

2010 Explanatory Notes  
Rural Business-Cooperative Service

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## RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

### Purpose Statement

USDA Rural Development's Business and Cooperative Programs provides loans, loan guarantees and grants designed to increase economic opportunity in rural America. Business opportunities vary widely from one community to another, and various types of businesses are eligible for some level of support.

### Authorization and Program Descriptions

Business and Industry Guaranteed Loan Program (B&I) - Section. 310B of CONACT, 7 U.S.C 1921. Access to capital is key to keeping and increasing the number and size of businesses operating in rural areas. An agency guarantee facilitates large loans where banking regulations on concentration of credit and lending limits can make the large loans difficult. These guaranteed loans can be sold to investors or others can participate in the funding of the guaranteed loan further stimulating capital formation and offering rural banks opportunities to increase income and replenish capital. The guaranteed loan program supports financing for business and industrial acquisition, construction, conversion, enlargement, repair or modernization outside a town or city with a population of less than 50,000, including the urbanized area adjacent and contiguous to such town or city. Loan funds are used to finance the purchase and development of land, easements, rights-of-way, buildings, equipment, facilities, machinery, supplies and materials, and fund to pay startup costs and supply working capital. Individuals, as well as public, private, or cooperative organizations, Indian tribes, and corporations are eligible. The loan guarantee percentage drops from a maximum of 80 percent for loans of up to \$5 million to 60 percent for loans between \$10 million and \$40 million. The aggregate loan amount available to any one borrower under this program is limited to \$25 million. An exception to the limit is for cooperative organizations when the facility is located in a rural area and the facility provides value added processing of an agricultural commodity. The maximum amount in such cases is \$40 million.

Intermediary Relending Program (IRP) - Section 1323, Food Security Act of 1985. Revolving loan programs, such as the IRP, address the lack of available credit and financial market conditions which exist in many rural communities, especially for smaller entities, service businesses and start-up activities. These conditions often limit the ability of rural economies to create jobs, enhance amenities, and increase incomes to enable rural families to prosper.

Rural Economic Development Loans and Grants (REDLG) - Section 313 RE Act of 1936, as amended, 7 U.S.C. 940C. This program provides zero-interest loans and small grants to electric and telephone utilities financed by the Rural Development's Utilities Programs, which, in turn, use the funding to promote sustainable rural economic development and job creation projects and to capitalize revolving loan funds for economic development and job creation purposes.

Rural Business Investment Program (RBIP) – Section 6029 of the 2002 Farm Bill, P.L. 107-171. RBIP is designed to promote economic development and create wealth, job opportunities and meet the equity capital needs of smaller enterprises in rural areas. As required by statute, day-to-day management and operation of the rural business investment program is carried out by the Small Business Administration through an interagency agreement.

Rural Energy for America - Section 9007 of the 2002 Farm Bill, P.L. 107-171 as amended by the 2008 Farm Bill, P.L. 110-246. Section 9006 loan and grant programs help farmers, ranchers and rural small businesses purchase and install renewable energy systems and make energy efficiency improvements. Renewable energy projects benefit agricultural producers and rural small businesses with new and sustainable, income streams; reduced reliance on fossil fuels; and an improved environment. Energy efficiency projects also reduce the cost of production and business operations. Grants may also be used for energy audits.

Rural Cooperative Development Grants (RCDG) - Authorized by section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932 (e)). Regulations are found in 7 CFR part 4284, subparts A and F. RCDGs improve the economic condition of rural areas by promoting a range of cooperative development activities. Grants are made to nonprofit corporations and institutions of higher education to operate centers for cooperative development. The centers address rural economic problems in two ways. First, a center brings together expertise in cooperative development and cooperative business operations that would otherwise be more difficult to obtain. Second, these experts in cooperative development facilitate new cooperative businesses and improve the operations of existing cooperatives through technical assistance and educational programs. Consequently, rural cooperative development grants promote the creation or retention of jobs in rural areas through the development of new rural cooperatives, value-added processing and other rural businesses.

Value-Added Agricultural Market Development Grant Program (VAPG) - Authorized by the Agricultural Risk Protection Act of 2000 and amended by Sections 6401 and 6402 of the Farm Security and Rural Investment Act of 2002, (Farm Bill) P.L. 107-171 and the 2008 Farm Bill. Value-added agricultural market development grants enables producers of agricultural commodities to participate in the economic returns found in the value-added market. Grants may be used to develop business plans and develop strategies for creating marketing opportunities. Grants may also be used for feasibility studies and to provide capital to establish alliances or business ventures allowing producers to better compete in domestic and international markets.

Small Minority Producer Grants (SMPG) - Authorized and appropriated by P.L. 109-97. Grants to assist small, minority agricultural producers in rural areas provides funding for cooperatives or associations of cooperatives whose primary focus is to provide assistance to such producers, and whose governing board and/or membership is comprised of at least 75 percent socially disadvantaged members. Grants may be used for developing business plans, conducting feasibility studies, or developing marketing plans for farmers, ranchers, loggers, agricultural harvesters and fishermen.

Cooperative Agreements for Research - Authorized by the Cooperative Marketing Act of 1926, (7 U.S.C. 453). Cooperative agreements are used to encourage research on critical issues vital to the development and sustainability of cooperatives as a means of improving the quality of life in America's rural communities. Research proposals are solicited from institutions of higher education or nonprofit organizations interested in applying for competitively awarded cooperative agreements for research related to agricultural and nonagricultural cooperatives serving rural communities.

Cooperative Education and Research Program - Authorized by the Cooperative Marketing Act of 1926, (7 U.S.C. 453). The cooperative program conducts applied research on practical issues and problems facing cooperatives and disseminates information to farmers and the general public on dealing with these issues. A range of educational activities and materials are developed to increase public awareness of cooperative strategies that can increase rural economic activity. Research findings are disseminated through a range of publications, such as the Rural Cooperatives magazine, the Internet, and participation in a variety of research and professional organization events.

Technical Assistance to Cooperatives Program - Authorized by the Cooperative Marketing Act of 1926, (7 U.S.C. 453). The cooperative program is authorized to provide advice and assistance to existing cooperatives and groups of farmers contemplating the formation of cooperatives. Technical assistance is provided through a network of staff at the national and State offices. Technical assistance studies are provided at the request of a cooperative or steering committee on a no fee basis and may cover a range of business operational, organizational, financial, or developmental topics and problems. Resources to support these important activities are provided from the general salaries and expense account appropriated to Rural Development.

Appropriate Technology Transfer for Rural Areas (ATTRA) Program - Authorized by P.L 104-37. The appropriate technology transfer for rural areas program provides information to farmers and other rural users on a variety of sustainable agricultural practices that include both cropping and livestock operations. The program encourages agricultural producers to adopt sustainable agricultural practices, which allow for them to maintain or improve profits, produce high quality food and reduce adverse impacts to the environment.

Rural Microenterprise Assistance Program (RMAP) - Authorized under Section 6022, of the Conservation and Energy Act of 2008. The purpose of the program is to provide microentrepreneurs with the skills necessary to establish new rural microenterprises and continuing technical and financial assistance related to the successful operation of rural microenterprises.

Biorefinery Assistance Program – Authorized under Section 9003, of the Food, Conservation, and Energy Act of 2008. The purpose of the section is to assist in the development of new and emerging technologies for the development of advanced biofuels. The program will increase energy independence, promote resource conservation, diversify markets for agricultural and forestry products, create jobs, and enhance economic development in rural economies.

The Bioenergy Program For Advanced Biofuels - Authorized under Section 9005, of the Food, Conservation, and Energy Act of 2008 the program directs the Secretary of Agriculture to make payments to eligible producers to support and ensure an expanding production of advanced biofuels. Advanced biofuels are defined as “fuel derived from renewable biomass other than corn kernel starch” in the 2008 Farm Bill. To receive a payment, an eligible producer shall enter into a contract with the Secretary of Agriculture for production of advanced biofuels.

#### Geographic dispersion of offices and employees

Rural Development programs are administered by the three programs representing Rural Development: Housing and Community Facilities, Utilities, Business and Cooperative Development. Rural Development headquarters is located in Washington, D.C. As of September 30, 2008, there were 5,771 permanent full-time employees, including 1,604 in the headquarters office and 4,411 in field offices.

#### OIG Reports

OIG Audit Report No. 34099-002-AT, Business And Industry Loan Program, Omnivest Resources, Inc., Fort Gaines, Georgia (Open).

OIG Audit Report 34099-007-TE Request for Audit of Business and Industry Guaranteed Lender, Business Loan Express (Open).

OIG Audit Report 34601-006-AT Rural Business Programs Intermediary Relending Program (Closed).

OIG Audit Report No. 34601-015-TE, National Report On The B&I Loan Program (Open).

#### GAO Reports

GAO Audit Report No. 08-1123 Collaboration between SBA and USDA Could be Improved (Open).

GAO Audit Report No. 07-1005 Economic Development: Formal Monitoring Approaches Needed to Help Ensure Compliance with Restrictions (Open).

## RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Business Program Account (including transfer of funds)

For the cost of loan guarantees and grants, for the rural business development programs authorized by sections 306 and 310B and described in section 310B(f) and 381E(d)(3) of the Consolidated Farm and Rural Development Act, [~~\$87,385,000~~]\$97,116,000, to remain available until expended: *Provided*, That of the amount appropriated under this heading, not to exceed \$500,000 shall be made available for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development and \$2,979,000 shall be for grants to the Delta Regional Authority (7 U.S.C. 1921 et seq.) for any Rural Community Advancement Program purpose as described in section 381E(d) of the Consolidated Farm and Rural Development Act, of which not more than 5 percent may be used for administrative expenses: *Provided further*, That \$4,000,000 of the amount appropriated under this heading shall be for business grants to benefit Federally Recognized Native American Tribes, including \$250,000 for a grant to a qualified national organization to provide technical assistance for rural transportation in order to promote economic development: *Provided further*, That not to exceed \$8,300,000 of the amount appropriated under this heading shall be available through June 30, [~~2009~~]2010, for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones for the rural business and cooperative development programs described in section 381E(d)(3) of the Consolidated Farm and Rural Development Act: *Provided further*, That section 381E-H and 381N of the Consolidated Farm and Rural Development Act are not applicable to funds made available under this heading: *Provided further*, That any prior balances in the Rural Development, Rural Community Advancement Program account for programs authorized by sections 306 and 310B and described in section 310B(f) and 381E(d)(3) of such Act be transferred and merged with this account and any other prior balances from the Rural Development, Rural Community Advancement Program account that the Secretary determines is appropriate to transfer.

This change modifies the expiration date of set-aside funds for empowerment zones and enterprise communities from June 30, 2009, to June 30, 2010.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL BUSINESS PROGRAM ACCOUNT

(On basis of loan level, subsidy, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2009.....	\$993,011,495	\$43,196,000	\$44,189,000
Budget Estimates, 2010.....	<u>993,002,000</u>	<u>52,927,000</u>	<u>44,189,000</u>
Increase or decrease in Appropriations.....	<u>-9,495</u>	<u>9,731,000</u>	<u>0</u>

**PROJECT STATEMENT**

(On basis of supportable loan levels and appropriated subsidies and grants)

(In thousands of dollars)

Item of Change	2008 Actual		2009 Estimated		Increase or Decrease		2010 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
<b>Rural Business Programs:</b>								
Business and industry guaranteed loans.....	\$1,390,532	\$60,071	\$993,011	\$43,196	-\$9	\$9,731	\$993,002	\$52,927
Business and industry guaranteed disaster supplemental loans <u>a/</u> .....	0	0	0	0	0	0	0	0
Business and industry guaranteed NADBank loans <u>b/</u> .....	0	0	0	0	0	0	0	0
Rural business enterprise grants.....	50,658	50,658	35,217	35,217	0	0	35,217	35,217
Rural business enterprise grants, technical assistance transportation.....	493	493	500	500	0	0	500	500
Rural business enterprise grants, Mississippi delta.....	0	0	0	0	0	0	0	0
Rural business enterprise grants, native American tribes.....	3,213	3,213	2,760	2,760	0	0	2,760	2,760
Rural business enterprise grants, native American tribes transportation.....	248	248	250	250	0	0	250	250
Rural business enterprise grants disaster <u>c/</u> .....	2,000	2,000	0	0	0	0	0	0
Rural business opportunity grants.....	1,861	1,861	1,493	1,493	0	0	1,493	1,493
Rural business opportunity grants, native American Tribes.....	1,081	1,081	990	990	0	0	990	990
Rural business opportunity grants Mississippi delta.....	0	0	0	0	0	0	0	0
Delta regional authority.....	3,144	3,144	2,979	2,979	0	0	2,979	2,979
Special Earmark.....	0	0	0	0	0	0	0	0
<b>Total Available or Estimate.....</b>	<b>1,453,230</b>	<b>122,769</b>	<b>1,037,200</b>	<b>87,385</b>	<b>-9 (1)</b>	<b>9,731 (2)</b>	<b>1,037,191</b>	<b>97,116</b>
Recovery of prior year obligations.....	-77,797	-15,972	0	0	0	0	0	0
Unobligated balance available, start of year.....	-477,799	-28,274	0	0	0	0	0	0
Unobligated balance available, end of year.....	139,554	8,563	0	0	0	0	0	0
Rescission <u>d/</u> .....	7,311	614	0	0	0	0	0	0
<b>Total Appropriation.....</b>	<b>1,044,500</b>	<b>87,700</b>	<b>1,037,200</b>	<b>87,385</b>	<b>-9</b>	<b>9,731</b>	<b>1,037,191</b>	<b>97,116</b>

NOTE: Amounts reflected above are budget projections of use of funds within the Rural Business Program Account. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

**PROJECT STATEMENT**  
 (On basis of obligations under available funds)  
 (In thousands of dollars)

Item of Change	2008 Actual		2009 Estimated		Increase or Decrease		2010 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
<b>Rural Business Programs:</b>								
Business and industry guaranteed loans.....	\$1,390,532	\$60,071	\$1,134,479	\$49,350	-\$141,477	\$3,577	\$993,002	\$52,927
Business and industry guaranteed loans - ARRA <i>e/</i> .....	0	0	2,898,851	126,100	-2,898,851	-126,100	0	0
Business and industry guaranteed disaster supplemental loans <i>a/</i> .....	0	0	445,977	19,400	-445,977	-19,400	0	0
B&I guaranteed NADBank loans <i>a/</i> .....	0	0	0	351	0	-351	0	0
Rural business enterprise grants.....	50,658	50,658	36,085	36,085	-868	-868	35,217	35,217
Rural business enterprise grants - ARRA <i>e/</i> .....	0	0	19,400	19,400	-19,400	-19,400	0	0
Rural business enterprise grants, technical assistance transportation.....	493	493	502	502	-2	-2	500	500
Rural business enterprise grants, Mississippi delta.....	0	0	299	299	-299	-299	0	0
Rural business enterprise grants, native American tribes.....	3,213	3,213	3,452	3,452	-692	-692	2,760	2,760
Rural business enterprise grants, native American tribes transportation.....	248	248	250	250	0	0	250	250
Rural business enterprise grants disaster <i>a/c/</i> .....	2,000	2,000	4,950	4,950	-4,950	-4,950	0	0
Rural business opportunity grants.....	1,861	1,861	1,650	1,650	-157	-157	1,493	1,493
Rural business opportunity grants, native American Tribes.....	1,081	1,081	995	995	-5	-5	990	990
Rural business opportunity grants Mississippi delta.....	0	0	32	32	-32	-32	0	0
Delta regional authority.....	3,144	3,144	2,979	2,979	0	0	2,979	2,979
Special Earmark.....	0	0	1	1	-1	-1	0	0
<b>Total Available or Estimate.....</b>	<b>1,453,230</b>	<b>122,769</b>	<b>4,549,905</b>	<b>265,798</b>	<b>-3,512,713</b>	<b>-168,682</b>	<b>1,037,191</b>	<b>97,116</b>
Total administrative expenses - ARRA <i>f/</i> .....	0	0	0	4,500	0	-4,500	0	0
Total administrative expenses - 2008 Disasters <i>e/</i> .....	0	0	0	750	0	-750	0	0
Transfer of unobligated balances.....	0	0	-450,927	-25,100	450,927	25,100	0	0
Recovery of prior year obligations.....	-77,797	-15,972	0	0	0	0	0	0
Unobligated balance available, start of year.....	-477,799	-28,274	-143,526	-8,563	143,526	8,563	0	0
Unobligated balance available, end of year.....	139,554	8,563	0	0	0	0	0	0
ARRA Appropriation <i>e/</i> .....	0	0	-2,918,251	-150,000	2,918,251	150,000	0	0
Rescission <i>c/</i> .....	7,311	614	0	0	0	0	0	0
<b>Total Appropriation.....</b>	<b>1,044,500</b>	<b>87,700</b>	<b>1,037,200</b>	<b>87,385</b>	<b>-9</b>	<b>9,731</b>	<b>1,037,191</b>	<b>97,116</b>

NOTE: Amounts reflected above are budget projections of use of funds within the Rural Business Program Account. The justification of increases and decreases is based on the projected use of funds. Individual columns may not add due to rounding.

## Project Statement Footnotes:

- a/ Transfers from the Rural Development Disaster Assistance Fund provided by the Consolidated Security, Disaster Assistance, and Continuing Appropriations Act, 2009, P.L. 110-329, signed September 30, 2008, for disasters during calendar year 2008 in the amount of \$150 million.
- b/ The North American Free Trade Agreement Implementation Act, P.L. 103-182, 107 Stat. 2057, authorizes the Rural Business-Cooperative Service to accept offsetting collections from the United States Commodity Adjustment and Investment Program for the purpose of making NADBank guaranteed business and industry loans. In FY 2009, an unobligated carryover balance of \$351,233.36 was available for this purpose. The FY 2009 loan subsidy rate is 10.36 percent.
- c/ Provided by the U.S. Troop Readiness, Veterans' Care, Katrina Recovery, and Iraq Accountability Appropriations Act, 2007, P.L. 110-28, signed May 25, 2007, for areas in Kansas hit by the tornadoes on May 6, 2007, and unobligated balances in the amount of \$100,000 from the funds provided in P.L. 110-28 transferred to rural business enterprise grants in FY 2009.
- d/ The amounts are rescinded pursuant to Section 752 of Division A, Title VII, of P.L. 110-161.
- e/ Provided by the American Recovery and Reinvestment Act of 2009, P.L. 111-5, signed February 17, 2009, for the purpose of making supplemental appropriations for job preservation and creation, infrastructure investment, energy efficiency and science, assistance to the unemployed, and State and local fiscal stabilization. The funds are available through the fiscal year ending September 30, 2010.

JUSTIFICATION OF INCREASE AND DECREASE

- (1) A decrease of \$9,495 for the guaranteed business and industry loan level (\$993,011,495 available in 2009).

This decrease is due to rounding and a change in the subsidy rate for the program. Rural Development utilizes these funds to assist in strengthening the business and industry program in rural areas.

- (1) An increase of \$9,731,000 for guaranteed business and industry loan subsidy (\$43,196,000 available in 2009).

The requested subsidy amount will maintain an estimated loan level for FY 2010 at \$993 million, the same as the FY 2009 level. The change is due to an increase in subsidy rate in FY 2010.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Business and Industry Loan Program - Guaranteed

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Alabama	\$7,252,230	\$24,180,180	\$21,272,000
Alaska	27,114,050	8,158,920	6,707,000
Arizona	20,144,830	14,451,390	12,428,000
Arkansas	--	18,020,710	15,672,000
California	203,102,567	24,967,210	21,987,000
Colorado	13,009,275	12,053,190	10,247,000
Connecticut	18,960,000	8,153,040	6,702,000
Delaware	4,240,826	6,585,650	5,277,000
Florida	26,931,963	24,230,650	21,317,000
Georgia	14,050,801	30,128,980	26,680,000
Hawaii	1,078,400	6,854,870	5,521,000
Idaho	35,821,997	10,220,800	8,582,000
Illinois	38,134,600	20,500,690	17,927,000
Indiana	16,090,000	20,997,830	18,379,000
Iowa	134,066,616	14,801,430	12,746,000
Kansas	754,500	11,794,140	10,012,000
Kentucky	9,478,500	25,395,370	22,377,000
Louisiana	51,793,050	18,459,670	16,072,000
Maine	3,205,000	11,891,950	10,101,000
Maryland	6,300,000	10,259,850	8,617,000
Massachusetts	3,999,000	8,531,910	7,046,000
Michigan	18,063,388	29,502,060	26,110,000
Minnesota	38,434,450	17,988,060	15,643,000
Mississippi	1,260,000	22,740,220	19,963,000
Missouri	40,744,000	21,267,050	18,624,000
Montana	19,824,650	9,793,890	8,194,000
Nebraska	14,532,220	9,489,680	7,917,000
Nevada	11,303,000	7,345,950	5,968,000
New Hampshire	4,176,360	8,790,530	7,281,000
New Jersey	3,800,000	8,778,580	7,271,000
New Mexico	21,902,900	11,931,830	10,137,000
New York	22,045,000	24,159,100	21,252,000
North Carolina	52,029,000	32,840,650	29,145,000
North Dakota	18,980,560	7,710,680	6,300,000
Ohio	48,662,000	28,966,460	25,623,000
Oklahoma	75,954,885	17,054,620	14,794,000
Oregon	61,561,125	12,823,070	10,947,000
Pennsylvania	22,761,750	27,418,290	24,216,000
Rhode Island	--	5,666,550	4,441,000
South Carolina	27,282,000	21,907,480	19,206,000
South Dakota	14,123,160	8,695,220	7,195,000
Tennessee	63,769,923	26,533,620	23,411,000
Texas	34,485,200	32,840,650	29,145,000
Utah	13,036,328	7,979,720	6,544,000
Vermont	12,581,000	8,407,840	6,934,000
Virginia	13,346,420	21,129,570	18,499,000
Washington	14,354,100	15,720,840	13,582,000
West Virginia	17,753,000	16,611,090	14,391,000
Wisconsin	48,230,071	19,262,170	16,801,000
Wyoming	10,373,900	7,059,040	5,707,000
Puerto Rico	308,000	13,008,080	11,115,000
Virgin Islands	3,250,000	5,000,000	3,835,000
W. Pacific Areas	6,075,000	5,000,000	3,835,000
Undistributed	--	290,418,477	263,307,000
Total Avail./Est.	<u>\$1,390,531,595</u>	<u>\$1,134,479,497</u>	<u>\$993,002,000</u>

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Business and Industry Loan Program - Guaranteed  
Stimulus

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Alabama	--	\$81,516,760	--
Alaska	--	15,205,650	--
Arizona	--	36,204,780	--
Arkansas	--	55,345,720	--
California	--	79,978,280	--
Colorado	--	29,007,030	--
Connecticut	--	15,811,170	--
Delaware	--	10,741,990	--
Florida	--	66,609,070	--
Georgia	--	101,075,200	--
Hawaii	--	12,514,880	--
Idaho	--	23,586,870	--
Illinois	--	63,792,300	--
Indiana	--	65,065,590	--
Iowa	--	44,084,630	--
Kansas	--	30,839,710	--
Kentucky	--	84,346,620	--
Louisiana	--	53,116,010	--
Maine	--	32,450,500	--
Maryland	--	26,643,860	--
Massachusetts	--	17,325,930	--
Michigan	--	92,360,010	--
Minnesota	--	54,170,720	--
Mississippi	--	73,759,650	--
Missouri	--	71,938,370	--
Montana	--	22,787,710	--
Nebraska	--	23,300,340	--
Nevada	--	12,867,020	--
New Hampshire	--	20,599,670	--
New Jersey	--	17,136,330	--
New Mexico	--	26,575,000	--
New York	--	81,720,980	--
North Carolina	--	119,560,530	--
North Dakota	--	14,099,110	--
Ohio	--	93,768,640	--
Oklahoma	--	49,930,850	--
Oregon	--	37,056,840	--
Pennsylvania	--	97,248,760	--
Rhode Island	--	7,078,160	--
South Carolina	--	70,371,110	--
South Dakota	--	18,389,760	--
Tennessee	--	87,929,940	--
Texas	--	119,560,530	--
Utah	--	16,553,880	--
Vermont	--	18,779,480	--
Virginia	--	71,369,500	--
Washington	--	45,067,180	--
West Virginia	--	41,140,290	--
Wisconsin	--	62,435,110	--
Wyoming	--	11,647,470	--
Puerto Rico	--	29,559,540	--
Virgin Islands	--	5,000,000	--
W. Pacific Areas	--	5,000,000	--
Undistributed	--	434,825,545	--
Total Avail./Est.	--	<u>\$2,898,850,575</u>	--

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Business and Industry Loan Program - Guaranteed  
2008 for Natural Disaster

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>    --</u>	<u>\$445,977,011 <sup>1/</sup></u>	<u>    --</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Rural Business Enterprise Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Alabama	\$875,633	\$682,540	\$692,000
Alaska	364,600	143,870	153,000
Arizona	561,481	343,340	353,000
Arkansas	703,546	466,380	476,000
California	1,965,603	729,360	739,000
Colorado	506,000	275,750	285,000
Connecticut	222,930	151,960	161,000
Delaware	165,901	103,790	113,000
Florida	1,015,148	628,250	637,000
Georgia	1,915,583	905,670	915,000
Hawaii	683,600	112,750	122,000
Idaho	847,200	206,140	215,000
Illinois	1,626,955	577,950	587,000
Indiana	1,887,000	594,880	604,000
Iowa	1,091,399	373,740	383,000
Kansas	564,000	264,170	273,000
Kentucky	1,447,606	706,450	716,000
Louisiana	721,924	453,040	462,000
Maine	3,353,369	277,120	286,000
Maryland	1,120,838	229,300	238,000
Massachusetts	289,595	155,380	165,000
Michigan	1,088,200	875,150	884,000
Minnesota	974,359	492,280	502,000
Mississippi	708,450	618,790	628,000
Missouri	1,087,576	603,850	613,000
Montana	274,900	197,430	207,000
Nebraska	1,156,332	201,410	211,000
Nevada	119,000	121,600	131,000
New Hampshire	393,032	179,500	189,000
New Jersey	226,000	162,340	172,000
New Mexico	917,900	256,300	266,000
New York	901,475	684,530	694,000
North Carolina	1,160,000	997,310	1,007,000
North Dakota	893,075	130,780	140,000
Ohio	1,091,000	865,830	875,000
Oklahoma	2,081,400	421,550	431,000
Oregon	1,549,284	314,970	324,000
Pennsylvania	1,899,760	813,030	822,000
Rhode Island	115,000	70,010	79,000
South Carolina	1,523,310	625,760	635,000
South Dakota	782,159	160,750	170,000
Tennessee	1,952,898	783,150	792,000
Texas	1,686,000	997,310	1,007,000
Utah	398,180	145,630	155,000
Vermont	1,128,637	165,550	175,000
Virginia	920,325	598,860	608,000
Washington	1,406,619	381,710	391,000
West Virginia	1,770,901	395,630	405,000
Wisconsin	3,877,616	535,110	544,000
Wyoming	129,000	111,560	121,000
Puerto Rico	295,000	286,490	296,000
Virgin Islands	100,000	50,000	59,000
W. Pacific Area	75,000	50,000	59,000
Undistributed		18,913,308	16,560,000
Total Avail./Est.	<u>\$54,612,299</u>	<u>\$40,589,308</u>	<u>\$38,727,000</u>

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Rural Business Enterprise Grants - Stimulus

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Alabama	--	\$506,060	--
Alaska	--	120,880	--
Arizona	--	271,120	--
Arkansas	--	350,090	--
California	--	539,620	--
Colorado	--	220,220	--
Connecticut	--	126,880	--
Delaware	--	88,490	--
Florida	--	485,720	--
Georgia	--	666,970	--
Hawaii	--	95,410	--
Idaho	--	167,810	--
Illinois	--	430,050	--
Indiana	--	442,890	--
Iowa	--	282,960	--
Kansas	--	203,990	--
Kentucky	--	522,840	--
Louisiana	--	354,100	--
Maine	--	213,870	--
Maryland	--	179,320	--
Massachusetts	--	129,530	--
Michigan	--	651,170	--
Minnesota	--	368,850	--
Mississippi	--	459,660	--
Missouri	--	448,800	--
Montana	--	158,480	--
Nebraska	--	159,580	--
Nevada	--	103,690	--
New Hampshire	--	142,790	--
New Jersey	--	134,830	--
New Mexico	--	205,930	--
New York	--	507,040	--
North Carolina	--	733,100	--
North Dakota	--	110,980	--
Ohio	--	638,340	--
Oklahoma	--	322,620	--
Oregon	--	241,510	--
Pennsylvania	--	599,840	--
Rhode Island	--	65,120	--
South Carolina	--	464,600	--
South Dakota	--	133,560	--
Tennessee	--	578,120	--
Texas	--	733,100	--
Utah	--	119,100	--
Vermont	--	133,910	--
Virginia	--	445,850	--
Washington	--	292,450	--
West Virginia	--	311,230	--
Wisconsin	--	399,440	--
Wyoming	--	96,480	--
Puerto Rico	--	229,020	--
Virgin Islands	--	50,000	--
W. Pacific Areas	--	50,000	--
Undistributed	--	2,911,990	--
Total Avail./Est.	--	<u>\$19,400,000</u>	--

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2008 Actual and Estimated 2009 and 2010

Rural Business Enterprise Grants  
 2007 for Natural Disaster

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Kansas	<u>\$2,000,000</u>	<u>--</u>	<u>--</u>
Total Avail./Est.	<u><u>\$2,000,000</u></u>	<u><u>\$100,000</u></u> <sup>1/</sup>	<u><u>--</u></u>

Rural Business Enterprise Grants  
 2008 for Natural Disaster

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u><u>--</u></u>	<u><u>\$4,850,000</u></u> <sup>1/</sup>	<u><u>--</u></u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Rural Business Opportunity Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Arizona	\$147,990	--	--
Arkansas	50,000	--	--
California	200,014	--	--
Georgia	169,000	--	--
Idaho	57,000	--	--
Illinois	126,630	--	--
Iowa	199,738	--	--
Kansas	50,000	--	--
Kentucky	50,000	--	--
Maine	214,362	--	--
Minnesota	27,380	--	--
Mississippi	126,630	--	--
Missouri	50,000	--	--
New Hampshire	49,000	--	--
New Jersey	200,000	--	--
North Carolina	200,000	--	--
North Dakota	200,000	--	--
Oregon	111,746	--	--
Pennsylvania	100,000	--	--
South Carolina	162,000	--	--
South Dakota	22,500	--	--
Tennessee	50,000	--	--
Vermont	106,875	--	--
Wisconsin	249,669	--	--
Wyoming	21,549	--	--
Total Avail./Est.	<u>\$2,942,083</u>	<u>\$2,678,095</u> <sup>1/</sup>	<u>\$2,483,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Delta Regional Authority Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Mississippi	\$2,979,000	--	--
Missouri	<u>165,000</u>	<u>--</u>	<u>--</u>
Total Avail./Est.	<u>\$3,144,000</u>	<u>\$2,979,000</u> <sup>1/</sup>	<u>\$2,979,000</u> <sup>1/</sup>

Rural Business Special Earmark GP 764 - 2006

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>--</u>	<u>\$500</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL BUSINESS PROGRAM ACCOUNT

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$122,769,347</u>	<u>\$265,797,994</u>	<u>\$97,116,000</u>
Total direct obligations.....	<u><u>122,769,347</u></u>	<u><u>265,797,994</u></u>	<u><u>97,116,000</u></u>

## RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Development Loan Fund Program Account (including transfer of funds)

For the principal amount of direct loans, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), \$33,536,000.

For the cost of direct loans, [~~\$14,035,000~~]\$8,464,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), of which [~~\$1,724,000~~]\$1,035,000 shall be available through June 30, 1 [2009]2010, for Federally Recognized Native American Tribes and of which 2 [~~\$3,449,000~~]\$2,070,000 shall be available through June 30, [2009]2010, for Mississippi Delta Region counties (as determined in accordance with Public Law 100-460): *Provided*, That such costs, including the cost of modifying such loans, shall be as defined in section 502 of the 3 Congressional Budget Act of 1974: *Provided further*, That of the total amount appropriated, \$880,000 shall be available through June 30, [2009]2010, for the cost of direct loans for authorized empowerment zones and enterprise communities and communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones.

In addition, for administrative expenses to carry out the direct loan programs, 4 [~~\$4,853,000~~]\$4,941,000 shall be [transferred to and merged with]paid to the appropriation for "Rural Development, Salaries and Expenses".

The first change modifies the expiration date of set-aside funds for Federally Recognized Native American Tribes from June 30, 2009, to June 30, 2010.

The second change modifies the expiration date of set-aside funds for Mississippi Delta Region counties from June 30, 2009, to June 30, 2010.

The third change modifies the expiration date of set-aside funds for empowerment zones and enterprise communities from June 30, 2009, to June 30, 2010.

The fourth change reflects language simplifying the transfer and consolidation of funds from the individually appropriated administrative expense account to the Rural Development, Salaries and Expense account.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

(On basis of supportable loan level, appropriated subsidy and administrative expenses)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Administrative Expenses</u>
Appropriations Act, 2009.....	\$33,536,440	\$14,035,000	\$4,853,000
Budget Estimate, 2010.....	<u>33,534,073</u>	<u>8,464,000</u>	<u>4,941,000</u>
Increase or decrease in Appropriations.....	<u>-2,367</u>	<u>-5,571,000</u>	<u>88,000</u>

PROJECT STATEMENT

(On basis of appropriated loan levels, subsidy and administrative expenses)

(In thousands of dollars)

Item of Change	2008 Estimated		2009 Estimated		Increase or Decrease		2010 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Intermediary Relending Program								
Loans.....	\$33,536	\$14,384	\$33,536	\$14,035	-\$2 (1)	-\$5,571 (2)	\$33,534	\$8,464
Total loans and subsidies.....	33,536	14,384	33,536	14,035	-2	-5,571	33,534	8,464
Total Administrative expenses <u>a/</u> .....	0	4,740	0	4,853	0	88 (3)	0	4,941
Total Available or Estimate.....	33,536	19,124	33,536	18,888	-2	-5,483	33,534	13,405
Rescission <u>b/</u> .....	236	135	0	0	0	0	0	0
Total Appropriation.....	33,772	19,259	33,536	18,888	-2	-5,483	33,534	13,405

Staff-years are reflected in the Salaries and Expenses Project Statement.

a/ In FY 2008, funding of \$4,740,582 was appropriated and transferred to the Rural Development Salaries and Expenses account. In FY 2009, funding of \$4,853,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In FY 2010, \$4,941,000 is requested and will be paid to the Rural Development Salaries and Expenses account.

b/ The FY 2008 amounts are rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

JUSTIFICATION OF INCREASE AND DECREASES

- (1) A decrease of \$2,367 in the intermediary relending direct loan level (\$33,536,440 available in 2009).

The decrease is due to rounding and a change in the subsidy rate for the program.

- (2) A decrease of \$5,571,000 in the intermediary relending direct loan subsidy (\$14,035,000 available in 2009).

The requested subsidy supports the estimated loan obligations associated with the requested FY 2010 loan levels for direct intermediary relending program. The change is due a decrease in the subsidy rate in FY 2010.

- (3) An increase of \$88,000 for administrative expenses (\$4,853,000 available in 2009).

Justification for administrative expenses in the amount of \$4,941,000 and the associated staff-years are reflected in the Rural Development Salaries and Expenses Project Statement.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Intermediary Relending Program Loans

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Arizona	\$330,000		
Arkansas	1,000,000	--	--
California	3,210,989	--	--
Illinois	2,125,000	--	--
Iowa	400,000	--	--
Kentucky	750,000	--	--
Maine	1,500,000	--	--
Massachusetts	1,250,000	--	--
Michigan	300,000	--	--
Minnesota	750,000	--	--
Missouri	500,000	--	--
Montana	1,000,000	--	--
New Hampshire	1,750,000	--	--
North Carolina	2,500,000	--	--
North Dakota	1,250,000	--	--
Ohio	1,058,790	--	--
Oklahoma	750,000	--	--
Oregon	1,145,000	--	--
Pennsylvania	1,000,000	--	--
South Dakota	4,250,000	--	--
Tennessee	750,000	--	--
Texas	750,000	--	--
Vermont	2,500,000	--	--
West Virginia	1,500,000	--	--
W. Pacific Areas	1,216,254	--	--
Total Avail./Est.	<u>\$33,536,033</u>	<u>\$33,536,440</u> <sup>1/</sup>	<u>\$33,534,073</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$4,740,652	\$4,853,000	\$4,941,000
41 Grants, subsidies, and contributions.....	<u>14,383,605</u>	<u>14,035,000</u>	<u>8,464,000</u>
Total direct obligations.....	<u><u>19,124,257</u></u>	<u><u>18,888,000</u></u>	<u><u>13,405,000</u></u>

RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Economic Development Loans Program Account (including [rescission]cancellation of funds)

For the principal amount of direct loans, as authorized under section 313 of the Rural Electrification Act, for the purpose of promoting rural economic development and job creation projects, \$33,077,000.

Of the funds derived from interest on the cushion of credit payments, as authorized by section 313 of the Rural Electrification Act of 1936, [~~\$20,000,000~~]\$43,000,000 shall not be obligated and [~~\$20,000,000~~]\$43,000,000 are [~~rescinded~~]hereby permanently cancelled.

This change the way the interest on cushion of credit funds are being removed from this account and being recorded in the Budget.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(On basis of loan level and subsidy)

	<u>Loan Level</u>	<u>Subsidy</u>
Appropriation Act, 2009.....	\$35,768,761	\$0
Budget Estimate, 2010.....	33,077,000	0
Decrease in Appropriations.....	<u>-2,691,761</u>	<u>0</u>

PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidy)

(In thousands of dollars)

Item of Change	2008 Actual		2009 Estimated		Increase or Decrease		2010 Estimated	
	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA
Rural economic development direct loans.....	\$32,402	\$7,320	\$35,769	\$7,472	-\$2,692 (1)	-\$3,155 (2)	\$33,077	\$4,317
Total Available or Estimate.....	32,402	7,320	35,769	7,472	-2,692	-3,155	33,077	4,317
Recovery of prior year obligations.....	-909	-203	0	0	0	0	0	0
Unobligated balance available, start of year.....	-44	-10	0	0	0	0	0	0
Unobligated balance available, end of year.....	1,628	365	0	0	0	0	0	0
Offsetting collections paid from Rural Economic Grants account.....	-33,077	-7,472	-35,769	-7,472	2,692	3,155	-33,077	-4,317
Total Appropriation.....	0	0	0	0	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

Note: Program is funded by the cushion of credit account.

PROJECT STATEMENT

(On basis of available loan levels and subsidy)

(In thousands of dollars)

Item of Change	2008 Actual		2009 Estimated		Increase or Decrease		2010 Estimated	
	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA
Rural economic development direct loans.....	\$32,402	\$7,320	\$37,515	\$7,837	-\$4,438	-\$3,520	\$33,077	\$4,317
Total Available or Estimate.....	32,402	7,320	37,515	7,837	-4,438	-3,520	33,077	4,317
Recovery of prior year obligations.....	-909	-203	0	0	0	0	0	0
Unobligated balance available, start of year.....	-44	-10	-1,747	-365	1,747	365	0	0
Unobligated balance available, end of year.....	1,628	365	0	0	0	0	0	0
Offsetting collections paid from Rural Economic Grants account.....	-33,077	-7,472	-35,769	-7,472	2,692	3,155	-33,077	-4,317
Total Appropriation.....	0	0	0	0	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

Note: Program is funded by the cushion of credit account.

JUSTIFICATION OF DECREASES

- (1) A decrease of \$2,691,761 in the rural economic development loan level (\$35,768,761 available in 2009).

Rural economic development (RED) loans and grants are funded from a cushion of credit account. This account is comprised of Rural Development telecommunications and electric program borrower investments. The difference between a return of 5 percent to these borrowers on their investment and what the government receives as a return on the investment of the funds is used to fund RED loans and grants. The Budget proposes a rescission from the cushion of credit account in order to fund higher priority programs.

- (2) A decrease of \$3,155,545 in the rural economic development loan subsidy (\$7,472,094 available in 2009).

There is no request for budget authority for this program because the program is funded from the cushion of credit account. The requested subsidy supports the estimated loan obligations associated with the requested FY 2010 loan level for this program. The change is due to a decrease in the subsidy rate in FY 2010.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Rural Economic Development Loans

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Colorado	\$160,000	--	--
Georgia	2,220,000	--	--
Illinois	3,700,000	--	--
Iowa	4,200,000	--	--
Kansas	2,072,200	--	--
Kentucky	740,000	--	--
Louisiana	740,000	--	--
Minnesota	2,220,000	--	--
Mississippi	1,850,000	--	--
Missouri	2,907,000	--	--
Nebraska	632,000	--	--
North Carolina	2,130,000	--	--
North Dakota	2,112,000	--	--
South Carolina	3,550,028	--	--
South Dakota	740,000	--	--
Tennessee	2,429,000	--	--
Total Avail./Est.	<u>\$32,402,228</u>	<u>\$37,515,316</u> <sup>1/</sup>	<u>\$33,077,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$7,319,663</u>	<u>\$7,836,949</u>	<u>\$4,316,549</u>
Total direct obligations.....	<u><u>7,319,663</u></u>	<u><u>7,836,949</u></u>	<u><u>4,316,549</u></u>

RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in Appropriation

RURAL ECONOMIC DEVELOPMENT GRANTS

Appropriations Act, 2009.....	-\$20,000,000
Budget Estimate, 2010.....	<u>-43,000,000</u>
Increase in Rescission.....	<u><u>-23,000,000</u></u>

Analysis of Change in Funding

RURAL ECONOMIC DEVELOPMENT GRANTS

Estimate, 2009.....	\$10,000,000
Budget Estimate, 2010.....	<u>10,000,000</u>
No Change in Program.....	<u><u>0</u></u>

PROJECT STATEMENT  
(On basis of obligations under available funds)

Item of Change	2008 Actual	2009 Estimated	Increase or Decrease	2010 Estimated
Rural economic development grant...	\$10,000,000	\$10,000,000	\$0	\$10,000,000
Total Available or Estimate.....	10,000,000	10,000,000	0	10,000,000
Unobligated balance available, start of year.....	-9,294,653	-7,671,147	-6,521,070	-14,192,217
Recovery of prior year obligations.....	-599,814	0	0	0
Transfer from Rural Electrification and Telecommunications Liquidating Account, Cushion of Credit 1/.....	-42,604,411	-36,029,039	-16,970,961	-53,000,000
Transfer from Rural Electrification and Telecommunications electric underwriter loan fees.....	-6,644,363	-7,964,125	-35,875	-8,000,000
Offsetting collections paid to Rural Economic Development Program Account.....	7,472,094	7,472,094	-3,155,545	4,316,549
Unobligated balance available, end of year.....	7,671,147	14,192,217	3,683,451	17,875,668
Total Appropriation.....	-34,000,000	-20,000,000	-23,000,000 (1)	-43,000,000

1/ Amounts represent earnings generated by the interest differential on voluntary cushion of credit payments made by Rural Utilities Service borrowers.

JUSTIFICATION OF INCREASE

An increase of \$23,000,000 in the rural economic development grants rescission (-\$20,000,000 was rescinded in 2009).

This rescission represents the offset of the budget funding request of higher priority programs.

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2008 Actual and Estimated 2009 and 2010

Rural Economic Development Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Hawaii	\$600,000	--	--
Illinois	\$900,000	--	--
Iowa	2,764,690	--	--
Kansas	391,660	--	--
Kentucky	300,000	--	--
Minnesota	1,433,500	--	--
Mississippi	300,000	--	--
Missouri	300,000	--	--
North Carolina	300,000	--	--
North Dakota	925,150	--	--
Oklahoma	85,000	--	--
South Carolina	300,000	--	--
South Dakota	500,000	--	--
Tennessee	600,000	--	--
Wyoming	300,000	--	--
Total Avail./Est.	<u>\$10,000,000</u>	<u>\$10,000,000</u> <sup>1/</sup>	<u>\$10,000,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL ECONOMIC DEVELOPMENT GRANTS

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$10,000,000</u>	<u>\$10,000,000</u>	<u>\$10,000,000</u>
Total direct obligations.....	<u>10,000,000</u>	<u>10,000,000</u>	<u>10,000,000</u>

RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Rural Microenterprise Investment Program Account

For the cost of direct loans and grants \$22,000,000 as authorized by Section 6022 of the Food, Conservation and Energy Act of 2008, Pub. L. No. 110-246: *Provided*, That such costs of loans, including the cost of modifying such loans, shall be defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That total loan principal subsidized by these amounts shall not exceed \$104,000,000.

The change adds language for discretionary funding for the rural microenterprise investment program. This program is also funded in 2010 with mandatory funding.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT

(On basis of loan level, subsidy and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2009.....	\$0	\$0	\$0
Budget Estimate, 2010.....	<u>51,522,248</u>	<u>11,000,000</u>	<u>11,000,000</u>
Increase in Appropriations.....	<u><u>51,522,248</u></u>	<u><u>11,000,000</u></u>	<u><u>11,000,000</u></u>

PROJECT STATEMENT

(On basis of loan levels and appropriated subsidy and grants)

Item of Change	2008 Actual		2009 Estimated		Increase or Decrease		2010 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Microenterprise loans.....	0	\$0	\$0	\$0	\$51,522,248 (1)	\$11,000,000	\$51,522,248	\$11,000,000
Microenterprise grants.....	0	0	0	0	11,000,000	11,000,000	11,000,000	11,000,000
Total Available or Estimate.....	0	0	0	0	62,522,248	22,000,000	62,522,248	22,000,000
Total Appropriation, Discretionary....	0	0	0	0	62,522,248	22,000,000 (1)	62,522,248	22,000,000
Mandatory: a/								
Microenterprise loans.....	0	0	8,815,750	3,000,000	5,235,772	0	14,051,522	3,000,000
Microenterprise grants.....	0	0	1,000,000	1,000,000	0	0	1,000,000	1,000,000
Total Available or Estimate.....	0	0	0	4,000,000	5,235,772	0	15,051,522	4,000,000
Transfer from Commodity Credit Corporation.....	0	0	0	-4,000,000	0	0	0	-4,000,000
Total Appropriation, Mandatory.....	0	0	0	0	5,235,772	0	15,051,522	0
Total Appropriation.....	0	0	0	0	62,522,248	22,000,000	62,522,248	22,000,000

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Mandatory funding provided by section 6022 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$4,000,000 each year for FY 2009 through FY 2011 and \$3,000,000 for FY 2012, to remain available until expended.

JUSTIFICATION OF INCREASE

- (1) An increase of \$22,000,000 in the rural microenterprise for loan subsidy and grants (\$0 available in 2009).

An increase of \$22 million is requested for the Rural Microenterprise Investment Program for FY 2010. The program was authorized under the 2008 Farm Bill, was implemented in FY 2009 with \$4 million in mandatory funds and funds provided for that year are expected to be fully utilized. Along with the requested \$22 million, the Farm Bill provides \$4 million for this program in FY 2010 for a total of \$26 million in FY 2010. Half of the requested amount will be for loan subsidy, which is estimated to be sufficient to support \$51.5 million in one-percent interest loans. The remainder will be used for technical assistance.

Microenterprise programs have been estimated to create approximately one job for every \$2,200 loaned to a small business of 10 people or less. These small businesses may not have access to credit elsewhere. Accordingly, the \$51.5 million in loans is expected to create 23,420 jobs. The remaining half of the requested funds will be used to make grants to provide technical assistance. Nonprofit organizations will utilize grant funds to provide technical assistance to support rural entrepreneurs. These organizations will provide training, operation support, business planning, and market development assistance. The additional funding will ensure that the program can be extended to enough microentrepreneurs in a wide range of product and service areas for the program to demonstrate noticeable results.

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2008 Actual and Estimated 2009 and 2010

Microenterprise Loans

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>    --</u>	<u>\$8,815,510</u> <sup>1/</sup>	<u>\$65,573,770</u> <sup>1/</sup>

Microenterprise Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>    --</u>	<u>\$1,000,000</u> <sup>1/</sup>	<u>\$12,000,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$0</u>	<u>\$4,000,000</u>	<u>\$26,000,000</u>
Total direct obligations.....	<u>0</u>	<u>4,000,000</u>	<u>26,000,000</u>

RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored):

Biorefinery Assistance Program Account

For the cost of guaranteed loans \$17,339,000 as authorized by Section 9003 of the Food, Conservation and Energy Act of 2008, Pub. L. No. 110-246: *Provided*, That such costs, including the cost of modifying such loans, shall be defined in section 502 of the Congressional Budget Act of 1974: *Provided further*, That these funds are available to subsidize total loan principal, any part of which is guaranteed, not to exceed \$50,000,000.

The change adds language for discretionary funding for the biorefinery assistance program.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationBIOREFINERY ASSISTANCE PROGRAM ACCOUNT

(On basis of loan level and subsidy)

	<u>Loan Level</u>	<u>Subsidy</u>
Appropriations Act, 2009.....	\$0	\$0
Budget Estimate, 2010.....	48,883,564	17,339,000
Increase in Appropriations.....	<u>48,883,564</u>	<u>17,339,000</u>

PROJECT STATEMENT  
(On basis of loan levels and appropriated subsidy)

Item of Change	2008 Actual		2009 Estimated		Increase or Decrease		2010 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Guaranteed biorefinery loans.....	\$0	\$0	\$0	\$0	\$48,883,564	\$17,339,000	\$48,883,564	\$17,339,000
Total Available or Estimate.....	0	0	0	0	48,883,564	17,339,000	48,883,564	17,339,000
Total Appropriation, Discretionary....	0	0	0	0	48,883,564 (1)	48,883,564 (1)	48,883,564	17,339,000
Mandatory: a/								
Guaranteed biorefinery loans.....	0	0	224,955,009	75,000,000	465,769,547	170,000,000	690,724,556	245,000,000
Total Available or Estimate.....	0	0	224,955,009	75,000,000	465,769,547	170,000,000	690,724,556	245,000,000
Transfer from Commodity Credit Corporation.....	0	0	-224,955,009	-75,000,000	-465,769,547	-170,000,000	-690,724,556	-245,000,000
Total Appropriation, Mandatory.....	0	0	0	0	0	0	0	0
Total Appropriation.....	0	0	0	0	48,883,564	17,339,000	48,883,564	17,339,000

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Mandatory funding provided by section 9003 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$75,000,000 for FY 2009 and \$245,000,000 for FY 2010, to remain available until expended.

JUSTIFICATION OF INCREASE

An increase of \$17,339,000 for biorefinery assistance guaranteed loan subsidy (\$0 available in 2009).

The Biorefinery Assistance Program assists in the development of new and emerging technologies for the development of advanced biofuels. An increase is requested for this program for FY 2010. This amount of budget authority, combined with \$245 million in mandatory budget authority provided by the FY 2008 Farm Bill, is estimated to support about \$740 million in loan guarantees. While the size of projects may vary, the first BAP project required an \$80 million loan guarantee. Hence, as a benchmark, nine projects of the same size would utilize the \$740 million in loan guarantees for FY 2010. Rural Development has been working closely with the advanced biofuels industry and anticipates that several projects will be funded in FY 2009 and that the demand for BAP loan funds in FY 2010 will continue to rise as the industry becomes more familiar with the program, and the state of technology for cellulosic production of advanced biofuels continues to improve.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Biorefinery Loans - Guaranteed

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>    --</u>	<u>\$224,955,009 <sup>1/</sup></u>	<u>\$739,608,120 <sup>1/</sup></u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
BIOREFINERY ASSISTANCE PROGRAM ACCOUNT

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$0</u>	<u>\$75,000,000</u>	<u>\$262,339,000</u>
Total direct obligations.....	<u>0</u>	<u>75,000,000</u>	<u>262,339,000</u>

## RURAL BUSINESS-COOPERATIVE-SERVICE

ENERGY ASSISTANCE PAYMENTSPROJECT STATEMENT

(On basis of obligations under available funds)

Item of Change	2008 Actual	2009 Estimated	Increase or Decrease	2010 Estimated
Mandatory:				
Repowering assistance payments <u>a</u> /....	\$0	\$35,000,000	-\$35,000,000	\$0
Bioenergy program for advanced biofuels payments <u>b</u> /.....	0	55,000,000	0	55,000,000
Total Available or Estimate.....	0	90,000,000	-35,000,000	55,000,000
Transfer from Commodity Credit Corporation.....	0	-90,000,000	35,000,000	-55,000,000
Total Appropriation, Mandatory.....	0	0	0	0

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ Mandatory funding provided by section 9004 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$35,000,000 for FY 2009, to remain available until expended.

b/ Mandatory funding provided by section 9005 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides funds from the Commodity Credit Corporation of \$55,000,000 for FY 2009 and \$55,000,000 for FY 2010, \$85,000,000 for FY 2011 and \$105,000,000 for FY 2012, to remain available until expended.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Repowering Assistance Payments

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>    --</u>	<u>\$35,000,000 1/</u>	<u>    --</u>

Bioenergy Program for Advanced Biofuels Payments

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>    --</u>	<u>\$55,000,000 1/</u>	<u>\$55,000,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## ENERGY ASSISTANCE PAYMENTS

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$0</u>	<u>\$90,000,000</u>	<u>\$55,000,000</u>
Total direct obligations.....	<u>0</u>	<u>90,000,000</u>	<u>55,000,000</u>

## RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Energy for America Program

For the cost of a program of loan guarantees and grants, under the same terms and conditions as authorized by section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107), [~~\$5,000,000~~]\$68,130,000: *Provided*, That the cost of loan guarantees, including the cost of modifying such loans, shall be as defined in section 502 of the Congressional Budget Act of 1974.

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL ENERGY FOR AMERICA PROGRAM

(On basis of loan level, subsidy, and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2009.....	\$28,378,773	\$2,750,000	\$2,250,000
Budget Estimate, 2010.....	246,334,311	33,600,000	34,530,000
Increase in Appropriations.....	<u>217,955,538</u>	<u>30,850,000</u>	<u>32,280,000</u>

PROJECT STATEMENT

(On basis of appropriated/supportable loan levels and appropriated subsidy and grants)

(In thousands of dollars)

Item of Change	2008 Actuals		2009 Estimated		Increase or Decrease		2010 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
<b>Discretionary:</b>								
Guaranteed renewable energy loans <u>a/</u> .....	\$15,566	\$1,508	\$28,379	\$2,750	\$217,955	\$30,850	\$246,334	\$33,600
Renewable energy grants <u>a/</u> .....	34,240	34,240	2,250	2,250	32,280	32,280	34,530	34,530
Total Available or Estimate.....	49,806	35,748	30,629	5,000	250,235	63,130 (1)	280,864	68,130
Rescission <u>c/</u> .....	1,300	252	0	0	0	0	0	0
Total Appropriation, Discretionary.....	51,106	36,000	30,629	5,000	250,235	63,130	280,864	68,130
<b>Mandatory:</b>								
Guaranteed renewable energy loans <u>a/b/</u> .....	0	0	274,625	26,611	-61,795	2,419	212,830	29,030
Renewable energy grants <u>a/</u> .....	0	0	20,909	20,909	1,901	1,901	22,810	22,810
Renewable energy feasibility studies <u>a/</u> .....	0	0	5,280	5,280	480	480	5,760	5,760
Renewable energy audits and technical assistance <u>a/</u> .....	0	0	2,200	2,200	200	200	2,400	2,400
Transfer from Commodity Credit Corporation <u>b/</u> .....	0	0	-303,014	-55,000	59,214	-5,000	-243,800	-60,000
Total Appropriation, Mandatory.....	0	0	0	0	0	0	0	0
Total Appropriation.....	51,106	36,000	30,629	5,000	250,235	63,130	280,864	68,130

Staff-years are reflected in the Salaries and Expenses Project Statement.

a/ The subsidy rate is based on a 0.25 percent annual fee.

b/ Includes mandatory funding provided by section 9007 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides \$55 million in FY 2009, \$60 million in FY 2010, and \$70 million in both FY 2011 and FY 2012 from the funds of the Commodity Credit Corporation. The funds are available until expended.

c/ The FY 2008 amounts are rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

JUSTIFICATION OF INCREASE

- (1) An increase of \$63,130,000 for renewable energy guaranteed loan subsidy and grants (\$5,000,000 available in 2009).

The Rural Energy for America Program provides funding for guaranteed loans and grants to farmers, ranchers, and rural small businesses to assist with the purchasing and installation of renewable energy systems, energy efficiency improvements, energy audits, and renewable energy feasibility studies for rural small business and agricultural producers. When combined with the \$60 million provided by the 2008 Farm Bill, this increase would make available over \$128 million for this program in FY 2010.

The Budget requests an increase in funding to support transition in the use of renewable energy, and to encourage greater efficiencies in support of the President's energy goals. Of the increase, \$34.5 million will be use for grants, and \$33.6 million in budget authority for loans and from the mandatory funding, \$31 million will be used for grants and \$29 million for loans.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Guaranteed Renewable Energy Loans

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Colorado	\$22,783	--	--
Connecticut	850,000	--	--
Hawaii	100,000	--	--
Illinois	595,920	--	--
Indiana	78,546	--	--
Iowa	5,886,876	--	--
Kansas	32,593	--	--
Kentucky	76,990	--	--
Michigan	72,533	--	--
Minnesota	626,103	--	--
Nebraska	163,388	--	--
Nevada	28,569	--	--
New Hampshire	499,662	--	--
New Jersey	96,300	--	--
New York	17,500	--	--
North Carolina	8,815	--	--
North Dakota	33,687	--	--
Ohio	1,205,419	--	--
Oklahoma	550,000	--	--
Oregon	200,500	--	--
South Dakota	177,332	--	--
Vermont	934,830	--	--
Washington	575,000	--	--
Wisconsin	2,732,823	--	--
Total Avail./Est.	<u>\$15,566,169</u>	<u>\$303,005,160</u> <u>1/</u>	<u>\$459,164,223</u> <u>1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Renewable Energy Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Alabama	\$102,199	--	--
Arizona	82,416	--	--
Arkansas	113,659	--	--
California	298,445	--	--
Colorado	618,812	--	--
Connecticut	500,000	--	--
Georgia	1,292,319	--	--
Hawaii	432,500	--	--
Idaho	287,706	--	--
Illinois	1,163,164	--	--
Indiana	318,603	--	--
Iowa	8,509,593	--	--
Kansas	502,871	--	--
Kentucky	112,607	--	--
Louisiana	52,274	--	--
Maryland	36,468	--	--
Massachusetts	949,946	--	--
Michigan	245,079	--	--
Minnesota	4,865,109	--	--
Mississippi	715,235	--	--
Missouri	628,057	--	--
Montana	49,880	--	--
Nebraska	2,105,970	--	--
Nevada	28,569	--	--
New Hampshire	521,742	--	--
New Jersey	401,550	--	--
New York	1,626,993	--	--
North Carolina	782,553	--	--
North Dakota	97,434	--	--
Ohio	1,037,038	--	--
Oklahoma	310,173	--	--
Oregon	646,677	--	--
Pennsylvania	59,762	--	--
South Carolina	102,679	--	--
South Dakota	317,839	--	--
Tennessee	381,827	--	--
Texas	3,328	--	--
Utah	14,425	--	--
Vermont	1,124,867	--	--
Virginia	65,500	--	--
Washington	500,000	--	--
Wisconsin	2,154,331	--	--
Wyoming	49,905	--	--
Virgin Islands	29,532	--	--
Total Avail./Est.	<u>\$34,239,636</u>	<u>\$23,158,800 1/</u>	<u>\$57,340,000 1/</u>

Renewable Energy Feasibility Studies

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>--</u>	<u>\$5,280,000 1/</u>	<u>\$5,760,000 1/</u>

Renewable Energy Audits and Technical Assistance

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>--</u>	<u>\$2,200,000 1/</u>	<u>\$2,400,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL ENERGY FOR AMERICA PROGRAM

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$35,747,998</u>	<u>\$60,000,000</u>	<u>\$128,130,000</u>
Total direct obligations.....	<u>35,747,998</u>	<u>60,000,000</u>	<u>128,130,000</u>

## RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (new language underscored; deleted matter enclosed in brackets):

Rural Cooperative Development Grants

For rural cooperative development grants authorized under section 310B(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932), [~~\$12,636,000~~]\$38,636,000, of which \$300,000 shall be for a cooperative research agreement with a qualified academic institution to conduct research on the national economic impact of all types of cooperatives; and of which \$2,582,000 shall be for cooperative agreements for the appropriate technology transfer for rural areas program: *Provided*, That not to exceed [~~\$1,463,000~~]\$3,463,000 shall be for cooperatives or associations of cooperatives whose primary focus is to provide assistance to small, socially disadvantaged producers and whose governing board and/or membership is comprised of at least 75 percent socially disadvantaged members; and of which [~~\$3,867,000~~]\$21,867,000, to remain available until expended, shall be for value-added agricultural product market development grants, as authorized by section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note).

## RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in AppropriationRURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations Act, 2009.....	\$14,513,000
Budget Estimate, 2010.....	38,636,000
Increase in Appropriations.....	<u>24,123,000</u>

PROJECT STATEMENT  
(On basis of appropriation)

Item of Change	2008 Estimated	2009 Estimated	Increase or Decrease	2010 Estimated
Discretionary:				
Rural cooperative development gts....	\$4,546,576	\$4,424,000	\$6,000,000 (1)	\$10,424,000
Appropriate technology transfer for rural areas agreements.....	2,581,800	2,582,000	0	2,582,000
Cooperative research agreements.....	491,511	300,000	0	300,000
Grants to assist minority producers....	1,312,894	1,463,000	2,000,000 (2)	3,463,000
Value-added agriculture product marketing development grants.....	18,989,066	2,900,250	17,873,400 (3)	20,773,650
Agricultural marketing resource center grants.....	943,350	193,350	900,000 (3)	1,093,350
Value-added agriculture product marketing development grants: Socially disadvantaged farmers and ranchers.....	0	386,700	-386,700 (3)	0
Mid-tier value chains.....	0	386,700	-386,700 (3)	0
Special earmarks, P.L. 111-8, GP 732..	0	1,877,000	-1,877,000 (4)	0
<b>Total Available or Estimate.....</b>	<b>28,865,197</b>	<b>14,513,000</b>	<b>24,123,000</b>	<b>38,636,000</b>
Recovery of prior year obligations....	-944,014	0	0	0
Unobligated balance available, SOY...	-879,502	0	0	0
Unobligated balance available, EOY...	785,158	0	0	0
Rescission a/.....	196,161	0	0	0
<b>Total Appropriation, Discretionary.....</b>	<b>28,023,000</b>	<b>14,513,000</b>	<b>24,123,000</b>	<b>38,636,000</b>
Mandatory: b/				
Value-added agriculture product marketing development grants.....	400,988	11,250,000	-11,250,000	0
Agricultural marketing resource center grants.....	0	750,000	-750,000	0
Value-added agriculture product marketing development grants: Socially disadvantaged farmers and ranchers.....	0	1,500,000	-1,500,000	0
Mid-tier value chains.....	0	1,500,000	-1,500,000	0
<b>Total Available or Estimate.....</b>	<b>400,988</b>	<b>15,000,000</b>	<b>-15,000,000</b>	<b>0</b>
Recovery of prior year obligations.....	-1,006,794	0	0	0
Unobligated balance available, SOY...	-399,443	0	0	0
Unobligated balance available, EOY...	1,005,249	0	0	0
Transfer from CCC b/.....	0	-15,000,000	15,000,000	0
<b>Total Appropriation, Mandatory.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Appropriation.....</b>	<b>28,023,000</b>	<b>14,513,000</b>	<b>24,123,000</b>	<b>38,636,000</b>

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ The FY 2008 amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

b/ Mandatory funding provided by sections 6202 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides \$15,000,000 from the funds of the Commodity Credit Corporation (CCC) for fiscal year 2009, to remain available until expended.

**PROJECT STATEMENT**  
(On basis of obligations under available funds)

Item of Change	2008 Actual	2009 Estimated	Increase or Decrease	2010 Estimated
<b>Discretionary:</b>				
Rural cooperative development gts....	\$4,546,576	\$4,424,000	\$6,000,000	\$10,424,000
Appropriate technology transfer for rural areas agreements.....	2,581,800	2,582,000	0	2,582,000
Cooperative research agreements.....	491,511	300,000	0	300,000
Grants to assist minority producers....	1,312,894	1,463,000	2,000,000	3,463,000
Value-added agriculture product marketing development grants.....	18,989,066	3,685,094	17,088,556	20,773,650
Agricultural marketing resource center grants.....	943,350	193,350	900,000	1,093,350
Value-added agriculture product marketing development grants: Socially disadvantaged farmers and ranchers.....	0	386,700	-386,700	0
Mid-tier value chains.....	0	386,700	-386,700	0
Special earmarks, P.L. 111-8, GP 732.	0	1,877,314	-1,877,314	0
<b>Total Available or Estimate.....</b>	<b>28,865,197</b>	<b>15,298,158</b>	<b>23,337,842</b>	<b>38,636,000</b>
Recovery of prior year obligations....	-944,014	0	0	0
Unobligated balance available, SOY..	-879,502	-785,158	785,158	0
Unobligated balance available, EOY..	785,158	0	0	0
Rescission a/.....	196,161	0	0	0
<b>Total Appropriation, Discretionary....</b>	<b>28,023,000</b>	<b>14,513,000</b>	<b>24,123,000</b>	<b>38,636,000</b>
<b>Mandatory: b/</b>				
Value-added agriculture product marketing development grants.....	400,988	12,255,249	-12,255,249	0
Agricultural marketing resource center grants.....	0	750,000	-750,000	0
Value-added agriculture product marketing development grants: Socially disadvantaged farmers and ranchers.....	0	1,500,000	-1,500,000	0
Mid-tier value chains.....	0	1,500,000	-1,500,000	0
<b>Total Available or Estimate.....</b>	<b>400,988</b>	<b>16,005,249</b>	<b>-16,005,249</b>	<b>0</b>
Recovery of prior year obligations....	-1,006,794	0	0	0
Unobligated balance available, SOY..	-399,443	-1,005,249	1,005,249	0
Unobligated balance available, EOY..	1,005,249	0	0	0
Transfer from CCC b/.....	0	-15,000,000	15,000,000	0
<b>Total Appropriation, Mandatory.....</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total Appropriation.....</b>	<b>28,023,000</b>	<b>14,513,000</b>	<b>24,123,000</b>	<b>38,636,000</b>

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ The FY 2008 amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

b/ Mandatory funding provided by sections 6202 of the Food, Conservation, and Energy Act of 2008, Public Law 110-246, dated June 18, 2008. The Act provides \$15,000,000 from the funds of the Commodity Credit Corporation (CCC) for fiscal year 2009, to remain available until expended.

JUSTIFICATION OF INCREASES AND DECREASE

- (1) An increase of \$6,000,000 for rural cooperative development grants (\$4,424,000 available in 2009).

The President's Budget requests an increase in program level funding for the rural cooperative development grant program to support the President's initiative to create jobs. This increase is warranted as current authority is insufficient to allow nationwide access to these types of services. The demand for these grant services will increase because, during economic downturns, unemployed people tend to explore self-employment as an option for supporting themselves. Historically, the forming of cooperatives in difficult financial times has served as a way for people to band together to improve their incomes. This program has been historically over-subscribed even during good economic times. The increase will assist in meeting the demand for locally available services that can contribute to economic development in rural areas.

- (2) An increase of \$2,000,000 for grants to assist minority producers (\$1,463,000 available 2009).

USDA's strong commitment to serving members of minority groups and small businesses is reflected in this request to increase program level funding. Demand for the program is expected to increase due to the deteriorating economic environment. These grants may be used for developing business plans, conducting feasibility studies, or developing marketing plans for farmers, ranchers, loggers, agricultural harvesters, and fisherman.

- (3) An increase of \$18,000,000 for value-added agricultural product market development grants (\$3,867,000 available 2009).

The President's budget requests an increase in program level funding for value-added agricultural product market development grants. The increase will assist in the expansion of uses of agricultural products/commodities by encouraging increased consumer demand as well as creating new uses for existing raw agricultural products. In turn, this will result in increased income to producers, including the expansion of production capacity and the commensurate increases in employment necessary to produce the finish product(s).

- (4) A decrease of \$1,877,000 for special earmark grants (\$1,877,000 available in 2009).

Earmarked grants provide assistance to a limited area of eligibility and deplete the already limited available funding for this account funding to meet other high priority and targeted needs. Other program funds under this account can be used on a competitive basis to provide the same benefits that the earmarked grant funds would provide to this area of the country. The FY 2009 earmarked grant was provided in P.L. 111-8, General Provisions 732.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Rural Cooperative Development Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Alabama	\$200,000	--	--
Arizona	199,467	--	--
Arkansas	199,920	--	--
California	200,000	--	--
Colorado	200,000	--	--
Illinois	200,000	--	--
Indiana	200,000	--	--
Kentucky	200,000	--	--
Michigan	200,000	--	--
Minnesota	200,000	--	--
Mississippi	200,000	--	--
Nebraska	199,961	--	--
North Carolina	200,000	--	--
North Dakota	200,000	--	--
Ohio	400,000	--	--
Pennsylvania	200,000	--	--
South Carolina	153,782	--	--
South Dakota	195,000	--	--
Texas	198,446	--	--
Virginia	200,000	--	--
Washington	200,000	--	--
Wisconsin	200,000	--	--
Total Avail./Est.	<u>\$4,546,576</u>	<u>\$4,424,000</u> <sup>1/</sup>	<u>\$10,424,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Appropriate Technology Transfer

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Montana	\$2,581,800	--	--
Total Avail./Est.	<u>\$2,581,800</u>	<u>\$2,582,000</u> <sup>1/</sup>	<u>2,582,000</u> <sup>1/</sup>

Cooperative Research Agreements

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Wisconsin	\$491,511	--	--
Total Avail./Est.	<u>\$491,511</u>	<u>\$300,000</u> <sup>1/</sup>	<u>\$300,000</u> <sup>1/</sup>

Grants to Assist Minority Producers

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Colorado	\$174,922	--	--
Mississippi	320,000	--	--
North Dakota	175,000	--	--
South Dakota	175,000	--	--
Texas	292,972	--	--
W. Pacific Areas	175,000	--	--
Total Avail./Est.	<u>\$1,312,894</u>	<u>\$1,463,000</u> <sup>1/</sup>	<u>\$3,463,000</u> <sup>1/</sup>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Value-Added Agricultural Product Market Development Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Arkansas	\$196,000	--	--
California	1,312,188	--	--
Colorado	220,000	--	--
Florida	113,658	--	--
Georgia	901,750	--	--
Hawaii	260,812	--	--
Idaho	502,680	--	--
Illinois	150,000	--	--
Indiana	37,050	--	--
Iowa	1,433,500	--	--
Kansas	300,000	--	--
Maine	350,000	--	--
Maryland	532,228	--	--
Massachusetts	479,836	--	--
Michigan	208,033	--	--
Minnesota	1,911,750	--	--
Mississippi	299,088	--	--
Missouri	1,113,215	--	--
Nebraska	123,000	--	--
New Jersey	121,150	--	--
New York	342,447	--	--
North Carolina	183,500	--	--
North Dakota	200,000	--	--
Ohio	471,000	--	--
Oklahoma	35,625	--	--
Oregon	1,038,562	--	--
Pennsylvania	131,805	--	--
Rhode Island	50,000	--	--
South Carolina	393,350	--	--
South Dakota	418,144	--	--
Tennessee	190,668	--	--
Texas	1,373,000	--	--
Vermont	42,428	--	--
Virginia	28,500	--	--
Washington	459,006	--	--
West Virginia	75,000	--	--
Wisconsin	3,116,080	--	--
Puerto Rico	275,000	--	--
Total Avail./Est.	<u>\$19,390,053</u>	<u>\$15,940,343</u> 1/	<u>\$20,773,650</u> 1/

Agricultural Marketing Resource Center Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Iowa	\$943,500	--	--
Total Avail./Est.	<u>\$943,500</u>	<u>\$943,350</u> 1/	<u>\$1,093,350</u> 1/

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
 2008 Actual and Estimated 2009 and 2010

Value-Added Agricultural Product Market Development Grants-Beginners  
 and Socially Disadvantaged Farmers and Ranchers

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>    --</u>	<u>\$1,886,700 1/</u>	<u>          </u>

Value-Added Agricultural Product Market Development Grants-Mid Tier Chains

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>    --</u>	<u>\$1,886,700 1/</u>	<u>    --</u>

Rural Business Special Earmarks

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Total Avail./Est.	<u>    --</u>	<u>\$1,877,314 1/</u>	<u>    --</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE  
RURAL COOPERATIVE DEVELOPMENT GRANTS

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$29,266,334</u>	<u>\$31,303,407</u>	<u>\$38,636,000</u>
Total direct obligations.....	<u>29,266,334</u>	<u>31,303,407</u>	<u>38,636,000</u>

## RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows (deleted matter enclosed in brackets):

Rural Empowerment Zones and Enterprise Community Grants

[For grants in connection with empowerment zones and enterprise communities, \$8,130,000, to remain available until expended, for designated rural empowerment zones and rural enterprise communities, as authorized by the Taxpayer Relief Act of 1997 and the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105-277): *Provided*, That the funds provided under this paragraph shall be made available to empowerment zones and enterprise communities in a manner and with the same priorities such funds were made available during the 2007 fiscal year.]

This change proposes no funding level for this program in FY 2010 since the authorization for the program expires in December 2009. EZs and ECs have access to set asides of Rural Utilities Service, Rural Business-Cooperative Service and Rural Housing Service funds until June 30, 2010. Also, support of EZs is provided in the form of tax incentives to businesses in the zones.

RURAL BUSINESS-COOPERATIVE-SERVICE

Analysis of Change in Appropriation

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

Appropriation Act, 2009.....	\$8,130,000
Budget Estimate, 2010.....	<u>0</u>
Decrease in Appropriations.....	<u><u>-8,130,000</u></u>

PROJECT STATEMENT  
(On basis of appropriation)

Item of Change	2008 Actual	2009 Estimated	Increase or Decrease	2010 Estimated
Rural empowerment zones and enterprise communities grants	\$9,475,434	\$8,130,000	-\$8,130,000	\$0
Total Available or Estimate.....	9,475,434	8,130,000	-8,130,000	0
Unobligated balance available, start of year.....	-2,594,414	0	0	0
Recovery of prior obligations.....	0	0	0	0
Unobligated balance available, end of year.....	1,248,671	0	0	0
Rescission a/.....	57,309	0	0	0
Total Appropriation.....	8,187,000	8,130,000	-8,130,000 (1)	0

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ The FY 2008 amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

PROJECT STATEMENT  
(On basis of obligations under available funds)  
(In thousands of dollars)

Item of Change	2008 Actual	2009 Estimated	Increase or Decrease	2010 Estimated
Rural empowerment zones and enterprise communities grants	\$9,475,434	\$9,378,671	-\$9,378,671	\$0
Total Available or Estimate.....	9,475,434	9,378,671	-9,378,671	0
Unobligated balance available, start of year.....	-2,594,414	-1,248,671	1,248,671	0
Recovery of prior obligations.....	0	0	0	0
Unobligated balance available, end of year.....	1,248,671	0	0	0
Rescission a/.....	57,309	0	0	0
Total Appropriation.....	8,187,000	8,130,000	-8,130,000	0

Staff years are reflected in the Salaries and Expenses Project Statement.

a/ The FY 2008 amount is rescinded pursuant to Division A, Title VII, Section 752 of P.L. 110-161.

JUSTIFICATION OF DECREASE

A decrease of \$8,130,000 for rural empowerment zones and enterprise communities grants (\$8,130,000 available in 2009).

No funding is requested for empowerment zones and enterprise communities grants in FY 2010 since the authorization for the program expires in December 2009. These communities have demographics that make them highly competitive for regular funding through other Rural Development, USDA, and other Federal programs. Grant funding dedicated solely to the EZ/EC communities is not warranted.

RURAL BUSINESS-COOPERATIVE SERVICE  
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS  
2008 Actual and Estimated 2009 and 2010

Rural Empowerment Zone and Enterprise Community Grants

	<u>2008</u>	<u>2009</u>	<u>2010</u>
Alaska	\$123,152	--	--
Arizona	123,152	--	--
California	1,109,844	--	--
Florida	123,152	--	--
Georgia	986,692	--	--
Hawaii	123,152	--	--
Illinois	986,692	--	--
Indiana	123,152	--	--
Kansas	123,152	--	--
Kentucky <sup>1/</sup>	123,152	--	--
Maine	489,751	--	--
Michigan	123,152	--	--
Montana	123,152	--	--
New Mexico	123,152	--	--
North Dakota	986,690	--	--
Oklahoma	123,152	--	--
Pennsylvania	123,152	--	--
South Carolina	123,152	--	--
South Dakota	2,332,431	--	--
Tennessee	123,152	--	--
Texas	489,750	--	--
Washington	123,152	--	--
West Virginia	123,152	--	--
Wisconsin	123,152	--	--
Total Avail./Est.	<u>\$9,475,434</u>	<u>\$9,378,671</u> <sup>1/</sup>	<u>--</u>

<sup>1/</sup> Cannot be distributed by geographic area in advance.

## RURAL BUSINESS-COOPERATIVE SERVICE

## RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS

Classification by Objects  
2008 Actual and Estimated 2009 and 2010

	<u>FY 2008</u>	<u>FY 2009</u>	<u>FY 2010</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$9,475,434</u>	<u>\$9,378,671</u>	<u>\$0</u>
Total direct obligations.....	<u>9,475,434</u>	<u>9,378,671</u>	<u>0</u>

RURAL BUSINESS-COOPERATIVE SERVICE  
 ALTERNATIVE AGRICULTURAL RESEARCH AND  
 COMMERCIALIZATION CORPORATION REVOLVING FUND

Project Statement by Program  
 (On basis of obligations under available funds)

	2008 Actual	2009 Estimated	Increase or Decrease	2010 Estimated
Alternative Agricultural Research and Commercialization Revolving Fund...	0	0	0	0
Total Available or Estimate.....	0	0	0	0
Unobligated balance available, start of the year.....	-\$850,664	-\$845,083	-\$21,000	-\$866,083
Royalties and fees.....	0	0	0	0
Collection from Federal Sources.....	5,581	6,000	-1,000	5,000
Unobligated balance available, end of the year.....	845,083	839,083	22,000	861,083
Total Appropriation.....	0	0	0	0

Section 6201(a) of the Farm Security and Rural Investment Act of 2002, Public Law 107-71, dated May 13, 2002, repeals the AARCC authorization and section 6201(b) authorizes disposition of the assets.

## RURAL DEVELOPMENT BUSINESS PROGRAMS

SUMMARY OF RECOVERY ACT FUNDING

<u>Item of Change</u>	(in thousands)					
	<u>2009</u>		<u>2010</u>		<u>2011</u>	
	PL	BA	PL	BA	PL	BA
Business and Industry Guar. Loans	\$ 2,898,851	\$126,100			N/A	N/A
Rural Business Enterprise Grants	\$ 19,400	\$19,400			N/A	N/A
Total Available for Programs	\$ 2,918,251	\$ 145,500			N/A	N/A
Salaries and Expenses	\$ 4,500	\$ 4,500	N/A	N/A	N/A	N/A
Total Available	\$ 2,922,751	\$ 150,000			N/A	N/A

Program Implementation Activities:Business and Industry

Goals: The goals are to provide the guarantee of quality loans that provide lasting community benefits. This results in jobs being created and saved and small businesses receiving assistance, benefitting the overall local rural economy.

Rural Business Enterprise Grants

Goals: The RBEG program provides grants for rural projects that finance and facilitate development of small and emerging rural businesses help fund distance learning networks, and help fund employment related adult education programs. To assist with business development, RBEGs fund a broad array of activities.

Objectives: Loan guarantees will be used to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities.

Delivery Schedule:Planning Phase:

- Funds will be retained in a National office reserve and allocated to the states based on a project-by-project basis. All ARRA projects will undergo a thorough review by agency to assure the project purposes are meeting the intent of the ARRA.

Project Execution Stage

- Projects will be obligated upon the proper vetting of the project on an individual project basis by the agency.
- 
- Outreach will be conducted at the State and Local Office level. National Office assistance will be provided as necessary. Outreach includes meeting with rural lenders, attending and/or making presentations at conferences of National and State lending associations, etc. Some State Offices have conducted lender workshops in the past. All State Offices will be encouraged to conduct similar workshops.

Performance Measure	2009 Target	2010 Target	2011 Target
<u>Business and Industry Guaranteed Loans Program Performance Measure #1</u>			
a. Jobs created/saved	49,875	NA	NA
b. Percentage of loan guarantee recipients that are small business owners	82.5%	NA	NA
c. Business existing 3 years later	TBD	TBD	NA

Program Implementation Activities:

Rural Business Enterprise Grants (RBEG)

Goals: The goals are to promote economic development, assist businesses, and create and/or save jobs in rural areas.

Objectives: Grants will be used to finance and facilitate development of small and emerging rural businesses, help fund distance learning networks, and help fund employment-related adult education programs.

Delivery Schedule:

Planning Phase:

- April 2009 – Announcement of RBEG funds availability posted to MAX.gov and Grants.gov
- March 2009 – Business Programs Teleconference with State Offices on ARRA Funding
- April 2009 – Apportionment of funding completed
- May 2009 – Submission of Agency and Program Specific Plans to OMB
- TBD, 2009 – Notice of Funds Available

Project Execution Stage:

- May 2009- Super NOSA announcing the availability of funding and procedures for applying/funding will be announced.
- October 2009 – Business Programs ARRA unobligated funds are pulled from States accounts by Budget.
- November 2009 – Business Programs ARRA unobligated funds, if any, will be returned to National Office account from Budget.

- November 2009 – A National Office competition is held and projects submitted from States will be reviewed, scored, prioritize and funded according to priority score until National Office funds are depleted.

Performance Measure		2009 Target	2010 Target	2011 Target
<u>Rural Business Enterprise Grants program</u>				
a. Jobs created/saved		6,286	NA	NA
b. Number of grants to eligible entities to assist businesses and create or retain jobs in rural areas		225	NA	NA

## RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

### STATUS OF PROGRAMS

Current Activities: The Rural Development Business and Cooperative Programs provide, loans, loan guarantees, grants, and technical assistance designed to increase economic opportunity in rural America. Every rural community has unique challenges and natural resources. Rural Development (RD) State and field office staffs reflect those unique attributes and work collaboratively with political and business leaders to leverage RD resources. The business and industry (B&I) guaranteed loan program is one of the major tools that RD employs to facilitate business growth in rural areas. With RD guaranteeing up to 80 percent of the principal, lenders can serve local business development while reducing both actual risk and regulatory limits on size of loans or type of loans. An annual renewal fee enables the agency to guarantee more loans to businesses by reducing program costs.

Specific areas being addressed currently include:

1. Facilitating projects that proactively replace traditional energy imports with domestic production.
2. Improving service to lenders and borrowers to minimize transaction expense.
3. Implementing an economic measurement model to gauge the overall impact of allocating scarce Federal resources.
4. Program delivery is transitioning to a risk based management system. Part of this transition includes giving increased approval authority to qualifying State Directors.
5. the rural cooperative development grant, value-added producer grant and the renewal energy system and energy efficiency improvement programs are included in Rural Development's initiative to streamline and consolidate program regulations. A proposed rule has been published.

Selected Examples of Recent Progress: Recent accomplishments under this appropriation item are cited below by project:

#### **Business and Industry Guaranteed Loan Program:**

The business and industry guaranteed loan program is Rural Development's flagship job creation and capital expansion business program. The \$1.39 billion awarded in FY 2008 for the program created/saved more than 18,700 jobs and impacted 645 rural businesses.

Morris Manufacturing and Sales Corporation is a third generation family business that manufactures auto parts used in transmissions and drive trains by the major auto manufacturers. The guaranteed loan was for the refinancing of debt and purchase of machinery and equipment in the amount of \$6.7 million. The loan created 24 jobs and saved 116 jobs in a struggling rural community in Brazil, Indiana.

A \$9.9 million B&I guaranteed loan was made to Sabine Medical Center, Inc., of Many, Louisiana, for debt refinancing and real estate improvements. The property is a licensed 44-bed, rural, general acute-care hospital that was built in 1961, with additions and renovations through 2001, and currently staffs 38 beds. The improvements include three distinct single-story structures: the main hospital building, the maintenance building, and the administrative office building, totaling 32,485 square feet. The facility, as proposed, will undergo a 9,051 square feet addition along with a renovation of 3,623 square feet. The new area will include upgraded outpatient areas, a new modern Emergency Department with six treatment areas, surgery space, lab, radiology, pharmacy, dining room and administrative offices. A new vehicular drop-off canopy, administration wing and public lobby comprise most of the new construction footprint totaling 6,455 square feet. Reception and patient admitting will be relocated to the new lobby area. The hospital facility will total 41,536 square feet once completed.

Green Meadows Foods, LLC (GMF) located in Hull, Iowa, received a \$21 million guaranteed loan to construct a 110,000 square-foot state-of-the-art cheese and whey facility, licensed by USDA, to manufacture cheese and byproducts for human consumption. GMF plans to capture opportunities in the growing cheese and whey markets and accommodate the demand for cheese to counter regional decreases in producer premiums. Recent expansion of milk production in northwest Iowa, in conjunction with a long-term marketing agreement for cheese produced, provides GMF with the strength to be competitive in the U.S. cheese market. To protect the viability of their cheese processing, GMF will implement processing for whey which will help recover the full value of the milk purchased. It will obtain most of its raw ingredients from dairy farmers in the immediate geographic area via the local milk co-operative, Land O'Lakes. In November 2008, production began at Green Meadows' processing facility that employs approximately 80 people.

#### **PART Assessments**

A PART reassessment for the business and industry (B&I) guaranteed program was completed in FY-2008 and resulted in an "adequate" rating. An improvement plan was developed to ensure continued program performance. The performance measures in the plan are:

- Rural jobs created/saved
- Application processing time
- Assistance to small businesses
- Businesses remaining in existence five years after loan closed
- Small businesses remaining in existence five years after closing.

The agency has successfully maintained its rating of "adequate."

#### **Renewable Energy Systems and Energy Efficiency Improvements Program:**

In FY 2008, Renewable Energy loans and grants were made to borrowers who received both a loan grant transaction totaling \$30 million. Of the combined loan/grant transactions, loans totaled \$15.5 million and grants totaled \$14 million. Total of grants made in the Renewable Energy programs totaled \$34 million. These Rural Development energy projects produced/saved an estimated 1.1 billion kWh.

1. Lincolnland Agri-Energy, LLC was formed as a new generation cooperative in 2001 with 453 farmer-investors to build a 40 million-gallon-a-year ethanol plant. The facility needed a \$1.4 million thermal oxidizer to control emissions produced by the plant.

Rural Development provided a \$300,000 renewable energy grant to make the cost of the thermal oxidizer, a critical piece of equipment for the facility, more affordable. The thermal oxidizer removes 75 percent of the volatile organic compounds and particulates in the dryer exhaust without reducing plant performance. The plant recovers the waste heat given off the thermal oxidizer through the use of a heat recovery steam generator that is used to meet 100 percent of the plant's steam requirement.

The completed plant in Palestine, Ill., now produces 49 million gallons of renewable fuel and 143,000 pounds of protein-rich livestock feed as a co-product. Lincolnland Agri-Energy has meant higher income for its farmer-owners, 37 local jobs and great economic activity for the area. The investment from Rural Development has helped boost the area's economy, improve energy security and keep the environment clean.

2. Iowa Lakes Community College, Estherville, Iowa, needed help with financing the construction of a sustainable energy center at the college.

USDA Rural Development assisted the project with a \$300,000 rural economic development grant to Iowa Lakes Electric Cooperative. Iowa Lakes REC loaned the funds to Iowa Lakes Community College to finance a portion of the \$950,000 construction costs. The project will retain 118 jobs at the college. Iowa

Lakes Community College is able to expand the educational programs to meet the demand for classes that train technicians for the wind turbine industry. Capacity for the program doubled from 30 students to 60 students.

3. Roland Vandenweghe operates a four house poultry broiler grower operation in Jayess, MS. Mr. Vandenweghe requested financial assistance to assist him in completing energy efficiency improvements to his four grower houses. Rural Development was able to provide an energy efficiency grant in the amount of \$50,000 to offset some of the cost of improvements. The grant provided by Rural Development enhanced Mr. Vandenweghe's ability to obtain the additional financing needed to have the improvements completed. The total cost of the improvements was \$230,213.

Based on an energy audit of the projected improvements, energy cost savings is projected to be approximately 44 percent annually which equates to approximately \$7,400 annually. In addition, improvements are projected to increase production 12 percent annually. This will be accomplished by having a more precise control over the temperature environment of the poultry houses. These savings and increases in production will contribute to increased profits for the producer.

The success and benefits of the grant to Mr. Vandenweghe has contributed to 104 additional Mississippi applicants submitting and receiving approximately \$4 million in RE/EEI grant funds from Rural Development.

#### **Intermediary Relending Program:**

In FY 2008, 53 loans resulted in \$33.536 million being made available to intermediaries. These funds impacted 325 businesses and created or saved an estimated 25,655 jobs. The following examples demonstrate the use intermediary relending program (IRP) funds provided to intermediaries to fund projects in rural areas:

Sierra Economic Development Corporation, Auburn, CA, received \$725,989 to assist businesses located within Placer County. Funding support will create and/or save an estimated 180 jobs.

Vermont Community Loan Fund, Montpelier, VT, received \$500,000 to assist businesses located within Washington County. An estimated 70 jobs will be created and/or saved.

#### **PART Assessments**

A PART assessment was conducted in FY 2004 obtaining an OMB rating of "adequate" with recommendations to establish a new baseline and ambitious targets for the program. New baseline targets are under OMB review. Implementation of the IRP program in SEBAS has been completed and will be utilized starting in FY 2009. Baselines for job performance measurements and Gross Domestic Product are currently being determined and will be compared to the existing formulation of the job performance. Also SEBAS will provide an adjustment for the jobs displacement factor to improve the accuracy of the count for jobs created and saved adding in indirect jobs which may have a major impact on the number of jobs reported.

#### **Rural Economic Development Loan Program:**

In FY 2008, a total of 45 loans with a combined value of more than \$32 million were made to qualifying utilities creating or saving more than 4,800 jobs. For example, a \$740,000 loan to construct a rail line and purchase rail cars to transport ethanol from a 50 million gallon a year facility to be built in Clements, Minnesota. The project is expected to create 31 jobs.

**Rural Economic Development Grant Program:**

In FY 2008, 34 grants were awarded with a combined value of \$10 million. These grants contributed to a number of rural communities and were responsible for creating or saving more than 1800 jobs. For example, Rural Development made a \$300,000 grant to the Western Illinois Rural Electric Cooperative to fund part of the critical infrastructure for a new medical facility.

**Rural Business Opportunity Grant Program:**

In FY 2008, the 33 grants awarded totaled just under \$2.6 million and created or saved more than 990 jobs. One grant for \$50,000 provided technical expertise to promote and market locally grown crops and value added products in Sneedville, Tennessee. The project is projected to create or save 59 jobs.

**Rural Business Enterprise Grant Program:**

In FY 2008, 587 grants were awarded, totaling \$57 million. These grants created and or saved over 18,400 jobs. A grant for \$99,000 was used to create a revolving loan fund with the initial loan used to enlarge a water line and to improve streets into a retail center. The project assisted three businesses created twenty-five new jobs.

**PART Assessment**

The program received a rating of "adequate" on a PART reassessment completed in FY07. The program issued an un-numbered letter establishing new procedures for national and field office staff in February, 2008. Areas emphasized will be new long term measures that better reflect the program's impact on the long-term viability of businesses and jobs, decreasing the amount of time for issuing notices of funding availability and issuance of awards, and increasing the number of awards made in areas of high economic distress.

**Value Added-Producer Grant Program:**

In FY 2008, grants totaling nearly \$19.3 million were made to 144 agricultural producers and businesses. The program targeted smaller projects, and approximately one-third of the 43 grants were awarded to recipients who requested \$50,000 or less in Federal assistance.

Recent examples include a grant of \$29,510 to Diamond Plus Ranches in Nebraska to develop a feasibility study for marketing organic white wheat through a dedicated cleaning, handling, and bagging facility that would ensure identity preservation and associated price premiums. A grant of \$300,000 was awarded to Bee County Cooperative Association in Texas to develop new markets for processed cottonseed products. A working capital award of \$121,500 was also made to Bellview Farms of New Jersey to assist in branding and marketing their premium wines.

This program also funded a total of 32 energy related value-added grants with a combined funding level of \$4.2 million. Examples include an award of \$149,800 to Brinson Farms in Mississippi to operate an on-farm poultry litter-based anaerobic digester and to market the co-products of the process; as well as, an award of \$56,750 to the Minnesota Valley Alfalfa Producers Cooperative, to support essential planning activities, for expansion of a bio-energy pelletization operation using prototype Kinetic Disintegration Systems technology.

**PART Assessments**

The program underwent a reassessment during 2006 following the incorporation of added reporting requirements and gained an "adequate" PART rating. Funds were made available for enhancements to the Guaranteed Loan System to capture the projected and actual performance measurements. Development of the specific fields is currently in process and is expected to be completed by June 2009.

Rural Cooperative Development Grants:

In FY 2008, grants totaling approximately \$4.4 million were made to 23 centers. Among the successful applicants was the Kentucky Center for Agriculture and Rural Development to provide technical assistance and education promoting new cooperatives while continuing to improve existing farmers' cooperatives. The Center estimates that it will assist at least 24 individuals, cooperatives or other organizations in business development efforts, creating 25 jobs and retaining more than 75 jobs for rural Kentucky.

In addition, the Northwest Center for Cooperative Enterprise and Innovation of Olympia, WA was awarded funds to introduce cooperative approaches to distressed rural areas in Washington and in its newly expanded service areas in Oregon, Idaho, and Hawaii. The Center works to increase business diversification and economic sustainability and promotion of renewable resource cooperative businesses that encourage local jobs and ownership.

## RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

### Summary of Budget and Performance Statement of Goals and Objectives

Rural Development Business and Cooperative Programs have a strategic goal of increasing economic opportunity in rural America by enhancing capital formation and supporting the creation of diverse, sustainable businesses.

Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<b>Agency Goal 1:</b> Increase economic opportunity in Rural America	<u>Objective:</u> <u>Objective 1.1:</u> Enhance capital formation and support the creation of diverse, sustainable businesses.	Intermediary Relending Program Rural Economic Development Loans Rural Economic Development Grants Guaranteed Renewable Energy Loans Renewable Energy Grants Guaranteed Business and Industry Loans Rural Business Enterprise Grant  Implemented Programs Authorized under 2008 Farm Bill:  Micro Enterprise Loans Micro Enterprise Grants Biorefinery Assistance Program Repowering Assistance Program Bioenergy Program for Advanced Biofuels	<u>RD Key Outcome 1:</u> Enhanced capital formation and opportunities provided to agricultural producers and rural businesses
	<u>Objective 1.3:</u> Provide new opportunities for agricultural producers	Rural Cooperative Development Grants Cooperative Research Agreements Grants to Assist Minority Producers Value-Added Agricultural Product Market Development Grants (VAPG) Agricultural Marketing Resource Center Grant Rural Business Opportunity Grant	

Selected Accomplishments Expected at the FY 2010 Proposed Resource Level:

- The Business & Industry (B&I) Guaranteed Loan Program is Rural Development's flagship job creation and capital expansion business program. With a \$52.9 million budget authority in FY 2010, the business & industry program will continue to support a program level of approximately \$993 million to provide funding to businesses of all types which create jobs and promote economic growth. This level of funding will support creating and saving 16,650 jobs and assisting/creating and or saving 325 businesses in FY 2010.
- The Rural Energy for America guaranteed loan and grant program provides loan guarantees and grants to farmers, ranchers, and rural small businesses to assist with purchasing renewable energy systems and making energy efficiency improvements to their physical plants. Funding for 2009 and 2010 is expected to be dispersed as \$34 million in grants and \$35 million in grant and loan combinations. The anticipated cumulative benefits for funded grant programs include – 2,909 jobs created and/or saved, 3,161 millions of kWh electricity generated with alternative energy sources, displacing 756,000 million metric tons of carbon emissions and 5.8 million barrels of oil, and serving 303,900 households. The anticipated cumulative benefits for funded grant and loan combination programs include – 2,609 jobs created and/or saved, 3,029.5 millions of kWh electricity generated with alternative energy sources, displacing 724,000 million metric tons of carbon emissions and 6.1 million barrels of oil, and serving 291,300 households.
- The Value-Added Agricultural Product Market Development Grant program enables independent agricultural commodity producers, agricultural producer groups, farmer and rancher cooperatives, and majority controlled producer-based business ventures to participate in the economic returns found in the value-added markets. Each year the number of recipients of value-added producer grants varies, but based on previous years, if the 2010 budget provides a \$25.0 million program level, it will support 192 additional proposed, new or expanded value-added businesses annually.
- The Intermediary Relending program (IRP) makes loans to intermediary borrowers (private nonprofit corporations, State or local government agencies, Indian tribes, and cooperatives) who, in turn, relend the funds to individuals, public or private organizations and other legal entities that meet the criteria for ultimate recipients. Financial assistance from the intermediary to the ultimate recipient supports economic and community development projects, new businesses and/or expansion of existing businesses. The IRP funds are typically revolved three to four times over the life of the loan. An analysis of historical data on actual number of intermediaries assisted, number of businesses impacted and creation or saving of jobs, is anticipated the program will impact 325 businesses and create or save an estimated 26,000 jobs in FY 2010. The funding level will support an estimated 50 loans totaling \$33.5 million made to intermediaries.
- Rural Cooperative Development Grants help to improve the economic condition of rural areas by creating or retaining jobs through the development of new rural cooperatives, value-added processing, and other rural businesses. These grants are made to rural development centers – nonprofit corporations including institutions of higher education – that provide technical assistance to organizations exploring the cooperative form of business entity and to existing cooperatives interested in improving their operations or expanding into new market areas. These funds will help strengthen the rural economy and assist farmers, ranchers, and rural business owners across the nation in establishing and marketing cooperatives. The funding level for this program in FY 2010 will provide funding to approximately 20 grantees that will assist 300 cooperatives and prospective cooperative groups.

- Section 6022, Rural Microentrepreneur Assistance Program – (RMAP) Provides rural microentrepreneurs with the skills necessary to establish new rural microenterprises, training, and to provide continuing technical and financial assistance related to the successful operation of rural microenterprises. Loans and grants will be made to eligible and qualified Microenterprise Development Organizations for the purposes of 1) providing microloans to rural microentrepreneurs, and 2) providing training and technical assistance to microentrepreneurs and/or potential microentrepreneurs to establish new, or sustain existing micro businesses in rural areas. The Act provides mandatory funding in the amount of \$4 million in FY 2009. In FY2010 an additional 22 Million is requested for RMAP bringing the proposed level of funding to 26 Million in FY 2010. Microenterprise programs have been estimated to create one job for every \$2,200 loaned to a small business. When the program is fully implemented we expect these funding levels to generate over \$51 million in loans to micro businesses resulting in an estimated 23,000 jobs created or saved.
- The Biorefinery Assistance Program (Section 9003) assists in the development of new and emerging technologies for the development of advanced biofuels. An increase of about \$18 million is requested for the BAP for FY 2010. This amount of budget authority combined with the \$245 million in mandatory budget authority provided by the 2008 Farm Bill is estimated to support about \$800 million in loan guarantees. While the size of projects may vary, the first BAP project required an \$80 million loan guarantee. Rural Development has been working closely with the advanced biofuels industry and anticipates that several projects will be funded in 2009 and that the demand for BAP loan funds in FY 2010 will continue to rise.

## RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

### Summary of Budget and Performance Key Performance Outcomes and Measures

#### Goal 1:

Key Outcome: Enhanced capital formation and opportunities provided to agricultural producers and rural businesses

#### Key Performance Measures:

- Measure #1: Number of jobs created and saved
- Measure #2: Million of kWh generated
- Measure #3: Assist existing and prospective cooperative groups
- Measure #4: Value added businesses assisted

#### Key Performance Targets:

Performance Measure	2005 Actual	2006 Actual	2007 Actual	2008 Actual	2009 Target	2010 Target
Performance Measure #1						
a. Jobs created/saved	73,328	71,715	72,710	72,907	71,040	71,167 <sup>t</sup>
b. Program Dollars (000s)**	\$788,827	\$880,242	\$937,407	\$1,588,925	\$1,103,802	\$1,103,802
<b>ARRA Funds<sup>1</sup></b>						
a. Jobs created/saved (B&I & RBEG)					49,875	
b. Program (B&I & RBEG) Dollars (000s)					\$2,918,250	
Performance Measure #2						
a. Million of kWh generated with alternative energy sources	373.9	1,575	2,924	1,584	2,304	3,029
b. Program Dollars (000s)						
- Loans	10,100	\$24,159	\$57,098	15,566	25,780	246,334
- Grants	\$22,692	\$22,237	\$19,102	\$34.2	2,500	33,600
(in thousands)						

Performance Measure #3						
a. Number of Cooperatives and prospective cooperative groups assisted	225	195	187	175	150	300
b. Program Dollars (in thousands)	\$7,008	\$4,357	\$6,218	\$4,547	\$4,424	\$10,124
Performance Measure #4						
a. Proposed, new, or expanded Value-Added businesses assisted	170	185	151	142	192	192
b. Program Dollars (in thousands)	\$14,607	21,203	\$23,801	\$19,389	\$15,940	\$20,773

\*The jobs that are created and saved represent the programs that contribute to Objective 1.1. 9007 Renewable Energy loans and grants program, job data are not counted in the performance target for FY 2009 and FY 2010.

\*\* Program Dollars consist of the following programs: intermediary relending program, rural economic development loan and grant; business and industry guarantee; rural business enterprise grant; and rural business opportunity grant.

\*\*\* Rural Development anticipates funding for these programs will be provided through the 2008 Farm Bill. At this time, no proposed amount has been received therefore anticipated performance measurements can not be calculated.

1 ARRA Funds consist of the following programs: Business and Industry Guarantee; and Rural Business Enterprise Grant, and assumes that it will be some carryover in FY 2010.

t. Projected total for jobs created/saved does not include estimated performance targets for new Farm Bill Programs: Rural Microenterprise Assistance Program.

BUSINESS AND COOPERATIVE PROGRAMS				
Full Cost by Strategic Goal				
Strategic Objective 3.1: Expand Economic Opportunities by Using USDA Financial Resources to Leverage Private Sector Resources and Create Opportunities for Growth				
PROGRAM	PROGRAM ITEMS	2008 AMOUNT (\$000)	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)
<b>RDLF Intermediary Relending Program</b>				
	Program Level	\$33,536	\$33,536	\$33,534
	Budget Authority	14,384	14,035	8,464
	S&E	1,495	1,746	1,722
	Total Costs	15,879	15,781	10,186
	FTEs	13	15	15
	Performance measure:			
	Jobs created/saved			
	Target:	25,655	25,655	25,655
	Cost per Unit	0.62	0.62	0.40
<b>Rural Economic Development Loans</b>				
	Program Level	\$32,402	\$37,515	\$33,077
	Budget Authority	7,320	7,837	4,317
	S&E	2,239	2,533	2,628
	Total Costs	9,559	10,370	6,945
	FTEs	20	22	23
	Performance measure:			
	Jobs created/saved			
	Target:	4,939	5,336	4,939
	Cost per Unit	1.94	1.94	1.41
<b>Rural Economic Development Grants</b>				
	Program Level 1/	\$10,000	\$10,000	\$0
	Budget Authority	0	0	0
	S&E	958	1,049	1,089
	Total Costs	958	1,049	1,089
	FTEs	9	9	9
	Performance measure:			
	Jobs created/saved			
	Target:	2,090	1,650	1,650
	Cost per Unit	0.46	0	0
<b>Biomass Research and Development Grants</b>				
	Program Level	\$13,225	\$0	\$0
	Budget Authority	13,225	0	0
	S&E	0	0	0
	Total Costs	13,225	0	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	0	0
	Cost per Unit	0	0	0

PROGRAM	PROGRAM ITEMS	2008 AMOUNT (\$000)	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)
<b>Rural Energy for America Loans and Grants</b>				
	Program Level <u>2/</u>	\$49,806	\$333,644	\$524,664
	Budget Authority	35,748	60,000	128,130
	S&E	6,931	8,999	9,782
	Total Costs	42,679	68,999	137,912
	FTEs	62	80	84
	Performance measure:			
	mKWH produced			
	Target:	680	1,725	3,029
	Cost per Unit	62.76	40.00	45.53
<b>Rural Cooperative Development Grants, Appropriate Technology Transfer, Cooperative Research Agreements, and Grants to Assist Minority Producers</b>				
	Program Level	\$8,934	\$8,769	\$16,769
	Budget Authority	8,934	8,769	16,769
	S&E	214	262	274
	Total Costs	9,148	9,031	17,043
	FTEs	2	2	2
	Performance measure:			
	Groups assisted <u>3/</u>			
	Target: <u>4/</u>	175	150	300
	Cost per Unit	52.27	60.21	56.81
<b>Value Added Agricultural Product Market Development Grants &amp; Agricultural Mtng. Res. Center Grants</b>				
	Program Level	\$20,333	\$20,657	\$21,867
	Budget Authority	20,333	20,657	21,867
	S&E	1,171	1,311	1,356
	Total Costs	21,504	21,968	23,223
	FTEs	10	11	11
	Performance measure:			
	Number businesses assisted <u>5/</u>			
	Target:	150	192	192
	Cost per Unit	143.36	114.42	120.95
<b>Rural Empowement Zone &amp; Enterprise Comm. Grants</b>				
	Program Level	\$9,475	\$9,379	\$0
	Budget Authority	9,475	9,379	0
	S&E	641	525	541
	Total Costs	10,116	9,904	541
	FTEs	6	5	5
	Performance measure: Round II			
	Communities' Leverage Dollars			
	Target:	0	0	0
	Cost per Unit	0	0	0

PROGRAM	PROGRAM ITEMS	2008 AMOUNT (\$000)	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)
<b>Special Earmarks GPs 764 - 2006 and Other Special Earmarks</b>				
	Program Level	\$0	\$1,877	\$0
	Budget Authority	0	1,877	0
	S&E	0	0	0
	Total Costs	0	1,877	0
	FTEs	0	0	0
	Performance measure:			
	Target:	0	0	0
	Cost per Unit	0	0	0
<b>Business and Industry Guaranteed Loans</b>				
	Program Level	\$1,390,532	\$1,134,479	\$993,002
	Budget Authority	60,071	49,350	52,927
	S&E	43,523	47,434	47,355
	Total Costs	103,594	96,784	100,282
	FTEs	388	414	406
	Performance measure:			
	Jobs created/saved			
	Target:	18,703	16,625	16,650
	Cost per Unit	5.54	5.82	6.02
<b>NADBank Guaranteed Business and Industry Loans</b>				
	Program Level	\$0	\$0	\$0
	Budget Authority	0	351	0
	S&E	0	0	0
	Total Costs	0	351	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	0	0
	Cost per Unit	0	0	0
<b>Rural Business Enterprise Grants, Rural Business Enterprise Grants Technical Assist. Transportation, Rural Business Enterprise Grants Mississippi Delta, Rural Business Enterprise Grants Native American Tribes and Native American Tribes Transportation.</b>				
	Program Level	\$54,612	\$40,589	\$38,727
	Budget Authority	54,612	40,589	38,727
	S&E	2,453	2,008	2,080
	Total Costs	57,065	42,597	40,807
	FTEs	22	18	18
	Performance measure:			
	Jobs created/saved			
	Target:	18,766	14,200	14,000
	Cost per Unit	3.04	3.00	2.91
<b>Rural Business Opportunity Grants, Rural Business Opportunity Grants Native American Tribes, Rural Business Opportunity Grants Mississippi Delta and Grant to Delta Regional Authority</b>				
	Program Level	\$6,086	\$5,657	\$5,462
	Budget Authority	6,086	5,657	5,462
	S&E	1,385	1,139	1,181
	Total Costs	7,471	6,796	6,643
	FTEs	12	10	10
	Performance measure:			
	Jobs created/saved			
	Target:	995	3,405	3,473
	Cost per Unit	7.51	2.00	1.91

PROGRAM	PROGRAM ITEMS	2008 AMOUNT (\$000)	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)
<b>Rural Microenterprise Investment Program</b>				
	Program Level	\$0	\$9,816	\$77,574
	Budget Authority	0	4,000	26,000
	S&E	0	435	450
	Total Costs	0	4,435	26,450
	FTEs	0	4	4
	Performance measure:			
	Target:	0	TBD	TBD
	Cost per Unit	0	0	0
<b>Guaranteed Biorefinery Loans</b>				
	Program Level	\$0	\$224,955	\$739,608
	Budget Authority	0	75,000	262,339
	S&E	0	697	906
	Total Costs	0	75,697	263,245
	FTEs	0	6	8
	Performance measure:			
	Target:	0	TBD	TBD
	Cost per Unit	0	0	0
<b>Repowering Assistance Payments</b>				
	Program Level	\$0	\$35,000	\$0
	Budget Authority	0	35,000	0
	S&E	0	262	0
	Total Costs	0	35,262	0
	FTEs	0	2	0
	Performance measure:			
	Businesses Assisted			
	Target:	0	TBD	0
	Cost per Unit	0	0	0
<b>Bioenergy Program for Advanced Biofuels Payments</b>				
	Program Level	\$0	\$55,000	\$55,000
	Budget Authority	0	55,000	55,000
	S&E	0	614	906
	Total Costs	0	55,614	55,906
	FTEs	0	5	8
	Performance measure:			
	Target:	0	TBD	TBD
	Cost per Unit	0	0	0
<b>Guaranteed Business and Industry Loans 2008 Disasters Emergency Supplemental</b>				
	Program Level	\$0	\$445,977	\$0
	Budget Authority	0	19,400	0
	S&E	0	0	0
	Total Costs	0	19,400	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	0	0
	Cost per Unit	0	0	0

PROGRAM	PROGRAM ITEMS	2008 AMOUNT (\$000)	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)
<b>Rural Business Enterprise Grants May 6, 2007 Disaster Emergency Supplemental</b>				
	Program Level	\$2,000	\$100	\$0
	Budget Authority	2,000	100	0
	S&E	0	0	0
	Total Costs	2,000	100	-
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	0	0
	Cost per Unit	0	0	0
<b>Rural Business Enterprise Grants 2008 Disasters Emergency Supplemental</b>				
	Program Level	\$0	\$4,850	\$0
	Budget Authority	0	4,850	0
	S&E	0	0	0
	Total Costs	0	4,850	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	0	0
	Cost per Unit	0	0	0
<b>Business and Industry Guaranteed Loans - Stimulus</b>				
	Program Level	\$0	\$2,898,851	\$0
	Budget Authority	0	126,100	0
	S&E	0	0	0
	Total Costs	0	126,100	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	49,875	0
	Cost per Unit	0	7.58	0
<b>Rural Business Enterprise Grants - Stimulus</b>				
	Program Level	\$0	\$19,400	\$0
	Budget Authority	0	19,400	0
	S&E	0	0	0
	Total Costs	0	19,400	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	6,286	0
	Cost per Unit	0	3.09	0

PROGRAM	PROGRAM ITEMS	2008 AMOUNT (\$000)	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)
<b>Total for Strategic Objective 3.1</b>				
	Program Level	\$1,631,283	\$5,330,051	\$2,539,284
	Budget Authority	232,530	557,351	620,002
	S&E	61,010	69,014	70,270
	Total Costs	293,540	626,365	690,272
	FTEs	544	603	603
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Unit	N/A	N/A	N/A

1/ RED Grants funded through cushion of credit and fees from underwriter bonds and notes.

2/ Guaranteed Renewable Energy Loans and Grants funding contingent on Farm Bill for FY 2009.

3/ Performance measure changed from coops assisted to groups assisted.

4/ FY 2008 and 2009 Estimates and Performance Measures based on RCDG and GAMP programs only.

5/ Measure and target changed from recipient revenues to businesses assisted.

S&E and FTE figures for each program are based on calculations and a best estimate of the personnel involved. Actual staff time by program is not available at this time.