

Appalachian Regional Development Initiative



Committed to the future of rural communities.

***Abingdon, VA
October 27, 2011***

- USDA has the unique responsibility of coordinating Federal assistance to rural areas of the nation.
- Rural Development programs are delivered across three primary program areas:
 - Rural Housing Service
 - Rural Utilities Service
(Community Programs)
 - Rural Business and Cooperative Programs

Vision

A Rural America that is a Healthy, Safe & Prosperous Place to Live and Work.

Mission

To Increase Economic Opportunity and Improve the Quality of Life for all Rural Americans.



Each year, across the country, USDA Rural Development programs:

- Create or preserve tens of thousands of rural jobs
- Build and update rural infrastructure
- Create or improve more than 60,000 units of quality rural housing



- In Fiscal Year 2010, Rural Development invested more than \$42 billion in loans and grants to communities, businesses and individuals across rural America.
- Another \$21.2 billion was made available through The American Recovery and Reinvestment Act of 2009.



Rural Business Service

- Works in partnership with the private sector and community-based organizations to provide financial assistance and business planning;
- Provides technical assistance to rural businesses and cooperatives;
- Facilitates sustainable renewable energy development; and
- Helps fund projects that create or preserve quality jobs and/or promote a clean rural environment.

Business & Industry Guaranteed Loans



- Provides financial backing for rural businesses.
- Commercial loan guarantees are available up to 80 percent of the loan amount.
- Lender and borrower negotiate terms.
- Aggregate loan amount available to one borrower is limited to \$10 million.

Intermediary Relending Program Loans (IRP)

- USDA RD lends funds to intermediaries, which, in turn, provide loans to finance business facilities and community development projects.



- Projects must be located in rural areas, excludes cities with a population of 25,000 or more.
- Eligible intermediaries include public bodies, nonprofit corporations, Indian tribes and cooperatives.

Rural Business Enterprise Grant Program

- Offers grants to public bodies, nonprofit corporations, and federally recognized Indian tribal groups to finance and facilitate development of small and emerging businesses in rural areas.



- Grant funds may be used for:
 - Acquisition and development of land & construction of buildings, plants and equipment, access to streets and roads, parking areas and utility and service extensions;
 - Revolving loan funds
 - Fees for professional services, technical assistance, etc.

Rural Business Opportunity Grant (RBOG)

- Promotes sustainable economic development in rural communities
- Supports training and technical assistance for business development, entrepreneurs, and economic development officials and to assist with economic development planning
- Eligible applicants are rural public bodies, rural nonprofit corporations, rural Indian tribes and cooperatives with primarily rural members
- Eligible projects might include development of export markets; feasibility studies; development of long-term trade strategies; community economic planning; business training; establishment of business incubators, etc.



Value-Added Producer Grants (VAPG)



- Helps agricultural producers enter into activities that add value to their commodities.
- Provides grants for planning activities and for working capital for marketing value-added agricultural products and for farm-based renewable energy.
- Example – A group of wheat growers processing their own grain into bread or pizza crusts, or corn growers processing their grain into ethanol.

Rural Energy for America Program (REAP)

- Provides loan guarantees and grants to agricultural producers and rural small businesses to purchase and install renewable energy systems and make energy-efficiency improvements
- Funds can be used for feasibility studies, energy audits and renewable energy assistance.
- Loans cannot exceed 75% of eligible project costs
- Grants cannot exceed 25% of eligible project costs



Local Impact

- In Fiscal Year 2010, USDA Rural Development invested more than \$1.3 Billion in loans and grants to communities, businesses and individuals across rural Virginia.
 - Utility programs assisted 47 different communities with water and waste water improvements
 - Community Facilities program provided assistance to 203 organizations/local government entities
 - Housing programs helped finance new or improved housing or provided rental assistance for more than 8,600 Families in rural VA
 - Business programs created and saved over 1047 Jobs ; assisted 57 businesses in rural communities across VA

Application Tips

- Follow the application checklist
- Check maps to determine eligibility
- Explore opportunities to leverage funds
- Ensure activities are consistent with program guidelines

Common Mistakes/Problems

- Incomplete applications
- Failure to submit/obtain accurate financial information
- Applicant is not located/doesn't serve an eligible area
- Ineligible grant activities
- Failure to follow work plan or scope of work
- Post-award issues (e.g. reporting, maintenance, project sustainability)

Success Stories

- **Flex Fuel Pump Funded in Harrisonburg, VA
Rural Energy For America Program**
- **Ten Solar to Electric Systems Funded in FY 2011
Rural Energy for America Program**
- **Eco Friendly Foods of Moneta, VA - Processing Plant
Energy Efficiency Assistance for New Freezers**
- **Guaranteed B & I Creating 285 jobs in Danville, VA
Propack Toothpaste Container Company**
- **Mountain View Brewery and Restaurant in Nelson, CO**

USDA Rural Development

Through our more than 40 programs, USDA Rural Development strives to meet its mission to increase economic opportunity and improve the quality of life for all rural American's

“Every Day, Every Way!”



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For more information . . .

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