

# USDA Rural Development

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# USDA Rural Development Mission Statement

To increase economic opportunity and improve the quality of life for all rural Americans.



Committed to the future of rural communities.

# Delivery

- Rural Housing Service
- Rural Business / Cooperative Service
- Rural Utility Service
- Global Community Investment:
  - \$29 Billion Fiscal 2011
  - \$177 Billion Fiscal 2004 - 2011

# Investment Allocation

- Direct loans 29%
- Loan Guarantees 65%
- Grants 6%

# Rural Job Impact

- Rural Housing Service 224,831
- Business Loan Guarantees 27,806
- Specialty Lending Programs 37,241
- Rural Utility Programs 150,000



# How The Buck Starts

- Consolidated Farm Act – 1972
  - Major authorizing legislation -USDA and legacy Rural Development programs.
- Farm Bill
  - Comprehensive omnibus ; 5 year cycle; can revise and amend programs and funding.
  - 2008 Farm Bill due for renewal



# What The Bucks Do

- Rural Business / Cooperative Service
  - **Loan Guarantee Program**
  - Leverage private capital and equity
  - Performance measured in job creation
  - FY 11 – 511 guarantees; \$1.38 billion; 941 businesses; 27,806 jobs.





**Pompanoosuc Mills  
Fine Furniture Manufacturing  
Expansion – CHP Equipment  
\$4.48MM Guarantee  
\$4.99MM Project Cost  
164 Jobs**



**Cellars At Jasper Hill  
Value Added Cheese Production  
Cave Construction  
\$500,000 Guarantee  
\$3.48 MM Project Cost  
10 Jobs**



**Hunger Mountain Cooperative  
Retail Food Cooperative  
Facility Construction  
\$1.310MM Guarantee  
\$3.417MM Project Cost  
70 Jobs**



- Intermediary Relending Program
  - Wholesale funding to capitalize local/state/regional revolving loan funds
  - \$737MM portfolio / over \$1billion in combined lending power.
  - FY 11: 19 loans; 57 intermediaries; \$19MM



- Rural Energy for America
  - Loan Guarantee / Grant / Combination
  - \$1.154 billion portfolio
  - 2011 Digesters: 17; \$13.1MM loan guarantees; \$6.9MM grants; 78 jobs; 135MM kWh (15,000 average homes); reduction of 147M metric tons CO<sub>2</sub>e

# Vermont Digesters



**Engine Room**



**Digester Tank**

# Vermont Statistics

- 9 Digester Projects
- 23MM kWh Energy Produced
  - 1,533 average Vermont homes powered
- \$19.4MM Total Project Costs
  - \$3.856MM Loan Guarantees
  - \$4.397MM Grants



- **Housing Programs**

- Single Family Guarantee - \$17 billion
- Single Family Direct - \$1.119 billion
- Multi Family Direct - \$69 million
- Rental Assistance - \$5.76 million
- Multi Family Guarantee - \$32.3 million

**One Year Impact**

**\$40.5 MM**

**\$4.254 MM**

**627 Jobs**

**Annual Local Impact**

**\$33.9 MM**

**\$6.094 MM**

**441 Jobs**

**Income**

**Income tax / other**



- Rural Utilities

- FY 11: \$7 billion; 800 loans; 600 grants and 150,000 rural jobs
- Investment in critical infrastructure
  - Electric Generation - \$4.77 billion; \$300MM in renewable investments (wind, biomass)
  - Telecom - \$824MM
  - Water & Waste - \$1.0 billion loan; \$495MM grant

# Putting Business Together

- Project integration discussion
  - Cellars at Jasper Hill
    - Enterprise Grant
    - Value Added Producer Grant
    - Business Guarantee
    - Intermediary Relending Loan



# Putting Business Together

- Project integration discussion
  - Green Mountain Organic Creamery
    - Value Added Producer Grant
    - Business Guarantee
  - Vermont Smoke & Cure
    - Business Guarantee
  - Overarching Community Redevelopment





Thank You



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