



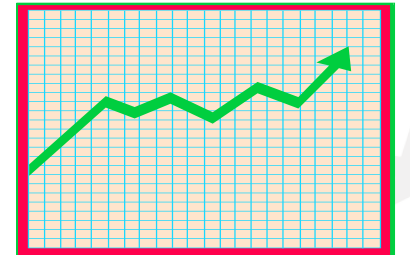
USDA RURAL DEVELOPMENT

Rural Business-Cooperative Programs

December 13, 2022

Rural Business and Cooperative Programs

Provides guaranteed loans, loans through intermediaries and grants in partnership with private sector and community-based organizations to promote economic growth in rural areas



Rural Area is defined for Rural Business and Cooperative Programs as the area outside of the built-up area surrounding cities of a population of 50,000 or more.

Agriculture producers for the Renewable Energy for America Program and the Value-Added Producer Grant programs do not need to be in rural areas.

Guaranteed Loans

Provides guarantees to private lenders for rural business loans for working capital, machinery and equipment, real estate, renewable energy & energy efficiency projects, and in some cases refinancing

- Business and Industry Guaranteed Loans
- Rural Energy for America Program Guaranteed Loans



Loans through Intermediaries

Rural Development provides loans and grants to intermediaries who in turn lend them to rural businesses

- Intermediary Relending Program Loans (PB, NP, FRT) typically \$25k to \$75k
- Rural Microentrepreneur Assistance Program Loans (NP, IHL, FRT) max. \$25k
- Rural Business Development Grants (PB, NP, FRT) typically under \$100k; loans to ultimate recipients \$10K to \$30k
- Rural Economic Development Loans and Grants (Rural Electric & Telephone Cooperatives) max. \$2 million loan and \$300k grant

KEY:

PB= Public Bodies

NP = Non-Profits

FRT – Federally Recognized Tribes

IHL = Institutions of Higher Learning



Grants for Business Assistance

Grants to entities who provide assistance in the form of technical assistance and workforce training, construction and equipment. These grants DO NOT go directly to private businesses.

- ❖ Rural Business Development Grants (NP, PB, FRT)
- ❖ Rural Microentrepreneur Assistance Program Grants (NP, IHL, FRT)
- ❖ Rural Cooperative Development Grants (NP, IHL)
- ❖ Socially Disadvantaged Group Grants (NP, IHL)



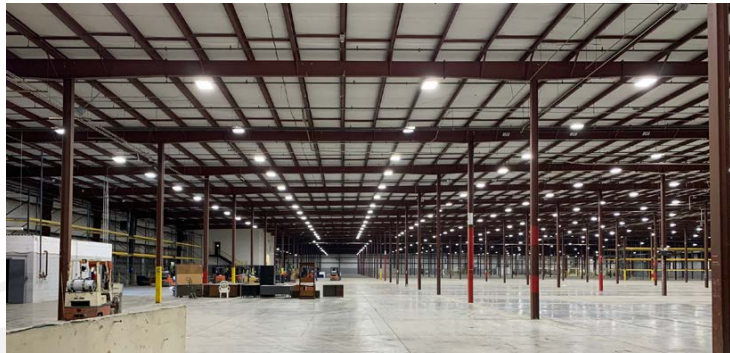
Direct Grants to Agricultural Producers

Value-Added Producer Grants

- ✓ Working Capital Grants up to \$250k – Used for processing, marketing, and sales expenses. Cannot be used for equipment or construction.
- ✓ Planning Grants up to \$75k – Used for business plans, marketing studies and feasibility studies.
- ✓ 1:1 match required on the part of the grantee





RURAL ENERGY FOR AMERICA PROGRAM EXAMPLES



REAP Grant Assistance

Up to 25%
of Eligible Project Costs

 Renewable Energy Systems		 Energy Efficiency Improvements	
Minimum Grant Request	\$2,500 Total eligible project costs \geq \$10,000	Minimum Grant Request	\$1,500 Total eligible project costs \geq \$6,000
Maximum Grant Request	\$500,000 Total eligible project costs \geq \$2 million	Maximum Grant Request	\$250,000 Total eligible project costs \geq \$1 million

REAP Guaranteed Loan Assistance

Up to 75%
of Eligible Project Costs

Minimum Loan Amount	\$5,000 Total eligible project costs \geq \$6,667
Maximum Loan Amount	\$25 million Total eligible project costs \geq \$33.4 million
Details	<ul style="list-style-type: none">• USDA guarantees a commercial loan; applicant must have a willing lender.• Terms are negotiated between the lender and borrower.• Fees, appraisals, equity & collateral requirements apply.

Direct Grants to Agricultural Producers and Rural Small Businesses

Rural Energy for America Program Grants (REAP)

Grants to rural small businesses and agriculture producers to pay for up to 25% of renewable energy system or energy efficiency improvements projects. Cannot provide grants for residential improvements or vehicles and tillage equipment. Grants can fund two purposes:

Energy Efficiency Improvements

- HVAC & Lighting Upgrades
- Insulation
- Window & Door Replacement
- Grain Dryers
- Refrigeration / Freezer Upgrades (think convenience stores)
- Washer and Dryer upgrades (laundromats)

Renewable Energy Systems

- Solar Arrays
- Wind turbines
- Geothermal Systems
- Grain Dryers
- Biomass

Food Supply Chain Guaranteed Loan Program

- **The Food Supply Chain Guaranteed Loan Program provides financial support to qualified lenders whose loan applicants want to start or expand middle of the food supply chain activities such as aggregation, processing, manufacturing, storage, transportation, wholesale, or distribution of food. The program's goal is to increase capacity and help create a more resilient, diverse, and secure U.S. food supply chain.**
- Examples of fund uses by food supply chain businesses include:
 - Business conversion, enlargement, repair, modernization, or development
 - The purchase and development of land, buildings, and associated infrastructure for commercial or industrial purposes
 - Building or equipping facilities for lease to public or private enterprises engaged in commercial or industrial operations
 - The purchase and installation of machinery and equipment, including manufacturing and Information Technology (IT) systems
 - Working capital
- Program info can be found at the FSC Guaranteed Loan website:

www.rd.usda.gov/foodsupplychainloans

Meat & Poultry Processing Expansion Program (MPPEP) Grant Awards

- The maximum award amount is **\$25 million or 20% of the total project costs, whichever is less.**
- **Matching funds are not required under this funding opportunity.** However, the applicant must have other funding secured to complete the project as described in the application before an award can be made.
- **The maximum period of performance for this grant is 48 months.** The period of performance should be based upon the complexity of the project.
- **Eligible Use of Funds**
 - Ensuring compliance with occupational and other safety requirements under applicable law.
 - Modernizing equipment or facilities to ensure food safety.
 - Paying for voluntary grading services to offer value-added processed products.
 - Costs associated with becoming an inspected facility.
 - Workforce recruitment, training, apprenticeships, and retention.

MPPEP

Ineligible Use of Funds

- Pay costs incurred prior to the date the Financial Assistance Agreement is executed.
- Pay costs that have been or will be reimbursed by a third party.
- Pay for indirect project costs.
- Pay costs that support or oppose union organizing.
- Pay for costs associated with conducting research and development.

Applications must be submitted through:

- <https://www.grants.gov/>





Virginia Staff Directory

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https://www.rd.usda.gov/sites/default/files/VA_EmployeeDir.pdf

Questions?



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Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA's TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

(1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;

(2) fax: (202) 690-7442; or

(3) email: program.intake@usda.gov.

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