

■ How RECD Works

The following examples illustrate the many ways in which RECD is working to create or preserve jobs and to enhance the quality of life in rural areas:

- In Frisco City, AL, more than 250 workers lost their jobs when fire destroyed a garment factory. The owners decided not to rebuild the plant, dealing a potentially crippling blow to a rural community where the plant was the largest employer. However, the local power cooperative secured a zero-interest loan from RECD's Rural Utilities Service, which it used to attract a medical garment factory to town, creating 210 new jobs with a possibility of 200 more jobs to be added later.

- In Wahpeton, ND, wheat straw—until now a virtually worthless postharvest crop residue, much of which is burned in the field—is instead being processed into particleboard suitable for most construction uses. This is occurring thanks to an \$8.8 million Guaranteed Business and Industry Loan secured from the Rural Business and Cooperative Development Service of USDA/RECD. Some 100 million acres of wheat straw are produced each year in the Great Plains, so a new, commercial technology that will turn this scrap material into a value-added product could have an enormous impact on the region’s economy.
- In the Big Bend region of Texas, a husband bade farewell to his wife and daughters as he headed north for 6 months of harvesting crops across the Western United States. He dreamed of the day when there would be jobs in his own village that would enable him to support his family without this annual separation. That dream is on the verge of reality, as a local farmers’ cooperative prepares to open its own dairy goat cheese plant. The new facility was made possible in large part by technical assistance from a Cooperative Services advisor and a Business and Industry grant, both programs of USDA’s Rural Business and Cooperative Development Service.
- The last doctor serving 11 communities in a rural area of Massachusetts retired, creating a medical-care crisis. Without a new medical clinic, the area could not attract a new doctor. A modern clinic was built with funding provided through RECD’s Rural Housing and Community Development Service, enabling community leaders to recruit several doctors.
- Despite a good payment record by the borrower, an out-of-State bank decided that seasonal operations were “too risky” and called due the loan of a Christmas decoration manufacturing plant in rural Maine. The plant manager was forced to lay off his entire work force of 30 people just before Christmas, but vowed to open again and rehire them. He did so thanks to a loan guarantee provided through the Business and Industry Guaranteed Loan Program of RECD’s Rural Business and Cooperative Development Service.
- In Bristol Bay, AK, children from several isolated villages had to be flown to school daily. Using technology grants from the Rural Utilities Service, Bristol is in the process of establishing a distance-learning link which will allow students to participate in classes without the daily flight to school.
- In central Mississippi, dozens of substandard residences lack running water and sewer service. With a grant from USDA’s Rural Housing and Community Development Service, new, quality housing units are being built with clear, running water and sewer service.

RECD programs are administered through three Agencies: the Rural Utilities Service (RUS), the Rural Business and Cooperative Development Service (RBCDS), and the Rural Housing and Community Development Service (RHCDS). RECD programs and services are provided through 47 State offices, 250 district offices, and more than 1,700 county offices. A finance office in St. Louis, MO, handles financial, statistical, and management information activities.

The following overviews describe these three Agencies and their main programs.