

2012 Explanatory Notes  
Rural Business-Cooperative Service

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## RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

### Purpose Statement

USDA Rural Development's Business and Cooperative Programs provides loans, loan guarantees and grants designed to increase economic opportunity in rural America.

### Authorization and Program Descriptions

Business and Industry Guaranteed Loan Program (B&I) - Section. 310B of CONACT, 7 U.S.C 1921. Access to capital is key to keeping and increasing the number and size of businesses operating in rural areas. The guaranteed loan program supports financing for business and industrial acquisition, construction, conversion, enlargement, repair or modernization outside a town or city with a population of less than 50,000. Loan funds are used to finance the purchase and development of land, easements, rights-of-way, buildings, equipment, facilities, machinery, supplies and materials, and fund to pay startup costs and supply working capital. Individuals, as well as public, private, or cooperative organizations, Indian tribes, and corporations are eligible. The loan guarantee percentage drops from a maximum of 80 percent for loans of up to \$5 million to 60 percent for loans between \$10 million and \$40 million. The aggregate loan amount available to any one borrower under this program is limited to \$25 million. An exception to the limit is for cooperative organizations when the facility is located in a rural area and the facility provides value-added processing of an agricultural commodity. The maximum amount in such cases is \$40 million, which must be approved by the Secretary.

Intermediary Relending Program (IRP) - Section 1323, Food Security Act of 1985. Revolving loan programs, such as the IRP, address the lack of available credit and financial market conditions which exist in many rural communities, especially for smaller entities, service businesses and start-up activities. These conditions often limit the ability of rural economies to create jobs, enhance amenities, and increase incomes to enable rural families to prosper.

Rural Economic Development Loans and Grants (REDLG) - Section 313 RE Act of 1936, as amended, 7 U.S.C. 940C. This program provides zero-interest loans and small grants to electric and telephone utilities financed by the Rural Development's Utilities Programs, which, in turn, use the funding to promote sustainable rural economic development and job creation projects and to capitalize revolving loan funds for economic development and job creation purposes.

Rural Business Enterprise Grant (RBEG) – Authorized by section 310(B)(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932). Regulation is found in 7 CFR part 1942, subpart G. RBEGs are used to support the development of small and emerging private business enterprises in rural areas. Grants are made to public bodies and private nonprofit corporations serving rural areas. Public bodies include States, counties, cities, townships, and incorporated town and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations and other Federally recognized Indian Tribal groups in rural areas. The end result of the program must finance or develop a small and emerging private business enterprise in a rural area.

Rural Business Investment Program (RBIP) – Section 6029 of the 2002 Farm Bill, P.L. 107-171. RBIP is designed to promote economic development and create wealth and job opportunities among individuals living in rural areas and help meet the equity capital investment needs primarily of smaller enterprises located in such areas. Under the RBIP, for-profit Rural Business Investment Companies (RBIC) make venture capital investments in rural areas with the objectives of fostering economic development in such areas and returning maximum profits to the RBIC's investors.

Rural Energy for America - Section 9007 of the 2002 Farm Bill, P.L. 107-171, as amended by the 2008 Farm Bill, P.L. 110-246. Section 9007 loan and grant programs help farmers, ranchers and rural small businesses purchase and install renewable energy systems and make energy efficiency improvements. Renewable energy projects benefit agricultural producers and rural small businesses with new and sustainable, income streams; reduced reliance on fossil fuels; and an improved environment. Energy efficiency projects also reduce the cost of production and business operations. Grants may also be used for energy audits and feasibility studies.

Rural Cooperative Development Grants (RCDG) - Authorized by section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932 (e)). Regulations are found in 7 CFR part 4284, subparts A and F. RCDGs improve the economic condition of rural areas by promoting a range of cooperative development activities. Grants are made to nonprofit corporations and institutions of higher education to operate centers for cooperative development. The centers address rural economic problems in two ways. First, a center brings together expertise in cooperative development and cooperative business operations that would otherwise be more difficult to obtain. Second, these experts in cooperative development facilitate new cooperative businesses and improve the operations of existing cooperatives through technical assistance and educational programs. Consequently, rural cooperative development grants promote the creation or retention of jobs in rural areas through the development of new rural cooperatives, value-added processing and other rural businesses.

Value-Added Agricultural Market Development Grant Program (VAPG) - Authorized by the Agricultural Risk Protection Act of 2000 and amended by Sections 6401 and 6402 of the Farm Security and Rural Investment Act of 2002, (Farm Bill) P.L. 107-171 and the Food, Conservation and Energy Act of 2008 (Farm Bill) P.L. 110-246. Value-added agricultural market development grants enable producers of agricultural commodities to participate in the economic returns found in the value-added market. Grants may be used to develop business plans and develop strategies for creating marketing opportunities. Grants may also be used for feasibility studies and to provide capital to establish alliances or business ventures allowing producers to better compete in domestic and international markets.

Small Minority Producer Grants (SMPG) - Authorized by P.L. 109-97. Grants to assist small, minority agricultural producers in rural areas provides funding for cooperatives or associations of cooperatives whose primary focus is to provide assistance to such producers, and whose governing board and /or membership is comprised of at least 75 percent socially disadvantaged members. Grants may be used for developing business plans, conducting feasibility studies, or developing marketing plans for farmers, ranchers, loggers, agricultural harvesters, and fishermen.

Cooperative Research Agreements - Authorized by the Cooperative Marketing Act of 1926, (7 U.S.C. 453). Cooperative agreements are used to encourage research on critical issues vital to the development and sustainability of cooperatives as a means of improving the quality of life in America's rural communities. Research proposals are solicited from institutions of higher education or nonprofit organizations interested in applying for competitively awarded cooperative agreements for research related to agricultural and nonagricultural cooperatives serving rural communities.

Cooperative Education and Research Program - Authorized by the Cooperative Marketing Act of 1926, (7 U.S.C. 453). The cooperative program conducts applied research on practical issues and problems facing cooperatives and disseminates information to farmers and the general public on dealing with these issues. A range of educational activities and materials are developed to increase public awareness of cooperative strategies that can increase rural economic activity. Research findings are disseminated through a range of publications, such as the Rural Cooperatives magazine, the Internet, and participation in a variety of research and professional organization events.

Technical Assistance to Cooperatives Program - Authorized by the Cooperative Marketing Act of 1926, (7 U.S.C. 453). The cooperative program is authorized to provide advice and assistance to existing cooperatives and groups of farmers contemplating the formation of cooperatives. Technical assistance is provided through a network of staff at the national and State offices. Technical assistance studies are provided at the request of a cooperative or steering committee on a no fee basis and may cover a range of business operational, organizational, financial, or developmental topics and problems. Resources to support these important activities are provided from the general salaries and expense account appropriated to Rural Development.

Appropriate Technology Transfer for Rural Areas (ATTRA) Program - Authorized by P.L. 104-37 and amended by Section 6016 of the Food, Conservation and Energy Act of 2008 (Farm Bill), P.L. 110-246. ATTRA provides information to farmers and other rural users on a variety of sustainable agricultural practices that include both crop and livestock operations. The program encourages agricultural producers to adopt sustainable agricultural practices, which allow for them to maintain or improve profits, produce high quality food and reduce adverse impacts to the environment.

Rural Microenterprise Assistance Program (RMAP) - Authorized under Section 6022, of the Conservation and Energy Act of 2008. The purpose of the program is to provide direct loans and grants to microentrepreneurs with the skills necessary to establish new rural microenterprises and continuing technical and financial assistance related to the successful operation of rural microenterprises.

Biorefinery Assistance Program – Authorized under Section 9003, of the Food, Conservation, and Energy Act of 2008. The purpose of the section is to assist in the development of new and emerging technologies for the development of advanced biofuels. The program will increase energy independence, promote resource conservation, diversify markets for agricultural and forestry products, create jobs, and enhance economic development in rural economies.

Repowering Assistance Program - Authorized under Section 9004, of the Food, Conservation, and Energy Act of 2008 the program directs the Secretary of Agriculture to provide financial incentives to biorefineries in existence on June 18, 2008 to replace the use of fossil fuels used to produce heat or power at their facilities by installing new systems that use renewable biomass, or to produce new energy from renewable biomass.

Bioenergy Program For Advanced Biofuels - Authorized under Section 9005, of the Food, Conservation, and Energy Act of 2008 the program directs the Secretary of Agriculture to make payments to eligible producers to support and ensure an expanding production of advanced biofuels. Advanced biofuels are defined as “fuel derived from renewable biomass other than corn kernel starch” in the 2008 Farm Bill. To receive a payment, an eligible producer shall enter into a contract with the Secretary of Agriculture for production of advanced biofuels.

#### Geographic dispersion of offices and employees

Rural Development programs are administered by the three programs representing Rural Development: Housing and Community Facilities, Utilities, Business and Cooperative Development. Rural Development headquarters is located in Washington, D.C. As of September 30, 2010, there were 5,660 permanent full-time employees, including 1,580 in the headquarters and 4,080 in the field offices.

#### OIG Reports

OIG Audit Report No. 34099-002-AT, Business And Industry Loan Program, Omnivest Resources, Inc., Fort Gaines, Georgia (Open).

OIG Audit Report 34099-007-TE Request for Audit of Business and Industry Guaranteed Lender, Business Loan Express (Closed).

OIG Audit Report 34601-006-AT Rural Business Programs Intermediary Relending Program (Open).

OIG Audit Report No. 34601-015-TE, National Report On The B&I Loan Program (Open).

GAO Reports

GAO Audit Report No. 08-1123 Collaboration between SBA and USDA Could be Improved (Open).

GAO Audit Report No. 07-1005 Economic Development: Formal Monitoring Approaches Needed to Help Ensure Compliance with Restrictions (Closed).

## RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rural Business Program Account (including transfer of funds)

For the cost of loan guarantees and grants, for the rural business development programs authorized by sections 306 and 310B and described in section 381E(d)(3) of the Consolidated Farm and Rural Development Act, \$89,857,000, to remain available until expended: *Provided*, That of the amount appropriated under this heading, not to exceed \$500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: *Provided further*, That \$4,000,000 of the amount appropriated under this heading shall be for business grants to benefit Federally Recognized Native American Tribes, including \$250,000 for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: *Provided further*, That of the amount appropriated under this heading, the amount equal to the amount of Rural Business Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year 2011, shall be available through June 30, 2012, for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones for the rural business and cooperative development programs described in section 381E(d)(3) of the Consolidated Farm and Rural Development Act: *Provided further*, That sections 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to funds made available under this heading: *Provided further*, That any prior balances in the Rural Development, Rural Community Advancement Program account for programs authorized by sections 306 and 310B and described in section 381E(d)(3) of such Act be transferred and merged with this account and any other prior balances from the Rural Development, Rural Community Advancement Program account that the Secretary determines is appropriate to transfer.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL BUSINESS PROGRAM ACCOUNT

(On basis of loan level, subsidy, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Annualized Continuing Resolution, 2011.....	\$1,045,988,142	\$52,927,000	\$44,439,000
Budget Estimate, 2012.....	822,884,013	52,500,000	37,357,000
Change in Appropriation.....	<u>-223,104,129</u>	<u>-427,000</u>	<u>-7,082,000</u>

**PROJECT STATEMENT**  
(On basis of supportable loan levels and appropriated subsidies and grants)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Business Programs:								
Business and industry guaranteed loans.....	\$1,322,984	\$70,515	\$1,045,988	\$52,927	-\$223,104 (1)	-\$427 (6)	\$822,884	\$52,500
Business and industry guaranteed loans - ARRA c/.....	1,557,725	125,241	0	0	0	0	0	0
Business and industry guaranteed disaster supplemental loans a/.....	57,157	3,046	0	0	0	0	0	0
Business and industry guaranteed NADBank loans b/.....	0	0	0	0	0	0	0	0
Rural business enterprise grants.....	38,123	38,123	35,217	35,217	-8,853 (2)	-8,853	26,364	26,364
Rural business enterprise grants - ARRA c/.....	4,181	4,181	0	0	0	0	0	0
Rural business enterprise grants, technical assistance transportation.....	500	500	500	500	0	0	500	500
Rural business enterprise grants, Mississippi delta.....	0	0	0	0	0	0	0	0
Rural business enterprise grants, native American tribes.....	3,459	3,459	2,760	2,760	0	0	2,760	2,760
Rural business enterprise grants, native American tribes transportation.....	250	250	250	250	0	0	250	250
Rural business enterprise grants, disaster supplemental a/.....	0	0	0	0	0	0	0	0
Rural business opportunity grants.....	1,672	1,672	1,493	1,493	5,000 (3)	5,000	6,493	6,493
Rural business opportunity grants, native American Tribes.....	966	966	990	990	0	0	990	990
Rural business opportunity grants Mississippi delta.....	0	0	0	0	0	0	0	0
Rural business grants.....	2,979	2,979	2,979	2,979	-2,979 (4)	-2,979	0	0
Delta regional authority grants.....	1,058	1,058	0	0	-250 (5)	-250	0	0
Special Earmark, GP 738 - 2010.....	0	0	250	250	0	0	0	0
Total Available or Estimate.....	2,989,995	250,932	1,090,427	97,366	-230,186	-7,509	860,241	89,857
Recovery of prior year obligations.....	-193,116	-21,957	0	0	0	0	0	0
Unobligated balance available, start of year.....	-2,034,545	-157,864	0	0	0	0	0	0
Unobligated balance available, end of year.....	274,049	25,197	0	0	0	0	0	0
Unobligated balance expiring.....	1,058	1,058	0	0	0	0	0	0
Total Appropriation.....	1,037,441	97,366	1,090,427	97,366	-230,186	-7,509	860,241	89,857

NOTE: Amounts reflected above are budget projections of use of funds within the Rural Business Program Account. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Business Programs:								
Business and industry guaranteed loans.....	\$1,322,984	\$70,515	\$1,331,241	\$67,361	-\$508,357	-\$14,861	\$822,884	\$52,500
Business and industry guaranteed loans - ARRA c/.....	1,557,725	125,241	0	0	0	0	0	0
Business and industry guaranteed disaster supplemental loans a/.....	57,157	3,046	0	0	0	0	0	0
Business and industry guaranteed NADBank loans b/.....	0	0	0	351	0	-351	0	0
Rural business enterprise grants.....	38,123	38,123	37,241	37,241	-10,877	-10,877	26,364	26,364
Rural business enterprise grants - ARRA c/.....	4,181	4,181	0	0	0	0	0	0
Rural business enterprise grants, technical assistance transportation.....	500	500	502	502	-2	-2	500	500
Rural business enterprise grants, Mississippi delta.....	0	0	299	299	-299	-299	0	0
Rural business enterprise grants, native American tribes.....	3,459	3,459	3,290	3,290	-530	-530	2,760	2,760
Rural business enterprise grants, native American tribes transportation.....	250	250	250	250	0	0	250	250
Rural business enterprise grants, disaster supplemental a/.....	0	0	0	0	0	0	0	0
Rural business opportunity grants.....	1,672	1,672	1,526	1,526	4,967	4,967	6,493	6,493
Rural business opportunity grants, native American Tribes.....	966	966	1,065	1,065	-75	-75	990	990
Rural business opportunity grants Mississippi delta.....	0	0	32	32	-32	-32	0	0
Rural business grants.....	0	0	0	0	0	0	0	0
Delta regional authority grants.....	2,979	2,979	2,979	2,979	-2,979	-2,979	0	0
Special Earmark, GP 764,738 - 2010.....	0	0	501	501	-501	-501	0	0
Total Available or Estimate.....	2,989,995	250,932	1,378,927	115,398	-518,686	-25,541	860,241	89,857
Recovery of prior year obligations.....	-193,116	-21,957	0	0	0	0	0	0
Unobligated balance available, start of year.....	-2,034,545	-157,864	-295,665	-25,197	295,665	25,197	0	0
Unobligated balance available, end of year.....	274,049	25,197	0	0	0	0	0	0
Unobligated balance expiring.....	1,058	1,058	0	0	0	0	0	0
Unobligated balance rescinded d/.....	0	0	7,165	7,165	-7,165	-7,165	0	0
Total Appropriation.....	1,037,441	97,966	1,090,427	97,366	-230,186	-7,509	860,241	89,857

NOTE: Amounts reflected above are budget projections of use of funds within the Rural Business Program Account. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

## Footnotes:

- a/ Transfers from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329, signed September 30, 2008, for disasters during calendar year 2008 in the amount of \$150 million. Unobligated funds under this program are rescinded by FY 2010 Supplemental Education, "Jobs and Medicaid Assistance" (PL 111-226) signed on August 10, 2010.
- b/ The North American Free Trade Agreement Implementation Act, P.L. 103-182, 107 Stat. 2057, authorizes the Rural Business-Cooperative Service to accept offsetting collections from the United States Commodity Adjustment and Investment Program for the purpose of making NADBank guaranteed business and industry loans. In FY 2011, an unobligated carryover balance of \$351,233.36 was available for this purpose. The FY 2011 loan subsidy rate is 8.38 percent.
- c/ Provided by the American Recovery and Reinvestment Act of 2009, P.L. 111-5, signed February 17, 2009, for the purpose of making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The funds are available through the fiscal year ending September 30, 2010.
- d/ Natural disaster unobligated available as of August 10, 2010, rescinded in accordance with section 301 of the Education Jobs and Medicaid Assistance Act, P.L. 111-226, signed on August 10, 2010.

JUSTIFICATION OF INCREASE AND DECREASES

- (1) A decrease of \$223,104,000 for the guaranteed business and industry loan level (\$1,045,988,000 available in 2011).

The business and industry guaranteed loan program (B&I program) has a carryover of FY 2011 funds of \$285 million. It is therefore anticipated that the requested program level of \$822,884,000 in addition to the carryover will be sufficient to meet the demand for the program in FY 2012.

The guaranteed business and industry loan level promotes the creation of rural businesses; secures start-up capital; and finances for expansion, creates jobs, and helps diversify the rural economy. This investment will provide increased employment opportunities for rural communities and upgrade community infrastructure to improve the quality of life for rural residents.

The agency strives to improve the quality of life in rural America by encouraging the establishment and growth of rural businesses and cooperatives, which ultimately increases the availability, stability, and quality of jobs in rural America. The agency also strives to expand economic and trade opportunities for agricultural producers and other rural residents and build leveraging partnerships with State, local and private sources to expand the total amount of resources provided to rural areas.

- (2) A decrease of \$8,853,000 for the rural business enterprise grants (\$35,217,000 available in 2011).

This decrease represents funding needs. The rural business enterprise grants have a carryover of FY 2011 funds of \$2 million. It is therefore anticipated that the requested budget authority level in addition to the carryover will be sufficient to meet the demand in FY 2012.

This program meets Administration goals to create jobs and promote rural businesses. Under this program funds are granted to non-profit and public bodies, to assist small and emerging businesses; which in turn creates and saves jobs.

The agency strives to improve the quality of life in rural America by encouraging the establishment and growth of rural businesses and cooperatives, which ultimately increases the availability, stability, and quality of jobs in rural America. The agency also strives to expand economic and trade opportunities for agricultural producers and other rural residents and build leveraging partnerships with State, local and private sources to expand the total amount of resources provided to rural areas.

- (3) An increase of \$5,000,000 for the rural business opportunity grants (\$1,493,000 available in 2011).

An additional \$5 million in the Rural Business Opportunity Grant (RBOG) program will support the regional innovation initiative to foster regional collaboration. This increase will fund an additional 100 grants and create or save more than 3,600 jobs.

The purpose of The RBOG is to promote sustainable economic development in rural communities. The program focuses on areas that were distressed through natural disasters, persistently poor or where there is long-term population decline and job deterioration. The program identifies communities where the project is sustainable over a long term through local effort without long-term external subsidies.

A \$249,340 grant was awarded to Ecotrust, an organization based in Portland, Oregon that seeks to create economic opportunity, social equity and environmental well-being by demonstrating new business models based on economic, social and environmental principles, to support their FoodHub initiative, an online directory and marketplace that makes it easy for regional food buyers and sellers to find each other, connect and do business. The grant will aid Ecotrust in increasing recruitment of producers and buyers in rural communities and providing the training and assistance necessary to ensure FoodHub supports their goals.

- (4) A decrease of \$2,979,000 for the delta regional authority grants (\$2,979,000 available in 2011).

Due to budget priorities, no funding is proposed in the FY 2012 budget for this program.

- (5) A decrease of \$250,000 for the special earmark grants, Grant for Kansas farm Bureau Foundation (\$250,000 available in 2011).

This special earmarked general provision is not projected for funding during the budget year.

- (6) A decrease of \$427,000 for guaranteed business and industry loan subsidy (\$52,927,000 available in 2011).

The change in the subsidy rate is primarily due to changes in technical assumptions such as defaults and recoveries and the increase in the estimated Treasury discount rate for these programs.

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2010 Actual and Estimated 2011 and 2012

Business and Industry Loan Program - Guaranteed

	2010	2011	2012
Alabama	\$37,715,484	--	--
Alaska	11,436,500	--	--
Arizona	11,865,500	--	--
Arkansas	14,384,000	--	--
California	103,904,181	--	--
Colorado	29,421,800	--	--
Connecticut	7,342,420	--	--
Delaware	850,000	--	--
Florida	52,535,464	--	--
Georgia	77,877,429	--	--
Hawaii	--	--	--
Idaho	40,906,883	--	--
Illinois	33,813,257	--	--
Indiana	28,125,750	--	--
Iowa	30,958,000	--	--
Kansas	12,021,000	--	--
Kentucky	27,903,900	--	--
Louisiana	44,488,700	--	--
Maine	2,250,000	--	--
Maryland	19,988,385	--	--
Massachusetts	7,000,000	--	--
Michigan	56,414,822	--	--
Minnesota	7,600,000	--	--
Mississippi	10,758,474	--	--
Missouri	36,947,000	--	--
Montana	10,118,948	--	--
Nebraska	10,046,500	--	--
Nevada	12,738,800	--	--
New Hampshire	1,258,000	--	--
New Jersey	10,000,000	--	--
New Mexico	9,500,876	--	--
New York	69,389,300	--	--
North Carolina	20,132,500	--	--
North Dakota	16,637,200	--	--
Ohio	25,026,400	--	--
Oklahoma	68,705,383	--	--
Oregon	22,961,083	--	--
Pennsylvania	51,136,629	--	--
Rhode Island	--	--	--
South Carolina	32,341,000	--	--
South Dakota	1,150,760	--	--
Tennessee	28,026,897	--	--
Texas	64,244,450	--	--
Utah	6,977,667	--	--
Vermont	1,000,000	--	--
Virginia	30,322,129	--	--
Washington	23,751,520	--	--
West Virginia	43,375,700	--	--
Wisconsin	37,902,000	--	--
Wyoming	4,731,000	--	--
Puerto Rico	--	--	--
Virgin Islands	10,000,000	--	--
W. Pacific Areas	5,000,000	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$1,322,983,691</u>	<u>\$1,331,241,094 1/</u>	<u>\$822,884,013 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Business and Industry Loan Program - Guaranteed - Recovery Act

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$37,732,700	--	--
Alaska	15,481,111	--	--
Arizona	16,854,393	--	--
Arkansas	16,575,000	--	--
California	57,838,143	--	--
Colorado	1,428,000	--	--
Connecticut	11,657,580	--	--
Florida	18,850,000	--	--
Georgia	77,501,575	--	--
Hawaii	26,672,000	--	--
Idaho	13,220,634	--	--
Illinois	34,036,756	--	--
Indiana	10,423,612	--	--
Iowa	76,064,331	--	--
Kansas	44,703,900	--	--
Kentucky	59,624,277	--	--
Louisiana	70,120,000	--	--
Maine	6,072,800	--	--
Massachusetts	9,427,250	--	--
Michigan	78,306,553	--	--
Minnesota	30,555,133	--	--
Mississippi	40,780,000	--	--
Missouri	47,868,000	--	--
Montana	21,877,750	--	--
Nebraska	58,697,469	--	--
Nevada	8,825,000	--	--
New Hampshire	12,821,920	--	--
New Jersey	1,100,000	--	--
New York	54,523,017	--	--
North Carolina	66,295,712	--	--
North Dakota	5,541,000	--	--
Ohio	59,492,810	--	--
Oklahoma	32,984,500	--	--
Oregon	40,098,534	--	--
Pennsylvania	29,985,000	--	--
Rhode Island	1,766,000	--	--
South Carolina	30,633,987	--	--
South Dakota	3,457,400	--	--
Tennessee	74,319,948	--	--
Texas	70,015,470	--	--
Utah	4,620,708	--	--
Vermont	15,471,940	--	--
Virginia	17,062,000	--	--
Washington	23,746,433	--	--
West Virginia	3,284,000	--	--
Wisconsin	94,269,159	--	--
Wyoming	5,000,000	--	--
Puerto Rico	14,779,134	--	--
Virgin Islands	3,750,000	--	--
W. Pacific Areas	1,512,500	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$1,557,725,139</u>	<u>--</u>	<u>--</u>

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Business and Industry Loan Program - Guaranteed  
2008 Disasters

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arkansas	\$8,345,000	--	--
California	11,357,687	--	--
Florida	8,360,000	--	--
Illinois	535,000	--	--
Iowa	3,558,000	--	--
Louisiana	500,000	--	--
Michigan	1,135,000	--	--
Missouri	1,600,000	--	--
North Carolina	8,090,000	--	--
Wisconsin	13,675,874	--	--
Total Avail./Est.	<u>\$57,156,561</u>	<u>--</u>	<u>--</u>

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Business Enterprise Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$1,186,831	--	--
Alaska	723,793	--	--
Arizona	721,500	--	--
Arkansas	825,834	--	--
California	1,844,198	--	--
Colorado	411,662	--	--
Connecticut	256,749	--	--
Delaware	129,000	--	--
Florida	1,081,091	--	--
Georgia	1,397,925	--	--
Hawaii	188,056	--	--
Idaho	403,784	--	--
Illinois	921,955	--	--
Indiana	923,000	--	--
Iowa	656,250	--	--
Kansas	612,000	--	--
Kentucky	1,511,000	--	--
Louisiana	832,956	--	--
Maine	571,330	--	--
Maryland	1,062,000	--	--
Massachusetts	236,313	--	--
Michigan	1,371,000	--	--
Minnesota	1,171,999	--	--
Mississippi	1,085,785	--	--
Missouri	1,062,000	--	--
Montana	359,400	--	--
Nebraska	636,645	--	--
Nevada	288,435	--	--
New Hampshire	276,000	--	--
New Jersey	246,900	--	--
New Mexico	386,999	--	--
New York	988,150	--	--
North Carolina	1,714,000	--	--
North Dakota	390,440	--	--
Ohio	1,345,000	--	--
Oklahoma	795,000	--	--
Oregon	1,018,896	--	--
Pennsylvania	1,268,900	--	--
Rhode Island	73,000	--	--
South Carolina	1,183,900	--	--
South Dakota	1,127,968	--	--
Tennessee	1,204,000	--	--
Texas	1,739,000	--	--
Utah	287,999	--	--
Vermont	1,097,604	--	--
Virginia	954,999	--	--
Washington	875,068	--	--
West Virginia	647,000	--	--
Wisconsin	1,406,737	--	--
Wyoming	129,925	--	--
Puerto Rico	566,704	--	--
Virgin Islands	--	--	--
W. Pacific Area	135,373	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$42,332,053</u>	<u>\$41,582,844</u> <i>1/</i>	<u>\$29,874,000</u> <i>1/</i>

*1/* Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Business Enterprise Grants - Recovery Act

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$99,000	--	--
Alaska	99,000	--	--
California	158,500	--	--
Colorado	85,000	--	--
Georgia	54,531	--	--
Hawaii	197,608	--	--
Idaho	31,000	--	--
Illinois	133,250	--	--
Iowa	311,900	--	--
Maine	200,000	--	--
Maryland	131,000	--	--
Michigan	50,000	--	--
Minnesota	198,999	--	--
Mississippi	86,520	--	--
Missouri	72,000	--	--
Montana	53,340	--	--
Nebraska	325,000	--	--
New Jersey	85,000	--	--
New York	168,800	--	--
North Carolina	119,942	--	--
Ohio	99,873	--	--
Oregon	398,997	--	--
Pennsylvania	100,000	--	--
South Carolina	259,916	--	--
South Dakota	99,000	--	--
Tennessee	149,000	--	--
Washington	198,500	--	--
Wisconsin	90,000	--	--
W. Pacific Areas	124,899	--	--
Total Avail./Est.	<u>\$4,180,575</u>	<u>--</u>	<u>--</u>

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Business Opportunity Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alaska	\$32,567	--	--
Arizona	125,000	--	--
California	375,000	--	--
Georgia	50,000	--	--
Idaho	106,925	--	--
Iowa	83,000	--	--
Maine	250,000	--	--
Montana	76,070	--	--
New York	397,477	--	--
North Dakota	321,703	--	--
Oklahoma	50,000	--	--
Oregon	249,340	--	--
South Carolina	50,000	--	--
South Dakota	50,000	--	--
Utah	50,000	--	--
Vermont	270,820	--	--
Washington	50,000	--	--
Wyoming	50,000	--	--
Total Avail./Est.	<u>\$2,637,902</u>	<u>\$2,623,523</u> <u>1/</u>	<u>\$7,483,000</u> <u>1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2010 Actual and Estimated 2011 and 2012

Delta Regional Authority Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Mississippi	<u>\$2,979,000</u>	<u>--</u>	<u>--</u>
Total Avail./Est.	<u><u>\$2,979,000</u></u>	<u><u>\$2,979,000</u></u> <sup>1/</sup>	<u><u>--</u></u>

Special Earmark GP 738-2010

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u><u>--</u></u>	<u><u>\$500,500</u></u> <sup>1/</sup>	<u><u>--</u></u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL BUSINESS PROGRAM ACCOUNT

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$250,932,107</u>	<u>\$115,397,900</u>	<u>\$89,857,000</u>
Total direct obligations.....	<u><u>250,932,107</u></u>	<u><u>115,397,900</u></u>	<u><u>89,857,000</u></u>

RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rural Development Loan Fund Program Account (including transfer of funds)

For the principal amount of direct loans, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), \$36,376,000.

For the cost of direct loans, \$12,324,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), of which \$1,035,000 shall be available through June 30, 2012, for Federally Recognized Native American Tribes; and of which \$2,070,000 shall be available through June 30, 2012, for Mississippi Delta Regional counties (as determined in accordance with Public Law 100-460): *Provided*, That such costs, including the cost of modifying such loans, shall be defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That of the total amount appropriated under this heading, the amount equal to the amount of Rural Development Loan Fund Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year 2011, shall be available through June 30, 2012, for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses to carry out the direct loan programs, \$4,941,000 shall be paid to the appropriation for "Rural Development, Salaries and Expenses".

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(On basis of supportable loan level, appropriated subsidy and administrative expenses)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expenses</u>
Annualized Continuing Resolution, 2011.....	\$21,938,828	\$8,464,000	\$4,941,000
Budget Estimate, 2012.....	<u>36,375,443</u>	<u>12,324,000</u>	<u>4,941,000</u>
Change in Appropriation.....	<u><u>14,436,615</u></u>	<u><u>3,860,000</u></u>	<u><u>0</u></u>

**PROJECT STATEMENT**

(On basis of appropriated loan levels, subsidy and administrative expenses)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Intermediary Relending Program								
Loans.....	\$33,534	\$8,464	\$21,939	\$8,464	\$14,436 (1)	\$3,860 (2)	\$36,375	\$12,324
Total loans and subsidies.....	33,534	8,464	21,939	8,464	14,436	3,860	36,375	12,324
Total Administrative expenses a/.....	0	4,941	0	4,941	0	0	0	4,941
Total Available or Estimate.....	33,534	13,405	21,939	13,405	14,436	3,860	36,375	17,265
Total Appropriation.....	33,534	13,405	21,939	13,405	14,436	3,860	36,375	17,265

Staff-years are reflected in the Salaries and Expenses Project Statement.

a/ In FY 2010, funding of \$4,941,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In FY 2011 and FY 2012, \$4,941,000 is requested and will be paid to the Rural Development Salaries and Expenses account.

JUSTIFICATION OF INCREASES

- (1) An increase of \$14,436,615 in the intermediary relending direct loan level (\$21,938,828 available in 2011).

The requested increase in budget authority will increase the program level to \$36,376,000 creating and saving 27,826 jobs, which is 12,000 more jobs than in FY 2011. Under this program, funds are loaned directly to intermediaries, which, in turn, provide loans to finance rural business facilities and community development projects. Eligible intermediaries include public bodies, nonprofit corporations, Indian tribes and cooperatives.

- (2) An increase of \$3,860,000 in the intermediary relending direct loan subsidy (\$8,464,000 available in 2011).

This increase in budget authority is required to support the loan level requested for FY 2012. A majority of the increase is due to a change in the subsidy rate because of the increase in the estimated Treasury discount rate for these programs.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Intermediary Relending Program Loans

	<u>2010</u>	<u>2011</u>	<u>2012</u>
California	\$2,140,000	--	--
Colorado	812,296	--	--
Connecticut	500,000	--	--
Illinois	1,000,000	--	--
Iowa	1,128,000	--	--
Kentucky	750,000	--	--
Minnesota	750,000	--	--
Missouri	675,000	--	--
Montana	2,000,000	--	--
Nebraska	750,000	--	--
Nevada	700,000	--	--
New Hampshire	1,000,000	--	--
New York	2,100,000	--	--
North Carolina	2,416,480	--	--
Ohio	1,250,000	--	--
Oklahoma	750,000	--	--
Pennsylvania	1,750,000	--	--
South Carolina	1,800,000	--	--
South Dakota	4,500,000	--	--
Tennessee	750,000	--	--
Texas	750,000	--	--
Vermont	1,500,000	--	--
Virginia	500,000	--	--
Washington	2,750,000	--	--
West Virginia	250,000	--	--
Wisconsin	262,296	--	--
Total Avail./Est.	<u>\$33,534,072</u>	<u>\$21,938,828</u> 1/	<u>\$36,375,443</u> 1/

1/ Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$4,941,000	\$4,941,000	\$4,941,000
41 Grants, subsidies, and contributions.....	<u>8,464,000</u>	<u>8,464,000</u>	<u>12,324,000</u>
Total direct obligations.....	<u><u>13,405,000</u></u>	<u><u>13,405,000</u></u>	<u><u>17,265,000</u></u>

RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rural Economic Development Loans Program Account (Including Cancellation Of Funds)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, \$33,077,000.

Of the funds derived from interest on the cushion of credit payments, as authorized by section 313 of the Rural Electrification Act of 1936, \$241,794,000 shall not be obligated and \$241,794,000 are hereby permanently cancelled.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(On basis of loan level and subsidy)

	<u>Loan Level</u>	<u>Subsidy</u>
Annualized Continuing Resolution, 2011.....	\$33,077,000	\$0
Budget Estimate, 2012.....	33,077,000	0
Change in Appropriation.....	<u>0</u>	<u>0</u>

PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidy)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA
Rural economic development direct loans.....	\$21,926	\$2,861	\$33,077	\$5,924	\$0	-\$1,631 (1)	\$33,077	\$4,293
Total Available or Estimate.....	21,926	2,861	33,077	5,924	0	-1,631	33,077	4,293
Recovery of prior year obligations.....	-15,841	-2,067	0	0	0	0	0	0
Unobligated balance available, start of year.....	-4,997	-652	0	0	0	0	0	0
Unobligated balance available, end of year.....	31,989	4,175	0	0	0	0	0	0
Offsetting collections paid from Rural Economic Grants account.....	-33,077	-4,317	-33,077	-5,924	0	1,631	-33,077	-4,293
Total Appropriation.....	0	0	0	0	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

Note: Program is funded by the cushion of credit account.

PROJECT STATEMENT

(On basis of available loan levels and subsidy)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA
Rural economic development direct loans.....	\$21,926	\$2,861	\$56,386	\$10,099	-\$23,309	-\$5,806	\$33,077	\$4,293
Total Available or Estimate.....	21,926	2,861	56,386	10,099	-23,309	-5,806	33,077	4,293
Recovery of prior year obligations.....	-15,841	-2,067	0	0	0	0	0	0
Unobligated balance available, start of year.....	-4,997	-652	-23,309	-4,175	23,309	4,175	0	0
Unobligated balance available, end of year.....	31,989	4,175	0	0	0	0	0	0
Offsetting collections paid from Rural Economic Grants account.....	-33,077	-4,317	-33,077	-5,924	0	1,631	-33,077	-4,293
Total Appropriation.....	0	0	0	0	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

Note: Program is funded by the cushion of credit account.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$1,630,696 in the rural economic development loan subsidy (\$5,924,091 available in 2011).

There is no request for budget authority for this program because the program is funded from the cushion of credit account. The requested subsidy supports the estimated loan obligations associated with the requested FY 2012 loan level for this program. The change is due to a decrease in the subsidy rate in FY 2012 due to a decrease in the projected Treasury discount rate.

This program provides zero-interest loans and small grants to electric and telephone utilities financed by the Rural Development's Utilities Programs, which, in turn, use the funding to promote sustainable rural economic development and job creation projects and to capitalize revolving loan funds for economic development and job creation purposes. An estimated 3,200 jobs will be created or saved in FY 2012.

The agency strives to improve the quality of life in rural America by encouraging the establishment and growth of rural businesses and cooperatives, which ultimately increases the availability, stability, and quality of jobs in rural America. The agency also strives to expand economic and trade opportunities for agricultural producers and other rural residents and build leveraging partnerships with State, local and private sources to expand the total amount of resources provided to rural areas.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Economic Development Loans

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$1,290,000	--	--
Illinois	1,240,000	--	--
Iowa	1,440,000	--	--
Kansas	3,152,000	--	--
Kentucky	1,002,000	--	--
Michigan	600,000	--	--
Minnesota	1,480,000	--	--
Mississippi	1,480,000	--	--
Missouri	2,220,000	--	--
Montana	144,000	--	--
Nebraska	740,000	--	--
North Carolina	740,000	--	--
North Dakota	450,000	--	--
Oklahoma	350,000	--	--
Oregon	1,100,000	--	--
South Carolina	1,980,000	--	--
South Dakota	740,000	--	--
Tennessee	1,027,572	--	--
Virginia	250,000	--	--
Wisconsin	500,000	--	--
Total Avail./Est.	<u>\$21,925,572</u>	<u>\$56,385,585</u> <u>1/</u>	<u>\$33,077,002</u> <u>1/</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$21,925,572</u>	<u>\$10,098,659</u>	<u>\$4,293,395</u>
Total direct obligations.....	<u>21,925,572</u>	<u>10,098,659</u>	<u>4,293,395</u>

RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in Appropriation

RURAL ECONOMIC DEVELOPMENT GRANTS

Annualized Continuing Resolution, 2011.....	-\$44,463,000
Budget Estimate, 2012.....	-241,794,000
Change in Rescission.....	<u>-197,331,000</u>

Analysis of Change in Funding

RURAL ECONOMIC DEVELOPMENT GRANTS

Annualized Continuing Resolution, 2011.....	\$10,000,000
Budget Estimate, 2012.....	<u>10,000,000</u>
No Change in Program.....	<u>0</u>

PROJECT STATEMENT  
(On basis of obligations under available funds)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Rural economic development grant...	\$9,036,570	\$10,000,000	\$0	\$10,000,000
Total Available or Estimate.....	9,036,570	10,000,000	0	10,000,000
Unobligated balance available, start of year.....	-85,844	-142,065,384	-118,151,339	-260,216,723
Recovery of prior year obligations....	-46,011,310	0	0	0
Transfer from Rural Electrification and Telecommunications Liquidating Account, Cushion of Credit <u>1</u> /.....	-144,710,376	-169,538,430	1,538,430	-168,000,000
Transfer from Rural Electrification and Telecommunications electric underwriter loan fees.....	-9,073,973	-9,000,000	0	-9,000,000
Offsetting collections paid to Rural Economic Development Program Account.....	4,316,549	5,924,091	-1,630,696	4,293,395
Unobligated balance available, end of year.....	142,065,384	260,216,723	-79,087,395	181,129,328
Total Appropriation.....	-44,463,000	-44,463,000	-197,331,000 (1)	-241,794,000

1/ Amounts represent earnings generated by the interest differential on voluntary cushion of credit payments made by Rural Utilities Service borrowers.

JUSTIFICATION OF INCREASE

An increase of \$197,331,000 in the rural economic development grants rescission (-\$44,463,000 was rescinded in 2011).

The budget includes a rescission of interest in the cushion of credit not needed to fund program cost.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
20110 Actual and Estimated 2011 and 2012

Rural Economic Development Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$300,000	--	--
Iowa	3,165,000	--	--
Kansas	\$777,200	--	--
Kentucky	\$600,000	--	--
Michigan	300,000	--	--
Minnesota	653,000	--	--
Mississippi	300,000	--	--
Missouri	600,000	--	--
Nebraska	900,000	--	--
North Dakota	300,000	--	--
Oklahoma	91,370	--	--
South Dakota	300,000	--	--
Tennessee	250,000	--	--
Washington	200,000	--	--
Wisconsin	300,000	--	--
Total Avail./Est.	<u>\$9,036,570</u>	<u>10,000,000</u> <sup>1/</sup>	<u>10,000,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL ECONOMIC DEVELOPMENT GRANTS

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$9,036,570</u>	<u>\$10,000,000</u>	<u>\$10,000,000</u>
Total direct obligations.....	<u>9,036,570</u>	<u>10,000,000</u>	<u>10,000,000</u>

PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidies and grants)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Guaranteed biorefinery loans.....	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Guaranteed biorefinery grants.....	0	0	0	0	0	0	0	0
Total Available or Estimate.....	0	0	0	0	0	0	0	0
Total Appropriation, Discretionary.....	0	0	0	0	0	0	0	0
Mandatory: a/								
Guaranteed biorefinery loans.....	54,500	19,331	0	0	0	0	0	0
Total Available or Estimate.....	54,500	19,331	0	0	0	0	0	0
Transfer from Commodity Credit Corporation...	-690,725	-245,000	0	0	0	0	0	0
Recovery of prior year obligations.....	-34,696	-8,335	0	0	0	0	0	0
Unobligated balance available, start of year.....	-112,752	-39,993	0	0	0	0	0	0
Unobligated balance available, end of year.....	783,673	273,997	0	0	0	0	0	0
Total Appropriation.....	0	0	0	0	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

PROJECT STATEMENT

(On basis of obligations under available funds)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Guaranteed biorefinery loans.....	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Guaranteed biorefinery grants.....	0	0	0	0	0	0	0	0
Total Available or Estimate.....	0	0	0	0	0	0	0	0
Total Appropriation, Discretionary.....	0	0	0	0	0	0	0	0
Mandatory: a/								
Guaranteed biorefinery loans.....	54,500	19,331	880,945	273,997	-880,945	-273,997	0	0
Total Available or Estimate.....	54,500	19,331	880,945	273,997	-880,945	-273,997	0	0
Transfer from Commodity Credit Corporation...	-690,725	-245,000	0	0	0	0	0	0
Recovery of prior year obligations.....	-34,696	-8,335	0	0	0	0	0	0
Unobligated balance available, start of year.....	-112,752	-39,993	-880,945	-273,997	880,945	273,997	0	0
Unobligated balance available, end of year.....	783,673	273,997	0	0	0	0	0	0
Total Appropriation.....	0	0	0	0	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Mandatory funding provided by section 9003 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$75,000,000 for FY 2009 and \$245,000,000 for FY 2010, to remain available until expended.

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2010 Actual and Estimated 2011 and 2012

Biorefinery Loans - Guaranteed

	<u>2010</u>	<u>2011</u>	<u>2012</u>
New Mexico	<u>\$54,500,000</u>	<u>--</u>	<u>--</u>
Total Avail./Est.	<u><u>\$54,500,000</u></u>	<u><u>\$880,944,833</u></u> <sup>1/</sup>	<u><u>--</u></u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rural Microenterprise Investment Program Account

For the cost of loans and grants, \$5,700,000 as authorized by Section 379E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.): *Provided*, That such costs of loans, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT

(On basis of loan level, subsidy and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Annualized Continuing Resolution, 2011.....	\$11,687,705	\$2,500,000	\$2,500,000
Budget Estimate, 2012.....	22,450,289	3,500,000	2,200,000
Change in Appropriation.....	<u>10,762,584</u>	<u>1,000,000</u>	<u>-300,000</u>

**PROJECT STATEMENT**  
 (On basis of supportable loan levels and appropriated subsidy and grants)  
 (In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Microenterprise loans.....	\$0	\$0	\$11,688	\$2,500	\$10,762 (1)	\$1,000 (2)	\$22,450	\$3,500
Microenterprise grants.....	5,000	5,000	2,500	2,500	-300	-300 (3)	2,200	2,200
Total Available or Estimate.....	5,000	5,000	14,188	5,000	10,462	700	24,650	5,700
Total Appropriation, Discretionary.....	5,000	5,000	14,188	5,000	10,462	700	24,650	5,700
Mandatory: <sup>a/</sup>								
Microenterprise loans.....	24,983	3,009	8,616	1,843	248	-461	8,865	1,382
Microenterprise grants.....	1,646	1,646	2,157	2,157	-539	-539	1,618	1,618
Total Available or Estimate.....	26,628	4,654	10,773	4,000	-291	-1,000	10,483	3,000
Transfer from Commodity Credit Corporation.....	-23,326	-4,000	-10,773	-4,000	290	1,000	-10,483	-3,000
Unobligated balance available, SOY.....	-15,198	-4,000	0	0	0	0	0	0
Unobligated balance available, EOY.....	11,896	3,346	0	0	0	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0	0	0	0	0
Total Appropriation.....	5,000	5,000	14,188	5,000	10,462	700	24,650	5,700

Staff years are reflected in the Salaries and Expenses Project Statement.

<sup>a/</sup> Mandatory funding provided by section 6022 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$4,000,000 each year for FY 2009 through FY 2011 and \$3,000,000 for FY 2012, to remain available until expended.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Microenterprise loans.....	\$0	\$0	\$11,688	\$2,500	\$10,762	\$1,000	\$22,450	\$3,500
Microenterprise grants.....	5,000	5,000	2,500	2,500	-300	-300	2,200	2,200
Total Available or Estimate.....	5,000	5,000	14,188	5,000	10,462	700	24,650	5,700
Total Appropriation, Discretionary.....	5,000	5,000	14,188	5,000	10,462	700	24,650	5,700
Mandatory: a/								
Microenterprise loans.....	24,983	3,009	13,719	2,934	-4,854	-1,552	8,865	1,382
Microenterprise grants.....	1,646	1,646	4,411	4,411	-2,793	-2,793	1,618	1,618
Total Available or Estimate.....	26,628	4,654	18,130	7,346	-7,647	-4,346	10,483	3,000
Transfer from Commodity Credit Corporation.....	-23,326	-4,000	-10,773	-4,000	290	1,000	-10,483	-3,000
Unobligated balance available, SOY.....	-15,198	-4,000	-7,357	-3,346	7,357	3,346	0	0
Unobligated balance available, EOY.....	11,896	3,346	0	0	0	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0	0	0	0	0
Total Appropriation.....	5,000	5,000	14,188	5,000	10,462	700	24,650	5,700

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Mandatory funding provided by section 6022 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$4,000,000 each year for FY 2009 through FY 2011 and \$3,000,000 for FY 2012, to remain available until expended.

JUSTIFICATION OF INCREASES AND DECREASE

- (1) An increase of \$10,762,000 in microenterprise assistance loans (\$11,688,000 available in 2011).

The Rural Microenterprise Assistance Program (RMAP) is a new program that was implemented in FY 2010 from provisions in the 2008 Farm Bill. The program provides assistance in the form of direct loans and technical assistance grants. The agency published a Final Rule in June of 2010 and began funding loans and grants during the fourth quarter of FY 2010. In FY 2012, the budget authority of \$3.5 million will provide a program level of nearly \$22.5 million, which represents an increase over the budget authority to support the creation or savings of jobs estimated at 8,000 and assist rural micro-businesses. The loan component of the program will provide direct loans to micro-lenders which will, in turn make loans of \$50,000 or less to rural microenterprises - generally businesses that employ 10 or fewer people.

This program is significantly different than other lending programs because it integrates a technical assistance component to provide training and technical support to help ensure the success of the micro-business borrowers (micro-borrowers). The training and technical assistance will be funded through grant dollars. In addition to enhancement grants may be awarded to existing and prospective micro-lenders to assist them in enhancing and strengthening their capability to provide microenterprise development services to their clients and create a solid network of rural microenterprise development organizations. With no prior program performance history, it is anticipated that the intermediary will revolve the RMAP loan funds twice in the 20-year term; and each ultimate recipient loan will assist one business and save a minimum of one job. Each loan to an ultimate recipient is expected to average \$15,000 to \$20,000. This equates to a minimum estimate of 40 business assisted and 40 jobs created/saved per \$112,000 in direct loans.

- (2) An increase of \$1,000,000 in microenterprise assistance subsidy (\$2,500,000 available in 2011).

This level of funding requested will maintain the same combined program level as FY 2011. Mandatory funding is reduced by \$1 million in FY 2012. This increase in discretionary funding maintains this level. There are both loan and grant components. The agency published a Final Rule in June of 2010 and began funding loans and grants during the fourth quarter of FY 2010. In FY 2012, the budget authority of \$3.5 million will provide a program level of nearly \$22.5 million, which represents an increase over the budget authority to support the creation or savings of jobs estimated at 8,000 and assist rural micro-businesses.

- (3) A decrease of \$300,000 in microenterprise assistance grants (\$2,500,000 available in 2011).

This is a new program with no prior performance history. The agency published a Final Rule in June of 2010 and began funding loans and grants during the fourth quarter of FY 2010. Loans and Grants were made to Microenterprise Development Organizations (MDOs) who will make direct loans and provide technical assistance to small business with 10 or fewer employees.

The agency strives to improve the quality of life in rural America by encouraging the establishment and growth of rural businesses and cooperatives, which ultimately increases the availability, stability, and quality of jobs in rural America. The agency also strives to expand economic and trade opportunities for agricultural producers and other rural residents and build leveraging partnerships with State, local and private sources to expand the total amount of resources provided to rural areas.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Microenterprise Loans - Discretionary

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	--	<u>11,687,705 1/</u>	<u>\$22,450,289 1/</u>

Rural Microenterprise Grants - Discretionary

	<u>2010</u>	<u>2,011</u>	<u>2012</u>
Arizona	105,000	--	--
California	210,000	--	--
Colorado	75,000	--	--
Florida	70,312	--	--
Georgia	205,000	--	--
Hawaii	100,000	--	--
Illinois	272,500	--	--
Iowa	105,000	--	--
Kansas	105,000	--	--
Kentucky	205,000	--	--
Maine	264,151	--	--
Maryland	105,000	--	--
Massachusetts	137,812	--	--
Michigan	100,000	--	--
Minnesota	62,500	--	--
Nebraska	280,000	--	--
Nevada	103,000	--	--
New Jersey	105,000	--	--
New York	100,000	--	--
North Carolina	105,000	--	--
Oklahoma	210,000	--	--
Oregon	125,000	--	--
Pennsylvania	305,000	--	--
South Carolina	100,000	--	--
South Dakota	297,500	--	--
Tennessee	100,000	--	--
Texas	105,000	--	--
Virginia	100,000	--	--
Washington	210,000	--	--
West Virginia	104,106	--	--
Wisconsin	415,619	--	--
Wyoming	112,500	--	--
Total Avail./Est.	<u>\$5,000,000</u>	<u>2,500,000 1/</u>	<u>\$2,200,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Microenterprise Loans - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arizona	\$500,000	--	--
California	1,000,000	--	--
Colorado	300,000	--	--
Florida	281,250	--	--
Georgia	900,000	--	--
Hawaii	400,000	--	--
Idaho	900,000	--	--
Illinois	1,450,000	--	--
Iowa	500,000	--	--
Kansas	500,000	--	--
Kentucky	1,000,000	--	--
Maine	1,750,000	--	--
Maryland	500,000	--	--
Massachusetts	631,250	--	--
Michigan	400,000	--	--
Montana	450,000	--	--
Nebraska	1,200,000	--	--
Nevada	500,000	--	--
New Jersey	500,000	--	--
New York	400,000	--	--
North Carolina	500,000	--	--
Oklahoma	1,000,000	--	--
Oregon	500,000	--	--
Pennsylvania	1,600,000	--	--
South Carolina	400,000	--	--
South Dakota	1,370,000	--	--
Tennessee	400,000	--	--
Texas	500,000	--	--
Virginia	500,000	--	--
Washington	1,000,000	--	--
West Virginia	500,000	--	--
Wisconsin	2,200,000	--	--
Wyoming	450,000	--	--
Total Avail./Est.	<u>\$24,982,500</u>	<u>\$13,718,752 1/</u>	<u>\$8,864,657 1/</u>

Rural Microenterprise Assistance Grants - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
California	\$205,000	--	--
Hawaii	130,000	--	--
Idaho	205,000	--	--
Iowa	130,000	--	--
Maine	108,349	--	--
Montana	173,000	--	--
North Carolina	130,000	--	--
Ohio	130,000	--	--
Pennsylvania	85,000	--	--
Texas	130,000	--	--
Virginia	219,500	--	--
Total Avail./Est.	<u>\$1,645,849</u>	<u>\$4,411,151 1/</u>	<u>\$1,618,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL MICROENTREPRENEUR INVESTMENT ASSISTANCE ACCOUNT

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$5,000,000</u>	<u>\$5,000,000</u>	<u>\$5,700,000</u>
Total direct obligations.....	<u>5,000,000</u>	<u>5,000,000</u>	<u>5,700,000</u>

**PROJECT STATEMENT**  
 (On basis of appropriated grants)  
 (In thousands of dollars)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
<b>Discretionary:</b>				
Repowering assistance payments.....	\$0	\$0	\$0	\$0
Total Available or Estimate.....	0	0	0	0
Total Appropriation, Discretionary.....	0	0	0	0
<b>Mandatory:</b>				
Repowering assistance payments a/.....	1,955	0	0	0
Bioenergy program for advanced biofuels payments b/.....	18,547	85,000	20,000	105,000
Total Available or Estimate.....	20,503	85,000	20,000	105,000
<b>Transfer from Commodity Credit Corporation.....</b>				
Unobligated balance available, SOY....	-55,000	-85,000	-20,000	-105,000
Unobligated balance available, EOY....	-90,000	0	0	0
Unobligated balance available, EOY....	124,497	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0
Total Appropriation.....	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Mandatory funding provided by section 9004 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$35,000,000 for FY 2009, to remain available until expended.

b/ Mandatory funding provided by section 9005 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$55,000,000 for FY 2009, \$55,000,000 for FY 2010, \$85,000,000 for FY 2011 and \$105,000,000 for FY 2012, to remain available until expended.

**PROJECT STATEMENT**  
 (On basis of obligations under available funds)  
 (In thousands of dollars)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
<b>Discretionary:</b>				
Repowering assistance payments.....	\$0	\$0	\$0	\$0
Total Available or Estimate.....	0	0	0	0
Total Appropriation, Discretionary.....	0	0	0	0
<b>Mandatory:</b>				
Repowering assistance payments a/.....	1,955	33,045	-33,045	0
Bioenergy program for advanced biofuels payments b/.....	18,547	176,453	-71,453	105,000
Total Available or Estimate.....	20,503	209,497	-104,497	105,000
Transfer from Commodity Credit Corporation.....	-55,000	-85,000	-20,000	-105,000
Unobligated balance available, SOY.....	-90,000	-124,497	124,497	0
Unobligated balance available, EOY....	124,497	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0
Total Appropriation.....	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Mandatory funding provided by section 9004 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$35,000,000 for FY 2009, to remain available until expended.

b/ Mandatory funding provided by section 9005 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$55,000,000 for FY 2009, \$55,000,000 for FY 2010, \$85,000,000 for FY 2011 and \$105,000,000 for FY 2012, to remain available until expended.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Repowering Assistance Grant Payments - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Iowa	\$1,955,272	--	--
Total Avail./Est.	<u>\$1,955,272</u>	<u>\$33,044,728</u> <sup>1/</sup>	<u>--</u>

Bioenergy Program for Advanced Biofuels Payments - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$7,220	--	--
Arizona	1,691,533	--	--
Arkansas	714,775	--	--
California	88,126	--	--
Florida	14,635	--	--
Georgia	426,391	--	--
Hawaii	10,947	--	--
Idaho	257,701	--	--
Illinois	567,035	--	--
Indiana	273,131	--	--
Iowa	2,145,038	--	--
Kansas	4,692,517	--	--
Kentucky	21,851	--	--
Maryland	516,171	--	--
Michigan	15,663	--	--
Minnesota	1,341,367	--	--
Mississippi	153,028	--	--
Missouri	957,304	--	--
Montana	1,628	--	--
Nebraska	1,863,114	--	--
Nevada	10,537	--	--
New York	107,059	--	--
North Carolina	26,569	--	--
North Dakota	486,976	--	--
Ohio	5,639	--	--
Oklahoma	501,713	--	--
Oregon	2,189	--	--
Pennsylvania	26,423	--	--
Tennessee	3,556	--	--
Texas	653,143	--	--
Vermont	6,360	--	--
Virginia	53,577	--	--
Washington	557,257	--	--
Wisconsin	347,136	--	--
Total Avail./Est.	<u>\$18,547,309</u>	<u>\$176,452,691</u> <sup>1/</sup>	<u>\$105,000,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rural Energy for America Program

For the cost of a program of loan guarantees and grants, under the same terms and conditions as authorized by section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107), \$36,788,000:  
Provided, That the cost of loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL ENERGY FOR AMERICA PROGRAM

(On basis of loan level, subsidy, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2011.....	\$42,428,818	\$19,670,000	\$19,670,000
Budget Estimate, 2012.....	10,645,284	2,788,000	34,000,000
Change in Appropriation.....	<u>-31,783,533</u>	<u>-16,882,000</u>	<u>14,330,000</u>

**PROJECT STATEMENT**

(On basis of supportable loan levels and appropriated subsidy and grants)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Guaranteed renewable energy loans a/.....	\$31,164	\$4,251	\$42,429	\$19,670	-\$31,784 (1)	-\$16,882 (2)	\$10,645	\$2,788
Renewable energy grants.....	35,074	35,074	19,670	19,670	14,330	14,330 (3)	34,000	34,000
Total Available or Estimate.....	66,238	39,325	62,099	39,340	-17,454	-2,552	44,645	36,788
Total Appropriation, Discretionary.....	66,238	39,325	62,099	39,340	-17,454	-2,552	44,645	36,788
Mandatory:								
Guaranteed renewable energy loans a/b/.....	41,835	5,706	73,080	33,880	56,282	0	129,362	33,880
Renewable energy grants b/.....	48,853	48,853	26,600	26,600	0	0	26,600	26,600
Renewable energy feasibility studies b/.....	0	0	6,720	6,720	0	0	6,720	6,720
Renewable energy audits and technical assistance b/.....	2,400	2,400	2,800	2,800	0	0	2,800	2,800
Transfer from Commodity Credit Corporation b/.....	-96,248	-60,000	-109,200	-70,000	-56,283	0	-165,483	-70,000
Recovery of prior year obligations.....	-421	-313	0	0	0	0	0	0
Unobligated balance available, start of year.....	-32	-32	0	0	0	0	0	0
Unobligated balance available, end of year.....	3,614	3,386	0	0	0	0	0	0
Total Appropriated, Mandatory.....	0	0	0	0	0	0	0	0
Total Appropriation.....	66,238	39,325	62,099	39,340	-17,454	-2,552	44,645	36,788

a/ The subsidy rate is based on a guarantee fee of 1 percent and a 0.25 percent annual fee.

b/ Includes mandatory funding provided by section 9007 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides \$55 million in FY 2009, \$60 million in FY 2010, and \$70 million in both FY 2011 and FY 2012 from the funds of the Commodity Credit Corporation. The funds are available until expended.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2010 Actual		2011 Estimated		Increase or Decrease		2012 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
<b>Discretionary:</b>								
Guaranteed renewable energy loans a/.....	\$31,164	\$4,251	\$42,429	\$19,670	-\$31,784	-\$16,882	\$10,645	\$2,788
Renewable energy grants.....	35,074	35,074	19,670	19,670	14,330	14,330	34,000	34,000
Total Available or Estimate.....	66,238	39,325	62,099	39,340	-17,454	-2,552	44,645	36,788
Total Appropriation, Discretionary.....	66,238	39,325	62,099	39,340	-17,454	-2,552	44,645	36,788
<b>Mandatory:</b>								
Guaranteed renewable energy loans a/b/.....	41,835	5,706	73,158	33,916	56,205	-36	129,362	33,880
Renewable energy grants b/.....	48,853	48,853	26,925	26,925	-325	-325	26,600	26,600
Renewable energy feasibility studies b/.....	0	0	9,746	9,746	-3,026	-3,026	6,720	6,720
Renewable energy audits and technical assistance b/.....	2,400	2,400	2,800	2,800	0	0	2,800	2,800
Transfer from Commodity Credit Corporation b/.....	-96,248	-60,000	-109,200	-70,000	-56,283	0	-165,483	-70,000
Recovery of prior year obligations.....	-421	-313	0	0	0	0	0	0
Unobligated balance available, start of year...	-32	-32	-3,428	-3,386	3,428	3,386	0	0
Unobligated balance available, end of year.....	3,614	3,386	0	0	0	0	0	0
Total Appropriated, Mandatory.....	0	0	1	0	-1	0	0	0
Total Appropriation.....	66,238	39,325	62,099	39,340	-17,454	-2,552	44,645	36,788

a/ The subsidy rate is based on a guarantee fee of 1 percent and a 0.25 percent annual fee.

b/ Includes mandatory funding provided by section 9007 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides \$55 million in FY 2009, \$60 million in FY 2010, and \$70 million in both FY 2011 and FY 2012 from the funds of the Commodity Credit Corporation. The funds are available until expended.

JUSTIFICATION OF INCREASE AND DECREASES

- (1) A decrease of \$31,784,000 for rural energy for America loans (\$42,429,000 available in 2011).

The Rural Energy for America Program (REAP) Loan program provides loan guarantees to farmers, ranchers, and rural small businesses to assist with purchasing renewable energy systems and making energy efficiency improvements to their physical plants.

The guaranteed loan program provides significant leverage of Federal funds and enhances access to a growing number of rural ranchers, farmers, and small businesses that can benefit from this program. The budget authority for the guaranteed portion of section 9007 is used for loan only and combination loans and grant.

A decrease in program level for guaranteed loans will reduce the number of loan only and loan grant combinations funded in FY 2012. This will result also in reduced energy generation and greenhouse emissions savings. This loan level is sufficient to meet demand as historically the projects received requested more grants than loans.

- (2) A decrease of \$16,882,000 for rural energy for America subsidy (\$19,670,000 available in 2011).

The Rural Energy for America loan program provides loan guarantees to farmers, ranchers, and rural small businesses to assist with purchasing renewable energy systems and making energy efficiency improvements to their physical plants.

The subsidy rate for Section 9007 is being decreased to 26.19 percent from 46.36 percent, a decrease from the current rate of 20.17 percent. The decrease in subsidy rate will provide for more funds available for guarantee loan and will result in an increase of applications; energy generation; and greenhouse emissions savings. This subsidy cost will support the loan level requested.

- (3) An increase of \$14,330,000 for renewable energy grants (\$19,670,000 available in 2011).

The section 9007 rural energy for America program provides grants to farmers, ranchers and rural small businesses to assist with purchasing renewable energy systems and making energy efficiency improvements to their physical plants.

An increase in grant funds will increase the number of renewable energy and energy efficiency projects funded in FY 2012. This increase in funding will result in greater energy generation and greenhouse emissions savings.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Guaranteed Rural Energy for America Loans - Discretionary

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Arkansas	\$44,813	--	--
California	406,000	--	--
Colorado	95,000	--	--
Connecticut	63,500	--	--
Georgia	1,167,179	--	--
Hawaii	232,200	--	--
Idaho	500,000	--	--
Illinois	1,377,890	--	--
Indiana	1,098,603	--	--
Iowa	6,774,462	--	--
Kansas	98,445	--	--
Kentucky	1,261,207	--	--
Maine	1,104,838	--	--
Michigan	301,131	--	--
Minnesota	1,308,394	--	--
Missouri	258,922	--	--
Montana	10,200	--	--
Nebraska	2,528,629	--	--
New Hampshire	290,614	--	--
New Mexico	404,838	--	--
New York	169,487	--	--
North Carolina	926,000	--	--
North Dakota	280,735	--	--
Ohio	2,588,048	--	--
Oklahoma	136,152	--	--
Oregon	81,093	--	--
Pennsylvania	602,615	--	--
South Carolina	798,521	--	--
South Dakota	956,745	--	--
Virginia	2,896,664	--	--
Washington	1,386,500	--	--
West Virginia	254,000	--	--
Wisconsin	760,258	--	--
Total Avail./Est.	<u>\$31,163,683</u>	<u>\$42,428,818</u> 1/	<u>\$10,645,284</u> 1/

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Energy for America Grants - Discretionary

	FY 2010	FY 2011	FY 2012
Alabama	\$460,694	--	--
Alaska	101,282	--	--
Arizona	244,034	--	--
Arkansas	385,920	--	--
California	587,792	--	--
Colorado	195,755	--	--
Connecticut	71,745	--	--
Delaware	40,937	--	--
Florida	82,896	--	--
Georgia	1,545,219	--	--
Hawaii	152,904	--	--
Idaho	160,816	--	--
Illinois	1,858,742	--	--
Indiana	2,432,827	--	--
Iowa	7,761,459	--	--
Kansas	378,593	--	--
Kentucky	839,843	--	--
Louisiana	236,382	--	--
Maine	269,216	--	--
Maryland	507,341	--	--
Massachusetts	201,604	--	--
Michigan	1,238,491	--	--
Minnesota	2,037,666	--	--
Mississippi	475,130	--	--
Missouri	503,652	--	--
Montana	162,947	--	--
Nebraska	1,173,144	--	--
Nevada	99,645	--	--
New Hampshire	92,967	--	--
New Jersey	401,159	--	--
New Mexico	198,478	--	--
New York	863,060	--	--
North Carolina	1,138,820	--	--
North Dakota	288,194	--	--
Ohio	1,657,898	--	--
Oklahoma	268,938	--	--
Oregon	453,335	--	--
Pennsylvania	698,752	--	--
Rhode Island	31,124	--	--
South Carolina	379,194	--	--
South Dakota	645,734	--	--
Tennessee	939,953	--	--
Texas	366,834	--	--
Utah	78,141	--	--
Vermont	966,378	--	--
Virginia	334,879	--	--
Washington	303,439	--	--
West Virginia	125,743	--	--
Wisconsin	590,728	--	--
W. Pacific Areas	43,987	--	--
Total Avail./Est.	<u>\$35,074,411</u>	<u>\$19,670,000 1/</u>	<u>\$34,000,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Guaranteed Rural Energy for America Loans - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$593,791	--	--
Georgia	400,000	--	--
Idaho	1,000,000	--	--
Illinois	1,057,081	--	--
Indiana	432,515	--	--
Iowa	17,281,470	--	--
Kansas	49,900	--	--
Kentucky	94,422	--	--
Louisiana	1,000,000	--	--
Maine	562,942	--	--
Massachusetts	1,588,613	--	--
Michigan	90,000	--	--
Minnesota	929,014	--	--
Missouri	5,551,997	--	--
Nebraska	502,631	--	--
New Hampshire	119,383	--	--
New Jersey	783,887	--	--
New Mexico	195,161	--	--
New York	1,050,000	--	--
North Dakota	249,949	--	--
Ohio	4,441,457	--	--
Pennsylvania	264,450	--	--
South Carolina	125,000	--	--
South Dakota	672,532	--	--
Tennessee	1,658,691	--	--
Vermont	813,588	--	--
Wisconsin	326,347	--	--
Total Avail./Est.	<u>\$41,834,821</u>	<u>\$73,157,780</u> <sup>1/</sup>	<u>\$129,362,352</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Energy for America Grants - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$635,467	--	--
Alaska	152,841	--	--
Arizona	258,299	--	--
Arkansas	613,684	--	--
California	829,536	--	--
Colorado	278,807	--	--
Delaware	29,356	--	--
Florida	42,104	--	--
Georgia	1,774,689	--	--
Hawaii	274,987	--	--
Idaho	815,876	--	--
Illinois	2,407,428	--	--
Indiana	1,353,305	--	--
Iowa	12,364,716	--	--
Kansas	439,980	--	--
Kentucky	601,105	--	--
Louisiana	442,894	--	--
Maine	265,353	--	--
Maryland	240,653	--	--
Massachusetts	224,121	--	--
Michigan	955,677	--	--
Minnesota	3,761,598	--	--
Mississippi	191,022	--	--
Missouri	1,482,765	--	--
Montana	440,420	--	--
Nebraska	1,661,770	--	--
Nevada	114,103	--	--
New Hampshire	125,716	--	--
New Jersey	833,094	--	--
New Mexico	142,405	--	--
New York	917,573	--	--
North Carolina	1,566,262	--	--
North Dakota	430,332	--	--
Ohio	3,804,099	--	--
Oregon	803,401	--	--
Pennsylvania	948,334	--	--
South Carolina	444,338	--	--
South Dakota	1,122,599	--	--
Tennessee	754,659	--	--
Texas	747,172	--	--
Utah	93,950	--	--
Vermont	840,307	--	--
Virginia	425,043	--	--
Washington	373,448	--	--
West Virginia	186,130	--	--
Wisconsin	1,512,496	--	--
Puerto Rico	128,649	--	--
Total Avail./Est.	<u>\$48,852,563</u>	<u>\$26,924,633</u> <sup>1/</sup>	<u>\$26,600,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Energy for America Audits And Technical Assistance Grants - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$100,000	--	--
Arizona	82,125	--	--
Arkansas	97,673	--	--
Colorado	100,000	--	--
Georgia	100,000	--	--
Illinois	198,000	--	--
Indiana	93,374	--	--
Iowa	96,380	--	--
Kentucky	100,000	--	--
Louisiana	136,448	--	--
Maine	200,000	--	--
Michigan	100,000	--	--
Minnesota	98,000	--	--
Missouri	100,000	--	--
North Carolina	100,000	--	--
Oregon	200,000	--	--
Pennsylvania	198,000	--	--
South Dakota	100,000	--	--
Washington	100,000	--	--
West Virginia	100,000	--	--
Total Avail./Est.	<u>\$2,400,000</u>	<u>\$2,800,000 1/</u>	<u>\$2,800,000 1/</u>

Rural Energy for America Feasibility Studies - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$9,745,850 1/</u>	<u>\$6,720,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL ENERGY FOR AMERICA PROGRAM

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$39,325,138</u>	<u>\$39,340,000</u>	<u>\$36,788,000</u>
Total direct obligations.....	<u>39,325,138</u>	<u>39,340,000</u>	<u>36,788,000</u>

## RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rural Cooperative Development Grants

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), \$35,854,000, of which \$300,000 shall be for a cooperative research agreement with a qualified academic institution to conduct research on the national economic impact of all types of cooperatives; and of which \$2,800,000 shall be for cooperative agreements for the appropriate technology transfer for rural areas program: *Provided*, That, not to exceed \$3,463,000 shall be for cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, socially disadvantaged producers and whose governing board and/or membership is comprised of at least 75 percent socially disadvantaged members; and of which \$20,367,000, to remain available until expended, shall be for value-added agricultural product market development grants, as authorized by section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note).

RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in Appropriation

RURAL COOPERATIVE DEVELOPMENT GRANTS

Annualized Continuing Resolution, 2011.....	\$37,854,000 <u>1/</u>
Budget Estimate, 2012.....	<u>35,854,000</u>
Change in Appropriation.....	<u><u>-2,000,000</u></u>

1/ Includes \$3M for Value-Added earmarks.

PROJECT STATEMENT  
(On basis of appropriation)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Discretionary:				
Rural cooperative development grants.....	\$8,234,694	\$7,924,000	\$1,000,000 (1)	\$8,924,000
Appropriate technology transfer for rural areas agreements.....	2,800,000	2,800,000	0	2,800,000
Cooperative Economic Impact Research.....	299,772	300,000	0	300,000
Grants to assist minority producers.....	2,957,851	3,463,000	0	3,463,000
Value-added agriculture product marketing development grants.....	7,009,188	19,348,650	0	19,348,650
Agricultural marketing resource center grants.....	0	1,018,350	0	1,018,350
Value-added agricultural product marketing development grants to socially disadvantaged farmers & ranchers.....	358,109	0	0	0
Value-added agricultural product marketing development mid-tier chains....	0	0	0	0
Special Earmark, P.L. 111-80, GP 728.....	3,000,000	3,000,000	-3,000,000 (2)	0
Total Available or Estimate.....	24,659,614	37,854,000	-2,000,000	35,854,000
Recovery of prior year obligations.....	-599,726	0	0	0
Unobligated balance available, SOY.....	-7,043,090	0	0	0
Unobligated balance available, EOY.....	20,837,202	0	0	0
Total Appropriation, Discretionary.....	37,854,000	37,854,000	-2,000,000	35,854,000
Mandatory: a/				
Value-added agriculture product marketing development grants.....	12,303,235	0	0	0
Value-added agriculture product marketing development grants: Socially disadvantaged farmers and ranchers.....	1,396,038	0	0	0
Mid-tier value chains.....	1,090,386	0	0	0
Agriculture Innovation Center Demonstration Grants.....	0	0	0	0
Total Available or Estimate.....	14,789,659	0	0	0
Recovery of prior year obligations.....	-11,922	0	0	0
Unobligated balance available, SOY.....	-15,597,163	0	0	0
Unobligated balance available, EOY.....	819,426	0	0	0
Transfer from CCC a/.....	0	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0
Total Appropriation.....	37,854,000	37,854,000	-2,000,000	35,854,000

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Mandatory funding provided by sections 6202 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides \$15,000,000 from the funds of the Commodity Credit Corporation (CCC) for fiscal year 2009, to remain available until expended.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
<b>Discretionary:</b>				
Rural cooperative development grants.....	\$8,234,694	\$7,924,000	\$1,000,000	\$8,924,000
Appropriate technology transfer for rural areas agreements.....	2,800,000	2,800,000	0	2,800,000
Cooperative Economic Impact Research	299,772	300,000	0	300,000
Grants to assist minority producers.....	2,957,851	3,463,000	0	3,463,000
Value-added agriculture product marketing development grants.....	7,009,188	34,678,497	-15,329,847	19,348,650
Agricultural marketing resource center grants.....	0	2,036,700	-1,018,350	1,018,350
Value-added agricultural product marketing development grants to socially disadvantaged farmers & ranchers.....	358,109	2,065,291	-2,065,291	0
Value-added agricultural product marketing development mid-tier chains.....	0	2,423,400	-2,423,400	0
Special earmark, P.L. 111-80, GP 728.....	3,000,000	3,000,314	-3,000,314	0
<b>Total Available or Estimate.....</b>	<b>24,659,614</b>	<b>58,691,202</b>	<b>-22,837,202</b>	<b>35,854,000</b>
Recovery of prior year obligations.....	-599,726	0	0	
Unobligated balance available, SOY.....	-7,043,090	-20,837,202	20,837,202	0
Unobligated balance available, EOY.....	20,837,202	0	0	0
<b>Total Appropriation, Discretionary.....</b>	<b>37,854,000</b>	<b>37,854,000</b>	<b>-2,000,000</b>	<b>35,854,000</b>
<b>Mandatory: a/</b>				
Value-added agriculture product marketing development grants.....	12,303,235	289,398	-289,398	0
Agricultural marketing resource center grants.....	0	0	0	0
Value-added agriculture product marketing development grants: Socially disadvantaged farmers and ranchers.....	1,396,038	103,962	-103,962	0
Mid-tier value chains.....	1,090,386	409,614	-409,614	0
Agriculture Innovation Center Demonstration Grants.....	0	16,452		0
<b>Total Available or Estimate.....</b>	<b>14,789,659</b>	<b>819,426</b>	<b>-802,974</b>	<b>0</b>
Recovery of prior year obligations.....	-11,922	0	0	0
Unobligated balance available, SOY.....	-15,597,163	-819,426	819,426	0
Unobligated balance available, EOY.....	819,426	0	0	0
Transfer from CCC a/.....	0	0	0	0
<b>Total Appropriation, Mandatory.....</b>	<b>0</b>	<b>0</b>	<b>16,452</b>	<b>0</b>
<b>Total Appropriation.....</b>	<b>37,854,000</b>	<b>37,854,000</b>	<b>-1,983,548</b>	<b>35,854,000</b>

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Mandatory funding provided by sections 6202 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides \$15,000,000 from the funds of the Commodity Credit Corporation (CCC) for fiscal year 2009, to remain available until expended.

JUSTIFICATION OF INCREASE AND DECREASE

- (1) An increase of \$1,000,000 for rural cooperative development grants (\$7,924,000 available in 2011).

Cooperatives offer an alternative to companies by having a more distributed ownership and base in local communities. Cooperatives are more sustainable by continually adding member-owners from younger generations of community residents. The rural cooperative development grant (RCDG) program addresses the constraints in getting cooperatives organized so that once established with appropriate planning, they become a sustainable alternative for rural communities that are losing businesses and local services. The cooperative business models allow users of the cooperative to control the entity and reap all benefits from using the business. The RCDG program has been instrumental in developing a network of Cooperative Development Centers. These Centers employ experts on cooperative business, who work directly with farmers, rural residents, and emerging cooperatives.

Increased funding will increase the number of grants for Rural Cooperative Development Centers from 65 to approximately 70 Centers. This will increase the number of Centers assisting existing and creating new cooperatives that are providing new services and creating products for rural communities.

- (2) A decrease of \$3,000,000 for special earmark P.L. 111-80, GP 728 (\$3,000,000 available in 2011).

H.R. 2997 authorized \$3,000,000. The department is not proposing these earmarks as there is funding in the regular programs that can be requested for these types of projects and purposes.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Rural Cooperative Development Grants

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$225,000	--	--
Alaska	225,000	--	--
Arkansas	224,984	--	--
California	225,000	--	--
Colorado	225,000	--	--
Hawaii	222,555	--	--
Illinois	183,898	--	--
Indiana	225,000	--	--
Iowa	225,000	--	--
Kentucky	225,000	--	--
Maryland	221,315	--	--
Massachusetts	225,000	--	--
Michigan	225,000	--	--
Minnesota	900,000	--	--
Mississippi	225,000	--	--
Montana	339,580	--	--
Nebraska	224,982	--	--
New Jersey	225,000	--	--
New Mexico	292,382	--	--
North Carolina	225,000	--	--
North Dakota	450,000	--	--
Ohio	674,998	--	--
Pennsylvania	225,000	--	--
South Dakota	225,000	--	--
Texas	225,000	--	--
Virginia	450,000	--	--
Washington	450,000	--	--
Wisconsin	225,000	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$8,234,694</u>	<u>\$7,924,000</u> <sup>1/</sup>	<u>\$8,924,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Appropriate Technology Transfer

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Montana	\$2,800,000	--	--
Total Avail./Est.	<u>\$2,800,000</u>	<u>\$2,800,000</u> 1/	<u>2,800,000</u> 1/

Cooperative Economic Impact Research

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Wisconsin	\$299,772	--	--
Total Avail./Est.	<u>\$299,772</u>	<u>\$300,000</u> 1/	<u>\$300,000</u> 1/

Grants to Assist Minority Producers

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Colorado	\$279,000	--	--
Hawaii	\$114,715	--	--
Louisiana	200,000	--	--
Michigan	200,000	--	--
Minnesota	113,865	--	--
Mississippi	683,241	--	--
New Mexico	182,500	--	--
New York	62,175	--	--
South Carolina	445,595	--	--
South Dakota	175,000	--	--
Washington	150,000	--	--
Wisconsin	197,400	--	--
Puerto Rico	154,360	--	--
Total Avail./Est.	<u>\$2,957,851</u>	<u>\$3,463,000</u> 1/	<u>\$3,463,000</u> 1/

Agriculture Innovation Demonstration Grants - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u>--</u>	<u>\$16,452</u> 1/	<u>--</u>

Agriculture Marketing Resource Center Grants - Discretionary

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u>--</u>	<u>\$2,036,700</u> 1/	<u>\$1,018,350</u> 1/

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2010 Actual and Estimated 2011 and 2012

Value-Added Agricultural Product Market Development Grants - Discretionary

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Kentucky	158,734	--	--
Maine	26,751	--	--
Maryland	149,993	--	--
Missouri	488,000	--	--
Nebraska	416,986	--	--
New Mexico	305,000	--	--
North Carolina	320,960	--	--
Ohio	98,250	--	--
Oregon	1,577,460	--	--
South Dakota	67,529	--	--
Texas	662,500	--	--
Vermont	228,025	--	--
Washington	1,084,000	--	--
Wisconsin	1,425,000	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$7,009,188</u>	<u>\$34,678,497</u> <sup>1/</sup>	<u>\$19,348,650</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Value-Added Agricultural Product Market Development Grants-Beginners  
and Socially Disadvantaged Farmers and Ranchers - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
California	\$299,874	--	--
Colorado	231,000	--	--
Illinois	22,650	--	--
Iowa	195,610	--	--
Maryland	64,000	--	--
Nebraska	21,300	--	--
New Mexico	12,500	--	--
South Dakota	89,425	--	--
Washington	110,000	--	--
Wisconsin	349,679	--	--
Total Avail./Est.	<u>\$1,396,038</u>	<u>\$103,962 1/</u>	<u>--</u>

Value-Added Agricultural Product Market Development Grants-Beginners  
and Socially Disadvantaged Farmers and Ranchers - Discretionary

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Missouri	\$130,000	--	--
Oregon	87,228	--	--
Wisconsin	140,881	--	--
Total Avail./Est.	<u>\$358,109</u>	<u>2,065,291 1/</u>	<u>--</u>

Value-Added Agricultural Product Market Development Grants  
Mid Tier Chains - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Florida	150,000	--	--
Iowa	329,168	--	--
Kentucky	39,000	--	--
Ohio	16,125	--	--
Tennessee	92,000	--	--
Vermont	90,232	--	--
Wisconsin	354,659	--	--
Wyoming	19,202	--	--
Total Avail./Est.	<u>1,090,386</u>	<u>\$409,614 1/</u>	<u>--</u>

Value-Added Agricultural Product Market Development Grants  
Mid Tier Chains - Discretionary

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u>--</u>	<u>\$2,423,400 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2010 Actual and Estimated 2011 and 2012

Value Added Product Market Development Grants - Mandatory

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Alabama	\$170,025	--	--
Alaska	131,749	--	--
Arkansas	134,500	--	--
California	1,488,452	--	--
Colorado	476,174	--	--
Connecticut	334,000	--	--
Florida	834,060	--	--
Georgia	1,307,470	--	--
Idaho	355,270	--	--
Illinois	506,580	--	--
Indiana	552,500	--	--
Iowa	639,384	--	--
Kansas	293,124	--	--
Kentucky	126,072	--	--
Louisiana	44,286	--	--
Massachusetts	350,000	--	--
Michigan	564,015	--	--
Minnesota	771,400	--	--
Mississippi	45,000	--	--
Montana	94,990	--	--
New Hampshire	179,950	--	--
New Jersey	97,000	--	--
New York	181,097	--	--
North Dakota	50,000	--	--
Oklahoma	133,205	--	--
Pennsylvania	225,716	--	--
Rhode Island	50,000	--	--
South Carolina	98,000	--	--
Utah	777,273	--	--
Virginia	891,943	--	--
Puerto Rico	400,000	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$12,303,235</u>	<u>\$289,398 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2010 Actual and Estimated 2011 and 2012

Rural Business Special Projects Earmarks

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Vermont	\$1,000,000	--	--
Wisconsin	<u>2,000,000</u>	<u>--</u>	<u>--</u>
Total Avail./Est.	<u><u>\$3,000,000</u></u>	<u><u>\$3,000,314</u></u> <sup>1/</sup>	<u><u>--</u></u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
RURAL COOPERATIVE DEVELOPMENT GRANTS

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$24,659,614</u>	<u>\$58,691,202</u>	<u>\$35,854,000</u>
Total direct obligations.....	<u>24,659,614</u>	<u>58,691,202</u>	<u>35,854,000</u>

RURAL BUSINESS-COOPERATIVE-SERVICE

Analysis of Change in Appropriation

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

Annualized Continuing Resolution, 2011.....	\$499,000
Budget Estimate, 2012.....	<u>0</u>
Change in Appropriation.....	<u><u>-499,000</u></u>

PROJECT STATEMENT  
(On basis of appropriation)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Rural empowerment zones and enterprise communities grants	\$0	\$0	\$0	\$0
General Provision 716.....	499,000	499,000	-499,000 (1)	0
Total Available or Estimate.....	499,000	499,000	-499,000	0
Unobligated balance available, start of year.....	-12,957	0	0	0
Recovery of prior obligations.....	-20,499	0	0	0
Unobligated balance available, end of year.....	33,456	0	0	0
Total Appropriation.....	499,000	499,000	-499,000	0

Staff years are reflected in the Salaries and Expenses Project Statement.

PROJECT STATEMENT  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2010 Actual	2011 Estimated	Increase or Decrease	2012 Estimated
Rural empowerment zones and enterprise communities grants			\$0	\$0
General Provision 716.....	499,000	532,458	-532,458	0
Total Available or Estimate.....	499,000	532,458	-532,458	0
Unobligated balance available, start of year.....	-12,957	-33,458	33,458	0
Recovery of prior obligations.....	-20,499	0	0	0
Unobligated balance available, end of year.....	33,456	0	0	0
Total Appropriation.....	499,000	499,000	-499,000	0

Staff years are reflected in the Salaries and Expenses Project Statement.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$499,000 for empowerment zones and enterprise communities special earmark grants (\$499,000 available in 2011).

The budget does not propose funding specifically earmarked projects and the program has expired and is no longer in need of funding.

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2010 Actual and Estimated 2011 and 2012

Rural Empowerment Zones - Special Earmark - Annual

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Maine	\$499,000	--	--
Total Avail./Est.	<u>\$499,000</u>	<u>\$499,000</u> <sup>1/</sup>	<u>--</u>

Rural Empowerment Zones/Enterprise Communities

	<u>2010</u>	<u>2011</u>	<u>2012</u>
Total Avail./Est.	<u>--</u>	<u>\$33,456</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS

Classification by Objects  
2010 Actual and Estimated 2011 and 2012

	<u>FY 2010</u>	<u>FY 2011</u>	<u>FY 2012</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$499,000</u>	<u>\$532,456</u>	<u>\$0</u>
Total direct obligations.....	<u><u>499,000</u></u>	<u><u>532,456</u></u>	<u><u>0</u></u>

RURAL BUSINESS-COOPERATIVE SERVICE  
 ALTERNATIVE AGRICULTURAL RESEARCH AND  
 COMMERCIALIZATION CORPORATION REVOLVING FUND

Project Statement by Program  
 (On basis of obligations under available funds)

	2010 Estimate	2011 Estimated	Increase or Decrease	2012 Estimated
Alternative Agricultural Research and Commercialization Revolving Fund..	0	0	0	0
Total Available or Estimate.....	0	0	0	0
Unobligated balance available, start of the year.....	-\$845,083	-\$839,083	-\$21,000	-\$860,083
Royalties and fees.....	0	0	0	0
Collection from Federal Sources.....	6,000	5,000	-1,000	4,000
Unobligated balance available, end of the year.....	839,083	834,083	22,000	856,083
Total Appropriation.....	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Section 6201(a) of the Farm Security and Rural Investment Act of 2002, Public Law 107-71, dated May 13, 2002, repeals the AARCC authorization and section 6201(b) authorizes disposition of the assets.

**RURAL BUSINESS AND COOPERATIVE PROGRAMS****SUMMARY OF RECOVERY ACT FUNDING**

(in thousands)

Program/Project/Activity	FY 2009		FY 2010	
	PL Actual	BA Actual	PL Available	BA Available
Rural Business and Industry Guaranteed Loans Programs	\$49,412	\$3,626	\$1,557,725	\$125,241
Rural Business Enterprise Grants	15,314	15,314	4,181	4,181
Total Available	\$64,726	\$18,940	\$1,561,811	\$129,327

**Project Statement – Recovery Act**

(On basis of available funds)

(in thousands)

	FY 2009			FY 2010		
	PL Available	BA Available	Staff Years	PL Available	BA Available	Staff Years
Rural Business and Industry Guaranteed Loans Programs	\$49,412	\$3,626	434	\$1,557,725	\$125,241	406
Rural Business Enterprise Grants	15,314	15,314	18	4,181	4,181	18
Unobligated balance						
Total Available	\$64,726	\$18,940	452	\$1,561,811	\$129,327	424

**Program Implementation Activities:**

The Business and Industry Guaranteed Loan Program (B&I) is Rural Development's flagship job creation and capital expansion business program. The purpose of the B&I Guaranteed Loan Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities. This purpose is achieved by bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting community benefits. The program received a total of approximately \$1.6 billion in ARRA funds. In FY 2009, the program awarded a total of \$49.41 million in ARRA funds through 19 loan guarantees that created/saved 1,092 jobs. In FY 2010, approximately \$1.56 billion in ARRA funds were rewarded through 632 loan guarantees that created/saved over 33,700 jobs.

The Rural Business Enterprise Grant Program (RBEG) program provides grants that facilitate the development of small and emerging rural businesses, to help fund distance learning networks, and help fund employment-related training programs. RBEG grants serve public bodies, private nonprofit corporations, Indian Tribes on Federal and State reservations and other Federally-recognized Indian Tribal groups in rural areas. RBEG grants finance or develop small and emerging private business enterprises. RBEG received \$19.5 million dollars in ARRA Funding. In FY 2009, 145 ARRA grants were awarded, totaling \$15.3 million saving more than 12,000 jobs. In 2010, approximately \$4.1 million in carry over ARRA funds provided 49 grants that created or saved an estimated 3,500 jobs.

**Goals:**

Businesses that provide high-quality employment opportunities were considered good candidates for B&I and RBEG ARRA funds. The Department of Labor defines high quality employment as jobs in long term, sustainable occupations that have career development ladders and will enable a worker to obtain livable wages. The sustainability of the employment opportunity is also an important factor. Applications submitted from the State Offices documented the quality of a project's jobs.

ARRA goals were incorporated into manager and employee performance plans. Program performance measures are integrated into manager performance plans. Reports of progress in meeting the performance measures are provided in weekly meetings and reports to facilitate accountability discussions among RD managers. Monitoring was done on a weekly basis to allow implementation of corrective action as necessary.

A borrower may be a cooperative organization, corporation, partnership, or other legal entity organized and operated on a profit or nonprofit basis; an Indian tribe on a Federal or State reservation or other Federally recognized tribal group; a public body; or an individual. Loan purposes must be consistent with the general purpose contained in the regulation. They include but are not limited to the following:

- Business and industrial acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities.
- Business conversion, enlargement, repair, modernization, or development.
- Purchase and development of land, easements, rights-of-way, buildings, or facilities.
- Purchase of equipment, leasehold improvements, machinery, supplies, or inventory.

Objectives:

The overall intent of the B&I program and ARRA funding is to improve the quality of life by creating jobs. The public benefits by having a stronger local economy. As often happens in the downturn of the U.S. economy, small businesses particularly in rural communities may not have access to commercial credit at competitive rates and terms. Without access to capital, rural entrepreneurs may not be able to start new or expand existing businesses. As a result, rural communities have access to limited goods and services. The objective of the ARRA is to provide businesses with access to capital that may be used to create jobs and improve the quality of life.

Delivery Schedule:

Funds were allocated to the State offices following development of an allocation plan based on Economic Research Service 2007/2008 data showing each State's percentage of: 1) the national rural population, 2) the national rural poverty, and 3) the national non-metro unemployment.

Following allocation and application reviews, projects were funded if qualified. If States did not use all of their allocation, funds were returned to the National office reserve. There was no pooling of funds during fiscal year 2009 and in 2010. All funds were held in the National office and disbursed weekly.

Outreach was conducted at the State and Local office level. National office assistance was provided as necessary. Outreach included meetings with rural lenders, attending and/or making presentations at conferences of National and State lending associations, etc. Some State offices conducted lender workshops.

## Performance Measures:

Performance Measure	FY 2009 Actual	FY 2010 Actual
1. Jobs saved/created:		
Rural Business and Industry Guaranteed Loans Program	1,092	33,766
Rural Business Enterprise Grants	12,015	3,532

## Accomplishments:

In FY 2009, the B&I program awarded a total of \$49.4 million in ARRA loan guarantees and created/saved 1,092 jobs. For example, Rural Development provided a \$5 million loan guarantee to Citizens Commerce National Bank which enabled the lender to provide financing to their borrower, McKechnie Vehicle Components, USA and MVC Holdings, LLC. The guarantee will allow stability by providing a permanent loan for the restructured automotive parts manufacturer, keep the business from closing, prevent the loss of employment opportunities and provide expanded job opportunities. The loan saved 275 jobs.

In FY 2010, approximately \$1.56 billion in ARRA funds were rewarded through 632 loan guarantees that created/saved over 33,700 Jobs. Medora Environmental, Inc. (MEI) and its operating company, SolarBee, Inc., manufacture the SolarBee, a solar powered high volume water circulating system. The companies received a B&I guaranteed loan for permanent working capital of \$1,787,100 and existing debt refinance in the amount of \$1,212,900. The permanent working capital allowed the business to supplement its cash needs on a contingency basis. This loan also refinanced term debt which will save the company approximately \$6,700 each month to help retain 67 jobs paying wages of approximately \$28 per hour.

In FY 2009, the RBEG program awarded 145 ARRA grants totaling \$15.3 million. These grants created and or saved over 12,015 jobs. A grant for \$83,149 was awarded to The Minnesota Chippewa Tribe's Business Development Center to provide training for area businesses to expand, thereby creating new jobs and spurring economic growth. This stimulus project assisted four businesses. In 2010, approximately \$4.1 million in carry over ARRA funds provided 49 grants that created or saved an estimated 3,500 jobs.

## **RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS**

### **STATUS OF PROGRAMS**

Current Activities: The Rural Development Business and Cooperative Programs provide direct loans, loan guarantees, grants, technical assistance and payments designed to increase economic opportunity in rural America. Every rural community has unique challenges and natural resources. Rural Development (RD) State and field office staffs work collaboratively with political and business leaders to leverage RD resources. The Business and Industry (B&I) guaranteed loan program is one of the major tools that RD employs to facilitate business growth in rural areas.

Specific areas being addressed currently include:

1. Facilitating projects that proactively replace traditional energy imports with domestic production.
2. Increasing outreach and improving service to lenders and borrowers.
3. Program delivery is transitioning to a risk-based management system.

Selected Examples of Recent Progress: Recent accomplishments under this appropriation item are cited below by project:

#### **Business and Industry (B&I) Guaranteed Loan Program:**

The B&I loan program is Rural Development's flagship job creation and capital expansion business program. Through \$1.379 billion in annual appropriations and \$1.561 billion appropriated through the American Recovery and Reinvestment Act (ARRA), more than 55,000 jobs were created and saved, and 1,332 rural businesses were impacted.

Medora Environmental, Inc. (MEI) and its operating company, SolarBee, Inc., manufacture the SolarBee, a solar powered high volume water circulating system. The companies received a B&I guaranteed loan for permanent working capital of \$1,787,100 and existing debt refinance in the amount of \$1,212,900. The permanent working capital allowed the business to supplement its cash needs on a contingency basis. This loan also refinanced term debt which will save the company approximately \$6,700 each month to help retain 67 jobs paying wages of approximately \$28 per hour.

Ocean Classroom Foundation (OCF) received a \$2.2 million B&I guaranteed loan February 1, 2010. This loan helped the organization restructure its debt and access much-needed working capital. The project also created and saved 14 jobs. OCF is located in Boothbay Harbor, Maine. The non-traditional school contributes to preserving the State's maritime heritage, while expanding students' horizons, by combining academic and nautical curriculums with experience at sea. Accredited programs are offered to teenaged and young-adult students as a means of providing academic and technical training, along with life experiences.

#### **Rural Energy for America Program:**

In FY 2010, the Rural Energy for America Program (REAP) funded 2,375 projects with \$66.2 million in discretionary funding and \$93.1 million in mandatory funds. The REAP program awarded 1,915 grants totaling \$48.7 million plus 454 combination loans and grants amounting to \$98.4 million (mandatory and discretionary funds) and 6 guaranteed loans for \$9.7 million for renewable energy and energy efficiency projects. The energy audit and renewable energy development assistance program awarded 25 grants totaling \$2.4 million. With this funding, the agency estimates to produce/save approximately 2.98 billion kWh.

Gary's Super Foods (GSF) in North Platte, Nebraska received a guaranteed loan that provided their lender an 85 percent guarantee on 50 percent of the total project costs as well as a 25 percent grant. The funds were used to purchase a heat reclaim system captures the heat from the store's refrigeration units and redistributes the heat through a duct work system to heat the building. Also, energy efficient T-12 lighting was installed. Since the opening of the store in early 2009, GSF has realized a significant energy savings. GSF is currently working on a second REAP application to replace refrigeration units and to install new lighting at the Hershey store location.

Maxwell Farms' Neighborhood Energy, LLC was awarded a REAP grant of \$357,990 and a \$326,770 loan guarantee along with funding from other groups including a \$250,000 grant from the VT Clean Energy Development Fund, a \$100,000 CVPS Grant (Cow Power) grant and a \$75,000 grant from VT Agency of Agriculture to construct and equip a 225 kW generator with a generation capacity of 1.75 kWh per year. The project has a variety of additional benefits including the production of high value animal bedding and nutrient solids and an annual net income of \$225,000/year.

**Intermediary Relending Program:**

In FY 2010, 57 loans resulted in \$33.5 million being made available to intermediaries who in turn funded 1,140 businesses to create or save an estimated 25,657 jobs. The following examples demonstrate the use of intermediary relending program (IRP) funds provided to intermediaries to fund projects in rural areas:

Logan County Economic Development Council, Guthrie, Oklahoma, received \$750,000 to support diversified industrial and commercial development in the region. The loan is helping the council retain small businesses in the area and expand its 21-county service region.

South Carolina Rural Rehabilitation Corporation, Columbia, South Carolina, received \$750,000 to finance real estate acquisitions for farmers. The assistance is aiding new businesses in the development and sale of products to local retailers, farmers markets, and processing facilities in South Carolina. It is estimated the IRP funds will assist 7 businesses and create an estimated 30 jobs.

**Rural Microentrepreneur Assistance Program:**

In FY 2010, \$14.3 million in discretionary funds and \$21.8 million in mandatory funds were made available to Microenterprise Development Organizations (MDOs) to support the development and ongoing success of rural microentrepreneurs and microenterprises. Seventy-five direct loans and technical assistance grants were awarded resulting in an estimated 574 businesses being assisted and 1,391 jobs created and/or saved. A total of \$31.628 million was obligated for this program in FY 2010. The following examples demonstrate the use of rural microentrepreneur assistance program (RMAP) funds provided to MDOs to fund projects in rural areas:

Community Ventures, Lexington, Kentucky, received a \$500,000 loan and a \$105,000 grant to provide financial and technical assistance and training to rural microenterprises and microentrepreneurs. The organization serves rural businesses in 10 counties that have been designated as Appalachian Regional Commission communities, which are characterized by high unemployment rates, poverty and low per capital income.

MetroAction, Inc., Scranton, Pennsylvania, received a \$300,000 loan and a \$75,000 grant to capitalize a rural microloan revolving fund to make microloans and small business training to microentrepreneurs in northeastern Pennsylvania.

**Rural Economic Development Loan Program:**

In FY 2010, a total of 38 loans with a combined value of more than \$21.9 million were made to qualifying utilities creating or saving more than 2,148 jobs. For example, a \$740,000 loan along with a \$300,000

grant was made to White River Valley Electric Cooperative, Inc., in Ozark, Missouri, to finance a biomass energy system and energy efficiency improvements to a high school campus. The project will result in a substantial reduction in energy costs and use forest product waste materials to produce energy. The cost savings afforded by the project helped save an estimated 104 jobs.

**Rural Economic Development Grant Program:**

In FY 2010, 33 grants were awarded with a combined value of \$9 million. These grants contributed to a number of rural communities and were responsible for creating or saving more than 2,518 jobs. For example, Rural Development made a \$91,320 grant to Pioneer Telephone Cooperative, Inc., Kingfisher, Oklahoma to assist Kingfisher Regional Hospital purchase equipment and furniture for the Rehabilitation Services and Specialty Clinic that was under construction at the new hospital complex. The project created five jobs.

**Rural Business Opportunity Grant Program:**

In FY 2010, the 27 grants awarded to residents and businesses in 17 states totaled \$2.6 million and created or saved more than 990 jobs. A \$249,340 grant was awarded to Ecotrust, an organization based in Portland, Oregon that seeks to create economic opportunity, social equity and environmental well-being by demonstrating new business models based on economic, social and environmental principles, to support their Food Hub initiative, an online directory and marketplace that makes it easy for regional food buyers and sellers to find each other, connect and do business. The grant will aid Ecotrust in increasing recruitment of producers and buyers in rural communities and providing the training and assistance necessary to ensure FoodHub supports their goals.

**Rural Business Enterprise Grant Program:**

In FY 2010, 590 grants were awarded, totaling over \$42.3 million. These grants created and saved over 29,591 jobs. A grant for \$95,000 was awarded to the Southwest Iowa Planning Council to establish a revolving loan fund to assist small and emerging private business enterprises in Cass, Fremont, Harrison, Montgomery, Page and Shelby counties. The revolving loan funds brought important access to capital to lend to rural small businesses. The project created eleven new jobs.

**Value Added-Producer Grant Program:**

In FY 2010, the Value-Added Producer Grant (VAPG) Program, issued a solicitation for applications. Selections came from 45 states and Puerto Rico, the widest geographic distribution in the history of the program. Five-hundred fifty-one applications requesting \$72.8 million were received. Of those, 295 applications requesting \$32.7 million were determined eligible. The Agency is planning on awarding the money when FY 2011 funding is awarded. The Agency obligated \$22.16 million in VAPG grants for FY 2010.

**Agriculture Innovation Center Demonstration Program:**

In 2010, \$3 million was appropriated under the FY 2010 Agriculture Appropriations Act, Section 728 of Title VII, General Provisions, for a \$2 million grant to the Wisconsin Department of Trade and Consumer Protection; and a \$1 million grant to the Vermont Agency of Agriculture, Foods, and Markets to establish or expand an Agriculture Innovation Center (AIC) facility to provide technical and business development assistance to agricultural producers seeking to engage in the marketing and production of value-added products.

The Wisconsin Department of Agriculture, Trade and Consumer Protection was awarded a \$2 million grant that resulted in the completion of a Dairy Business Initiative that builds on a successful 5-year value adding strategy to support the aggressive repositioning of Wisconsin's most important industry. The initiative is

supporting producers and processors through a set of strategies to add value through identification and development of increased markets for artisan and specialty cheese products and other higher growth specialty dairy products.

The Vermont Agency of Agriculture, Foods, and Markets received a \$1 million grant in 2010. The Vermont project focused resources on both establishing the center and supporting specific projects that opened markets with significant growth potential for Vermont producers who have a value added component to their business. The 2010 project areas included coordination of agricultural and culinary tourism support, development of commercial opportunities for high quality specialty foods, and the development of a framework for Place-Based marketing for Vermont foods which will promote continued innovation in building new avenues for Vermont's farmers to connect with customers.

#### **Rural Cooperative Development Grants:**

In FY 2010, grants totaling approximately \$8.3 million were made to 38 centers. Among the successful applicants were:

A \$142,000 grant to improve economic conditions in rural New Mexico was awarded to New Mexico's oldest member-owned cooperative - La Montanita - on a best practices curriculum for food system cooperative development, and on a new loan investment initiative for food systems businesses.

The California Center for Cooperative Development received a \$225,000 grant to develop new cooperatives, promote community-supported agriculture, strengthen the marketing of small farm production, and develop systems to link growers with regional consumers. The Center also plans to improve the economic condition of local farmers by helping them form cooperative corporations to enhance their marketplace position.

#### **Appropriate Technology Transfer to Rural America (ATTRA)**

ATTRA, also called the National Sustainable Agriculture Information Service, provides sustainable agriculture information to those engaged in or serving commercial agriculture, such as farmers, ranchers, extension agents, farm organizations, and farm-based businesses. In 2010, \$2.8 million was appropriated and obligated to fund the center.

Work for the ATTRA project takes place in six locations throughout the United States. The ATTRA project is staffed by more than 20 NCAT agricultural specialists with diverse backgrounds in livestock, horticulture, soils, organic farming, integrated pest management, farm energy, and other sustainable agriculture specialties. It provides information and other technical assistance to farmers, ranchers, Extension agents, educators, and others involved in sustainable agriculture in the United States.

#### **Cooperative Agreements for Research**

A cooperative agreement in the amount of \$299,772 was provided to the University of Wisconsin Center for Cooperatives (UWCC). The purpose of this funding was to measure the incidence and economic importance of cooperative activity across all sectors of the U.S. economy. The proposal builds on their existing strategy to initiate a longitudinal survey of cooperative business that will sustain research on cooperatives beyond the period of the grant. The research has three principal goals. First, the development of a comprehensive database on the full range of cooperatives in the United States to enable examination of cooperatives' economic impacts, wealth creation, and return on investment. Second, provide broad-based access for research purposes to data collected within the boundaries of confidentiality required by the participating cooperative firms. And third, build collaborative relationships among academics, cooperatives, and government agencies in order to create an intellectual-policy hub in the United States for studying the organization and performance of cooperatives and their impacts on stakeholders and the overall economy.

**Small Socially-Disadvantaged Producer Grants:**

The Small Socially-Disadvantaged Producer Grants (SSDPG) program, formerly known as the Small Minority Producer Grant program, provides grants to fund technical assistance to small socially-disadvantaged producers from cooperatives and associations of cooperatives. In FY 2010, SSDPG program awarded 21 grants amounting to \$2.96 million.

The Rio Culebra Agricultural Cooperative in Colorado will use a \$175,000 award to help develop a business and marketing plan that will enable members to provide beef products in metropolitan areas. The cooperative also is helping producers sell specialty crops for Chicos and Bolita Beans. Additionally, it is working on a feasibility study for small-scale camelina production for a specialty cooking oil and use in a local biodiesel plant.

**RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS**

FY 2012 Summary of Budget and Performance  
Statement of Goals and Objectives

**Rural Business and Cooperative Programs**

**Mission:**

The mission of the Rural Development Business and Cooperative Programs is "to enhance the quality of life for rural Americans by providing leadership in building competitive businesses including sustainable cooperatives that can prosper in the global marketplace."

**Rural Business and Cooperative programs (BCP) :**

BCP will meet the strategic goal of assisting rural communities to create prosperity so they are self-sustaining, repopulating and economically thriving by investing financial resources and providing technical assistance to businesses and cooperatives located in rural communities and establishing strategic alliances and partnerships that leverage public, private, and cooperative resources to create jobs and stimulate rural economic activity.

The FY 2012 Budget provides a funding level for BCP business development, energy, and technical assistance programs that will allow USDA to create and save an estimated 81,386 jobs in FY 2012.

The key goals discussed below will measure the agency's performance and its support of one strategic goal and two strategic objectives that contribute to one of the Department's High Priority Goals.

USDA Strategic Goal	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<p><b>USDA Strategic Goal:</b> Assist rural communities to create prosperity so they are self-sustaining, repopulating and economically thriving.</p>	<p><b>Agency Goal 1:</b> Increase economic opportunity in Rural America</p>	<p><b>Objective:</b> <u>Objective 1.1:</u> Enhance capital formation and support the creation of diverse, sustainable businesses.</p>	<p>Intermediary Relending Program Rural Economic Development Loans Rural Economic Development Grants Guaranteed Renewable Energy Loans Renewable Energy Grants Guaranteed Business and Industry Loans Rural Business Enterprise Grant</p> <p>Programs Authorized under 2008 Farm Bill and Implemented in 2010:</p> <p>Biorefinery Assistance Program Bioenergy Program for Advanced Biofuels Rural Microenterprise Assistance Program</p>	<p><u>RD Key Outcome 1:</u> Enhanced capital formation and opportunities provided to agricultural producers and rural businesses</p>

		<u>Objective 1.2:</u> Provide new opportunities for agricultural producers	Rural Cooperative Development Grants Cooperative Research Agreements Grants to Assist Minority Producers Value-Added Agricultural Product Market Development Grants (VAPG) Agricultural Marketing Resource Center Grant Rural Business Opportunity Grant	<u>RD Key Outcome 1:</u> Enhanced capital formation and opportunities provided to agricultural producers and rural businesses
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Key Outcome 1: Enhanced capital formation and opportunities provided to agricultural producers and rural businesses

HPPG Measure: Increase the prosperity of rural communities by concentrating and strategically investing in five regions resulting in the creation of strong local and regional economies, with a particular emphasis on food systems, renewable energy, broadband-based economies and rural recreation.

Business and Cooperative Programs (BCP): In order to meet the goal of increasing economic opportunity in rural America, BCP for the last several years has provided over a billion dollars of financial assistance to rural businesses in the form of loans and grants.

Long-term Performance Measures:

- Target: 2012 – Create and or Save over 81,000 jobs in rural America
- Target: 2015 – Create and or Save over 85,000 jobs in rural America

Selected Past Accomplishments toward Achievement of the Key Outcome:

**Business & Industry (B&I) Guaranteed Loan** program helps create and maintain employment and improve the economic climate in rural communities. This is accomplished by providing loan guarantees to private lenders of up to 80 percent that can be used to fund business and industrial acquisition, construction, conversion, enlargement, repair or modernization. The number of jobs created or saved in rural communities is a key performance measure and a critical element in determining the viability of a project for funding.

**The Section 9003 Biorefinery Assistance Program** provides loan guarantees to viable commercial-scale facilities to develop new and emerging technologies for advanced biofuels from renewable biomass other than corn kernel starch. Advanced biorefinery loan guarantees amounting to \$159 million have been awarded since the program's inception. These projects generated 527 million kWh of renewable energy and redeemed 523,000 metric tons of CO<sub>2</sub> for FY 2010.

**The Intermediary Relending Program (IRP)** provides direct loans at an interest rate of one percent to community-based intermediaries and also to cities with a population of less than 25,000 people to relend for business development and expansion projects. Private non-profit corporations, public agencies, Indian tribes, and cooperatives are eligible to become intermediaries. Direct loan funds are used to capitalize rural revolving loan funds and are re-loaned to local small businesses that are not eligible for traditional bank loans. Ultimate recipients must demonstrate an ability to start or expand local businesses, thereby creating employment or saving existing rural jobs. In FY 2010 the IRP program assisted 1,100 businesses and created or saved 26,449 jobs in rural America.

**Value Added Producer Grant** programs provide rural producers an opportunity to increase their share of revenues received for their processed products. Grants can be used for working capital or feasibility studies. These grants for expansion, modernization or start-up, enhance the local job market mix and improve the local tax base. As a result, the overall local rural economy is stimulated, jobs are created, and quality of life improves. In FY 2010 VAPG grants assisted 286 businesses.

Selected Accomplishments Expected at the FY 2012 Proposed Resource Level:

The Agency as a whole will create over 81,386 jobs in FY2012 and individual programs will accomplish the following:

- With a \$52.5 million budget authority in FY 2012, the Business & Industry program will support a program level of approximately \$822 million. These loans will provide funding to businesses of all types which create jobs and promote economic growth. This level of funding will support creating and saving an estimated 16,000 jobs and assisting/creating and or saving approximately 456 businesses in FY 2012.
- The Rural Energy for America (REAP) guaranteed loan and grant program provides loan guarantees and grants to farmers, ranchers, and rural small businesses to assist with purchasing renewable energy systems and making energy efficiency improvements to their physical plants. Discretionary funding for 2012 is expected to be dispersed as \$2.8 million in loans (budget authority; \$10.6 million program level) and \$34.0 million in grants. The anticipated cumulative benefits for funded grant programs include –852 millions of kWh electricity generated with alternative energy sources, displacing 937,000 metric tons of carbon emissions plus generate an estimated 690 jobs. Mandatory funding for 2012 is expected to be dispersed as \$33.9 million in loans, \$26.6 million in grants and over \$9 million in energy feasibility studies, this will provide a program level of over \$129 million. The anticipated cumulative benefits for funded grant programs include –1,988 millions of kWh electricity generated with alternative energy sources, displacing 2.2 million metric tons of carbon emissions plus generate an estimated 1,600 jobs.
- The Intermediary Relending Program (IRP) makes loans to intermediary borrowers (private nonprofit corporations, State or local government agencies, Indian tribes, and cooperatives) who, in turn, relend the funds to individuals, public or private organizations and other legal entities that meet the criteria for ultimate recipients. Financial assistance from the intermediary to the ultimate recipient supports economic and community development projects, new businesses and/or expansion of existing businesses. Based on an analysis of historical data on actual number of intermediaries assisted, number of businesses impacted and creation or saving of jobs, it is anticipated that the \$36 million proposed program level in FY 2012 will impact over 325 businesses and create/save an estimated 27,826 jobs.
- Rural Cooperative Development Grants help to improve the economic condition of rural areas by creating or retaining jobs through the development of new rural cooperatives, value-added processing, and other rural businesses. These grants are made to rural development centers – nonprofit corporations including institutions of higher education – that provide technical assistance to organizations exploring the cooperative form of business entity and to existing cooperatives interested in improving their operations or expanding into new market areas. Owners across the nation in establishing and marketing cooperatives. In FY 2012 the \$8.9 million in funding will support approximately 36 Rural Cooperative Development Centers and assist over 300 cooperatives and prospective cooperative groups across rural America.
- Section 6022, Rural Microentrepreneur Assistance Program – (RMAP) This program, implemented in FY 2010, provides rural micro entrepreneurs the opportunity to gain the skills necessary to establish new rural microenterprises, training, and to provide continuing technical and financial assistance related to the successful operation of rural microenterprises. Loans and grants are made to qualified

Microenterprise Development Organizations (MDO's) for the purposes of: 1) providing microloans to rural micro entrepreneurs, and 2) providing training and technical assistance to current- and/or potential micro entrepreneurs to establish new or sustain existing micro businesses in rural areas. In FY 2012, the budget will support a program level of \$22.5 million in loans and 2.2 million in grants. Each loan to an ultimate recipient is expected to average \$15,000 to \$20,000. This equates to a minimum estimate of 40 business assisted and 40 jobs created/saved per \$100,000 of Loan Budget Authority. In FY 2011, the RMAP supportable program level of \$11.7 million is expected to create or save over 3,800 jobs and assist a similar number of rural micro businesses as in FY 2010.

Efficiency Measures:

- Total Jobs Created and Saved
- Total Kilowatt Hours of Energy Saved
- Total Businesses Assisted
- Loan Delinquency Rate

## RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

### Summary of Budget and Performance Key Performance Outcomes and Measures

Goal 1: Increase economic opportunity in Rural America

Key Outcome: Enhanced capital formation and opportunities provided to agricultural producers and rural businesses

Key Performance Measures:

- Measure #1 Jobs Created and Saved
- Measure #2 Assist existing and prospective cooperative groups
- Measure #3: Businesses Assisted
- Measure #4: Millions of kWh generated

Key Performance Targets:

Performance Measure	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Target	2012 Target
Performance Measure #1						
a. Jobs created/saved* total	72,710	71,100	68,185	68,894	72,873	81,386
Business and Industry Guaranteed Loan						
a. New or saved jobs	12,343	18,703	17,602	21,328	16,665	16,000
b. Program dollars (in thousands)	\$834,015	\$1,390,532	\$949,010	\$1,322,984	\$1,045,988	\$822,884
Rural Business Enterprise Grants						
a. New or saved jobs	21,346	18,766	14,938	14,938	30,878	21,860
b. Program dollars (in thousands)	\$42,657	\$56,612	\$60,287	\$42,332	\$37,727	\$29,874

Rural Business Opportunity Grants							
a.	New or saved jobs	8,191	995	3,400	990	950	2,850
b.	Program dollars (in thousands)	\$6,901	\$2,942	\$2,683	\$2,638	\$2,483	\$7,483
Intermediary Relending Program							
a.	New or saved jobs	25,911	25,655	25,665	26,449	15,730	27,826
b.	Program dollars (in thousands)	\$33,869	\$33,536	\$33,536	\$33,534	\$21,939	\$36,376
Rural Economic Development Loans							
a.	New or saved jobs	3,273	4,891	4,370	2,148	3,200	3,200
b.	Program dollars (in thousands)	\$26,167	\$32,402	\$36,171	\$21,925	\$33,077	33,077
Rural Economic Development Grants							
a.	New or saved jobs	1,646	2,090	2,210	1,650	1,650	1,650
b.	Program dollars (in thousands)	\$9,963	\$10,000	\$9,914	\$9,036	\$10,000	\$10,000
Rural Microenterprise Assistance Program (discretionary /mandatory)							
a.	New or saved jobs	0	0	0	1,391	3,800	8,000
b.	Program dollars (in thousands)				\$31,628	\$32,318	\$35,133

Performance Measure #2						
Biorefinery Assistance Program						
a. Millions of kWh generated with alternative energy sources	0	0	1,642	527	2049	0
b. Program Dollars (000s)						
- Loans			\$105,000	\$54,500	\$880,945	0
Grants			0	0	0	0
Rural Energy for America (discretionary)						
Millions of kWh generated with alternative energy	1,956	2,438	1,495	2,958	2,869	2,840
Program Dollars –						
Loans	\$3,706	\$1,508	\$5,567	\$31,163	\$42,428	\$10,645
Grants	\$19,102	\$34,234	\$54,398	\$35,074	\$19,670	\$34,000

Performance Measure #3						
Rural Cooperative Development Grants						
a. Number of Cooperatives and prospective cooperative groups assisted	200	225	195	300	360	300
b. Program Dollars (in thousands)	\$6,217	\$8,933	\$8,765	\$14,290	\$14,487	\$15,487
Value-Added Producer Grants (discretionary)						
Performance Measure #4						
a. Proposed, new, or expanded Value-Added businesses assisted	185	151	142	286	130	130
b. Program Dollars (in thousands)	\$21,203	\$23,801	\$19,389	\$7,009	\$20,367	\$20,367

\* 2012 Program dollars consist of the following programs: intermediary relending program, rural economic development loan and grant; business and industry guarantee; rural business grants; and rural micro-enterprise assistance.

BUSINESS AND COOPERATIVE PROGRAMS Full Cost by Department Strategic Goal					
Strategic Goal: Assist Rural Communities to Create Prosperity so They Are Self-Sustaining, Repopulating and Economically Thriving.					
PROGRAM	RANK	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>RDLF Intermediary Relending Program</b>					
		Program Level	\$33,534	\$21,939	\$36,375
		Budget Authority	8,464	8,464	12,324
		Administrative Costs (Direct)	496	496	692
		Administrative Costs (Indirect)	1,275	1,275	1,343
		Total Costs	10,235	10,235	14,359
		FTEs	15	15	15
		Performance measure:			
		Jobs created/saved			
		Target:	26,449	15,730	27,826
		Cost per Measure (unit cost)	0.39	0.65	0.52
<b>Rural Economic Development Loans - Mandatory</b>					
		Program Level	\$21,926	\$33,077	\$33,077
		Budget Authority	2,861	5,924	4,293
		Administrative Costs (Direct)	757	757	1,056
		Administrative Costs (Indirect)	1,946	1,946	2,050
		Total Costs	5,564	8,627	7,399
		FTEs	23	23	23
		Performance measure:			
		Jobs created/saved			
		Target:	2,148	3,200	3,200
		Cost per Measure (unit cost)	2.59	2.70	2.31
<b>Rural Economic Development Grants - Mandatory</b>					
		Program Level 1/	\$9,037	\$10,000	\$10,000
		Budget Authority	0	0	0
		Administrative Costs (Direct)	314	314	438
		Administrative Costs (Indirect)	806	806	849
		Total Costs	1,120	1,120	1,287
		FTEs	9	9	9
		Performance measure:			
		Jobs created/saved			
		Target:	1,650	1,650	1,650
		Cost per Measure (unit cost)	0.68	0.68	0.78
<b>Rural Energy for America Loans and Grants</b>					
		Program Level 2/	\$66,238	\$62,099	\$44,645
		Budget Authority	39,325	39,340	36,788
		Administrative Costs (Direct)	1,127	1,231	1,718
		Administrative Costs (Indirect)	2,897	3,166	3,334
		Total Costs	43,349	43,737	41,840
		FTEs	34	37	37
		Performance measure:			
		mKWH produced (in Millions)			
		Target:	1,183	1,033	600
		Cost per Measure (unit cost)	36.64	42.34	69.73

PROGRAM	RANK	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Rural Energy for America Loans and Grants - Mandatory</b>					
		Program Level <u>2/</u>	\$93,088	\$109,200	\$165,482
		Budget Authority	56,959	70,000	70,000
		Administrative Costs (Direct)	1,690	1,847	2,576
		Administrative Costs (Indirect)	4,346	4,748	5,002
		Total Costs	62,995	76,595	77,578
		FTEs	50	55	55
		Performance measure:			
		mKWH produced (in Millions)			
		Target:	1,774	1,836	2,243
		Cost per Measure (unit cost)	35.51	41.72	34.59
<b>Rural Cooperative Development Grants, Appropriate Technology Transfer, Cooperative Research Agreements, and Grants to Assist Minority Producers</b>					
		Program Level	\$14,293	\$14,487	\$15,487
		Budget Authority	14,293	14,487	15,487
		Administrative Costs (Direct)	157	157	218
		Administrative Costs (Indirect)	403	403	425
		Total Costs	14,853	15,047	16,130
		FTEs	7	7	4
		Performance measure:			
		Groups assisted <u>1/</u>			
		Target:	300	360	300
		Cost per Measure (unit cost)	49.51	41.80	53.77
<b>Value Added Agricultural Product Market Development Grants &amp; Agricultural Mtng. Res. Center Grants</b>					
		Program Level	\$7,367	\$20,367	\$20,367
		Budget Authority	7,367	20,367	20,367
		Administrative Costs (Direct)	468	468	654
		Administrative Costs (Indirect)	1,205	1,205	1,269
		Total Costs	9,040	22,040	22,290
		FTEs	15	15	15
		Performance measure:			
		Number businesses assisted <u>2/</u>			
		Target:	286	130	130
		Cost per Measure (unit cost)	31.61	169.54	171.46
<b>Value Added Agricultural Product Market Development Grants &amp; Agricultural Mtng. Res. Center Grants - Mandatory</b>					
		Program Level	\$14,790	\$0	\$0
		Budget Authority	14,790	0	0
		Administrative Costs (Direct)	0	0	0
		Administrative Costs (Indirect)	0	0	0
		Total Costs	14,790	0	0
		FTEs	0	0	0
		Performance measure:			
		Number businesses assisted <u>2/</u>			
		Target:	131	0	0
		Cost per Measure (unit cost)	112.90	0	0
<b>Rural Empowement Zone &amp; Enterprise Comm. Grants</b>					
		Program Level	\$499	\$0	\$0
		Budget Authority	499	0	0
		Administrative Costs (Direct)	0	0	0
		Administrative Costs (Indirect)	0	0	0
		Total Costs	499	0	0
		FTEs	0	0	0
		Performance measure: Round II Communities' Leverage Dollars			
		Target:	TBD	0	0
		Cost per Measure (unit cost)	0	0	0

PROGRAM	RANK	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Special Earmarks GPs 764 - 2006 and Other Special Earmarks</b>					
		Program Level	\$3,000	\$3,000	\$0
		Budget Authority	3,000	3,000	0
		Administrative Costs (Direct)	0	0	0
		Administrative Costs (Indirect)	0	0	0
		Total Costs	3,000	3,000	0
		FTEs	0	0	0
		Performance measure:			
		Target:	TBD	0	
		Cost per Measure (unit cost)	0	0	0
<b>Business and Industry Guaranteed Loans</b>					
		Program Level	\$1,322,984	\$1,045,988	\$822,884
		Budget Authority	70,515	52,927	52,500
		Administrative Costs (Direct)	13,637	13,637	19,027
		Administrative Costs (Indirect)	35,066	35,066	36,935
		Total Costs	119,218	101,630	108,462
		FTEs	406	406	406
		Performance measure:			
		Jobs created/saved			
		Target:	21,328	16,665	16,000
		Cost per Measure (unit cost)	5.59	6.10	6.78
<b>Rural Business Enterprise Grants, Rural Business Enterprise Grants Technical Assist. Transportation, Rural Business Enterprise Grants Mississippi Delta, Rural Business Enterprise Grants Native American Tribes and Native American Tribes Transportation.</b>					
		Program Level	\$42,332	\$38,727	\$29,874
		Budget Authority	42,332	38,727	29,874
		Administrative Costs (Direct)	599	599	836
		Administrative Costs (Indirect)	1,540	1,540	1,622
		Total Costs	44,471	40,866	32,332
		FTEs	18	18	18
		Performance measure:			
		Jobs created/saved			
		Target:	14,938	30,878	21,860
		Cost per Measure (unit cost)	2.98	1.32	1.48
<b>Rural Business Opportunity Grants, Rural Business Opportunity Grants Native American Tribes, Rural Business Opportunity Grants, and Grant to Delta Regional Authority</b>					
		Program Level	\$5,617	\$5,462	\$7,483
		Budget Authority	5,617	5,462	7,483
		Administrative Costs (Direct)	340	340	475
		Administrative Costs (Indirect)	875	875	921
		Total Costs	6,832	6,677	8,879
		FTEs	10	10	10
		Performance measure:			
		Jobs created/saved			
		Target:	990	950	2,850
		Cost per Measure (unit cost)	6.90	7.03	3.12

PROGRAM	RANK	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Rural Microenterprise Assistance Program</b>					
		Program Level	\$5,000	\$14,188	\$24,650
		Budget Authority	5,000	5,000	5,700
		Administrative Costs (Direct)	130	130	181
		Administrative Costs (Indirect)	333	333	351
		Total Costs	5,463	5,463	6,232
		FTEs	4	4	4
		Performance measure:			
		Jobs created/saved			
		Target:	391	2,128	5,520
		Cost per Measure (unit cost)	13.97	2.57	1.13
<b>Rural Microenterprise Assistance Program - Mandatory</b>					
		Program Level	\$26,628	\$10,773	\$10,483
		Budget Authority	4,654	4,000	3,000
		Administrative Costs (Direct)	0	0	0
		Administrative Costs (Indirect)	0	0	0
		Total Costs	4,654	4,000	3,000
		FTEs	0	0	0
		Performance measure:			
		Jobs created/saved			
		Target:	1,000	1,672	2,480
		Cost per Measure (unit cost)	4.65	2.39	1.21
<b>Guaranteed Biorefinery Loans - Mandatory</b>					
		Program Level	\$54,500	\$0	\$0
		Budget Authority	19,331	0	0
		Administrative Costs (Direct)	261	0	0
		Administrative Costs (Indirect)	671	0	0
		Total Costs	20,263	0	0
		FTEs	8	0	0
		Performance measure:			
		KWH produced (in Thousands)			
		Target:	4,337	0	0
		Cost per Measure (unit cost)	4.67	0	0
<b>Repowering Assistance Payments &amp; Bioenergy Program for Advanced Biofuels Payments - Mandatory</b>					
		Program Level	\$20,503	\$85,000	\$105,000
		Budget Authority	20,503	85,000	105,000
		Administrative Costs (Direct)	261	261	364
		Administrative Costs (Indirect)	671	671	707
		Total Costs	21,435	85,932	106,071
		FTEs	8	8	8
		Performance measure:			
		KWH produced (in Thousands)			
		Target:	TBD	TBD	TBD
		Cost per Measure (unit cost)	0	0	0

PROGRAM	RANK	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Guaranteed Business and Industry Loans 2008 Disasters Emergency Supplemental</b>					
		Program Level	\$57,157	\$0	\$0
		Budget Authority	3,046	0	0
		Administrative Costs (Direct)	0	0	0
		Administrative Costs (Indirect)	0	0	0
		Total Costs	3,046	0	0
		FTEs	0	0	0
		Performance measure:			
		Jobs created/saved			
		Target:	TBD	0	0
		Cost per Measure (unit cost)	0	0	0
<b>Business and Industry Guaranteed Loans - Stimulus</b>					
		Program Level	\$1,557,725	\$0	\$0
		Budget Authority	125,241	0	0
		Administrative Costs (Direct)	0	0	0
		Administrative Costs (Indirect)	0	0	0
		Total Costs	125,241	0	0
		FTEs	0	0	0
		Performance measure:			
		Jobs created/saved			
		Target:	33,766	0	0
		Cost per Measure (unit cost)	3.71	0	0
<b>Rural Business Enterprise Grants - Stimulus</b>					
		Program Level	\$4,181	\$0	\$0
		Budget Authority	4,181	0	0
		Administrative Costs (Direct)	0	0	0
		Administrative Costs (Indirect)	0	0	0
		Total Costs	4,181	0	0
		FTEs	0	0	0
		Performance measure:			
		Jobs created/saved			
		Target:	3,532	0	0
		Cost per Measure (unit cost)	0	0	0

PROGRAM	RANK	PROGRAM ITEMS	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)	2012 AMOUNT (\$000)
<b>Total for Secretary's Priorities</b>					
		Program Level	\$3,360,399	\$1,474,307	\$1,325,807
		Budget Authority	447,978	352,698	362,816
		Administrative Costs (Direct)	20,237	20,237	28,235
		Administrative Costs (Indirect)	52,034	52,034	54,808
		Total Costs	\$520,249	\$424,969	\$445,859
		FTEs	607	607	604
		Performance measure:			
		Target:	N/A	N/A	N/A
		Cost per Measure (unit cost)	N/A	N/A	N/A

1/ Performance measure changed from coops assisted to groups assisted.

2/ Measure and target changed from recipient revenues to businesses assisted.

\* S&E and FTE figures for each program are based on calculations and a best estimate of the personnel involved. Actual staff time by program is not available at this time.

\*\* FY 10 data based on Appropriation.

Totals may not balance due to rounding.