



Moving Rural America Forward

2012 ANNUAL REPORT—
IOWA



MOVING RURAL AMERICA FORWARD



In 2012, USDA Rural Development made dramatic investments in rural communities across Iowa, impacting essential public facilities, small and emerging businesses, water and sewer systems, and housing opportunities for families. Those investments totaled \$524 million, across 2,600 projects, creating or retaining 1,600 jobs.

This is our mission. We work to enhance the viability of rural Iowa by providing access to affordable financing to create jobs, expand opportunity, encourage innovation and build a strong foundation for the future. Rural Development employees in every corner of the state work hand-in-hand with communities, businesses, hopeful homebuyers and others who have a stake in rural Iowa.

If you have an idea on how jobs can be created in rural Iowa, or how a rural community can improve the quality of life experience for their residents, give us a call today. USDA Rural Development is ready to assist.

Bill Menner
USDA Rural Development State Director in Iowa



I am proud of the role that our rural communities played this year to keep the American economy moving forward. President Obama and I are committed to ensuring that they remain great places for families to live for generations to come.

We must continue to make critical investments in broadband, bio-products, and strengthening capital markets for rural America, and targeting those investments to the parts of rural America that face the greatest economic need.

If the past four years have taught us anything, we have learned that the key to a strong economy and the long-term fiscal health of America is smart, efficient, and effective investment in rural America. USDA's investments in rural communities support the rural way of life that stands as the backbone of our core American values.

Tom Vilsack
Secretary of Agriculture



Since 2009, President Obama's plan for rural America has brought about historic investment in rural communities that have made them stronger and more vibrant.

Under the President's leadership, investments in broadband, businesses, housing, safe water and community facilities have benefited rural America – strengthening not just the rural communities themselves, but the overall economy.

Prosperity in rural America depends on ensuring that residents have a wide range of economic opportunities and can participate fully in the global economy.

Thanks to the countless rural Americans who use our more than 40 loan, grant, and technical assistance programs, we are helping to create sustainable jobs, and we are laying a strong foundation for rural America in the future.

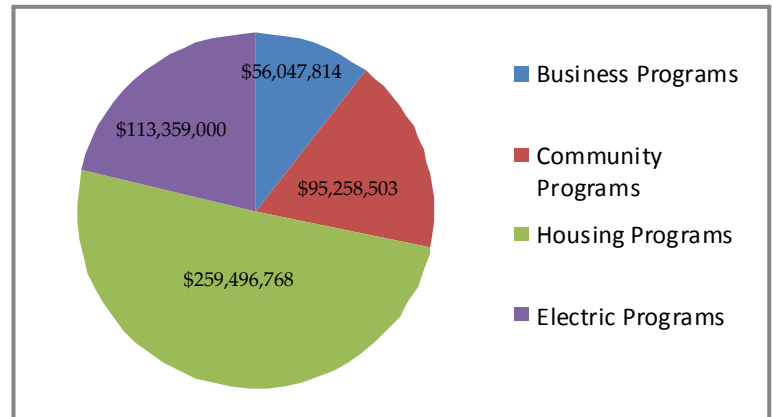
Dallas Tonsager
USDA Rural Development
Under Secretary





USDA RURAL DEVELOPMENT FUNDING ACTIVITY - IOWA 2012

**USDA Rural Development
Invested \$524,162,085
in Rural Iowa During
Fiscal Year 2012**



Rural Development's Seven Strategies for Economic Development

Building 21st Century rural communities requires adoption of strategies that look not only within a community for defining its strengths and opportunities, but to regions where one community can compliment and draw upon the resources of another.

- **Strategic Partners:** The adage that there is strength in numbers especially holds true when you build strong and strategic alliances. USDA Rural Development partnered with more than 100 entities to bring needed funding to rural Iowa communities.
- **Capital Markets:** Stimulating local economies requires the infusion of new investment opportunities. USDA Rural Development's Business Programs assisted rural businesses with \$56 million.
- **Regional Food Systems:** Building markets for local and regionally grown agricultural products makes great economic sense. Rural Business Enterprise Grants, Rural Business Opportunity Grants and Value Added Producer Grants helped 12 organizations and producers with their local food efforts.
- **Regional Collaboration:** Rural communities do not have to be stand-alone economic engines, each looking only from within for

sustainability. USDA Rural Development in Iowa works with numerous partners throughout the state. This year, more than \$80 million was invested in regional projects that will assist more than 60 Iowa counties.

- **Community Building:** Creating great places to live, work and raise families where there are plenty of recreational opportunities and quality infrastructure is very important to our community-building efforts at USDA. Through the Community Facility, Water and Environmental, Electric and Broadband Programs, 60 Iowa communities received \$208 million in financing to improve their facilities, services and infrastructure.
- **Alternative Energy:** America's development and use of alternative energies is good for our country and good for our environment. Small businesses and farmers in rural Iowa were provided USDA financing to complete 91 renewable energy and energy efficiency projects.
- **Broadband and Continuous Business Creation:** Expanding access to high-speed broadband is one of our greatest challenges and our highest priority. In Iowa, USDA Rural Development continues to assist communities as they improve their broadband infrastructure by investing \$73 million in the last two years.

BUSINESS PROGRAMS



Helping community leaders identify ways to improve economic opportunities in rural America is a leading emphasis at USDA Rural Development.

Through a variety of job-creation programs the agency partners with private and community-based organizations to create and preserve quality jobs in rural communities and move America forward.

USDA Rural Development's Business and Industry (B&I) guaranteed loan program helps back the business of rural America by providing protection and incentives to lenders. In turn, businesses benefiting from a loan guarantee have a better chance of receiving the financing and terms they need so they can thrive.

USDA Rural Development has a long-standing initiative that assists rural electric and telephone cooperatives and community-development organizations in their efforts to improve the rural economy.

The agency also assists small businesses and producers through its Rural Energy for America Program (REAP) that provides financial assistance when energy-efficiency improvements are made to reduce energy costs or when renewable energy systems such as wind turbines, geothermal and solar are installed.



State Director Menner talks with employees at Quad County Corn Processors in Ida County.



Doug O'Brien, Deputy Under Secretary for Rural Development, visits with Jeff Hafner, farmer near Panora, Iowa, about the farm's aquaponic system which circulates water from fish tanks to plants in a greenhouse.

BUSINESS PROGRAMS	2012
Business and Industry Loan Guarantee (B&I)	\$14,897,400
Rural Economic Development Loans and Grants (REDLG)	\$6,899,750
Rural Business Enterprise Grants (RBEG)	\$387,880
Intermediary Relending Program (IRP)	\$306,000
Rural Business Opportunity Grant (RBOG)	\$99,996
Rural Energy for America Program (REAP)	\$3,567,206
Value Added Producer Grant (VAPG)	\$1,176,312
Rural Cooperative Development Grant (RCDG)	\$175,000
Marketing Resource Center Grant	\$700,000
Advanced Biofuel Payment	\$2,838,270
Biorefinery Assistance Program	\$25,000,000
Total	\$56,047,814

COMMUNITY AND ELECTRIC PROGRAMS



USDA Rural Development improves the quality of life in rural America through a variety of loan, grant and guarantee programs that assist water and wastewater systems, assisted living facilities, health care facilities, fire and rescue services and community buildings such as libraries, city halls and recreation centers.



On September 26 USDA Rural Development staff joined local residents, community leaders and representatives from Eastern Iowa Regional Utility Service Systems Commission (EIRUSS) in a groundbreaking ceremony for a new wastewater treatment system for Leisure Lake residents. USDA Rural Development is assisting the project by providing \$2,656,000 in loans and \$1,202,000 in grants

Helping to ensure that all rural Americans have access to quality health care continues to be an important area of emphasis for USDA Rural Development. Whether the project is a new medical clinic, hospital, fire station, fire truck, emergency equipment, community building, assisted living facility, library, child care center, or rural water, telephone, electric or broadband projects, USDA Rural Development is ready to assist.



On May 14 Dallas Tonsager, Under Secretary for Rural Development, helped celebrate the start of a large renovation and expansion project at Greene County Medical Center being financed by USDA Rural Development.

Community-improvement efforts are important to the sustainability of rural America, and USDA Rural Development is ready to help communities across Iowa develop these critical resources.

COMMUNITY AND ELECTRIC PROGRAMS	2012
Water and Environmental Program Loans and Grants	\$24,155,783
Community Facility Loans, Grants and Guarantees	\$70,902,720
Rural Community Development Initiative	\$200,000
Electric Programs	\$113,359,000
Total	\$208,617,503

HOUSING PROGRAMS



While the past few years have been a financial challenge for many Americans, the goal of achieving the American Dream of homeownership remains strong.

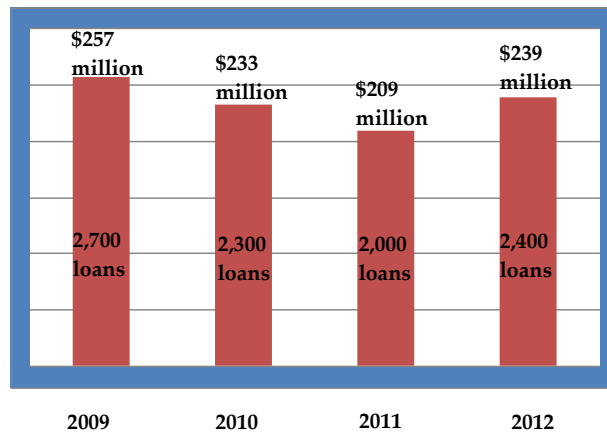
USDA Rural Development has two low-interest, no-down-payment loan programs to help eligible families living in rural communities and areas purchase new or existing homes. Loans, and some grants, are also available to help families make needed repairs to their homes.

Eligible homes must be located in a rural area and/or community of less than 20,000. In most cases, a family of four with an adjusted annual income of up to \$74,050 may qualify for the agency's guaranteed home loan program. If that same family of four's adjusted annual income is less than \$46,800 they may also qualify for a direct loan from the agency. These income limits increase in communities located near metro areas.

USDA Rural Development also provides financing for 500 apartment complexes in rural Iowa. These complexes provide rural residents with access to more than 9,600 apartments. Rent in the apartments is based on income, and rental assistance is available depending on the income of the tenant.



USDA Rural Development Single Family Housing Loan Activity in Iowa 2009 to 2012



HOUSING PROGRAMS	2012
Guaranteed Single Family Housing Loans	\$224,108,047
Direct Single Family Housing Loans	\$15,455,280
Single Family Housing Rehabilitation Loans and Grants	\$593,699
Farm Labor Housing Loan Program	\$116,000
Multi-Family Housing Guaranteed Loan	\$5,250,000
Housing Preservation Grant	\$50,000
Rental Assistance	\$13,287,860
Multi-Family Voucher Assistance Program	\$635,882
Total	\$259,496,768



PARTNERSHIPS ACROSS RURAL IOWA ALLOW HOMEOWNERSHIP DREAMS TO COME TRUE

This past year USDA Rural Development's Housing Programs helped 2,400 families living in rural Iowa become homeowners, many of whom now own their first home.

Partnerships with lenders, realtors, housing assistance organizations and local communities help enhance Rural Development's home loan programs and help make thousands of homeownership dreams come true each year.

One such partnership is with the City of DeWitt and its Homeownership Assistance Program (HOAP).

HOAP not only assists homebuyers through the sometimes overwhelming process, but also helps new homeowners make any needed repairs to ensure the home is safe to move into. Repairs include such things as electrical and plumbing improvements, window and furnace replacements, added insulation and even new roofs.

HOAP provides grant funds to eligible low and moderate income first-time buyers to rehabilitate homes they wish to purchase within the City of DeWitt. Many residents who have qualified for the city's program are also using USDA Rural Development's low-interest, no-down-payment home loan programs.

"The City of DeWitt is very fortunate to have the support of USDA Rural Development, local realtors, bankers, businesses and community organizations to help enhance our program," said Deanna Rekemeyer, director of finance for the City of DeWitt .

LDJ MANUFACTURING EXPANDING TO CREATE JOBS IN RURAL IOWA



State Director Menner (center) and Jeff Kuntz, USDA Rural Development Business Specialist (left), visits with representatives from LDJ Manufacturing to discuss the company's job-creation plans.

From customizing their own no-till planters and cultivators in the late 1970s, to modifying old pickups with three point hitches and lifts to make jobs easier around the farm, the Van Wyk family near Pella, Iowa, has always been known as innovators and true whizzes with a welder and torch.

During the past 17 years the Van Wyks took a metal-working side business that provided a supplement to their farming income into LDJ Manufacturing, a growing business with more than 60 employees and customers all over the country.

In October 2012 Central Iowa Power Cooperative received a \$1 million USDA Rural Economic Development Loan and passed the funds on to LDJ Manufacturing to help with facility expansion.

"Loans through our Business Programs fit perfectly with companies such as LDJ Manufacturing who are helping to create jobs and economic opportunities in rural parts of the state," said State Director Menner.



RURAL BUSINESS ENTERPRISE GRANTS EXPAND BUSINESS OPPORTUNITIES

USDA Rural Development awarded \$387,880 in Rural Business Enterprise Grants (RBEs) in Iowa this past year to assist a variety of small and emerging businesses by providing technical assistance, training and access to revolving loan funds.

“We are pleased to be helping with so many efforts that will strengthen the economy, create jobs, support business growth and expand opportunity for rural Iowans,” said State Director Menner. “The Obama Administration is committed to ensuring that rural communities are economically vibrant in their business-development and job-creation efforts.”

Iowa Valley Resource Conservation and Development, Amana - \$50,000

Funds supported Women Land and Legacy efforts in Iowa, Tama and Poweshiek Counties to provide technical assistance to women who own or are developing businesses and farm operations.

Iowa Food Systems Council, Elkhart - \$52,880

Funds were used to assist with providing technical assistance to local food businesses in southern Iowa.

Indian Hills Community College, Ottumwa - \$70,000

Funds were used to provide technical assistance to small and emerging businesses and entrepreneurs in southeast Iowa.

Northeast Iowa Community College Foundation, Calmar - \$44,000

Funds were used to provide technical assistance, consulting services and workshops for emerging businesses and entrepreneurs in northeast Iowa.

City of Elgin - \$59,000

Funds were used to start a revolving loan fund to assist businesses in Elgin.

Loess Hills Solutions, Inc., Council Bluffs - \$69,180
Funds were used to develop training and certification programs for employees working at small businesses in southwest Iowa. Program topics included such things as construction and ladder safety, as well as lead and mold remediation and detection.

LITTLE EAGLES NEST LEARNING CENTER OPENS IN CITY OF WYOMING



USDA Rural Development funds totaling \$508,500 helped finance the construction of the new building for Little Eagles Nest Learning Center in Wyoming, Iowa.

USDA Rural Development loan and grant funds totaling \$508,500 were used to assist with construction of Little Eagles Nest Learning Center in Wyoming, Iowa.

The center’s new building allows space for up to 56 children. It opened in April 2012 and is operated as a partnership between the City of Wyoming and the Midland Community School District.

Childcare centers and in-home providers play an important role in rural communities. The U.S. Department of Health and Human Services reports that in Iowa around 70 percent of children under the age of six live in a home with two working parents.



HELPING GROWERS OPEN NEW DOORS 2012 MARKS U.S. DEPARTMENT OF AGRICULTURE'S 150TH ANNIVERSARY

The Iowa Department of Agriculture and Land Stewardship says sales at farmers' markets in Iowa are up 18 percent since 2004. Direct sales now approach \$40 million at more than 230 markets.

This past year USDA Rural Development helped The Wallace Centers of Iowa kick off a program called One Step at a Time that is helping farmers in southwest Iowa add value to the fruit and vegetable they harvest by providing guidance and training on such things as food safety protocols, recipe development and testing and product placement.

"USDA's support will enable us to greatly broaden the outreach of our food programming," said Diane Weiland, Chief Executive Officer, The Wallace Centers of Iowa.

USDA funding allowed The Wallace Centers of Iowa to hire Katie Routh as chef and food programs manager. Routh is a native of Mount Ayr, Iowa, and has followed her passion for food and cooking on a 13-year journey that has taken her halfway around the world .

"I want consumers to know that they can have it all when it comes to the foods they eat," Routh said. "Foods can indeed taste good, can be good for you and be very easy to prepare."

Katie Routh is the chef and foods program manager at The Wallace Centers of Iowa.



One way the U.S. Department of Agriculture celebrated its 150th anniversary in Iowa was with a large display at the Iowa State Fair. The Department was established on May 15, 1862 when President Abraham Lincoln signed a law creating what he called the "People's Department."

USDA's significance was never more evident than during the Great Depression of the late 1920s and into the 1930s, a time when our country was at a point of tremendous need. Leading the USDA during a majority of this time was Iowan Henry A. Wallace.

Food stamps and the school lunch program were started during Wallace's time as Ag Secretary. Wallace, who was also very dedicated to research and science, led the USDA into becoming a world research leader.

During Wallace's guidance important USDA agencies that are known today as the Natural Resources Conservation Service, Farm Service Agency and Rural Development were created.

USDA's support of rural communities can be traced back to the 1930s and the Rural Electrification Administration when programs helped bring electricity to farms.



NEW CLARINDA REGIONAL HEALTH CENTER OPENS THANKS TO USDA RURAL DEVELOPMENT FUNDING



A ribbon-cutting ceremony was held for the new Clarinda Regional Medical Center on May 11. The project received an \$18.9 million loan from USDA Rural Development.

“We are pleased to be assisting with this hospital building project in Clarinda that will not only help expand health care services in southwest Iowa but will also help create jobs,” said Bill Menner, USDA Rural Development State Director in Iowa.

The Clarinda Regional Health Center, which has provided healthcare services in southwest Iowa for more than 70 years, opened its replacement critical access hospital in January 2012 thanks, in part, to an \$18.9 million loan from USDA Rural Development. An official ribbon-cutting was held on May 11, 2012.

The new facility has updated equipment, a larger surgery suite, more comfortable patient rooms, waiting areas and care areas and supports paperless medical records.

The project created more than 400 construction jobs over an 18-month period and ensures continued employment of the 170 hospital staff.

STATE DIRECTOR MENNER HOLDS 23 LISTENING SESSIONS THROUGHOUT RURAL IOWA IN 2012

State Director Menner crisscrossed the state many times in 2012 as he held 23 listening sessions in rural communities from March to October.

Today, more than 1.7 million Iowans live in rural communities and areas, and nearly half of the state’s communities have fewer than 500 residents.

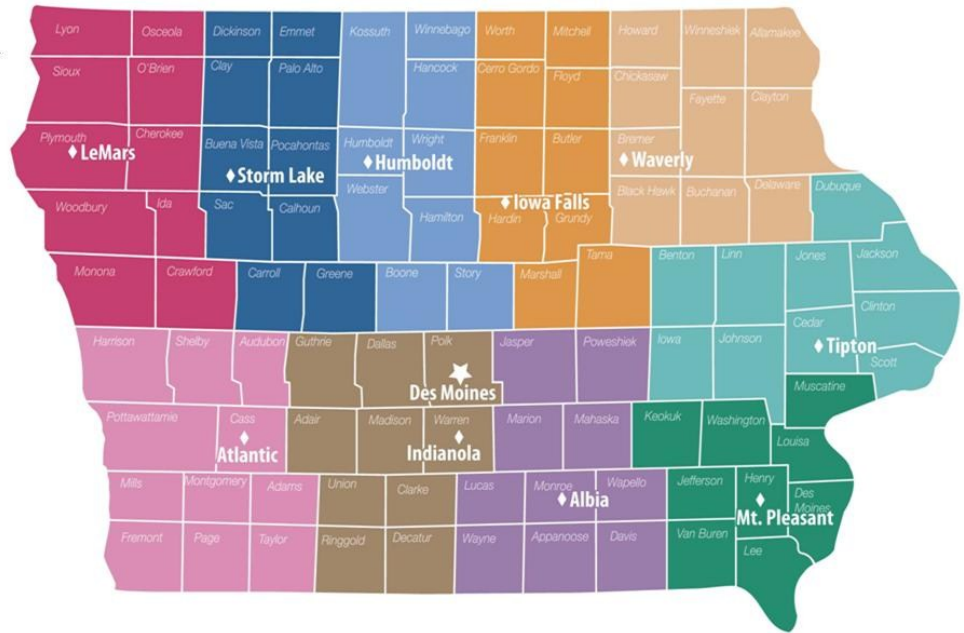
USDA Rural Development is working with rural communities to create jobs, expand opportunity, encourage innovation and build a strong foundation for the future.

The agency currently administers and manages more than 40 housing, business and community infrastructure and facility loan and grant programs designed to improve the economic stability of rural communities, businesses, residents and farmers and improve the quality of life in rural America.



Around 20 people attended a rural issues listening session facilitated by State Director Menner in Ogdon on March 5, 2012.

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