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USDA Program Helps New Mexico Farmer Turn Milk and Honey Into Money

By Terry Brunner, State Director, USDA Rural Development

Daven Lee got much more than money when she received a \$12,500 grant from the U.S. Department of Agriculture’s Rural Development program in 2010.

After eight years of selling her handmade soaps and lotion bars at the Santa Fe Farmers Market and other local outlets, the owner of Milk & Honey Soap wanted to go from retail to wholesale. But first she needed a business plan – complete with financial projections – that could attract big investors.



“The funding allowed me to bring in a business adviser,” she said of the funding that matched her own \$12,500 investment. “I wanted a road map.”

Organic Roots

Lee began her business on a small scale at her farm in Glorieta, where she kept the bees and Nubian goats that provided some of the raw materials — goat’s milk, honey and beeswax — that go into her artisan soaps. She contracted with two farmers market colleagues — local beekeeper Steve Wall and Peñasco farmer Heather Harrell — to supply her with essential ingredients: large quantities of beeswax and medicinal calendula flowers.

Lee did everything in the beginning — tending to her bees and goats, gathering honey, milking the goats and manufacturing the soaps. She has since retired from beekeeping, given her goats to another family and moved to Santa Fe with her children.

These business decisions are part of her larger plan to increase production and outreach well beyond Northern New Mexico.

Work That’s Worth It

The USDA Rural Development agency awards Value Added Producer Grants to businesses like Milk & Honey Soap that use agricultural products to create something that’s more than the sum

of its parts, such as jelly made from chiles or salsa made from tomatoes or ethanol made from corn.

The money — up to \$100,000 for planning grants and \$300,000 for capital grants — can be used to manufacture the product, expand marketing or conduct a feasibility study. But the business owner must be able to match the requested grant amount, either in cash or in-kind contributions of space, equipment and time.

“It’s a lot of work,” Lee acknowledged. “It’s not ‘free’ money; you’re going to earn it.” But if you work with someone who’s done it before and take advantage of educational resources offered by groups like the Santa Fe Farmers Market Institute, the process is a lot less daunting, she said.

The program gives priority to beginning farmers and ranchers or those at a social disadvantage because of race or gender. Small or medium-size operations structured as a family farm or cooperative go to the head of the line.

Each fiscal year, applications are solicited through a Notice of Funding Availability published in the Federal Register. This year’s recipients are picked, but applications for the annual grant will be accepted again in October of this year. For more information about New Mexico’s Value Added Producer Grants, please call 505-761-4953 or email Eric Vigil at eric.vigil@nm.usda.gov. For a list of the state’s Rural Development offices by region, visit <http://www.rurdev.usda.gov/NMContact.html>.

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