

# USDA RURAL DEVELOPMENT FUNDING OPPORTUNITIES

*Tinian Chamber of Commerce  
US Military Contracting Forum II  
Opportunities for the Marianas*

Tinian Dynasty Hotel  
Tony Barcinas  
USDA Rural Development

“USDA Rural Development is an Equal Opportunity  
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Complaints of discrimination should be sent to USDA,  
Director, OCR, Washington, D.C. 20250-9410



# USDA - RURAL DEVELOPMENT

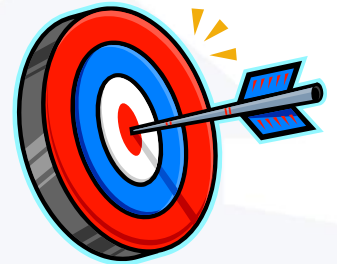
## Vision Statement:

Partners in helping the people of Rural America develop **sustainable** communities.



# USDA - RURAL DEVELOPMENT

- **Mission Statement:** Enhance the ability of rural communities **to develop, to grow** and **to improve** their **quality of life** by targeting financial and technical resources in areas of greatest need through activities of greatest potential.



# USDA Rural Development

Over 40 grant, Direct and Guaranteed loan programs to finance housing, businesses, and infrastructure in rural areas.

Program Areas:

- Rural Housing Programs
- Rural Utility Programs
- Rural Business and Cooperative Programs
- Renewable Energy Grants and Guaranteed Loans



# USDA Rural Development

- USDA Rural Development provides funding to rural communities for:
  - Housing
  - Clean water
  - Health care
  - First responder needs
  - Business & economic development
  - job creation
- We are the lead federal agency for investments in Rural America.



# USDA Investments in Hawaii/WP

	Housing Programs		Community Programs		Business Programs	
	Hawaii	Western Pacific	Hawaii	Western Pacific	Hawaii	Western Pacific
FY 2005	\$ 17,911,624	\$ 26,204,138	\$ 5,918,500	\$ 1,473,360	\$ 7,365,983	\$ 3,950,000
FY 2006	\$ 10,134,009	\$ 29,358,065	\$ 30,104,499	\$ 8,692,332	\$ 1,669,695	\$ 5,678,379
FY 2007	\$ 20,604,023	\$ 17,505,867	\$ 10,251,500	\$ 11,181,678	\$ 5,657,553	\$ 4,975,543
FY 2008	\$ 34,084,769	\$ 13,175,875	\$ 5,754,499	\$ 1,256,249	\$ 3,278,464	\$ 7,541,254
FY 2009	\$ 116,847,795	\$ 14,991,108	\$ 44,576,905	\$ 106,338,642	\$ 10,745,792	\$ 5,995,000
FY 2010	\$ 169,237,818	\$ 27,742,009	\$ 155,247,385	\$ 52,873,102	\$ 28,577,185	\$ 6,772,772
FY2011	\$ 289,045,167	\$ 9,784,474	\$ 20,079,510	\$ 134,398	\$ 5,417,129	\$ 155,688
FY2012	\$ 309,282,855	\$ 11,261,449	\$ 31,061,400	\$ 25,175,276	\$ 9,042,590	\$ 13,465,000
<b>TOTAL</b>	<b>\$ 966,410,060</b>	<b>\$ 151,022,985</b>	<b>\$ 302,994,198</b>	<b>\$ 207,125,037</b>	<b>\$ 71,754,391</b>	<b>\$ 48,533,636</b>



# Business Programs



Committed to the future of rural communities.

# Rural Business-Cooperative Service

- **Business & Industry (B&I) Guaranteed Loan**
- **Intermediary Relending Program (IRP) Loan**
- **Renewable Energy for America Program (REAP)**
  - **Grant**
  - **Guaranteed Loan**
- **Rural Microentrepreneur Assistance Program (RMAP)**
- **Rural Business Opportunity Grant (RBOG)**
- **Value-Added Producer Grant (VAPG)**
- **Small Socially Disadvantaged Producer Grant**





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

- To improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities.
- Achieved by bolstering the existing private credit structure through the guarantee of quality loans which will provide lasting community benefits.

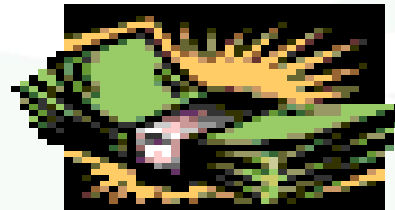


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# The Guarantee

- **80%** on loans up to **\$5 million**
- **70%** on loans up to **\$10 million**
- **60%** on loans up to **\$25 million**



# **Rural Business Opportunity Grant (RBOG)**

**Promoting economic development that is sustainable over the long term through local effort without subsidies or external support and that leads to improvements quality as well as the quantity of economic activity in the community**



# Rural Business Opportunity Grant (RBOG)

Primarily a training and technical assistance program. Funds can be used for:

- The development of export markets
- Development of long-term trade strategies
- Business training and business based technical assistance for rural entrepreneurs and business managers
- Establishment of rural business incubators



# Rural Business Opportunity Grant (RBOG)

## Past RBOG Awards

- Airai State Govt. (Palau) - \$50,000
  - Eco-tourism project
- Republic of the Marshall Islands- \$50,000
  - Technical assistance to further develop copra industry for export
- Pacific Islands Development Bank - \$50,000
  - Technical assistance in support of small business development





# Agriculture Related Programs

*Value Added Producer Grant*



*Small Socially Disadvantage Grant*



# Value Added Producer Grant

- **Grants are made to enable producers to develop businesses that produce and market value-added agricultural products. It is the policy of the Secretary of Agriculture to fund a broad diversity of projects that help increase the agricultural producers' customer base and share of the food and agricultural system profit.**
- **It is the goal of the Value-Added Producer Grants (VAPG) program of USDA Rural Development to help accelerate the pace of the transformation of the nation's agricultural economy into one focused on producer-owned, value-added businesses. Since 2001, USDA has awarded \$100 million for 584 VAPG projects**



# Value-Added Producer Grant

**DEFINITION:** Defined as the incremental value that is realized by a producer from an agriculture commodity or product as a result of:

- a change in the physical state (e.g., wheat into flour)
- differentiated production or marketing, as demonstrated in a business plan (e.g., organic tomatoes);
- product segregation (e.g., identity-preserved corn);
- production of farm- or ranch-based renewable energy (e.g., electricity generated from an anaerobic lagoon).





# Value-Added Producer Grant

## Who can apply

- Independent producers;
- Farmer or rancher cooperatives;
- Agricultural producer groups;
- Majority-controlled producer-based business ventures

# Value-Added Producer Grant

## Eligible Purposes

- **Planning** activities for processing and marketing value-added agricultural products
  - Feasibility studies
  - Business plans
- **Working capital** expenses for processing and marketing value-added agricultural products
  - including inventory
  - Salaries
  - office supplies.

# Value-Added Producer Grant

- **Grants for up to \$300,000**
  - **Maximum Amt:**
  - **\$300,00 for working capital grants**
  - **\$100,000 for planning grants**
- **Requires a 50% match**



# Small Socially Disadvantaged Producer Grant Program (SSDPG)

## PRIMARY PURPOSE:

To provide technical assistance to small, socially-disadvantaged agricultural producers through eligible cooperatives and associations of cooperatives.

# Small Socially Disadvantaged Producer Grant Program (SSDPG)

## **USE OF GRANT**

Funds may only be used for technical assistance which is defined as follows:

- An advisory service performed for the benefit of a small, socially-disadvantaged producer
  - market research
  - product and/or service improvement
  - legal advice and assistance
  - feasibility study
  - business plan
  - market plan development and training.



# Small Socially Disadvantaged Producer Grant Program (SSDPG)

- Maximum award per grant is \$200,000
- **No matching funds required**
- Application Guide/Template can be found at:  
<http://www.rurdev.usda.gov/HI-Home.html>



# Renewal Energy For America Program (REAP)

**Rural Energy for America Program or REAP** provides for loan guarantees and/or grants to farmers, ranchers and rural small businesses to purchase renewable energy systems and to make energy efficiency improvements

**Renewable energy - Energy derived from a wind, solar, biomass, or geothermal source; or hydrogen derived from biomass or water using wind, solar, biomass, or geothermal energy sources and Flex Fuel Pumps.**



# REAP - Two Components

GRANTS	Renewal Energy Projects	Energy Efficiency Improvements
Minimum Grant (no more than 25% of total eligible cost)	\$ 2,500	\$ 1,500
Maximum grant ( <i>no more than 25% of total eligible project costs</i> )	\$500,000	\$250,000
LOANS		
Minimum guaranteed loan ( <i>no more than 75% of total eligible project costs</i> )	\$5,000	\$5,000
Maximum guaranteed loan ( <i>no more than 75% of total eligible project costs</i> )	\$25,000,000	\$25,000,000





# REAP- LOAN GUARANTY

Maximum percentage of guarantee (applies to whole loan):

- 85% for loan of \$600,000 or less
- 80% for loans greater than \$600,000 but \$5 Million or less
- 70% for loans greater than \$5 Million up to \$10 million
- 60% for loans greater than \$10 Million up to \$25 million



# Eligible Projects

- Be for the purchase of a renewable energy system or to make energy efficiency improvements
- Be for a pre-commercial or commercially available and replicable technology
- Have technical merit
- Be located in a rural area



Pacific Solar & Photovoltaics

# Who Is Eligible

An agricultural producer (individual or entity) directly engaged in the production of agricultural products and obtains at least 50% or greater of their gross income from their agriculture business, OR

A private entity including a **sole proprietorship**, **partnership**, **corporation**, and a cooperative (including a cooperative qualified under section 501(c) (12) of the Internal Revenue Code.



# Who is Eligible?

- Small Business – Must meet Small Business Administration (SBA) small business size standards, either:
  - A private entity including a sole proprietorship, partnership, corporation, cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code), or
  - An electric utility that provides service to rural consumers on a cost-of-service basis. Must be independent of government control or public funds.
  - [www.sba.gov/size/indextableofsize.html](http://www.sba.gov/size/indextableofsize.html)
  - Non-profits are excluded.



# Eligible Project Costs

- Post-application construction or project improvements, except residential;
- Energy audits or assessments;
- Permit fees;
- Professional service fees, except for application preparation;
- Feasibility studies (Note: Feasibility Studies and Business Plans can be a stand-alone application);
- Business plans;
- Retrofitting; and
- Construction of a new facility only when the facility is used for the same purpose, is approximately the same size, and based on the energy audit will provide more energy savings than improving an existing facility. Only costs identified in the energy audit for energy efficiency projects are allowed



# Obtaining Federal Assistance

Two key steps **PRIOR** to applying for federal assistance:

- **DUNS Number**
  - <http://www.dnb.com>
- **Central Contractor Registration (CCR)**
  - <https://www.sam.gov/portal/public/SAM/>





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of rural communities.

## **USDA Rural Development**

**Area II Office**

**FHB Building, Suite 303**

**400 Route 8**

**Hagatna, GU 96910**

**Phone: 472-7361**

Joseph M. Diego, Area Director – [joseph.diego@pb.usda.gov](mailto:joseph.diego@pb.usda.gov)

Tony Barcinas, Business Programs – [anthony.barcinas@pb.usda.gov](mailto:anthony.barcinas@pb.usda.gov)

Bernie Balajadia, Community Programs – [bernadette.balajadia@pb.usda.gov](mailto:bernadette.balajadia@pb.usda.gov)

**Web Site:** <http://www.rurdev.usda.gov/rhs/>



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The Rural Housing Service is an Equal Opportunity Lender and its programs are operated on an equal opportunity basis. Complaints of discrimination may be filed with the Secretary of Agriculture, Washington, D.C. 20250



# NOTICE TO HISPANIC AND/OR WOMAN FARMERS AND RANCHERS

## COMPENSATION FOR CLAIMS OF DISCRIMINATION

If you believe that the United State Department of Agriculture (USDA) improperly denied farm benefits to you between 1981 and 2000 because you are Hispanic or because you are a female, you may be eligible to apply for compensation. This Means you may be eligible if:





# NOTICE TO HISPANIC AND/OR WOMAN FARMERS AND RANCHERS

1. You sought a farm loan or farm-loan servicing during that period;
2. The loan was denied, provided late, approved for a lesser amount than requested, approved with restrictive conditions, or USDA failed to provided an appropriate loan service; and
3. You believe these actions were based on your being Hispanic or your being female.



# **NOTICE TO HISPANIC AND/OR WOMAN FARMERS AND RANCHERS**

**If you want to register your name to receive a claims package, access the Hispanic and woman Farmer and Rancher Call Center or website:**

**Call Center: 1-888-508-4429**

**Website: [www.farmerclaims.gov](http://www.farmerclaims.gov)**



# Question/Comments

