



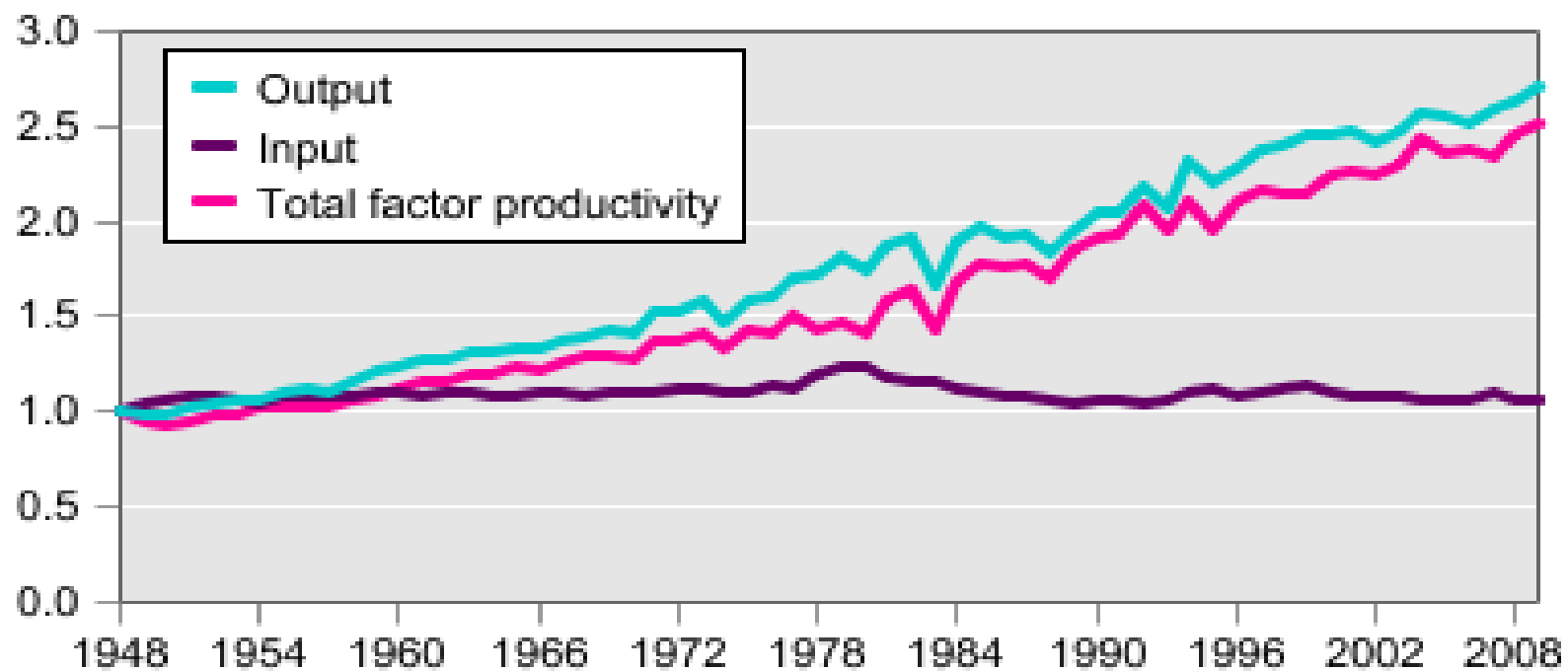
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Rural Utilities Service



United States Department of Agriculture

U.S. agricultural inputs were steady while total factor productivity expanded from 1948-2009

Indices, 1948=1

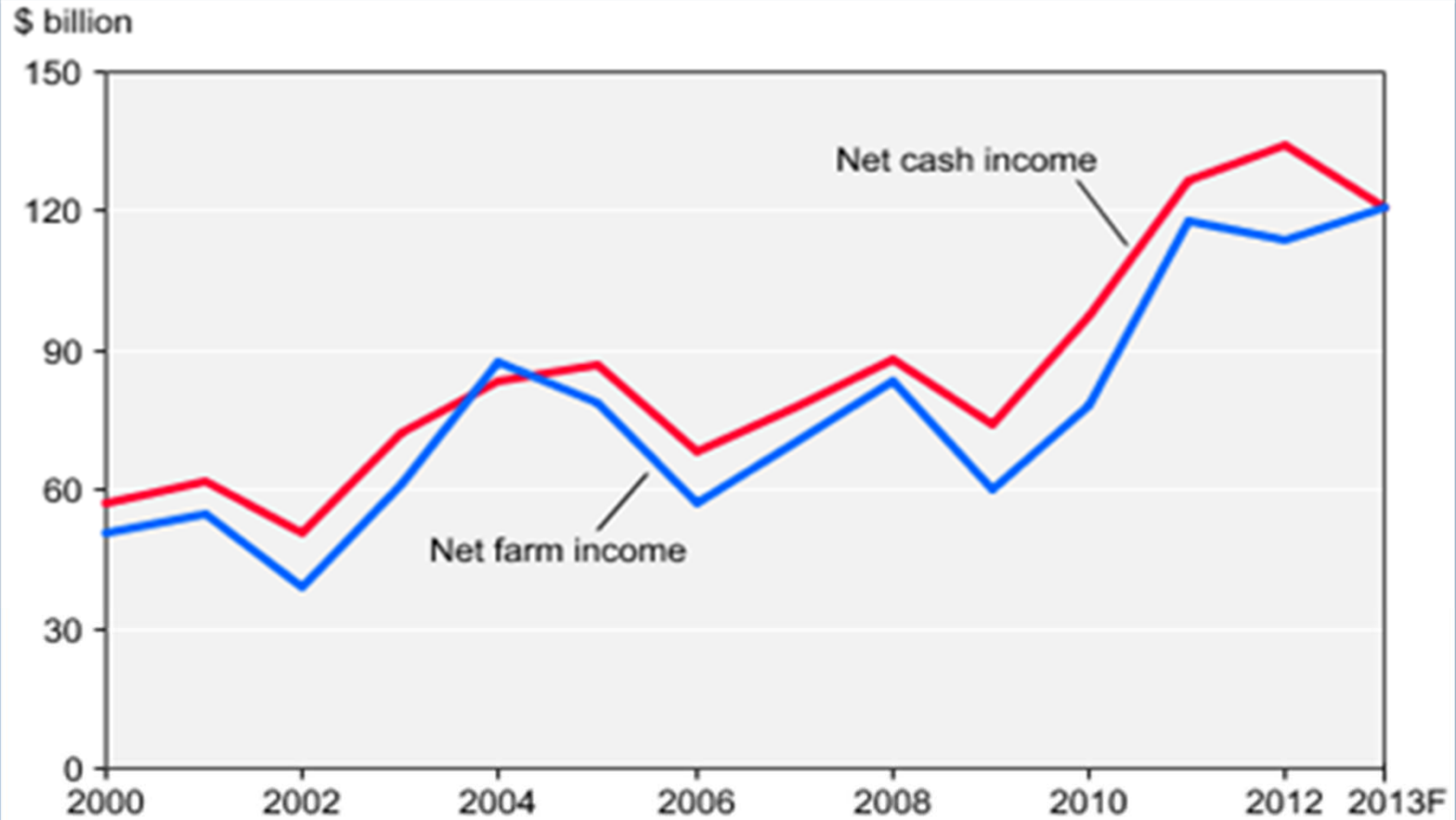


Source: USDA, Economic Research Service.



United States Department of Agriculture

Net farm income and net cash income, 2000-2013F



F = Forecast.

Source: USDA, Economic Research Service, Farm Income and Wealth Statistics.
Data as of August 27, 2013.



United States Department of Agriculture

USDA Loan & Grant Programs

- ▶ **RUS Telecom and Broadband loan programs**
- ▶ **RUS DLT and Community Connect grant programs**
- ▶ **RD Community Facilities Loan/Grant (CF)**
- ▶ **RD Rural Economic Development Loan/Grant (REDLG)**
- ▶ **RD Business & Industry Loan Guarantees (B&I)**

www.rurdev.usda.gov



United States Department of Agriculture

USDA is committed to helping improve the economy & quality of life in rural America.

- Our financial programs support not only electric & telephone services, but also community facilities such as water & sewer systems, housing, health clinics, hospitals, schools & emergency service facilities.
- We promote economic development by supporting loans to businesses & non profits
- We administered \$20 billion in loans, loan guarantees & grants through our programs in the last fiscal year.



Origin of RUS Telecommunications Loan Program

- ▶ In the 1930's, the Rural Electrification Administration (REA) made financing available for electric cooperatives and other entities to bring electricity to rural communities that might otherwise not receive it;
- ▶ In 1949, the REA received authority to expand lending to finance telephone service;
- ▶ Funding was provided for basic telephone service to ensure that rural residents and businesses received the same type of services as urban areas;
- ▶ **In 1995, all telecommunications networks financed were required to be broadband-capable.**



The Telecommunications Infrastructure Loan Program Basics

- ▶ Since 1949, the Telecommunications Infrastructure Loan Program has funded over \$22 billion in projects, financing for new and improved telecommunications infrastructure in rural communities of 5,000 or less.
- Applications accepted year-round.
- Interest rates are set at current U.S. Treasury rates, depending on loan maturity at the time of each advance.
- Term of loan is based on life of facilities financed.
- Guaranteed loans from the Federal Financing Bank (FFB) and Hardship loans at a fixed 5% rate of interest may also be available.
- **All infrastructure financed must be broadband capable.**



The Farm Bill Broadband Loan Program

- Low interest loans to fund the costs of construction, improvement and acquisition of facilities and equipment to provide broadband service to eligible rural communities on **a technology neutral basis.**
- The program's goal is to ensure that **rural consumers benefit** from the same quality and range of telecommunications services that are available in urban and suburban communities.
- Created under the 2002 Farm Bill and **reauthorized under the 2008 Farm Bill.**



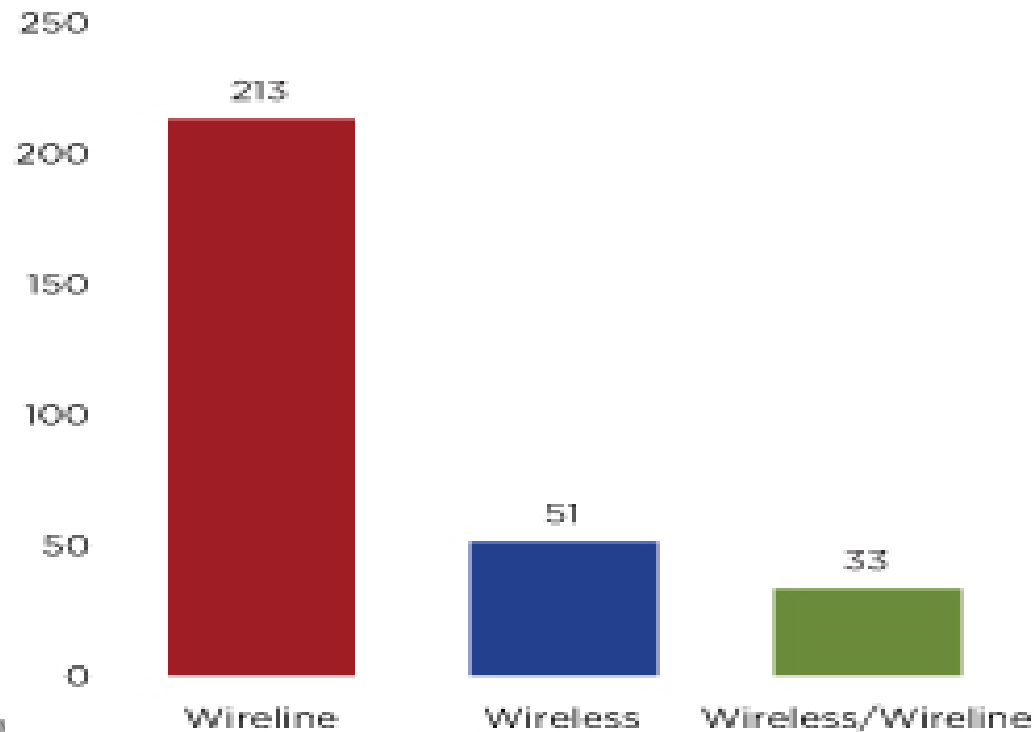
ARRA-Broadband Initiatives Program (BIP)

- ▶ RUS administered funding under the American Recovery and Reinvestment Act of 2009 (ARRA) for last mile and middle mile broadband infrastructure in rural communities
- ▶ RUS provided loans and grants for broadband infrastructure projects as well as Technical Assistance grants, primarily to tribal communities
- ▶ RUS is managing the rollout of 257 active infrastructure projects, \$3.2 billion in loan/grant funds.
- ▶ \$2.6 billion of projects completed. More than \$1.7 billion in funds have been advanced.
- ▶ Field staff conduct routine monitoring on progress and compliance.



BIP Awards – Technology Type

Number of Projects



DLT Grant Program Eligibility & Purpose

- ▶ Serving rural communities of 20,000 or less
- Delivers or proposes to deliver distance learning or telemedicine services for the term of the grant
- Purposes must meet the grant definition of distance learning and telemedicine, with a focus on sustainability
- No planning studies, research projects, or short-term demonstration projects
- For profit and non profit entities are eligible (no individuals or sole proprietors)



Distance Learning & Telemedicine Grant Terms

- ▶ Min grant \$50,000, Max grant \$500,000
- ▶ 15% required matching contribution
- ▶ Competitive, nationwide grant program
- ▶ Application window opens once per year



Rural Broadband Grants for Remote Areas: Community Connect program

- ▶ The RUS Community Connect grant program provides grants to poor, rural, unserved communities where broadband service is least likely to be available, but can make a difference in the quality of life for citizens.
- ▶ In Alaska, Hawaii and the lower 48', this grant has brought the benefits of broadband to enable educational, business and public health and safety opportunities to rural residents living in extreme remote areas.



RD Community Facilities Loan Program

- ▶ USDA Rural Development's (RD) Community Facilities (CF) programs were established by Congress specifically to provide access to capital for a wide range of critical civic infrastructure facilities & services such as:
 - Rural Hospitals and clinics
 - Rural Fire, Rescue, EMT & Public Safety
 - Rural Education/libraries
 - Public/municipal Services (clean water and sewer projects)

Fiscal Year 2013 funding and Eligibility

- \$70 million in direct loans/ \$10 million in grants
- Rural areas & towns of up to 20,000
- Applicant must be non-profit, government or tribe



Community Facilities Success Story

Stephens Memorial Hospital, Breckenridge, TX

- ▶ Project: Electronic Medical Records (EMR)
- ▶ Hospital's current computer mainframe system is over 15 years old & does not meet the current proposed regulations set for by the Centers for Medicare & Medicaid Services for Electronic Medical Records. The Hospital's current server is over 9 years.
- ▶ The Hospital will upgrade their hardware to accommodate the latest technological advances. The system upgrade will allow the Hospital to meet the new proposed regulations which require hospitals & health care organizations to install & be fully operational with Electronic Medical Records.
- ▶ RD Funding: \$410,000 (CF Loan) \$50,000 (CF Grant)
- ▶ Total Project Cost: \$460,000



Rural Economic Development Loan/Grant (REDL&G)

The **Rural Economic Development Loan & Grant (REDLG)** program provides loan & grant funds to rural projects through eligible utilities, such as rural electric cooperatives, rural telephone cooperatives & municipal utilities.

- **REDLoan Program** - provides loans to eligible rural utilities which they, in turn, pass through to local projects that will create or retain jobs in rural areas. The ultimate recipient repays the lending utility directly at zero percent for up to ten years.
- **REDGrant Program** - provides grant funds to eligible utilities to establish Revolving Loan Funds (RLF). Loans are then made from the RLF for projects that will create or retain rural jobs.

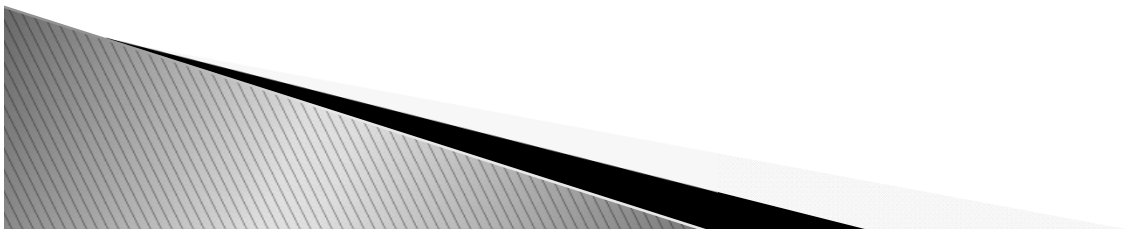


Rural Economic Development Loans

- Maximum loan amount is \$1 million, minimum is \$10,000
- Payments may be deferred for up to two years
- A 20% match is required from the utility intermediary

Rural Economic Development Grants

- Maximum \$300,000 REDG, minimum \$10,000
- RLF loan term is 0% over ten years
- A 20% match from the eligible utility is required



REDLG Success Story

Kossuth Regional Health Center Algona, IA

- ▶ **Project:** Installation of integrated technology as an electronic health record system is installed in new rooms through an expanded computer network. Within each headwall unit, computer equipment will be installed including a computer workstation & bedside monitoring systems. The project will also improve patient safety by integrating these medical systems with an automated medication dispensing system.
- ▶ **RD Funding:** \$300,000 REDLG Grant to Corn Belt Power
- ▶ **Total Project Cost:** \$360,000



Rural Business Service (RBS) Programs

- works with private sector and community-based organizations to improve the economic conditions in rural communities by providing direct and guaranteed loans and grants for projects that help create/save jobs .

- Those eligible include individuals, corporations, public and private companies, cooperatives, Indian tribes, and nonprofit organizations. For more information, please visit our website www.rurdev.usda.gov.





United States Department of Agriculture
Rural Development
Committed to the future of rural communities

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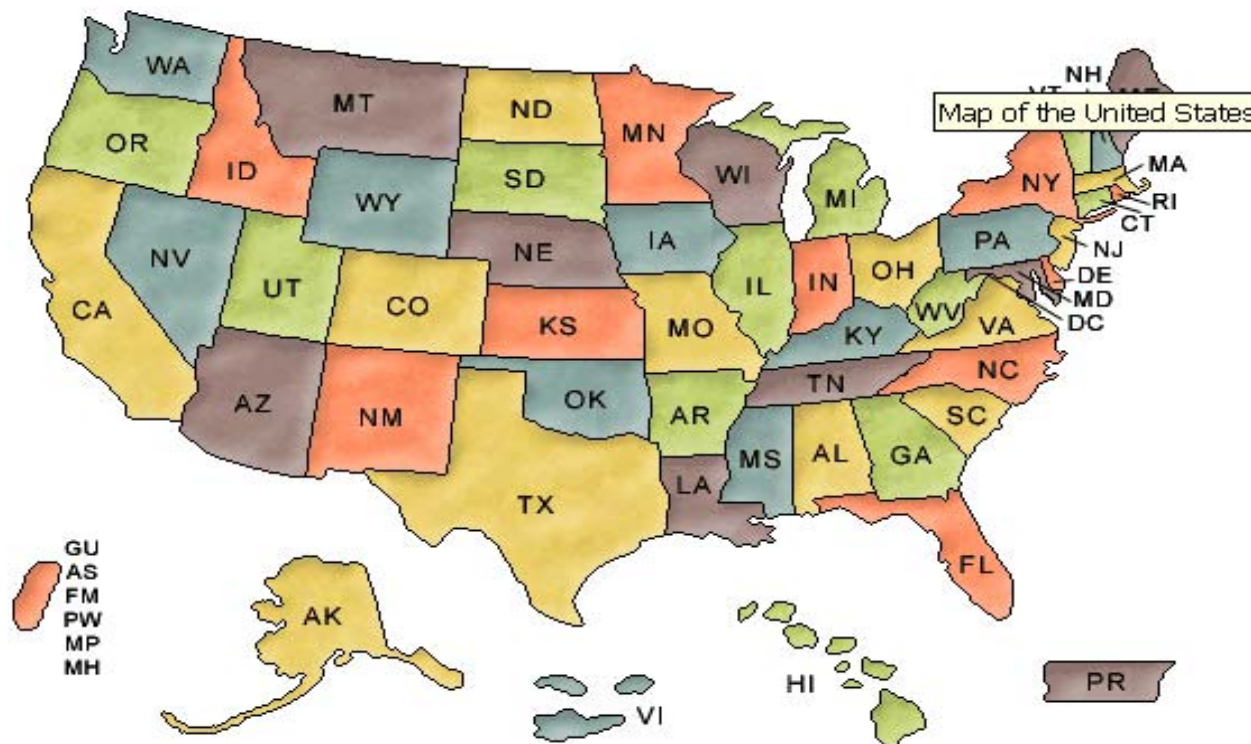
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Agencies & Offices

Select a state on the map below for more information.

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http://www.rurdev.usda.gov/recd_map.html



United States Department of Agriculture

Important People to Know

USDA Rural Development

- ▶ State Directors of Rural Development
- ▶ 47 State Offices & Field Staff ready to assist
- ▶ RUS General Field Representatives
- ▶ RUS Borrowers & Grantees

Stakeholders

- ▶ Electric and Telecommunications Coops and independents.
- ▶ Rural Water systems
- ▶ Farm Bureau Leaders
- ▶ Rural Health and Education Organizations
- ▶ Rural economic development organizations (NREDA, ARC, Denali Commission and DRA)



Cooperative Extension System local Offices

- ▶ The Cooperative Extension System is a nationwide, non-credit educational network. Each U.S. state and territory has a state office at its land-grant university and a network of local or regional offices.
- ▶ These offices are staffed by experts to assist agricultural producers, small business owners, youth, consumers, and others in rural areas and communities of all sizes.
- ▶ Visit <http://www.nifa.usda.gov/Extension/index.html> for more information.



NIFA-supported 4-H programs touch over 6 million children every year to promote:

- youth adoption science, technology, engineering, and mathematics (STEM) in their future careers.
- GIS mapping skills that support wildlife refuge systems from the Caribbean to the Pacific, Maine to Alaska.
- ▶ For example, youth in Iowa tested the effectiveness of mapping using iPhones compared with Global Positioning System units.



Action Needed

- To continue momentum of the U.S. agricultural economy and rising farm income, America's farmers, ranchers and producers need certainty about the next five years of U.S. farm policy.
- Dairy producers need an effective support system that helps them stem the decline in the number of U.S. dairy operations.
- Job seekers in rural America need new and expanded investments in renewable energy, biofuel, and biobased product manufacturing, all of which can create jobs in rural areas.

