



**United States Department of Agriculture
Business, Cooperative, and Energy
Programs**




Eagles' Wings of Tuscaloosa
Dedicated to Serving Adults with Special Needs

Rural Business Service (RBS) Alabama

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 America



Committed to the future of rural communities.

- 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



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



Committed to the future of rural communities.

In Fiscal Year 2011, Alabama Rural Development invested over \$39 million in loans and grants to communities and businesses.



Committed to the future of rural communities.



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.

Rural Business Enterprise Grant



- Offers grants to public bodies, nonprofit corporations, and Federally recognized Indian tribal groups to finance and facilitate development of small 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.

Intermediary Relending Program Loans (IRP)

- USDA RD lends funds to intermediaries, which, in turn, provide loans to finance business facilities and community development.
- Projects must be located in rural areas, excludes cities with a population of 25,000 or more.
- Eligible



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



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)

For More Information. . .

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