

2011 Explanatory Notes
Rural Business-Cooperative Service

Table of Contents

	<u>Page</u>
Purpose Statement.....	28-1
Rural Business Program Account:	
Appropriations Language.....	28-4
Project Statement.....	28-6
Justifications.....	28-9
Geographic Breakdown of Obligations.....	28-11
Classification by Objects.....	28-19
Rural Development Loan Fund Program Account:	
Appropriations Language.....	28-20
Project Statement.....	28-22
Justifications.....	28-23
Geographic Breakdown of Obligations.....	28-24
Classification by Objects.....	28-25
Rural Economic Development Loans Fund Program Account:	
Appropriations Language.....	28-26
Project Statement.....	28-28
Justifications.....	28-29
Geographic Breakdown of Obligations.....	28-30
Classification by Objects.....	28-31
Rural Economic Development Grants:	
Appropriations Language.....	28-32
Project Statement.....	28-33
Justifications.....	28-34
Geographic Breakdown of Obligations.....	28-35
Classification by Objects.....	28-36
Rural Microenterprise Investment Program Account:	
Appropriations Language.....	28-37
Project Statement.....	28-39
Justifications.....	28-41
Geographic Breakdown of Obligations.....	28-42
Classification by Objects.....	28-43
Biorefinery Assistance Program Account:	
Appropriations Language.....	28-44
Project Statement.....	28-46
Justifications.....	28-47
Geographic Breakdown of Obligations.....	28-48
Classification by Objects.....	28-49

Energy Assistance Payments:	
Project Statement.....	28-50
Geographic Breakdown of Obligations.....	28-51
Classification by Objects.....	28-52
Rural Energy for America Program:	
Appropriations Language.....	28-53
Project Statement.....	28-55
Justifications.....	28-57
Geographic Breakdown of Obligations.....	28-58
Classification by Objects.....	28-63
Rural Cooperative Development Grants:	
Appropriations Language.....	28-64
Project Statement.....	28-66
Justifications.....	28-68
Geographic Breakdown of Obligations.....	28-69
Classification by Objects.....	28-72
Rural Empowerment Zones and Enterprise Communities Grants:	
Appropriations Language.....	28-73
Project Statement.....	28-74
Justifications.....	28-75
Geographic Breakdown of Obligations.....	28-76
Classification by Objects.....	28-77
Alternative Agriculture Research and Commercialization Corporation Revolving Fund:	
Project Statement.....	28-78
Summary of Recovery Act Funding.....	28-79
Status of Programs.....	28g-1
Summary of Budget and Performance.....	28-82
Key Performance Outcomes and Measures.....	28-85
Full Cost by Strategic Goal.....	28-87

RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

Purpose Statement

USDA Rural Development's Business and Cooperative Programs provides loans, loan guarantees, grants and payments designed to increase economic opportunity in rural America.

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 in geographic areas limited by banking regulations on concentration of credit and lending limits that make large loans difficult. 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 are also 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 enable 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.

Grants to Small Socially Disadvantaged Producers - 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 that want to form 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. ATTRA provides information to farmers and other rural users on a variety of sustainable agricultural practices that include both crop 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 loans and grants to 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, 2009, there were 5,873 permanent full-time employees including the headquarters and 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, [~~\$97,116,000~~]\$81,526,000, 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. 2009aa 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~~]\$3,010,000 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 of the amount appropriated under this heading, the amount equal to the amount of Rural Business Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year [~~2009~~]2010, shall be available through June 30, [~~2010~~]2011, for 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 sections 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.

The first change removes the earmark for the Delta regional authority program. This program can be funded by the regular appropriation.

The second change reflects the change of the fiscal year for the designation of set-aside for rural economic area partnership zones funds.

The third change modifies the expiration date of set-aside funds for rural economic area partnership zones from June 30, 2010, to June 30, 2011.

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, 2010 <u>a/</u>	\$993,001,876	\$52,927,000	\$44,189,000
Budget Estimate, 2011.....	941,962,617	40,316,000	41,210,000
Decrease in Appropriations.....	<u>-51,039,259</u>	<u>-12,611,000</u>	<u>-2,979,000</u>

a/ Excludes \$250,000 provided by General Provision 738, P.L. 111-80.

PROJECT STATEMENT - CURRENT LAW
 (On basis of supportable loan levels and appropriated subsidies and grants)
 (In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Business Programs:								
Business and industry guaranteed loans.....	\$949,010	\$41,282	\$993,002	\$52,927	-\$51,039 (1)	-\$12,611 (2)	\$941,963	\$40,316
Business and industry guaranteed loans - ARRA d/.....	49,412	3,627	0	0	0	0	0	0
Business and industry guaranteed disaster supplemental loans a/.....	246,197	10,710	0	0	0	0	0	0
Business and industry guaranteed NADBank loans a/.....	0	0	0	0	0	0	0	0
Rural business enterprise grants.....	36,053	36,053	35,217	35,217	745	745 (3)	35,962	35,962
Rural business enterprise grants - ARRA d/.....	15,314	15,314	0	0	0	0	0	0
Rural business enterprise grants, technical assistance transportation.....	500	500	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.....	3,360	3,360	2,760	2,760	-683	-683 (4)	2,077	2,077
Rural business enterprise grants, native American tribes transportation.....	250	250	250	250	-62	-62 (5)	188	188
Rural business enterprise grants, disaster supplemental a/ g/.....	4,810	4,810	0	0	0	0	0	0
Rural business opportunity grants.....	1,693	1,693	1,493	1,493	245	245 (6)	1,738	1,738
Rural business opportunity grants, native American Tribes.....	990	990	990	990	-245	-245 (7)	745	745
Rural business opportunity grants Mississippi delta.....	0	0	0	0	0	0	0	0
Delta regional authority grants.....	2,979	2,979	2,979	2,979	-2,979	-2,979 (8)	0	0
Special Earmark, GP 738 - 2010.....	0	0	250	250	-250	-250 (9)	0	0
Total Available or Estimate.....	1,310,567	121,567	1,037,441	97,366	-54,268	-15,840	983,173	81,526
Total administrative expenses - ARRA d/.....	0	4,500	0	0	0	0	0	0
Total administrative expenses - 2008 Disasters a/.....	0	750	0	0	0	0	0	0
Transfer of unobligated balances.....	-450,927	-25,100	0	0	0	0	0	0
Recovery of prior year obligations.....	-229,096	-13,633	0	0	0	0	0	0
Unobligated balance available, start of year.....	-143,526	-8,563	0	0	0	0	0	0
Unobligated balance available, end of year...	2,287,566	157,864	0	0	0	0	0	0
Transfer of ARRA funds d/.....	-1,737,384	-150,000	0	0	0	0	0	0
Total Appropriation.....	1,037,200	87,385	1,037,441	97,366	-54,269	-15,840	983,173	81,526

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 - CURRENT LAW
(On basis of obligations under available funds)
(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Business Programs:								
Business and industry guaranteed loans.....	\$949,010	\$41,282	\$994,575	\$53,011	-\$52,612	-\$12,695	\$941,963	\$40,316
Business and industry guaranteed loans - ARRA d/.....	49,412	3,627	1,523,298	122,473	-1,523,298	-122,473	0	0
Business and industry guaranteed disaster supplemental loans a/.....	246,197	10,710	163,048	8,690	-163,048	-8,690	0	0
Business and industry guaranteed NADBank loans a/.....	0	0	4,412	351	-4,412	-351	0	0
Rural business enterprise grants.....	36,053	36,053	35,998	35,998	-781	-781	35,217	35,217
Rural business enterprise grants - ARRA d/.....	15,314	15,314	4,086	4,086	-4,086	-4,086	0	0
Rural business enterprise grants, technical assistance transportation.....	500	500	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.....	3,360	3,360	3,459	3,459	-1,383	-1,383	2,077	2,077
Rural business enterprise grants, native American tribes transportation.....	250	250	250	250	-62	-62	188	188
Rural business enterprise grants, disaster supplemental a/.....	4,810	4,810	140	140	-140	-140	0	0
Rural business opportunity grants.....	1,693	1,693	1,639	1,639	99	99	1,738	1,738
Rural business opportunity grants, native American Tribes.....	990	990	999	999	-254	-254	745	745
Rural business opportunity grants Mississippi delta.....	0	0	32	32	-32	-32	0	0
Delta regional authority grants.....	2,979	2,979	2,979	2,979	-2,979	-2,979	0	0
Special Earmark, GP 764 - 2006.....	0	0	1	1	-1	-1	0	0
Special Earmark, GP 738 - 2010.....	0	0	250	250	-250	-250	0	0
Total Available or Estimate.....	1,310,567	121,567	2,735,967	235,160	-1,753,539	-154,379	982,428	80,781
Total administrative expenses - ARRA d/.....	0	4,500	0	0	0	0	0	0
Total administrative expenses - 2008 Disasters a/.....	0	750	0	0	0	0	0	0
Transfer of unobligated balances.....	-450,927	-25,100	0	0	0	0	0	0
Recovery of prior year obligations.....	-229,096	-13,633	0	0	0	0	0	0
Unobligated balance available, start of year.....	-143,526	-8,563	-2,034,169	-157,864	1,565,244	137,794	-468,925	-20,070
Unobligated balance available, end of year.....	2,287,566	157,864	335,643	20,070	-335,643	-20,070	0	0
Transfer of ARRA funds d/.....	-1,737,384	-150,000	0	0	0	0	0	0
Rescission e/.....	0	0	0	0	468,925	20,070	468,925	20,070
Total Appropriation.....	1,037,200	87,385	1,037,441	97,366	-55,013	-16,585	982,428	80,781

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.

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 2010, an unobligated carryover balance of \$351,233.36 was available for this purpose. The FY 2010 loan subsidy rate is 7.96 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/ 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.
- e/ The proposed rescission is of carryover balances of regular funds not anticipated being obligated in FY 2010.

JUSTIFICATION OF INCREASES AND DECREASES

- (1) A decrease of \$51,039,059 for the guaranteed business and industry loan level (\$993,001,876 available in 2010).

The business and industry guaranteed loan program has a projected carryover of FY 2010 funds of \$415 million. It is therefore anticipated that the requested program level of \$941.6 million in addition to the carryover will be sufficient to meet the demand for the program in FY 2011.

The guaranteed business and industry loan level promotes the creation of rural businesses; secures start-up capital; and finances for expansion, creates jobs, and helps diversify the rural economy. This investment will provide increased employment opportunities for rural communities and upgrade community infrastructure to improve the quality of life for rural residents.

The agency strives to improve the quality of life in rural America by encouraging the establishment and growth of rural businesses and cooperatives, which ultimately increases the availability, stability, and quality of jobs in rural America. The agency also strives to expand economic and trade opportunities for agricultural producers and other rural residents and build leveraging partnerships with State, local and private sources to expand the total amount of resources provided to rural areas.

The increase of funds will be used to support the Healthy Food, Healthy Neighborhoods and Regional Innovation Initiatives. The Healthy Food, Healthy Neighborhoods initiative will support local and regional efforts to increase access to health food, in particular for developing grocery stores and other health food retailers in urban and rural food deserts and other low-income/underserved areas in coordination with other Agencies. In addition, the new Regional Innovation Initiative focuses planning and coordination of USDA and other sources of assistance for rural communities, allowing for communities with the same region working together instead of independently produce more prosperity for all communities involved.

- (2) A decrease of \$12,611,000 for guaranteed business and industry loan subsidy (\$52,927,000 available in 2010).

The change in the subsidy rate is primarily due to changes in technical assumptions such as defaults and recoveries and the increase in the estimated Treasury discount rate for these programs. In addition, there is a proposed fee restructuring of a 1 percent increase to the fee to take place in FY 2011 which also lowers the subsidy rate.

- (3) An increase of \$744,975 for the rural business enterprise grants (\$35,217,000 available in 2010).

This increase represents funding needs. The amount of funds available for all rural business enterprise grants remains constant but there is an increase to the regular program. A portion of the funds previously specifically targeted to Native American rural business enterprise grants programs have been redirected to the regular program. Obligations for Native Americans can still take place under the regular program keeping the available funding for Native Americans.

- (4) A decrease of \$683,100 for the rural business enterprise Native American tribes grants (\$2,760,000 available in 2010).

The reduction reflects funding needs. The program is being funded at a decreased amount from prior years yet obligations can still take place under the regular program keeping the available funding for the program.

- (5) A decrease of \$61,875 for the rural business enterprise Native American tribes passenger transportation grants (\$250,000 available in 2010).

The reduction reflects funding needs. The program is being funded at a decreased amount from prior years yet obligations can still take place under the regular program keeping the available funding for the program.

- (6) An increase of \$245,025 for the rural business opportunity grants (\$1,493,000 available in 2010).

This increase represents funding needs. The amount of funds available for all rural business opportunity grants remains constant but there is an increase to the regular program. A portion of the funds previously specifically targeted to Native American rural business opportunity grants programs have been redirected to the regular program. Obligations for Native Americans can still take place under the regular program keeping the available funding for Native Americans.

- (7) A decrease of \$245,025 for the rural business opportunity Native American tribes grants (\$990,000 available in 2010).

The reduction reflects funding needs. The program is being funded at a decreased amount from prior years yet obligations can still take place under the regular program keeping the available funding for the program.

- (8) A decrease of \$2,979,000 for the delta regional authority grants (\$2,979,000 available in 2010).

This program is duplicative; other programs are available which provide similar services and may be more effective. Therefore, the program is zeroed out for FY 2011.

- (9) A decrease of \$250,000 in the special earmark grants (\$250,000 available in 2010).

The budget does not propose funding specifically earmarked projects.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Business and Industry Loan Program - Guaranteed

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$2,400,000	\$22,680,000	\$16,503,000
Alaska	24,268,750	7,358,000	8,842,000
Arizona	18,832,680	13,986,000	12,156,000
Arkansas	1,350,000	16,633,000	13,479,000
California	77,483,320	23,985,000	17,156,000
Colorado	10,566,500	11,706,000	11,016,000
Connecticut	1,800,000	7,998,000	9,162,000
Delaware	2,153,627	6,507,000	8,417,000
Florida	39,366,700	23,429,000	16,878,000
Georgia	53,534,035	28,892,000	19,609,000
Hawaii	9,913,000	6,764,000	8,545,000
Idaho	29,303,739	9,295,000	9,811,000
Illinois	18,987,750	19,737,000	15,032,000
Indiana	14,350,693	20,210,000	15,268,000
Iowa	47,594,129	14,031,000	12,178,000
Kansas	6,670,000	10,970,000	10,647,000
Kentucky	12,266,000	23,334,000	16,829,000
Louisiana	4,816,500	16,117,000	13,221,000
Maine	2,615,000	11,343,000	10,834,000
Maryland	1,305,000	10,001,000	10,163,000
Massachusetts	6,050,000	7,848,000	9,087,000
Michigan	11,961,900	28,295,000	19,311,000
Minnesota	14,365,000	17,349,000	13,838,000
Mississippi	--	20,887,000	15,606,000
Missouri	11,193,000	20,467,000	15,397,000
Montana	19,361,000	9,110,000	9,718,000
Nebraska	9,963,528	9,228,000	9,777,000
Nevada	--	8,432,000	9,379,000
New Hampshire	--	8,604,000	9,465,000
New Jersey	--	7,804,000	9,065,000
New Mexico	9,954,120	9,512,000	9,919,000
New York	26,750,675	22,727,000	16,526,000
North Carolina	32,993,800	31,470,000	20,897,000
North Dakota	17,537,000	7,102,000	8,714,000
Ohio	36,765,000	27,786,000	19,055,000
Oklahoma	30,630,000	15,382,000	12,854,000
Oregon	29,247,216	12,407,000	11,366,000
Pennsylvania	54,113,900	26,315,000	18,321,000
Rhode Island	--	5,446,000	7,886,000
South Carolina	44,021,496	21,075,000	15,701,000
South Dakota	6,488,250	8,094,000	9,210,000
Tennessee	16,922,584	25,474,000	17,899,000
Texas	40,145,965	31,470,000	20,898,000
Utah	8,595,265	7,670,000	8,998,000
Vermont	213,750	8,240,000	9,283,000
Virginia	12,170,500	20,335,000	15,331,000
Washington	13,511,500	14,258,000	12,292,000
West Virginia	16,689,000	12,562,000	11,443,000
Wisconsin	79,320,059	18,560,000	14,443,000
Wyoming	5,468,000	6,536,000	8,431,000
Puerto Rico	--	8,982,000	9,654,000
Virgin Islands	10,000,000	5,000,000	7,663,000
W. Pacific Areas	5,000,000	5,000,000	7,663,000
Undistributed	--	200,172,211	271,127,000
Total Avail./Est.	<u>\$949,009,927</u>	<u>\$994,575,211</u>	<u>\$941,963,000</u>

NADBank Business and Industry Loan Program - Guaranteed

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	--	\$4,412,479 ^{1/}	--

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Business and Industry Loan Program - Guaranteed - Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Connecticut	\$650,000	--	--
Illinois	1,590,000	--	--
Kansas	700,000	--	--
Kentucky	5,000,000	--	--
Louisiana	2,200,000	--	--
Maine	1,750,000	--	--
Minnesota	5,000,000	--	--
Ohio	6,129,700	--	--
South Carolina	3,000,000	--	--
Wisconsin	23,392,000	--	--
Total Avail./Est.	<u>\$49,411,700</u>	<u>\$1,523,298,274</u> ^{1/}	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Business and Industry Loan Program Guaranteed
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
California	\$18,333,000	--	--
Georgia	4,500,000	--	--
Idaho	6,396,600	--	--
Illinois	4,000,000	--	--
Iowa	31,500,000	--	--
Louisiana	39,936,000	--	--
Maine	600,000	--	--
Massachusetts	8,512,500	--	--
Mississippi	4,000,000	--	--
Missouri	25,462,000	--	--
Nebraska	2,030,000	--	--
New Hampshire	4,500,000	--	--
New Mexico	525,000	--	--
North Dakota	850,000	--	--
Ohio	1,655,022	--	--
Oklahoma	35,695,000	--	--
Oregon	6,029,900	--	--
South Dakota	150,000	--	--
Texas	10,454,000	--	--
Vermont	964,510	--	--
Washington	6,953,000	--	--
Wisconsin	30,700,000	--	--
Virgin Islands	2,450,000	--	--
Total Avail./Est.	<u>\$246,196,532</u>	<u>\$163,047,859</u> <u>1/</u>	<u>---</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Business Enterprise Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$762,540	\$978,000	\$893,000
Alaska	660,023	174,000	163,000
Arizona	638,211	522,000	479,000
Arkansas	916,380	660,000	604,000
California	2,709,861	1,046,000	955,000
Colorado	366,050	402,000	370,000
Connecticut	151,960	207,000	193,000
Delaware	103,790	129,000	122,000
Florida	765,605	1,017,000	929,000
Georgia	1,195,668	1,304,000	1,190,000
Hawaii	482,668	143,000	134,000
Idaho	292,871	275,000	254,000
Illinois	1,224,234	823,000	753,000
Indiana	594,880	848,000	775,000
Iowa	537,740	524,000	481,000
Kansas	456,570	363,000	334,000
Kentucky	1,403,237	1,012,000	924,000
Louisiana	577,031	633,000	580,000
Maine	3,096,603	383,000	353,000
Maryland	1,479,300	312,000	288,000
Massachusetts	254,380	199,000	185,000
Michigan	1,258,670	1,272,000	1,161,000
Minnesota	891,770	698,000	639,000
Mississippi	679,404	884,000	808,000
Missouri	1,017,850	862,000	788,000
Montana	280,379	266,000	246,000
Nebraska	600,139	272,000	252,000
Nevada	120,000	230,000	213,000
New Hampshire	204,500	239,000	222,000
New Jersey	162,340	197,000	184,000
New Mexico	256,300	287,000	265,000
New York	1,177,530	980,000	895,000
North Carolina	1,072,310	1,439,000	1,313,000
North Dakota	486,741	160,000	150,000
Ohio	964,830	1,246,000	1,137,000
Oklahoma	921,550	595,000	545,000
Oregon	793,869	439,000	404,000
Pennsylvania	912,030	1,169,000	1,067,000
Rhode Island	90,010	73,000	125,000
South Carolina	725,759	894,000	817,000
South Dakota	516,197	212,000	197,000
Tennessee	981,650	1,124,000	1,026,000
Texas	1,842,310	1,439,000	1,313,000
Utah	234,430	190,000	177,000
Vermont	1,206,178	220,000	204,000
Virginia	776,860	855,000	782,000
Washington	418,110	536,000	492,000
West Virginia	744,630	447,000	411,000
Wisconsin	1,198,777	762,000	697,000
Wyoming	111,560	131,000	124,000
Puerto Rico	786,310	259,000	240,000
Virgin Islands	--	50,000	104,000
W. Pacific Area	60,000	50,000	104,000
Undistributed	--	10,078,525	10,666,000
Total Avail./Est.	<u>\$40,162,595</u>	<u>\$40,509,525</u>	<u>\$38,727,000</u>

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Business Enterprise Grants - Recovery Act

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$100,000	--	--
Alaska	71,000	--	--
Arizona	30,000	--	--
Arkansas	96,400	--	--
California	80,000	--	--
Connecticut	60,620	--	--
Delaware	41,000	--	--
Georgia	1,960,007	--	--
Idaho	9,000	--	--
Illinois	178,650	--	--
Iowa	441,999	--	--
Kansas	95,000	--	--
Kentucky	765,000	--	--
Louisiana	189,332	--	--
Maine	378,000	--	--
Maryland	178,038	--	--
Massachusetts	75,000	--	--
Michigan	90,000	--	--
Minnesota	871,382	--	--
Mississippi	99,990	--	--
Missouri	331,350	--	--
Montana	113,574	--	--
Nebraska	147,800	--	--
Nevada	108,878	--	--
New Hampshire	46,000	--	--
New Jersey	99,000	--	--
New Mexico	977,750	--	--
New York	184,000	--	--
North Carolina	225,000	--	--
North Dakota	181,000	--	--
Ohio	697,999	--	--
Oklahoma	886,749	--	--
Oregon	622,802	--	--
Pennsylvania	199,490	--	--
South Carolina	1,022,361	--	--
South Dakota	425,583	--	--
Tennessee	623,499	--	--
Texas	1,200,000	--	--
Utah	99,900	--	--
Vermont	65,000	--	--
Virginia	436,600	--	--
Washington	88,873	--	--
West Virginia	200,000	--	--
Wisconsin	295,799	--	--
Wyoming	60,000	--	--
Puerto Rico	50,000	--	--
W. Pacific Areas	115,000	--	--
Total Avail./Est.	<u>\$15,314,425</u>	<u>\$4,085,575 1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Business Enterprise Grants
2007 Tornado Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Kansas	\$100,000	--	--
Total Avail./Est.	<u>\$100,000</u>	<u>--</u>	<u>--</u>

Rural Business Enterprise Grants
2008 Disasters

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arkansas	\$456,939	--	--
Illinois	237,500	--	--
Iowa	248,810	--	--
Louisiana	373,275	--	--
Maine	234,800	--	--
Massachusetts	136,719	--	--
Minnesota	184,437	--	--
New Hampshire	510,317	--	--
Oregon	449,998	--	--
Tennessee	146,000	--	--
Vermont	752,499	--	--
Washington	464,045	--	--
West Virginia	394,000	--	--
Wisconsin	120,560	--	--
Total Avail./Est.	<u>\$4,709,899</u>	<u>\$140,101</u> ^{1/}	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Business Opportunity Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arizona	\$99,750	--	--
Arkansas	50,000	--	--
California	38,563	--	--
Colorado	150,000	--	--
Connecticut	200,000	--	--
Illinois	100,000	--	--
Indiana	50,000	--	--
Iowa	49,999	--	--
Maine	276,422	--	--
Montana	125,516	--	--
New Mexico	50,000	--	--
New York	50,000	--	--
North Dakota	112,100	--	--
Oklahoma	249,866	--	--
Oregon	210,000	--	--
South Dakota	137,000	--	--
Tennessee	50,000	--	--
Utah	72,623	--	--
Vermont	370,000	--	--
Washington	89,000	--	--
Wisconsin	51,789	--	--
Puerto Rico	50,000	--	--
W. Pacific Areas	50,000	--	--
Total Avail./Est.	<u>\$2,682,628</u>	<u>\$2,670,012</u> <u>1/</u>	<u>\$2,483,000</u> <u>1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Delta Regional Authority Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Mississippi	\$2,979,000	--	--
Total Avail./Est.	<u>\$2,979,000</u>	<u>\$2,979,000</u> 1/	<u>--</u>

Rural Business Special Earmark GP 764 - 2006

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$500</u> 1/	<u>--</u>

Rural Business Special Earmark GP 738 - 2010

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$250,000</u> 1/	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS PROGRAM ACCOUNT

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$5,250,000	\$0	\$0
41 Grants, subsidies, and contributions.....	<u>121,566,847</u>	<u>235,230,437</u>	<u>81,526,000</u>
Total direct obligations.....	<u><u>126,816,847</u></u>	<u><u>235,230,437</u></u>	<u><u>81,526,000</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~~] \$36,376,000.

For the cost of direct loans, [~~\$8,464,000~~] \$14,034,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812(a)), of which \$1,035,000 shall be available through June 30, 1
 2 [2010]2011, for Federally Recognized Native American Tribes and of which \$2,070,000 shall be available through June 30, [2010]2011, 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 Congressional Budget Act of 1974: *Provided further*, That of the total amount appropriated under this heading, the amount equal to the amount of 3
 4 Rural Development Loan Fund Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year [2009]2010, shall be available through June 30, [2010]2011, for 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, 5
~~[\$4,941,000]~~ \$5,046,000 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, 2010, to June 30, 2011.

The second change modifies the expiration date of set-aside funds for Mississippi Delta Region counties from June 30, 2010, to June 30, 2011.

The third change reflects the change of the fiscal year for the designation of set-aside for Rural Economic Area Partnership Zones funds.

The fourth change modifies the expiration date of set-aside funds for Rural Economic Area Partnership Zones from June 30, 2010, to June 30, 2011.

The fifth 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, 2010.....	\$33,536,000	\$8,464,000	\$4,941,000
Budget Estimate, 2011.....	36,376,361	14,034,000	5,046,000
Increase in Appropriations.....	<u>2,840,361</u>	<u>5,570,000</u>	<u>105,000</u>

PROJECT STATEMENT

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

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Intermediary Relending Program								
Loans.....	\$33,536	\$14,035	\$33,536	\$8,464	\$2,840 (1)	\$5,570 (2)	\$36,376	\$14,034
Total loans and subsidies.....	33,536	14,035	33,536	8,464	2,840	5,570	36,376	14,034
Total Administrative expenses a/.....	0	4,853	0	4,941	0	105 (3)	0	5,046
Total Available or Estimate.....	33,536	18,888	33,536	13,405	2,840	5,675	36,376	19,080
Total Appropriation.....	33,536	18,888	33,536	13,405	2,840	5,675	36,376	19,080

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

a/ In FY 2009, funding of \$4,853,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In FY 2010, funding of \$4,941,000 was paid to the Rural Development Salaries and Expenses account. In FY 2011, \$5,046,000 is requested and will be paid to the Rural Development Salaries and Expenses account.

JUSTIFICATION OF INCREASES

- (1) An increase of \$2,840,000 in the intermediary relending direct loan level (\$33,534,073 available in 2010).

Under this program funds are loaned directly to intermediaries, which, in turn, provide loans to finance rural business facilities and community development projects. Eligible intermediaries include public bodies, nonprofit corporations, Indian tribes and cooperatives. The increase of funds will be used to support the Healthy Food, Healthy Neighborhoods and Regional Innovation Initiatives. The Healthy Food, Healthy Neighborhoods initiative will support local and regional efforts to increase access to health food, in particular for developing grocery stores and other health food retailers in urban and rural food deserts and other low-income/underserved areas in coordination with other Agencies. In addition, the new Regional Innovation Initiative focuses planning and coordination of USDA and other sources of assistance for rural communities, allowing for communities with the same region working together instead of independently produce more prosperity for all communities involved.

- (2) An increase of \$5,570,000 in the intermediary relending direct loan subsidy (\$8,464,000 available in 2010).

This increase in budget authority is required to support the loan level requested for FY 2011. A majority of the increase is due to the change in the subsidy rate because of the increase in the estimated Treasury discount rate for these programs.

- (3) An increase of \$105,000 for administrative expenses (\$4,941,000 available in 2010).

Justification for administrative expenses in the amount of \$5,046,000 and the associated staff-years are reflected in the Rural Development Salaries and Expenses Project Statement.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Intermediary Relending Program Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$500,000	--	--
Arkansas	400,000	--	--
California	3,750,000	--	--
Colorado	750,000	--	--
Delaware	500,000	--	--
Georgia	750,000	--	--
Idaho	300,000	--	--
Illinois	2,500,000	--	--
Iowa	728,219	--	--
Kentucky	750,000	--	--
Maine	750,000	--	--
Maryland	1,500,000	--	--
Massachusetts	750,000	--	--
Missouri	500,000	--	--
Montana	1,335,000	--	--
New Jersey	750,000	--	--
New York	1,050,000	--	--
North Carolina	3,000,000	--	--
North Dakota	1,350,000	--	--
Oklahoma	750,000	--	--
Oregon	1,050,000	--	--
Pennsylvania	995,000	--	--
South Carolina	1,828,219	--	--
South Dakota	1,500,000	--	--
Texas	1,500,000	--	--
Vermont	2,500,000	--	--
West Virginia	750,000	--	--
W Pacific Areas	750,000	--	--
Total Avail./Est.	<u>\$33,536,438</u>	<u>\$31,431,325</u> ^{1/}	<u>\$36,376,000</u> ^{1/}

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
25 Other purchases of goods and services from government accounts.....	\$4,853,000	\$4,941,000	\$5,046,000
41 Grants, subsidies, and contributions.....	<u>14,035,000</u>	<u>8,464,000</u>	<u>14,034,000</u>
Total direct obligations.....	<u><u>18,888,000</u></u>	<u><u>13,405,000</u></u>	<u><u>19,080,000</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, [~~\$44,463,000~~]\$103,000,000 shall not be obligated and [~~\$44,463,000~~]\$103,000,000 are [~~rescinded~~]hereby permanently cancelled.

This change reflects a rescission of the interest on the cushion of credit funds.

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>
Appropriations Act, 2010.....	\$33,077,000	\$0
Budget Estimate, 2011.....	<u>33,077,000</u>	<u>0</u>
No Change in Appropriations.....	<u>0</u>	<u>0</u>

PROJECT STATEMENT

(On basis of supportable loan levels and appropriated subsidy)

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA
Rural economic development direct loans.....	\$36,171	\$7,556	\$33,077	\$4,317	\$0	\$1,607 (1)	\$33,077	\$5,924
Total Available or Estimate.....	36,171	7,556	33,077	4,317	0	1,607	33,077	5,924
Recovery of prior year obligations.....	-4,468	-3,526	0	0	0	0	0	0
Unobligated balance available, start of year.....	-1,747	-365	0	0	0	0	0	0
Unobligated balance available, end of year.....	3,121	652	0	0	0	0	0	0
Offsetting collections paid from Rural Economic Grants account.....	-33,077	-4,317	-33,077	-4,317	0	-1,607	-33,077	-5,924
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	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA	Loan Level	Subsidy/ BA
Rural economic development direct loans.....	\$36,171	\$7,556	\$38,074	\$4,969	-\$4,997	\$955	\$33,077	\$5,924
Total Available or Estimate.....	36,171	7,556	38,074	4,969	-4,997	955	33,077	5,924
Recovery of prior year obligations.....	-4,468	-3,526	0	0	0	0	0	0
Unobligated balance available, start of year.....	-1,747	-365	-4,997	-652	4,997	652	0	0
Unobligated balance available, end of year.....	3,121	652	0	0	0	0	0	0
Offsetting collections paid from Rural Economic Grants account.....	-33,077	-4,317	-33,077	-4,317	0	-1,607	-33,077	-5,924
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 INCREASE

- (1) An increase of \$1,607,542 in the rural economic development loan subsidy (\$4,316,549 available in 2010).

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 2011 loan level for this program. The change is due to an increase in the subsidy rate in FY 2011.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Economic Development Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$850,000	--	--
Georgia	3,610,000	--	--
Illinois	1,480,000	--	--
Indiana	740,000	--	--
Iowa	2,085,250	--	--
Kansas	7,248,400	--	--
Kentucky	1,620,000	--	--
Minnesota	3,427,360	--	--
Mississippi	3,700,000	--	--
Missouri	1,040,000	--	--
North Dakota	740,000	--	--
Oklahoma	400,000	--	--
South Carolina	2,127,360	--	--
South Dakota	740,000	--	--
Tennessee	5,883,000	--	--
Virginia	480,000	--	--
Total Avail./Est.	<u>\$36,171,370</u>	<u>\$38,073,726</u> <u>1/</u>	<u>\$33,077,000</u> <u>1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

Classification by Objects
2009 Actual and Estimated 2010 and 2011

Other Objects:	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
41 Grants, subsidies, and contributions.....	<u>\$7,556,199</u>	<u>\$4,968,622</u>	<u>\$5,924,091</u>
Total direct obligations.....	<u>7,556,199</u>	<u>4,968,622</u>	<u>5,924,091</u>

RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in Appropriation

RURAL ECONOMIC DEVELOPMENT GRANTS

Appropriations Act, 2010.....	-\$44,463,000
Budget Estimate, 2011.....	-103,000,000
Increase in Rescission.....	<u>-58,537,000</u>

Analysis of Change in Funding

RURAL ECONOMIC DEVELOPMENT GRANTS

Estimate, 2010.....	\$10,000,000
Budget Estimate, 2011.....	<u>10,000,000</u>
No Change in Program.....	<u>0</u>

PROJECT STATEMENT
(On basis of obligations under available funds)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Rural economic development grant...	\$9,914,156	\$10,000,000	\$0	\$10,000,000
Total Available or Estimate.....	9,914,156	10,000,000	0	10,000,000
Unobligated balance available, start of year.....	-7,671,147	-85,844	-30,039,451	-30,125,295
Recovery of prior year obligations....	14,192,217	0	0	0
Transfer from Rural Electrification and Telecommunications Liquidating Account, Cushion of Credit 1/.....	-36,029,039	-80,819,000	0	-80,819,000
Transfer from Rural Electrification and Telecommunications electric underwriter loan fees.....	-7,964,125	-8,000,000	0	-8,000,000
Offsetting collections paid to Rural Economic Development Program Account.....	7,472,094	4,316,549	1,607,542	5,924,091
Unobligated balance available, end of year.....	85,844	30,125,295	-30,105,091	20,204
Total Appropriation.....	-20,000,000	-44,463,000	-58,537,000 (1)	-103,000,000

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 \$58,537,000 in the rural economic development grants rescission (-\$44,463,000 was rescinded in 2010).

This budget includes a rescission of interest in the cushion of credit not needed to fund program costs.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Economic Development Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Colorado	\$300,000	--	--
Georgia	600,000	--	--
Iowa	2,990,000	--	--
Kansas	471,156	--	--
Kentucky	600,000	--	--
Minnesota	250,000	--	--
Mississippi	300,000	--	--
Nebraska	300,000	--	--
North Dakota	600,000	--	--
South Carolina	900,000	--	--
South Dakota	900,000	--	--
Tennessee	900,000	--	--
Wisconsin	803,000	--	--
Total Avail./Est.	<u>\$9,914,156</u>	<u>\$10,000,000 1/</u>	<u>\$10,000,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
RURAL ECONOMIC DEVELOPMENT GRANTS

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$9,914,156</u>	<u>\$10,000,000</u>	<u>\$10,000,000</u>
Total direct obligations.....	<u>9,914,156</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; deleted matter enclosed in brackets):

Rural Microenterprise Investment Program Account

For the cost of loans and grants, [~~\$5,000,000~~]\$7,700,000 as authorized by Section 379E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.): *Provided*, That such costs of loans, 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 MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT

(On basis of loan level, subsidy and grants)

	<u>Loan Level</u>	<u>Subsidy</u>	<u>Grants</u>
Appropriations Act, 2010.....	\$11,831,519	\$2,500,000	\$2,500,000
Budget Estimate, 2011.....	23,523,352	6,850,000	850,000
Increase or decrease in Appropriations.....	<u>11,691,833</u>	<u>4,350,000</u>	<u>-1,650,000</u>

PROJECT STATEMENT

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

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Microenterprise loans.....	\$0	\$0	11,831	\$2,500	\$11,692 (1)	\$4,350 (2)	\$23,523	\$6,850
Microenterprise grants.....	0	0	2,500	2,500	-1,650	-1,650 (3)	850	850
Total Available or Estimate.....	0	0	14,331	5,000	10,042	2,700	24,373	7,700
Total Appropriation, Discretionary....	0	0	14,331	5,000	10,042	2,700	24,373	7,700
Mandatory: <u>a/</u>								
Microenterprise loans.....	0	0	3,242	685	3,087	1,158	6,329	1,843
Microenterprise grants.....	0	0	3,315	3,315	-1,158	-1,158	2,157	2,157
Total Available or Estimate.....	0	0	6,557	4,000	1,929	0	8,486	4,000
Transfer from Commodity Credit Corporation.....	-4,000	-4,000	-6,557	-4,000	-1,929	0	-8,486	-4,000
Unobligated balance available, SOY...	0	0	0	0	0	0	0	0
Unobligated balance available, EOY...	4,000	4,000	0	0	0	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0	0	0	0	0
Total Appropriation.....	0	0	14,331	5,000	10,042	2,700	24,373	7,700

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, to remain available until expended.

PROJECT STATEMENT

(On basis of obligations under available funds)

(In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Microenterprise loans.....	\$0	\$0	11,831	\$2,500	\$11,692	\$4,350	\$23,523	\$6,850
Microenterprise grants.....	0	0	2,500	2,500	-1,650	-1,650	850	850
Total Available or Estimate.....	0	0	14,331	5,000	10,042	2,700	24,373	7,700
Total Appropriation, Discretionary.....	0	0	14,331	5,000	10,042	2,700	24,373	7,700
Mandatory: <i>a/</i>								
Microenterprise loans.....	0	0	17,440	3,685	-11,111	-1,842	6,329	1,843
Microenterprise grants.....	0	0	4,315	4,315	-2,158	-2,158	2,157	2,157
Total Available or Estimate.....	0	0	21,755	8,000	-13,269	-4,000	8,486	4,000
Transfer from Commodity Credit Corporation.....	-4,000	-4,000	-6,557	-4,000	-1,929	0	-8,486	-4,000
Unobligated balance available, SOY...	0	0	-15,198	-4,000	15,198	4,000	0	0
Unobligated balance available, EOY...	4,000	4,000	0	0	0	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0	0	0	0	0
Total Appropriation.....	0	0	14,331	5,000	10,042	2,700	24,373	7,700

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, to remain available until expended.

JUSTIFICATION OF INCREASE AND DECREASES

- (1) An increase of \$11,691,833 for direct microenterprise assistance loans (\$11,831,519 available in 2010).

In addition to mandatory funding provided in the 2008 Farm Bill, the budget requests discretionary funding for the programs which includes both loan and grant components. The agency expects to publish a Final Rule and begin funding loans and grants during the second and third quarters of FY 2010.

The loan component of the program will provide direct loans to microlenders which will, in turn make loans of \$50,000 or less to rural microenterprises, generally businesses that employ 10 or fewer people. This program is significantly different than other lending programs because it integrates a technical assistance component to provide training and technical support to help ensure the success of the microbusiness borrowers (microborrowers). The training and technical assistance (TA) will be funded by grant dollars. In addition, enhancement grants may be awarded to existing and prospective microlenders to assist them in enhancing and strengthening their capability to provide microenterprise development services to their clients and create a solid network of rural microenterprise development organizations (MDOs). It is anticipated that the intermediary will revolve the RMAP loan funds twice in the 20-year term; and each ultimate recipient loan will assist one business and save a minimum of one job. Each loan to an ultimate recipient is expected to average \$15,000 to \$20,000. This equates to a minimum estimate of 40 business assisted and 40 jobs created/saved per \$100,000 of loan budget authority.

- (2) An increase of \$4,350,000 for subsidy for direct microenterprise assistance loans (\$2,500,000 available in 2010).

The requested increase in loan subsidy is to support a growing program for direct microenterprise loans and to put a heavier emphasis on the loan making of this program instead of the grants portion. In addition, the change in the subsidy rate is due to the increase in the estimated Treasury discount rate for these programs.

- (3) A decrease of \$1,650,000 for microenterprise assistance grants (\$2,500,000 available in 2010).

The requested decrease reflects a shift of funding to loans in order to provide assistance to more rural businesses.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Microenterprise Loans

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$11,831,519</u> 1/	<u>\$23,523,000</u> 1/

Microenterprise Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$2,500,000</u> 1/	<u>\$850,000</u> 1/

Microenterprise Loans - Mandatory

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$17,439,659</u> 1/	<u>\$6,329,000</u> 1/

Microenterprise Grants - Mandatory

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$4,315,000</u> 1/	<u>\$2,157,000</u> 1/

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL MICROENTREPRENEUR INVESTMENT ASSISTANCE ACCOUNT

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$0</u>	<u>\$5,000,000</u>	<u>\$7,700,000</u>
Total direct obligations.....	<u>0</u>	<u>5,000,000</u>	<u>7,700,000</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, \$17,300,000 as authorized by Section 9003 of the Food, Conservation and Energy Act of 2008, P.L. 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 principle, any part of which is guaranteed, not to exceed \$51,000,000.

This change provides language for a newly funded discretionary biorefinery assistance guaranteed loan program to compliment mandatory funding provided by the 2008 Farm Bill.

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, 2010.....	\$0	\$0
Budget Estimate, 2011.....	49,855,908	17,300,000
Increase in Appropriations.....	<u>49,855,908</u>	<u>17,300,000</u>

PROJECT STATEMENT
 (On basis of supportable loan levels and appropriated subsidies and grants)
 (In thousands of dollars)

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 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	\$49,856	\$17,300	\$49,856	\$17,300
Total Available or Estimate.....	0	0	0	0	49,856	17,300	49,856	17,300
Total Appropriation, Discretionary.....	0	0	0	0	49,856	17,300	49,856	17,300
Mandatory: ^{a/}								
Guaranteed biorefinery loans.....	105,000	35,007	690,725	245,000	-690,725	-245,000	0	0
Total Available or Estimate.....	105,000	35,007	690,725	245,000	-690,725	-245,000	0	0
Transfer from Commodity Credit Corporation....	-224,955	-75,000	-690,725	-245,000	690,725	245,000	0	0
Unobligated balance available, start of year.....			0	0	0	0	0	0
Unobligated balance available, end of year.....	119,955	39,993	0	0	0	0	0	0
Total Appropriation.....	0	0	0	0	49,856	17,300	49,856	17,300

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

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

Item of Change	2009 Actual		2010 Estimated		Increase or Decrease		2011 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	\$49,856 (1)	\$17,300 (2)	\$49,856	\$17,300
Total Available or Estimate.....	0	0	0	0	49,856	17,300	49,856	17,300
Total Appropriation, Discretionary.....	0	0	0	0	49,856	17,300	49,856	17,300
Mandatory: ^{a/}								
Guaranteed biorefinery loans.....	105,000	35,007	803,476	284,993	-803,476	-284,993	0	0
Total Available or Estimate.....	105,000	35,007	803,476	284,993	-803,476	-284,993	0	0
Transfer from Commodity Credit Corporation....	-224,955	-75,000	-690,725	-245,000	690,725	245,000	0	0
Unobligated balance available, start of year.....			-112,752	-39,993	112,752	39,993	0	0
Unobligated balance available, end of year.....	119,955	39,993	0	0	0	0	0	0
Total Appropriation.....	0	0	0	0	49,856	17,300	49,856	17,300

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 INCREASES

- (1) An increase of \$49,856,000 for biorefinery assistance guaranteed loans (\$0 available in 2010).

The Biorefinery Assistance Program (BAP) assists in the development of new and emerging technologies for the development of advanced biofuels. An increase in loan level in the amount of \$49,856,000 is requested for this program for FY 2011. USDA expects to publish a proposed rule in February 2010; a finalized subsidy rate will follow once the final rule is published. Rural Development has been working closely with the advanced biofuels industry and anticipates that several projects will be funded in FY 2011 and that the demand for BAP loan funds 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. In addition to discretionary funding, the 2008 Farm Bill provided funding in FY 2008 and FY 2009 to support over \$900 million in loan guarantees.

- (2) An increase of \$17,300,000 for subsidy for biorefinery assistance guaranteed loans (\$0 available in 2010).

The increase in BA is requested to support almost \$50 million in loan level.

RURAL BUSINESS-COOPERATIVE SERVICE
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
 2009 Actual and Estimated 2010 and 2011

Biorefinery Loans - Guaranteed

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Georgia	\$80,000,000	--	--
Minnesota	25,000,000	--	--
Total Avail./Est.	<u>\$105,000,000</u>	<u>\$803,476,177</u> <u>1/</u>	<u>\$49,856,000</u> <u>1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
BIOREFINERY ASSISTANCE PROGRAM ACCOUNT

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$0</u>	<u>\$0</u>	<u>\$17,300,000</u>
Total direct obligations.....	<u>0</u>	<u>0</u>	<u>17,300,000</u>

RURAL BUSINESS-COOPERATIVE-SERVICE

ENERGY ASSISTANCE PAYMENTSPROJECT STATEMENT

(On basis of appropriated grants)
(In thousands of dollars)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Mandatory:				
Repowering assistance payments <u>a/</u>	\$0	\$0	\$0	\$0
Bioenergy program for advanced biofuels payments <u>b/</u>	0	55,000	30,000	85,000
Total Available or Estimate.....	0	55,000	30,000	85,000
Transfer from Commodity Credit Corporation.....	-90,000	-55,000	-30,000	-85,000
Unobligated balance available, SOY.....	0	0	0	0
Unobligated balance available, EOY.....	90,000	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0

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

PROJECT STATEMENT

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

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Mandatory:				
Repowering assistance payments <u>a/</u>	\$0	\$35,000	-\$35,000	\$0
Bioenergy program for advanced biofuels payments <u>b/</u>	0	110,000	-25,000	85,000
Total Available or Estimate.....	0	145,000	-60,000	85,000
Transfer from Commodity Credit Corporation.....	-90,000	-55,000	-30,000	-85,000
Unobligated balance available, SOY.....	0	-90,000	90,000	0
Unobligated balance available, EOY.....	90,000	0	0	0
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, \$55,000,000 for FY 2010 and \$85,000,000 for FY 2011, to remain available until expended.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Repowering Assistance Payments

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$35,000,000 1/</u>	<u> --</u>

Bioenergy Program for Advanced Biofuels Payments

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$110,000,000 1/</u>	<u>\$85,000,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE

ENERGY ASSISTANCE PAYMENTS

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
Total direct obligations.....	<u>0</u>	<u>0</u>	<u>0</u>

RURAL BUSINESS-COOPERATIVE SERVICE

The estimates include appropriation language for this item as follows:

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), \$39,340,000: *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, 2010.....	\$144,208,211	\$19,670,000	\$19,670,000
Budget Estimate, 2011.....	11,518,550	5,340,000	34,000,000
Increase or decrease in Appropriations.....	<u>-132,689,661</u>	<u>-14,330,000</u>	<u>14,330,000</u>

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

Item of Change	2009 Actuals		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Guaranteed renewable energy loans <u>a/</u>	\$3,656	\$354	\$144,208	\$19,670	-\$132,689 (1)	-\$14,330 (2)	\$11,519	\$5,340
Renewable energy grants.....	4,646	4,646	19,670	19,670	14,330	14,330 (3)	34,000	34,000
Total Available or Estimate.....	8,302	5,000	163,878	39,340	-118,359	0	45,519	39,340
Total Appropriated, Discretionary.....	8,302	5,000	163,878	39,340	-118,359	0	45,519	39,340
Mandatory:								
Guaranteed renewable energy loans <u>a/b/</u>	53,802	5,213	212,830	29,030	-139,750	4,850	73,080	33,880
Renewable energy grants <u>b/</u>	46,336	46,336	22,816	22,816	3,784	3,784	26,600	26,600
Renewable energy feasibility studies <u>b/</u>	1,245	1,245	5,760	5,760	960	960	6,720	6,720
Renewable energy audits and technical assistance <u>b/</u>	2,174	2,174	2,426	2,426	374	374	2,800	2,800
Transfer from Commodity Credit Corporation <u>b/</u>	-103,588	-55,000	-243,800	-60,000	134,600	-10,000	-109,200	-70,000
Unobligated balance available, start of year....	0	0	-32	-32	32	32	0	0
Unobligated balance available, end of year....	32	32	0	0	0	0	0	0
Total Appropriated, Mandatory.....	0	0	0	0	0	0	0	0
Total Appropriation.....	8,302	5,000	163,878	39,340	-118,359	0	45,519	39,340

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 FY 2011 from the funds of the Commodity Credit Corporation. The funds are available until expended.

PROJECT STATEMENT

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

(In thousands of dollars)

Item of Change	2009 Actuals		2010 Estimated		Increase or Decrease		2011 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:								
Guaranteed renewable energy loans <u>a/</u>	\$3,656	\$354	\$144,208	\$19,670	-\$132,689	-\$14,330	\$11,519	\$5,340
Renewable energy grants.....	4,646	4,646	19,670	19,670	14,330	14,330	34,000	34,000
Total Available or Estimate.....	8,302	5,000	163,878	39,340	-118,359	0	45,519	39,340
Total Appropriated, Discretionary.....	8,302	5,000	163,878	39,340	-118,359	0	45,519	39,340
Mandatory:								
Guaranteed renewable energy loans <u>a/b/</u>	53,802	5,214	212,830	29,030	-139,750	4,850	73,080	33,880
Renewable energy grants <u>b/</u>	46,336	46,336	22,810	22,810	3,790	3,790	26,600	26,600
Renewable energy feasibility studies <u>b/</u>	1,245	1,245	5,760	5,760	960	960	6,720	6,720
Renewable energy audits and technical assistance <u>b/</u>	2,174	2,174	2,400	2,400	400	400	2,800	2,800
Transfer from Commodity Credit Corporation <u>b/</u>	-103,588	-55,000	-243,800	-60,000	134,600	-10,000	-109,200	-70,000
Unobligated balance available, start of year.....	0	0	0	0	0	0	0	0
Unobligated balance available, end of year.....	32	32	0	0	0	0	0	0
Total Appropriated, Mandatory.....	0	0	0	0	0	0	0	0
Total Appropriation.....	8,302	5,000	163,878	39,340	-118,359	0	45,519	39,340

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 FY 2011 from the funds of the Commodity Credit Corporation. The funds are available until expended.

JUSTIFICATION OF INCREASE AND DECREASES

- (1) A decrease of \$132,689,000 for renewable energy guaranteed loans (\$144,208,000 available in 2010).

The requested decrease for this program is due to the fact that this program subsidy costs have increased significantly from 13.64% to 46.36% as a result of defaults. The administration is proposing funding more grants than loans.

- (2) A decrease of \$14,330,000 for subsidy for renewable energy guaranteed loans (\$19,670,000 available in 2010).

The requested decrease for this program is due to the fact that the program level is reduced significantly.

- (3) An increase of \$14,330,000 for renewable energy grants (\$19,670,000 available in 2010).

The requested increase for this program is to meet the higher demand for grants and to support the President's commitment to climate change activities and renewable energy activities.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Guaranteed Renewable Energy Loans - Discretionary

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Illinois	\$49,855	--	--
Iowa	2,305,234	--	--
Minnesota	339,187	--	--
Nebraska	495,291	--	--
Ohio	466,560	--	--
Total Avail./Est.	<u>\$3,656,127</u>	<u>\$105,749,032 1/</u>	<u>\$11,519,000 1/</u>

Guaranteed Renewable Energy Loans - Mandatory

	<u>2009</u>	<u>2010</u>	<u>2011</u>
California	\$70,000	--	--
Colorado	600,000	--	--
Connecticut	391,310	--	--
Georgia	1,334,894	--	--
Illinois	2,903,459	--	--
Indiana	470,588	--	--
Iowa	18,704,344	--	--
Kansas	882,853	--	--
Kentucky	333,298	--	--
Massachusetts	2,520,638	--	--
Michigan	502,465	--	--
Minnesota	2,422,640	--	--
Nebraska	2,209,128	--	--
New Jersey	1,100,050	--	--
New York	475,599	--	--
North Carolina	416,500	--	--
North Dakota	199,839	--	--
Ohio	9,511,511	--	--
Oregon	2,227,140	--	--
South Carolina	40,000	--	--
South Dakota	860,350	--	--
Tennessee	841,692	--	--
Vermont	1,184,794	--	--
Virginia	435,271	--	--
Washington	2,400,000	--	--
West Virginia	319,408	--	--
Wisconsin	445,131	--	--
Total Avail./Est.	<u>\$53,802,902</u>	<u>\$158,646,252 1/</u>	<u>\$73,080,000 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Renewable Energy Grants - Mandatory

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$37,490	--	--
Alaska	91,600	--	--
Arizona	135,444	--	--
Arkansas	38,037	--	--
California	570,607	--	--
Colorado	563,802	--	--
Connecticut	195,650	--	--
Delaware	79,816	--	--
Florida	415,170	--	--
Georgia	1,469,866	--	--
Hawaii	112,306	--	--
Idaho	203,478	--	--
Illinois	2,992,325	--	--
Indiana	1,230,376	--	--
Iowa	11,464,535	--	--
Kansas	1,025,734	--	--
Kentucky	680,479	--	--
Louisiana	304,523	--	--
Maine	191,534	--	--
Maryland	114,694	--	--
Massachusetts	1,416,491	--	--
Michigan	1,122,047	--	--
Minnesota	3,756,069	--	--
Mississippi	477,315	--	--
Missouri	487,334	--	--
Montana	76,202	--	--
Nebraska	2,163,830	--	--
Nevada	119,906	--	--
New Hampshire	126,469	--	--
New Jersey	654,740	--	--
New Mexico	109,483	--	--
New York	936,699	--	--
North Carolina	1,485,954	--	--
North Dakota	215,105	--	--
Ohio	2,465,109	--	--
Oklahoma	277,686	--	--
Oregon	1,285,804	--	--
Pennsylvania	503,837	--	--
Rhode Island	31,995	--	--
South Carolina	548,046	--	--
South Dakota	904,476	--	--
Tennessee	1,094,958	--	--
Texas	392,967	--	--
Utah	51,179	--	--
Vermont	1,180,658	--	--
Virginia	388,626	--	--
Washington	822,100	--	--
West Virginia	231,492	--	--
Wisconsin	914,405	--	--
Wyoming	57,083	--	--
Puerto Rico	100,737	--	--
Virgin Islands	--	--	--
W. Pacific Areas	20,000	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$46,336,268</u>	<u>\$29,992,651</u> ^{1/}	<u>\$26,600,000</u> ^{1/}

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Renewable Energy Grants - Discretionary

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arizona	\$113,504	--	--
Idaho	15,560	--	--
Illinois	144,834	--	--
Iowa	2,404,628	--	--
Michigan	374,595	--	--
Minnesota	411,132	--	--
Nebraska	489,563	--	--
New York	87,214	--	--
North Carolina	77,744	--	--
Ohio	466,560	--	--
Oregon	11,748	--	--
Vermont	16,250	--	--
Wisconsin	32,380	--	--
Total Avail./Est.	<u>\$4,645,712</u>	<u>\$20,981,832</u> ^{1/}	<u>\$34,000,000</u> ^{1/}

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Renewable Energy Feasibility Studies - Mandatory

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arkansas	\$41,085	--	--
Colorado	65,882	--	--
Connecticut	79,600	--	--
Florida	38,800	--	--
Idaho	75,000	--	--
Indiana	50,000	--	--
Iowa	78,000	--	--
Kentucky	94,577	--	--
Louisiana	3,750	--	--
Maryland	2,500	--	--
Massachusetts	20,000	--	--
Michigan	50,000	--	--
Minnesota	114,398	--	--
Missouri	12,500	--	--
Nebraska	20,462	--	--
New Hampshire	45,800	--	--
North Dakota	8,750	--	--
Oregon	173,000	--	--
South Carolina	6,750	--	--
South Dakota	50,000	--	--
Texas	10,276	--	--
Utah	52,500	--	--
Washington	65,000	--	--
Wisconsin	35,970	--	--
Wyoming	50,000	--	--
Undistributed	--	--	--
Total Avail./Est.	<u>\$1,244,600</u>	<u>\$6,000,000 ^{1/}</u>	<u>\$6,720,000 ^{1/}</u>

Renewable Energy Feasibility Studies - Discretionary

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u>--</u>	<u>\$3,934,000 ^{1/}</u>	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Renewable Energy Audits and Technical Assistance Grants - Mandatory

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Arizona	\$99,750	--	--
Colorado	73,890	--	--
Georgia	100,000	--	--
Illinois	100,000	--	--
Indiana	100,000	--	--
Iowa	200,000	--	--
Maine	100,000	--	--
Massachusetts	100,000	--	--
Michigan	100,000	--	--
Missouri	200,000	--	--
Nebraska	200,000	--	--
New Mexico	100,000	--	--
Ohio	100,000	--	--
Oregon	199,991	--	--
South Carolina	100,000	--	--
South Dakota	100,000	--	--
West Virginia	100,000	--	--
Wisconsin	100,000	--	--
Total Avail./Est.	<u>\$2,173,631</u>	<u>\$2,400,000</u> ^{1/}	<u>\$2,800,000</u> ^{1/}

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ENERGY FOR AMERICA PROGRAM

Classification by Objects
2009 Actual and Estimated 2010 and 2011

Other Objects:	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
41 Grants, subsidies, and contributions.....	<u>\$5,000,000</u>	<u>\$39,340,000</u>	<u>\$39,340,000</u>
Total direct obligations.....	<u>5,000,000</u>	<u>39,340,000</u>	<u>39,340,000</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), [~~\$34,854,000~~, 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]\$40,054,000, of which \$2,800,000 shall be for cooperative agreements for the appropriate technology transfer for rural areas program: *Provided*, That not to exceed \$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 \$20,367,000, 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 Appropriation

RURAL COOPERATIVE DEVELOPMENT GRANTS

Appropriations Act, 2010 <u>a/</u>	\$34,854,000
Budget Estimate, 2011.....	<u>40,054,000</u>
Increase in Appropriations.....	<u>5,200,000</u>

a/ Excludes \$3,000,000 provided by General Provision 728(1) in P.L. 111-80.

PROJECT STATEMENT
(On basis of appropriation)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Discretionary:				
Rural cooperative development gts....	\$4,469,648	\$7,924,000	\$5,500,000 (1)	\$13,424,000
Appropriate technology transfer for rural areas agreements.....	2,582,000	2,800,000	0	2,800,000
Cooperative research agreements.....	299,945	300,000	-300,000 (2)	0
Grants to assist minority producers....	1,414,306	3,463,000	0	3,463,000
Value-added agriculture product marketing development grants.....	0	19,348,650	0	19,348,650
Agricultural marketing resource center grants.....	193,350	1,018,350	0	1,018,350
Special Earmark, P.L. 111-8, GP 732..	1,877,000	0	0	0
Special Earmark, P.L. 111-80, GP 728	0	3,000,000	-3,000,000 (3)	0
Total Available or Estimate.....	10,836,249	37,854,000	2,200,000	40,054,000
Recovery of prior year obligations.....	-2,581,181	0	0	0
Unobligated balance available, SOY...	-785,158	0	0	0
Unobligated balance available, EOY..	7,043,090	0	0	0
Total Appropriation, Discretionary....	14,513,000	37,854,000	2,200,000	40,054,000
Mandatory: a/				
Value-added agriculture product marketing development grants.....	0	0	0	0
Agricultural marketing resource center grants.....	750,000	0	0	0
Value-added agriculture product marketing development grants: Socially disadvantaged farmers and ranchers.....	0	0	0	0
Mid-tier value chains.....	0	0	0	0
Value-added Innovation Center.....	0	0	0	0
Total Available or Estimate.....	750,000	0	0	0
Recovery of prior year obligations.....	-341,914	0	0	0
Unobligated balance available, SOY...	-1,005,249	0	0	0
Unobligated balance available, EOY..	15,597,163	0	0	0
Transfer from CCC a/.....	-15,000,000	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0
Total Appropriation.....	14,513,000	37,854,000	2,200,000	40,054,000

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

a/ 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	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Discretionary:				
Rural cooperative development gts....	\$4,469,648	\$7,924,000	\$5,500,000	\$13,424,000
Appropriate technology transfer for rural areas agreements.....	2,582,000	2,800,000	0	2,800,000
Cooperative research agreements.....	299,945	300,000	-300,000	0
Grants to assist minority producers....	1,414,306	3,463,000	0	3,463,000
Value-added agriculture product marketing development grants.....	0	26,391,426	-7,042,776	19,348,650
Agricultural marketing resource center grants.....	193,350	1,018,350	0	1,018,350
Special earmark, P.L. 111-8, GP 732..	1,877,000	0	0	0
Special earmark, P.L. 111-80, GP 728	0	3,000,314	-3,000,314	0
Total Available or Estimate.....	10,836,249	44,897,090	-4,843,090	40,054,000
Recovery of prior year obligations.....	-2,581,181	0	0	0
Unobligated balance available, SOY..	-785,158	-7,043,090	7,043,090	0
Unobligated balance available, EOY..	7,043,090	0	0	0
Total Appropriation, Discretionary....	14,513,000	37,854,000	2,200,000	40,054,000
Mandatory: a/				
Value-added agriculture product marketing development grants.....	0	12,580,710	-12,580,710	0
Agricultural marketing resource center grants.....	750,000	0	0	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
Value-added Innovation Center.....	0	16,453	-16,453	0
Total Available or Estimate.....	750,000	15,597,163	-15,597,163	0
Recovery of prior year obligations.....	-341,914	0	0	0
Unobligated balance available, SOY..	-1,005,249	-15,597,163	15,597,163	0
Unobligated balance available, EOY..	15,597,163	0	0	0
Transfer from CCC a/.....	-15,000,000	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0
Total Appropriation.....	14,513,000	37,854,000	2,200,000	40,054,000

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

a/ 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 INCREASE AND DECREASES

- (1) An increase of \$5,500,000 for rural cooperative development grants (\$7,924,000 available in 2010).

To better address the key priorities of the Administration, including supporting thriving rural communities, the Rural Cooperative Development Grant program provides funding for technical assistance providers to assist in the development of cooperatives that increase the opportunities for economic development in rural communities.

The increase in funding for FY 2011 will allow Rural Development to expand the coverage, with more parts of the U.S. having the potential to access this program, as well as providing the ability to fund both multi-year and new entrants.

The RCDG program has been severely oversubscribed in recent years and the requested increased funding level will reach a broader group of potential participants capable of providing enhanced support for cooperative development. This program provides funding for the Regional Innovation, healthy foods, healthy neighborhoods, and Know Your Farmer, Know Your Food Initiative.

- (2) A decrease of \$300,000 for cooperative research agreements grants (\$300,000 available in 2010).

The reduction reflects funding needs. The program will be funded from the regular rural cooperative development grants account.

- (3) A decrease of \$3,000,000 for special value-added earmark grants (\$3,000,000 available in 2010).

Earmarked value-added grants provide assistance to a limited area of eligibility. 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 country. The FY 2010 earmarked grant was provided in P.L. 111-80, General Provisions 728.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Cooperative Development Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alabama	\$200,000	--	--
Alaska	197,783	--	--
California	200,000	--	--
Colorado	200,000	--	--
Indiana	172,215	--	--
Iowa	200,000	--	--
Kentucky	200,000	--	--
Massachusetts	200,000	--	--
Michigan	200,000	--	--
Montana	299,696	--	--
Nebraska	199,954	--	--
North Carolina	200,000	--	--
North Dakota	400,000	--	--
Ohio	600,000	--	--
Pennsylvania	200,000	--	--
South Dakota	200,000	--	--
Virginia	200,000	--	--
Washington	200,000	--	--
Wisconsin	200,000	--	--
Total Avail./Est.	<u>\$4,469,648</u>	<u>\$7,924,000</u> ^{1/}	<u>\$13,424,000</u> ^{1/}

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Appropriate Technology Transfer

	2009	2010	2011
Montana	\$2,582,000	--	--
Total Avail./Est.	<u>\$2,582,000</u>	<u>\$2,800,000 1/</u>	<u>2,800,000 1/</u>

Cooperative Research Agreements

	2009	2010	2011
Wisconsin	\$299,945	--	--
Total Avail./Est.	<u>\$299,945</u>	<u>\$300,000 1/</u>	<u>--</u>

Grants to Assist Minority Producers

	2009	2010	2011
Colorado	\$175,000	--	--
Hawaii	112,855	--	--
Louisiana	175,000	--	--
Mississippi	349,770	--	--
South Carolina	76,700	--	--
South Dakota	175,000	--	--
Texas	174,981	--	--
Washington	175,000	--	--
Total Avail./Est.	<u>\$1,414,306</u>	<u>\$3,463,000 1/</u>	<u>\$3,463,000 1/</u>

Agriculture Innovation Demonstration Grants - Discretionary

	2009	2010	2011
Vermont	\$469,000	--	--
Wisconsin	1,408,000	--	--
Total Avail./Est.	<u>\$1,877,000</u>	<u>\$3,000,314 1/</u>	<u>--</u>

Agriculture Innovation Demonstration Grants - Mandatory

	2009	2010	2011
Total Avail./Est.	<u>--</u>	<u>\$16,453 1/</u>	<u>--</u>

Agriculture Marketing Resource Center Grants

	2009	2010	2011
Iowa	\$193,350	--	--
Total Avail./Est.	<u>\$193,350</u>	<u>\$1,018,350 1/</u>	<u>\$1,018,350 1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Value-Added Agricultural Product Market Development Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$26,391,426</u> <u>1/</u>	<u>\$20,367,000</u> <u>1/</u>

Value-Added Agricultural Product Market Development Grants
Mandatory

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Iowa	<u>\$750,000</u>	<u> --</u>	<u> --</u>
Total Avail./Est.	<u> 750,000</u>	<u>\$12,580,710</u> <u>1/</u>	<u> --</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$1,500,000</u> <u>1/</u>	<u> --</u>

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

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Total Avail./Est.	<u> --</u>	<u>\$1,500,000</u> <u>1/</u>	<u> --</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
RURAL COOPERATIVE DEVELOPMENT GRANTS

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$10,836,249</u>	<u>\$60,494,253</u>	<u>\$40,054,000</u>
Total direct obligations.....	<u>10,836,249</u>	<u>60,494,253</u>	<u>40,054,000</u>

RURAL BUSINESS-COOPERATIVE-SERVICE

Analysis of Change in Appropriation

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

Appropriations Act, 2010 <u>a/</u>	\$0
Budget Estimate, 2011.....	<u>0</u>
Decrease in Appropriations.....	<u><u>0</u></u>

a/ Excludes \$499,000 provided in General Provision 716 in P.L. 111-80.

PROJECT STATEMENT
(On basis of appropriation)

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Rural empowerment zones and enterprise communities grants	\$8,005,034	\$0	\$0	\$0
General Provision 716.....	0	499,000	-499,000	0
Total Available or Estimate.....	8,005,034	499,000	-499,000	0
Unobligated balance available, start of year.....	-1,248,671	0	0	0
Restoration of unobligated balance FY 2006.....	1,248,671	0	0	0
Recovery of prior obligations.....	-10,000	0	0	0
Unobligated balance available, end of year.....	12,957	0	0	0
Total Appropriation.....	8,007,991	499,000	-499,000	0

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

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

Item of Change	2009 Actual	2010 Estimated	Increase or Decrease	2011 Estimated
Rural empowerment zones and enterprise communities grants	\$8,005,034	\$12,957	-\$12,957	\$0
General Provision 716.....	0	499,000	-499,000	0
Total Available or Estimate.....	8,005,034	511,957	-511,957	0
Unobligated balance available, start of year.....	-1,248,671	-12,957	12,957	0
Restoration of unobligated balance FY 2006.....	1,248,671	0	0	0
Recovery of prior obligations.....	-10,000	0	0	0
Unobligated balance available, end of year.....	12,957	0	0	0
Total Appropriation.....	8,007,991	499,000	-499,000	0

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

JUSTIFICATION OF DECREASE

- (1) A decrease of \$499,000 for special earmark grants (\$499,000 available in 2010).

The budget does not propose funding specifically earmarked projects.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
2009 Actual and Estimated 2010 and 2011

Rural Empowerment Zone and Enterprise Community Grants

	<u>2009</u>	<u>2010</u>	<u>2011</u>
Alaska	\$124,963	--	--
Arizona	124,963	--	--
California	1,076,103	--	--
Florida	124,963	--	--
Georgia	951,140	--	--
Illinois	951,140	--	--
Kansas	124,963	--	--
Kentucky	124,963	--	--
Maine	624,963	--	--
Michigan	124,963	--	--
Montana	124,963	--	--
New Mexico	124,963	--	--
North Dakota	951,140	--	--
Oklahoma	124,963	--	--
Pennsylvania	124,963	--	--
South Carolina	124,963	--	--
South Dakota	951,140	--	--
Tennessee	124,963	--	--
Texas	624,963	--	--
Washington	124,963	--	--
West Virginia	124,963	--	--
Wisconsin	124,963	--	--
Total Avail./Est.	<u>\$8,005,034</u>	<u>\$511,957</u> ^{1/}	<u>--</u>

^{1/} Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITY GRANTS

Classification by Objects
2009 Actual and Estimated 2010 and 2011

	<u>FY 2009</u>	<u>FY 2010</u>	<u>FY 2011</u>
Other Objects:			
41 Grants, subsidies, and contributions.....	<u>\$8,005,034</u>	<u>\$511,957</u>	<u>\$0</u>
Total direct obligations.....	<u><u>8,005,034</u></u>	<u><u>511,957</u></u>	<u><u>0</u></u>

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

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

	2009 Estimate	2010 Estimated	Increase or Decrease	2011 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.....	-\$845,083	-\$839,083	-\$21,000	-\$860,083
Royalties and fees.....	0	0	0	0
Collection from Federal Sources.....	6,000	5,000	-1,000	4,000
Unobligated balance available, end of the year.....	839,083	834,083	22,000	856,083
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.

SUMMARY OF RECOVERY ACT FUNDING**RURAL BUSINESS AND COOPERATIVE PROGRAMS****SUMMARY OF RECOVERY ACT FUNDING**

(in thousands)

<u>Program/Project/Activity</u>	<u>FY 2009</u>		<u>FY 2010</u>	
	PL Actual	BA Actual	PL Available	BA Available
Rural Business & Industry Loans	\$49,412	\$3,626	\$1,523,298	\$122,473
Rural Business Enterprise Grants	\$15,341	\$15,341	\$4,085	\$4,085
Total Available for Program	\$64,753	\$18,967	\$1,527,383	\$126,558
Salaries and Expenses	\$1,213	\$1,213	\$3,287	\$3,287
Total Available	\$65,966	\$20,180	\$1,530,670	\$129,845

Project Statement – Recovery Act**(On basis of available funds)****(in thousands)**

	<u>2009</u>			<u>2010</u>			<u>Increase or Decrease</u>
	<u>PL Actual</u>	<u>BA Actual</u>	<u>Staff Years</u>	<u>PL Available</u>	<u>BA Available</u>	<u>Staff Years</u>	
Rural Business & Industry Loans	\$49,412	\$3,626		\$1,523,298	\$122,473		-\$1,523,298
Rural Business Enterprise Grants	\$15,341	\$15,341		\$4,085	\$4,085		-\$4,085
Total Available for Program	\$64,753	\$18,967		\$1,527,383	\$126,558		-\$1,527,383
Salaries and Expenses	\$1,213	\$1,213	--	\$3,287	\$3,287	--	-\$3,287
Total Available	\$65,966	\$20,180		\$1,530,670	\$129,845		-\$1,530,670

Program Implementation Activities:

The Business and Industry Guaranteed Loan Program (B&I). The purpose of the B&I Guaranteed Loan Program is to improve, develop, or finance business, industry, and employment and improve the economic and environmental climate in rural communities. This purpose is achieved by bolstering the existing private credit structure through the guaranteed loans which will provide lasting community benefits. The program received a total of \$1.7 billion in ARRA funds. In FY 2009 the program awarded a total of \$49.4 million in ARRA loan guarantees for the program and created/saved 1,090 jobs. In FY 2010 there is \$1.55 billion in carryover funds. In FY 2010 the program estimates it will award \$1.5 billion in loan guarantees create/save over 36,000 Jobs.

The Rural Business Enterprise Grant Program (RBEG) program provides grants that facilitate the development of small and emerging rural businesses, to help fund distance learning networks, and help fund employment-related training programs. The RBEG grants may be made to public bodies, private nonprofit corporations, and Indian Tribes on Federal and State reservations and other Federally-recognized Indian Tribal groups in rural areas. RBEG grants must finance or develop small and emerging private business enterprises. RBEG received \$19.4 million dollars in ARRA Funding. In FY 2009, 145 ARRA

grants were awarded, totaling \$15.3 million the remaining \$4.1 million will be awarded in 2010 and will create or save and estimated 3,244 jobs.

Goals and Coordination Efforts:

Jobs Created or Saved: Businesses that provide high-quality employment opportunities will be good candidates for these B&I and RBEG ARRA funds. The Department of Labor defines high quality employment as jobs in long term, sustainable occupations that have career development ladders and will enable a worker to obtain livable wages. The sustainability of the employment opportunity is also an important factor. Applications submitted from the State offices will document why a project's jobs are considered high quality.

A borrower may be a cooperative organization, corporation, partnership, or other legal entity organized and operated on a profit or nonprofit basis; an Indian tribe on a Federal or State reservation or other Federally recognized tribal group; a public body; or an individual. Loan purposes must be consistent with the general purpose contained in the regulation. They include but are not limited to the following:

- Business and industrial acquisitions when the loan will keep the business from closing, prevent the loss of employment opportunities, or provide expanded job opportunities.
- Business conversion, enlargement, repair, modernization, or development.
- Purchase and development of land, easements, rights-of-way, buildings, or facilities.
- Purchase of equipment, leasehold improvements, machinery, supplies, or inventory.

Objectives:

The overall intent of the B&I program and ARRA funding is to improve the quality of life by creating jobs. The public benefits by having a stronger local economy. As often happens in the downturn of the U.S. economy, small businesses particularly in rural communities may not have access to commercial credit at competitive rates and terms. Without access to capital, rural entrepreneurs may not be able to start new or expand existing businesses. As a result, rural communities will have limited goods and services available to them. The objective of the ARRA is to provide businesses with access to capital.

Delivery Schedule:

Funds were allocated to the State offices following development of an allocation plan based on Economic Research Service 2007/2008 data showing each State's percentage of: 1) the national rural population, 2) the national rural poverty, and 3) the national non-metro unemployment.

Following allocation and application reviews, projects were funded when qualified. If States did not use all of their allocation, funds were returned to the National Office reserve for final redistribution based on State's needs. However, there was no pooling of funds during fiscal year 2009, and funds will be pooled during fiscal year 2010.

Outreach was conducted at the State and Local office level. National office assistance was provided as necessary. Outreach included meetings with rural lenders, attending and/or making presentations at conferences of National and State lending associations, etc. Some State offices conducted lender workshops.

Performance Measures:

Performance Measure	FY 2009 Actual	FY 2010 Target	FY 2011 Target
1. Jobs saved/created:			
Rural Business and Industry Guaranteed Loans Program	1,090	36,000	N/A
Rural Business Enterprise Grants *	12,015	3,244	N/A

FY 2009 Accomplishments:

* Rural Business Enterprise Grant job targets are estimated by program staff based on historical information. Actual job numbers are verified by State staff working grant recipients.

In FY 2009, the B&I program awarded a total of \$49.4 million in ARRA loan guarantees and created/saved 1,090 jobs. For instance, Rural Development provided a \$5 million loan guarantee to Citizens Commerce National Bank which will enable the lender to provide financing to their borrower, McKechnie Vehicle Components, USA and MVC Holdings, LLC. The proposed guarantee will allow stability by providing a permanent loan for the restructured automotive parts manufacturer, keep the business from closing, prevent the loss of employment opportunities and provide expanded job opportunities. The loan saved 275 jobs.

In FY 2009, the RBEG program awarded 145 ARRA grants totaling \$15.3 million. These grants created and or saved over 12,015 jobs. For instance, a grant for \$83,149 was awarded to The Minnesota Chippewa Tribe's Business Development Center to provide training for area businesses to expand, thereby creating new jobs and spurring economic growth. This stimulus project assisted four businesses.

FY 2010 and FY 2011 Planned Activities:

In FY 2010, the B&I program will have over \$1.5 billion in carryover ARRA loan guarantees and create/save over 36,000 jobs in rural communities across the country. Approximately \$4.1 million in carry over ARRA funds for the RBEG program will create or save an estimated 3,244 jobs.

RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

STATUS OF PROGRAMS

Current Activities: The Rural Development Business and Cooperative Programs provide, direct loans, loan guarantees, grants, technical assistance and payments 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 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 minimizing lender risk. 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. Increasing outreach and improving service to lenders and borrowers.
3. Program delivery is transitioning to a risk-based management system. Part of this transition includes giving increased approval authority to qualifying State Directors.

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

Business and Industry Guaranteed Loan Program:

The B&I loan program is Rural Development's flagship job creation and capital expansion business program. The \$1.1 billion awarded in FY 2009 created/saved more than 17,000 jobs and impacted 467 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.

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.

Rural Energy for America Program:

In FY 2009, the Rural Energy for America Program (REAP) funded 1,557 projects. the REAP program awarded 1,103 grants totaling \$23.2 million plus 380 combination loans and grants amounting to \$76.7 million (mandatory and discretionary funds) and 2 guaranteed loans for \$8.4 million for renewable energy and energy efficiency projects. The energy audit and renewable energy development assistance program

awarded 22 grants totaling \$2.17 million. \$1.2 million was used to fund the renewable energy feasibility study program; which resulted in 50 feasibility study grants. In all, REAP provided \$111.8 million in loans and grants to worthy projects that produced/saved an estimated 1.49 billion kWh.

1. For example, the Rural Electric Convenience Cooperative (RECC) in Illinois was looking for a way to add renewable energy to its portfolio. The cooperative decided its best option would be a utility scale wind turbine because of its environmental benefits and because it would reduce their wholesale power requirements and be a hedge against rising fuel costs. The co-op had access from Illinois' Department of Natural Resources to a unique 60-foot reclaimed refuse mound at an abandoned coal mine in their service area near Farmersville. The height of the mound and the movement of the wind up the hill were just the factors needed to generate adequate winds to support a 220 foot, 900 kilowatt wind turbine. The challenge was how to make it affordable.

RECC's board voted to pursue the purchase of a wind turbine pending affordable financing. They applied for and received REAP grant for \$375,000. Coupled with zero percent Clean Renewable Energy Bonds from CoBank backed by Rural Development, state grants and green tags purchased by the Illinois Clean Energy Community Foundation, RECC secured adequate financing for the project. The wind turbine was installed and is producing power.

With the turbine generating electricity about 35 percent of the time, it can produce 5 million kilowatts a year and satisfy five percent of the co-op's power needs. They serve 5,700 agricultural, commercial and residential customers in a five county area. The turbine will improve the cooperative's environmental footprint, replace some of the power they purchase and act as a hedge against unpredictable fuel costs.

2. Tyler Webb, of Stoney Pond Farm, Enosburg Falls, Vermont, installed a 10 kilowatt wind turbine in the fall of 2008 with the assistance of a grant from the Rural Energy for America Program of \$15,000. The turbine has been operating well since start up and has generated 4,300 kWh for this family farm.

Intermediary Relending Program:

In FY 2009, 54 loans resulted in \$33.536 million being made available to intermediaries who in turn funded 1,140 businesses to create or save an estimated 25,655 jobs. The following examples demonstrate the use of intermediary relending program (IRP) funds provided to intermediaries to fund projects in rural areas:

1. Alabama Department of Agriculture and Industries, Montgomery, AL, received \$500,000 to relend to business throughout Alabama targeting applicants who propose investments in alternative fuel production and delivery, businesses in low income and high unemployment areas, and minority and women-owned businesses. Funding support will create and/or save at least 200 jobs.

2. Lake County Community Development Corporation, Ronan, MT, received \$500,000 for small and emerging businesses in Lake, Mineral, and Sanders counties and to serve the Flathead Indian Reservation. The region has faced double-digit unemployment due to timber and technology sector layoffs and IRP funds will be used to support new employment opportunities in these areas. It is estimated IRP funds will create and or save more than 80 jobs in the local area.

Rural Economic Development Loan Program:

In FY 2009, a total of 57 loans with a combined value of more than \$36 million were made to qualifying utilities creating or saving more than 4,370 jobs. For example, a \$740,000 loan to Lane-Scott Electric Cooperative, Inc., Healy, Kansas, to finance the construction of a plant that uses local agricultural waste to produce fuel pellets for residential and commercial use. The project is expected to create 19 "green energy" jobs.

Rural Economic Development Grant Program:

In FY 2009, 34 grants were awarded with a combined value of \$9.9 million. These grants contributed to a number of rural communities and were responsible for creating or saving more than 2,210 jobs. For example, Rural Development made a \$300,000 grant to the City of Pocahontas to make energy-efficiency improvements to a school.

Rural Business Opportunity Grant Program:

In FY 2009, the 35 grants awarded to residents and businesses in 20 states, Puerto Rico and the Western Pacific totaled \$2.7 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 2009, 507 grants were awarded, totaling \$40 million. These grants created and or saved over 14,938 jobs. A grant for \$75,000 was used to extend sewer lines to four small and emerging private businesses. The project assisted four businesses and created eleven new jobs.

Rural Business Enterprise Grant Program - Disaster:

In FY 2009, 49 grants were awarded, totaling \$4.8 million. These grants created and or saved more than 1,400 jobs. A grant for \$98,000 was awarded to the City of Lawrenceville in Illinois that was hit hard by damaging storms and flooding to extend water and sewer services to an industrial park. The project assisted five businesses and created or saved forty-seven new jobs.

Rural Business Enterprise Grant Program - ARRA:

In FY 2009, 145 grants were awarded, totaling \$15.3 million. These grants created and or saved more than 12,000 jobs. A grant for \$83,149 was awarded to The Minnesota Chippewa Tribe's Business Development Center to provide training that promotes business expansion, thereby creating new jobs and spurring economic growth. The project assisted four businesses.

Value Added-Producer Grant Program:

The maximum grant awards are \$100,000 for planning grants and \$300,000 for working capital grants. The program changes in the 2008 Farm Bill appear to have generated more interest in the program. In past years, VAPG has averaged about 415 applications per year, with approximately 60 percent of those meeting eligibility requirements. An estimated 150 value added producers will benefit from the FY2009 grant funds.

Agriculture Innovation Center Demonstration Program:

In 2009, a special earmark of \$1.877 million was appropriated under P.L. 111-8, "The FY 2009, Omnibus Appropriation," Section 732 of Title VII, General Provisions, for a \$1.408 million grant to the Wisconsin Department of Agriculture, Trade and Consumer Protection; and a \$469k grant to the Vermont Agency of Agriculture, Foods, and Markets to establish or expand an Agriculture Innovation Center (AIC) facility to provide technical and business development assistance to agricultural producers seeking to engage in the marketing or production of value-added products.

The Wisconsin Department of Agriculture, Trade and Consumer Protection will conduct a Dairy Business Initiative that builds on a successful 5-year value adding strategy to support the aggressive repositioning of Wisconsin's most important industry. The initiative supports producers and processors through a set of

strategies to add value through identification and development of increased markets for artisan and specialty cheese products, and other higher growth specialty dairy products.

In its first year, the Vermont Agency of Agriculture, Foods, and Markets will dedicate resources to both establishing the center itself and supporting specific projects that can open markets with significant growth potential for Vermont producers who have a value added component to their businesses. Project areas will include coordination of agricultural and culinary tourism support, development of commercial opportunities for high quality specialty foods, and development of a framework for Place-Based marketing for Vermont foods to promote continued innovation in building new avenues for Vermont's farmers to connect with customers.

Rural Cooperative Development Grants:

In FY 2009, 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.

Appropriate Technology Transfer to Rural America (ATTRA)

ATTRA, also called the National Sustainable Agriculture Information Service, provides sustainable agriculture information to those engaged in or serving commercial agriculture, such as farmers, ranchers, extension agents, farm organizations, and farm-based businesses. In 2009, \$2,582,000 was appropriated and obligated to fund the center.

Work for the ATTRA project takes place in six locations through out the United States. The ATTRA project is staffed by more than 20 NCAT agricultural specialists with diverse backgrounds in livestock, horticulture, soils, organic farming, integrated pest management, farm energy, and other sustainable agriculture specialties. It provides information and other technical assistance to farmers, ranchers, Extension agents, educators, and others involved in sustainable agriculture in the United States.

Cooperative Agreements for Research

A cooperative agreement in the amount of \$299,944 was provided to the University of Wisconsin Center for Cooperatives (UWCC). The purpose of this funding was to measure the incidence and economic importance of cooperative activity across all sectors of the U.S. economy. The proposal builds on their existing strategy to initiate a longitudinal survey of cooperative business that will sustain research on cooperatives beyond the period of the grant.

The research has three principal goals. First, the development of a comprehensive database on the full range of cooperatives in the United States to enable examination of cooperatives' economic impacts, wealth creation, and return on investment. Second, provide broad-based access for research purposes to data collected within the boundaries of confidentiality required by the participating cooperative firms. And third, build collaborative relationships among academics, cooperatives, and government agencies in order to create an intellectual-policy hub in the United States for studying the organization and performance of cooperatives and their impacts on stakeholders and the overall economy.

Small Socially-Disadvantaged Producer Grants:

The Small Socially-Disadvantaged Producer Grants (SSDPG) program, formerly known as the Small Minority Producer Grant program, provides grants to fund technical assistance to small socially-disadvantaged producers from cooperatives and associations of cooperatives. In FY 2009, SSDPG program awarded 10 grants amounting to \$1.4 million.

Program Evaluations

No programs were assessed in FY 2009.

RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

FY 2010 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.

USDA Strategic Goal	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<p>USDA Strategic Goal:</p> <p>Assist rural communities to create prosperity so they are self-sustaining, repopulating and economically thriving.</p>	<p>Agency Goal 1: Increase economic opportunity in Rural America</p>	<p><u>Objective:</u> <u>Objective 1.1:</u> Enhance capital formation and support the creation of diverse, sustainable businesses.</p>	<p>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</p> <p>Programs Authorized under 2008 Farm Bill and Implemented in 2010: Biorefinery Assistance Program Bioenergy Program for Advanced Biofuels Rural Microenterprise Assistance Program</p>	<p><u>RD Key Outcome 1:</u> Enhanced capital formation and opportunities provided to agricultural producers and rural businesses</p>
		<p><u>Objective 1.2:</u> Provide new opportunities for agricultural producers</p>	<p>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</p>	<p><u>RD Key Outcome 1:</u> Enhanced capital formation and opportunities provided to agricultural producers and rural businesses</p>

Selected Accomplishments Expected at the FY 2011 Proposed Resource Level:

- With a \$40 million budget authority in FY 2011, the Business & Industry program will support a program level of approximately \$942 million. These loans will provide funding to businesses of all types which create jobs and promote economic growth. This level of funding will support creating and saving an estimated 16,650 jobs and assisting/creating and or saving approximately 350 businesses in FY 2011.
- The Rural Energy for America (REAP) 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. Discretionary funding for 2011 is expected to be dispersed as \$11.5 million in loans and \$34.0 million in grants. The anticipated cumulative benefits for funded grant programs include -1,585 millions of kWh electricity generated with alternative energy sources, displacing 1,500 million metric tons of carbon emissions plus generate an estimated 9,500 jobs.
- The Value-added Agricultural Producers 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, the \$20 million program level, proposed in FY2011 will support over 130 value-added businesses.
- 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. Based on an analysis of historical data on actual number of intermediaries assisted, number of businesses impacted and creation or saving of jobs, it is anticipated that the \$36 million proposed budget authority in FY2011 will impact over 325 businesses and create/save an estimated 26,000 jobs.
- 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. Owners across the nation in establishing and marketing cooperatives. The funding provided in FY 2011 for this program will support approximately 25 grantees that will assist over 360 cooperatives and prospective cooperative groups. The assistance provided by the program will help strengthen the rural economy and assist farmers, ranchers, and rural businesses.
- Section 6022, Rural Microentrepreneur Assistance Program – (RMAP) This new program to be implemented in FY 2010 provides rural microentrepreneurs the opportunity to gain 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 (MDO's) for the purposes of 1) providing microloans to rural microentrepreneurs, and 2) providing training and technical assistance to current- and/or potential microentrepreneurs to establish new or sustain existing micro businesses in rural areas. When implemented in FY2010, the budget will support a program level of \$14.3 million. Each loan to an ultimate recipient is

expected to average \$15,000 to \$20,000. This equates to a minimum estimate of 40 business assisted and 40 jobs created/saved per \$100,000 of Loan Budget Authority. In FY 2011, RMAP \$24.3 million in program level is expected to create or save over 8,000 jobs and assist a similar number of rural microbusinesses as in FY 2010.

- The Biorefinery Assistance Program (BAP) or Section 9003 program assists in the development of new and emerging technologies for the development of advanced biofuels. The \$17.3 million in FY 2011 budget authority will result in \$49.9 million in program funds that is estimated to support about \$49.9 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 one or two projects will be funded in 2011 and that the demand for BAP loan funds 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	2006 Actual	2007 Actual	2008 Actual	2009 Actual	2010 Target	2011 Target
Performance Measure #1						
a. Jobs created/saved* total	71,715	72,710	72,907	68,969	74,005	70,554
B&I	14,837	12,343	18,703	17,602	20,000	16,665
RBEG	19,707	21,346	18,766	14,938	15,000	11,300
RBOG	5,110	8,191	2,802	3,400	3,400	2,000
IRP	25,910	25,911	25,655	26,449	25,655	26,000
REDL	4,636	3,273	4,891	4,370	4,500	2,254
REDG	1,515	1,646	2,090	2,210	1,650	1,650
RMAP	--	--	--	--	3,800	8,000
b. Program Dollars (000s)**	\$880,242	\$937,407	\$1,588,925	\$1,074,455	\$1,137,096	\$1,086,999
ARRA Funds¹						
a. Jobs created/saved (B&I & RBEG)				13,105	39,244	
b. Program (B&I & RBEG) Dollars (000s)				64,726	1,527,384 ⁴	
Performance Measure #2						
a. Million of kWh generated with alternative energy sources	1,575	2,924	1,584	2,304	2,120	1,585
b. Program Dollars (000s)						
- Loans	\$24,159	\$57,098	15,566	25,780	105,749	11,519
- Grants (in thousands)	\$22,237	\$19,102	\$34.2	2,500	20,982	34,000

Performance Measure #3						
a. Number of Cooperatives and prospective cooperative groups assisted	195	187	175	200	300	360
b. Program Dollars (in thousands)	\$4,357	\$6,218	\$4,547	\$8,766	\$14,487	\$19,687
Performance Measure #4						
a. Proposed, new, or expanded Value-Added businesses assisted	185	151	142	0	286	130
b. Program Dollars (in thousands)	21,203	\$23,801	\$19,389	\$943 ²	43,007	\$20,367

* 2011 Program dollars consist of the following programs: intermediary relending program, rural economic development loan and grant; business and industry guarantee; rural business grants; and rural micro-enterprise assistance.

1- ARRA Funds consist of the following programs: Business and Industry Guarantee; and Rural Business Enterprise Grant, and assumes one third of funding spent in FY 2009 and remaining two-thirds of funding carried over and spent in FY 2010.

2- FY 2009 VAPG funds were carried into FY 2010.

BUSINESS AND COOPERATIVE PROGRAMS				
Full Cost by Secretary's Strategic Priorities				
Strategic Priority: Assist rural communities to create wealth so they are self sustaining, repopulating and economically thriving.				
PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
RDLF Intermediary Relending Program				
	Program Level	\$33,536	\$31,431	\$36,376
	Budget Authority	14,035	7,933	14,034
	Administrative Costs (Direct)	1,187	1,204	1,374
	Administrative Costs (Indirect)	559	567	647
	Total Costs	15,781	9,704	16,055
	FTEs	16	15	17
	Performance measure:			
	Jobs created/saved			
	Target:	26,449	25,655	26,000
	Cost per Measure (unit cost)	0	0	0
Rural Economic Development Loans - Mandatory				
	Program Level	\$36,171	\$38,074	\$33,077
	Budget Authority	7,556	4,969	5,924
	Administrative Costs (Direct)	1,722	1,838	2,097
	Administrative Costs (Indirect)	811	865	987
	Total Costs	10,089	7,672	9,008
	FTEs	23	23	26
	Performance measure:			
	Jobs created/saved			
	Target:	4,370	4,500	4,939
	Cost per Measure (unit cost)	0	0	0
Rural Economic Development Grants - Mandatory				
	Program Level 1/	\$9,914	\$10,000	\$10,000
	Budget Authority	0	0	0
	Administrative Costs (Direct)	713	762	869
	Administrative Costs (Indirect)	336	358	409
	Total Costs	1,049	1,120	1,278
	FTEs	10	9	11
	Performance measure:			
	Jobs created/saved			
	Target:	2,210	1,650	1,650
	Cost per Measure (unit cost)	0	0	0
Rural Energy for America Loans and Grants.				
	Program Level 2/	\$8,302	\$163,879	\$45,519
	Budget Authority	5,000	39,340	39,340
	Administrative Costs (Direct)	490	2,736	2,576
	Administrative Costs (Indirect)	230	1,288	1,212
	Total Costs	5,720	43,364	43,128
	FTEs	7	33	32
	Performance measure:			
	mKWH produced (in Millions)			
	Target:	2,304	2,120	1,585
	Cost per Measure (unit cost)	0	0	0

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Rural Energy for America Loans and Grants - Mandatory				
	Program Level 2/	\$103,558	\$197,039	\$109,200
	Budget Authority	54,968	60,000	70,000
	Administrative Costs (Direct)	5,629	4,105	5,230
	Administrative Costs (Indirect)	2,650	1,931	2,461
	Total Costs	63,247	66,036	77,691
	FTEs	76	50	64
	Performance measure:			
	mKWH produced (in Millions)			
	Target:	1,340,000	1,486,241	1,724,040
	Cost per Measure (unit cost)	0	0	0
Rural Cooperative Development Grants, Appropriate Technology Transfer, Cooperative Research Agreements, and Grants to Assist Minority Producers				
	Program Level	\$8,766	\$17,487	\$19,687
	Budget Authority	8,766	17,487	19,687
	Administrative Costs (Direct)	178	381	435
	Administrative Costs (Indirect)	84	179	205
	Total Costs	9,028	18,047	20,327
	FTEs	2	4	5
	Performance measure:			
	Groups assisted 3/			
	Target: 4/	200	300	360
	Cost per Measure (unit cost)	0	0	0
Value Added Agricultural Product Market Development Grants & Agricultural Mfg. Res. Center Grants				
	Program Level	\$193	\$27,410	\$20,367
	Budget Authority	193	27,410	20,367
	Administrative Costs (Direct)	201	1,137	1,298
	Administrative Costs (Indirect)	95	535	610
	Total Costs	488	29,082	22,275
	FTEs	3	15	16
	Performance measure:			
	Number businesses assisted 5/			
	Target:	0	186	130
	Cost per Measure (unit cost)	0	0	0
Value Added Agricultural Product Market Development Grants & Agricultural Mfg. Res. Center Grants - Mandatory				
	Program Level	\$750	\$15,597	\$0
	Budget Authority	750	15,597	0
	Administrative Costs (Direct)	690	0	0
	Administrative Costs (Indirect)	325	0	0
	Total Costs	1,766	15,597	0
	FTEs	9	0	0
	Performance measure:			
	Number businesses assisted 5/			
	Target:	0	100	0
	Cost per Measure (unit cost)	0	0	0
Rural Empowement Zone & Enterprise Comm. Grants				
	Program Level	\$8,005	\$512	\$0
	Budget Authority	8,005	512	0
	Administrative Costs (Direct)	357	0	0
	Administrative Costs (Indirect)	168	0	0
	Total Costs	8,530	512	0
	FTEs	5	0	0
	Performance measure: Round II			
	Communities' Leverage Dollars			
	Target:	6,373	TBD	0
	Cost per Measure (unit cost)	0	0	0

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Special Earmarks GPs 764 - 2006 and Other Special Earmarks				
	Program Level	\$1,877	\$3,251	\$0
	Budget Authority	1,877	3,251	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	1,877	3,251	0
	FTEs	0	0	0
	Performance measure:			
	Target:	0	0	0
	Cost per Measure (unit cost)	0	0	0
Business and Industry Guaranteed Loans				
	Program Level	\$949,010	\$994,575	\$941,963
	Budget Authority	41,282	53,011	40,316
	Administrative Costs (Direct)	32,257	33,117	37,790
	Administrative Costs (Indirect)	15,178	15,585	17,784
	Total Costs	88,717	101,713	95,890
	FTEs	434	406	464
	Performance measure:			
	Jobs created/saved			
	Target:	17,602	20,000	16,665
	Cost per Measure (unit cost)	0	0	0
NADBank Guaranteed Business and Industry Loans				
	Program Level	\$0	\$4,412	\$0
	Budget Authority	0	351	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	351	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	TBD	0
	Cost per Measure (unit cost)	0	0	0
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.				
	Program Level	\$40,163	\$40,579	\$38,727
	Budget Authority	40,163	40,579	38,727
	Administrative Costs (Direct)	1,365	1,455	1,660
	Administrative Costs (Indirect)	643	685	781
	Total Costs	42,171	42,719	41,168
	FTEs	18	18	20
	Performance measure:			
	Jobs created/saved			
	Target:	14,938	15,000	11,300
	Cost per Measure (unit cost)	0	0	0
Rural Business Opportunity Grants, Rural Business Opportunity Grants Native American Tribes, Rural Business Opportunity Grants Mississippi Delta and Grant to Delta Regional Authority				
	Program Level	\$5,662	\$5,649	\$2,483
	Budget Authority	5,662	5,649	2,483
	Administrative Costs (Direct)	775	826	942
	Administrative Costs (Indirect)	364	389	444
	Total Costs	6,801	6,864	3,869
	FTEs	10	10	12
	Performance measure:			
	Jobs created/saved			
	Target:	3,400	3,400	2,000
	Cost per Measure (unit cost)	0	0	0

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Rural Microenterprise Assistance Program				
	Program Level	\$0	\$14,332	\$24,373
	Budget Authority	0	5,000	7,700
	Administrative Costs (Direct)	296	315	359
	Administrative Costs (Indirect)	139	148	169
	Total Costs	435	5,463	8,228
	FTEs	4	4	4
	Performance measure:			
	Jobs created/saved			
	Target:	0	3,800	8,000
	Cost per Measure (unit cost)	0	0	0
Rural Microenterprise Assistance Program - Mandatory				
	Program Level	\$0	\$21,755	\$8,486
	Budget Authority	0	8,000	4,000
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	0	8,000	4,000
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	5,500	2,670
	Cost per Measure (unit cost)	0	0	0
Guaranteed Biorefinery Loans				
	Program Level	\$0	\$0	\$49,856
	Budget Authority	0	0	17,300
	Administrative Costs (Direct)	0	0	723
	Administrative Costs (Indirect)	0	0	340
	Total Costs	0	0	18,363
	FTEs	0	0	9
	Performance measure:			
	KWH produced (in Thousands)			
	Target:	0	0	5,691
	Cost per Measure (unit cost)	0	0	0
Guaranteed Biorefinery Loans - Mandatory				
	Program Level	\$105,000	\$803,476	\$0
	Budget Authority	35,007	284,993	0
	Administrative Costs (Direct)	474	634	0
	Administrative Costs (Indirect)	223	298	0
	Total Costs	35,704	285,925	0
	FTEs	6	8	0
	Performance measure:			
	KWH produced (in Thousands)			
	Target:	0	113,811	0
	Cost per Measure (unit cost)	0	0	0
Biopowering Assistance Payments & Bioenergy Program for Advanced Biofuels Payments - Mandatory				
	Program Level	\$0	\$145,000	\$85,000
	Budget Authority	0	145,000	85,000
	Administrative Costs (Direct)	418	634	723
	Administrative Costs (Indirect)	196	298	340
	Total Costs	614	145,932	86,063
	FTEs	6	8	9
	Performance measure:			
	KWH produced (in Thousands)			
	Target:	0	3,459,508	2,663,821
	Cost per Measure (unit cost)	0	0	0

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Guaranteed Business and Industry Loans 2008 Disasters Emergency Supplemental				
	Program Level	\$246,197	\$163,048	\$0
	Budget Authority	10,710	8,690	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	10,710	8,690	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	2,789	1,200	0
	Cost per Measure (unit cost)	0	0	0
Rural Business Enterprise Grants May 6, 2007 Disaster Emergency Supplemental				
	Program Level	\$100	\$0	\$0
	Budget Authority	100	0	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	100	0	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	0	0	0
	Cost per Measure (unit cost)	0	0	0
Rural Business Enterprise Grants 2008 Disasters Emergency Supplemental				
	Program Level	\$4,710	\$140	\$0
	Budget Authority	4,710	140	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	4,710	140	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	1,405	0	0
	Cost per Measure (unit cost)	0	0	0
Business and Industry Guaranteed Loans - Stimulus				
	Program Level	\$49,412	\$1,523,298	\$0
	Budget Authority	3,627	122,473	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	3,627	122,473	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	1,092	36,000	0
	Cost per Measure (unit cost)	0	0	0
Rural Business Enterprise Grants - Stimulus				
	Program Level	\$15,314	\$4,086	\$0
	Budget Authority	15,314	4,086	0
	Administrative Costs (Direct)	0	0	0
	Administrative Costs (Indirect)	0	0	0
	Total Costs	15,314	4,086	0
	FTEs	0	0	0
	Performance measure:			
	Jobs created/saved			
	Target:	12,015	3,244	0
	Cost per Measure (unit cost)	0	0	0

PROGRAM	PROGRAM ITEMS	2009 AMOUNT (\$000)	2010 AMOUNT (\$000)	2011 AMOUNT (\$000)
Total for Secretary's Priorities				
	Program Level	\$1,626,640	\$4,225,030	\$1,425,114
	Budget Authority	257,725	854,471	364,878
	Administrative Costs (Direct)	46,752	49,144	56,076
	Administrative Costs (Indirect)	22,001	23,126	26,389
	Total Costs	\$326,478	\$926,741	\$447,343
	FTEs	629	603	689
	Performance measure:			
	Target:	N/A	N/A	N/A
	Cost per Measure (unit cost)	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.

