

# Iowa Cooperative and Iowa Quality Producers Alliance: USDA VADG Grant



**Project Summary:** In late 2002, the Iowa Cooperative, in association with IQPA, was awarded a matching planning grant under the USDA's Value-Added Agricultural Product Market Development Grant (VADG) program to determine the feasibility of and develop a business plan for a business entity that would provide producer-owned comprehensive management services for transgenic crops. The goal of the grant project is to resolve successfully issues associated with the production and processing of recombinant proteins for human medical and industrial chemical applications in agricultural crops (principally corn) and form a producer-owned business entity that will provide essential services and facilities to and for the pharmaceutical and chemical industries related to the production of transgenic parent seed and pre-processing transgenic crop products prior to the extraction of target proteins. The entity also may assume ownership of post-processing biomass and/or ethanol facilities. The timeframe for the grant project is about one year.

**Business Organizational Concept:** The business model the Iowa Coop and IQPA seek to develop would have producer-members create an internally self-policing production/manufacturing system for transgenic crops. Producer-members would be selected carefully on the basis of educational background, production operating experience, and personal reputation. They would be required to obtain certification in transgenic crop production pursuant to professionally administered training programs. Financial returns to producer-members would be realized in part from direct payments for services rendered and in part by appreciation in equity value and/or dividend distributions. The entity would provide mandatory continuing education for producer-members in all relevant aspects of the science, regulation, and practical production and processing of transgenic crops. The entity also would seek to develop a parent seed processing facility and a dedicated post-production handling and first-stage processing (grinding, milling) facility.

**Feasibility Studies:** The consulting firm BioTech Decisions, Inc. has been retained to conduct several studies under this grant, including a study to determine the value of transgenic crop production to the pharmaceutical and chemical industries and to determine the producer cost of crop-growing within a rigorous control system, and a study to confirm the industry needs for grain milling and extraction services. For further information on these projects contact:

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