and technical capabilities to execute the plan
- The business should also have a third-party feasibility study confirming the viability of the proposed business



For more information on these programs and more, call the Iowa Department of Economic Development (IDED) at 1.800.245.IOWA or 515.242.4896. Or visit us on the Web at [www.iowalifechanging.com](http://www.iowalifechanging.com).

