

# RURAL OPPORTUNITY INVESTMENT INITIATIVE

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## Strengthening Rural Communities Through Partnership and Investment

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Ag Outlook Forum

February 26, 2016



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*USDA and other agencies invest in infrastructure through a variety of federal initiatives, but our resources are finite and there are backlogs of projects in many parts of the economy. Efforts like the Fund help encourage substantial private investment in even more projects that help to grow the rural economy and support rural communities where people want to live, work and raise their families.*

*- Secretary Vilsack*

# USDA is more than just agriculture

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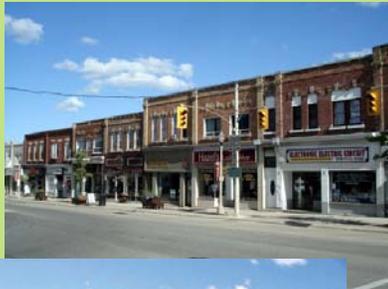
# USDA has a broad mandate to create opportunities and options for rural Americans

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# The Current State of Rural America

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- Rural America is more economically diverse than agriculture.
- Agricultural sector is highly productive and internationally competitive.
- Labor force is aging and its educational attainment lags urban areas.
- Health status and access have also not kept pace with urban areas.

In fact, USDA has \$214 billion invested in rural development projects, including...

Program	Portfolio	Number of Loans/Guarantees
Single-family housing	\$127 B	1.2 million
Multi-family housing	\$12 B	25k
Community facilities	\$7 B	7k
Water infrastructure	\$13 B	16k
Electric and broadband	\$48 B	4k
Rural businesses	\$7 B	5k

# Ag Tech Funding

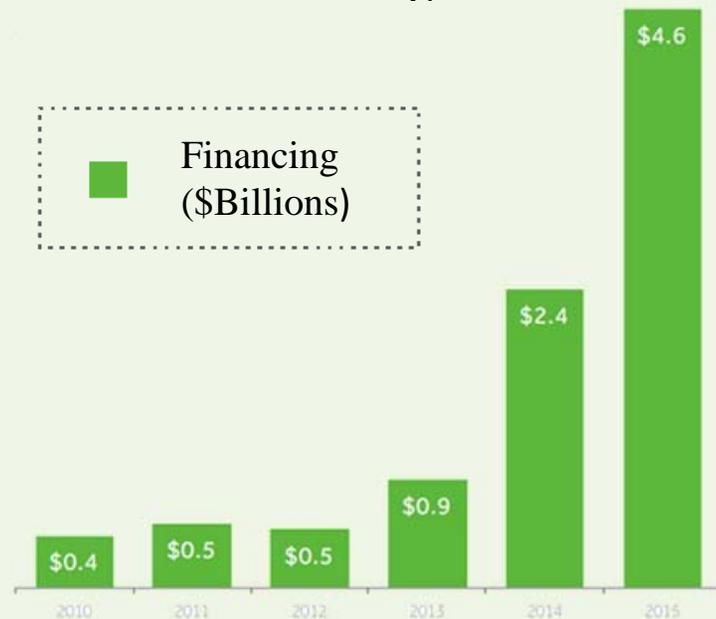
## 2015 Ag Tech Investing Overview

**\$4.6B** Invested

**526** Deals

**672** Investors

## Annual Financing 2010-2015<sup>1</sup>



1. Ag Funder Ag Tech Funding Report 2015: Year in Review

# How does USDA promote the development of rural communities?

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- Sources, develops, and pilots new partnerships, alliances, and collaborations between USDA and external organizations.
- Promotes the competitiveness of rural areas, leverages place-based assets, and recruits new investors.
- Identifies rural projects that could be potential beneficiaries.

# Target Investments

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- Local, regional, and organic food systems
- Rural water and wastewater systems
- Energy projects
- Broadband expansion
- Hospitals
- Schools and other educational facilities
- Other rural infrastructure



# USDA has helped enhance rural communities with the Rural Infrastructure Opportunity Fund

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A \$10 billion commitment from CoBank launched the Fund that works to enhance access to capital for rural infrastructure projects.



## Rural Business Investment Company (RBIC)

USDA has licensed one \$154 million RBIC, conditionally licensed two additional RBICs, and several more are in the pipeline.

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RBIC Investments to date: \$35 million total



# White House Rural Council

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## Rural Opportunity Investment Conferences

2014: Focus on debt investments

2015: Focus on building equity

2016: Focus on impact investing



# Build America Investment Initiative

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- White House initiative launched in 2014
- Aims to:
  - Expand the market for public-private partnerships (PPPs).
  - Put federal credit programs to greater use.
  - Capitalize on \$83 trillion in the global investment community for funding the building of the U.S. public-private infrastructure.

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