

## ■ How Rural Development Works

The following examples illustrate ways in which Rural Development agencies are working to serve rural citizens and bolster the quality of life in rural communities:

- In Woodland, CA, a plastic bag manufacturing plant which employed 180 workers closed down. With the help of financing secured under the RBS Business and Industry Loan Guarantee program, the plant was able to reopen under new ownership and rehire many of the workers who lost their jobs. The town's mayor says the reopening of the plant symbolizes what can happen when private industry and Government work as partners.
- In Indianola, MS, residents are fulfilling their dreams of homeownership by participating in the RHS Self-Help Housing program. Participants learn basic construction skills which enable them to invest "sweat equity" to cover the down payment on their own homes. In this way, the program has helped about 25,000 low-income families acquire homes. In Coahoma (population 390), another Mississippi Delta town, USDA/RHS secured funding for a multi-family elderly rental project, the area's first Federal assistance for housing in more than 50 years.
- In East Prairie, MO, the unemployment rate has decreased from 10.3 to 6.7 percent thanks to economic stimulus programs made possible by its inclusion in the Rural Empowerment Zones/Enterprise Communities (EZ/EC) program of USDA. The dramatic decrease is due to the establishment of a plant that employs 161 people to manufacture small motors. The EZ/EC program made it possible to renovate the plant and nearby access roads.
- In Villa Ridge, IL, residents have always obtained drinking water by gathering rain water in a cistern or by buying costly bottled water. Under the Water 2000 program of RUS, they are being supplied with a community water system that will bring safe, clean drinking water into their homes.
- In Frisco City, AL, more than 250 workers lost their jobs when fire destroyed a garment factory. The local electrical cooperative obtained an interest-free loan from RUS, 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 Zeeland, MI, an \$8 million loan guarantee from RBS is financing construction and purchase of machinery and equipment for a new soybean processing plant. The new plant is expected to add 25 new employees and expand the facilities of Zeeland Farm Services, giving it the capacity to process about 50 percent of the soybeans grown within an 80-mile area of the plant. It will also provide the region with a soybean meal processing facility to help meet the needs of the rapidly expanding poultry and livestock industries of western Michigan.
- In Chico, CA, a small pinto bean-marketing cooperative was suffering from declining membership and changing market conditions. RBS staff members led management of Chico Bean Growers through an extensive strategic planning process. The co-op then launched a new business to serve a growing fertilizer market while continuing to process pinto beans. The cooperative has returned to profitability and has a bright future.

- In New Mexico, the nonprofit Tierra del Sol Corporation used \$530,000 in RHS self-help funds and \$3.8 million in 502 direct homeownership funds, together with more than \$1.1 million in private funding, to make homeownership possible for families earning about \$9,200 annually. This helped to stabilize the community by providing jobs (which the project created) and an increased tax base.
- A medical crisis was created when the last doctor serving 11 communities in a rural area of Massachusetts retired. A modern clinic was built with funding provided by RHS, enabling community leaders to recruit several doctors. This would not have been possible without the new clinic.
- In the Bristol Bay area of Alaska, children from several isolated villages had to be flown to school daily. Using technology grants from RUS, Bristol is establishing a distance-learning link which will allow students to participate in classes without the daily flight to school.

The following overviews describe the three Rural Development Agencies and their main programs.