

2013 Explanatory Notes
Rural Business-Cooperative Service

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RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

Purpose Statement

USDA Rural Development's Business and Cooperative Programs provide loans, loan guarantees and grants 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. 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. Loan funds are used to finance the purchase and development of land, easements, rights-of-way, buildings, equipment, facilities, machinery, supplies and materials. Loan funds also 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 and must be approved by the Secretary.

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 Enterprise Grant (RBEG) - Authorized by section 310(B)(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932). The regulation is found in 7 CFR part 1942, subpart G. RBEGs are used to support the development of small and emerging private business enterprises in rural areas. Grants are made to public bodies and private nonprofit corporations serving rural areas. Public bodies include States, counties, cities, townships, and incorporated town and villages, boroughs, authorities, districts, and Indian tribes on Federal and State reservations and other Federally recognized Indian Tribal groups in rural areas. The end result of the program must finance or develop a small and emerging private business enterprise in a rural area.

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 and job opportunities among individuals living in rural areas and help meet the equity capital investment needs primarily of smaller enterprises located in such areas. Under the RBIP, for-profit Rural Business Investment Companies (RBIC) make venture capital investments in rural areas with the objectives of fostering economic development in such areas and returning maximum profits to the RBIC's investors.

Rural Energy for America Program - Section 9007 of the 2002 Farm Bill, P.L. 107-171, as amended by the 2008 Farm Bill, P.L. 110-246. Section 9007 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, if funding is made available, may also be used for energy audits and feasibility studies.

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.

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 Food, Conservation, and Energy Act of 2008 (Farm Bill) P.L. 110-246. 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.

Small Minority Producer Grants - Authorized by P.L. 109-97. Grants to assist small, minority agricultural producers in rural areas provide funding for cooperative development centers, 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 Research Agreements - Authorized by the Cooperative Marketing Act of 1926, (7 U.S.C. 453). Cooperative agreements are used to encourage research on critical issues vital to the development and sustainability of cooperatives as a means of improving the quality of life in America's rural communities. Research proposals are solicited from institutions of higher education or nonprofit organizations interested in applying for competitively awarded cooperative agreements for research related to agricultural and nonagricultural cooperatives serving rural communities.

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

Technical Assistance to Cooperatives Program - Authorized by the Cooperative Marketing Act of 1926, (7 U.S.C. 453). The cooperative program is authorized to provide advice and assistance to existing cooperatives and groups of farmers contemplating the formation of cooperatives. Technical assistance is provided through a network of staff at the national and State offices. Technical assistance studies are provided at the request of a cooperative or steering committee at no fee 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 and amended by Section 6016 of the Food, Conservation, and Energy Act of 2008 (Farm Bill), P.L. 110-246. 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 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 Food, Conservation and Energy Act of 2008. The purpose of the program is to provide direct 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.

Repowering Assistance Program - Authorized under Section 9004, of the Food, Conservation, and Energy Act of 2008 the program directs the Secretary of Agriculture to provide financial incentives to biorefineries in existence on June 18, 2008 to replace the use of fossil fuels used to produce heat or power at their facilities by installing new systems that use renewable biomass, or to produce new energy from renewable biomass.

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, 2011, there were 5,568 permanent full-time employees, including 1,576 in the headquarters and 3,992 in the field offices.

OIG Reports

OIG Audit Report No. 34099-002-AT, Business And Industry Loan Program, Omnivest Resources, Inc., Fort Gaines, Georgia (Open), issued September 14, 2001.

OIG investigation resulted from a complaint by the state office of negligent servicing, a conflict of interest between the servicer of the loan and the packager and improper use of loan funds. The agency is addressing subsequent recommendations with regulatory changes.

OIG Audit Report 34601-006-AT Rural Business Programs Intermediary Relending Program (Open), issued June 25, 2010.

The objective of the audit was to examine RBS' internal controls to determine whether they were sufficient to ensure that loan funds are being spent according to program requirements. More specifically, OIG examined controls concerning borrower eligibility, loan security, loan disbursements, and agency loan servicing and collection. To address recommendations, RBS Specialty Programs Division will service any loans identified in audit.

OIG Audit Report No. 34601-015-TE, National Report On The Business And Industry Loan Program (Open), issued September 30, 2003.

OIG performed 21 separate audits in 16 states in accordance with GPRA, to determine if RD was making and servicing sound loans under the B&I direct and B&I guaranteed loan programs. The agency is addressing subsequent recommendations in regulatory changes.

OIG Audit Report No. 34004-001-KC, Rural Cooperative Development Grants (RCDGs) (Open), issued August 15, 2011.

The audit objectives were to determine whether the RCDGs awarded to Missouri Farmers Union Family Farm Opportunity Center for grant years 2005 through 2007 met eligibility requirements and whether Missouri Farmers Union Family Farm Opportunity Center used the funds for their intended and authorized purposes. And whether the state office properly serviced and administered the grants. RBS will address any recommendations with special servicing and monitoring.

OIG Audit Report No. 34601-004-AT, Rural Development lender servicing of Business and Industry Guaranteed loans in Georgia (Open), issued January 10, 2003.

OIG performed an audit on the Georgia state office's loan portfolio. The primary audit objective was to determine if the lenders complied with program regulations for loan-making and servicing. Specific objectives were to determine whether the lender ensured (1) terms of the conditional commitment were met, (2) loan funds were used for authorized purposes, (3) collateral was sufficient to protect the interest of the Government, and (4) proper servicing of the loan. The agency is addressing subsequent recommendations in regulatory changes.

OIG Audit Report No. 34703-001-KC, Rural Business Enterprise Grant Program – ARRA (Open), issued April 27, 2010.

The audit objectives were to ensure Recovery Act monies were implemented timely and effectively, proper controls were established, program participants met eligibility guidelines, participants properly comply with program requirements, and agencies establish effective compliance operations. The agency plans to issue additional guidance on RBEG reporting requirements.

GAO Reports

GAO Audit Report No. 08-1123 Collaboration between SBA and USDA Could be Improved (Open), issued September 2008.

In this report, GAO discusses (1) the complementary nature of some SBA and RD programs and the extent to which it provides a rationale for the agencies to collaborate, (2) past and current efforts by SBA and Rural Development to work together and with other agencies, and (3) opportunities for the agencies to improve their collaborative efforts. In completing its work, GAO analyzed agency documentation and prior reports on collaboration, conducted site visits at locations where SBA and Rural Development were working together and interviewed agency and selected economic development officials.

GAO Audit Report No. 12-79 Green Building: Federal Initiatives for the Nonfederal Sector Could Benefit from More Interagency Collaboration (Open), issued November 2011.

GAO was asked to (1) identify current initiatives by federal agencies to foster green building in the nonfederal sector and (2) determine what is known about the results of these initiatives. They identified 11 federal agencies with 94 initiatives that foster green building in the nonfederal sector, which includes private, state, local, and tribal entities. They included the Rural Energy for America as a program that fosters green buildings either directly or indirectly. GAO recommends that DOE, HUD, and EPA lead an effort to collaborate with other agencies on assessing the results of federal green building initiatives for the nonfederal sector.

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 transfers of funds)

- 1 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)](g) and 381E(d)(3) of the Consolidated Farm and Rural Development Act, [~~\$74,809,000~~]\$86,159,000, 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
- 2 qualified national organization to provide technical assistance for rural transportation in order to promote economic development [and \$2,900,000 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
- 3 \$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 2011, shall be available through June 30, 2012, 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.

The first change revises the notation to the guaranteed business and industry loan program.

The second change removes earmark for the Delta Regional Authority. In accordance with Title 7, Chapter 50, Subchapter VI, Delta Regional Authority, Section 2009aa—13, Termination of Authority, the authority provided under this subchapter expires on October 1, 2012, therefore funding is not requested for 2013.

The third change reflects the removal of the set-aside for rural economic area partnership zones as the authorization for this program expired in 2012. These areas can be funded from regular appropriation.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL BUSINESS PROGRAM ACCOUNT

Summary of Increases and Decreases

(Dollars in thousands)

	2010 Actual	2011 Change	2012 Change	2013 Change	2013 Estimated
Discretionary Appropriations:					
Business and industry guaranteed loans.....	\$52,927	-\$11,748	+\$4,162	+\$10,995 (5)	\$56,336
Rural business enterprise grants.....	35,217	-70	-14,339	+5,505 (2)	26,313
Rural business enterprise grants, technical assistance transportation.....	500	-1	+1	0	500
Rural business enterprise grants, native American tribes.....	2,760	-6	+6	0	2,760
Rural business enterprise grants, native American tribes transportation.....	250	-1	+1	0	250
Rural business opportunity grants.....	1,493	-3	-230	-1,260 (3)	0
Rural business opportunity grants, native American tribes.....	990	-2	+2	-990 (3)	0
Delta regional authority grants.....	2,979	-6	-73	-2,900 (4)	0
Special Earmark, GP 738 - 2010.....	250	-250	0	0	0
Total Appropriation or Change.....	97,366	-12,086	-10,471	11,350	86,159

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Rural Business Programs:										
Business and industry guaranteed loans.....	\$1,322,984	\$70,515	\$1,387,386	\$70,202	\$810,512	\$45,341	\$10,712 (1)	\$10,995 (5)	\$821,224	\$56,336
Business and industry guaranteed loans ARRA c/.....	1,557,725	125,241	0	0	0	0	0	0	0	0
Business and industry guaranteed disaster supplemental loans a/.....	57,157	3,046	0	0	0	0	0	0	0	0
Rural business enterprise grants.....	38,123	38,123	34,780	34,780	20,808	20,808	5,505 (2)	5,505	26,313	26,313
Rural business enterprise grants-ARRA c/.....	4,181	4,181	0	0	0	0	0	0	0	0
Rural business enterprise grants, technical assistance transportation.....	500	500	499	499	500	500	0	0	500	500
Rural business enterprise grants, Mississippi delta.....	0	0	0	0	0	0	0	0	0	0
Rural business enterprise grants, native American tribes.....	3,459	3,459	3,056	3,056	2,760	2,760	0	0	2,760	2,760
Rural business enterprise grants, native American tribes transportation.....	250	250	250	250	250	250	0	0	250	250
Rural business opportunity grants.....	1,672	1,672	1,522	1,522	1,260	1,260	-1,260 (3)	-1,260	0	0
Rural business opportunity grants, native American Tribes.....	966	966	1,060	1,060	990	990	-990 (3)	-990	0	0
Rural business opportunity grants, Mississippi delta.....	0	0	0	0	0	0	0	0	0	0
Delta regional authority grants.....	2,979	2,979	2,973	2,973	2,900	2,900	-2,900 (4)	-2,900	0	0
Special Earmark, GP 738 - 2010.....	0	0	250	250	0	0	0	0	0	0
Total Available or Estimate.....	2,989,995	250,932	1,431,775	114,591	839,980	74,809	11,067	11,350	851,047	86,159
Recovery of prior year obligations.....	-193,116	-21,957	-354,935	-17,212	0	0	0	0	0	0
Unobligated balance rescinded a/.....	0	0	7,166	7,166	0	0	0	0	0	0
Unobligated balance available, start of year...	-2,034,545	-157,864	-295,666	-25,197	0	0	0	0	0	0
Unobligated balance available, end of year...	274,049	25,197	69,583	5,931	0	0	0	0	0	0
Unobligated balance expiring.....	1,058	1,058	0	0	0	0	0	0	0	0
Rescission b/.....	0	0	1,720	171	0	0	0	0	0	0
Total Appropriation.....	1,037,441	97,366	859,644	85,451	839,980	74,809	11,067	11,350	851,047	86,159

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.

Rural business enterprise grants.....	38,123	38,123	34,780	34,780	23,592	23,592	5,847 (2)	5,847	29,439	29,439		
Rural business enterprise grants-ARRA c	4,181	4,181	0	0	0	0	0	0	0	0		
Rural business enterprise grants, technical assistance transportation.....	500	500	499	499	329	329	22	22	351	351		
Rural business enterprise grants, Mississippi delta.....	0	0	0	0	229	229	-229	-229	0	0		
Rural business enterprise grants, native American tribes.....	3,459	3,459	3,056	3,056	2,004	2,004	137	137	2,140	2,140		
Rural business enterprise grants, native American tribes transportation.....	250	250	250	250	165	165	11	11	176	176		
Rural business opportunity grants.....	1,672	1,672	1,522	1,522	1,968	1,968	-1,889 (3)	-1,889	79	79		
Rural business opportunity grants, native American Tribes.....	966	966	1,060	1,060	1,000	1,000	-1000	-1,000	0	0		
Rural business opportunity grants Mississippi delta.....	0	0	0	0	32	32	-32	-32	0	0		
Delta regional authority grants.....	2,979	2,979	2,973	2,973	1,891	1,891	83 (4)	83	1,974	1,974		
Special Earmark, GP 764 - 2006.....	0	0	0	0	0	0	0 (4)	0	0	0		
Special Earmark, GP 764,738 - 2010.....	0	0	250	250	1	1	-1	-1	0	0		
Total Available or Estimate.....	2,989,995	250,932	1,431,775	114,591	909,345	80,209	101,490	0	20,950	0	1,010,835	101,159
Transfer of unobligated balances.....	0	0	0	0	0	0	0	0	0	0	0	
Recovery of prior year obligations.....	-193,116	-21,957	-354,935	-17,212	-199,539	-14,930	199,539	14,930	0	0	0	
Unobligated balance rescinded a/.....	0	0	7,166	7,166	462	462	-462	-462	0	0	0	
Unobligated balance available, start of year.....	-2,034,545	-157,864	-295,666	-25,197	-62,625	-5,932	-97,163	-9,068	-159,788	-15,000	-15,000	
Unobligated balance available, end of year.....	274,049	25,197	69,583	5,932	192,337	15,000	-192,337	-15,000	0	0	0	
Unobligated balance expiring.....	1,058	1,058	0	0	0	0	0	0	0	0	0	
Rescission b/.....	0	0	1,720	171	0	0	0	0	0	0	0	
Total Appropriation.....	1,037,441	97,366	859,644	85,451	839,980	74,809	11,067	11,350	851,047	86,159		

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/ Natural disaster unobligated available, rescinded in accordance with the Education Jobs and Medicaid Assistance, P.L. 111-226, signed on August 10, 2010.
- b/ The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.
- c/ 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.

JUSTIFICATIONS OF INCREASES AND DECREASES

- (1) An increase of \$10,712,000 for rural business and industry guaranteed loans (\$810,512,000 available in 2012).

In 2012, the agency projects to create/save 15,615 jobs and assist 467 businesses with a program level of \$810,512,000. The increased program level of \$821,224,000 in 2013 for the rural business and industry guaranteed loan program will mean that Rural Development will be able to create/save approximately 16,134 jobs and assist 512 businesses. In 2013, the agency projects to create/save 3,054 jobs and assist 97 businesses with a projected carryover of \$155,452,000.

The guaranteed business and industry loan level promotes the creation of rural businesses to secure start-up capital, finance expansion, and create jobs, which help diversify the rural economy. This investment provides increased employment opportunities for rural communities and upgrades 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.

- (2) An increase of \$5,505,000 for rural business enterprise grants (\$24,318,000 available in 2012).

The 2012 program level of the rural business enterprise grant (RBEG) program will allow the program to fund projects assisting 5,166 businesses in creating/saving 6,400 jobs. The 2013 appropriation level for the RBEG program will allow the program to fund projects assisting 6,335 businesses in creating/saving 7,848 jobs. The projected carryover for RBEG in 2013 is \$2,283,000, which will result in 601 jobs created or saved.

The program provides grants for rural projects that finance and facilitate development of small and emerging rural businesses help fund distance learning networks, and help fund employment related adult education programs. To assist with business development RBEGs may fund a broad array of activities. The program promotes the creation of small and emerging rural businesses by assisting them secure start-up capital, finance expansion, and create jobs, which help diversify the rural economy.

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 program provides funding to community projects which provide investments and increased employment opportunities for rural communities and upgrades community infrastructure to improve the quality of life for rural residents. The agency also strives to expand economic and trade opportunities for agricultural producers and other rural residents by providing funding to local public bodies and community organizations to build leveraging partnerships with State, local and private sources to expand the total amount of resources provided to rural areas.

- (3) A decrease of \$2,250,000 for rural business opportunity grants (\$2,250,000 available in 2012).

A decrease of \$2,250,000 in the 2013 program level for the rural business opportunity grant (RBOG) program eliminates funding for this program. This includes a decrease of \$990,000 for the native American tribes. Applicants previously supported by this program can to compete for funding under the RBEG program. Since the RBEG program provides similar assistance, combining the two programs should lead to a more efficient program in allocation of funds. In 2013, there is a projected carryover of approximately \$79,000 for RBOG. With that carryover we estimate creating or saving 26 additional jobs.

The rural business opportunity grant (RBOG) program provides training and technical assistance for business development, entrepreneurs, and economic development officials and assists with economic development planning. Many of these same activities can be accomplished under the RBEG program.

- (4) A decrease of \$2,900,000 for Delta regional authority grants (\$2,900,000 available in 2012).

In accordance with Title 7, Chapter 50, Subchapter VI, Delta Regional Authority, Section 2009aa—13, Termination of Authority, the authority provided under this subchapter expires on October 1, 2012, therefore funding is not requested for 2013. However, if the authority for this program is extended past October 1, 2012, the estimated program level for 2013, including carryover, is \$1,974,000. The program will create or save 733 jobs.

- (5) An increase of \$10,995,000 for loan subsidy for rural business and industry guaranteed loans (\$45,341,000 available in 2012).

The subsidy amount is necessary to support the estimated loan obligations associated with the requested 2013 loan levels for the guaranteed business and industry loan program. This increase in loan subsidy required to essentially maintain the loan level is due to an increase in the subsidy rate resulting from the spread between the borrower's interest rate and the single effective rate decreased causing an increase in subsidy rate.

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Business and Industry Loan Program - Guaranteed				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$37,715	\$36,760	--	--
Alaska	11,437	3,506	--	--
Arizona	11,866	19,639	--	--
Arkansas	14,384	30,085	--	--
California	103,904	44,397	--	--
Colorado	29,422	13,884	--	--
Connecticut	7,342	6,380	--	--
Delaware	850	420	--	--
Florida	52,535	28,821	--	--
Georgia	77,877	82,394	--	--
Hawaii	--	4,400	--	--
Idaho	40,907	28,005	--	--
Illinois	33,813	36,852	--	--
Indiana	28,126	29,746	--	--
Iowa	30,958	24,133	--	--
Kansas	12,021	18,005	--	--
Kentucky	27,904	41,170	--	--
Louisiana	44,489	126,977	--	--
Maine	2,250	14,920	--	--
Maryland	19,988	17,413	--	--
Massachusetts	7,000	18,330	--	--
Michigan	56,415	36,898	--	--
Minnesota	7,600	11,375	--	--
Mississippi	10,758	29,998	--	--
Missouri	36,947	40,453	--	--
Montana	10,119	14,367	--	--
Nebraska	10,047	17,189	--	--
Nevada	12,739	9,059	--	--
New Hampshire	1,258	2,800	--	--
New Jersey	10,000	9,440	--	--
New Mexico	9,501	10,692	--	--
New York	69,389	35,532	--	--
North Carolina	20,133	46,352	--	--
North Dakota	16,637	22,770	--	--
Ohio	25,026	48,365	--	--
Oklahoma	68,705	44,210	--	--
Oregon	22,961	43,845	--	--
Pennsylvania	51,137	23,496	--	--
South Carolina	32,341	42,595	--	--
South Dakota	1,151	8,838	--	--
Tennessee	28,027	57,827	--	--
Texas	64,244	43,000	--	--
Utah	6,978	14,495	--	--
Vermont	1,000	13,336	--	--
Virginia	30,322	30,018	--	--
Washington	23,752	21,396	--	--
West Virginia	43,376	32,472	--	--
Wisconsin	37,902	35,089	--	--
Wyoming	4,731	656	--	--
Puerto Rico	--	9,836	--	--
Virgin Islands	10,000	4,750	--	--
W. Pacific Areas	5,000	--	--	--
Total Avail./Est.	<u>\$1,322,984</u>	<u>\$1,387,386</u>	<u>\$878,136</u> ^{1/}	<u>\$976,676</u> ^{1/}

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

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Business and Industry Loan Program - Guaranteed - Recovery Act				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$37,733	--	--	--
Alaska	15,481	--	--	--
Arizona	16,854	--	--	--
Arkansas	16,575	--	--	--
California	57,838	--	--	--
Colorado	1,428	--	--	--
Connecticut	11,658	--	--	--
Florida	18,850	--	--	--
Georgia	77,502	--	--	--
Hawaii	26,672	--	--	--
Idaho	13,221	--	--	--
Illinois	34,037	--	--	--
Indiana	10,424	--	--	--
Iowa	76,064	--	--	--
Kansas	44,704	--	--	--
Kentucky	59,624	--	--	--
Louisiana	70,120	--	--	--
Maine	6,073	--	--	--
Massachusetts	9,427	--	--	--
Michigan	78,307	--	--	--
Minnesota	30,555	--	--	--
Mississippi	40,780	--	--	--
Missouri	47,868	--	--	--
Montana	21,878	--	--	--
Nebraska	58,697	--	--	--
Nevada	8,825	--	--	--
New Hampshire	12,822	--	--	--
New Jersey	1,100	--	--	--
New York	54,523	--	--	--
North Carolina	66,296	--	--	--
North Dakota	5,541	--	--	--
Ohio	59,493	--	--	--
Oklahoma	32,985	--	--	--
Oregon	40,099	--	--	--
Pennsylvania	29,985	--	--	--
Rhode Island	1,766	--	--	--
South Carolina	30,634	--	--	--
South Dakota	3,457	--	--	--
Tennessee	74,320	--	--	--
Texas	70,015	--	--	--
Utah	4,621	--	--	--
Vermont	15,472	--	--	--
Virginia	17,062	--	--	--
Washington	23,746	--	--	--
West Virginia	3,284	--	--	--
Wisconsin	94,269	--	--	--
Wyoming	5,000	--	--	--
Puerto Rico	14,779	--	--	--
Virgin Islands	3,750	--	--	--
W. Pacific Areas	1,513	--	--	--
Undistributed	--	--	--	--
Total Avail./Est.	<u>\$1,557,725</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Business and Industry Loan Program - Guaranteed				
2008 Disasters				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Arkansas	\$8,345	--	--	--
California	11,358	--	--	--
Florida	8,360	--	--	--
Illinois	535	--	--	--
Iowa	3,558	--	--	--
Louisiana	500	--	--	--
Michigan	1,135	--	--	--
Missouri	1,600	--	--	--
North Carolina	8,090	--	--	--
Wisconsin	13,676	--	--	--
Total Avail./Est.	<u>\$57,157</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Rural Business Enterprise Grants				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$1,187	\$1,110	--	--
Alaska	724	751	--	--
Arizona	722	372	--	--
Arkansas	826	481	--	--
California	1,844	1,271	--	--
Colorado	412	369	--	--
Connecticut	257	223	--	--
Delaware	129	248	--	--
Florida	1,081	998	--	--
Georgia	1,398	1,372	--	--
Hawaii	188	161	--	--
Idaho	404	338	--	--
Illinois	922	911	--	--
Indiana	923	911	--	--
Iowa	656	573	--	--
Kansas	612	452	--	--
Kentucky	1,511	1,092	--	--
Louisiana	833	631	--	--
Maine	571	409	--	--
Maryland	1,062	1,572	--	--
Massachusetts	236	264	--	--
Michigan	1,371	1,399	--	--
Minnesota	1,172	771	--	--
Mississippi	1,086	898	--	--
Missouri	1,062	959	--	--
Montana	359	428	--	--
Nebraska	637	828	--	--
Nevada	288	504	--	+
New Hampshire	276	278	--	--
New Jersey	247	167	--	--
New Mexico	387	529	--	--
New York	988	1,383	--	--
North Carolina	1,714	1,466	--	--
North Dakota	390	281	--	--
Ohio	1,345	1,302	--	--
Oklahoma	795	972	--	--
Oregon	1,019	867	--	--
Pennsylvania	1,269	1,227	--	--
Rhode Island	73	94	--	--
South Carolina	1,184	1,030	--	--
South Dakota	1,128	622	--	--
Tennessee	1,204	1,191	--	--
Texas	1,739	1,402	--	--
Utah	288	506	--	--
Vermont	1,098	862	--	--
Virginia	955	858	--	--
Washington	875	734	--	--
West Virginia	647	502	--	--
Wisconsin	1,407	1,175	--	--
Wyoming	130	183	--	--
Puerto Rico	567	609	--	--
W. Pacific Area	135	50	--	--
Total Avail./Est.	<u>\$42,332</u>	<u>\$38,585</u>	<u>\$26,318</u> ^{1/}	<u>\$32,106</u> ^{1/}

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

RURAL BUSINESS-COOPERATIVE SERVICE						
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS						
(Dollar in thousands)						
Rural Business Enterprise Grants - Recovery Act						
		<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>	
Alabama		\$99	--	--	--	
Alaska		99	--	--	--	
California		159	--	--	--	
Colorado		85	--	--	--	
Georgia		55	--	--	--	
Hawaii		198	--	--	--	
Idaho		31	--	--	--	
Illinois		133	--	--	--	
Iowa		312	--	--	--	
Maine		200	--	--	--	
Maryland		131	--	--	--	
Michigan		50	--	--	--	
Minnesota		199	--	--	--	
Mississippi		87	--	--	--	
Missouri		72	--	--	--	
Montana		53	--	--	--	
Nebraska		325	--	--	--	
New Jersey		85	--	--	--	
New York		169	--	--	--	
North Carolina		120	--	--	--	
Ohio		100	--	--	--	
Oregon		399	--	--	--	
Pennsylvania		100	--	--	--	
South Carolina		260	--	--	--	
South Dakota		99	--	--	--	
Tennessee		149	--	--	--	
Washington		199	--	--	--	
Wisconsin		90	--	--	--	
W. Pacific Areas		125	--	--	--	
Total Avail./Est.		<u>\$4,181</u>	<u>--</u>	<u>--</u>	<u>--</u>	

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Rural Business Opportunity Grants				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alaska	\$33	\$38	--	--
Arizona	125	--	--	--
Arkansas	--	50	--	--
California	375	316	--	--
Colorado	--	150	--	--
Georgia	50	50	--	--
Idaho	107	47	--	--
Iowa	83	--	--	--
Illinois	--	50	--	--
Indiana	--	50	--	--
Iowa	--	300	--	--
Maine	250	90	--	--
Mississippi	--	50	--	--
Missouri	--	50	--	--
Montana	76	26	--	--
Nebraska	--	100	--	--
New Hampshire	--	20	--	--
New York	397	50	--	--
North Carolina	--	245	--	--
North Dakota	322	50	--	--
Ohio	--	49	--	--
Oklahoma	50	122	--	--
Oregon	249	108	--	--
South Carolina	50	36	--	--
South Dakota	50	150	--	--
Tennessee	--	150	--	--
Utah	50	--	--	--
Vermont	271	74	--	--
Washington	50	49	--	--
Wisconsin	--	112	--	--
Wyoming	50	--	--	--
Total Avail./Est.	<u>\$2,638</u>	<u>\$2,582</u>	<u>\$3,000</u> ^{1/}	<u>\$79</u> ^{1/}
^{1/} Cannot be distributed by geographic area in advance.				

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Delta Regional Authority Grants				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Mississippi	\$2,979	\$2,973	--	--
Total Avail./Est.	<u>\$2,979</u>	<u>\$2,973</u>	<u>\$1,891</u> <u>1/</u>	<u>\$1,974</u> <u>1/</u>
Special Earmark GP 738-2010 and GP 764-2006				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alaska	--	--	\$1	--
Kansas	--	\$250	--	--
Total Avail./Est.	<u></u>	<u>\$250</u>	<u>\$1</u> <u>1/</u>	<u>--</u>
<u>1/</u> Cannot be distributed by geographic area in advance.				

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)), [~~\$17,710,000~~]\$18,889,000.

- 1 For the cost of direct loans, [~~\$6,000,000~~]\$6,052,000, as authorized by the Rural Development Loan Fund (42 U.S.C. 9812 (a)), of which [~~\$875,000~~]\$900,000 shall be available through June 30, [~~2012~~]2013, for Federally
- 2 Recognized Native American Tribes; and of which [~~\$1,750,000~~]\$2,000,000 shall be available through
- 3 June 30, [~~2012~~]2013, 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 Rural Development Loan Fund Program Account funds allocated by the Secretary for Rural Economic Area Partnership Zones for the fiscal year 2011, shall be available through June 30, 2012, for communities designated by the Secretary of Agriculture as Rural Economic Area Partnership Zones].
- 4 In addition, for administrative expenses to carry out the direct loan programs, [~~\$4,684,000~~]\$4,438,000 shall be [transferred to and merged with]paid to the appropriation for the “Rural Development, Salaries and Expenses”.

The first change modifies the expiration date of the set-aside funds for the federally recognized native American tribes loan program from June 30, 2012, to June 30, 2013.

The second change modifies the expiration date of the set-aside funds for the Mississippi delta region counties loan program from June 30, 2012, to June 30, 2013.

The third change reflects the removal of the set-aside for the rural economic area partnership zones as the authorization for this program expires in 2012. These areas can be funded from the regular appropriation.

The fourth change adds language simplifying the transfer and consolidation of funds from the individually appropriated program accounts to the Rural Development, Salaries and Expense account.

RURAL BUSINESS-COOPERATIVE SERVICE			
<u>Analysis of Change in Appropriation</u>			
<u>RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT</u>			
(On basis of supportable loan level, appropriated subsidy, and administrative expenses)			
			Administrative
	<u>Loan Level</u>	<u>Subsidy</u>	<u>Expenses</u>
Appropriations Act, 2012.....	\$17,709,563	\$6,000,000	\$4,684,000
Budget Estimate, 2013.....	18,888,889	6,052,000	4,438,000
Change from 2012 Appropriations	<u>1,179,326</u>	<u>52,000</u>	<u>-246,000</u>

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT

Summary of Increases and Decreases

(Dollars in thousands)

	2010	2011	2012	2013	2013
	Actual	Change	Change	Change	Estimated
Discretionary Appropriations:					
Intermediary Relending Program Loans	\$8,464	-\$1,079	-\$1,385	+\$52 (2)	\$6,052
Total Appropriation or Change.....	<u>8,464</u>	<u>-1,079</u>	<u>-1,385</u>	<u>+52</u>	<u>6,052</u>

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program	Subsidy/	Program	Subsidy/	Program	Subsidy/	Program	Subsidy/	Program	Subsidy/
	Level	BA	Level	BA	Level	BA	Level	BA	Level	BA
Intermediary Relending Program										
Loans	\$33,534	\$8,464	\$19,087	\$7,364	\$17,710	\$6,000	\$1,179 (1)	\$52 (2)	\$18,889	\$6,052
Total loans and subsidies	33,534	8,464	19,087	7,364	17,710	6,000	1,179	52	18,889	6,052
Total Administrative expenses <u>a/</u>	0	4,941	0	4,931	0	4,684	0	-246	0	4,438
Total Available or Estimate	33,534	13,405	19,087	12,295	17,710	10,684	1,179	-194	18,889	10,490
Unobligated balance expiring	0	0	56	21	0	0	0	0	0	0
Rescission <u>b/</u>	0	0	38	25	0	0	0	0	0	0
Total Appropriation	33,534	13,405	19,181	12,341	17,710	10,684	1,179	-194	18,889	10,490
Staff-years are reflected in the Salaries and Expenses Project Statement.										
<u>a/</u>	In 2010, funding of \$4,941,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In 2011, funding of \$4,931,118 was appropriated and transferred to the Rural Development Salaries and Expenses account. In 2012, funding of \$4,684,000 was appropriated and transferred to the Rural Development Salaries and Expenses account. In 2013, \$4,438,000 is requested and will be paid to the Rural Development Salaries and Expenses account.									
<u>b/</u>	The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.									

JUSTIFICATIONS OF INCREASES

- (6) An increase of \$1,179,000 for intermediary relending program direct loans (\$17,710,000 available in 2012).

Revolving loan programs, such as the Intermediary Relending Program (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.

The 2012 program level for IRP will fund intermediaries and provide financing to assist 602 business and community projects to create and save 13,547 jobs. The 2013 program level for the program will continue to allow the program to fund projects assisting 642 businesses in creating/saving 14,452 jobs.

The purpose of the program is to alleviate poverty and increase economic activity and employment in rural communities, especially disadvantaged and remote communities, through financing targeted primarily towards smaller and emerging businesses, in partnership with other public and private resources. Eligibility for the program is limited to businesses and community projects that are unable to finance the proposed project from its own resources or through commercial credit or other Federal, State, or local programs at reasonable rates and terms. Many projects are able to access commercial credit and other capital resources for a major portion of their capital needs but not the full amount. The IRP funding is used to fill this “gap” in financial resources. On average, IRP projects are able to obtain \$5 of commercial credit or other capital for every \$1 of IRP funding, leveraging the IRP funds at a rate of 5:1.

- (7) An increase of \$52,000 in loan subsidy for intermediary relending program direct loans (\$6,000,000 available in 2012).

The subsidy amount is necessary to support the estimated loan obligations associated with the requested 2013 loan levels for the intermediary relending direct loan program. The subsidy rate decreased between 2012 and 2013 due to the lower financing rate in 2013 formulation as it was compared to the one of 2012 and also was due to the lowered weighted average grace period for principal executed in 2011 for 2013 formulation.

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Intermediary Relending Program Loans				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	--	\$216	--	--
Alaska	--	159	--	--
Arizona	--	183	--	--
Arkansas	--	193	--	--
California	\$2,140	970	--	--
Colorado	812	175	--	--
Connecticut	500	--	--	--
Delaware	--	156	--	--
Florida	--	218	--	--
Georgia	--	589	--	--
Idaho	--	166	--	--
Illinois	1,000	505	--	--
Iowa	1,128	183	--	--
Kansas	--	172	--	--
Kentucky	750	968	--	--
Louisiana	--	750	--	--
Maine	--	174	--	--
Maryland	--	169	--	--
Massachusetts	--	161	--	--
Michigan	--	200	--	--
Minnesota	750	1,446	--	--
Missouri	675	--	--	--
Montana	2,000	165	--	--
Nebraska	750	900	--	--
Nevada	700	--	--	--
New Hampshire	1,000	1,913	--	--
New Mexico	--	167	--	--
New York	2,100	966	--	--
North Carolina	2,416	--	--	--
North Dakota	--	158	--	--
Ohio	1,250	734	--	--
Oklahoma	750	188	--	--
Oregon	--	677	--	--
Pennsylvania	1,750	979	--	--
South Carolina	1,800	750	--	--
South Dakota	4,500	1,661	--	--
Tennessee	750	--	--	--
Texas	750	998	--	--
Utah	--	160	--	--
Vermont	1,500	162	--	--
Virginia	500	207	--	--
Washington	2,750	184	--	--
West Virginia	250	--	--	--
Wisconsin	262	200	--	--
Puerto Rico	--	165	--	--
Total Avail./Est.	<u>\$33,534</u>	<u>\$19,087</u>	<u>\$17,710</u> ^{1/}	<u>\$18,889</u> ^{1/}

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

RURAL BUSINESS-COOPERATIVE SERVICE				
RURAL DEVELOPMENT LOAN FUND PROGRAM ACCOUNT				
<u>Classification by Objects</u>				
(Dollars in thousands)				
		2010	2011	2012
		Actual	Actual	Estimated
				2013
				Estimated
Other Objects:				
25	Other purchases of goods and services			
	from government accounts.....	\$4,941	\$4,931	\$4,684
41	Grants, subsidies, and contributions.....	8,464	7,364	6,000
	Total direct obligations.....	<u>13,405</u>	<u>12,295</u>	<u>10,684</u>
				<u>10,490</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, [~~\$155,000,000~~]\$165,000,000 shall not be obligated and [~~\$155,000,000~~]\$165,000,000 are [~~rescinded~~]hereby permanently cancelled.

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

RURAL BUSINESS-COOPERATIVE SERVICE

Analysis of Change in Appropriation

RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT

(On basis of loan level and subsidy)

	Loan Level	Subsidy
Appropriations Act, 2012.....	\$33,077,000	\$4,293,395
Budget Estimate, 2013.....	33,077,000	4,098,240
Change from 2012 Appropriations.....	0	-195,155

RURAL ECONOMIC DEVELOPMENT DIRECT LOANS

Summary of Increases and Decreases

(Dollars in thousands)

	2010	2011	2012	2013	2013
	Actual	Change	Change	Change	Estimated
Discretionary Appropriations:					
Rural Economic Development Subsidy.....	\$4,317	+\$1,607	-\$1,631	-\$195	\$4,098
Total Appropriation or Change.....	4,317	+1,607	-1,631	-195	4,098

Project Statement

(On basis of supportable loan levels and appropriated subsidy)

(Dollars in thousands)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA
Rural economic development direct loans	\$21,926	\$2,861	\$29,412	\$5,268	\$33,077	\$4,293	\$0	-\$195 (1)	\$33,077	\$4,098
Total Available or Estimate	21,926	2,861	29,412	5,268	33,077	4,293	0	-195	33,077	4,098
Recovery of prior year obligations	-15,841	-2,067	-6,471	-1,159	0	0	0	0	0	0
Unobligated balance available, start of year	-4,997	-652	-23,311	-4,175	0	0	0	0	0	0
Unobligated balance available, end of year	31,989	4,175	33,446	5,990	0	0	0	0	0	0
Offsetting collections paid from rural economic development grants account	-33,077	-4,317	-33,077	-5,924	-33,077	-4,293	0	195	-33,077	-4,098
Total Appropriation	0	0	0	0	0	0	0	0	0	0

Note: Program is funded by the cushion of credit account. Staff years are reflected in the Salaries and Expenses Project Statement.

Project Statement

(On basis of available loan levels and subsidy)

(Dollars in thousands)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA	Loan Level	Subsidy/BA
Rural economic development direct loans	\$21,926	\$2,861	\$29,412	\$5,268	\$79,227	\$10,284	-\$46,150	-\$6,185	\$33,077	\$4,098
Total Available or Estimate	21,926	2,861	29,412	5,268	79,227	10,284	-46,150	-6,185	33,077	4,098
Recovery of prior year obligations	-15,841	-2,067	-6,471	-1,159	0	0	0	0	0	0
Unobligated balance available, start of year	-4,997	-652	-23,311	-4,175	-46,150	-5,990	46,150	5,990	0	0
Unobligated balance available, end of year	31,989	4,175	33,446	5,990	0	0	0	0	0	0
Offsetting collections paid from rural economic development grants account	-33,077	-4,317	-33,077	-5,924	-33,077	-4,293	0	195	-33,077	-4,098
Total Appropriation	0	0	0	0	0	0	0	0	0	0

Note: Program is funded by the cushion of credit account. Staff years are reflected in the Salaries and Expenses Project Statement.

JUSTIFICATION OF DECREASE

- (1) A decrease of \$195,154 in the rural economic development loan subsidy (\$4,293,395 available in 2012).

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 2012 loan level for this program. The change is due to a decrease in the subsidy rate in 2013 due to the annual technical assumptions.

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. An estimated 3,579 jobs will be created or saved in 2013.

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Rural Economic Development Loans				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$1,290	--	--	--
Colorado	--	\$720	--	--
Georgia	--	740	--	--
Illinois	1,240	1,480	--	--
Indiana	--	740	--	--
Iowa	1,440	2,042	--	--
Kansas	3,152	4,368	--	--
Kentucky	1,002	2,220	--	--
Michigan	600	--	--	--
Minnesota	1,480	3,395	--	--
Mississippi	1,480	2,220	--	--
Missouri	2,220	740	--	--
Montana	144	817	--	--
Nebraska	740	740	--	--
North Carolina	740	1,440	--	--
North Dakota	450	1,820	--	--
Oklahoma	350	900	--	--
Oregon	1,100	--	--	--
Pennsylvania	--	110	--	--
South Carolina	1,980	1,980	--	--
South Dakota	740	1,460	--	--
Tennessee	1,028	1,480	--	--
Virginia	250	--	--	--
Wisconsin	500	--	--	--
Total Avail./Est.	<u>\$21,926</u>	<u>\$29,412</u>	<u>\$79,227</u> <u>1/</u>	<u>\$33,077</u> <u>1/</u>
<u>1/</u> Cannot be distributed by geographic area in advance.				

RURAL BUSINESS-COOPERATIVE SERVICE					
RURAL ECONOMIC DEVELOPMENT LOANS PROGRAM ACCOUNT					
<u>Classification by Objects</u>					
(Dollars in thousands)					
		2010 Actual	2011 Actual	2012 Estimated	2013 Estimated
Other Objects:					
41	Grants, subsidies, and contributions.....	\$2,861	\$5,268	\$10,284	\$4,098
Total direct obligations.....		2,861	5,268	10,284	4,098

RURAL BUSINESS-COOPERATIVE SERVICE		
<u>Analysis of Change in Appropriation</u>		
(Dollars in thousands)		
RURAL ECONOMIC DEVELOPMENT GRANTS		
Appropriations Act, 2012.....		-\$155,000
Budget Estimate, 2013.....		-165,000
Change from 2012 Appropriations.....		<u>-10,000</u>
<u>Analysis of Change in Funding</u>		
(Dollars in thousands)		
RURAL ECONOMIC DEVELOPMENT GRANTS		
Appropriations Act, 2012.....		\$10,000
Budget Estimate, 2013.....		10,000
No change in funding.....		<u>0</u>

RURAL ECONOMIC DEVELOPMENT GRANTS

Summary of Increases and Decreases

(Dollars in thousands)

	2010	2011	2012	2013	2013
	Actual	Change	Change	Change	Estimated
Discretionary Appropriations:					
Rural Economic Development Grants	\$10,000	\$0	\$0	\$0	\$10,000
Total Appropriation or Change	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>10,000</u>

Project Statement						
(On basis of obligations under available funds)						
(Dollars in thousands)						
		2010	2011	2012	Increase or	2013
Item of Change		Actual	Actual	Estimated	Decrease	Estimated
Rural economic development grant.....		\$9,037	\$6,257	\$10,000	\$0	\$10,000
Total Available or Estimate.....		9,037	6,257	10,000	0	10,000
Unobligated balance available,						
start of year.....		-86	-142,065	-170,708	-7,707	-178,415
Recovery of prior year obligations.....		-46,011	-59,975	0	0	0
Transfer from Rural Electrification						
and Telecommunications						
Liquidating Account, Cushion						
of Credit <u>1</u> /.....		-144,710	-178,498	-168,000	0	-168,000
Transfer from Rural Electrification						
and Telecommunications						
electric underwriter loan fees...		-9,074	-9,351	-9,000	0	-9,000
Offsetting collections paid to						
Rural Economic Development						
Program Account.....		4,317	5,924	4,293	0	4,293
Unobligated balance available,						
end of year.....		142,065	170,708	178,415	-2,293	176,122
Total Appropriation.....		-44,463	-207,000	-155,000	-10,000	-165,000

RURAL BUSINESS-COOPERATIVE SERVICE
 GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
 (Dollars in thousands)

Rural Economic Development Grants

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$300	--	--	--
Alaska	--	\$300	--	--
Georgia	--	300	--	--
Illinois	--	100	--	--
Indiana	--	300	--	--
Iowa	3,165	2,526	--	--
Kansas	777	--	--	--
Kentucky	600	--	--	--
Michigan	300	--	--	--
Minnesota	653	300	--	--
Mississippi	300	--	--	--
Missouri	600	300	--	--
Montana	--	300	--	--
Nebraska	900	--	--	--
North Dakota	300	683	--	--
Oklahoma	91	--	--	--
Oregon	--	300	--	--
South Dakota	300	300	--	--
Tennessee	250	548	--	--
Washington	200	--	--	--
Wisconsin	300	--	--	--
Total Avail./Est.	<u>\$9,037</u>	<u>\$6,257</u>	<u>\$10,000</u> ^{1/}	<u>\$10,000</u> ^{1/}
^{1/} Cannot be distributed by geographic area in advance.				

<u>Classification by Objects</u>					
(Dollars in thousands)					
		2010 Actual	2011 Actual	2012 Estimate	2013 Estimate
Other Objects:					
41	Grants, subsidies, and contributions.....	\$9,037	\$6,257	\$10,000	\$10,000
Total direct obligations.....		9,037	6,257	10,000	10,000

RURAL BUSINESS-COOPERATIVE SERVICE

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

Rural Microenterprise Investment Program Account

For the cost of loans, \$3,356,000, under the same terms and conditions as authorized by Section 379E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2008s): *Provided*, That such costs of loans, including the cost of modifying such loans, shall be as defined by section 502 of the Congressional Budget Act of 1974.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT

Summary of Increases and Decreases

(Dollars in thousands)

	2010	2011	2012	2013	2013
	Actual	Change	Change	Change	Estimated
Discretionary Appropriations:					
Microenterprise loans.....	\$1,576	-\$1,576	\$0	+\$3,356 (1)	\$3,356
Microenterprise grants.....	3,424	-3,424	0	0	0
Total Appropriation or Change.....	<u>5,000</u>	<u>-5,000</u>	<u>0</u>	<u>+\$3,356</u>	<u>3,356</u>

PROJECT STATEMENT

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

(In thousands of dollars)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Discretionary:										
Microenterprise loans	\$0	\$0	\$0	\$0	\$0	\$0	\$22,448 (1)	\$3,356 (2)	\$22,448	\$3,356
Microenterprise grants	5,000	5,000	0	0	0	0	0	0	0	0
Total Available or Estimate	5,000	5,000	0	0	0	0	22,448	3,356	22,448	3,356
Total Appropriation, Discretionary	5,000	5,000	0	0	0	0	22,448	3,356	22,448	3,356
Mandatory: <u>a/</u>										
Microenterprise loans <u>b/</u>	24,983	3,009	14,613	3,126	0	0	0	0	0	0
Microenterprise grants <u>b/</u>	1,646	1,646	3,542	3,542	0	0	0	0	0	0
Total Available or Estimate	26,628	4,654	18,155	6,668	0	0	0	0	0	0
Transfer from Commodity Credit Corporation	-23,326	-4,000	-11,841	-4,000	-10,483	-3,000	10,483	3,000	0	0
Discretionary block on S&E funds	0	0	0	0	10,483	3,000	-10,483	-3,000		
Recovery of prior year obligations	0	0	-1,056	-226	0	0	0	0	0	0
Unobligated balance available, SOY	-15,198	-4,000	-7,357	-3,346	0	0	0	0	0	0
Unobligated balance available, EOY	11,896	3,346	2,098	903	0	0	0	0	0	0
Total Appropriation, Mandatory	0	0	0	0	0	0	0	0	0	0
Total Appropriation	5,000	5,000	0	0	0	0	22,448	3,356	22,448	3,356

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 2009 through 2011 and \$3,000,000 for 2012, to remain available until expended.

b/ P.L. 112-55, GP 726(11) blocks S&E from being spent to run the program for 2012.

PROJECT STATEMENT

(On basis of obligations under available funds)

(In thousands of dollars)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Discretionary:										
Microenterprise loans	\$0	\$0	\$0	\$0	\$0	\$0	\$22,448	\$3,356	\$22,448	\$3,356
Microenterprise grants	5,000	5,000	0	0	0	0	0	0	0	0
Total Available or Estimate	5,000	5,000	0	0	0	0	22,448	3,356	22,448	3,356
Total Appropriation, Discretionary	5,000	5,000	0	0	0	0	22,448	3,356	22,448	3,356
Mandatory: <u>a/</u>										
Microenterprise loans <u>b/</u>	24,983	3,009	14,613	3,126	0	0	11,419	1,707	11,419	1,707
Microenterprise grants <u>b/</u>	1,646	1,646	3,542	3,542	0	0	2,196	2,196	2,196	2,196
Total Available or Estimate	26,628	4,654	18,155	6,668	0	0	13,615	3,903	13,615	3,903
Transfer from Commodity Credit Corporation										
	-23,326	-4,000	-11,841	-4,000	-10,483	-3,000	10,483	3,000	0	0
Discretionary block on S&E funds	0	0	0	0	10,483	3,000	-21,345	-6,000	-10,862	-3,000
Recovery of prior year obligations	0	0	-1,056	-226	0	0	0	0	0	0
Unobligated balance available, SOY ..	-15,198	-4,000	-7,357	-3,346	-2,663	-903	-90	0	-2,753	-903
Unobligated balance available, EOY ..	11,896	3,346	2,098	903	2,663	903	-2,663	-903	0	0
Total Appropriation, Mandatory	0	0	0	0	0	0	0	0	0	0
Total Appropriation	5,000	5,000	0	0	0	0	22,448	3,356	22,448	3,356

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 2009 through 2011 and \$3,000,000 for 2012, to remain available until expended.

b/ P.L. 112-55, GP 726(11) blocks S&E from being spent to run the program for 2012.

JUSTIFICATIONS OF INCREASES

- (8) An increase of \$22,448,000 in the rural microenterprise assistance program loans (\$0 available in 2012).

The increase of \$22,448,000 in the 2013 program level for the rural microenterprise assistance program (RMAP) is an increase in discretionary funding. Mandatory funds are not available in 2013.

The 2013 budget estimate provides funding for RMAP loans but does not provide funding for RMAP grants, microlender technical assistance grants, and technical assistance-only grants described below. The \$22,448,000 for RMAP loans in 2013 could support 750 microenterprises and create 3,075 jobs.

Each loan to a microenterprise averages \$29,875 and each microenterprise creates or saves 4.1 jobs on average.

- (9) An increase of \$3,356,000 in loan subsidy for rural microenterprise assistance program loans (\$0 available in 2012).

The purpose of the rural microenterprise assistance program (RMAP) program is to support the development and ongoing success of rural microentrepreneurs and microenterprises and creation of jobs in rural areas. Direct loans may be made to microdevelopment organizations (MDOs). An MDO may borrow a minimum of \$50,000 and a maximum of \$500,000 for a single loan under this program in any given Federal fiscal year. A microborrower that has received financial assistance from an MDO is limited to a loan of \$50,000 or less. The increase in loan subsidy for FY 2013 is to support the discretionary loan level requested.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
(Dollars in thousands)

Rural Microenterprise Assistance Grants - Mandatory

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	--	\$63	--	--
Arizona	--	105	--	--
California	\$205	325	--	--
Florida	--	63	--	--
Georgia	--	40	--	--
Hawaii	130	--	--	--
Idaho	205	75	--	--
Illinois	--	40	--	--
Iowa	130	--	--	--
Kentucky	--	40	--	--
Louisiana	--	105	--	--
Maine	108	353	--	--
Maryland	--	105	--	--
Massachusetts	--	105	--	--
Minnesota	--	318	--	--
Mississippi	--	28	--	--
Missouri	--	213	--	--
Montana	173	180	--	--
New Mexico	--	205	--	--
New York	--	250	--	--
North Carolina	130	--	--	--
North Dakota	--	105	--	--
Ohio	130	168	--	--
Pennsylvania	85	112	--	--
South Carolina	--	40	--	--
South Dakota	--	136	--	--
Texas	130	--	--	--
Virginia	220	--	--	--
Washington	--	163	--	--
Wisconsin	--	105	--	--
Puerto Rico	--	105	--	--
Total Avail./Est.	<u>\$1,646</u>	<u>\$3,542</u>	<u>--</u>	<u>\$2,196</u> 1/

Rural Microenterprise Grants - Discretionary

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Arizona	\$105	--	--	--
California	210	--	--	--
Colorado	75	--	--	--
Florida	70	--	--	--
Georgia	205	--	--	--
Hawaii	100	--	--	--
Illinois	273	--	--	--
Iowa	105	--	--	--
Kansas	105	--	--	--
Kentucky	205	--	--	--
Maine	264	--	--	--
Maryland	105	--	--	--
Massachusetts	138	--	--	--
Michigan	100	--	--	--
Minnesota	63	--	--	--
Nebraska	280	--	--	--
Nevada	103	--	--	--
New Jersey	105	--	--	--
New York	100	--	--	--
North Carolina	105	--	--	--
Oklahoma	210	--	--	--
Oregon	125	--	--	--
Pennsylvania	305	--	--	--
South Carolina	100	--	--	--
South Dakota	298	--	--	--
Tennessee	100	--	--	--
Texas	105	--	--	--
Virginia	100	--	--	--
Washington	210	--	--	--
West Virginia	104	--	--	--
Wisconsin	416	--	--	--
Wyoming	113	--	--	--
Total Avail./Est.	<u>\$5,000</u>	<u>--</u>	<u>--</u>	<u>--</u>

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
(Dollars in thousands)

Microenterprise Loans - Discretionary

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Total Avail./Est.	--	--	--	\$22,448

Microenterprise Loans - Mandatory

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	--	\$250	--	--
Arizona	\$500	500	--	--
California	1,000	1,000	--	--
Colorado	300	--	--	--
Florida	281	250	--	--
Georgia	900	--	--	--
Hawaii	400	--	--	--
Idaho	900	300	--	--
Illinois	1,450	--	--	--
Iowa	500	--	--	--
Louisiana	--	500	--	--
Kansas	500	--	--	--
Kentucky	1,000	--	--	--
Maine	1,750	1,650	--	--
Maryland	500	500	--	--
Massachusetts	631	500	--	--
Michigan	400	--	--	--
Minnesota	--	1,050	--	--
Missouri	--	950	--	--
Montana	450	688	--	--
Nebraska	1,200	--	--	--
Nevada	500	--	--	--
New Jersey	500	--	--	--
New Mexico	--	900	--	--
New York	400	1,090	--	--
North Carolina	500	--	--	--
North Dakota	--	500	--	--
Ohio	--	750	--	--
Oklahoma	1,000	--	--	--
Oregon	500	--	--	--
Pennsylvania	1,600	700	--	--
South Carolina	400	335	--	--
South Dakota	1,370	550	--	--
Tennessee	400	--	--	--
Texas	500	--	--	--
Virginia	500	--	--	--
Washington	1,000	650	--	--
West Virginia	500	--	--	--
Wisconsin	2,200	500	--	--
Wyoming	450	--	--	--
Puerto Rico	--	500	--	--
Total Avail./Est.	<u>\$24,983</u>	<u>\$14,613</u>	--	<u>\$11,419</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE				
RURAL MICROENTERPRISE INVESTMENT PROGRAM ACCOUNT				
<u>Classification by Objects</u>				
(Dollars in thousands)				
		2010	2011	2012
		Actual	Actual	Estimated
				2013
				Estimated
Other Objects:				
41	Grants, subsidies, and contributions.....	\$5,000	\$0	\$0
				\$3,356
	Total direct obligations.....	5,000	0	0
				3,356

PROJECT STATEMENT

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

(In thousands of dollars)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Mandatory: a/										
Guaranteed biorefinery loans	\$54,500	\$19,331	\$255,675	\$88,719	\$0	\$0	\$0	\$0	\$0	\$0
Total Available or Estimate	54,500	19,331	255,675	88,719	0	0	0	0	0	0
Transfer from Commodity Credit Corporation	-690,725	-245,000	0	0	0	0	0	0	0	0
Recovery of prior year obligations	-34,696	-8,335	0	0	0	0	0	0	0	0
Unobligated balance available, start of year	-112,752	-39,993	-789,617	-273,997	0	0	0	0	0	0
Unobligated balance available, end of year	783,673	273,997	533,941	185,278	0	0	0	0	0	0
Total Appropriation	0	0	0	0	0	0	0	0	0	0

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

PROJECT STATEMENT

(On basis of obligations under available funds)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Mandatory: a/										
Guaranteed biorefinery loans	\$54,500	\$19,331	\$255,675	\$88,719	\$691,334	\$185,278	-\$691,334	-\$185,278	\$0	\$0
Total Available or Estimate	54,500	19,331	255,675	88,719	691,334	185,278	-691,334	-185,278	0	0
Transfer from Commodity Credit Corporation	-690,725	-245,000	0	0	0	0	0	0	0	0
Recovery of prior year obligations	-34,696	-8,335	0	0	0	0	0	0	0	0
Unobligated balance available, start of year	-112,752	-39,993	-789,617	-273,997	-691,334	-185,278	691,334	185,278	0	0
Unobligated balance available, end of year	783,673	273,997	533,941	185,278	0	0	0	0	0	0
Total Appropriation	0	0	0	0	0	0	0	0	0	0

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 2009 and \$245,000,000 for 2010, to remain available until expended.

RURAL BUSINESS-COOPERATIVE SERVICE					
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS					
(Dollars in thousands)					
Guaranteed Biorefinery Loans - Mandatory					
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>	
Alabama	--	\$87,850	--	--	
Florida	--	75,000	--	--	
Michigan	--	12,825	--	--	
Mississippi	--	80,000	--	--	
New Mexico	\$54,500	--	--	--	
Total Avail./Est.	<u>\$54,500</u>	<u>\$255,675</u>	<u>\$691,334</u>	<u>1/</u>	<u>--</u>
<u>1/</u> Cannot be distributed by geographic area in advance.					

PROJECT STATEMENT

(On basis of appropriated grants)

(In thousands of dollars)

	2010	2011	2012	Increase or	2013
Item of Change	Actual	Actual	Estimated	Decrease	Estimated
Mandatory:					
Repowering assistance payments <u>a/</u>	\$1,955	\$0	\$0	\$0	\$0
Bioenergy program for advanced					
biofuels payments <u>b/c/</u>	18,547	136,125	65,000	-65,000	0
Total Available or Estimate.....	20,503	136,125	65,000	-65,000	0
Transfer from Commodity Credit					
Corporation.....	-55,000	-85,000	-105,000	105,000	0
Discretionary block on S&E funds	0	0	40,000	-40,000	0
Unobligated balance available, SOY.....	-90,000	-124,497	0	0	0
Unobligated balance available, EOY.....	124,497	73,372	0	0	0
Total Appropriation.....	0	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 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 2009, \$55,000,000 for 2010, \$85,000,000 for 2011 and \$105,000,000 for 2012, to remain available until expended.

c/ P.L. 112-55, GP 726(9) blocks S&E to be spent to run the program in excess of \$65,000,000 for 2012.

PROJECT STATEMENT

(On basis of obligations under available funds)

(In thousands of dollars)

	2010	2011	2012	Increase or	2013
Item of Change	Actual	Actual	Estimated	Decrease	Estimated
Mandatory:					
Repowering assistance payments <u>a/</u>	\$1,955	\$0	\$33,045	-\$33,045	\$0
Bioenergy program for advanced					
biofuels payments <u>b/c/</u>	18,547	136,125	65,000	15,327	80,327
Total Available or Estimate.....	20,503	136,125	98,045	-17,718	80,327
Transfer from Commodity Credit					
Corporation.....	-55,000	-85,000	-105,000	105,000	0
Discretionary block on S&E funds	0	0	40,000	-80,000	-40,000
Unobligated balance available, SOY.....	-90,000	-124,497	-73,372	33,045	-40,327
Unobligated balance available, EOY.....	124,497	73,372	40,327	-40,327	0
Total Appropriation.....	0	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 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 2009, \$55,000,000 for 2010, \$85,000,000 for 2011 and \$105,000,000 for 2012, to remain available until expended.

(Dollars in thousands)				
Repowering Assistance Grant Payments - Mandatory				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Iowa	\$1,955	--	--	--
Total Avail./Est.	<u>\$1,955</u>	<u>--</u>	<u>\$33,045</u> ^{1/}	<u>--</u>
Bioenergy Program for Advanced Biofuels Payments - Mandatory				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$7	\$9	--	--
Alaska	--	2	--	--
Arizona	1,692	2,866	--	--
Arkansas	715	2,251	--	--
California	88	1,542	--	--
Colorado	--	34	--	--
Connecticut	--	224	--	--
Florida	15	364	--	--
Georgia	426	1,348	--	--
Hawaii	11	112	--	--
Idaho	258	442	--	--
Illinois	567	7,977	--	--
Indiana	273	10,935	--	--
Iowa	2,145	13,500	--	--
Kansas	4,693	16,578	--	--
Kentucky	22	3,740	--	--
Maine	--	390	--	--
Maryland	516	--	--	--
Massachusetts	--	16	--	--
Michigan	16	111	--	--
Minnesota	1,341	7,631	--	--
Mississippi	153	1,178	--	--
Missouri	957	11,261	--	--
Montana	2	--	--	--
Nebraska	1863	5,323	--	--
Nevada	11	67	--	--
New Hampshire	--	433	--	--
New Mexico	--	52	--	--
New York	107	243	--	--
North Carolina	27	364	--	--
North Dakota	487	170	--	--
Ohio	6	213	--	--
Oklahoma	502	4,365	--	--
Oregon	2	2,405	--	--
Pennsylvania	26	19,768	--	--
Rhode Island	--	65	--	--
South Dakota	--	84	--	--
Tennessee	4	95	--	--
Texas	653	15,905	--	--
Vermont	6	35	--	--
Virginia	54	431	--	--
Washington	557	2,166	--	--
West Virginia	--	120	--	--
Wisconsin	347	1,306	--	--
Wyoming	--	1	--	--
Total Avail./Est.	<u>\$18,549</u>	<u>\$136,125</u>	<u>\$65,000</u> ^{1/}	<u>\$80,327</u> ^{1/}
^{1/} Cannot be distributed by geographic area in advance.				

RURAL BUSINESS-COOPERATIVE SERVICE

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

Rural Energy for America Program

For the cost of a program of loan guarantees[and grants], under the same terms and conditions as authorized by section 9007 of the Farm Security and Rural Investment Act of 2002 (7 U.S.C. 8107), [~~\$3,400,000~~]\$4,575,000: *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.

This change removes the funding for the renewable energy grant program. The program will be run exclusively through the guaranteed loan program and no longer have grants available.

RURAL BUSINESS-COOPERATIVE SERVICE

RURAL ENERGY FOR AMERICA PROGRAM

Summary of Increases and Decreases

(Dollars in thousands)

	2010	2011	2012	2013	2013
	Actual	Change	Change	Change	Estimated
Discretionary Appropriations:					
Guaranteed renewable energy loans	\$19,670	-\$17,175	-\$795	+\$2,875 (1)	\$4,575
Renewable energy grants	19,670	-17,175	-795	-1,700 (2)	0
Total Appropriation or Change	<u>39,340</u>	<u>-34,350</u>	<u>-1,590</u>	<u>+\$1,175</u>	<u>4,575</u>

PROJECT STATEMENT

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

(In thousands of dollars)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA	Program Level	Subsidy/ BA
Discretionary:										
Guaranteed renewable energy loans <u>a/</u>	\$31,164	\$4,251	\$5,382	\$2,495	\$6,491	\$1,700	\$12,564 (1)	\$2,875 (2)	\$19,055	\$4,575
Renewable energy grants.....	35,074	35,074	2,490	2,490	1,700	1,700	-1,700	-1,700 (3)	0	0
Total Available or Estimate.....	66,238	39,325	7,872	4,985	8,191	3,400	10,864	1,175	19,055	4,575
Unobligated balance expiring.....	0	0	5	5	0	0	0	0	0	0
Rescission <u>d/</u>	0	0	16	10	0	0	0	0	0	0
Total Appropriation, Discretionary.....	66,238	39,325	7,893	5,000	8,191	3,400	10,864	1,175	19,055	4,575
Mandatory:										
Guaranteed renewable energy loans <u>a/b/c/</u> ..	41,835	5,706	28,691	13,301	42,001	11,000	-42,001	-11,000	0	0
Renewable energy grants <u>b/c/</u>	48,853	48,853	54,536	54,536	9,620	9,620	-9,620	-9,620	0	0
Renewable energy feasibility studies <u>b/c/</u> ...	0	0	2,880	2,880	500	500	-500	-500	0	0
Renewable energy audits and technical assistance <u>b/c/</u>	2,400	2,400	2,545	2,545	880	880	-880	-880	0	0
Total Available or Estimate.....	93,087	56,959	88,652	73,263	53,001	22,000	-53,001	-22,000	0	0
Transfer from Commodity Credit Corporation <u>b/c/</u>	-96,248	-60,000	-83,792	-70,000	-168,639	-70,000	168,639	70,000	0	0
Recovery of prior year obligations.....	-421	-313	-5,474	-3,032	0	0	0	0	0	0
Unobligated balance available, start of year	-32	-32	-3,428	-3,386	0	0	0	0	0	0
Unobligated balance available, end of year.	3,614	3,386	4,041	3,155	115,638	48,000	-115,638	-48,000	0	0
Total Appropriated, Mandatory.....	0	0	0	0	0	0	0	0	0	0
Total Appropriation.....	66,238	39,325	7,893	5,000	8,191	3,400	10,864	1,175	19,055	4,575

a/ The subsidy rate is based on a guarantee fee of 1 percent and 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 2009, \$60 million in 2010, and \$70 million in both 2011 and 2012 from the funds of the Commodity Credit Corporation. The funds are available until expended.

c/ P.L. 112-55, GP 726(10) blocks S&E to be spent to run the program in excess of \$22,000,000 for 2012.

PROJECT STATEMENT

(On basis of obligations under available funds)

(In thousands of dollars)

Item of Change	2010 Actual		2011 Actual		2012 Estimated		Increase or Decrease		2013 Estimated	
	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA	Program Level	Subsidy/BA
Discretionary:										
Guaranteed renewable energy loans <u>a/</u>	\$31,164	\$4,251	\$5,382	\$2,495	\$6,491	\$1,700	\$12,564	\$2,875	\$19,055	\$4,575
Renewable energy grants.....	35,074	35,074	2,490	2,490	1,700	1,700	-1,700	-1,700	0	0
Total Available or Estimate.....	66,238	39,325	7,872	4,985	8,191	3,400	10,864	1,175	19,055	4,575
Unobligated balance expiring.....	0	0	5	5	0	0	0	0	0	0
Rescission <u>d/</u>	0	0	16	10	0	0	0	0	0	0
Total Appropriation, Discretionary.....	66,238	39,325	7,893	5,000	8,191	3,400	10,864	1,175	19,055	4,575
Mandatory:										
Guaranteed renewable energy loans <u>a/</u>	41,835	5,706	28,691	13,301	42,001	11,000	61,145	13,765	103,145	24,765
Renewable energy grants <u>b/c/</u>	48,853	48,853	54,536	54,536	9,620	9,620	14,910	14,910	24,530	24,530
Renewable energy feasibility studies <u>b</u>	0	0	2,880	2,880	500	500	-41	-41	459	459
Renewable energy audits and technical assistance <u>b/c/</u>	2,400	2,400	2,545	2,545	880	880	522	522	1,402	1,402
Total Available or Estimate.....	93,087	56,959	88,652	73,263	53,001	22,000	76,534	29,155	129,535	51,155
Transfer from Commodity Credit Corporation <u>b/c/</u>	-96,248	-60,000	-83,792	-70,000	-168,639	-70,000	168,639	70,000	0	0
Recovery of prior year obligations.....	-421	-313	-5,474	-3,032	0	0	0	0	0	0
Unobligated balance available, start of	-32	-32	-3,428	-3,386	-5,312	-3,155	-124,224	-48,000	-129,536	-51,155
Unobligated balance available, end of	3,614	3,386	4,041	3,155	120,950	51,155	-120,950	-51,155	0	0
Total Appropriated, Mandatory.....	0	0	0	0	0	0	0	0	0	0
Total Appropriation.....	66,238	39,325	7,893	5,000	8,191	3,400	10,863	1,175	19,054	4,575

a/ The subsidy rate is based on a guarantee fee of 1 percent and 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 2009, \$60 million in 2010, and \$70 million in both 2011 and 2012 from the funds of the Commodity Credit Corporation. The funds are available until expended.

c/ P.L. 112-55, GP 726(10) blocks S&E to be spent to run the program in excess of \$22,000,000 for 2012.

JUSTIFICATIONS OF INCREASES AND DECREASES

(10) An increase of \$12,564,000 in renewable energy guaranteed loans (\$6,491,000 available in 2012).

The guaranteed renewable energy loan program provides loan guarantees to farmers, ranchers, and rural small businesses to assist with purchasing renewable energy systems and making energy efficiency improvements to their physical plants.

The guaranteed loan program provides significant leverage of Federal funds and greatly enhances access to a growing number of agricultural producers and small rural businesses that can greatly benefit from this program. The budget authority for the guaranteed portion of section 9007 is used for loan only and combination loans and grant.

Since the first loan only guarantees were provided in FY 2005, the agency has obligated \$364.4 million in loans and loan/grant combinations. The loan amount for combination loan and grants was \$63 million and \$17.3 million in 2010 and 2011, respectively. An increase in program level for guaranteed loans will result in an increase of 406 million kilowatt hours of renewable energy generation/saving and 265,000 metric tons of CO₂ in greenhouse gas reduced emissions.

(11) An increase of \$2,875,000 in loan subsidy for renewable energy guaranteed loans (\$1,700,000 available in 2012).

The guaranteed renewable energy loan program provides loan guarantees to farmers, ranchers, and rural small businesses to assist with purchasing renewable energy systems and making energy efficiency improvements to their physical plants.

The guaranteed loan program provides significant leverage of Federal funds and greatly enhances access to a growing number of agricultural producers and small rural businesses that can greatly benefit from this program.

The increase of \$12,564,000 in loan level is supported by an increase of \$2,875,000 in loan subsidy. This increase in available loan level in 2013 with the increase in loan subsidy is the result of a decrease in the subsidy rate between 2012 and 2013 primarily due to the defaults assumption being decreased by 5 percent.

(12) A decrease of \$1,700,000 in renewable energy grants (\$1,700,000 available in 2012).

The Department is funding guaranteed loans in lieu of grants. At the anticipated subsidy rate of 24.01 percent, guaranteed loans will leverage \$4.16 of Federal program funds to every \$1 of budget authority and greatly enhance access to a growing number of agricultural producers and small rural businesses. The \$1.7 million in budget authority converts roughly to \$7.08 million in program level energy loan authority in lieu of grants.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
(Dollars in thousands)

Guaranteed Rural Energy for America Loans - Discretionary

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Arkansas	\$45	--	--	--
California	406	--	--	--
Colorado	95	--	--	--
Connecticut	64	--	--	--
Georgia	1,167	--	--	--
Hawaii	232	--	--	--
Idaho	500	--	--	--
Illinois	1,378	--	--	--
Indiana	1,099	\$137	--	--
Iowa	6,774	--	--	--
Kansas	98	--	--	--
Kentucky	1,261	--	--	--
Maine	1,105	--	--	--
Michigan	301	--	--	--
Minnesota	1,308	--	--	--
Missouri	259	--	--	--
Montana	10	--	--	--
Nebraska	2,529	--	--	--
New Hampshire	291	--	--	--
New Mexico	405	--	--	--
New York	169	--	--	--
North Carolina	926	5,000	--	--
North Dakota	281	--	--	--
Ohio	2,588	245	--	--
Oklahoma	136	--	--	--
Oregon	81	--	--	--
Pennsylvania	603	--	--	--
South Carolina	799	--	--	--
South Dakota	957	--	--	--
Virginia	2,897	--	--	--
Washington	1,387	--	--	--
West Virginia	254	--	--	--
Wisconsin	760	--	--	--
Total Avail./Est.	<u>\$31,164</u>	<u>\$5,382</u>	<u>\$6,491</u> <u>1/</u>	<u>\$19,055</u> <u>1/</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
(Dollars in thousands)

Guaranteed Rural Energy for America Loans - Mandatory

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$594	--	--	--
Arkansas	--	\$88	--	--
Georgia	400	--	--	--
California	--	1,410	--	--
Hawaii	--	190	--	--
Idaho	1,000	--	--	--
Illinois	1,057	50	--	--
Indiana	433	--	--	--
Iowa	17,281	1,293	--	--
Kansas	50	89	--	--
Kentucky	94	--	--	--
Louisiana	1,000	--	--	--
Maine	563	--	--	--
Massachusetts	1,589	--	--	--
Michigan	90	30	--	--
Minnesota	929	137	--	--
Missouri	5,552	175	--	--
Montana	--	153	--	--
Nebraska	503	21	--	--
New Hampshire	119	100	--	--
New Jersey	784	--	--	--
New Mexico	195	250	--	--
New York	1,050	--	--	--
North Carolina		4,000	--	--
North Dakota	250	--	--	--
Ohio	4,441	7,194	--	--
Oklahoma	--	257	--	--
Oregon	--	10,850	--	--
Pennsylvania	264	--	--	--
South Carolina	125	--	--	--
South Dakota	673	269	--	--
Tennessee	1,659	--	--	--
Utah	--	287	--	--
Vermont	814	528	--	--
Wisconsin	326	1,321	--	--
Total Avail./Est.	<u>\$41,835</u>	<u>\$28,692</u>	<u>\$42,001</u> 1/	<u>\$103,145</u> 1/

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Rural Energy for America Grants - Discretionary				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$461	--	--	--
Alaska	101	--	--	--
Arizona	244	--	--	--
Arkansas	386	--	--	--
California	588	--	--	--
Colorado	196	\$300	--	--
Connecticut	72	--	--	--
Delaware	41	--	--	--
Florida	83	--	--	--
Georgia	1,545	--	--	--
Hawaii	153	--	--	--
Idaho	161	--	--	--
Illinois	1,859	--	--	--
Indiana	2,433	137	--	--
Iowa	7,761	745	--	--
Kansas	379	64	--	--
Kentucky	840	--	--	--
Louisiana	236	--	--	--
Maine	269	--	--	--
Maryland	507	--	--	--
Massachusetts	202	--	--	--
Michigan	1,238	37	--	--
Minnesota	2,038	142	--	--
Mississippi	475	36	--	--
Missouri	504	--	--	--
Montana	163	--	--	--
Nebraska	1,173	--	--	--
Nevada	100	--	--	--
New Hampshire	93	--	--	--
New Jersey	401	--	--	--
New Mexico	198	--	--	--
New York	863	--	--	--
North Carolina	1,139	--	--	--
North Dakota	288	--	--	--
Ohio	1,658	--	--	--
Oklahoma	269	--	--	--
Oregon	453	--	--	--
Pennsylvania	699	--	--	--
Rhode Island	31	--	--	--
South Carolina	379	500	--	--
South Dakota	646	29	--	--
Tennessee	940	--	--	--
Texas	367	--	--	--
Utah	78	500	--	--
Vermont	966	--	--	--
Virginia	335	--	--	--
Washington	303	--	--	--
West Virginia	126	--	--	--
Wisconsin	591	--	--	--
W. Pacific Areas	44	--	--	--
Total Avail./Est.	<u>\$35,074</u>	<u>\$2,490</u>	<u>\$1,700</u> <u>1/</u>	<u>--</u>

1/ Cannot be distributed by geographic area in advance.

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Rural Energy for America Grants - Mandatory				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$635	\$932	--	--
Alaska	153	759	--	--
Arizona	258	443	--	--
Arkansas	614	858	--	--
California	830	1,134	--	--
Colorado	279	407	--	--
Connecticut	--	498	--	--
Delaware	29	133	--	--
Florida	42	626	--	--
Georgia	1,775	1,425	--	--
Hawaii	275	168	--	--
Idaho	816	1,887	--	--
Illinois	2,407	1,522	--	--
Indiana	1,353	1,487	--	--
Iowa	12,365	3,691	--	--
Kansas	440	732	--	--
Kentucky	601	1,310	--	--
Louisiana	443	583	--	--
Maine	265	489	--	--
Maryland	241	436	--	--
Massachusetts	224	424	--	--
Michigan	956	2,190	--	--
Minnesota	3,762	2,439	--	--
Mississippi	191	892	--	--
Missouri	1,483	1,049	--	--
Montana	440	272	--	--
Nebraska	1,662	1,170	--	--
Nevada	114	136	--	--
New Hampshire	126	227	--	--
New Jersey	833	1,573	--	--
New Mexico	142	454	--	--
New York	918	1,257	--	--
North Carolina	1,566	1,867	--	--
North Dakota	430	683	--	--
Ohio	3,804	3,371	--	--
Oklahoma	--	767	--	--
Oregon	803	1,298	--	--
Pennsylvania	948	2,625	--	--
Rhode Island	--	24	--	--
South Carolina	444	739	--	--
South Dakota	1,123	844	--	--
Tennessee	755	1,743	--	--
Texas	747	3,224	--	--
Utah	94	1,229	--	--
Vermont	840	583	--	--
Virginia	425	1,020	--	--
Washington	373	635	--	--
West Virginia	186	215	--	--
Wisconsin	1,512	1,590	--	--
Wyoming	--	101	--	--
Puerto Rico	129	342	--	--
W. Pacific Areas	--	34	--	--
Total Avail./Est.	<u>\$48,853</u>	<u>\$54,536</u>	<u>\$9,620</u> 1/	<u>\$24,530</u> 1/
1/ Cannot be distributed by geographic area in advance.				

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Rural Energy for America Audits And Technical Assistance Grants - Mandatory				
	2010 Actual	2011 Actual	2012 Estimate	2013 Estimate
Alabama	\$100	\$98	--	--
Arizona	82	--	--	--
Arkansas	98	--	--	--
Colorado	100	135	--	--
Georgia	100	100	--	--
Hawaii	--	100	--	--
Idaho	--	100	--	--
Illinois	198	--	--	--
Indiana	93	97	--	--
Iowa	96	132	--	--
Kentucky	100	100	--	--
Louisiana	136	--	--	--
Maine	200	100	--	--
Michigan	100	100	--	--
Minnesota	98	200	--	--
Missouri	100	--	--	--
Nevada	--	100	--	--
New Mexico	--	100	--	--
North Carolina	100	200	--	--
Oregon	200	174	--	--
Pennsylvania	198	200	--	--
Rhode Island	--	50	--	--
South Dakota	100	--	--	--
Washington	100	200	--	--
West Virginia	100	100	--	--
Wyoming	--	160	--	--
Total Avail./Est.	\$2,400	\$2,545	\$880 1/	\$1,402 1/
Rural Energy for America Feasibility Studies - Mandatory				
	2010 Actual	2011 Actual	2012 Estimate	2013 Estimate
Alaska	--	\$50	--	--
California	--	8	--	--
Colorado	--	52	--	--
Georgia	--	22	--	--
Hawaii	--	61	--	--
Idaho	--	90	--	--
Indiana	--	23	--	--
Iowa	--	121	--	--
Kentucky	--	20	--	--
Maine	--	18	--	--
Maryland	--	12	--	--
Michigan	--	125	--	--
Minnesota	--	200	--	--
Missouri	--	113	--	--
Montana	--	45	--	--
Nebraska	--	89	--	--
New Jersey	--	148	--	--
New Mexico	--	9	--	--
New York	--	49	--	--
North Carolina	--	50	--	--
North Dakota	--	10	--	--
Ohio	--	129	--	--
Oklahoma	--	50	--	--
Oregon	--	192	--	--
Puerto Rico	--	10	--	--
Rhode Island	--	100	--	--
South Carolina	--	10	--	--
South Dakota	--	250	--	--
Tennessee	--	25	--	--
Texas	--	331	--	--
Utah	--	140	--	--
Vermont	--	65	--	--
Virginia	--	10	--	--
Washington	--	112	--	--
West Virginia	--	50	--	--
Wisconsin	--	22	--	--
W. Pacific Areas	--	72	--	--
Total Avail./Est.	--	\$2,880	\$500 1/	\$459 1/
1/	Cannot be distributed by geographic area in advance.			

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), [~~\$25,050,000~~]\$27,706,000, of which [~~\$2,250,000~~]\$2,250,000 shall be for cooperative agreements for the appropriate technology transfer for rural areas program: *Provided*, That not to exceed [~~\$3,000,000~~]\$3,456,000 shall be for grants for cooperative development centers, individual cooperatives, or groups of cooperatives that serve socially disadvantaged groups and a majority of the boards of directors or governing boards of which are comprised of individuals who are members of socially disadvantaged groups; and of which [~~\$14,000,000~~]\$15,000,000, 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

RURAL COOPERATIVE DEVELOPMENT GRANTS

Summary of Increases and Decreases

(Dollars in thousands)

	2010	2011	2012	2013	2013
	Actual	Change	Change	Change	Estimated
Discretionary Appropriations:					
Rural Cooperative Development Grants.....	\$7,924	-\$16	-\$2,108	+\$1,200 (1)	\$7,000
Appropriate Technology transfer for rural areas					
agreements.....	2,800	-2,800	+2,250	-	2,250
Cooperative research agreements.....	300	-300	-	-	0
Grants to Assist Minority Producers.....	3,463	-7	-456	+456 (2)	3,456
Value-added agricultural product marketing					
development grants.....	19,349	-5,227	-3,622	+750 (3)	11,250
Agricultural marketing resource center grants.....	1,018	-77	-241	+50 (3)	750
Value-added agricultural product marketing					
development grants socially disadvantaged					
farmers & ranchers.....	--	+1,883	-483	+100 (3)	1,500
Value-added agricultural product marketing					
development grants mid tier chains.....	--	+1,883	-483	+100 (3)	1,500
Special Earmarks, P.L. 111-80, GP 728.....	3,000	-3,000	-	-	0
Total Appropriation or Change.....	<u>37,854</u>	<u>-7,661</u>	<u>-5,143</u>	<u>+2,656</u>	<u>27,706</u>

Project Statement						
(On basis of appropriations)						
(Dollars in thousands)						
Item of Change	2010 Actual	2011 Actual	2012 Estimated	Increase or Decrease		2013 Estimated
Discretionary:						
Rural cooperative development grants.....	\$8,235	\$7,939	\$5,800	\$1,200	(1)	\$7,000
Appropriate technology transfer						
for rural areas agreements.....	2,800	484	2,250	0		2,250
Cooperative Economic Impace Research.....	300	0	0	0		0
Grants to assist minority producers.....	2,958	2,940	3,000	456	(2)	3,456
Value-added agriculture product						
marketing development grants.....	7,009	300	10,500	750	(3)	11,250
Agricultural marketing resource						
center grants.....	0	1,018	700	50	(3)	750
Value-added agricultural product						
marketing development grants to socially disadvantaged farmers & ranchers.....	358	0	1,400	100	(3)	1,500
Value-added agricultural product						
marketing development mid-tier chains.....	0	0	1,400	100	(3)	1,500
Special Earmark, P.L. 111-80, GP 728.....	3,000	0	0	0		0
Total Appropriated or Estimated.....	24,660	12,683	25,050	2,656		27,706
Recovery of prior year obligations.....	-600	-1,686	0	0		0
Unobligated balance available, SOY.....	-7,043	-20,837	0	0		0
Unobligated balance available, EOY.....	20,837	40,034	0	0		0
Rescission <u>b/</u>	0	61	0	0		0
Total Appropriation, Discretionary.....	37,854	30,254	25,050	2,656		27,706
Mandatory: a/						
Value-added agriculture product						
marketing development grants.....	12,303	0	0	0		0
Value-added agriculture product						
marketing development grants:						
Socially disadvantaged farmers and ranchers.....	1,396	0	0	0		0
Mid-tier value chains.....	1,090	0	0	0		0
Value-added Innovation Center.....	0	0	0	0		0
Total Available or Estimate.....	14,790	0	0	0		0
Recovery of prior year obligations.....	-12	-442	0	0		0
Unobligated balance available, SOY.....	-15,597	-819	0	0		0
Unobligated balance available, EOY.....	819	1,261	0	0		0
Transfer from CCC a/.....	0	0	0	0		0
Total Appropriation, Mandatory.....	0	0	0	0		0
Total Appropriation.....	37,854	30,254	25,050	2,656		27,706
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 2009, to remain available until expended.						
b/ The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.						

Project Statement					
(On basis of obligations under available funds)					
(Dollars in thousands)					
Item of Change	2010 Actual	2011 Actual	2012 Estimated	Increase or Decrease	2013 Estimated
Discretionary:					
Rural cooperative development grants.....	\$8,235	\$7,939	\$5,800	\$1,200	\$7,000
Appropriate technology transfer					
for rural areas agreements.....	2,800	484	2,250	0	2,250
Cooperative Economic Impact Research.....	300	0	0	0	0
Grants to assist minority producers.....	2,958	2,940	3,000	456	3,456
Value-added agriculture product					
marketing development grants.....	7,009	300	41,338	-30,088	11,250
Agricultural marketing resource					
center grants.....	0	1,018	1,641	-891	750
Value-added agricultural product					
marketing development grants to socially disadvantaged farmers & ranchers.....	358	0	5,348	-3,848	1,500
Value-added agricultural product					
marketing development mid-tier chains.....	0	0	5,706	-4,206	1,500
Special earmark, P.L. 111-80, GP 728.....	3,000	0	0	0	0
Total Available or Estimate.....	24,660	12,683	65,084	-37,378	27,706
Recovery of prior year obligations.....	-600	-1,686	0	0	0
Unobligated balance available, SOY.....	-7,043	-20,837	-40,034	40,034	0
Unobligated balance available, EOY.....	20,837	40,034	0	0	0
Rescission b/.....	0	61	0	0	0
Total Appropriation, Discretionary.....	37,854	30,254	25,050	2,656	27,706
Mandatory: a/					
Value-added agriculture product					
marketing development grants.....	12,303	0	706	-706	0
Value-added agriculture product					
marketing development grants.....	0	0	0	0	0
Socially disadvantaged farmers and ranchers.....	1,396	0	114	-114	0
Mid-tier value chains.....	1,090	0	424	-424	0
Value-added Innovation Center.....	0	0	16	-16	0
Total Available or Estimate.....	14,790	0	1,261	-1,261	0
Recovery of prior year obligations.....	-12	-442	0	0	0
Unobligated balance available, SOY.....	-15,597	-819	-1,261	1,261	0
Unobligated balance available, EOY.....	819	1,261	0	0	0
Transfer from CCC a/.....	0	0	0	0	0
Total Appropriation, Mandatory.....	0	0	0	0	0
Total Appropriation.....	37,854	30,254	25,050	2,656	27,706
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 2009, to remain available until expended.				
b/	The amounts are rescinded pursuant to Division B, Title I, Section 1119 of the Department of Defense and Full-Year Continuing Appropriations Act, 2011, P.L. 112-10.				

JUSTIFICATIONS OF INCREASES

- (1) An increase of \$1,200,000 for rural cooperative development grants (\$5,800,000 available in 2012).

Cooperatives offer an alternative to investor-owned companies through which those using the entity's goods or services are actively involved in the governance of the organization. Over the last decade, Rural Development has used the rural cooperative development grant (RCDG) program to develop a network of Cooperative Development Centers, whose trained staff works with new and emerging cooperatives in everything from traditional farm supply and marketing to dependent care to conversions of traditional companies to employee ownership. The RCDG program is a critical tool in ensuring that our rural citizens have the support they need to develop their own solutions and seize opportunities. In 2011, RCDG awarded 36 different centers with \$7.94 million in funding. These centers in turn assisted 321 cooperative and cooperative groups.

The requested 2013 funding level will continue to provide funding to centers with proven track records to support cooperative development projects. With the proposed request, the agency will provide grants to approximately 35 centers that will in turn provide assistance to 325 cooperatives or mutually owned businesses.

- (2) An increase of \$456,000 for grants to assist socially disadvantaged producers (\$3,000,000 available in 2012).

The small socially-disadvantaged producer grants program provides technical assistance to small, socially-disadvantaged agricultural producers through eligible cooperative development centers, cooperatives and associations of cooperatives. Technical assistance provided to socially disadvantaged producers includes activities such as market research; product and/or service improvement; legal advice and assistance; feasibility studies, business plans, marketing plan development; and training.

The 2013 request increases the amount available for the program. It is estimated that the increase will fund about seven more projects for socially disadvantaged producers through cooperative development centers, cooperatives, or associations of cooperatives.

- (3) An increase of \$1,000,000 for value-added agriculture product grants (\$14,000,000 available in 2012).

The value-added agriculture product grants (VAPG) program helps rural Americans by helping farmers, groups of farmers, and farmer-owned cooperatives add value to their products, allowing producers to build economic gains that then circulate through the local economy. This program provides priority to applicants proposing to increase the development of local and regional food systems.

The 2013 request increases the amount available for the program. Rural Development will continue to efficiently address demand and assist as many producers with planning funding or working capital funding to establish or run value-added agricultural marketing ventures. It is estimated that the increase will fund about ten more projects for independent producers or cooperatives.

The increase in VAPG funding will also support the Agricultural Marketing Resource Center, which is an electronic, national resource for producers interested in value-added agriculture. The Center provides resources such as web site information regarding commodities and products, markets and industries and renewable energy, value-added business and economic analysis tools, and outreach activities including workshops, seminars, and newsletters and responding to webmail inquiries.

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Rural Cooperative Development Grants				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$225	\$192	--	--
Alaska	225	225	--	--
Arkansas	225	225	--	--
California	225	225	--	--
Colorado	225	225	--	--
Hawaii	223	225	--	--
Illinois	184	--	--	--
Indiana	225	225	--	--
Iowa	225	225	--	--
Kentucky	225	225	--	--
Maryland	221	225	--	--
Massachusetts	225	225	--	--
Michigan	225	225	--	--
Minnesota	900	675	--	--
Mississippi	225	225	--	--
Montana	340	357	--	--
Nebraska	225	225	--	--
New Jersey	225	--	--	--
New Mexico	292	417	--	--
North Carolina	225	225	--	--
North Dakota	450	450	--	--
Ohio	675	675	--	--
Pennsylvania	225	225	--	--
South Dakota	225	225	--	--
Texas	225	225	--	--
Virginia	450	450	--	--
Washington	450	450	--	--
Wisconsin	225	450	--	--
Total Avail./Est.	<u>\$8,235</u>	<u>\$7,939</u>	<u>\$5,800</u> ^{1/}	<u>\$7,000</u> ^{1/}

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

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Appropriate Technology Transfer				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Montana	\$2,800	\$484	--	--
Total Avail./Est.	<u>\$2,800</u>	<u>\$484</u>	<u>\$2,250</u> ^{1/}	<u>\$2,250</u> ^{1/}
Cooperative Economic Impact Research				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Wisconsin	\$300	--	--	--
Total Avail./Est.	<u>\$300</u>	<u>--</u>	<u>--</u>	<u>--</u>
Grants to Assist Minority Producers				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	--	\$200	--	--
Colorado	\$279	315	--	--
Hawaii	115	--	--	--
Louisiana	200	200	--	--
Michigan	200	--	--	--
Minnesota	114	--	--	--
Mississippi	683	882	--	--
New Mexico	183	125	--	--
New York	62	118	--	--
South Carolina	446	701	--	--
South Dakota	175	200	--	--
Washington	150	--	--	--
Wisconsin	197	200	--	--
Puerto Rico	154	--	--	--
Total Avail./Est.	<u>\$2,958</u>	<u>\$2,940</u>	<u>\$3,000</u> ^{1/}	<u>\$3,456</u> ^{1/}
Rural Business Special Projects Earmarks - GP 732, P.L. 11-8, GP 728-111-80 (\$314 remaining)				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Vermont	\$1,000	--	--	--
Wisconsin	2,000	--	--	--
Total Avail./Est.	<u>\$3,000</u>	<u>--</u>	<u>\$1</u> ^{1/}	<u>--</u> ^{1/}
^{1/}	Cannot be distributed by geographic area in advance.			

RURAL BUSINESS-COOPERATIVE SERVICE				
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS				
(Dollars in thousands)				
Value-Added Agricultural Product Market Development Grants - Discretionary				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Kansas	--	\$300	--	--
Kentucky	\$159	--	--	--
Maine	27	--	--	--
Maryland	150	--	--	--
Missouri	488	--	--	--
Nebraska	417	--	--	--
New Mexico	305	--	--	--
North Carolina	321	--	--	--
Ohio	98	--	--	--
Oregon	1,577	--	--	--
South Dakota	68	--	--	--
Texas	663	--	--	--
Vermont	228	--	--	--
Washington	1,084	--	--	--
Wisconsin	1,425	--	--	--
Total Avail./Est.	<u>\$7,009</u>	<u>\$300</u>	<u>\$41,338</u> <u>1/</u>	<u>\$11,250</u> <u>1/</u>
Value-Added Agricultural Product Market Development Grants-Beginners and Socially Disadvantaged Farmers and Ranchers - Discretionary				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Missouri	\$130	--	--	--
Oregon	87	--	--	--
Wisconsin	141	--	--	--
Total Avail./Est.	<u>\$358</u>	<u>--</u>	<u>\$5,348</u> <u>1/</u>	<u>\$1,500</u> <u>1/</u>
Value-Added Agricultural Product Market Development Grants Mid Tier Chains - Discretionary				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Total Avail./Est.	<u>--</u>	<u>--</u>	<u>\$5,706</u> <u>1/</u>	<u>\$1,500</u> <u>1/</u>
Agriculture Marketing Resource Center Grants - Discretionary				
	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Iowa	--	\$1,018	--	--
Total Avail./Est.	<u>--</u>	<u>\$1,018</u>	<u>\$1,641</u> <u>1/</u>	<u>\$750</u> <u>1/</u>
<u>1/</u>	Cannot be distributed by geographic area in advance.			

RURAL BUSINESS-COOPERATIVE SERVICE
GEOGRAPHIC BREAKDOWN OF OBLIGATIONS
(Dollars in thousands)

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

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
California	\$300	--	--	--
Colorado	231	--	--	--
Illinois	23	--	--	--
Iowa	196	--	--	--
Maryland	64	--	--	--
Nebraska	21	--	--	--
New Mexico	13	--	--	--
South Dakota	89	--	--	--
Washington	110	--	--	--
Wisconsin	350	--	--	--
Total Avail./Est.	<u>\$1,396</u>	<u>--</u>	<u>\$114</u> ^{1/}	<u>--</u>

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

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Florida	\$150	--	--	--
Iowa	329	--	--	--
Kentucky	39	--	--	--
Ohio	16	--	--	--
Tennessee	92	--	--	--
Vermont	90	--	--	--
Wisconsin	355	--	--	--
Wyoming	19	--	--	--
Total Avail./Est.	<u>\$1,090</u>	<u>--</u>	<u>\$424</u> ^{1/}	<u>--</u>

Value Added Product Market Development Grants - Mandatory

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Alabama	\$170	--	--	--
Alaska	132	--	--	--
Arkansas	135	--	--	--
California	1,488	--	--	--
Colorado	476	--	--	--
Connecticut	334	--	--	--
Florida	834	--	--	--
Georgia	1,307	--	--	--
Idaho	355	--	--	--
Illinois	507	--	--	--
Indiana	553	--	--	--
Iowa	639	--	--	--
Kansas	293	--	--	--
Kentucky	126	--	--	--
Louisiana	44	--	--	--
Massachusetts	350	--	--	--
Michigan	564	--	--	--
Minnesota	771	--	--	--
Mississippi	45	--	--	--
Montana	95	--	--	--
New Hampshire	180	--	--	--
New Jersey	97	--	--	--
New York	181	--	--	--
North Dakota	50	--	--	--
Oklahoma	133	--	--	--
Pennsylvania	226	--	--	--
Rhode Island	50	--	--	--
South Carolina	98	--	--	--
Utah	777	--	--	--
Virginia	892	--	--	--
Puerto Rico	400	--	--	--
Total Avail./Est.	<u>\$12,303</u>	<u>--</u>	<u>\$706</u> ^{1/}	<u>--</u>

Agriculture Innovation Demonstration Grants - Mandatory

	<u>2010 Actual</u>	<u>2011 Actual</u>	<u>2012 Estimate</u>	<u>2013 Estimate</u>
Total Avail./Est.	<u>--</u>	<u>--</u>	<u>\$16</u> ^{1/}	<u>--</u>

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

RURAL EMPOWERMENT ZONES AND ENTERPRISE COMMUNITIES GRANTS

Summary of Increases and Decreases

(Dollars in thousands)

	2010	2011	2012	2013	2013
	Actual	Change	Change	Change	Estimated
Discretionary Appropriations:					
Rural empowerment zones and enterprise					
communities grants.....	\$499	-\$499	\$0	\$0	\$0
Total Appropriation or Change.....	499	-499	0	0	0

<u>Project Statement</u>					
(On basis of appropriations)					
(Dollars in thousands)					
	2010	2011	2012	Increase or	2013
Item of Change	Actual	Actual	Estimated	Decrease	Estimated
Rural empowerment zones and enterprise communities grants	\$0	\$0	\$0	\$0	\$0
General Provision 716.....	499	0	0	0	0
Total Available or Estimate.....	499	0	0	0	0
Unobligated balance available, start of year.....	-13	-33	0	0	0
Recovery of prior obligations.....	-20	0	0	0	0
Unobligated balance available, end of year.....	33	33	0	0	0
Total Appropriation.....	499	0	0	0	0
Staff years are reflected in the Salaries and Expenses Project Statement.					

<u>Project Statement</u>					
(On basis of obligations under available funds)					
(Dollars in thousands)					
	2010	2011	2012	Increase or	2013
Item of Change	Actual	Actual	Estimated	Decrease	Estimated
Rural empowerment zones and enterprise communities grants	\$0	\$0	\$33	-\$33	\$0
General Provision 716.....	499	0	0	0	0
Total Available or Estimate.....	499	0	33	-33	0
Unobligated balance available, start of year.....	-13	-33	-33	33	0
Recovery of prior obligations.....	-20	0	0	0	0
Unobligated balance available, end of year.....	33	33	0	0	0
Total Appropriation.....	499	0	0	0	0
Staff years are reflected in the Salaries and Expenses Project Statement.					

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. 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.

Specific areas currently being addressed include:

1. Facilitating projects that proactively replace traditional energy imports with domestic production.
2. Improving efficiency (with staff reductions) to maintain program outreach and service to rural communities/clients.
3. Program delivery is transitioning to a risk-based management system.

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

Business and Industry Guaranteed Loan Program:

The Business and Industry (B&I) Guaranteed loan program is RD's flagship job creation and capital expansion business program. In 2011, Rural Development issued 511 B&I loan guarantees totaling \$1.387 billion, assisting 941 rural businesses, and creating and saving more than 27,800 jobs.

In Indiana, the economic downturn has been particularly tough on the manufacturing sector, which is often the primary source of jobs in some rural communities. Morris Manufacturing and Sales Corporation, a family-owned automotive parts manufacturer, had to lay off 100 of its 135 employees when two of the major automakers closed down production during their reorganizations.

With the assistance of Rural Development, Morris Manufacturing secured four B&I loan guarantees totaling \$10.2 million, which it used to restructure its debt, purchase new machinery and equipment, and expand their manufacturing facility. These loan guarantees strategically positioned Morris Manufacturing to successfully bid on work with the major automotive companies when they reopened for business. As a result, Morris Manufacturing rehired the laid-off workers, expanded its product line, and hired 44 new employees. The impact of the 144 jobs created and saved was significant for the small rural community of approximately 8000 residents.

Baker Cheese Factory, Inc. used a B&I loan guarantee of \$4.5 million to finance construction and equipment for a new plant in St. Cloud, Wisconsin. The new plant will employ 55 new people over the next three years as production ramps up to full capacity. Baker Cheese Factory currently employs 185 with a current average hourly wage of \$17.29 per hour and projects the average hourly wage to increase \$19.29 per hour in three years when full production is achieved through the expansion. Baker Cheese Factory provides an employer sponsored health plan that covers 70 percent of the policy premium, a 401(k) plan with no company match and a profit sharing plan that has paid benefits every year since the inception of the plan

Rural Energy for America Program:

In 2011, the Rural Energy for America Program (REAP) funded 2,008 projects. The Renewable Energy System and Energy Efficiency Improvement program of REAP funded 1,873 projects with \$7.8 million in discretionary funding and \$59.9 million in mandatory funds. The REAP program awarded 1,824 grants totaling \$50 million plus 45 combination loans and grants amounting to \$ 24.3 million (mandatory and discretionary funds) and 4 guaranteed loans for \$16.7 million for renewable energy and energy efficiency projects. The energy audit and renewable energy development assistance program awarded 28 grants totaling \$2.5 million; and the feasibility study awarded 107 grants totaling \$2.8. With this funding, the agency estimates to generate/save approximately 2 billion kilowatt hours (kWh).

Sunnyside Farms is a chicken egg production farm located in Westminster, Maryland. Sunnyside Farms received a REAP grant in the amount of \$220,500 for the purchase and installation of a solar photovoltaic system. With an estimated annual production of 127,000 kWh, the renewable energy system is expected to provide approximately 25 percent of the farm's energy needs.

Helene's Hilltop Orchard, LLC, a small business in Merrill, Wisconsin received a \$19,750 REAP grant to help lower the energy costs of running their rural business. Helene and Dave Pagoria are purchasing a new photovoltaic system for their 30-year-old eco-apple orchard in rural Lincoln County. The estimated energy production from the new solar panels is 40 percent of the total energy consumption of the orchard's operations.

New Energy Two, LLC, which received assistance from REAP, is one of four anaerobic digester projects in the State of Idaho that is generating electricity from manure supplied by local dairy farmers. The farmers deliver manure to New Energy Two's collection facility, which will undergo conversion into biogas through an anaerobic digestion process. The biogas will create about 10.5 million kWh of electricity. New Energy Two has a prearranged power agreement to sell the electricity to a local utility company. The dairy farmers receive high quality bedding material and nutrient management services from New Energy in exchange for their cow manure.

Intermediary Relending Program:

In 2011, 57 loans resulted in \$19.1 million available to intermediaries who in turn funded 649 businesses to create or save an estimated 14,601 jobs. The following example demonstrates the use of Intermediary Relending program (IRP) funds provided to intermediaries to fund projects in rural areas:

The Franklin County Community Development Corporation (FCCDC) serves new and established businesses. They have been supporting development since 1979 by providing training, lending, and access to commercial properties, including the Western MA Food Processing Center. Since its inception, the FCCDC has provided over \$7 million in financing to local businesses through over 250 loans. Community Development Corporation borrowers created and retained over 1,400 jobs throughout Franklin County, Massachusetts. By providing FCCDC an IRP loan at a very low rate, Rural Development enabled FCCDC to relend at low interest rates to small and emerging businesses.

Rural Microentrepreneur Assistance Program:

A total of \$14.6 million of loans and \$3.5 million of grants were obligated for this program in 2011 to Microenterprise Development Organizations (MDOs) to support the development and ongoing success of rural microentrepreneurs and microenterprises. 87 direct loans and technical assistance grants were awarded resulting in an estimated 339 businesses being assisted and 1,240 jobs created and/or saved. The following examples demonstrate the use of Rural Microentrepreneur Assistance program (RMAP) funds provided to MDOs to fund projects in rural areas:

Minority Economic Development Initiative of Western Kentucky, Hopkinsville, Kentucky, received a \$40,000 grant to continue its mission of creating and supporting the economic opportunities that result in increased business startups, economic empowerment, business growth, tax revenue, capital investment, job creation, and leadership in its 32-county service area.

Beaufort County Black Chamber of Commerce, Beaufort, South Carolina, received a \$335,000 loan and a \$40,000 grant to assist low to moderate income women-owned and minority-owned microentrepreneurs and microenterprises that are not bank ready. Grants will be used to provide technical assistance, training, individual assistance, community seminars, and an online data base to provide technical assistance resources and partners as well as an informational system for marketing research to rural microentrepreneurs and microenterprises in a six-county area.

Rural Economic Development Loan Program:

In 2011, 47 Rural Economic Development Loans (REDL) totaling more than \$29.4 million were made to qualifying utilities assisting 163 businesses and creating or saving 4,099 jobs.

Utilities District of Western Indiana, Bloomfield, Indiana, received a \$740,000 loan and \$300,000 grant to fund a new elevated water storage tank and supply lines. The project will enhance the water capacity of the Westgate Tech Park and the towns of Scotland and Crane, IN, assisting 110 businesses projecting to add 100 new jobs with the ability to expand operations with improved water supply.

Rural Economic Development Grant Program:

In 2011, 23 Rural Economic Development Grants (REDG) were awarded with a combined value of \$6.3 million. These grants contributed to a number of rural communities and were responsible for assisting 231 businesses, creating or saving more than 2,974 jobs.

Umatilla Electric Cooperative, Inc, Hermiston, Oregon, received a \$300,000 grant to supplement its existing revolving loan fund. Assistance will be used to purchase furniture, fixtures and equipment for the Good Shepherd Medical Center hospital expansion, creating 15 new jobs.

Rural Business Opportunity Grant Program:

In 2011, the 27 grants awarded to residents and businesses in 17 states totaled \$2.6 million and created or saved more than 990 jobs.

The Pioneer Trails Regional Planning Commission in Missouri received a \$49,601 grant. A 2008 study found that rural landfills and transfer stations received a greater percentage of municipal solid waste and a smaller percentage of construction, demolition, industrial, and special waste. There is potential for recovering and reusing a significant volume of these materials. This project seeks to connect potential users of these materials with locations of the materials. Rural Development funds will be used to develop and implement a geographic information system and database to match waste generators with material users. Funds will also be used to support a marketing effort to brand products with a logo of "Recycled and Remade in Missouri."

Indian Country Agriculture and Resource Development Corporation in Oklahoma received a \$72,200 grant. The proposed project is intended to supporting the increasing, demographic diversity of Oklahoma's agricultural producers as well as improving beginning farmers financial risk management. The target area includes nine counties in southwestern Oklahoma that have a high Native American population, a significant number of natural disasters, a high rate of job deterioration, and a large percentage of population below the poverty level. In addition, five of the nine targeted counties are classified as food deserts by USDA ERS. Rural Development funds will be used to provide business training to 20-24 Native American agricultural entrepreneurs. The training will include general business planning and feasibility assessment, risk assessment, marketing techniques, and financial planning. The goal of the training is to assist Native American agricultural producers in supplying meat and vegetable products to southwestern Oklahoma food deserts.

Rural Business Enterprise Grant Program:

In 2011, 585 Rural Business Enterprise Grants (RBEG) were awarded, totaling \$38.6 million. These grants assisted 10,399 businesses in creating and saving 13,265 jobs.

Idaho's Bounty Co-op, Inc. used a \$31,000 Rural Business Enterprise Grant to create a year round local foods market system between southern Idaho producers and consumers. The grant immediately created one job while saving 12 others. The grant also assisted at least six businesses by enabling them to provide nutritious locally produced food to food-banks, schools, and other commercial operators.

Value Added-Producer Grant Program:

In 2011, the Value-Added Producer Grant (VAPG) Program, issued a notice of funding availability for \$37.5 million in available funds and received 550 applications. It is estimated that out of these 550 applications, 275 awards will be made.

Agricultural Marketing Resource Center:

The Agricultural Marketing Resource Center (AgMRC) award provided funding for the maintenance of a virtual resource for national information for value-added agriculture. In addition to supporting the Value Added Producer Grant Program, AgMRC provides a wealth of information on commodities and products including: agriculture-tourism, aquaculture, energy, forestry, fiber, grains and seeds. Additionally, AgMRC provides prospective value added producers with resources and information on markets and industries as well as tools to assist with developing feasibility studies and business plans. Through its Web site, AgMRC offers tips and information for agricultural producers looking to start a business, how to get prepared, and strategies and analysis for developing a successful business. The funds awarded provide the resources, research and other support to maintain the AgMRC Web site. The budget authority for 2011 was \$941,463.

Rural Cooperative Development Grants:

In 2011, grants totaling approximately \$7.9 million were made to 36 centers. Among the successful applicants were:

The Mississippi Association of Cooperatives will use \$225,000 in grant funds to provide small and minority farmers with development assistance. The Center focuses the vast majority of its efforts on the most distressed rural areas of the state. The group helps minority farmers establish financially sound businesses.

The California Center for Cooperative Development will use a \$225,000 grant for work to develop new cooperatives, promote community-supported agriculture, strengthen the marketing of small farm production, and develop systems to link growers with regional consumers. The Center also plans to improve the economic condition of local farmers by helping them form cooperative corporations to enhance their marketplace position.

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 2011, \$484,445 was provided to fund the center.

Work for the ATTRA project takes place in six locations throughout the United States. The ATTRA project is staffed by more than 20 National Center for Appropriate Technology (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.

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 2011, the SSDPG program received 23 applications. Of those applications, 19 were eligible and awards totaled \$2.94 million.

The Louisiana Association of Cooperatives, located in Gretna, LA was selected to receive a \$200,000 grant under the SSDPG to be used to provide technical assistance to small producers in 41 rural parishes throughout the state, including areas that were affected by Hurricane Gustav.

The Piedmont Farmers Marketing Cooperative, Inc. in Greenwood, S.C., used the \$72,500 SSDPG to complete several seminars and workshops on animal husbandry, vaccination requirements, and techniques on breeding and proper raising of offspring. The 31-member co-op developed a marketing study on a certification mark, collective brands, consumer assurance and alternative livestock planning. The grant also will allow co-op members to visit a livestock operation that uses livestock waste for renewable energy, reducing the operation's energy costs.

RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

2013 Summary of Budget and Performance
Statement of Goals and Objectives

Rural Business and Cooperative Programs

Mission:

The mission of the Rural Development Business and Cooperative Programs is "to enhance the quality of life for rural Americans by providing leadership in building competitive businesses including sustainable cooperatives that can prosper in the global marketplace."

Rural Business and Cooperative programs (BCP):

BCP will meet the strategic goal of assisting rural communities to create prosperity so they are self-sustaining, repopulating and economically thriving by investing financial resources and providing technical assistance to businesses and cooperatives located in rural communities and establishing strategic alliances and partnerships that leverage public, private, and cooperative resources to create jobs and stimulate rural economic activity.

The 2013 Budget provides a funding level for BCP business development, energy, and technical assistance programs that will allow USDA to create and save an estimated 47,245 jobs.

The key goals discussed below will measure the agency’s performance and its support of one strategic goal and two strategic objectives that contribute to one of the Department’s High Priority Goals.

USDA Strategic Goal	Agency Strategic Goal	Agency Objectives	Programs that Contribute	Key Outcome
<p>USDA Strategic Goal: 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:</p> <p>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>

		<u>Objective 1.2:</u> Provide new opportunities for agricultural producers	Rural Cooperative Development Grants Cooperative Research Agreements Grants to Assist Minority Producers Value-Added Agricultural Product Market Development Grants (VAPG) Agricultural Marketing Resource Center Grant Rural Business Opportunity Grant	<u>RD Key Outcome 1:</u> Enhanced capital formation and opportunities provided to agricultural producers and rural businesses
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Key Outcome 1: Enhanced capital formation and opportunities provided to agricultural producers and rural businesses.

Business and Cooperative Programs (BCP): In order to meet the goal of increasing economic opportunity in rural America, BCP for the last several years has provided over a billion dollars of financial assistance to rural businesses in the form of loans and grants.

Long-term Performance Measures:

- Create and save jobs, which in 2013 will be over 47,000

Selected Past Accomplishments toward Achievement of the Key Outcome:

Business & Industry (B&I) Guaranteed Loan Program accomplishments include:

- Created and maintained employment that improved economic climate in rural communities by providing loan guarantees to private lenders of up to 80 percent
- In 2011, obligated 511 loans, totaling \$1.3 billion resulting in creating or saving an estimated 27,806 jobs

The Section 9003 Biorefinery Assistance Program accomplishments include:

- Provided Loan guarantees to viable commercial-scale facilities
- Awarded \$415 million since program inception
- These projects generate 3 billion kWh of renewable energy and redeem 3 million metric ton of CO₂ per year

The Intermediary Relending Program (IRP) accomplishments include:

- Provided direct loans at an interest rate of one percent to community-based intermediaries and assisted cities with population of less than 25,000
- In 2011, the IRP program assisted 649 business and created 14,061 jobs in rural America

Value Added Producer Grant Program accomplishments include:

- Provided grants for working capital or feasibility studies to rural producers to enhance their ability to increase revenues received for their processed products.
- Grant funds can be used for expansion, modernization or start-up, enhance the local job market mix and improve the local tax base. As a result, the overall local rural economy is stimulated, jobs are created, and quality of life improves.

Selected Accomplishments Expected at the 2013 Proposed Resource Level:

The agency as a whole will create over 47,000 jobs in 2013 and individual programs will accomplish the following:

The Business & Industry Program accomplishments include:

- With a \$56.3 million budget authority in 2013, the B&I program will support a program level of approximately \$821 million.
- This level of funding will support creating and saving an estimated 16,134 jobs and assisting/creating and or saving approximately 512 businesses in 2013.

The Rural Energy for America (REAP) accomplishments include:

- For 2013 a budget authority of \$4.6 million will support a program level of approximately \$19 million.
- The anticipated benefits include: 406 millions of kWh electricity generated with alternative energy sources, displacing 402,000 metric tons of carbon emissions and supporting an estimated 298 jobs.

The Intermediary Relending Program (IRP) accomplishments include:

- Based on an analysis of historical program data, it is anticipated that the \$19 million proposed program level in 2013 will impact over 642 businesses and create/save an estimated 14,452 jobs.

Rural Cooperative Development Grants accomplishments include:

- In 2013, the \$11 million in funding will support approximately 36 Rural Cooperative Development Centers and assist over 300 cooperatives and prospective cooperative groups across rural America.

Section 6022, Rural Microentrepreneur Assistance Program – (RMAP) accomplishments include:

- In 2013, the budget will support a program level of \$22.5 million in loans creating or saving approximately 3,075 jobs.

Efficiency Measures:

- Total Jobs Created and Saved
- Total Kilowatt Hours of Energy Saved
- Total Businesses Assisted
- Loan Delinquency Rate

RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

Strategic Goal Funding Matrix

(Dollars in thousands)

Program / Program Items	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving					
Mandatory					
Rural Economic Development Loans.....	\$21,926	\$29,412	\$33,077	\$0	\$33,077
Staff Years.....	23	25	23	0	23
Rural Economic Development Grants.....	9,037	6,257	10,000	0	10,000
Staff Years.....	9	10	9	0	9
Rural Energy for America Loans and Grants.....	93,087	88,652	53,001	0	0
Staff Years.....	50	64	0	0	0
Value Added Agricultural Product Market Development Grants & Agricultural Mtng. Res. Center Grants.....	14,790	0	0	0	0
Staff Years.....	0	0	0	0	0
Rural Microenterprise Assistance Program.....	26,628	18,155	0	0	0
Staff Years.....	0	0	0	0	0
Guaranteed Biorefinery Loans	54,500	255,675	0	0	0
Staff Years.....	8	0	0	0	0
Repowering Assistance Payments & Bioenergy Program for Advanced Biofuels Payments	20,503	136,125	65,000	0	0
Staff Years.....	8	9	8	0	8
Discretionary.....					
Rural Energy for America Loans and Grants.....	66,238	7,872	8,191	10,864	19,055
Staff Years.....	34	36	91	0	91
Rural Cooperative Development Grants, Appropriate Technology Transfer, Cooperative Research Agreements, and Grants to Assist Minority Producers.....	14,293	11,363	11,050	1,656	12,706
Staff Years.....	7	6	5	0	5
Value Added Agricultural Product Market Development Grants & Agricultural Mtng. Res. Center Grants.....	7,367	1,318	14,000	1,000	15,000
Staff Years.....	15	15	14	0	14
RDLF Intermediary Relending Program.....	33,534	19,087	17,710	1,179	18,889
Staff Years.....	15	16	15	0	15
Rural Empowerment Zone & Enterprise Community Grants.....	499	0	0	0	0
Staff Years.....	0	0	0	0	0
Special Earmarks.....	3,000	250	0	0	0
Staff Years.....	0	0	0	0	0
Business and Industry Loans.....	1,322,984	1,387,386	810,512	10,712	821,224
Staff Years.....	406	444	406	0	406
Rural Business Enterprise Grants.....	42,332	38,585	24,318	5,505	29,823
Staff Years.....	18	20	18	0	18
Rural Business Opportunity Grants.....	5,617	5,555	5,150	-5,150	0

RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

Strategic Goal Funding Matrix

(Dollars in thousands)

Program / Program Items	2010 Actual	2011 Actual	2012 Estimate	Change	2013 Estimate
Department Strategic Goal: Assist rural communities to create prosperity so they are self-sustaining, repopulating, and economically thriving					
Rural Microenterprise Assistance Program.....	5,000	0	0	22,448	22,448
Staff Years.....	4	4	4	0	4
Guaranteed Business and Industry Loans 2008 Disasters Emergency Supplemental.....	57,157	0	0	0	0
Staff Years.....	0	0	0	0	0
Business and Industry Loans - Stimulus	1,557,725	0	0	0	0
Staff Years.....	0	0	0	0	0
Rural Business Enterprise Grants - Stimulus	4,181	0	0	0	0
Staff Years.....	0	0	0	0	0
Total Costs, Strategic Goal.....	3,360,399	2,001,893	1,052,008	48,214	982,222
Total Staff Years, Strategic Goal.....	607	660	603	0	603

RURAL DEVELOPMENT BUSINESS AND COOPERATIVE PROGRAMS

Summary of Budget and Performance Key Performance Outcomes and Measures

Goal 1: Increase economic opportunity in Rural America

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

Key Performance Measures:

- Measure #1 Jobs Created and Saved
- Measure #2 Assist existing and prospective cooperative groups
- Measure #3: Businesses Assisted
- Measure #4: Millions of kWh generated

Key Performance Targets:

Performance Measure	2007 Actual	2008 Actual	2009 Actual	2010 Actual	2011 Actual	2012 Target	2013 Target
Performance Measure #1							
a. Jobs created/saved total	72,710	71,100	68,185	68,894	66,824	42,288	47,245
Business and Industry Guaranteed Loan							
a. New or saved jobs	12,343	18,703	17,602	21,328	27,806	15,615	16,134
b. Program dollars (in thousands)	\$834,015	\$1,390,532	\$949,010	\$1,322,984	\$1,387,386	\$810,512	\$821,224
Rural Business Enterprise Grants							
a. New or saved jobs	21,346	18,766	14,938	14,938	13,265	6,400	7,848
b. Program dollars (in thousands)	\$42,657	\$56,612	\$60,287	\$42,332	\$38,585	\$24,318	\$29,823

Rural Business Opportunity Grants							
a. New or saved jobs	8,191	995	3,400	990	950	990	0
b. Program dollars (in thousands)	\$6,901	\$2,942	\$2,683	\$2,638	\$2,582	\$2,250	\$0
Intermediary Relending Program							
a. New or saved jobs	25,911	25,655	25,665	26,449	14,601	13,547	14,452
b. Program dollars (in thousands)	\$33,869	\$33,536	\$33,536	\$33,534	\$19,087	\$17,710	\$18,889
Rural Economic Development Loans							
a. New or saved jobs	3,273	4,891	4,370	2,148	4,099	3,579	3,579
b. Program dollars (in thousands)	\$26,167	\$32,402	\$36,171	\$21,926	\$29,412	\$33,077	\$33,077
Rural Economic Development Grants							
a. New or saved jobs	1,646	2,090	2,210	1,650	2,974	2,157	2,157
b. Program dollars (in thousands)	\$9,963	\$10,000	\$9,914	\$9,037	\$6,257	\$10,000	\$10,000
Rural Microenterprise Assistance Program (discretionary)							
a. New or saved jobs	0	0	0	1,391	0	0	3,075
b. Program dollars (in thousands)				\$5,000	0	0	\$22,448

Performance Measure #2							
Biorefinery Assistance Program							
a. Millions of kWh generated with alternative energy sources	0	0	1,642	527	927	0	0
b. Program Dollars (000s) - Loans Grants			\$105,000	\$54,500	\$255,675	0	0
Rural Energy for America (discretionary)							
Millions of kWh generated with alternative energy	1,956	2,438	1,495	2,958	204	173.8	406
Program Dollars – Loans Grants	\$3,706 \$19,102	\$1,508 \$34,234	\$5,567 \$54,398	\$31,164 \$35,074	\$5,382 \$2,490	\$6,491 \$1,700	\$19,055

Performance Measure #3							
Rural Cooperative Development Grants							
a. Number of Cooperatives and prospective cooperative groups assisted	200	225	195	300	324	300	325
b. Program Dollars (in thousands)	\$6,217	\$8,933	\$8,765	\$14,293	\$11,363	\$11,050	\$12,706
Value-Added Producer Grants (discretionary) Performance Measure #4							
a. Proposed, new, or expanded Value-Added businesses assisted	185	151	142	286	10	110	120
b. Program Dollars (in thousands)	\$21,203	\$23,801	\$19,389	\$7,367	\$1,318	\$14,000	\$15,000

BUSINESS AND COOPERATIVE PROGRAMS					
Full Cost by Department Strategic Goal					
(Dollars in Thousands)					
Strategic Goal: Assist Rural Communities to Create Prosperity so They Are Self-Sustaining, Repopulating and Economically Thriving.					
PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
RDLF Intermediary Relending Program					
	Program Level	\$33,534	\$19,087	\$17,710	\$18,889
	Budget Authority	8,464	7,364	6,000	6,052
	Administrative Costs (Direct)	496	1,146	1,089	1,223
	Administrative Costs (Indirect)	1,275	539	513	576
	Total Costs	10,235	9,049	7,602	7,851
	FTEs	15	16	15	15
	Performance measure:				
	Jobs created/saved				
	Target:	26,449	14,601	13,547	14,452
	Cost per Measure (unit cost)	0.39	0.62	0.56	0.54
Rural Economic Development Loans - Mandatory					
	Program Level	\$21,926	\$33,077	\$79,227	\$33,077
	Budget Authority	2,861	5,924	10,284	4,098
	Administrative Costs (Direct)	757	1,750	1,662	1,866
	Administrative Costs (Indirect)	1,946	823	782	878
	Total Costs	5,564	8,497	12,728	6,842
	FTEs	23	25	23	23
	Performance measure:				
	Jobs created/saved				
	Target:	2,148	4,099	3,579	3,579
	Cost per Measure (unit cost)	2.59	2.07	3.56	1.91
Rural Economic Development Grants - Mandatory					
	Program Level 1/	\$9,037	\$6,257	\$10,000	\$10,000
	Budget Authority	0	0	0	0
	Administrative Costs (Direct)	314	725	689	773
	Administrative Costs (Indirect)	806	341	324	364
	Total Costs	1,120	1,066	1,013	1,137
	FTEs	9	10	9	9
	Performance measure:				
	Jobs created/saved				
	Target:	1,650	2,974	2,157	2,157
	Cost per Measure (unit cost)	0.68	0.36	0.47	0.53
Rural Energy for America Loans and Grants					
	Program Level 2/	\$66,238	\$7,872	\$8,191	\$19,055
	Budget Authority	39,325	5,000	3,400	4,575
	Administrative Costs (Direct)	1,127	2,605	6,760	7,590
	Administrative Costs (Indirect)	2,897	1,226	3,181	3,572
	Total Costs	43,349	8,831	13,341	15,737
	FTEs	34	36	91	91
	Performance measure:				
	mKWH produced (in Millions)				
	Target:	1,183	204	174	406
	Cost per Measure (unit cost)	36.64	43.29	76.76	38.80

PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
Rural Energy for America Loans and Grants - Mandatory					
	Program Level 2/	\$93,088	\$88,652	\$53,001	0
	Budget Authority	56,959	73,262	22,000	0
	Administrative Costs (Direct)	1,690	4,510	0	0
	Administrative Costs (Indirect)	4,346	2,123	0	0
	Total Costs	62,995	79,895	22,000	0
	FTEs	50	64	0	0
	Performance measure:				
	mKWH produced (in Millions)				
	Target:	1,774	204	1,110	0
	Cost per Measure (unit cost)	35.51	391.64	0	0
Rural Cooperative Development Grants, Appropriate Technology Transfer, Cooperative Research Agreements, and Grants to Assist Minority Producers					
	Program Level	\$14,293	\$11,387	\$11,050	\$12,706
	Budget Authority	14,293	11,387	11,050	12,706
	Administrative Costs (Direct)	157	362	344	387
	Administrative Costs (Indirect)	403	171	163	183
	Total Costs	14,853	11,920	11,557	13,276
	FTEs	7	6	5	5
	Performance measure:				
	Groups assisted 1/				
	Target:	300	321	300	325
	Cost per Measure (unit cost)	49.51	37.13	38.52	40.85
Value Added Agricultural Product Market Development Grants & Agricultural Mtng. Res. Center Grants					
	Program Level	\$7,367	\$1,318	\$14,000	\$15,000
	Budget Authority	7,367	1,318	14,000	15,000
	Administrative Costs (Direct)	468	1,083	1,029	1,155
	Administrative Costs (Indirect)	1,205	509	484	543
	Total Costs	9,040	2,910	15,513	16,698
	FTEs	15	15	14	14
	Performance measure:				
	Number businesses assisted 2/				
	Target:	286	10	110	120
	Cost per Measure (unit cost)	31.61	291.00	141.03	139.15
Value Added Agricultural Product Market Development Grants & Agricultural Mtng. Res. Center Grants - Mandatory					
	Program Level	\$14,790	0	\$1,260	0
	Budget Authority	14,790	0	1,260	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	14,790	0	1,260	0
	FTEs	0	0	0	0
	Performance measure:				
	Number businesses assisted 2/				
	Target:	131	0	9	0
	Cost per Measure (unit cost)	112.90	0.00	0.00	0.00
Rural Empowerment Zone & Enterprise Comm. Grants					
	Program Level	\$499	0	0	0
	Budget Authority	499	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	499	0	0	0
	FTEs	0	0	0	0
	Performance measure: Round II				
	Communities' Leverage Dollars				
	Target:	TBD	0	0	0
	Cost per Measure (unit cost)	0.00	0.00	0.00	0.00

PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
Special Earmarks GPs 764 - 2006 and Other Special Earmarks					
	Program Level	\$3,000	0	0	0
	Budget Authority	3,000	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	3,000	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	Target:	TBD	0		
	Cost per Measure (unit cost)	0.00	0.00	0.00	0.00
Business and Industry Guaranteed Loans					
	Program Level	\$1,322,984	\$1,387,386	\$810,512	\$821,224
	Budget Authority	70,515	70,202	45,341	56,336
	Administrative Costs (Direct)	13,637	31,528	29,949	33,631
	Administrative Costs (Indirect)	35,066	14,835	14,093	15,826
	Total Costs	119,218	116,565	89,383	105,793
	FTEs	406	444	406	406
	Performance measure:				
	Jobs created/saved				
	Target:	21,328	27,806	15,615	16,134
	Cost per Measure (unit cost)	5.59	4.19	5.72	6.56
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	\$42,332	\$38,585	\$24,318	\$29,823
	Budget Authority	42,332	38,585	24,318	29,823
	Administrative Costs (Direct)	599	1,385	1,316	1,477
	Administrative Costs (Indirect)	1,540	652	619	695
	Total Costs	44,471	40,622	26,253	31,995
	FTEs	18	20	18	18
	Performance measure:				
	Jobs created/saved				
	Target:	14,938	13,265	6,400	7,848
	Cost per Measure (unit cost)	2.98	3.06	4.10	4.08
Rural Business Opportunity Grants, Rural Business Opportunity Grants Native American Tribes, Rural Business Opportunity Grants, and Grant to Delta Regional Authority					
	Program Level	\$5,617	\$5,555	\$5,150	0
	Budget Authority	5,617	5,555	5,150	0
	Administrative Costs (Direct)	340	786	747	839
	Administrative Costs (Indirect)	875	370	352	395
	Total Costs	6,832	6,711	6,249	1,234
	FTEs	10	11	10	10
	Performance measure:				
	Jobs created/saved				
	Target:	990	950	990	0
	Cost per Measure (unit cost)	6.90	7.06	6.31	0.00

PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
Rural Microenterprise Assistance Program					
	Program Level	\$5,000	0	0	\$22,448
	Budget Authority	5,000	0	0	3,356
	Administrative Costs (Direct)	130	\$300	\$285	320
	Administrative Costs (Indirect)	333	141	134	150
	Total Costs	5,463	441	419	3,826
	FTEs	4	4	4	4
	Performance measure:				
	Jobs created/saved				
	Target:	1,391	0	0	3,075
	Cost per Measure (unit cost)	3.93	0.00	0.00	1.24
Rural Microenterprise Assistance Program - Mandatory					
	Program Level	\$26,628	\$18,155	0	0
	Budget Authority	4,654	6,668	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	4,654	6,668	0	0
	FTEs	0	0	0	0
	Performance measure:				
	Jobs created/saved				
	Target:	1,000	1,240	0	0
	Cost per Measure (unit cost)	4.65	5	0	0
Guaranteed Bio-refinery Loans - Mandatory					
	Program Level	\$54,500	0	0	0
	Budget Authority	19,331	0	0	0
	Administrative Costs (Direct)	261	0	0	0
	Administrative Costs (Indirect)	671	0	0	0
	Total Costs	20,263	0	0	0
	FTEs	8	0	0	0
	Performance measure:				
	KWH produced (in Thousands)				
	Target:	4,337	0	0	0
	Cost per Measure (unit cost)	4.67	0	0	0
Repowering Assistance Payments & Bioenergy Program for Advanced Biofuels Payments - Mandatory					
	Program Level	\$20,503	\$85,000	\$98,045	0
	Budget Authority	20,503	85,000	98,045	0
	Administrative Costs (Direct)	261	603	573	\$643
	Administrative Costs (Indirect)	671	284	270	303
	Total Costs	21,435	85,887	98,888	946
	FTEs	8	9	8	8
	Performance measure:				
	KWH produced (in Thousands)				
	Target:	TBD	TBD	TBD	TBD
	Cost per Measure (unit cost)	0	0	0	0

PROGRAM	PROGRAM ITEMS	2010 ACTUAL	2011 ACTUAL	2012 ESTIMATE	2013 ESTIMATE
Guaranteed Business and Industry Loans 2008 Disaster s Emergency Supplemental					
	Program Level	\$57,157	0	0	0
	Budget Authority	3,046	0	0	0
	Administrative Costs (Direct)	0	0	0	0
	Administrative Costs (Indirect)	0	0	0	0
	Total Costs	3,046	0	0	0
	FTEs	0	0	0	0
	Performance measure:				
	Jobs created/saved				
	Target:	TBD	0	0	0
	Cost per Measure (unit cost)	0	0	0	0
Total for Secretary's Priorities					
	Program Level	\$3,360,399	\$1,702,331	\$1,132,464	\$982,222
	Budget Authority	447,978	310,265	240,848	131,946
	Administrative Costs (Direct)	20,237	46,783	44,443	49,904
	Administrative Costs (Indirect)	52,034	22,014	20,915	23,485
	Total Costs	520,249	379,062	306,206	205,335
	FTEs	607	660	603	603
	Performance measure:				
	Target:	N/A	N/A	N/A	N/A
	Cost per Measure (unit cost)	N/A	N/A	N/A	N/A
	1/ Performance measure changed from coops assisted to groups assisted.				
	2/ 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.				
	** FY 12 data based on Appropriation.				
	Totals may not balance due to rounding.				