

Summary: USDA Rural Development Programs

USDA Rural Development has over 40 programs available to help support rural communities ranging from infrastructure and housing to businesses and community facilities. These programs help make rural America a place where people can live and thrive.

In 2013, Rural Development invested over \$33.3 billion in rural communities across the nation. USDA is the only federal department with the primary mission of serving rural areas and Rural Development has a network of approximately 400 field offices and 47 state offices that helps us target and serve local communities' specific needs. Through this field office structure, our employees are able to develop personal relationships with local community leaders that allow us to deliver our programs with great success.

The emphasis of most of Rural Development's programs is building livable rural communities, yet nearly all of these programs offer indirect support to BFRs, with some having a more direct impact. Examples include:

Value-Added Producer Grant: can help farmers and ranchers develop new products, create and expand marketing opportunities, and increase producer income through the creation of value-added products. Since 2009, Rural Development has awarded 121 Value-Added Producer Grants to BFRs, just under 20% of the total number of awards for the time period.

- **Strengths** – the program offers priority points for BFRs which helps them remain competitive in the application process. The program provides assistance to help producers increase income opportunities through value-added ventures. As well, the program does not have a population requirement, so BFRs in urban areas are also eligible to apply.
- **Weaknesses** – the program was not designed to target the needs of BFRs. The grant has a matching requirement that is difficult for BFRs to meet, and has reporting requirements that can also be difficult for many BFRs to complete.
- **Opportunities** – develop a separate VAPG program specifically for BFRs that focuses on technical assistance, or provide funds directly to a third party that could offer training for BFRs to expand into value-added markets.
- **Barriers** – many BFRs lack the capacity, resources and/or the experience to carry out the grant once they receive funds. Often they are busy farming and creating the actual value-added product that they struggle with the administrative requirements of the program. As well, matching fund requirements are often a challenge for BFRs.

Small Socially Disadvantaged Producer Grant: provides technical assistance to small, socially-disadvantaged agricultural producers in rural areas through eligible cooperatives and cooperative development centers.

- **Strengths** – This program provides the technical assistance that is much needed by many BFRs, and is also targeted specifically to help social disadvantaged groups within the broad BFR category.
- **Weaknesses** – The limited amount of funds in this program are a hindrance. There are many more opportunities if additional funds were available.
- **Opportunities** – expanding eligibility for applicants would allow more organizations to meet the needs of socially disadvantaged agricultural producers.
- **Barriers** – Availability of funding; not all areas have eligible applicants.

Business & Industry Guaranteed Loan: provides guarantees on quality loans to help rural businesses gain access to affordable credit and help improve the economic climate in rural communities.

- Strengths – The Farm Bill has set aside a minimum of 5% of funds for initiatives that establish and facilitate the processing, distribution, aggregation, storing and marketing of locally produced agriculture. This is a potentially great resource for BFRs.
- Weaknesses – Most production agriculture, with some exceptions, are not eligible for the program.
- Opportunities – Can be a significant source of financing for value-added operations as well as key agricultural support infrastructure.
- Barriers – Loans must meet minimal underwriting standards; viable business plans required.

Community Facilities Loan/Grant: develop or improve essential community facilities for health care, public safety and other public services in rural areas.

- Strengths – the Community Facilities program has been used to support a wide-range of projects that can indirectly benefit BFRs. Many BFRs focus on marketing their products locally, so financing local and regional food systems such as farmers markets, community kitchens and food banks is beneficial.
- Weaknesses – Funds are limited principally by the requirement that the project be for the benefit of the community as a whole, rather than for a private, commercial purpose. This requirement is limiting in the amount of direct support to BFRs.
- Opportunities – supporting educational opportunities through community colleges is a great avenue to reach BFRs. USDA has entered into a MOU with the American Association of Community Colleges and the Rural Community College Association to help strengthen rural economies by increasing access to skills training and higher education.
- Barriers – Need for local government, tribes or NGOs to be applicants; projects can require a great deal of organizing, design and building broad public support.

General Barriers/Opportunities

As a whole, BFRs are a diverse group with varying needs. There is no one-size-fits-all solution to helping them become successful. To ensure our programs can be the most beneficial to BFRs we must first have a strong understanding of the needs. There are several opportunities to make improvements to programs, including but not limited to:

- Streamlined/simplified application process for programs. Many BFRs do not have the resources available to them to fill out complex, lengthy applications. A two-step process could request a simplified application, and if selected for further processing, a more detailed application could be requested.
- Ensuring applications are obtainable for BFRs, including those without access to broadband.
- Regional challenges exist. BFRs in California face obstacles accessing land due to high costs that BFRs in other regions may not.
- BFRs are not all in rural areas. Urban farming is increasing in popularity, yet many of RDs programs have population restrictions. By shifting the focus of a program to helping a certain audience, such as BFRs, rather than helping people in a certain location, such a rural community, we can better support BFRs.